

SECURITIES AND EXCHANGE COMMISSION
WASHINGTON, D.C. 20549

FORM S-3
REGISTRATION STATEMENT
UNDER
THE SECURITIES ACT OF 1933

MINNESOTA POWER & LIGHT COMPANY
(Exact name of registrant as specified in its charter)

MINNESOTA 41-0418150
(State or other jurisdiction (IRS Employer Identification No.)
of incorporation or organization)

30 WEST SUPERIOR STREET
DULUTH, MINNESOTA 55802
(218) 722-2641
(Address, including zip code, and telephone number, including area code,
of registrant's principal executive offices)

DAVID G. GARTZKE
Senior Vice President-Finance
and Chief Financial Officer
30 West Superior Street
Duluth, Minnesota 55802
(218) 722-2641

PHILIP R. HALVERSON, Esq.
Vice President, General Counsel
and Corporate Secretary
30 West Superior Street
Duluth, Minnesota 55802
(218) 722-2641

JAMES K. VIZANKO
Corporate Treasurer
30 West Superior Street
Duluth, Minnesota 55802
(218) 722-2641

ROBERT J. REGER, JR., Esq.
Reid & Priest LLP
40 West 57th Street
New York, New York 10019
(212) 603-2000

(Names, addresses, including zip codes, and telephone numbers,
including area codes, of agents for service)

It is respectfully requested that the Commission
send copies of all notices, orders and communications to:

MICHAEL CONNOLLY, Esq.
Lane & Mittendorf LLP
320 Park Avenue
New York, New York 10022

APPROXIMATE DATE OF COMMENCEMENT OF PROPOSED SALE TO THE PUBLIC: As soon as practicable after the registration statement becomes effective.

If the only securities being registered on this Form are being offered pursuant to dividend or interest reinvestment plans, please check the following box. []

If any of the securities being registered on this Form are to be offered on a delayed or continuous basis pursuant to Rule 415 under the Securities Act of 1933, other than securities offered only in connection with dividend or interest reinvestment plans, check the following box. [x]

If this Form is filed to register additional securities for an offering pursuant to Rule 462(b) under the Securities Act of 1933, please check the following box and list the Securities Act of 1933 registration statement number of the earlier effective registration statement for the same offering. []

If this Form is a post-effective amendment filed pursuant to Rule 462(c) under the Securities Act of 1933, check the following box and list the Securities Act of 1933 registration statement number of the earlier effective registration statement for the same offering. []

If delivery of the prospectus is expected to be made pursuant to Rule 434, please check the following box. []

CALCULATION OF REGISTRATION FEE

TITLE OF EACH CLASS OF SECURITIES TO BE REGISTERED	AMOUNT TO BE REGISTERED	PROPOSED MAXIMUM OFFERING PRICE PER UNIT*	PROPOSED MAXIMUM AGGREGATE OFFERING PRICE*	AMOUNT OF REGISTRA- TION FEE
First Mortgage Bonds . . .	\$75,000,000	100%	\$75,000,000	\$22,728

*Estimated solely for the purpose of calculating the registration fee.

PURSUANT TO RULE 429 UNDER THE SECURITIES ACT OF 1933, THE PROSPECTUS FILED AS PART OF THIS REGISTRATION STATEMENT WILL BE USED AS A COMBINED PROSPECTUS IN CONNECTION WITH THIS REGISTRATION STATEMENT AND REGISTRATION STATEMENT NO. 33-55240.

THE REGISTRANT HEREBY AMENDS THIS REGISTRATION STATEMENT ON SUCH DATE OR DATES AS MAY BE NECESSARY TO DELAY ITS EFFECTIVE DATE UNTIL THE REGISTRANT SHALL FILE A FURTHER AMENDMENT WHICH SPECIFICALLY STATES THAT THIS REGISTRATION STATEMENT SHALL THEREAFTER BECOME EFFECTIVE IN ACCORDANCE WITH SECTION 8(A) OF THE SECURITIES ACT OF 1933 OR UNTIL THIS REGISTRATION STATEMENT SHALL BECOME EFFECTIVE ON SUCH DATE AS THE COMMISSION, ACTING PURSUANT TO SAID SECTION 8(A), MAY DETERMINE.

SUBJECT TO COMPLETION
DATED January 30, 1997
PROSPECTUS

\$80,000,000

MINNESOTA POWER & LIGHT COMPANY
FIRST MORTGAGE BONDS

Minnesota Power & Light Company ("Company") intends to offer from time to time not to exceed \$80,000,000 aggregate principal amount of its First Mortgage Bonds ("New Bonds"). The New Bonds will be offered on terms to be determined at the time of sale. This Prospectus will be supplemented by a prospectus supplement ("Prospectus Supplement") which will set forth, as applicable, the specific designation, aggregate principal amount, the purchase price, maturity date, interest rate or rates, time of payment of interest, and the redemption terms and other specific terms of the series of the New Bonds in respect of which this Prospectus and the Prospectus Supplement are delivered ("Offered Bonds").

THESE SECURITIES HAVE NOT BEEN APPROVED OR DISAPPROVED BY THE SECURITIES AND EXCHANGE COMMISSION OR ANY STATE SECURITIES COMMISSION NOR HAS THE SECURITIES AND EXCHANGE COMMISSION OR ANY STATE SECURITIES COMMISSION PASSED UPON THE ACCURACY OR ADEQUACY OF THIS PROSPECTUS. ANY REPRESENTATION TO THE CONTRARY IS A CRIMINAL OFFENSE.

The New Bonds may be sold directly by the Company or through agents designated from time to time or through dealers or underwriters. If any agent of the Company or any underwriters are involved in the sales of the New Bonds, the names of such agents or such underwriters and any applicable commissions or discounts and the net proceeds to the Company will be set forth in the Prospectus Supplement.

The date of this Prospectus is _____, 1997.

Information contained herein is subject to completion or amendment. A registration statement relating to these securities has been filed with the Securities and Exchange Commission. These securities may not be sold nor may offers to buy be accepted prior to the time the registration statement becomes effective. This prospectus shall not constitute an offer to sell or the solicitation of an offer to buy nor shall there be any sale of these securities in any jurisdiction in which such offer, solicitation or sale would be unlawful prior to registration or qualification under the securities laws of any such jurisdiction.

IN CONNECTION WITH THIS OFFERING, THE UNDERWRITERS MAY OVER-ALLOT OR EFFECT TRANSACTIONS WHICH STABILIZE OR MAINTAIN THE MARKET PRICE OF THE NEW BONDS OFFERED HEREBY AT A LEVEL ABOVE THAT WHICH MIGHT OTHERWISE PREVAIL IN THE OPEN MARKET. SUCH STABILIZING, IF COMMENCED, MAY BE DISCONTINUED AT ANY TIME.

AVAILABLE INFORMATION

The Company is subject to the informational requirements of the Securities Exchange Act of 1934, as amended ("1934 Act") and, in accordance therewith, files reports, proxy statements and other information with the Securities and Exchange Commission ("Commission"). Such reports, proxy statements and other information filed by the Company may be inspected and copied at the public reference facilities maintained by the Commission at 450 Fifth Street, N.W., Room 1024, Washington, D.C. 20549, and at the following Regional Offices of the Commission: New York Regional Office, 7 World Trade Center, 13th Floor, New York, New York 10048; and Chicago Regional Office, Citicorp Center, 500 West Madison Street, Suite 1400, Chicago, Illinois 60661. Copies of such material may also be obtained at prescribed rates from the Public Reference Section of the Commission at 450 Fifth Street, N.W., Washington, D.C. 20549. The Commission maintains a Web site (<http://www.sec.gov>) that contains reports, proxy statements and other information regarding registrants that file electronically with the Commission, including the Company. The Company's Common Stock and the preferred share purchase rights attached thereto are listed on the New York Stock Exchange. Reports and other information concerning the Company may be inspected and copied at the office of such Exchange at 20 Broad Street, New York, New York. In addition, the Company's 5% Preferred Stock, \$100 par value, is listed on the American Stock Exchange. Reports and other information concerning the Company may be inspected and copied at the office of such Exchange at 86 Trinity Place, New York, New York.

INCORPORATION OF CERTAIN DOCUMENTS BY REFERENCE

The following documents, filed by the Company with the Commission pursuant to the 1934 Act, are hereby incorporated by reference:

1. The Company's Annual Report on Form 10-K for the year ended December 31, 1995 ("1995 Form 10-K").
2. The Company's Quarterly Reports on Form 10-Q for the quarters ended March 31, 1996, June 30, 1996 and September 30, 1996 (each as amended by a Form 10-Q/A dated January 22, 1997).
3. The Company's Current Reports on Form 8-K dated April 9, 1996, June 18, 1996, August 2, 1996, August 23, 1996, September 5, 1996, October 3, 1996 and November 7, 1996.

Each document filed subsequent to the date of this Prospectus pursuant to Section 13(a), 13(c), 14 or 15(d) of the 1934 Act prior to the termination of the offering made by this Prospectus shall be deemed to be incorporated by reference in this Prospectus and shall be a part hereof from the date of filing of such document; provided, however, that the documents enumerated above or subsequently filed by the Company pursuant to Section 13 or 15(d) of the 1934 Act prior to the filing with the Commission of the Company's most recent Annual Report on Form 10-K shall not be incorporated by reference in this Prospectus or be a part hereof from and after the filing of such most recent Annual Report on Form 10-K. The documents which are incorporated by reference in this Prospectus are sometimes hereinafter referred to as the "Incorporated Documents."

Any statement contained in a document incorporated or deemed to be incorporated by reference herein shall be deemed to be modified or superseded for purposes of this Prospectus to the extent that a statement contained herein or in any other subsequently filed document which is

deemed to be incorporated by reference herein modifies or supersedes such statement. Any such statement so modified or superseded shall not be deemed, except as so modified or superseded, to constitute a part of this Prospectus.

The Company will provide without charge to each person, including any beneficial owner, to whom a copy of this Prospectus is delivered, upon the written or oral request of any such person, a copy of any document referred to above which has been or may be incorporated in this Prospectus by reference, other than exhibits to such documents (unless such exhibits are specifically incorporated by reference into such documents). Requests for such copies should be directed to: Shareholder Services, Minnesota Power, 30 West Superior Street, Duluth, Minnesota 55802, telephone number (218) 723-3974 or (800) 535-3056.

THE COMPANY

The Company is an operating public utility incorporated under the laws of the State of Minnesota since 1906. Its principal executive office is at 30 West Superior Street, Duluth, Minnesota 55802, and its telephone number is (218) 722-2641. The Company has operations in four business segments: (1) electric operations, which include electric and gas services, and coal mining; (2) water operations, which include water and wastewater services; (3) automobile auctions, which also include a finance company and an auto transport company; and (4) investments, which include real estate operations, a 21 percent equity investment in a financial guaranty reinsurance company, and a securities portfolio. As of September 30, 1996 the Company and its subsidiaries had approximately 5,900 employees.

SUMMARY OF EARNINGS PER SHARE (1)	YEAR ENDED DECEMBER 31,			(UNAUDITED) NINE MONTHS ENDED SEPTEMBER 30,	
	1993	1994	1995	1995	1996

CONSOLIDATED EARNINGS PER SHARE					
Continuing Operations	\$ 2.27	\$ 1.99	\$ 2.06	\$ 1.69	\$ 1.68
Discontinued Operations (2)	(.07)	.07	.10	.10	-
	-----	-----	-----	-----	-----
Total	\$ 2.20	\$ 2.06	\$ 2.16	\$ 1.79	\$ 1.68
	=====	=====	=====	=====	=====

PERCENTAGE OF EARNINGS BY BUSINESS SEGMENT

Continuing Operations

Electric Operations	67%	66%	63%	57%	59%
Water Operations	3	23	(2)	2	7
Automobile Auctions	-	-	0	2	7
Investments	55	40	67	66	54
Corporate Charges and Other (3)	(22)	(33)	(33)	(33)	(27)
Discontinued Operations (2)	(3)	4	5	6	-
	---	---	---	---	---
	100%	100%	100%	100%	100%
	===	===	===	===	===

(1) Financial statement information may not be comparable between periods due to the purchase of 80 percent of ADESA Corporation on July 1, 1995, another 3 percent on January 31, 1996 and the remaining 17 percent on August 21, 1996.

(2) On June 30, 1995 the Company sold its interest in its paper and pulp business to Consolidated Papers, Inc. ("CPI") for \$118 million in cash, plus CPI's assumption of certain debt and lease

obligations. The Company is still committed to a maximum guarantee of \$95 million to ensure a portion of a \$33.4 million annual lease obligation for paper mill equipment under an operating lease extending to 2012. CPI has agreed to indemnify the Company for any payments the Company may make as a result of the Company's obligation relating to this operating lease.

- (3) Includes the financial results for the Reach All Partnership and general corporate expenses not allocable to a specific business segment.

ELECTRIC OPERATIONS

Electric operations generate, transmit, distribute and sell electricity. The Company provides electricity to 124,000 customers in northern Minnesota, while the Company's wholly owned subsidiary, Superior Water, Light and Power Company, sells electricity to 14,000 customers and natural gas to 11,000 customers, and provides water to 10,000 customers in northwestern Wisconsin. Another wholly owned subsidiary, BNI Coal, Ltd. ("BNI Coal") owns and operates a lignite mine in North Dakota. Two electric generating cooperatives, Minnkota Power Cooperative, Inc. and Square Butte Electric Cooperative ("Square Butte"), presently consume virtually all of BNI Coal's production of lignite coal under coal supply agreements extending to 2027. Under an agreement with Square Butte, the Company purchases 71 percent of the output from the Square Butte unit, which is capable of generating up to 470 megawatts.

In 1995 large industrial customers contributed about half of the Company's electric operating revenue. The Company has large power contracts to sell power to ten industrial customers (five taconite producers, four paper companies and a pipeline company) each requiring 10 megawatts or more of power. These contracts, which have termination dates ranging from October 1997 to December 2007, require the payment of minimum monthly demand charges that cover most of the fixed costs, including a return on common equity, associated with having the capacity available to serve these customers.

WATER OPERATIONS

Water operations include Florida Water Services Corporation ("Florida Water", formerly Southern States Utilities, Inc.), Heater Utilities, Inc. ("Heater") and Instrumentation Services, Inc. ("ISI"), three wholly owned subsidiaries of the Company. Florida Water is the largest private water supplier in Florida. At September 30, 1996 Florida Water provided water to 119,000 customers and wastewater treatment services to 54,000 customers in Florida. At September 30, 1996 Heater provided water to 25,000 customers and wastewater treatment services to 1,000 customers in North Carolina and South Carolina. ISI provides maintenance services to water utility companies in North Carolina, South Carolina, Florida, Georgia, Tennessee, Virginia and Texas.

AUTOMOBILE AUCTIONS

ADESA Corporation ("ADESA") is a wholly owned subsidiary of the Company and is the third largest automobile auction business in the United States. Headquartered in Indianapolis, Indiana, ADESA owns and operates 25 automobile auctions in the United States and Canada through which used cars and other vehicles are sold to franchised automobile dealers and licensed used car dealers. Two wholly owned subsidiaries of ADESA, Automotive Finance Corporation and ADESA Auto Transport, perform related services. Sellers at ADESA's auctions include domestic and foreign auto manufacturers, car dealers, fleet/lease companies, banks and finance companies.

The Company acquired 80 percent of ADESA on July 1, 1995. On January 31, 1996 the Company provided additional capital in exchange for an additional 3 percent of ADESA. On August 21, 1996 the Company acquired the remaining 17 percent ownership interest of ADESA from the ADESA management shareholders. In conjunction with the transaction, four of the management shareholders left ADESA to pursue other opportunities.

INVESTMENTS

The Company owns 80 percent of Lehigh Acquisition Corporation, a real estate company that owns various real estate properties and operations in Florida.

The Company has a 21 percent equity investment in Capital Re Corporation ("Capital Re"). Capital Re is a Delaware holding company engaged primarily in financial and mortgage guaranty reinsurance through its wholly owned subsidiaries, Capital Reinsurance Company and Capital Mortgage Reinsurance Company. Capital Reinsurance Company is a reinsurer of financial guarantees of municipal and non-municipal debt obligations.

Capital Mortgage Reinsurance Company is a reinsurer of residential mortgage guaranty insurance. The Company's equity investment in Capital Re at September 30, 1996 was \$99 million.

As of September 30, 1996 the Company had approximately \$160 million invested in a securities portfolio. The majority of the portfolio consists of stocks of other utility companies with investment grade debt securities outstanding and are considered by the Company to be conservative investments. Additionally, the Company sells common stock securities short and enters into short sales of treasury futures contracts as part of an overall investment portfolio hedge strategy.

APPLICATION OF PROCEEDS

The Company is offering a maximum of \$80,000,000 aggregate principal amount of its New Bonds. The net proceeds to be received from the issuance and sale of the New Bonds will be used for general corporate purposes, which may include the redemption or other acquisition, in whole or in part, of certain of the Company's outstanding securities.

Reference is made to the Incorporated Documents with respect to the Company's general capital requirements and general financing plans and capabilities.

RATIOS OF EARNINGS TO FIXED CHARGES

The Company has calculated ratios of earnings to fixed charges as follows:

	Year Ended December 31,					Nine Months Ended
	1991	1992	1993	1994	1995	September 30, 1996
Ratio of Earnings to Fixed Charges . . .	2.55	2.60	2.52	2.17	1.90	2.18

SUPPLEMENTAL RATIOS OF EARNINGS TO FIXED CHARGES

The Company has calculated supplemental ratios of earnings to fixed charges as follows:

	Year Ended December 31,					Nine Months Ended
	1991	1992	1993	1994	1995	September 30, 1996
Supplemental Ratio of Earnings to Fixed Charges	2.20	2.25	2.19	1.95	1.73	1.99

The supplemental ratio of earnings to fixed charges includes the Company's obligations under a contract with Square Butte extending through 2007 pursuant to which the Company is purchasing 71 percent of the output of a generating unit capable of generating up to 470 megawatts. The Company is obligated to pay Square Butte all of Square Butte's leasing, operating and debt service costs (less any amounts collected from the sale of power or energy to others) that shall not have been paid by Square Butte when due. See Note 12 of the Company's Consolidated Financial Statements incorporated by reference in the Company's 1995 Form 10-K.

DESCRIPTION OF NEW BONDS

General. The New Bonds are to be issued under the Company's Mortgage and Deed of Trust, dated as of September 1, 1945, with Irving Trust Company (now The Bank of New York) and Richard H. West (W.T. Cunningham, successor), as Trustees, as supplemented by eighteen supplemental indentures (herein collectively referred to as the "Mortgage"), all of which are exhibits to the Registration Statement. The statements herein with respect to the New Bonds and the Mortgage are merely an outline and do not purport to be complete. They make use of terms defined in the Mortgage and are qualified in their entirety by express reference to the cited Articles and Sections of the Mortgage.

Reference is made to the Prospectus Supplement for the following terms of the Offered Bonds (among others): (i) the designation, series and aggregate principal amount of the Offered Bonds; (ii) the percentage or percentages of their principal amount at which such Offered Bonds will be issued; (iii) the date or dates on which the Offered Bonds will mature; (iv) the rate or rates per annum at which the Offered Bonds will bear interest; (v) the times at which such interest will be payable; and (vi) redemption terms or other specific terms.

Form and Exchanges. The New Bonds will be issued in definitive fully registered form without coupons in denominations of \$1,000 and multiples thereof and will be transferable and exchangeable without charge (except for stamp taxes, if any, or other governmental charges) at The Bank of New York, New York, New York.

Interest, Maturity and Payment. Reference is made to the Prospectus Supplement for the interest rate or rates of the Offered Bonds and the dates on which such interest is payable. Principal and interest are payable at The Bank of New York, New York, New York.

Redemption and Purchase of Bonds. The New Bonds will be redeemable, in whole or in part, on 30 days notice at the redemption prices set forth in the Prospectus Supplement for redemptions including (i) for the basic improvement fund, (ii) for the maintenance and replacement fund, (iii) with certain deposited cash, (iv) with proceeds of released property, or (v) at the option of the Company. Reference is made to the Prospectus Supplement for the redemption terms of the Offered Bonds.

If at the time notice of redemption is given the redemption moneys are not on deposit with the Corporate Trustee, the redemption may be made subject to their receipt before the date fixed for redemption.

Cash deposited under any provisions of the Mortgage (with certain exceptions) may be applied to the purchase of Bonds of any series.

(Mortgage, Art. X.)

Sinking or Improvement Fund. Reference is made to the Prospectus Supplement concerning whether or not the Offered Bonds are entitled to the benefit of a sinking or improvement fund or other provision for amortization prior to maturity. Of the currently outstanding Bonds, only the 6-1/2% Series due January 1, 1998 has sinking fund or improvement fund provisions.

Replacement Fund. Although the New Bonds as such are not entitled to the benefit of a replacement fund, so long as any Bonds of the 6-1/2% Series due January 1, 1998 are outstanding, there shall be expended for each year for replacements and improvements in respect of the mortgaged electric, gas, steam and/or hot water utility property and of certain automotive equipment an amount equal to \$750,000 plus 2 percent of net additions to such depreciable mortgaged property made after June 30, 1945 and prior to the beginning of such year. Such requirement may be met with cash or gross property additions or by certifying net cash expenditures for certain automotive equipment or by taking credit for Bonds and qualified lien bonds retired. Any excess in such credits may be applied against future requirements. Such cash may be withdrawn on gross property additions or on waiver of the right to issue Bonds or be applied to the purchase or redemption of Bonds of such series as may be designated by the Company, including the New Bonds. (Mortgage, Sec. 39; Fourth Supplemental, Sec. 3.)

Special Provisions for Retirement of Bonds. If, during any 12 month period, mortgaged property is disposed of by order of or to any governmental authority resulting in the receipt of \$5 million or more as proceeds, the Company (subject to certain conditions) must apply such proceeds, less certain deductions, to the retirement of Bonds. (Mortgage, Sec. 64.) Reference is made to the Prospectus Supplement for information concerning whether the New Bonds are redeemable for this purpose and, if so, at what redemption prices.

Security. The New Bonds and any other Bonds now or hereafter issued under the Mortgage will be secured by the Mortgage, which constitutes, in the opinion of General Counsel for the Company, a first lien on all of the electric generating plants and other materially important physical properties of the Company and substantially all other properties described in the Mortgage as owned by the Company, subject to (a) leases of minor portions of the Company's property to others for uses which, in the opinion of such counsel, do not interfere with the Company's business, (b) leases of certain property of the Company not used in its electric utility business, and (c) excepted encumbrances, minor defects and irregularities, but such counsel has not examined title to or passed upon title to reservoir lands, easements or rights of way, any property not costing in excess of \$25,000, or lands or rights held for flowage, flooding or seepage purposes, or riparian rights. There are excepted from the lien: cash and securities; merchandise, equipment, materials or supplies held for sale or other disposition; aircraft, automobiles and other vehicles, and materials and supplies for repairing and replacing the same; timber, minerals, mineral rights and royalties; receivables, contracts, leases and operating agreements.

The Mortgage contains provisions for subjecting after-acquired property (subject to pre-existing liens) to the lien thereof, subject to limitations in the case of consolidation, merger or sale of substantially all of the Company's assets.

The Mortgage provides that the Trustees shall have a lien upon the mortgaged property, prior to the Bonds, for the payment of their reasonable compensation, expenses and disbursements and for indemnity against certain liabilities. (Mortgage, Sec. 96.)

No stocks or properties of subsidiaries are subject to the Mortgage.

Issuance of Additional Bonds. The maximum principal amount of Bonds which may be issued under the Mortgage is not limited. Bonds of any series may be issued from time to time on the basis of: (1) 60 percent of property additions after adjustments to offset retirements; (2) retirement of Bonds or qualified lien bonds; and (3) deposit of cash. With certain exceptions in the case of (2) above, the issuance of Bonds requires adjusted net earnings before income taxes for 12 out of the preceding 15 months of at least twice the annual interest requirements on all Bonds at the time outstanding, including the additional issue, and on all indebtedness of prior rank. Such adjusted net earnings are computed after provision for retirement and depreciation of property equal to the replacement fund requirements for such period. It is expected that the New Bonds will be issued upon the basis of the retirement of Bonds or property additions.

Property additions generally include electric, gas, steam or hot water property acquired after June 30, 1945, but may not include securities, aircraft, automobiles or other vehicles, or property used principally for the production or gathering of natural gas. There was available, as of December 31, 1996, unfunded net property additions of approximately \$111,272,239.

In general, when the Bonds of the 6-1/2% Series due January 1, 1998 have been retired, property additions theretofore funded to satisfy sinking or improvement funds and/or replacement funds for all series will revert to unfunded status, and such property additions, as well as any Bonds theretofore used to satisfy all series' sinking or improvement funds and/or replacement funds, will become available as a basis for the issuance of additional Bonds.

The Company has reserved the right to amend the Mortgage without any consent or other action by holders of any series of Bonds (including the New Bonds) other than the Bonds of the 6-1/2% Series due January 1, 1998 so as to include nuclear fuel (and similar or analogous devices or substances) as property additions.

The Mortgage contains certain restrictions upon the issuance of Bonds against property subject to liens and upon the increase of the amount of such liens. (Mortgage, Sec. 4-8, 20-30, and 46; Fifth Supplemental, Sec. 2.)

Release and Substitution of Property. Property may be released upon the basis of: (1) deposit of cash or, to a limited extent, purchase money mortgages; (2) property additions, after adjustments in certain cases to offset retirement and after making adjustments for qualified lien bonds outstanding against property additions; and/or (3) waiver of the right to issue Bonds without applying any earnings test. Cash may be withdrawn upon the bases stated in (2) and (3) above. When property released is not funded property, property additions used to effect the release may again, in certain cases, become available as credits under the Mortgage, and the waiver of the right to issue Bonds to effect the release may, in certain cases, cease to be effective as such a waiver. Similar provisions are in effect as to cash proceeds of such property. The Mortgage contains special provisions with respect to qualified lien bonds pledged, and disposition of moneys received on pledged prior lien bonds. (Mortgage, Sec. 5, 31, 32, 37, 46-50, 59-63, 100 and 118.)

Dividend Covenant. The Company covenants that it will not declare or pay dividends (other than dividends payable in common stock) on or make any other distributions on or acquire (unless without cost to it) any of its common stock unless the provisions for depreciation and retirement of property during the period beginning September 1, 1945 to the date of the proposed payment, distribution or acquisition, plus earned surplus of the Company (including current net income available to be transferred to earned surplus) remaining:

(a) after such payment, distribution or acquisition; and

(b) after deducting any remainder of the amount of earned surplus of the Company as of August 31, 1945, after deducting from such amount the charges to earned surplus subsequent to August 31, 1945, other than charges occasioned by dividends (other than dividends payable in common stock) on its common stock or occasioned by other distributions on or acquisitions of its common stock and other than charges to earned surplus with corresponding credits to reserve for depreciation and retirement of property;

shall be at least equal to the amount of replacement fund requirements, if any, for such period. (See Replacement Fund.) (Mortgage, Sec. 39.) None of the Company's retained earnings as of September 30, 1996 was restricted as a result of such provisions.

Modification of the Mortgage. The rights of Bondholders may be modified with the consent of the holders of 70 percent of the Bonds and, if less than all series of Bonds are affected, the consent also of the holders of 70 percent of the Bonds of each series affected. The Company has reserved the right without any consent or other action by the holders of any series of Bonds (including the New Bonds) other than the Bonds of the 6-1/2% Series due January 1, 1998 to amend the Mortgage so as to substitute 66 2/3 percent for 70 percent in the foregoing provisions. In general, no modification of the terms of payment of principal and interest, no modification of the obligations of the Company under Section 64 and no modification affecting the lien or reducing the percentage required for modification, is effective against any Bondholder without his consent. (Mortgage, Art. XIX; Fifth Supplemental, Sec. 3.)

Defaults and Notice Thereof. Defaults are defined as being default in payment of principal; default for 60 days in payment of interest or of installments of funds for retirement of Bonds; certain defaults with respect to qualified lien bonds and certain events in bankruptcy, insolvency or reorganization; and default of 90 days after notice in other covenants. (Mortgage, Sec. 65.) The Trustees may withhold notice of default (except in payment of principal, interest or funds for retirement of Bonds) if they think it is in the interest of the bondholders. (Mortgage, Sec. 66.) Under the Trust Indenture Act of 1939, as amended, general periodic evidence is required to be furnished as to compliance with the conditions and covenants under the Mortgage.

The Corporate Trustee or the holders of 25 percent of the Bonds may declare the principal and interest due on default, but a majority

may annul such declaration if the default has been cured. (Mortgage,

Sec. 67.) No holder of Bonds may enforce the lien of the Mortgage without giving the Trustees written notice of a default and unless holders of 25 percent of the Bonds have requested the Trustees to act and offered them reasonable opportunity to act and indemnity satisfactory to the Trustees and they shall have failed to act. (Mortgage, Sec. 80.) The holders of a majority of the Bonds may direct the time, method and place of conducting any proceedings for any remedy available to the Trustees, or exercising any trust or power conferred upon the Trustees, but the Trustees are not required to follow such direction if not sufficiently indemnified for expenditures. (Mortgage, Sec. 71.)

EXPERTS

The Company's consolidated financial statements incorporated in this Prospectus by reference to the Company's 1995 Form 10-K, except as they relate to ADESA, have been audited by Price Waterhouse LLP, independent accountants, and, insofar as they relate to ADESA, by Ernst & Young LLP, independent auditors. Such financial statements, except as they relate to ADESA, have been so incorporated in reliance on the report of Price Waterhouse LLP, given on the authority of said firm as experts in auditing and accounting.

The financial statement schedule incorporated in this Prospectus by reference to the Company's 1995 Form 10-K has been so incorporated in reliance on the report of Price Waterhouse LLP, independent accountants, given on the authority of said firm as experts in auditing and accounting.

The consolidated financial statements of ADESA for the period from July 1, 1995 to December 31, 1995 which are included in the consolidated financial statements of the Company incorporated in this Prospectus by reference to the Company's 1995 Form 10-K have been audited by Ernst & Young LLP, independent auditors, as set forth in their report thereon included in said 1995 Form 10-K. The consolidated financial statements of ADESA for the period from July 1, 1995 to December 31, 1995 are included in the consolidated financial statements of the Company in reliance upon such report given upon the authority of such firm as experts in accounting and auditing.

Legal conclusions and opinions specifically attributed to General Counsel herein under Description of New Bonds and in the Incorporated Documents have been reviewed by Philip R. Halverson, Esq., Duluth, Minnesota, Vice President, General Counsel and Corporate Secretary of the Company, and are set forth or incorporated by reference herein in reliance upon his opinion given upon his authority as an expert.

As of December 31, 1996 Mr. Halverson owned approximately 4,432 shares of the Common Stock of the Company. Mr. Halverson is regularly acquiring additional shares of Common Stock as a participant in the Company's Employee Stock Purchase Plan, Employee Stock Ownership Plan and Supplemental Retirement Plan.

LEGAL OPINIONS

The legality of the New Bonds will be passed upon for the Company by Mr. Halverson and by Reid & Priest LLP, New York, New York, counsel for the Company, and for any underwriter, dealer or agent by Lane & Mittendorf LLP, New York, New York. Reid & Priest LLP and Lane & Mittendorf LLP may rely as to all matters of Minnesota law upon the opinion of Mr. Halverson.

PLAN OF DISTRIBUTION

The Company may sell the New Bonds in any of three ways: (i) through underwriters or dealers; (ii) directly to a limited number of institutional purchasers or to a single purchaser; or (iii) through agents. The Prospectus Supplement relating to the Offered Bonds will set forth the terms of the offering of the Offered Bonds, including the name or names of any underwriters, dealers or agents, the purchase price of the Offered Bonds and the net proceeds to the Company from such sale, any underwriting discounts and other items constituting underwriters' compensation, any initial public offering price and any discounts or concessions allowed or reallocated or paid to dealers. Any initial public offering price and any discounts or concessions allowed or reallocated or paid to dealers may be changed from time to time.

If underwriters are used in any sale of the New Bonds, the Offered Bonds will be acquired by the underwriters for their own account and may be resold from time to time in one or more transactions, including negotiated transactions, at a fixed public offering price or at varying prices determined at the time of sale. The underwriter or underwriters with respect to a particular underwritten offering of Offered Bonds will be named in the Prospectus Supplement relating to such offering and, if an underwriting syndicate is used, the managing underwriter or underwriters will be set forth on the cover page of such Prospectus Supplement. Unless otherwise set forth in the Prospectus Supplement, the obligations of the underwriter or underwriters to purchase the Offered Bonds will be subject to certain conditions precedent and the underwriter or underwriters will be obligated to purchase all the Offered Bonds if any are purchased except that, in certain cases involving a default by one or more underwriters, less than all of the Offered Bonds may be purchased.

Offered Bonds may be sold directly by the Company or through agents designated by the Company from time to time. Any agent involved in the offer or sale of the Offered Bonds in respect of which this Prospectus is delivered will be named, and any commissions payable by the Company to such agent will be set forth, in the Prospectus Supplement. Unless otherwise indicated in the Prospectus Supplement, any such agent will be acting on a best efforts basis for the period of its appointment.

If so indicated in the Prospectus Supplement, the Company will authorize agents, underwriters or dealers to solicit offers by certain specified institutions to purchase Offered Bonds from the Company at the public offering price to be set forth in the Prospectus Supplement pursuant to delayed delivery contracts providing for payment and delivery on a specified date in the future. Such contracts will be subject to those conditions set forth in the Prospectus Supplement, and the Prospectus Supplement will set forth the commission payable for solicitation of such contracts.

Subject to certain conditions, agents and underwriters may be entitled under agreements entered into with the Company to indemnification by the Company against certain civil liabilities, including liabilities under the Securities Act of 1933, as amended, arising out of or based upon, among other things, any untrue statement or alleged untrue statement of a material fact contained in the registration statement, this Prospectus, a Prospectus Supplement or the Incorporated Documents or the omission or alleged omission to state therein a material fact required to be stated therein or necessary to make the statements therein, in light of the circumstances under which they were made, not misleading. See the Prospectus Supplement.

NO PERSON HAS BEEN AUTHORIZED TO GIVE ANY INFORMATION OR TO MAKE ANY REPRESENTATIONS IN CONNECTION WITH THIS OFFERING OTHER THAN THOSE CONTAINED IN THIS PROSPECTUS OR ANY PROSPECTUS SUPPLEMENT AND, IF GIVEN OR MADE, SUCH OTHER INFORMATION AND REPRESENTATIONS MUST NOT BE RELIED UPON AS HAVING BEEN AUTHORIZED BY THE COMPANY OR ANY UNDERWRITER. NEITHER THE DELIVERY OF THIS PROSPECTUS OR ANY PROSPECTUS SUPPLEMENT NOR ANY SALE MADE HEREUNDER SHALL, UNDER ANY CIRCUMSTANCES, CREATE ANY IMPLICATION THAT THERE HAS BEEN NO CHANGE IN THE AFFAIRS OF THE COMPANY SINCE THE DATE HEREOF OR THEREOF OR THAT THE INFORMATION CONTAINED HEREIN OR THEREIN IS CORRECT AS OF ANY TIME SUBSEQUENT TO ITS DATE. THIS PROSPECTUS AND ANY PROSPECTUS SUPPLEMENT DO NOT CONSTITUTE AN OFFER TO SELL OR A SOLICITATION OF AN OFFER TO BUY ANY SECURITIES OTHER THAN THE REGISTERED SECURITIES TO WHICH THEY RELATE. THIS PROSPECTUS AND ANY PROSPECTUS SUPPLEMENT DO NOT CONSTITUTE AN OFFER TO SELL OR A SOLICITATION OF AN OFFER TO BUY SUCH SECURITIES IN ANY CIRCUMSTANCES IN WHICH SUCH OFFER OR SOLICITATION IS UNLAWFUL.

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\$80,000,000

MINNESOTA

POWER & LIGHT

COMPANY

FIRST MORTGAGE BONDS

PROSPECTUS

----- , 1997

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PART II. INFORMATION NOT REQUIRED IN PROSPECTUS

ITEM 14. OTHER EXPENSES OF ISSUANCE AND DISTRIBUTION.

The expenses in connection with the issuance and distribution of the securities being registered other than underwriting compensation are:

Filing fee - Securities and Exchange Commission	\$ 22,728
Minnesota Mortgage Registration Tax	175,000
Fees of Trustees, including authentication and counsel charges	30,000
Fees of Company's legal counsel	80,000
Auditors' fees	17,500
Printing, including Form S-3, prospectus, exhibits, etc.	15,000
Printing securities	5,000
Rating agencies' fees	40,000
Miscellaneous expenses	24,772

*Total	\$410,000
	=====

* Estimated

ITEM 15. INDEMNIFICATION OF DIRECTORS AND OFFICERS.

Section 302A.521 of the Minnesota Business Corporation Act generally provides for the indemnification of directors, officers or employees of a corporation made or threatened to be made a party to a proceeding by reason of the former or present official capacity of the person against judgments, penalties and fines (including attorneys' fees and disbursements) where such person, among other things, has not been indemnified by another organization, acted in good faith, received no improper personal benefit and with respect to any criminal proceeding, had no reasonable cause to believe his conduct was unlawful.

Section 13 of the Bylaws of the Company contains the following provisions relative to indemnification of directors and officers:

"The Company shall reimburse or indemnify each present and future director and officer of the Company (and his or her heirs, executors and administrators) for or against all expenses reasonably incurred by such director or officer in connection with or arising out of any action, suit or proceeding in which such director or officer may be involved by reason of being or having been a director or officer of the Company. Such indemnification for reasonable expenses is to be to the fullest extent permitted by the Minnesota Business Corporation Act, Minnesota Statutes Chapter 302A. By affirmative vote of the Board of Directors or with written approval of the Chairman and Chief Executive Officer, such indemnification may be extended to include agents and employees who are not directors or officers of the Company, but who would otherwise be indemnified for acts and omissions under Chapter 302A of the Minnesota Business Corporation Act, if such agent or employee were an officer of the Company."

"Reasonable expenses may include reimbursement of attorney's fees and disbursements, including those incurred by a person in connection with an appearance as a witness."

"Upon written request to the Company and approval by the Chairman and Chief Executive Officer, an agent or employee for whom indemnification has been extended, or an officer or director may receive an advance for reasonable expenses if such agent, employee, officer or director is made or threatened to be made a party to a proceeding involving a matter for which indemnification is believed to be available under Minnesota Statutes Chapter 302A."

"The foregoing rights shall not be exclusive of other rights to which any director or officer may otherwise be entitled and shall be available whether or not the director or officer continues to be a director or officer at the time of incurring such expenses and liabilities."

The Company has insurance covering its expenditures which might arise in connection with the lawful indemnification of its directors and officers for their liabilities and expenses, and insuring officers and directors of the Company against certain other liabilities and expenses.

ITEM 16. EXHIBITS.

- 1 - Form of Underwriting Agreement.
- +4(a)1 - Articles of Incorporation, restated as of July 27, 1988 (filed as Exhibit 3(a), File No. 33-24936).
- +4(a)2 - Certificate Fixing Terms of Serial Preferred Stock A, \$7.125 Series (filed as Exhibit 3(a)2, File No. 33-50143).
- +4(a)3 - Certificate Fixing Terms of Serial Preferred Stock A, \$6.70 Series (filed as Exhibit 3(a)3, File No. 33-50143).
- +4(b) - Bylaws as amended January 23, 1991 (filed as Exhibit 3(b), File No. 33-45549).
- +4(c)1 - Mortgage and Deed of Trust, dated as of September 1, 1945, between the Company and Irving Trust Company (now The Bank of New York) and Richard H. West (W. T. Cunningham, successor), as Trustees (filed as Exhibit 7(c), File No. 2-5865).
- +4(c)2 - Supplemental Indentures to Mortgage and Deed of Trust:

Number	Dated as of	Reference	
		File	Exhibit
-----	-----	-----	-----
First	March 1, 1949	2-7826	7(b)
Second	July 1, 1951	2-9036	7(c)
Third	March 1, 1957	2-13075	2(c)
Fourth	January 1, 1968	2-27794	2(c)
Fifth	April 1, 1971	2-39537	2(c)
Sixth	August 1, 1975	2-54116	2(c)
Seventh	September 1, 1976	2-57014	2(c)
Eighth	September 1, 1977	2-59690	2(c)
Ninth	April 1, 1978	2-60866	2(c)
Tenth	August 1, 1978	2-62852	2(d)2

Eleventh	December 1, 1982	2-56649	4(a)3
Twelfth	April 1, 1987	33-30224	4(a)3
Thirteenth	March 1, 1992	33-47438	4(b)
Fourteenth	June 1, 1992	33-55240	4(b)
Fifteenth	July 1, 1992	33-55240	4(c)
Sixteenth	July 1, 1992	33-55240	4(d)
Seventeenth	February 1, 1993	33-50143	4(b)
Eighteenth	July 1, 1993	33-50143	4(c)

- 4(d) - Form of Supplemental Indenture relating to the New Bonds.
- +4(e) - Mortgage and Deed of Trust, dated as of March 1, 1943, between Superior Water, Light and Power Company and Chemical Bank & Trust Company and Howard B. Smith, as Trustees (First Bank N.A., successor Trustee) (filed as Exhibit 7(c), File No. 2-8668), as supplemented and modified by First Supplemental Indenture thereto dated as of March 1, 1951 (filed as Exhibit 2(d)(1), File No. 2-59690), Second Supplemental Indenture thereto dated as of March 1, 1962 (filed as Exhibit 2(d)1, File No. 2-27794), Third Supplemental Indenture thereto dated as of July 1, 1976 (filed as Exhibit 2(e)1, File No. 2-57478), Fourth Supplemental Indenture thereto dated as of March 1, 1985 (filed as Exhibit 4(b), File No. 2-78641), and Fifth Supplemental Indenture thereto, dated as of December 1, 1992 (filed as Exhibit 4(b)1 to Form 10-K for the year ended December 31, 1992, File No. 1-3548).
- +4(f) - Amended and Restated Trust Agreement, dated as of March 1, 1996, relating to MP&L Capital I's 8.05% Cumulative Quarterly Income Preferred Securities, between the Company, as Depositor, and The Bank of New York, The Bank of New York (Delaware), Philip R. Halverson, David G. Gartzke and James K. Vizanko, as Trustees (filed as Exhibit 4(a) to Form 10-Q for the quarter ended March 31, 1996, File No. 1-3548).
- +4(g) - Amendment No. 1, dated April 11, 1996, to Amended and Restated Trust Agreement, dated as of March 1, 1996, relating to MP&L Capital I's 8.05% Cumulative Quarterly Income Preferred Securities (filed as Exhibit 4(b) to Form 10-Q for the quarter ended March 31, 1996, File No. 1-3548).
- +4(h) - Indenture, dated as of March 1, 1996, relating to the Company's 8.05% Junior Subordinated Debentures, Series A, Due 2015, between the Company and The Bank of New York, as Trustee (filed as Exhibit 4(c) to Form 10-Q for the quarter ended March 31, 1996, File No. 1-3548).
- +4(i) - Guarantee Agreement, dated as of March 1, 1996, relating to MP&L Capital I's 8.05% Cumulative Quarterly Income Preferred Securities, between the Company, as Guarantor, and The Bank of New York, as Trustee (filed as Exhibit 4(d) to Form 10-Q for the quarter ended March 31, 1996, File No. 1-3548).
- +4(j) - Agreement as to Expenses and Liabilities dated as of March 20, 1996, relating to MP&L Capital I's 8.05% Cumulative Quarterly Income Preferred Securities, between the Company and MP&L Capital I (filed as Exhibit 4(e) to Form 10-Q for the quarter ended March 31, 1996, File No. 1-3548).

- +4(k) - Rights Agreement dated as of July 24, 1996 between Minnesota Power & Light Company and the Corporate Secretary of Minnesota Power & Light Company, as Rights Agent, including Exhibit A - Form of Certificate of Resolution Fixing Terms of Junior Serial Preferred Stock A, Exhibit B - Form of Right Certificate and Exhibit C - Summary of the Rights Plan (filed as Exhibit 4 to Form 8-K dated August 2, 1996, File No. 1-3548).
- 5(a) - Opinion and Consent of Philip R. Halverson, Esq., Vice President, General Counsel and Corporate Secretary of the Company.
- 5(b) - Opinion and Consent of Reid & Priest LLP.
- 12 - Computation of Ratios of Earnings to Fixed Charges and Supplemental Ratios of Earnings to Fixed Charges.
- 23(a) - Consent of Price Waterhouse LLP.
- 23(b) - Consent of Ernst & Young LLP.
- 23(c) - Consents of Philip R. Halverson, Esq., and Reid & Priest LLP are contained in Exhibits 5(a) and 5(b), respectively.
- 24 - Power of Attorney (see page II-6).
- 25(a) - Statement on Form T-1 of The Bank of New York.
- 25(b) - Statement on Form T-2 of W.T. Cunningham.

+ Incorporated herein by reference as indicated.

ITEM 17. UNDERTAKINGS.

The undersigned registrant hereby undertakes:

- (1) To file, during any period in which offers or sales are being made, a post-effective amendment to this registration statement:

- (i) To include any prospectus required by section 10(a)(3) of the Securities Act of 1933;

- (ii) To reflect in the prospectus any facts or events arising after the effective date of the registration statement (or the most recent post-effective amendment thereof) which, individually or in the aggregate, represent a fundamental change in the information set forth in the registration statement. Notwithstanding the foregoing, any increase or decrease in volume of securities offered (if the total dollar value of securities offered would not exceed that which was registered) and any deviation from the low or high end of the estimated maximum offering range may be reflected in the form of prospectus filed with the Commission pursuant to Rule 424(b) if, in the aggregate, the changes in volume and price represent no more than a

20% change in the maximum aggregate offering price set forth in the "Calculation of Registration Fee" table in the effective registration statement;

(iii) To include any material information with respect to the plan of distribution not previously disclosed in the registration statement or any material change to such information in the registration statement.

Provided, however, that paragraphs (i) and (ii) do not apply if the registration statement is on Form S-3, Form S-8 or Form F-3, and the information required to be included in a post-effective amendment by those paragraphs is contained in periodic reports filed with or furnished to the Commission by the registrant pursuant to section 13 or section 15(d) of the Securities Exchange Act of 1934 that are incorporated by reference in the registration statement.

- (2) That, for the purpose of determining any liability under the Securities Act of 1933, each such post-effective amendment shall be deemed to be a new registration statement relating to the securities offered therein, and the offering of such securities at that time shall be deemed to be the initial bona fide offering thereof.
- (3) To remove from registration by means of a post-effective amendment any of the securities being registered which remain unsold at the termination of the offering.
- (4) That, for purposes of determining any liability under the Securities Act of 1933, each filing of the registrant's annual report pursuant to section 13(a) or section 15(d) of the Securities Exchange Act of 1934 that is incorporated by reference in the registration statement shall be deemed to be a new registration statement relating to the securities offered therein, and the offering of such securities at that time shall be deemed to be the initial bona fide offering thereof.
- (5) Insofar as indemnification for liabilities arising under the Securities Act of 1933 may be permitted to directors, officers and controlling persons of the registrant pursuant to the foregoing provisions, or otherwise, the registrant has been advised that in the opinion of the Securities and Exchange Commission such indemnification is against public policy as expressed in the Act and is, therefore, unenforceable. In the event that a claim for indemnification against such liabilities (other than the payment by the registrant of expenses incurred or paid by a director, officer or controlling person of the registrant in the successful defense of any action, suit or proceeding) is asserted by such director, officer or controlling person in connection with the securities being registered, the registrant will, unless in the opinion of its counsel the matter has been settled by controlling precedent, submit to a court of appropriate jurisdiction the question whether such indemnification by it is against public policy as expressed in the Act and will be governed by the final adjudication of such issue.

POWER OF ATTORNEY

Each person whose signature appears below hereby authorizes any agent for service named in this registration statement to execute in the name of each such person, and to file with the Securities and Exchange Commission, any and all amendments, including post-effective amendments, to the registration statement, and appoints any such agent for service as attorney-in-fact to sign in each such person's behalf individually and in each capacity stated below and file any such amendments to the registration statement and the registrant hereby also appoints each such agent for service as its attorney-in-fact with like authority to sign and file any such amendments in its name and behalf.

SIGNATURES

Pursuant to the requirements of the Securities Act of 1933, the registrant certifies that it has reasonable grounds to believe that it meets all of the requirements for filing on Form S-3 and has duly caused this registration statement to be signed on its behalf by the undersigned, thereunto duly authorized in the City of Duluth, State of Minnesota, on January 29, 1997.

MINNESOTA POWER & LIGHT COMPANY
(Registrant)

By /s/ Edwin L. Russell

Edwin L. Russell
Chairman, President and
Chief Executive Officer

Pursuant to the requirements of the Securities Act of 1933, this registration statement has been signed by the following persons in the capacities and on the dates indicated.

SIGNATURE -----	TITLE -----	DATE ----
/s/ Edwin L. Russell ----- Edwin L. Russell Chairman, President, Chief Executive Officer and Director	Chairman, President, Chief Executive Officer and Director	January 29, 1997
/s/ D. G. Gartzke ----- D. G. Gartzke Senior Vice President-Finance and Chief Financial Officer	Senior Vice President- Finance and Chief Financial Officer	January 29, 1997
/s/ Mark A. Schober ----- Mark A. Schober Corporate Controller	Corporate Controller	January 29, 1997

SIGNATURE -----	TITLE -----	DATE -----
/s/ Merrill K. Cragun ----- Merrill K. Cragun	Director	January 29, 1997
/s/ Dennis E. Evans ----- Dennis E. Evans	Director	January 29, 1997
/s/ Peter J. Johnson ----- Peter J. Johnson	Director	January 29, 1997
/s/ George L. Mayer ----- George L. Mayer	Director	January 29, 1997
/s/ Paula F. McQueen ----- Paula F. McQueen	Director	January 29, 1997
/s/ Robert S. Nickoloff ----- Robert S. Nickoloff	Director	January 29, 1997
/s/ Jack I. Rajala ----- Jack I. Rajala	Director	January 29, 1997
/s/ Arend J. Sandbulte ----- Arend J. Sandbulte	Director	January 29, 1997
/s/ Nick Smith ----- Nick Smith	Director	January 29, 1997
/s/ Bruce W. Stender ----- Bruce W. Stender	Director	January 29, 1997
/s/ Donald C. Wegmiller ----- Donald C. Wegmiller	Director	January 29, 1997

EXHIBIT INDEX

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- 25(a) - Statement on Form T-1 of The Bank of New York.
- 25(b) - Statement on Form T-2 of W.T. Cunningham.

+ Incorporated herein by reference as indicated.

[\$_____]

Minnesota Power & Light Company

First Mortgage Bonds, [__%] Series Due [_____, 20__]

UNDERWRITING AGREEMENT

[_____, 199_]
New York, New York

[Insert Name(s)
and Address(es)
of Underwriter(s)]

Dear Sirs:

Minnesota Power & Light Company, a public utility
incorporated under the laws of Minnesota (the "Company"),
proposes to issue and sell to you (the "Underwriter"),
[\$_____] principal amount of its First Mortgage Bonds, [__%]
Series Due [_____, 20__] (the "Bonds"). The Bonds will be
issued under the Company's Mortgage and Deed of Trust, dated as
of September 1, 1945, to Irving Trust Company (now The Bank of
New York) and Richard D. West (W. T. Cunningham, successor), as
Trustees, as supplemented and as it will be further supplemented
by a [_____] Supplemental Indenture, to be dated as of
[_____, 199_], in substantially the form heretofore
delivered to the Underwriter (the "[_____] Supplemental
Indenture"). The Mortgage and Deed of Trust, as to be
supplemented, are hereinafter referred to as the "Mortgage."

1. Sale and Purchase. The Company will issue and

sell to the Underwriter, and the Underwriter will purchase from
the Company, [\$_____] in aggregate principal amount of
the Bonds at a purchase price of [__%] of their principal
amount, plus accrued interest, if any, from [_____, 199_] to
the date of payment for and delivery of the Bonds. The
obligations of the Company and the Underwriter under this
Agreement are undertaken on the basis of the representations and
are subject to the conditions in this Agreement.

2. Payment and Delivery. Delivery by the Company of

the Bonds to the Underwriter, and payment of the purchase price
by certified or official bank check or checks payable in New York
Clearing House (next-day) funds to the Company, will take place
at the offices of Reid & Priest LLP, 40 West 57th Street, New
York, New York, at 10:00 a.m., New York City time, on
[_____, 199_], or at such time on such other date as may
be agreed upon by the Company and the Underwriter (the "Closing
Date").

The Bonds will be in definitive fully-registered form
without coupons, registered in such names and in such
denominations as the Underwriter requests at least three full
business days before the Closing Date. If no such request is
received by said time, the Company shall have the right to
deliver the Bonds registered in the name of the Underwriter in
such denominations as the Company may determine. The Bonds will
be made available to the Underwriter for checking and packaging,
at the offices of The Bank of New York, One Wall Street, New
York, New York, at least one full business day before the Closing
Date.

3. Registration Statement and Prospectus; Public

Offering. The Company has filed with the Securities and Exchange

Commission (the "Commission"), pursuant to the Securities Act of
1933 (the "Securities Act") and the published rules and
regulations adopted by the Commission under it (the "Rules"), a
registration statement on Form S-3, including a combined
prospectus ("Registration Statement No. 333-[_____]"), relating
to the registration of \$75,000,000 principal amount of its First

Mortgage Bonds, and such registration statement was declared effective on [_____, 199_]. The Company has also filed with the Commission pursuant to the Securities Act a registration statement on Form S-3, including a prospectus ("Registration Statement No. 33-55240"), relating to the registration of \$80,000,000 principal amount of its First Mortgage Bonds, of which all but \$5,000,000 principal amount have been previously issued. The term "preliminary prospectus" means any preliminary prospectus (as referred to in Rule 430 of the Rules) included at any time as a part of Registration Statement No. 333-[_____]. Copies of such registration statements and any amendments thereto and of each preliminary prospectus included as part of Registration Statement No. 333-[_____] have been delivered to the Underwriter. Registration Statement No. 333-[_____] and Registration Statement No. 33-55240, each as may be amended to the date of this Agreement, including financial statements and all exhibits, and the combined prospectus, as supplemented by a prospectus supplement relating to the Bonds, proposed to be filed pursuant to Rule 424 are hereinafter respectively called the "Registration Statements" and the "Prospectus." References herein to the term "Effective Date" shall be deemed to refer to the later of the time and date Registration Statement No. 333-[_____] was declared effective or the time and date of the filing of the Company's most recent Annual Report on Form 10-K if such filing is made prior to the Closing Date. Any reference herein to the Registration Statements, any preliminary prospectus or the Prospectus includes the documents incorporated by reference (the "Incorporated Documents") therein pursuant to Item 12 of Form S-3 under the Securities Act and filed under the Securities Exchange Act of 1934 (the "Exchange Act") on or before the Effective Date or date of such preliminary prospectus or the Prospectus, as the case may be, and any reference herein to "amend," "amendment" or "supplement" with respect to the Registration Statements, any preliminary prospectus or the Prospectus includes the filing of any document under the Exchange Act after the Effective Date or the date of any preliminary prospectus or the Prospectus, as the case may be, and incorporated in such document by reference if such filing is made prior to the Closing Date.

The Company understands that the Underwriter proposes to make a public offering of the Bonds, as described in the Prospectus, as soon after the date of this Agreement as the Underwriter deems advisable. The Company confirms that the Underwriter and dealers have been authorized to distribute each preliminary prospectus, if any, and are authorized to distribute the Prospectus and any amendments or supplements to it.

4. Representations of the Company. The Company

represents to the Underwriter as follows:

(a) The Company meets the requirements for use of Form S-3 under the Securities Act.

(b) On the Effective Date, and at the Closing Date, the Registration Statements and, at the date of the filing of the Prospectus, and at the Closing Date, the Prospectus, as each may be amended or supplemented, and the Mortgage fully complied or will fully comply in all material respects with the applicable provisions of the Securities Act, the Trust Indenture Act of 1939 (the "Trust Indenture Act") and the Rules, or pursuant to the Rules will be deemed to comply therewith; on said Effective Date and Closing Date the Registration Statements, as each may be amended or supplemented, did not or will not contain an untrue statement of a material fact or omit to state a material fact required to be stated therein or necessary to make the statements therein not misleading; on said date of filing of the Prospectus and the Closing Date, the Prospectus, as it may be amended or supplemented, will not contain an untrue statement of a material fact or omit to state a material fact necessary in order to make the statements therein, in the light of the circumstances under which they were made, not misleading; and on said date of filing of the Prospectus and the Closing Date, the Incorporated Documents will fully comply in all material respects with the applicable provisions of the Exchange Act and the rules and regulations of the Commission thereunder (the "Exchange Act Rules"), and, when read together with the Prospectus, as it may be amended or supplemented, will not contain an untrue statement of a material fact or omit to state a material fact required to be stated therein or necessary to make the statements therein not

misleading; except that this representation does not apply to (1) statements or omissions made in reliance on and in conformity with information relating to the Underwriter furnished in writing to the Company by the Underwriter expressly for use in the Registration Statements or the Prospectus, as they may be amended or supplemented or (2) the portion of the Registration Statements constituting the respective Statements of Eligibility and Qualification, or amendments thereto, of The Bank of New York and W. T. Cunningham, as Trustees, under the Trust Indenture Act except statements or omissions made in reliance on and in conformity with information furnished in writing to the Trustee by or on behalf of the Company for use in such Statements of Eligibility and Qualification or any amendments thereto.

(c) Since the respective dates as of which information is given in the Registration Statements and the Prospectus, as they may be amended or supplemented, there has not been any material adverse change in the management, business, properties, financial condition or results of operations of the Company and its subsidiaries taken as a whole, and there has not been any material transaction entered into by the Company or its subsidiaries, other than transactions in the ordinary course of business and transactions set forth in or contemplated by the Registration Statements and the Prospectus, as they may be amended or supplemented. The Company and its subsidiaries have no material contingent obligation which is not disclosed in the Registration Statements and the Prospectus, as they may be amended or supplemented.

(d) Any Incorporated Documents filed and incorporated by reference prior to the Closing Date shall, when they are filed with the Commission, conform in all material respects with the requirements of the Exchange Act and the Exchange Act Rules.

(e) The Company has full corporate power and authority to enter into this Agreement. This Agreement has been duly authorized, executed and delivered by the Company and is a valid and binding agreement of the Company enforceable against it in accordance with its terms.

(f) The consummation of the transactions contemplated by this Agreement and the fulfillment of its terms will not result in a breach of any of the terms or provisions of, or constitute a default under, any indenture, mortgage, deed of trust, or other material agreement or instrument to which the Company is now a party.

(g) The Bonds, when issued and delivered as provided in this Agreement, will constitute legal, valid and binding obligations of the Company in accordance with their terms except as the same (1) may be subject to bankruptcy, insolvency, reorganization, moratorium or other laws relating to or affecting the enforcement of creditors' rights and (2) may be limited by general principles of equity (whether such enforceability is considered in a proceeding in equity or in law).

(h) The description of the Bonds in Registration Statement No. 333-[_____] and the Prospectus, as they may be amended or supplemented, is, and at the Closing Date will be, complete and accurate in all respects. The [_____] Supplemental Indenture conforms to the description thereof contained in the Registration Statements and the Prospectus, as they may be amended or supplemented.

(i) The Company has filed a Petition for Certification of Capital Structure with the Minnesota Public Utilities Commission ("Minnesota Commission") pursuant to the Minnesota Public Utilities Act with respect to the issuance and sale by the Company of the Bonds. The Minnesota Commission has entered an authorizing order approving the capital structure including the issuance and sale of the Bonds. Apart from such authorizing order of the Minnesota Commission, no consent, approval, authorization or order of, or any filing or declaration with, any court or governmental agency or body is required for the consummation by the Company of the transactions on its part herein contemplated, except such as have been obtained under the Securities Act or the Rules.

5. Agreements of the Company. (a) The Company will

not file any amendment or supplement to the Registration Statements or the Prospectus unless a copy has first been submitted to the Underwriter a reasonable time before its filing and the Underwriter has not reasonably objected to it in writing within a reasonable time after receiving the copy.

(b) The Company will promptly advise the Underwriter (1) of the initiation or threatening of any proceedings for, or receipt by the Company of any notice with respect to, the suspension of the qualification of the Bonds for sale in any jurisdiction or the issuance of any order by the Commission suspending the effectiveness of the Registration Statements and (2) of receipt by the Company or any representative or attorney of the Company of any other communication from the Commission relating to the Company, the Registration Statements, any preliminary prospectus or the Prospectus or to the transactions contemplated by this Agreement. The Company will make every reasonable effort to prevent the issuance of an order suspending the effectiveness of the Registration Statements and, if any such order is issued, to obtain its lifting as soon as possible.

(c) The Company will deliver to the Underwriter without charge one signed copy, or one conformed copy certified by an officer of the Company, of each of the Registration Statements and of any amendments thereto (including all exhibits filed with any such document) and as many conformed copies of the Registration Statements as the Underwriter may reasonably request.

(d) During such period as a prospectus is required by law to be delivered by the Underwriter or a dealer, the Company will deliver, without charge, to the Underwriter and to dealers, at such office or offices as the Underwriter may designate, as many copies of the Prospectus as the Underwriter may reasonably request, and, during such period (not exceeding nine months) after the Effective Date if any event occurs as a result of which it is necessary to amend or supplement the Prospectus in order to make the statements in it, in the light of the circumstances existing when the Prospectus is delivered to a purchaser, not misleading in any material respect, or if during such period it is necessary to amend or supplement the Prospectus to comply with the Securities Act or Rules, the Company will promptly prepare, submit to the Underwriter, file, subject to paragraph (a) of this Section, with the Commission and deliver, without charge, to the Underwriter and to dealers (whose names and addresses the Underwriter will furnish to the Company) to whom Bonds may have been sold by the Underwriter, and to other dealers on request, amendments or supplements to the Prospectus so that the statements in the Prospectus, as so amended or supplemented, will not, in the light of the circumstances existing when the Prospectus is delivered to a purchaser, be misleading in any material respect and will comply with the Securities Act and the Rules; provided that should such event relate solely to the activities of the Underwriter, then the Underwriter shall assume the expense of preparing and furnishing any such amendment or supplement. In case the Underwriter is required to deliver a Prospectus after the expiration of nine months from the Effective Date, the Company, upon the request of the Underwriter, will furnish to the Underwriter, at the expense of the Underwriter, a reasonable quantity of an amendment or supplement complying with Section 10(a) of the Securities Act. Delivery by the Underwriter of any such amendments or supplements to the Prospectus will not constitute a waiver of any of the conditions in Section 6.

(e) The Company will make generally available to the Company's security holders, as soon as practicable but in no event later than the last day of the 15th full calendar month following the calendar quarter in which the Effective Date falls, an earnings statement satisfying the provisions of Section 11(a) of the Securities Act and Rule 158 of the Rules.

(f) The Company will take such actions as the Underwriter reasonably designates in order to qualify the Bonds for offer and sale under the securities or "blue sky" laws of such jurisdictions as the Underwriter reasonably designates.

(g) The Company will pay, or reimburse if paid by the Underwriter, whether or not the transactions contemplated by this Agreement are consummated or this Agreement is terminated,

all costs and expenses incident to the performance of the obligations of the Company under this Agreement, including costs and expenses relating to (1) the preparation, printing and filing of the Registration Statements and exhibits thereto, each preliminary prospectus, the Prospectus, all amendments and supplements to the Registration Statements and the Prospectus, except as provided in Section 5(d), the printing or other reproduction of the [_____] Supplemental Indenture, which [_____] Supplemental Indenture is to be promptly filed and recorded after execution and delivery of it to the Trustees, in the counties where the mortgaged property of the Company is located, (2) the authorization and issuance of the Bonds and the preparation and delivery of the forms of the Bonds sold by the Company to the Underwriter, (3) the registration or qualification of the Bonds for offer and sale under the securities or "blue sky" laws of the jurisdictions referred to in the foregoing paragraph and the determination of the legality of the Bonds for investment, including the reasonable fees and disbursements of counsel for the Underwriter (not to exceed \$_____) in that connection, and the preparation and printing of preliminary and supplemental "blue sky" memoranda and legal investment memoranda, (4) except as provided in Section 5(d), the furnishing (including costs of shipping and mailing) to the Underwriter and to dealers of copies of the Registration Statements, each preliminary prospectus, the Prospectus, and all amendments or supplements to the Prospectus, and of the other documents required by this Section to be so furnished, (5) any fees charged by securities rating services for rating the Bonds, (6) all transfer taxes, if any, with respect to the sale and delivery of the Bonds by the Company to the Underwriter, and (7) the fees and expenses of the Trustees, and Paying Agent or Registrar under the [_____] Supplemental Indenture and the reasonable fees and disbursements of counsel for any Trustee in connection with the [_____] Supplemental Indenture or the Bonds.

6. Conditions of the Underwriter's Obligation. The

obligation of the Underwriter to purchase the Bonds is subject to the accuracy, on the date of this Agreement and on the Closing Date, of the representations of the Company in this Agreement, to the accuracy and completeness of all statements made by the Company or any of its officers in any certificate delivered to the Underwriter or its counsel pursuant to this Agreement, to performance by the Company of its obligations under this Agreement and to each of the following additional conditions:

(a) All filings required by Rule 424 of the Rules must have been made.

(b) No order suspending the effectiveness of the Registration Statements may be in effect and no proceedings for such purpose may be pending before or threatened by the Commission, and any requests for additional information on the part of the Commission (to be included in the Registration Statements or the Prospectus or otherwise) must have been complied with.

(c) Since the respective dates as of which such information is given in the Registration Statements and the Prospectus, as they may be amended or supplemented, (1) there must not have been any material change in the capital stock or long-term debt of the Company and its subsidiaries, taken as a whole, (2) there must not have been any material adverse change in the management, business, properties, financial condition, or results of operations of the Company and its subsidiaries, taken as a whole, other than transactions in the ordinary course of business and transactions set forth in or contemplated by the Prospectus, and (3) there must not have occurred any event that makes untrue or incorrect in any material respect any statement or information contained in the Prospectus or that is not reflected in the Prospectus but should be reflected in it in order to make the statements or information in it not misleading in any material respect; and in the judgment of the Underwriter, any such development referred to in clause (1), (2) or (3) makes it impracticable or inadvisable to consummate the sale and delivery of the Bonds by the Underwriter at the initial public offering price.

(d) The Underwriter must have received on the Closing Date a certificate, dated such date, of the chief executive officer, the chief operating officer or the chief

financial officer of the Company certifying that (1) the signer has carefully examined the Registration Statements and the Prospectus (including any Incorporated Documents) and this Agreement, (2) the representations of the Company in this Agreement are accurate on and as of the date of the certificate, (3) there has not been any material adverse change in the management, business, properties, financial condition or results of operations of the Company and its subsidiaries, taken as a whole, other than transactions in the ordinary course of business and transactions set forth in or contemplated in the Prospectus, (4) to the knowledge of such officer, no order suspending the effectiveness of the Registration Statements or prohibiting the sale of the Bonds has been issued and no proceedings for such purpose are pending before or threatened by the Commission, (5) there has been no document required to be filed under the Exchange Act and the Exchange Act Rules that upon such filing would be deemed to be an Incorporated Document that has not been so filed, and (6) the Company has performed all agreements that this Agreement requires it to perform by the Closing Date.

(e) Since the date of this Agreement, there must not have been any decreases in the rating of the Company's First Mortgage Bonds by Moody's Investor Service, Inc. or Standard & Poor's Corporation.

(f) The Underwriter must receive on the Closing Date opinions dated the Closing Date substantially in the form of Annex A-1 and A-2 to this Agreement from the counsel identified in Annex A-1 and A-2, respectively.

(g) The Underwriter must receive on the Closing Date from Lane & Mittendorf LLP, its counsel, an opinion dated the Closing Date with respect to the Company, the Bonds, the Registration Statements, the Prospectus, the [_____] Supplemental Indenture, this Agreement and the form and sufficiency of all proceedings taken in connection with the sale and delivery of the Bonds. Such opinion and proceedings shall be satisfactory in all respects to the Underwriter. The Company must have furnished to such counsel such documents as they may reasonably request for the purpose of enabling them to render such opinion.

(h) The Underwriter must receive on the Closing Date a signed letter, dated the Closing Date, from Price Waterhouse LLP to the effect that (1) they are independent public accountants with respect to the Company within the meaning of the Securities Act and the applicable published rules and regulations thereunder, (2) in their opinion, the consolidated financial statements audited by them and incorporated by reference in the Prospectus comply as to form in all material respects with the applicable accounting requirements of the Securities Act and the Exchange Act and the published rules and regulations thereunder with respect to registration statements on Form S-3, (3) on the basis of a reading of the unaudited consolidated financial statements of the Company incorporated by reference in the Prospectus, the latest available unaudited consolidated financial data of the Company since the close of the Company's most recent audited fiscal year, the minutes and consents of the Board of Directors since the end of the most recent audited fiscal year, and inquiries of officials of the Company who have responsibility for financial and accounting matters (it being understood that the foregoing procedures do not constitute an audit made in accordance with generally accepted auditing standards and would not necessarily reveal matters of significance with respect to the comments made in such letter, and, accordingly, that Price Waterhouse LLP makes no representations as to the sufficiency of such procedures for the Underwriter's purposes), nothing has come to their attention which caused them to believe that (i) the unaudited consolidated financial statements of the Company incorporated by reference in the Prospectus (1) do not comply as to form in all material respects with the applicable accounting requirements of the Exchange Act as it applies to Form 10-Q and the published rules and regulations thereunder or (2) are not stated on a basis substantially consistent with that of the audited consolidated financial statements of the Company incorporated by reference in the Prospectus, (ii) at the date of the latest available unaudited financial data read by them and at a specified date not more than five days prior to the Closing Date there was any change in the capital stock or long-term debt of the Company and its subsidiaries, or any decrease in the Company's consolidated

net current assets or shareholders' equity, in each case as compared with amounts shown in the most recent consolidated financial information incorporated by reference in the Prospectus, except in all instances for changes or decreases which the Prospectus, as amended or supplemented, discloses have occurred or may occur, or which are disclosed in such letter, or (iii) for the period from the date of the most recent audited consolidated financial statements to the date of the latest available unaudited financial data read by them and for the period from the date of the latest available unaudited financial data read by them to a specified date not more than five days prior to the Closing Date, there were any decreases, as compared with the corresponding period in the preceding year, in consolidated operating revenues or in the total or per average share amounts of net income, except in all instances for decreases which the Prospectus, as amended or supplemented, discloses have occurred or may occur, or which are disclosed in such letter, and (4) they have carried out certain procedures and made certain findings, as specified in such letter, with respect to certain amounts included or incorporated by reference in Registration Statement No. 333-[_____] and the Prospectus and such other items as the Underwriter may reasonably request.

(i) The Underwriter must receive on the Closing Date a signed letter, dated the Closing Date, from Ernst & Young LLP substantially in the form of Annex A-3 to this Agreement.

All opinions, letters, evidence and certificates mentioned above or elsewhere in this Agreement will comply with this Agreement only if they are in form and scope satisfactory to counsel for the Underwriter.

7. Indemnification. (a) The Company will indemnify

and hold harmless the Underwriter, the directors, officers, employees and agents of the Underwriter, and each person, if any, who controls the Underwriter, within the meaning of Section 15 of the Securities Act or Section 20 of the Exchange Act, against any and all losses, claims, damages and liabilities, joint or several (including any investigation, legal or other expenses reasonably incurred in connection with, and any amount paid in settlement of, any action, suit or proceeding or any claim asserted), to which they, or any of them, may become subject under the Securities Act, the Exchange Act or other Federal or state statutory law or regulation, at common law or otherwise, insofar as such losses, claims, damages or liabilities arise out of or are based on any untrue statement or alleged untrue statement of a material fact contained in any preliminary prospectus, the Registration Statements or the Prospectus or any amendment or supplement to the Registration Statements or the Prospectus (including any Incorporated Document), or the omission or alleged omission to state in it a material fact required to be stated in it or necessary to make the statements in it not misleading, provided that the Company will not be liable to the extent that such loss, claim, damage, or liability arises from the sale of the Bonds in the public offering to any person by the Underwriter and is based on an untrue statement or omission or alleged untrue statement or omission (1) made in reliance on and in conformity with information furnished in writing to the Company by the Underwriter expressly for use in the document or (2) in a preliminary prospectus if the Prospectus corrects the untrue statement or omission or alleged untrue statement or omission which is the basis of the loss, claim, damage or liability for which indemnification is sought and a copy of the Prospectus was not sent or given to such person at or before the confirmation of the sale to such person in any case where such delivery is required by the Securities Act, unless such failure to deliver the Prospectus was a result of noncompliance by the Company with Section 5(d). This indemnity agreement will be in addition to any liability that the Company might otherwise have.

(b) The Underwriter will indemnify and hold harmless the Company, its officers and directors, and each person, if any, who controls any thereof within the meaning of Section 15 of the Securities Act or Section 20 of the Exchange Act, to the same extent as the foregoing indemnity from the Company to the Underwriter, but only insofar as losses, claims, damages or liabilities arise out of or are based on any untrue statement or omission or alleged untrue statement or omission made in or in reliance on and in conformity with information furnished in writing to the Company by the Underwriter expressly

for use in preparation of the documents in which the statement or omission is made or alleged to be made. The Company acknowledges that the statements on the cover page with respect to the price to the public, underwriting discounts and commissions and proceeds to the Company, statements with respect to stabilization on the second page of, and the statements under the caption "Underwriting" in, any preliminary prospectus and the Prospectus constitute the only information furnished in writing to the Company by the Underwriter expressly for use in any such document. This indemnity agreement will be in addition to any liability that the Underwriter might otherwise have.

(c) Any party that proposes to assert the right to be indemnified under this Section will, promptly after receipt of notice of commencement of any action against such party in respect of which a claim is to be made against an indemnifying party or parties under this Section, notify in writing each such indemnifying party of the commencement of such action, enclosing a copy of all papers served, but the omission so to notify such indemnifying party will not relieve it from any liability that it may have to any indemnified party otherwise than under this Section. If any such action is brought against any indemnified party and it notifies the indemnifying party of its commencement, the indemnifying party will be entitled to participate in, and, to the extent that it elects by delivering written notice to the indemnified party promptly after receiving notice of the commencement of the action from the indemnified party, jointly with any other indemnifying party similarly notified, to assume the defense of the action, with counsel satisfactory to the indemnified party, and, after notice from the indemnifying party to the indemnified party of its election to assume the defense, the indemnifying party will not be liable to the indemnified party for any legal or other expenses except as provided below and except for the reasonable costs of investigation subsequently incurred by the indemnified party in connection with the defense. The indemnified party will have the right to employ its counsel in any such action, but the fees and expenses of such counsel will be at the expense of such indemnified party unless (1) the employment of counsel by the indemnified party has been authorized in writing by the indemnifying party, (2) the indemnified party has been advised by such counsel employed by it that there may be legal defenses available to it involving potential conflict with the interests of an indemnifying party (in which case the indemnifying party will not have the right to direct the defense of such action on behalf of the indemnified party) or (3) the indemnifying party has not in fact employed counsel to assume the defense of such action within a reasonable time after receiving notice of the commencement of the action, in each of which cases the fees and expenses of counsel will be at the expense of the indemnifying party or parties and all such fees and expenses will be reimbursed promptly as they are incurred. An indemnifying party will not be liable for any settlement of any action or claim effected without its written consent or, in connection with any proceeding or related proceeding in the same jurisdiction, for the fees and expenses of more than one separate counsel for all indemnified parties.

8. Contribution. If recovery is not available under

the foregoing indemnification provisions of Section 7, for any reason other than as specified therein, the parties entitled to indemnification by the terms thereof shall be entitled to contribution to liabilities and expenses, except to the extent that contribution is not permitted under Section 11(f) of the Securities Act. In determining the amount of contribution to which the respective parties are entitled, there shall be considered the relative benefits received by each party from the offering of the Bonds (taking into account the portion of the proceeds of the offering realized by each), the parties' relative knowledge and access to information concerning the matter with respect to which the claim was asserted, the opportunity to correct and prevent any statement or omission, and any other equitable considerations appropriate under the circumstances. The Company and the Underwriter agree that it would not be equitable if the amount of such contribution were determined by pro rata or per capita allocation. No person found guilty of fraudulent misrepresentation (within the meaning of Section 11(f) of the Securities Act) shall be entitled to contribution from any person who was not guilty of such fraudulent misrepresentation.

9. Termination. This Agreement may be terminated by

the Underwriter by notifying the Company at any time

(a) at or before the Closing Date if, in the judgment of the Underwriter, payment for the delivery of the Bonds is rendered impracticable or inadvisable because (1) trading in the equity securities of the Company is suspended by the Commission or by the New York Stock Exchange, (2) additional material governmental restrictions, not in force on the date of this Agreement, are imposed upon trading in securities generally or minimum or maximum prices have been generally established on the New York Stock Exchange or on the American Stock Exchange, or trading in securities generally has been suspended or limited on either such Exchange or a general banking moratorium has been established by Federal or New York authorities, or (3) any outbreak or material escalation of hostilities or other calamity or crisis occurs the effect of which is such as to make it impracticable to market the Bonds, or

(b) at or before the Closing Date, if any of the conditions specified in Section 6 have not been fulfilled when and as required by this Agreement.

If this Agreement is terminated pursuant to any of its provisions, except as otherwise provided, the Company will not be under any liability to the Underwriter and the Underwriter will not be under any liability to the Company, except that (A) if this Agreement is terminated by the Underwriter because of any failure or refusal on the part of the Company to comply with the terms of this Agreement or because any of the conditions in Section 6 are not satisfied, the Company will reimburse the Underwriter for all reasonable out-of-pocket expenses (including the fees and disbursements of their counsel) reasonably incurred by them in connection with the proposed purchase and sale of the Bonds, and (B) if the Underwriter fails or refuses to purchase the Bonds agreed to be purchased by it under this Agreement, without some reason sufficient to justify cancellation or termination of its obligations under this Agreement, it will not be relieved of liability to the Company for damages occasioned by its default.

The Company shall not in any event be liable to the Underwriter for damages on account of loss of anticipated profits.

10. Miscellaneous. The reimbursement, indemnification

and contribution agreements in Sections 5, 7, 8 and 9 and the representations and agreements of the Company and the Underwriter in this Agreement will remain in full force and effect regardless of any termination of this Agreement, any investigation made by or on behalf of the Underwriter, the Company, or any controlling person and delivery of and payment for the Bonds.

This Agreement is for the benefit of the Underwriter, the Company, and their successors and assigns, and, to the extent expressed in this Agreement, for the benefit of persons controlling the Underwriter or the Company, directors and officers of the Company and directors, officers, employees and agents of the Underwriter, and their respective successors and assigns, and no other persons, partnership, association or corporation shall acquire or have any right under or by virtue of this Agreement. The term "successors and assigns" does not include any purchaser of Bonds from the Underwriter merely because of such purchase.

All notices and communications under this Agreement will be in writing and mailed or delivered, by messenger, facsimile transmission or otherwise, to the Underwriter at [_____] Attention: [_____] and to the Company, at 30 West Superior Street, Duluth, Minnesota 55802, Attention: Chief Financial Officer. Any such notice or communication shall take effect upon receipt thereof.

This Agreement may be signed in multiple counterparts that taken as a whole constitute one agreement.

THIS AGREEMENT WILL BE GOVERNED BY AND CONSTRUED IN ACCORDANCE WITH THE LAWS OF THE STATE OF NEW YORK.

Please confirm that the foregoing correctly sets forth the agreement between us.

Very truly yours,

MINNESOTA POWER & LIGHT COMPANY

By: _____
Title:

Confirmed:

[Name(s) of Underwriter(s)]

By: _____
Title:

ANNEX A-1

FORM OF OPINION OF REID & PRIEST LLP

[_____, 199_]

[Insert Name(s)
and Address(es)
of Underwriter(s)]

Dear Sirs:

Reference is made to the sale by Minnesota Power & Light Company ("Company") of [\$_____] principal amount of its First Mortgage Bonds, ___% Series Due [_____, 20__] (the "Bonds"). The Bonds will be issued under the Company's Mortgage and Deed of Trust, dated as of September 1, 1945, to Irving Trust Company (now The Bank of New York) and Richard H. West (W. T. Cunningham, successor), as Trustees, as amended and supplemented by all indentures supplemental thereto, including a [_____] Supplemental Indenture thereto dated as of [_____, 199_] (said Mortgage and Deed of Trust, as so supplemented, being hereinafter called the "Mortgage"). We advise you that we have acted as counsel to the Company in connection with such issuance and sale and have participated in the preparation of (a) the Mortgage; (b) Registration Statement Nos. 333-[_____] and 33-55240, each as filed by the Company with the Securities and Exchange Commission for the registration of the Company's First Mortgage Bonds under the Securities Act of 1933, as amended (the "Act"), and for the qualification under the Trust Indenture Act of 1939 of the Mortgage (such registration statements, as amended at the Effective Date (as such term is defined in the Agreement referred to below), being hereinafter collectively referred to as the "Registration Statements"); (c) the combined prospectus constituting part of Registration Statement No. 333-[_____] as amended and supplemented by a prospectus supplement relating to the Bonds ("Prospectus"); and (d) the Underwriting Agreement dated [_____, 199_] between the Company and you ("Agreement"). In addition, we have reviewed the petition filed by the Company with the Minnesota Public Utilities Commission seeking authorization to issue the Bonds, and the order issued by said Commission in response to said petition.

We have reviewed all corporate proceedings taken by the Company in respect of the authorization of the Mortgage and the issuance and sale of the Bonds thereunder.

Upon the basis of our familiarity with these transactions, we are of the opinion that:

1. The Mortgage has been duly and validly authorized by all necessary corporate action, has been duly and validly executed and delivered, and is a valid and binding mortgage of the Company enforceable in accordance with its terms, except as limited by bankruptcy, insolvency or other laws affecting enforcement of mortgagees' and other creditors' rights generally and equitable limitations on the enforceability of specific remedies.

2. The Bonds are legal, valid and binding obligations of the Company enforceable in accordance with their terms, except as limited by bankruptcy, insolvency or other laws affecting enforcement of mortgagees' and other creditors' rights generally and equitable limitations on the enforceability of specific remedies and are entitled to the benefit of the security afforded by the Mortgage.

3. An authorizing order has been issued by the Minnesota Public Utilities Commission certifying the Company's capital structure and authorizing the issuance and sale of the Bonds, and to the best of our knowledge, said order is still in full force and effect; and no further approval, authorization, consent or order of any public board or body (other than in connection or in compliance with the provisions of the securities or "blue sky" laws of any jurisdiction) is legally required for the authorization of the issuance and sale of the Bonds.

4. The Registration Statements and the Prospectus (except as to the financial statements, statement of income and other financial or statistical data contained therein, upon which we do not pass) comply as to form in all material respects with the requirements of the Act and the applicable instructions, rules and regulations of the Securities and Exchange Commission thereunder; the Registration Statements have each become, and at the date hereof each of the Registration Statements is, effective under the Act, and to the best of our knowledge no proceedings for a stop order with respect thereto are pending or threatened under Section 8 of the Act.

5. The Mortgage is duly qualified under the Trust Indenture Act of 1939.

6. The Mortgage and the Bonds conform, as to legal matters, with the statements concerning them made in the Prospectus under the headings "Description of New Bonds" and "Certain Terms of the Offered Bonds."

7. The Agreement has been duly and validly authorized, executed and delivered by the Company and is a valid and legally binding obligation of the Company.

In passing upon the forms of the Registration Statements and the Prospectus, we necessarily assume the correctness and completeness of the statements made or included therein by the Company and take no responsibility therefor, except insofar as such statements relate to us and as set forth in the Prospectus under the heading "Legal Opinions" and in paragraph 6 above. In the course of the preparation by the Company of the Registration Statements and the Prospectus, we have had conferences with certain of its officers and representatives, with other counsel for the Company and with Price Waterhouse LLP and Ernst & Young LLP, the independent certified public accountants who examined certain of the Company's financial statements incorporated by reference in the Registration Statements. Our examination of the Registration Statements and the Prospectus, and our discussions in the above-mentioned conferences did not disclose to us any information which gives us reason to believe that, at the Effective Date, the Registration Statements contained an untrue statement of a material fact or omitted to state a material fact required to be stated therein or necessary to make the statements therein not misleading or that the Prospectus at the time it was filed electronically with the Commission pursuant to Rule 424, and the Prospectus, as amended or supplemented at the date hereof, contained or contains an untrue statement of a material fact or omitted or omits to state a material fact necessary in order to make the statements therein, in the light of the circumstances under which they were made, not misleading. We do not express any opinion or belief as to the financial statements, statement of income or other financial or statistical data contained in the Registration Statements or in the Prospectus.

We are members of the New York Bar and do not hold ourselves out as experts on the laws of Minnesota. As to all matters of Minnesota law (and as to the incorporation of the Company, titles to property, franchises and the lien of the Mortgage, upon which we do not pass), we have relied with your consent upon the opinion of even date herewith addressed to you by Philip R. Halverson, Esq., Vice President, General Counsel and Corporate Secretary of the Company.

Very truly yours,

REID & PRIEST LLP

FORM OF OPINION OF
PHILIP R. HALVERSON, ESQ.
VICE PRESIDENT, GENERAL COUNSEL
AND CORPORATE SECRETARY OF
MINNESOTA POWER & LIGHT COMPANY

[_____, 199_]

[Insert Name(s)
and Address(es)
of Underwriter(s)]

Dear Sirs:

Reference is made to the sale by Minnesota Power & Light Company ("Company") of [\$_____] principal amount of its First Mortgage Bonds, [_%] Series Due [_____, 20__] (the "Bonds"). The Bonds will be issued under the Company's Mortgage and Deed of Trust, dated as of September 1, 1945, to Irving Trust Company (now The Bank of New York) and Richard H. West (W. T. Cunningham, successor), as Trustees, as amended and supplemented by all indentures supplemental thereto, including a [_____] Supplemental Indenture thereto dated as of [_____, 199_] (said Mortgage and Deed of Trust, as so supplemented, being hereinafter called the "Mortgage"). I advise you that I am General Counsel to the Company and have acted in that capacity in connection with such issuance and sale and have participated in the preparation of (a) the Mortgage; (b) Registration Statement Nos. 333-[_____] and 33-55240, each as filed by the Company with the Securities and Exchange Commission for the registration of the Company's First Mortgage Bonds under the Securities Act of 1933, as amended (the "Act"), and for the qualification under the Trust Indenture Act of 1939 of the Mortgage (such registration statements, as amended at the Effective Date (as such term is defined in the Agreement referred to below), being hereinafter collectively referred to as the "Registration Statements"); (c) the combined prospectus constituting part of Registration Statement No. 333-[_____] as amended and supplemented by a prospectus supplement relating to the Bonds ("Prospectus"); (d) the Underwriting Agreement dated [_____, 199_] between the Company and you ("Agreement"); and (e) the petition filed by the Company with the Minnesota Public Utilities Commission seeking authorization to issue the Bonds. In addition, I have reviewed the order issued by said Commission in response to said petition.

I have reviewed all corporate proceedings taken by the Company in respect of the authorization of the Mortgage and the issuance and sale of the Bonds thereunder.

Upon the basis of my familiarity with these transactions and with the Company's properties and affairs generally, I am of the opinion that:

1. The Mortgage has been duly and validly authorized by all necessary corporate action, has been validly executed and delivered, and is a valid and binding mortgage of the Company enforceable in accordance with its terms, except as limited by bankruptcy, insolvency or other laws affecting enforcement of mortgagees' and other creditors' rights generally and equitable limitations on the enforceability of specific remedies.

2. The Bonds are legal, valid and binding obligations of the Company enforceable in accordance with their terms, except as limited by bankruptcy, insolvency or other laws affecting enforcement of mortgagees' and other creditors' rights generally and equitable limitations on the enforceability of specific remedies and are entitled to the benefit of the security afforded by the Mortgage.

3. An authorizing order has been issued by the

Minnesota Public Utilities Commission certifying the Company's capital structure and authorizing the issuance and sale of the Bonds, and to the best of my knowledge, said order is still in full force and effect; and no further approval, authorization, consent or order of any public board or body (other than in connection or in compliance with the provisions of the securities or "blue sky" laws of any jurisdiction) is legally required for the authorization of the issuance and sale of the Bonds.

4. The Registration Statements and the Prospectus (except as to the financial statements, statement of income and other financial or statistical data contained therein, upon which I do not pass) comply as to form in all material respects with the requirements of the Act and the applicable instructions, rules and regulations of the Securities and Exchange Commission thereunder; the Registration Statements have each become, and at the date hereof each of the Registration Statements is, effective under the Act and to the best of my knowledge no proceedings for a stop order with respect thereto are pending or threatened under Section 8 of the Act.

5. The Mortgage is duly qualified under the Trust Indenture Act of 1939.

6. The Mortgage and the Bonds conform, as to legal matters, with the statements concerning them made in the Prospectus under the headings "Description of New Bonds" and "Certain Terms of the Offered Bonds."

7. The Agreement has been duly and validly authorized, executed and delivered by the Company and is a valid and legally binding obligation of the Company.

8. The Company is a validly organized and existing corporation under the laws of the State of Minnesota and is duly qualified to do business, and is doing business, in that State.

9. The Company is a public utility corporation duly authorized by its Articles of Incorporation to conduct the business which it is now conducting as set forth in the Prospectus and the Company holds valid and subsisting franchises, licenses and permits authorizing it to carry on the utility business in which it is engaged.

10. Each subsidiary of the Company is a validly organized and existing corporation under the laws of the State of its incorporation and is duly qualified to do business, and is doing business, in such State and in each other State in which the failure to qualify as a foreign corporation would be material to the Company and its subsidiaries, taken as a whole.

11. The Company has good and sufficient title to all the properties specifically described in the granting clauses of the Mortgage as owned by it, subject only to excepted encumbrances as defined in the Mortgage and other defects which the Company has the right to cure by condemnation proceedings if the property is necessary for utility purposes, and which, in my opinion, do not impair the use of such properties by the Company, except properties retired and properties previously released from the lien of the Mortgage, and except that the Company's practice is not to require examination of title, and I have not examined title, to land upon which the Company has merely a transmission or distribution line right of way or easement, reservoir lands, lands or rights held for flowage, flooding or seepage purposes, riparian rights, or other properties certified by the Company as costing \$25,000 or less, titles to which lands, rights or properties could, if necessary for utility purposes, be perfected or obtained by condemnation proceedings. The description of all the properties so specifically described in the Mortgage is adequate to constitute the Mortgage a lien thereon, and said properties constitute all of the electric generating plants and other materially important physical properties and substantially all the other properties of the Company (other than those expressly excepted). The Mortgage constitutes a valid, direct and first mortgage lien upon the properties of the Company specifically described in the granting clauses of the Mortgage or upon the interest of the Company therein and upon the interest of the Company in all other properties described in the Mortgage and intended to be subject to the lien thereof, subject only to excepted encumbrances and defects as above stated, and will constitute a valid mortgage lien upon all permanent physical

properties and franchises (other than those expressly excepted) acquired by the Company after the date of the [_____] Supplemental Indenture upon such acquisition, subject, however, to encumbrances and liens, if any, existing or placed thereon at the date of acquisition thereof by the Company, except that in the case of real estate or interests in real estate the title to which is registered, the Mortgage becomes a lien thereon upon the registration of said Mortgage against the appropriate certificates of title.

12. Other than as stated in the Registration Statements and the Prospectus there are no pending legal proceedings to which the Company or any subsidiary is a party or of which property of the Company or any subsidiary is the subject, which depart from the ordinary routine litigation incident to the kind of business conducted by the Company or any such subsidiary, and which is material to the Company and its subsidiaries, taken as a whole, and to the best of my knowledge no such proceedings are known to be contemplated by governmental authorities.

13. The portions of the answers to the items of the Registration Statements and the portions of the information contained in the Prospectus, which are stated therein to have been made on my authority as General Counsel of the Company, have been reviewed by me and, as to matters of law and legal conclusions, are correct.

14. Neither the execution by the Company of the [_____] Supplemental Indenture nor the issue and sale by the Company of the Bonds as contemplated by the Agreement nor the consummation by the Company of the other transactions contemplated by the Agreement conflicts with, or results in a breach of, the charter or by-laws of the Company or any subsidiary or any agreement or instrument known to me to which the Company or any subsidiary is a party or by which the Company or any subsidiary is bound, any law or regulation or, so far as is known to me, any order or regulation of any court, governmental instrumentality or arbitrator, and which conflict or breach is material to the Company and its subsidiaries, taken as a whole.

15. To the best of my knowledge, the Company is not currently in breach of, or in default under, any material written agreement or instrument to which it is a party or by which it or its property is bound or affected, and which breach or default is material to the Company and its subsidiaries, taken as a whole.

In passing upon the forms of the Registration Statements and the Prospectus, I necessarily assume the correctness and completeness of the statements made or included therein by the Company and take no responsibility therefor, except insofar as such statements relate to me and as set forth in the Prospectus under the headings "Experts" and "Legal Opinions" and in paragraphs 6 and 13 above. In the course of the preparation by the Company of the Registration Statements and the Prospectus, I had conferences with certain of its officers and representatives, with other counsel for the Company and with Price Waterhouse LLP and Ernst & Young LLP, the independent certified public accountants who examined certain of the Company's financial statements incorporated by reference in the Registration Statements. My examination of the Registration Statements and the Prospectus, and my discussions in the above-mentioned conferences did not disclose to me any information which gives me reason to believe that, at the Effective Date, the Registration Statements contained an untrue statement of a material fact or omitted to state a material fact required to be stated therein or necessary to make the statements therein not misleading or that the Prospectus at the time it was filed electronically with the Commission pursuant to Rule 424, and the Prospectus, as amended or supplemented at the date hereof, contained or contains an untrue statement of a material fact or omitted or omits to state a material fact necessary in order to make the statements therein, in the light of the circumstances under which they were made, not misleading. I do not express any opinion or belief as to the financial statements, statement of income or other financial or statistical data included in the Registration Statements or in the Prospectus.

Very truly yours,

FORM OF LETTER FROM
ERNST & YOUNG LLP

[_____, 199_]

ADESA Corporation
and
[Insert Name(s)
and Address(es)
of Underwriter(s)]

Dear Sirs:

We have audited the consolidated balance sheet of ADESA Corporation ("the Company") and subsidiaries as of December 31, 1995, and the consolidated statements of income, shareholders' equity, and cash flows for the period from July 1, 1995 to December 31, 1995, which are included (but not presented separately) in the consolidated financial statements of Minnesota Power & Light Company that are incorporated by reference in Minnesota Power & Light Company's Annual Report (Form 10-K) for the year ended December 31, 1995, filed with the Securities and Exchange Commission and incorporated by reference in the Registration Statement (No. 333-[____]) on Form S-3 filed by Minnesota Power & Light Company under the Securities Act of 1933 ("the Act"); our report with respect thereto is also incorporated by reference in such Registration Statement in the form in which it became effective, herein referred to as the "Registration Statement."

In connection with the Registration Statement:

1. We are independent auditors with respect to the Company within the meaning of the Act and the applicable published rules and regulations thereunder.
2. We have not audited any financial statements of the Company as of any date or for any period subsequent to December 31, 1995. Therefore, we are unable to express and do not express an opinion on the financial position, results of operations or cash flows as of any date or for any period subsequent to December 31, 1995.
3. This letter is solely for the information of the addressees and to assist the underwriters in conducting and documenting their investigation of the affairs of the Company in connection with the offering of the securities covered by the Registration Statement, and is not to be used, circulated, quoted or otherwise referred to within or without the underwriting group for any other purpose, including, but not limited to, the registration, purchase, or sale of securities, nor is it to be filed with or referred to in whole or in part in the Registration Statement or any other document, except that reference may be made to it in the underwriting agreement or any list of closing documents pertaining to the offering of the securities covered by the Registration Statement.

Very truly yours,

MINNESOTA POWER & LIGHT COMPANY

TO

THE BANK OF NEW YORK
(FORMERLY IRVING TRUST COMPANY)

AND

W.T. CUNNINGHAM

(SUCCESSOR TO RICHARD H. WEST, J.A. AUSTIN,
E.J. MCCABE, D.W. MAY AND J.A. VAUGHAN)

AS TRUSTEES UNDER MINNESOTA POWER &
LIGHT COMPANY'S MORTGAGE AND DEED OF
TRUST DATED AS OF SEPTEMBER 1, 1945

SUPPLEMENTAL INDENTURE

PROVIDING AMONG OTHER THINGS FOR

FIRST MORTGAGE BONDS, _____% SERIES DUE _____
(_____ SERIES)

DATED AS OF _____

SUPPLEMENTAL INDENTURE

THIS INDENTURE, dated as of _____, by and between Minnesota Power & Light Company, a corporation of the State of Minnesota, whose post office address is 30 West Superior Street, Duluth, Minnesota 55802 (hereinafter sometimes called the "Company"), and The Bank of New York (formerly Irving Trust Company), a corporation of the State of New York, whose post office address is 101 Barclay Street, New York, New York 10286 (hereinafter sometimes called the "Corporate Trustee"), and W. T. Cunningham (successor to Richard H. West, J. A. Austin, E. J. McCabe, D. W. May and J. A. Vaughan), whose post office address is 3 Arlington Drive, Denville, New Jersey 07834 (said W. T. Cunningham being hereinafter sometimes called the "Co-Trustee" and the Corporate Trustee and the Co-Trustee being hereinafter together sometimes called the "Trustees"), as Trustees under the Mortgage and Deed of Trust, dated as of September 1, 1945, between the Company and Irving Trust Company and Richard H. West, as Trustees, securing bonds issued and to be issued as provided therein (hereinafter sometimes called the "Mortgage"), reference to which mortgage is hereby made, this indenture (hereinafter sometimes called the "_____ Supplemental Indenture") being supplemental thereto:

WHEREAS, the Mortgage was filed and recorded in various official records in the State of Minnesota; and

WHEREAS, an instrument, dated as of October 16, 1957, was executed and delivered under which J.A. Austin succeeded Richard H. West as Co-Trustee under the Mortgage, and such instrument was

filed and recorded in various official records in the State of Minnesota; and

WHEREAS, an instrument, dated as of April 4, 1967, was executed and delivered under which E. J. McCabe in turn succeeded J.A. Austin as Co-Trustee under the Mortgage, and such instrument was filed and recorded in various official records in the State of Minnesota; and

WHEREAS, under the Sixth Supplemental Indenture, dated as of August 1, 1975, to which reference is hereinafter made, D.W. May in turn succeeded E. J. McCabe as Co-Trustee under the Mortgage; and

WHEREAS, an instrument, dated as of June 25, 1984, was executed and delivered under which J. A. Vaughan in turn succeeded D.W. May as Co-Trustee under the Mortgage, and such instrument was filed and recorded in various official records in the State of Minnesota; and

WHEREAS, an instrument, dated as of July 27, 1988, was executed and delivered under which W. T. Cunningham in turn succeeded J.A. Vaughan as Co-Trustee under the Mortgage, and such instrument was filed and recorded in various official records in the State of Minnesota; and

WHEREAS, by the Mortgage the Company covenanted, among other things, that it would execute and deliver such supplemental indenture or indentures and such further instruments and do such further acts as might be necessary or proper to carry out more effectually the purposes of the Mortgage and to make subject to the lien of the Mortgage any property thereafter acquired and intended to be subject to the lien thereof; and

WHEREAS, for said purposes, among others, the Company executed and delivered the following indentures supplemental to the Mortgage:

DESIGNATION -----	DATED AS OF -----
First Supplemental Indenture	March 1, 1949
Second Supplemental Indenture	July 1, 1951
Third Supplemental Indenture	March 1, 1957
Fourth Supplemental Indenture	January 1, 1968
Fifth Supplemental Indenture	April 1, 1971
Sixth Supplemental Indenture	August 1, 1975
Seventh Supplemental Indenture	September 1, 1976
Eighth Supplemental Indenture	September 1, 1977
Ninth Supplemental Indenture	April 1, 1978
Tenth Supplemental Indenture	August 1, 1978
Eleventh Supplemental Indenture	December 1, 1982
Twelfth Supplemental Indenture	April 1, 1987
Thirteenth Supplemental Indenture	March 1, 1992
Fourteenth Supplemental Indenture	June 1, 1992
Fifteenth Supplemental Indenture	July 1, 1992
Sixteenth Supplemental Indenture	July 1, 1992
Seventeenth Supplemental Indenture	February 1, 1993

which supplemental indentures were filed and recorded in various official records in the State of Minnesota; and

Whereas, for said purposes, among others, the Company also executed and delivered a _____ Supplemental Indenture, dated as of _____, which was filed and recorded in various official records in the State of Minnesota as follows:

Here will be inserted additional executed Supplemental Indentures.
Here will be inserted the most recent executed Supplemental Indenture(s).

County in Minnesota	Recorder Date	Doc. No.	Registrar of Titles Date	Doc. No.
------------------------	------------------	----------	--------------------------------	----------

Aitkin
 Benton
 Carlton
 Cass
 Crow Wing
 Hubbard
 Itasca
 Koochiching
 Lake
 Morrison
 Otter Tail
 Pine
 St. Louis
 Stearns
 Todd
 Wadena

Office of Secretary of State of Minnesota; recorded _____
 as Document No. _____; and

Whereas, the Company has heretofore issued, in accordance with the provisions of the Mortgage, as heretofore supplemented, the following series of First Mortgage Bonds:

Series	Principal Amount Issued	Principal Amount Outstanding
3-1/8% Series due 1975	\$26,000,000	None
3-1/8% Series due 1979	4,000,000	None
3-5/8% Series due 1981	10,000,000	None
4-3/4% Series due 1987	12,000,000	None
6-1/2% Series due 1998	18,000,000	\$18,000,000
8-1/8% Series due 2001	23,000,000	None
10-1/2% Series due 2005	35,000,000	None
8.70% Series due 2006	35,000,000	None
8.35% Series due 2007	50,000,000	None
9-1/4% Series due 2008	50,000,000	None
Pollution Control Series A	111,000,000	None
Industrial Development Series A	2,500,000	None
Industrial Development Series B	1,800,000	None
Industrial Development Series C	1,150,000	None

Series	Principal Amount Issued	Principal Amount Outstanding
Pollution Control Series B	13,500,000	None
Pollution Control Series C	2,000,000	None
Pollution Control Series D	3,600,000	3,600,000
7-3/4% Series due 1994	55,000,000	None
7-3/8% Series due March 1, 1997	60,000,000	60,000,000
7-3/4% Series due June 1, 2007	55,000,000	55,000,000
7-1/2% Series due August 1, 2007	35,000,000	35,000,000
Pollution Control Series E	111,000,000	111,000,000
7% Series due March 1, 2008	50,000,000	50,000,000
6-1/4% Series due July 1, 2003	25,000,000	25,000,000

which bonds are also hereinafter sometimes called bonds of the First through _____ Series, respectively; and

WHEREAS, Section 8 of the Mortgage provides that the form of each series of bonds (other than the First Series) issued thereunder and of coupons to be attached to coupon bonds of such series shall be established by Resolution of the Board of Directors of the Company and that the form of such series, as established by said Board of Directors, shall specify the descriptive title of the bonds and various other terms thereof, and may also contain such provisions not inconsistent with the provisions of the Mortgage as the Board of Directors may, in its discretion, cause to be inserted therein expressing or referring to the terms and conditions upon which such bonds are to be

issued and/or secured under the Mortgage; and

WHEREAS, Section 120 of the Mortgage provides, among other things, that any power, privilege or right expressly or impliedly reserved to or in any way conferred upon the Company by any provision of the Mortgage, whether such power, privilege or right is in any way restricted or is unrestricted, may (to the extent permitted by law) be in whole or in part waived or surrendered or subjected to any restriction if at the time unrestricted or to additional restriction if already restricted, and the Company may enter into any further covenants, limitations or restrictions for the benefit of any one or more series of bonds issued thereunder, or the Company may cure any ambiguity contained therein, or in any supplemental indenture, or may establish the terms and provisions of any series of bonds (other than said First Series) by an instrument in writing executed and acknowledged by the Company in such manner as would be necessary to entitle a conveyance of real estate to record in all of the states in which any property at the time subject to the lien of the Mortgage shall be situated; and

[FN]

Here will be inserted additional outstanding series.
Here will be inserted the most recent outstanding series.

WHEREAS, the Company now desires to create ____ new series of bonds and (pursuant to the provisions of Section 120 of the Mortgage) to add to its covenants and agreements contained in the Mortgage, as heretofore supplemented, certain other covenants and agreements to be observed by it and to alter and amend in certain respects the covenants and provisions contained in the Mortgage, as heretofore supplemented; and

WHEREAS, the execution and delivery by the Company of this _____ Supplemental Indenture, and the terms of the bonds of the _____ Series, hereinafter referred to, have been duly authorized by the Board of Directors of the Company by appropriate resolutions of said Board of Directors;

NOW, THEREFORE, THIS INDENTURE WITNESSETH:

That the Company, in consideration of the premises and of One Dollar to it duly paid by the Trustees at or before the ensembling and delivery of these presents, the receipt whereof is hereby acknowledged, and in further evidence of assurance of the estate, title and rights of the Trustees and in order further to secure the payment of both the principal of and interest and premium, if any, on the bonds from time to time issued under the Mortgage, as heretofore supplemented, according to their tenor and effect and the performance of all the provisions of the Mortgage (including any instruments supplemental thereto and any modification made as in the Mortgage provided) and of said bonds, hereby grants, bargains, sells, releases, conveys, assigns, transfers, mortgages, pledges, sets over and confirms (subject, however, to Excepted Encumbrances) unto The Bank of New York and W. T. Cunningham, as Trustees under the Mortgage, and to their successor or successors in said trust, and to said Trustees and their successors and assigns forever, all property, real, personal and mixed, of the kind or nature specifically mentioned in the Mortgage, as heretofore supplemented, or of any other kind or nature acquired by the Company after the date of the execution and delivery of the Mortgage, as heretofore supplemented (except any herein or in the Mortgage, as heretofore supplemented, expressly excepted), now owned or, subject to the provisions of subsection (I) of Section 87 of the Mortgage, hereafter acquired by the Company (by purchase, consolidation, merger, donation, construction, erection or in any other way) and wheresoever situated, including (without in anywise limiting or impairing by the enumeration of the same the scope and intent of the foregoing or of any general description contained in this _____ Supplemental Indenture) all lands, power sites, flowage rights, water rights, water locations, water appropriations, ditches, flumes, reservoirs, reservoir sites, canals, raceways, dams, dam sites, aqueducts, and all other rights or means for appropriating, conveying, storing and supplying water; all rights

of way and roads; all plants for the generation of electricity by steam, water and/or other power; all power houses, gas plants, street lighting systems, standards and other equipment incidental thereto, telephone, radio and television systems, air-conditioning systems and equipment incidental thereto, water works, water systems, steam heat and hot water plants, substations, lines, service and supply systems, bridges, culverts, tracks, ice or refrigeration plants and equipment, offices, buildings and other structures and the equipment thereof; all machinery, engines, boilers, dynamos, electric, gas and other machines, regulators, meters, transformers, generators, motors, electrical, gas and mechanical appliances, conduits, cables, water, steam heat, gas or other pipes, gas mains and pipes, service pipes, fittings, valves and connections, pole and transmission lines, wires, cables, tools, implements, apparatus, furniture and chattels; all municipal and other franchises, consents or permits; all lines for the transmission and distribution of electric current, gas, steam heat or water for any purpose including towers, poles, wires, cables, pipes, conduits, ducts and all apparatus for use in connection therewith; all real estate, lands, easements, servitudes, licenses, permits, franchises, privileges, rights of way and other rights in or relating to real estate or the occupancy of the same and (except as herein or in the Mortgage, as heretofore supplemented, expressly excepted) all the right, title and interest of the Company in and to all other property of any kind or nature appertaining to and/or used and/or occupied and/or enjoyed in connection with any property hereinbefore or in the Mortgage, as heretofore supplemented, described.

TOGETHER WITH all and singular the tenements, hereditaments, prescriptions, servitudes and appurtenances belonging or in anywise appertaining to the aforesaid property or any part thereof, with the reversion and reversions, remainder and remainders and (subject to the provisions of Section 57 of the Mortgage) the tolls, rents, revenues, issues, earnings, income, product and profits thereof, and all the estate, right, title and interest and claim whatsoever, at law as well as in equity, which the Company now has or may hereafter acquire in and to the aforesaid property and franchises and every part and parcel thereof.

IT IS HEREBY AGREED by the Company that, subject to the provisions of subsection (I) of Section 87 of the Mortgage, all the property, rights, and franchises acquired by the Company (by purchase, consolidation, merger, donation, construction, erection or in any other way) after the date hereof, except any herein or in the Mortgage, as heretofore supplemented, expressly excepted, shall be and are as fully granted and conveyed hereby and by the Mortgage and as fully embraced within the lien hereof and the lien of the Mortgage as if such property, rights and franchises were now owned by the Company and were specifically described herein or in the Mortgage and conveyed hereby or thereby.

PROVIDED that the following are not and are not intended to be now or hereafter granted, bargained, sold, released, conveyed, assigned, transferred, mortgaged, hypothecated, affected, pledged, set over or confirmed hereunder and are hereby expressly excepted from the lien and operation of this _____ Supplemental Indenture and from the lien and operation of the Mortgage, namely: (1) cash, shares of stock, bonds, notes and other obligations and other securities not hereafter specifically pledged, paid, deposited, delivered or held under the Mortgage or covenanted so to be; (2) merchandise, equipment, apparatus, materials or supplies held for the purpose of sale or other disposition in the usual course of business; fuel, oil and similar materials and supplies consumable in the operation of any of the properties of the Company; all aircraft, rolling stock, trolley coaches, buses, motor coaches, automobiles and other vehicles and materials and supplies held for the purpose of repairing or replacing (in whole or part) any of the same; all timber, minerals, mineral rights and royalties; (3) bills, notes and accounts receivable, judgments, demands and choses in action, and all contracts, leases and operating agreements not specifically pledged under the Mortgage or covenanted so to be; the Company's contractual rights or other interest in or with respect to tires not owned by the Company; (4) the last day of the term of any lease or leasehold which may hereafter become subject to the lien of the Mortgage; (5) electric energy, gas, steam, ice, and other materials or products generated, manufactured, produced or purchased by the Company for sale,

distribution or use in the ordinary course of its business; and (6) the Company's franchise to be a corporation; provided, however, that the property and rights expressly excepted from the lien and operation of this _____ Supplemental Indenture and from the lien and operation of the Mortgage in the above subdivisions (2) and (3) shall (to the extent permitted by law) cease to be so excepted in the event and as of the date that either or both of the Trustees or a receiver or trustee shall enter upon and take possession of the Mortgaged and Pledged Property in the manner provided in Article XIII of the Mortgage by reason of the occurrence of a Default as defined in Section 65 thereof.

TO HAVE AND TO HOLD all such properties, real, personal and mixed, granted, bargained, sold, released, conveyed, assigned, transferred, mortgaged, pledged, set over or confirmed by the Company as aforesaid, or intended so to be, unto the Trustees and their successors and assigns forever.

IN TRUST NEVERTHELESS, for the same purposes and upon the same terms, trusts and conditions and subject to and with the same provisos and covenants as are set forth in the Mortgage, as supplemented, this _____ Supplemental Indenture being supplemental thereto.

AND IT IS HEREBY COVENANTED by the Company that all the terms, conditions, provisos, covenants and provisions contained in the Mortgage, as heretofore supplemented, shall affect and apply to the property hereinbefore described and conveyed and to the estate, rights, obligations and duties of the Company and Trustees and the beneficiaries of the trust with respect to said property, and to the Trustees and their successors in the trust in the same manner and with the same effect as if said property had been owned by the Company at the time of the execution of the Mortgage, and had been specifically and at length described in and conveyed to said Trustees by the Mortgage as a part of the property therein stated to be conveyed.

The Company further covenants and agrees to and with the Trustees and their successors in said trust under the Mortgage as follows:

ARTICLE I
_____ SERIES OF BONDS

Section 1. There shall be a series of bonds designated " % Series due _____" (herein sometimes referred to as the " Series"), each of which shall also bear the descriptive title "First Mortgage Bond", and the form thereof, which shall be established by Resolution of the Board of Directors of the Company, shall contain suitable provisions with respect to the matters hereinafter in this Section specified. Bonds of the _____ Series shall be dated as in Section 10 of the Mortgage provided, mature on _____, be issued as fully registered bonds in denominations of One Thousand Dollars and, at the option of the Company, in any multiple or multiples of One Thousand Dollars (the exercise of such option to be evidenced by the execution and delivery thereof) and bear interest [at the rate of _____% per annum, payable semi-annually on _____ and _____ of each year], commencing _____, the principal of and interest on each said bond to be payable at the office or agency of the Company in the Borough of Manhattan, The City of New York, in such coin or currency of the United States of America as at the time of payment is legal tender for public and private debts.

(I) Bonds of the _____ Series shall not be redeemable prior to _____.

(II) Bonds of the _____ Series shall be redeemable on and after _____, in whole at any time, or in part from time to time, prior to maturity, upon notice as provided in Section 52 of the Mortgage mailed at least 30 days prior to the date fixed for redemption, at 100% of the principal amount of the bonds to be redeemed together, in each case, with accrued interest to the date fixed for redemption.

(III) At the option of the registered owner, any bonds of the _____ Series, upon surrender thereof for cancellation at the office or agency of the Company in the Borough of

Manhattan, The City of New York, together with a written instrument of transfer wherever required by the Company duly executed by the registered owner or by his duly authorized attorney, shall (subject to the provisions of Section 12 of the Mortgage) be exchangeable for a like aggregate principal amount of bonds of the same series of other authorized denominations.

Bonds of the _____ Series shall be transferable (subject to the provisions of Section 12 of the Mortgage) at the office or agency of the Company in the Borough of Manhattan, The City of New York.

Upon any exchange or transfer of bonds of the _____ Series, the Company may make a charge therefor sufficient to reimburse it for any tax or taxes or other governmental charge, as provided in Section 12 of the Mortgage, but the Company hereby waives any right to make a charge in addition thereto for any exchange or transfer of bonds of the _____ Series.

[FN]

Bracketed material to be changed if bonds of the Series to which this Supplemental Indenture shall relate shall bear interest at a rate which may be changed during the life of such bonds or if such bonds shall bear interest payable other than semi-annually.

These paragraphs will be omitted or changed if the bonds of the series to which this Supplemental Indenture shall relate shall not be subject to redemption or shall be subject to redemption on terms different from those described above.

Upon the delivery of this _____ Supplemental Indenture and upon compliance with the applicable provisions of the Mortgage, there shall be an initial issue of bonds of the _____ Series for the aggregate principal amount of \$_____.

ARTICLE II

DIVIDEND COVENANT

Section 2. The Company covenants and agrees that the provisions of subdivision (III) of Section 39 of the Mortgage, which are to remain in effect so long as any of the bonds of the First Series shall remain Outstanding, shall remain in full force and effect so long as any bonds of the First through _____ Series shall remain Outstanding.

[Amendment to the Mortgage
Meetings and Consents of Bondholders

Section __. Pursuant to the reservation of right in Section 3 of the Fifth Supplemental Indenture dated as of April 1, 1971 and there being no Outstanding bonds of any series created prior to the Sixth Series, the Company hereby amends the Mortgage, as supplemented, by substituting for Article XIX (relating to Meetings and Consents of Bondholders) a new Article XIX to read as set forth in Section 3 of such Fifth Supplemental Indenture.]

[Amendment to the Mortgage
Nuclear Fuel

Section __. Pursuant to the reservation of right in Section 2 of the Fifth Supplemental Indenture dated as of April 1, 1971 and there being no Outstanding bonds of any series created prior to the Sixth Series, the Company hereby amends the Mortgage, as supplemented, as set forth in paragraphs (A), (B) and (C) of Section 2 of such Fifth Supplemental Indenture (relating to Nuclear Fuel).]

[FN]

The Company may insert the bracketed language in any one Supplemental Indenture executed after all bonds of the Fifth Series have been retired.

ARTICLE III

MISCELLANEOUS PROVISIONS

Section 3. Section 126 of the Mortgage, as heretofore amended, is hereby further amended by adding the words "and _____," after the words "and _____".

Section 4. Subject to the amendments provided for in this _____ Supplemental Indenture, the terms defined in the Mortgage, as heretofore supplemented, shall, for all purposes of this _____ Supplemental Indenture, have the meanings specified in the Mortgage, as heretofore supplemented.

Section 5. The Trustees hereby accept the trusts herein declared, provided, created or supplemented and agree to perform the same upon the terms and conditions herein and in the Mortgage set forth and upon the following terms and conditions:

The Trustees shall not be responsible in any manner whatsoever for or in respect of the validity or sufficiency of this _____ Supplemental Indenture or for or in respect of the recitals contained herein, all of which recitals are made by the Company solely. In general, each and every term and condition contained in Article XVII of the Mortgage shall apply to and form part of this _____ Supplemental Indenture with the same force and effect as if the same were herein set forth in full with such omissions, variations and insertions, if any, as may be appropriate to make the same conform to the provisions of this _____ Supplemental Indenture.

Section 6. Whenever in this _____ Supplemental Indenture any party hereto is named or referred to, this shall, subject to the provisions of Articles XVI and XVII of the Mortgage, as heretofore supplemented, be deemed to include the successors or assigns of such party, and all the covenants and agreements in this _____ Supplemental Indenture contained by or on behalf of the Company, or by or on behalf of the Trustees shall, subject as aforesaid, bind and inure to the benefit of the respective successors and assigns of such party whether so expressed or not.

Section 7. Nothing in this _____ Supplemental Indenture, expressed or implied, is intended, or shall be construed, to confer upon, or give to, any person, firm or corporation, other than the parties hereto and the holders of the bonds and coupons Outstanding under the Mortgage, any right, remedy, or claim under or by reason of this _____ Supplemental Indenture or any covenant, condition, stipulation, promise or agreement hereof, and all the covenants, conditions, stipulations, promises and agreements in this _____ Supplemental Indenture contained by and on behalf of the Company shall be for the sole and exclusive benefit of the parties hereto, and of the holders of the bonds and of the coupons Outstanding under the Mortgage.

[FN]

Here will be inserted the maturity date of the most recent series of bonds.

Here will be inserted the maturity date of the series of bonds issued immediately before the most recent series of bonds.

Section 8. This _____ Supplemental Indenture shall be executed in several counterparts, each of which shall be an original and all of which shall constitute but one and the same instrument.

Section 9. The Company, the mortgagor named herein, by its execution hereof acknowledges receipt of a full, true and complete copy of this _____ Supplemental Indenture.

IN WITNESS WHEREOF, Minnesota Power & Light Company has caused its corporate name to be hereunto affixed, and this instrument to be signed and sealed by its President or one of its Vice Presidents, and its corporate seal to be attested by its Secretary or one of its Assistant Secretaries for and in its behalf, and The Bank of New York has caused its corporate name to be hereunto affixed, and this instrument to be signed and sealed by one of its Vice Presidents or one of its Assistant Vice Presidents and its corporate seal to be attested by one of its Assistant Treasurers, and W. T. Cunningham has hereunto set his hand and affixed his seal, all in The City of New York, as of the day and year first above written.

Minnesota Power & Light Company

By _____
[Name]
[Title]

Attest:

[Name]
[Title]

Executed, sealed and delivered by Minnesota Power & Light Company in the presence of:

The Bank of New York
as Trustee

By _____
[Name]
[Title]

Attest:

[Name]
[Title]

W.T. Cunningham

Executed, sealed and delivered by The Bank of New York and W. T. Cunningham in the presence of:

) ss.:
County of St. Louis)

On this ____ day of _____, before me, a Notary Public within and for said County, personally appeared _____ and _____, to me personally known, who, being each by me duly sworn, did say that they are respectively the _____ and the _____ of Minnesota Power & Light Company of the State of Minnesota, the corporation named in the foregoing instrument; that the seal affixed to the foregoing instrument is the corporate seal of said corporation; that said instrument was signed and sealed in behalf of said corporation by authority of its Board of Directors; and said _____ and _____ acknowledged said instrument to be the free act and deed of said corporation.

Personally came before me on this ____ day of _____, _____, to me known to be the _____, _____, and _____, to me known to be the _____, of the above named Minnesota Power & Light Company, the corporation described in and which executed the foregoing instrument, and to me personally known to be the persons who as such officers executed the foregoing instrument in the name and behalf of said corporation, who, being by me duly sworn did depose and say and acknowledge that they are respectively the _____ and the _____ of said corporation; that the seal affixed to said instrument is the corporate seal of said corporation; and that they signed, sealed and delivered said instrument in the name and on behalf of said corporation by authority of its Board of Directors and stockholders, and said _____ and _____ then and there acknowledged said instrument to be the free act and deed of said corporation and that such corporation executed the same.

On the ____ day of _____, before me personally came _____ and _____, to me known, who, being by me duly sworn, did depose and say that they respectively reside at _____, and _____; that they are respectively the _____ and the _____ of Minnesota Power & Light Company, one of the corporations described in and which executed the above instrument; that they know the seal of said corporation; that the seal affixed to said instrument is such corporate seal; that it was so affixed by order of the Board of Directors of said corporation, and that they signed their names thereto by like order.

Given under my hand and notarial seal this ____ day of _____.

Notary Public

State of New York)
County of New York) ss:

On this ____ day of _____, before me, a Notary Public within and for said County, personally appeared _____ and _____, to me personally known, who, being each by me duly sworn, did say that they are respectively a _____ and an _____ of The Bank of New York of the State of New York, the corporation named in the foregoing instrument; that the seal affixed to the foregoing instrument is the corporate seal of said corporation; that said instrument was signed and sealed in behalf of said corporation by authority of its Board of Directors; and said _____ and _____ acknowledged said instrument to be the free act and deed of said corporation.

Personally came before me on this ____ day of _____, _____, to me known to be a

_____, and _____, known to me to be an _____, of the above named The Bank of New York, the corporation described in and which executed the foregoing instrument, and to me personally known to be the persons who as such officers executed the foregoing instrument in the name and behalf of said corporation, who, being by me duly sworn did depose and say and acknowledge that they are respectively a _____ and an _____ of said corporation; that the seal affixed to said instrument is the corporate seal of said corporation; and that they signed, sealed and delivered said instrument in the name and on behalf of said corporation by authority of its Board of Directors, and said _____ and _____ then and there acknowledged said instrument to be the free act and deed of said corporation and that such corporation executed the same.

On the ____ day of _____, before me personally came _____ and _____, to me known, who, being by me duly sworn, did depose and say that they respectively reside at _____, and _____; that they are respectively a _____ and an _____ of The Bank of New York, one of the corporations described in and which executed the above instrument; that they know the seal of said corporation; that the seal affixed to said instrument is such corporate seal; that it was so affixed by order of the Board of Directors of said corporation, and that they signed their names thereto by like order.

Given under my hand and notarial seal this ____ day of _____.

Notary Public, State of New York

State of New York)
) ss:
County of New York)

On this ____ day of _____, before me personally appeared W.T. Cunningham, to me known to be the person described in and who executed the foregoing instrument, and acknowledged that he executed the same as his free act and deed.

Personally came before me this ____ day of _____, the above named W.T. Cunningham, to me known to be the person who executed the foregoing instrument, and acknowledged the same.

On the ____ day of _____, before me personally came W.T. Cunningham, to me known to be the person described in and who executed the foregoing instrument, and acknowledged that he executed the same.

Given under my hand and notarial seal this ____ day of _____.

Notary Public, State of New York

MINNESOTA POWER & LIGHT COMPANY
30 West Superior Street
Duluth, Minnesota 55802

Philip R. Halverson - Vice President
General Counsel and Corporate Secretary

January 28, 1997

Minnesota Power & Light Company
30 West Superior Street
Duluth, MN 55802

Dear Sirs:

Referring to the proposed issuance and sale by Minnesota Power & Light Company of not to exceed \$80,000,000 in principal amount of one or more proposed new series of the Company's First Mortgage Bonds (Bonds), as contemplated in the registration statement to be filed by the Company on or about the date hereof with the Securities and Exchange Commission under the Securities Act of 1933, as amended, I am of the opinion that:

1. With respect to each series of Bonds which are to be issued at any one time (Offered Bonds), all action necessary to make the Offered Bonds valid, legal and binding obligations of the Company will have been taken when:

(a) At a meeting or meetings of the Company's Board of Directors or the Executive Committee of the Board of Directors favorable action shall have been taken to approve and authorize the issuance and sale of the Offered Bonds, an appropriate Supplemental Indenture to the Company's presently existing Mortgage and Deed of Trust, as supplemented, in substantially its final form and any other final action necessary to the consummation of the proposed issuance and sale of the Offered Bonds;

(b) The Minnesota Public Utilities Commission shall have issued an order or orders authorizing the issuance and sale of the Bonds;

(c) The aforementioned Supplemental Indenture shall have been duly executed and delivered by the parties thereto; and

(d) The Offered Bonds shall have been issued and delivered for the consideration contemplated in the registration statement and any Prospectus Supplement relating to the Offered Bonds and in accordance with the provisions of the Company's Mortgage and Deed of Trust, dated as of September 1, 1945, with Irving Trust Company (now The Bank of New York) and Richard H. West (W.T. Cunningham, successor), as Trustees, as heretofore supplemented and to be further supplemented by the aforementioned Supplemental Indenture.

2. The Company is a corporation validly organized and existing under the laws of the State of Minnesota.

I hereby consent to the use of my name in such registration statement and to the use of this opinion as an exhibit thereto.

Sincerely,

/s/ Philip R. Halverson

Philip R. Halverson

REID & PRIEST LLP
40 West 57th Street
New York, N.Y. 10019-4097
Telephone 212 603-2000
Fax 212 603-2001

New York, New York
January 28, 1997

Minnesota Power & Light Company
30 West Superior Street
Duluth, Minnesota 55802

Dear Sirs:

Referring to the proposed issuance and sale by you of not to exceed \$80,000,000 in principal amount of one or more proposed new series of the Company's First Mortgage Bonds (Bonds), as contemplated in the registration statement to be filed by you on or about the date hereof with the Securities and Exchange Commission under the Securities Act of 1933, as amended, we are of the opinion that:

1. With respect to each series of Bonds which are to be issued at any one time (Offered Bonds), all action necessary to make the Offered Bonds valid, legal and binding obligations of the Company will have been taken when:

(a) At a meeting or meetings of the Company's Board of Directors or the Executive Committee of the Board of Directors favorable action shall have been taken to approve and authorize the issuance and sale of the Offered Bonds, an appropriate Supplemental Indenture to the Company's presently existing Mortgage and Deed of Trust, as supplemented, in substantially its final form and any other final action necessary to the consummation of the proposed issuance and sale of the Offered Bonds;

(b) The Minnesota Public Utilities Commission shall have issued an order or orders authorizing the issuance and sale of the Bonds;

(c) The aforementioned Supplemental Indenture shall have been duly executed and delivered by the parties thereto; and

(d) The Offered Bonds shall have been issued and delivered for the consideration contemplated in the registration statement and any Prospectus Supplement relating to the Offered Bonds and in accordance with the provisions of the Company's Mortgage and Deed of Trust, dated as of September 1, 1945, with Irving Trust Company (now The Bank of New York) and Richard H. West (W.T. Cunningham, successor), as Trustees, as heretofore supplemented and to be further supplemented by the aforementioned Supplemental Indenture.

2. The Company is a corporation validly organized and existing under the laws of the State of Minnesota.

We are members of the New York Bar and do not hold ourselves out as experts on the laws of the State of Minnesota. As to all matters of Minnesota law, we have relied with your consent upon an opinion of even date herewith addressed to you by Philip R. Halverson, Esq., Vice President, General Counsel and Secretary to the Company.

We hereby consent to the use of our name in such registration statement, and to the use of this opinion as an exhibit thereto.

Very truly yours,

/s/ REID & PRIEST LLP

REID & PRIEST LLP

Minnesota Power & Light Company
 Computation of Ratios of Earnings to Fixed Charges and
 Supplemental Ratios of Earnings to Fixed Charges

	Year Ended December 31,		
	1991	1992	1993
	----- ----- ----- (In thousands except ratios)		
Income from continuing operations per consolidated statement of income	\$ 70,854	\$ 67,821	\$ 64,374
Add (deduct)			
Current income tax expense	16,371	29,147	29,277
Deferred income tax expense (benefit)	9,734	(1,113)	1,084
Deferred investment tax credits	(1,615)	(1,568)	(2,035)
Undistributed income from less than 50% owned equity investments	(4,941)	(5,733)	(6,009)
Minority interest	(129)	2,684	(83)
	----- 90,274	----- 91,238	----- 86,608
Fixed charges			
Interest on long-term debt	44,516	44,008	44,647
Capitalized interest	-	422	3,010
Other interest charges - net	8,008	6,455	1,501
Interest component of all rentals	5,695	5,728	5,729
Distributions on redeemable preferred securities of subsidiary	-	-	-
Total fixed charges	----- 58,219	----- 56,613	----- 54,887
Earnings before income taxes and fixed charges (excluding capitalized interest)	\$148,493 =====	\$147,429 =====	\$138,485 =====
Ratio of earnings to fixed charges	2.55 =====	2.60 =====	2.52 =====
Earnings before income taxes and fixed charges (excluding capitalized interest)	\$148,493	\$147,429	\$138,485
Supplemental charges	16,846	16,017	15,149
	-----	-----	-----
Earnings before income taxes and fixed and supplemental charges (excluding capitalized interest)	\$165,339 =====	\$163,446 =====	\$153,634 =====
Total fixed charges	\$ 58,219	\$ 56,613	\$ 54,887
Supplemental charges	16,846	16,017	15,149
	-----	-----	-----
Fixed and supplemental charges	\$ 75,065 =====	\$ 72,630 =====	\$ 70,036 =====
Supplemental ratio of earnings to fixed charges (1)	2.20 =====	2.25 =====	2.19 =====

Year Ended December 31,	Nine Months Ended September 30,
----- 1994	----- 1995
-----	-----
(In thousands except ratios)	

Income from continuing

operations per consolidated statement of income	\$ 59,465	\$ 61,857	\$ 50,648
Add (deduct)			
Current income tax expense	24,116	13,356	24,441
Deferred income tax expense (benefit)	(981)	(11,336)	(5,161)
Deferred investment tax credits	(2,478)	(865)	(1,503)
Undistributed income from less than 50% owned equity investments	(7,547)	(9,124)	(8,884)
Minority interest	(879)	260	2,076
	-----	-----	-----
	71,696	54,148	61,617
	-----	-----	-----
Fixed charges			
Interest on long-term debt	48,137	45,713	38,276
Capitalized interest	-	1,395	1,244
Other interest charges - net	7,382	7,934	6,673
Interest component of all rentals	5,737	3,670	1,746
Distributions on redeemable preferred securities of subsidiary	-	-	3,220
	-----	-----	-----
Total fixed charges	61,256	58,712	51,159
	-----	-----	-----
Earnings before income taxes and fixed charges (excluding capitalized interest)	\$132,952	\$111,465	\$111,532
	=====	=====	=====
Ratio of earnings to fixed charges	2.17	1.90	2.18
	=====	=====	=====
Earnings before income taxes and fixed charges (excluding capitalized interest)	\$132,952	\$111,465	\$111,532
Supplemental charges	14,370	13,519	9,828
	-----	-----	-----
Earnings before income taxes and fixed and supplemental charges (excluding capitalized interest)	\$147,322	\$124,984	\$121,360
	=====	=====	=====
Total fixed charges	\$ 61,256	\$ 58,712	\$ 51,159
Supplemental charges	14,370	13,519	9,828
	-----	-----	-----
Fixed and supplemental charges	\$ 75,626	\$ 72,231	\$ 60,987
	=====	=====	=====
Supplemental ratio of earnings to fixed charges (1)	1.95	1.73	1.99
	=====	=====	=====

(1) The supplemental ratio of earnings to fixed charges includes the Company's obligation under a contract with Square Butte Electric Cooperative ("Square Butte") which extends through 2007, pursuant to which the Company is purchasing 71 percent of the output of a generating unit capable of generating up to 470 megawatts. The Company is obligated to pay Square Butte all of Square Butte's leasing, operating and debt service costs (less any amounts collected from the sale of power or energy to others) that shall not have been paid by Square Butte when due. See Note 12 to the Company's 1995 Consolidated Financial Statements incorporated by reference in the Company's 1995 Form 10-K.

CONSENT OF INDEPENDENT ACCOUNTANTS

We hereby consent to the incorporation by reference in the Prospectus constituting part of this Registration Statement on Form S-3 of our report dated January 22, 1996, which appears on page 21 of the 1995 Annual Report to Shareholders of Minnesota Power & Light Company, which is incorporated by reference in Minnesota Power & Light Company's Annual Report on Form 10-K for the year ended December 31, 1995. We also consent to the incorporation by reference of our report on the Financial Statement Schedule, which appears on page 37 of such Annual Report on Form 10-K. We also consent to the reference to us under the heading "Experts" in such Prospectus.

/s/ Price Waterhouse LLP

PRICE WATERHOUSE LLP
Minneapolis, Minnesota
January 27, 1997

SECURITIES AND EXCHANGE COMMISSION
Washington, D.C. 20549

FORM T-1

STATEMENT OF ELIGIBILITY UNDER THE TRUST
INDENTURE ACT OF 1939 OF A CORPORATION
DESIGNATED TO ACT AS TRUSTEE

CHECK IF AN APPLICATION TO DETERMINE ELIGIBILITY OF A
TRUSTEE PURSUANT TO SECTION 305(b)(2) _____

THE BANK OF NEW YORK
(Exact name of trustee as specified in its charter)

New York
(Jurisdiction of incorporation
if not a U.S. national bank)

13-5160382
(I.R.S. Employer
Identification No.)

48 Wall Street, New York, New York
(Address of principal executive offices)

10286
(Zip code)

MINNESOTA POWER & LIGHT COMPANY
(Exact name of obligor as specified in its charter)

Minnesota
(State or other jurisdiction
of incorporation or organization)

41-0418150
(I.R.S. Employer
Identification No.)

30 West Superior Street
Duluth, Minnesota
(Address of principal executive offices)

55802
(Zip code)

FIRST MORTGAGE BONDS
(Title of the indenture securities)

*Specific title(s) to be determined in connection with sale(s) of First
Mortgage Bonds.

ITEM 1. GENERAL INFORMATION.

Furnish the following information as to the Trustee:

(a) Name and address of each examining or supervising authority to
which it is subject.

Superintendent of Banks of the State of New York	2 Rector Street, New York, N.Y. 10006 and Albany, N.Y. 12203
Federal Reserve Bank of New York	33 Liberty Plaza, New York, N.Y.
Federal Deposit Insurance Corporation	10045 550 17th Street, N.W., Washington, D.C. 20429
New York Clearing House Association	New York, N.Y.

(b) Whether it is authorized to exercise corporate trust powers.

Yes.

ITEM 2. AFFILIATIONS WITH OBLIGOR.

If the obligor is an affiliate of the trustee, describe each such
affiliation.

None. (See Note on page 2.)

ITEM 16. LIST OF EXHIBITS.

Exhibits identified in parentheses below, on file with the Commission, are incorporated herein by reference as an exhibit hereto, pursuant to Rule 7a-29 under the Trust Indenture Act of 1939 (the "Act") and Rule 24 of the Commission's Rules of Practice.

1. - A copy of the Organization Certificate of The Bank of New York (formerly Irving Trust Company) as now in effect, which contains the authority to commence business and a grant of powers to exercise corporate trust powers. (Exhibit 1 to Amendment No. 1 to Form T-1 filed with Registration Statement No. 33-6215, Exhibits 1a and 1b to Form T-1 filed with Registration Statement No. 33-21672 and Exhibit 1 to Form T-1 filed with Registration Statement No. 33-29637.)
4. - A copy of the existing By-laws of the Trustee. (Exhibit 4 to Form T-1 filed with Registration Statement No. 33-31019.)
6. - The consent of the Trustee required by Section 321(b) of the Act. (Exhibit 6 to Form T-1 filed with Registration Statement No. 33-44051.)
7. - A copy of the latest report of condition of the Trustee published pursuant to law or to the requirements of its supervising or examining authority.

Pursuant to General Instruction B, the Trustee has responded only to Items 1, 2 and 16 of this form since to the best of the knowledge of the Trustee the obligor is not in default under any indenture under which the Trustee is a trustee.

NOTE

Inasmuch as this Form T-1 is being filed prior to the ascertainment by the Trustee of all facts on which to base a responsive answer to Item 2, the answer to said Item is based on incomplete information.

Item 2 may, however, be considered as correct unless amended by an amendment to this Form T-1.

SIGNATURE

Pursuant to the requirements of the Act, the Trustee, The Bank of New York, a corporation organized and existing under the laws of the State of New York, has duly caused this statement of eligibility to be signed on its behalf by the undersigned, thereunto duly authorized, all in The City of New York, and State of New York, on the 23rd day of January, 1997.

THE BANK OF NEW YORK

By: /s/ REMO J. REALE

Remo J. Reale
Assistant Vice President

Consolidated Report of Condition of
 THE BANK OF NEW YORK
 of 48 Wall Street, New York, N.Y. 10286

And Foreign and Domestic Subsidiaries, a member of the Federal Reserve System, at the close of business September 30, 1996, published in accordance with a call made by the Federal Reserve Bank of this District pursuant to the provisions of the Federal Reserve Act.

ASSETS	Dollar Amounts in Thousands
-----	-----
Cash and balances due from depository institutions:	
Noninterest-bearing balances and currency and coin	\$4,404,522
Interest-bearing balances	732,833
Securities:	
Held-to-maturity securities	789,964
Available-for-sale securities	2,005,509
Federal funds sold in domestic offices of the bank:	
Federal funds sold	3,364,838
Loans and lease financing receivables:	
Loans and leases, net of unearned income	28,728,602
LESS: Allowance for loan and lease losses	584,525
LESS: Allocated transfer risk reserve	429
Loans and leases, net of unearned income, allowance, and reserve	28,143,648
Assets held in trading accounts	1,004,242
Premises and fixed assets (including capitalized leases)	605,668
Other real estate owned	41,238
Investments in unconsolidated subsidiaries and associated companies	205,031
Customers' liability to this bank on acceptances outstanding	949,154
Intangible assets	490,524
	1,305,839
Other assets	-----
Total assets	\$44,043,010
	=====

LIABILITIES

Deposits:

In domestic offices	\$20,441,318
Noninterest-bearing	8,158,472
Interest-bearing	12,282,846
In foreign offices, Edge and Agreement subsidiaries, and IBFs	11,710,903
Noninterest-bearing	46,182
Interest-bearing	11,664,721
Federal funds purchased in domestic offices of the bank:	
Federal funds purchased	1,565,288
Demand notes issued to the U.S.	
Treasury	293,186
Trading liabilities	826,856
Other borrowed money:	
With original maturity of one year or less	2,103,443
With original maturity of more than one year	20,766
Bank's liability on acceptances executed and outstanding	951,116
Subordinated notes and debentures	1,020,400
	1,522,884
Other liabilities	-----
Total liabilities	40,456,160

EQUITY CAPITAL

Common stock	942,284
Surplus	525,666
Undivided profits and capital reserves	2,129,376
Net unrealized holding gains (losses) on available-for-sale securities	(2,073)
Cumulative foreign currency translation adjustments	(8,403)

Total equity capital	3,586,850

Total liabilities and equity capital	\$44,043,010
	=====

I, Robert E. Keilman, Senior Vice President and Comptroller of the above-named bank do hereby declare that this Report of Condition has been prepared in conformance with the instructions issued by the Board of Governors of the Federal Reserve System and is true to the best of my knowledge and belief.

Robert E. Keilman

We, the undersigned directors, attest to the correctness of this Report of Condition and declare that it has been examined by us and to the best of our knowledge and belief has been prepared in conformance with the instructions issued by the Board of Governors of the Federal Reserve System and is true and correct.

J. Carter Bacot)
Thomas A. Renyi) Directors
Alan R. Griffith)

SECURITIES AND EXCHANGE COMMISSION
Washington, D.C. 20549

FORM T-2

STATEMENT OF ELIGIBILITY UNDER THE TRUST
INDENTURE ACT OF 1939 OF AN INDIVIDUAL
DESIGNATED TO ACT AS TRUSTEE

CHECK IF AN APPLICATION TO DETERMINE ELIGIBILITY OF A
TRUSTEE PURSUANT TO SECTION 305(b)(2) _____

W.T. CUNNINGHAM
(Name of Trustee)

###-##-####
(Social Security Number)

101 Barclay Street
New York, New York
(Business Address, Street, City, State) 10286
(Zip Code)

MINNESOTA POWER & LIGHT COMPANY
(Exact name of obligor as specified in its charter)

Minnesota
(State or other jurisdiction
of incorporation or organization) 41-0418150
(I.R.S. Employer
Identification No.)

30 West Superior Street
Duluth, Minnesota
(Address of principal executive offices) 55802
(Zip code)

FIRST MORTGAGE BONDS*
(Title of the indenture securities)

*Specific title(s) to be determined in connection with
sale(s) of First Mortgage Bonds.

ITEM 1. AFFILIATIONS WITH OBLIGOR.

If the obligor is an affiliate of the trustee, describe each
such affiliation.

None.*

ITEM 16. LIST OF EXHIBITS.

List below all exhibits filed as a part of this statement of
eligibility

None.

SIGNATURE

Pursuant to the requirements of the Trust Indenture Act of 1939, I, W.T. Cunningham, have signed this statement of eligibility in The City of New York and State of New York, on the 24th day of January, 1997.

By: /s/ W.T. CUNNINGHAM

W.T. Cunningham

*Pursuant to General Instruction B, the Trustee has responded only to Items 1 and 11 of this form since to the best of the knowledge of the Trustee the obligor is not in default under any indenture under which the Trustee is a trustee.