

UNITED STATES
SECURITIES AND EXCHANGE COMMISSION
Washington, DC 20549
FORM U-3A-2

Statement by Holding Company Claiming Exemption Under
Rule U-3A-2 from the Provisions of the Public Utility
Holding Company Act of 1935

To Be Filed Annually Prior to March 1

MINNESOTA POWER, INC.

(Name of company)

hereby files with the Securities Exchange Commission pursuant to Rule 2, its statement claiming exemption as a holding company from the provisions of the Public Utility Holding Company Act of 1935, and submits the following information:

1. Name, State of organization, location and nature of business of claimant and every subsidiary thereof, other than any exempt wholesale generator (EWG) or foreign utility company in which claimant directly or indirectly holds an interest.

Name -----	State of Organization -----	Location -----	Nature of Business -----
Minnesota Power, Inc.	Minnesota	Duluth, MN	Electric Utility
Superior Water, Light and Power Company	Wisconsin	Superior, WI	Electric, Gas and Water Utility
Energy Land, Incorporated	Wisconsin	Duluth, MN	Inactive
MP Investments, Inc.	Delaware	Duluth, MN	Investments
Capital Re Corporation	Delaware	New York, NY	Financial Guaranty Reinsurance and Specialty Insurance
RendField Land Company, Inc.	Minnesota	Duluth, MN	Land Holding
UtilEquip, Incorporated	Minnesota	Duluth, MN	Inactive
Lakeview Financial Corporation I	Minnesota	Duluth, MN	Inactive
Lakeview Financial Corporation II	Minnesota	Duluth, MN	Inactive
MP&L Capital I	Minnesota	Duluth, MN	Trust
PCUC Acquisition Sub, Inc.	Minnesota	Duluth, MN	Inactive
Minnesota Power Enterprises, Inc.	Minnesota	Duluth, MN	Product and Marketing Coordination
BNI Coal, Ltd.	North Dakota	Bismarck, ND	Coal Mining
MP Affiliate Resources, Inc.	Minnesota	Duluth, MN	Administrative Operations

Name -----	State of Organization -----	Location -----	Nature of Business -----
Minnesota Power Telecom, Inc.	Minnesota	Duluth, MN	Telecommunications
Rainy River Energy Corporation	Minnesota	Duluth, MN	Contract Services
Synertec, Incorporated	Minnesota	Duluth, MN	Contract Services
Upper Minnesota Properties, Inc.	Minnesota	Duluth, MN	Affordable Housing Projects and Economic Development
Upper Minnesota Properties- Meadowlands, Inc.	Minnesota	Duluth, MN Project	Affordable Housing
Upper Minnesota Properties- Irving, Inc.	Minnesota	Duluth, MN Project	Affordable Housing
Upper Minnesota Properties- Development, Inc.	Minnesota	Duluth, MN	Economic Development
Minnesota Power Services Group, Inc.	Minnesota	Duluth, MN	Product Development
Electric Outlet, Inc.	Minnesota	Duluth, MN	Retailer
MP Water Resources Group, Inc.	Minnesota	Orlando, FL	Water and Wastewater
Heater Utilities, Inc.	South Carolina	Cary, NC	Water and Wastewater Treatment Utility
LaGrange Waterworks Corporation	North Carolina	Fayetteville, NC	Water Utility
Brookwood Water Corporation	North Carolina	Fayetteville, NC	Water Utility
Upstate Heater Utilities, Inc.	South Carolina	Anderson, SC	Water Utility - Sold
Florida Water Services Corporation	Florida	Orlando, FL	Water and Wastewater Treatment Utility
Florida Gas Services Corporation	Florida	Orlando, FL	Inactive
U.S. Maintenance and Management Services Corporation	Florida	Orlando, FL Services	Full Maintenance
Vibration Correction Services, Inc.	Minnesota	Duluth, MN Services	Predictive Maintenance
Americas' Water Services Corporation	Florida	Chicago, IL Services	Contract Operations
Florida Water Consumer Products Corporation	Florida	Orlando, FL	Inactive

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Name -----	State of Organization -----	Location -----	Nature of Business -----
Instrumentation Services, Inc.	Florida	Orlando, FL Services	Predictive Maintenance
Predictive Maintenance and Operational Services, Inc.	North Carolina	Orlando, FL	Inactive
MP Real Estate Holdings, Inc.	Minnesota	Lehigh Acres, FL	Real Estate
Lehigh Acquisition Corporation	Delaware	Lehigh Acres, FL	Subdivider, Developer

Interlachen Lakes Estates, Inc.	Florida	Interlachen, FL	Subdivider, Developer
Sundowner Properties, Inc.	Pennsylvania	Williston, FL	Subdivider, Developer
SRC of Florida, Inc.	Florida	Lehigh Acres, FL	Subdivider, Developer
Lehigh Corporation	Florida	Lehigh Acres, FL	Subdivider, Developer
Lehigh Land & Investment, Inc.	Florida	Lehigh Acres, FL	Inactive
Cliffside Properties, Inc.	California	Lehigh Acres, FL	Inactive
Palm Coast Holdings, Inc.	Florida	Palm Coast, FL	Subdivider, Developer
Sugarmill Woods Communities, Inc.	Florida	Homosassa, FL	Subdivider, Developer
Enterprise Lehigh, Inc.	Florida	Lehigh Acres, FL	Subdivider, Developer
MP Automotive Services, Inc.	Minnesota	Duluth, MN	Automotive Services
ADESA Southern Indiana, Inc.	Indiana	Columbus, IN	Vehicle Auction
ADESA Corporation	Indiana	Indianapolis, IN	Vehicle Auction - Corporate Operation
ADESA Ark-La-Tex, Inc.	Louisiana	Shreveport, LA	Vehicle Auction
ADESA Birmingham, Inc.	Alabama	Moody, AL	Vehicle Auction
ADESA Charlotte, Inc.	North Carolina	Charlotte, NC	Vehicle Auction
ADESA Houston, Inc.	Texas	Houston, TX	Vehicle Auction
ADESA Lansing, Inc.	Michigan	Dimondale, MI	Vehicle Auction
ADESA Lexington, Inc.	Kentucky	Lexington, KY	Vehicle Auction
ADESA New Jersey, Inc.	New Jersey	Manville, NJ	Vehicle Auction
ADESA Ohio, Inc.	Ohio	Northfield, OH Franklin, OH	Vehicle Auction
ADESA Pennsylvania, Inc.	Pennsylvania	Mercer, PA	Vehicle Auction

Name -----	State of Organization -----	Location -----	Nature of Business -----
ADESA Sacramento, Inc.	California	Sacramento, CA	Vehicle Auction
ADESA San Antonio, Inc.	Texas	San Antonio, TX	Vehicle Auction
ADESA St. Louis, Inc.	Missouri	Barnhart, MO	Vehicle Auction
ADESA Texas, Inc.	Texas	Austin, TX Mesquite, TX	Vehicle Auction
ADESA Wisconsin, Inc.	Wisconsin	Portage, WI	Vehicle Auction
Auto Dealers Exchange of Concord, Inc.	Massachusetts	Framingham, MA	Vehicle Auction
Auto Dealers Exchange of Memphis, Inc.	Tennessee	Memphis, TN	Vehicle Auction
A.D.E. of Knoxville, Inc.	Tennessee	Lenoir City, TN	Vehicle Auction
Greater Buffalo Auto Auction, Inc.	New York	Akron, NY	Vehicle Auction
ADESA Funding Corporation	Indiana	Indianapolis, IN	Inactive
Auto Banc Corporation	New Jersey	Manville, NJ	Wholesale Vehicle Redistributor
A.D.E. Management Company	Indiana	Indianapolis, IN	Vehicle Auction Management Company
A.D.E. of Jacksonville, Inc.	Florida	Jacksonville, FL	Vehicle Auction
ADESA Indianapolis, Inc.	Indiana	Plainfield, IN	Vehicle Auction
Great Rigs Incorporated	Indiana	Moody, AL	Vehicle Transport
Automotive Finance Corporation	Indiana	Indianapolis, IN	Financial Services
AFC Funding Corporation	Indiana	Indianapolis, IN	Financial Services
Automotive Floorplan Corporation	Indiana	Indianapolis, IN	Financial Services
ADESA Properties, Inc.	Delaware	Wilmington, DE	Financial Services
PAR, Inc.	Indiana	Indianapolis, IN	Vehicle Remarketing
ADESA Canada, Inc.	Quebec	Vars, Ontario, Canada	Vehicle Auction Corporate Operations
ADESA Montreal, Inc.	Quebec	St. Eustache, Quebec, Canada	Vehicle Auction
3095-1115 Quebec Inc.	Quebec	St. Eustache, Quebec, Canada	Inactive

Name -----	State of Organization -----	Location -----	Nature of Business -----
ADESA Halifax, Inc.	Nova Scotia	Halifax, Nova Scotia, Canada	Vehicle Auction
Professional Auto Remarketing Canada, Inc.	Ontario	Vars, Ontario, Canada	Vehicle Remarketing
ADESA Moncton, Inc.	New Brunswick	Moncton, New Brunswick, Canada	Vehicle Auction
ADESA Ottawa, Inc.	Ontario	Vars, Ontario, Canada	Vehicle Auction
ADESA Remarketing Services, Inc.	Ontario	Vars, Ontario, Canada	Vehicle Remarketing

Footnotes

Formerly Minnesota Power & Light Company.

Subsidiary of Minnesota Power, Inc.

Contributed less than 1 percent of consolidated net income for the year ended December 31, 1998.

Consisted of less than 1 percent of consolidated assets at December 31, 1998.

MP Investments, Inc. has a 21 percent ownership interest in Capital Re Corporation (Capital Re). Capital Re is an investment accounted for by the equity method.

Subsidiary of RendField Land Company, Inc.

Subsidiary of Minnesota Power Enterprises, Inc.

Subsidiary of Upper Minnesota Properties, Inc.

Upper Minnesota Properties-Meadowlands, Inc. is a 99.5 percent partner in Meadowlands Affordable Housing Limited Partnership.

Upper Minnesota Properties-Development, Inc. is a 50 percent partner in Blackwater Properties, LLP.

Subsidiary of Minnesota Power Services Group, Inc.

Subsidiary of MP Water Resources Group, Inc.

Heater Utilities, Inc. is, at the request of the North Carolina Utilities Commission, the emergency operator of Scotsdale Water and Sewer, Inc. and Mobile Hills Estates. Both are small water utilities in North Carolina.

Subsidiary of Heater Utilities, Inc.

Subsidiary of Instrumentation Services, Inc.

MP Real Estate Holdings, Inc. owns 80 percent of Lehigh Acquisition Corporation.

Subsidiary of Lehigh Acquisition Corporation.

Subsidiary of Lehigh Corporation.

Lehigh Corporation owns 100 percent of J.W. Ford, Inc., an investment accounted for under the equity method.

MP Automotive Services, Inc. owns 80 percent of ADESA Southern Indiana, Inc.

Subsidiary of MP Automotive Services, Inc.

Subsidiary of ADESA Corporation.

ADESA Corporation owns 51 percent of ADESA South Florida, L.L.C. which is an automobile auction in Opa-Locka, FL; and 95 percent of Great Rigs Incorporated.

ADESA Ark-La-Tex, Inc. owns 100 percent of ADESA Ark-La-Tex, L.L.C. which is the auction business in Shreveport, LA.

Subsidiary of Automotive Finance Corporation.

Subsidiary of A.D.E. Management Company.

ADESA Indianapolis, Inc. owns 5 percent of Great Rigs Incorporated.

Subsidiary of ADESA Canada, Inc.

ADESA Canada, Inc. owns 20 percent of Impact Auto Auctions Ltd.

Subsidiary of ADESA Ottawa, Inc.

Sold in 1998.

2. A brief description of the properties of claimant and each of its subsidiary public utility companies used for the generation, transmission, and distribution of electric energy for sale, or for the production, transmission, and distribution of natural or manufactured gas, indicating the location of principal generating plants, transmission lines, producing fields, gas manufacturing plants, and electric and gas distribution facilities, including all such properties which are outside the State in which claimant and its subsidiaries are organized and all transmission or pipelines which deliver or receive electric energy or gas at the borders of such State.

Claimant - Minnesota Power, Inc.

Reference is made to Annual Report Form 10-K (File No. 1-3548), filed by the claimant with the Commission on March 25, 1998, for the fiscal year ended December 31, 1997, particularly pages 20 through 22, which is hereby incorporated by reference in this statement.

Subsidiary - Superior Water, Light and Power Company

Same reference as under claimant.

3. The following information for the last calendar year with respect to claimant and each of its subsidiary public utility companies:

(a) Number of kWh of electric energy sold (at retail or wholesale), and Mcf. of natural or manufactured gas distributed at retail.

	Electricity	Gas
Minnesota Power, Inc.	8,869,800,849	None
Superior Water, Light and Power Company	550,881,933	25,262,019

(b) Number of kWh of electric energy and Mcf. of natural or manufactured gas distributed at retail outside the State in which each such company is organized.

None

(c) Number of kWh of electric energy and Mcf. of natural or manufactured gas sold at wholesale outside the State in which each such company is organized, or at the State line.

	Electricity	Gas
Minnesota Power, Inc.	2,218,536,385	None
Superior Water, Light and Power Company	None	None

(d) Number of kWh of electric energy and Mcf. of natural or manufactured gas purchased outside the State in which each company is organized or at the State line.

	Electricity	Gas
Minnesota Power, Inc.	5,296,714,622	None
Superior Water, Light and Power Company	568,475,385	None

4. The following information for the reporting period with respect to claimant and each interest it holds directly or indirectly in an EWG or a foreign utility company, stating monetary amounts in United States dollars:

Not applicable to Minnesota Power, Inc.

Exhibits

[This Exhibit A contains confidential information which has been omitted, but filed separately with the Securities and Exchange Commission.]

Exhibit B is the Financial Data Schedules.

Exhibit C is not applicable to Minnesota Power, Inc.

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THIS SCHEDULE CONTAINS SUMMARY FINANCIAL INFORMATION EXTRACTED FROM MINNESOTA POWER'S CONSOLIDATED BALANCE SHEET AND STATEMENT OF INCOME FOR THE PERIOD ENDED DECEMBER 31, 1998, AND IS QUALIFIED IN ITS ENTIRETY BY REFERENCE TO SUCH FINANCIAL STATEMENTS.

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YEAR

DEC-31-1998

JAN-01-1998

DEC-31-1998

PER-BOOK

2,317

1,040

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YEAR

DEC-31-1997

JAN-01-1997

DEC-31-1997

PER-BOOK

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