

Securities and Exchange Commission
Washington, DC 20549

FORM 10-Q/A
Amendment No. 1

(Mark One)

Quarterly Report Pursuant to Section 13 or 15(d) of the Securities
Exchange Act of 1934

For the quarterly period ended September 30, 1996

or

Transition Report Pursuant to Section 13 or 15(d) of the Securities
Exchange Act of 1934

Commission File No. 1-3548

Minnesota Power & Light Company
A Minnesota Corporation
IRS Employer Identification No. 41-0418150
30 West Superior Street
Duluth, Minnesota 55802
Telephone - (218) 722-2641

Indicate by check mark whether the registrant (1) has filed all reports
required to be filed by Section 13 or 15(d) of the Securities Exchange Act of
1934 during the preceding 12 months and (2) has been subject to such filing
requirements for the past 90 days.

Yes X No
----- -----

Common Stock, no par value,
32,571,548 shares outstanding
as of September 30, 1996

This Amendment No. 1 to Minnesota Power & Light Company's (Company) Quarterly Report on Form 10-Q for the quarter ended September 30, 1996 (Form 10-Q) is being filed to reflect a reclassification of distributions on Company obligated mandatorily redeemable preferred securities of subsidiary MP&L Captial I. This Amendment No. 1 includes only those portions of the Form 10-Q which have been changed as a result of such reclassification.

Minnesota Power
Consolidated Statement of Income
In Thousands Except Per Share Amounts - Unaudited

	Quarter Ended September 30,		Nine Months Ended September 30,	
	1996	1995	1996	1995
<hr/>				
Operating Revenue and Income				
Electric operations	\$ 133,480	\$ 131,036	\$ 394,200	\$ 371,486
Water operations	20,848	16,678	63,124	50,093
Automobile auctions	50,464	30,492	135,372	30,492
Investments	10,358	7,915	33,631	28,074
Total operating revenue and income	<u>215,150</u>	<u>186,121</u>	<u>626,327</u>	<u>480,145</u>
Operating Expenses				
Fuel and purchased power	50,937	46,087	142,871	130,510
Operations	90,676	75,696	263,741	198,812
Administrative and general	38,571	29,768	112,918	65,018
Interest expense	16,074	13,246	44,593	35,735
Total operating expenses	<u>196,258</u>	<u>164,797</u>	<u>564,123</u>	<u>430,075</u>
Income (Loss) from Equity Investments	<u>2,832</u>	<u>2,339</u>	<u>9,441</u>	<u>(1,570)</u>
Operating Income from Continuing Operations	21,724	23,663	71,645	48,500
Distributions on Redeemable Preferred Securities of Subsidiary	1,509	-	3,220	-
Income Tax Expense (Benefit)	<u>2,701</u>	<u>7,978</u>	<u>17,777</u>	<u>(1,915)</u>
Income from Continuing Operations	17,514	15,685	50,648	50,415
Income from Discontinued Operations	<u>-</u>	<u>33</u>	<u>-</u>	<u>2,874</u>
Net Income	17,514	15,718	50,648	53,289
Dividends on Preferred Stock	<u>487</u>	<u>800</u>	<u>1,921</u>	<u>2,400</u>
Earnings Available for Common Stock	<u>\$ 17,027</u>	<u>\$ 14,918</u>	<u>\$ 48,727</u>	<u>\$ 50,889</u>
Average Shares of Common Stock	29,428	28,512	29,091	28,443
Earnings Per Share of Common Stock				
Continuing operations	\$.58	\$.52	\$ 1.68	\$ 1.69
Discontinued operations	-	.00	-	.10
Total	<u>\$.58</u>	<u>\$.52</u>	<u>\$ 1.68</u>	<u>\$ 1.79</u>
Dividends Per Share of Common Stock	<u>\$.51</u>	<u>\$.51</u>	<u>\$ 1.53</u>	<u>\$ 1.53</u>

The accompanying notes are an integral part of this statement.

Minnesota Power
Consolidated Statement of Cash Flows
In Thousands - Unaudited

Nine Months Ended
September 30,

	1996	1995
<hr/>		
Operating Activities		
Net income	\$ 50,648	\$ 53,289
Depreciation and amortization	49,310	40,269
Deferred income taxes	(5,161)	(28,491)
Deferred investment tax credits	(1,503)	(1,437)
Pre-tax gain on sale of plant	(1,073)	-
Pre-tax loss on disposal of discontinued operations	-	1,760
Changes in operating assets and liabilities excluding the effects of discontinued operations		
Trading securities	(38,652)	20,127
Notes and accounts receivable	(55,426)	(6,748)
Fuel, material and supplies	1,208	(1,015)
Accounts payable	12,522	16,560
Other current assets and liabilities	7,986	13,977
Other - net	17,150	(8,388)
	-----	-----
Cash from operating activities	37,009	99,903
	-----	-----
Investing Activities		
Proceeds from sale of investments in securities	32,488	77,997
Proceeds from sale of plant	5,311	-
Proceeds from sale of discontinued operations	-	107,633
Additions to investments	(84,138)	(43,405)
Additions to plant	(71,894)	(73,053)
Acquisition of subsidiaries - net of cash acquired	(44,013)	(129,083)
Changes to other assets - net	5,358	(447)
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Cash for investing activities	(156,888)	(60,358)
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Financing Activities		
Issuance of long-term debt	190,549	18,805
Issuance of Company obligated mandatorily redeemable preferred securities of subsidiary MP&L Capital I - net	72,270	-
Issuance of common stock	14,271	2,158
Changes in notes payable	51,063	10,006
Reductions of long-term debt	(139,042)	(9,074)
Redemption of preferred stock	(17,568)	-
Dividends on preferred and common stock	(46,303)	(45,974)
	-----	-----
Cash from (for) financing activities	125,240	(24,079)
	-----	-----
Change in Cash and Cash Equivalents	5,361	15,466
Cash and Cash Equivalents at Beginning of Period	31,577	27,001
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Cash and Cash Equivalents at End of Period	\$ 36,938	\$ 42,467
	=====	=====
Supplemental Cash Flow Information		
Cash paid during the period for		
Interest (net of capitalized)	\$ 43,164	\$ 40,249
Income taxes	\$ 17,338	\$ 20,534

The accompanying notes are an integral part of this statement.

Note 1. Business Segments
In Thousands

	Consolidated	Electric Operations	Water Operations	Investments			Corporate Charges & Other
				Automobile Auctions	Portfolio & Reinsurance	Real Estate	
Quarter Ended September 30, 1996							
Operating revenue and income	\$215,150	\$133,480	\$ 20,848	\$ 50,464	\$5,334	\$ 5,345	\$ (321)
Operation and other expense	163,386	100,073	13,637	42,395	732	4,623	1,926
Depreciation and amortization expense	16,798	10,412	3,079	3,299	-	8	-
Interest expense	16,074	5,681	3,112	2,880	-	363	4,038
Income from equity investments	2,832	-	-	-	2,832	-	-
Operating income (loss)	21,724	17,314	1,020	1,890	7,434	351	(6,285)
Distributions on redeemable preferred securities of subsidiary	1,509	424	-	-	-	-	1,085
Income tax expense (benefit)	2,701	6,343	292	1,158	2,202	(3,553)	(3,741)
Net income	\$ 17,514	\$ 10,547	\$ 728	\$ 732	\$5,232	\$ 3,904	\$(3,629)
Quarter Ended September 30, 1995							
Operating revenue and income	\$186,121	\$131,036	\$ 16,678	\$ 30,492	\$3,813	\$ 4,373	\$ (271)
Operation and other expense	136,609	92,902	11,699	25,650	593	3,721	2,044
Depreciation and amortization expense	14,942	10,089	2,502	2,291	-	60	-
Interest expense	13,246	5,650	2,497	907	2	1	4,189
Income from equity investments	2,339	-	-	-	2,339	-	-
Operating income (loss) from continuing operations	23,663	22,395	(20)	1,644	5,557	591	(6,504)
Income tax expense (benefit)	7,978	9,187	(123)	856	1,468	292	(3,702)
Income (loss) from continuing operations	15,685	\$ 13,208	\$ 103	\$ 788	\$4,089	\$ 299	\$(2,802)
Income from discontinued operations	33						
Net income	\$ 15,718						

Purchased 80 percent on July 1, 1995, another 3 percent on January 31, 1996 and the remaining 17 percent on August 21, 1996.

Includes \$800,000 of minority interest relating to the recognition of tax benefits. (See Note 3.)

Includes \$4 million of tax benefits. (See Note 3.)

Note 1. Business Segments (Continued)
In Thousands

	Consolidated	Electric Operations	Water Operations	Investments			Corporate Charges & Other
				Automobile Auctions	Portfolio & Reinsurance	Real Estate	
Nine Months Ended September 30, 1996							
Operating revenue and income	\$ 626,327	\$ 394,200	\$ 63,124	\$135,372	\$ 13,939	\$ 20,626	\$ (934)
Operation and other expense	470,220	297,594	39,081	113,623	1,986	11,681	6,255
Depreciation and amortization expense	49,310	31,424	9,286	8,554	-	46	-
Interest expense	44,593	16,897	9,456	6,188	1	851	11,200
Income from equity investments	9,441	-	-	-	9,441	-	-
Operating income (loss)	71,645	48,285	5,301	7,007	21,393	8,048	(18,389)
Distributions on redeemable preferred securities of subsidiary	3,220	904	-	-	-	-	2,316
Income tax expense (benefit)	17,777	17,710	1,750	3,822	5,099	(1,972)	(8,632)
Net income	\$ 50,648	\$ 29,671	\$ 3,551	\$ 3,185	\$ 16,294	\$ 10,020	\$(12,073)
Total assets							
	\$2,145,637	\$ 980,187	\$ 339,544	\$479,254	\$ 260,658	\$ 84,202	\$ 1,792
Accumulated depreciation	\$ 661,643	\$ 536,707	\$ 119,272	\$ 5,664	-	-	-
Accumulated amortization	\$ 6,970	-	-	\$ 6,028	-	\$ 942	-
Construction work in progress	\$ 38,279	\$ 11,813	\$ 14,786	\$ 11,680	-	-	-
Nine Months Ended September 30, 1995							
Operating revenue and income	\$ 480,145	\$ 371,486	\$ 50,093	\$ 30,492	\$ 16,775	\$ 13,076	\$ (1,777)
Operation and other expense	354,071	271,672	34,448	25,650	2,243	14,347	5,711
Depreciation and amortization expense	40,269	30,225	7,573	2,291	-	180	-
Interest expense	35,735	16,720	7,483	907	6	3	10,616
Income (loss) from equity investments	(1,570)	-	-	-	6,958	-	(8,528)
Operating income (loss) from continuing operations	48,500	52,869	589	1,644	21,484	(1,454)	(26,632)
Income tax expense (benefit)	(1,915)	22,020	(170)	856	3,418	(17,131)	(10,908)
Income (loss) from continuing operations	50,415	\$ 30,849	\$ 759	\$ 788	\$ 18,066	\$ 15,677	\$(15,724)
Income from discontinued operations	2,874						
Net income	\$ 53,289						
Total assets							
	\$1,932,822	\$ 997,599	\$ 308,348	\$343,267	\$ 229,592	\$ 53,266	\$ 750
Accumulated depreciation	\$ 617,532	\$ 519,862	\$ 96,713	\$ 957	-	-	-
Accumulated amortization	\$ 1,949	-	-	\$ 1,297	-	\$ 652	-
Construction work in progress	\$ 69,135	\$ 12,488	\$ 20,258	\$ 36,389	-	-	-

Purchased 80 percent on July 1, 1995, another 3 percent on January 31, 1996 and the remaining 17 percent on August 21, 1996. Includes \$1.2 and \$3.7 million of minority interest relating to the recognition of tax benefits in 1996 and 1995, respectively. (See Note 3.)

Includes \$6 and \$18.4 million of tax benefits in 1996 and 1995, respectively. (See Note 3.)

Includes an \$8.5 million pre-tax provision for exiting the equipment manufacturing business.

Item 6. Exhibits and Reports on Form 8-K

(a) Exhibits

27 Financial Data Schedule

Signatures

Pursuant to the requirements of the Securities Exchange Act of 1934, the registrant has duly caused this report to be signed on its behalf by the undersigned thereunto duly authorized.

Minnesota Power & Light Company

(Registrant)

January 22, 1997

D. G. Gartzke

D. G. Gartzke
Senior Vice President - Finance
and Chief Financial Officer

January 22, 1997

Mark A. Schober

Mark A. Schober
Corporate Controller

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THIS SCHEDULE CONTAINS SUMMARY FINANCIAL INFORMATION EXTRACTED FROM MINNESOTA POWER'S CONSOLIDATED BALANCE SHEET, STATEMENT OF INCOME, AND STATEMENT OF CASH FLOW FOR THE PERIOD ENDED SEPTEMBER 30, 1996, AND IS QUALIFIED IN ITS ENTIRETY BY REFERENCE TO SUCH FINANCIAL STATEMENTS.

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9-MOS	DEC-31-1996	JAN-01-1996	SEP-30-1996	PER-BOOK
	1,117,059			
	394,524			
	362,443			
	106,666			
		164,945		
		2,145,637		
			389,698	
	0			
	280,073			
600,893				
	75,000			
		31,492		
	638,845			
	150,508			
	0			
0				
64,745				
	0			
			0	
515,276				
2,145,637				
	626,327			
	17,777			
	519,530			
	564,123			
	71,645			
	6,221			
95,241				
	44,593			
		50,648		
	1,921			
48,727				
	44,382			
	0			
	37,009			
		1.68		
		1.68		

Includes \$9,441,000 of Income from Equity Investments and \$3,220,000 for Distribution on Redeemable Preferred Securities of Subsidiary.