

SECURITIES AND EXCHANGE COMMISSION
WASHINGTON, D.C. 20549

FORM 11-K

(Mark One)

Annual Report Pursuant to Section 15(d) of the Securities Exchange Act
of 1934

For the fiscal year ended DECEMBER 31, 1997

or

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

For the transition period from _____ to

Commission File No. 1-3548

MINNESOTA POWER AND AFFILIATED COMPANIES
SUPPLEMENTAL RETIREMENT PLAN
(Full Title of the Plan)

Minnesota Power, Inc.
30 West Superior Street
Duluth, Minnesota 55802

(Name of issuer of securities
held pursuant to the Plan and
the address of its principal
executive office)

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Price Waterhouse LLP 3100 Multifoods Tower Telephone 612-332-7000
33 South Sixth Street Facsimile 612-332-6711
Minneapolis, MN 55402-3795

Price Waterhouse

[LOGO]

REPORT OF INDEPENDENT ACCOUNTANTS

To the Participants and Administrator
of the Minnesota Power and Affiliated
Companies Supplemental Retirement Plan

In our opinion, the accompanying statements of net assets available for plan benefits and the related statements of changes in net assets available for plan benefits present fairly, in all material respects, the net assets available for plan benefits of the Minnesota Power and Affiliated Companies Supplemental Retirement Plan at December 31, 1997 and 1996, and the changes in net assets available for plan benefits for the years then ended, in conformity with generally accepted accounting principles. These financial statements are the responsibility of the Plan's management; our responsibility is to express an opinion on these financial statements based on our audits. We conducted our audits of these statements in accordance with generally accepted auditing standards which require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements, assessing the accounting principles used and significant estimates made by management, and evaluating the overall financial statement presentation. We believe that our audits provide a reasonable basis for the opinion expressed above.

Our audit was made for the purpose of forming an opinion on the basic financial statements taken as a whole. The additional information included in Schedules I and II is presented for purposes of additional analysis and is not a required part of the basic financial statements but is additional information required by the Employee Retirement Income Security Act of 1974. Such information has been subjected to the auditing procedures applied in the audit of the basic financial statements and, in our opinion, is fairly stated in all material respects in relation to the basic financial statements taken as a whole.

PRICE WATERHOUSE LLP

Price Waterhouse LLP
Minneapolis, Minnesota
June 5, 1998

MINNESOTA POWER AND AFFILIATED COMPANIES
 SUPPLEMENTAL RETIREMENT PLAN
 STATEMENT OF NET ASSETS AVAILABLE FOR PLAN BENEFITS
 Thousands

	DECEMBER 31, 1997	1996

ASSETS		
INVESTMENTS, AT FAIR/CONTRACT VALUE		
Guaranteed investment contracts	\$ 18,405	\$ 17,287
Minnesota Power, Inc. common stock	17,929	11,248
Mutual fund securities	39,590	30,497
Money market securities	54	110
Loans receivable from participants	1,882	1,548
	-----	-----
Total investments	77,860	60,690
CASH	11	-
	-----	-----
NET ASSETS AVAILABLE FOR PLAN BENEFITS	\$ 77,871	\$ 60,690
	=====	=====

The accompanying notes are an integral part of these statements.

MINNESOTA POWER AND AFFILIATED COMPANIES
 SUPPLEMENTAL RETIREMENT PLAN
 STATEMENT OF CHANGES IN NET ASSETS AVAILABLE FOR PLAN BENEFITS
 Thousands

	YEAR ENDED DECEMBER 31,	
	1997	1996
SOURCES OF NET ASSETS		
Participant contributions	\$ 5,594	\$ 5,454
Interest income	1,167	1,132
Dividend income	3,431	3,829
Net unrealized appreciation (depreciation) in aggregate fair value of securities	9,470	(65)
Participants' loan interest income	150	127
Net realized gain (loss) on sale of securities	374	(95)
	20,186	10,382
APPLICATION OF NET ASSETS		
Transfers to retirement plans	(624)	(184)
Benefit distributions	(2,372)	(2,485)
Administrative expenses	(9)	(9)
	17,181	7,704
INCREASE IN NET ASSETS		
NET ASSETS AVAILABLE FOR PLAN BENEFITS		
Beginning of year	60,690	52,986
	\$ 77,871	\$60,690
End of year	\$ 77,871	\$60,690

The accompanying notes are an integral part of these statements.

MINNESOTA POWER AND AFFILIATED COMPANIES
SUPPLEMENTAL RETIREMENT PLAN
NOTES TO FINANCIAL STATEMENTS

NOTE 1 - DESCRIPTION OF THE PLAN

The Minnesota Power and Affiliated Companies Supplemental Retirement Plan (the SRP) provides benefits for eligible employees of Minnesota Power, Inc. (Minnesota Power), formerly Minnesota Power & Light Company; Superior Water, Light and Power Company; and MP Water Resources Group, Inc. (collectively, the Companies). The SRP is a defined contribution plan that is subject to the provisions of the Employee Retirement Income Security Act of 1974 (ERISA).

CONTRIBUTIONS

Contributions to the SRP consist of the following:

- Flexible Dollars Contributions. Flexible dollar contributions for the non-union participants are up to 3 percent of each participant's compensation (0.2 percent for union participants), up to a maximum compensation of \$160,000 in 1997. The contribution is equal to an amount the participant has elected to contribute to the SRP.
- Salary Reduction Contributions (Before-Tax Contributions). Before-tax contributions for the union and non-union participants are up to 12 percent of each participant's compensation, not to exceed \$9,500 in 1997, as permitted under Section 401(k) of the Internal Revenue Code of 1986 (Code). The contribution is equal to an amount the participant has elected to reduce his or her compensation pursuant to a salary reduction agreement.
- Results Sharing Contributions. Results sharing contributions are equal to the portion (up to 100 percent) of the Results Sharing Award the Participant irrevocably agrees to forgo and that, pursuant to the Minnesota Power Results Sharing Program, would otherwise be paid to the Participant. Results sharing contributions are included in the Participant's before-tax account, thus subject to limitations under Section 401(k) of the Code.
- Voluntary Contributions (After-Tax Contributions). Each participant is also allowed to make voluntary after-tax contributions to the SRP through payroll deductions or lump-sum contributions. Total voluntary contributions made by a participant for all fiscal years since July 1, 1980 shall not exceed 8.5 percent of the aggregate compensation received for all years since becoming a participant less the amount of voluntary contributions made to either the Minnesota Power and Affiliated Companies Retirement Plan A or Plan B.
- Rollovers. Contributions by participants may also be made through rollovers from other qualified plans.
- Core Contributions. Core contributions were made to the SRP prior to January 1, 1989 and were based on each participant's compensation. Core contributions have not been made to the SRP since December 31, 1988.

VESTING

All contributions plus actual earnings are fully vested and nonforfeitable.

LOAN PROGRAM

The SRP allows participants to borrow money from their SRP accounts. A participant may borrow up to \$50,000 or 50 percent of their total account balances, whichever is less, for up to 5 years for a general purpose loan and 10 years for the acquisition of a primary residence. A fixed interest rate of the prime rate plus 1 percent, but not less than the Minnesota Power Employees Credit Union share secured rate, is charged until the loan is repaid. As loans are repaid, principal and interest amounts are redeposited into the participant's SRP accounts.

PARTICIPANT ACCOUNTS

Each participant's account is credited with the participant's contribution and their share of the Companies' contributions. Income from the SRP's investment funds is allocated to each participant's account based upon their ownership interest in each fund.

Every December participants are required to make an election as to contributions to the SRP for the subsequent year. Funds may be transferred between investment options once a month with at least 10 days written notice to the Employee Benefit Plans Committee (the Committee). A brief description of the Plan's investment options follows. For a detailed description of the investment options and respective risk profiles refer to the fund prospectus.

- Minnesota Power Common Stock Fund seeks capital appreciation and current income by investing in the common stock of Minnesota Power.
- Heartland Value Fund seeks long-term capital appreciation by investing primarily in equity securities of small companies with market capitalization of less than \$500 million selected on a value basis.
- Fidelity Magellan Fund seeks capital appreciation by investing in securities of domestic, foreign and multinational issuers.
- Vanguard Institutional Index Fund seeks to match, as closely as possible, the performance of the Standard & Poor's 500 Composite Stock Price Index, which invests in stocks of large U.S. companies.
- Vanguard Short Term Federal Portfolio invests primarily in U.S. Government agency securities, which are debt obligations issued or guaranteed by agencies or instrumentalities of the U.S. Government. This fund may also invest in U.S. Treasury securities, as well as in repurchase agreements collateralized by the United States.
- BlackRock Funds Small Cap Growth Equity Portfolio seeks small cap stocks considered to have favorable and above-average earnings growth prospects versus the fund's benchmark, the Russell 2000 Growth Index. This fund replaced IAI Emerging Growth Fund in 1997.
- Templeton Institutional Funds, Inc. Foreign Equity Series seeks long-term capital growth through a flexible policy investing in equity securities and debt obligations of companies and governments outside the United States. This fund replaced IAI International Developed Market Fund in 1997.
- Templeton Institutional Funds, Inc. Emerging Market Series seeks long-term capital growth by investing primarily in equity securities of issuers in countries having emerging markets.
- Janus Balanced Fund seeks long-term capital growth consistent with preservation of capital and balanced by current income. This fund invests in securities selected primarily for their growth or income potential. This fund replaced the Fidelity Balanced Fund in 1997.
- Fixed Income Fund is a conservative fund consisting entirely of guaranteed investment contracts (GICs) with insurance companies. Each GIC is guaranteed by the issuing insurance company and supported by the insurance industry, and not guaranteed by the federal government.

While participants are active employees, they may withdraw money as a loan from their core, flexible dollar or before-tax accounts. After age 59 1/2, participants may withdraw the full amount of their flexible dollar account, before-tax account and their core account. After-tax accounts may be withdrawn at specified times during the year by participants of any age. When participants terminate employment, become disabled or die, they or their beneficiaries may elect to receive the vested amount of all their SRP accounts. Upon retirement participants may elect to transfer the vested amount of their SRP account balances to the Minnesota Power and Affiliated Companies Retirement Plan A or Plan B.

Minnesota Power maintains the participants' records and issues a quarterly report to each participant showing the status of individual accounts. At December 31, 1997 there were 1,701 participants in the SRP.

ADMINISTRATION

The SRP is administered by the Committee. The address of the Committee is 30 West Superior Street, Duluth, Minnesota 55802. The responsibility of the Committee includes the determination of compliance with the SRP's eligibility requirements as well as the administration and payment of benefits all in a manner consistent with the terms of the SRP and applicable law. The Committee has the authority to designate persons to carry out fiduciary responsibilities (other than trustee responsibilities) under the SRP. The Committee has the power to appoint an investment manager or managers. Administration fees and expenses of agents, outside experts, consultants, and investment managers are paid by the Companies or the SRP. The Committee may from time to time establish, modify and repeal rules for the administration of the SRP as may be necessary to carry out the purpose of the SRP. Members of the Committee receive no compensation for their services with respect to the SRP.

As of June 1, 1998 the members of the Committee, all employees of Minnesota Power, and their respective titles are as follows:

Name	Title
Robert D. Edwards	Executive Vice President President - Minnesota Power Electric (1)
David G. Gartzke	Senior Vice President - Finance Chief Financial Officer
Roger P. Engle	Vice President - Minnesota Power Electric President - Superior Water, Light and Power Company
Philip R. Halverson	Vice President, General Counsel and Secretary
Donald J. Shippar	Senior Vice President - Minnesota Power Electric
Claudia S. Welty	Vice President - Minnesota Power Electric
Mark A. Schober	Controller
Lori A. Collard	President - Electric Outlet, Inc.
Brenda J. Flayton	Director - Minnesota Power Electric - Human Resources
Alan R. Hodnik	Manager - Laskin Energy Center
Jeweleon W. Tuominen	Manager - Executive Compensation and Employee Benefits

(1) Committee Chairman

North Shore Bank of Commerce is retained as Trustee (Trustee) for the SRP. The Trustee's main office is located at 131 West Superior Street, Duluth, Minnesota 55802. The Trustee carries blanket bond insurance in the amount of \$2 million.

PLAN TERMINATION

The Companies reserve the right to reduce, suspend, or discontinue their contributions at any time or to terminate the SRP subject to the provisions of ERISA and the Code. In the event of SRP termination, all of the account balances of the participants will be fully vested and nonforfeitable, and distribution will be made in accordance with the terms of the SRP.

NOTE 2 - SUMMARY OF ACCOUNTING POLICIES

The SRP uses the accrual basis of accounting and accordingly reflects income in the year earned and expenses when incurred.

Mutual funds, money market securities and Minnesota Power common stock are reported at fair value based on quoted market prices. GIC amounts are reported at contract value which represents the purchase price of the contract plus accrued interest. Participants' loans are reported at cost which approximates fair value.

The preparation of financial statements in conformity with generally accepted accounting principles requires management to (i) make estimates and assumptions that affect the reported amounts of assets and liabilities, (ii) disclose contingent liabilities at the date of the financial statements and (iii) report amounts of revenue and expense during the reporting period. Actual results could differ from those estimates.

NOTE 3 - FEDERAL INCOME TAX STATUS

A favorable determination letter dated December 12, 1995 was obtained from the Internal Revenue Service stating that the SRP, as amended and restated effective January 1, 1992, qualifies as a profit sharing plan under Section 401(a) of the Code.

NOTE 4 - GUARANTEED INVESTMENT CONTRACTS

	Crediting Interest Rate	Fair/Contract Value	
		1997	1996

Metropolitan Life Insurance Company due 1997	8.65%	\$ -	\$ 2,419
Protective Life Insurance Company due 1997	6.99%	-	1,576
Provident Life and Accident Insurance Company due 1998	7.06%	3,100	2,896
Allstate Life Insurance Company due 1998	7.14%	2,472	2,307
Aetna Life Insurance Company due 1999	6.06%	2,537	2,389
Provident Mutual Insurance Company due 1999	5.80%	2,014	1,903
SunAmerica Life Insurance Company due 2000	6.00%	2,028	1,913
Jackson National Life Insurance Company due 2000	6.30%	3,169	-
Commonwealth Life Insurance Company due 2001	6.67%	1,883	1,884
Protective Life Insurance Company due 2001	6.17%	1,202	-
		-----	-----
		\$18,405	\$17,287
		=====	=====
Average yield		6.47%	6.87%

NOTE 5 - CHANGES IN SRP ASSETS FOR PARTICIPANT DIRECTED ACCOUNTS
Thousands

The table below summarizes the changes in SRP assets for each investment fund for the year ended December 31, 1997.

	Fixed Income Fund	Mutual Fund Securities				
		Heartland Value Fund	Fidelity Magellan Fund	Vanguard Institutional Index Fund	Vanguard Short Term Federal Portfolio	IAI Emerging Growth Fund
Sources of net assets						
Participant contributions	\$ 709	\$ 742	\$ 591	\$ 931	\$ 125	\$ 534
Interest income	1,166					
Dividend income		573	808	191	61	50
Net unrealized appreciation (depreciation) in aggregate fair value of securities		117	1,704	1,665	2	
Participants' loan repayments, including interest	289	32	82	64	6	42
Net gain (loss) on sale of securities		53	208	127	(1)	(360)
	----- 2,164	----- 1,517	----- 3,393	----- 2,978	----- 193	----- 266
Application of net assets						
Transfers to retirement plans	(624)					
Benefit distributions	(861)	(101)	(300)	(165)	(58)	(33)
Loans to participants	(1,098)					
Administrative expenses	(9)					
	-----	-----	-----	-----	-----	-----
Increase (decrease) in net assets	(428)	1,416	3,093	2,813	135	233
Net transfers	1,527	397	(1,626)	236	(63)	(4,443)
Net assets available for plan benefits						
Beginning of year	17,317	2,793	10,799	5,600	983	4,210
	-----	-----	-----	-----	-----	-----
End of year	\$18,416	\$4,606	\$12,266	\$ 8,649	\$1,055	\$ 0
	=====	=====	=====	=====	=====	=====

Mutual Fund Securities (Continued)

	BlackRock Small Cap Growth Equity Fund	IAI Int'l. Developed Market Fund	Templeton Institutional Fund Foreign Equity Series	Fidelity Balanced Fund	Janus Balanced Fund	Templeton Institutional Fund Emerging Market Series
Sources of net assets						
Participant contributions	\$ 401	\$ 119	\$ 99		\$ 743	\$ 335
Interest income						
Dividend income	235	39	76		438	128
Net unrealized appreciation (depreciation) in aggregate fair value of securities	(11)		(133)		148	(460)
Participants' loan repayments, including interest	24	10	8		32	30
Net gain (loss) on sale of securities	(5)	111	(1)	\$ 70		31
	644	279	49	70	1,361	64
Application of net assets						
Transfers to retirement plans						
Benefit distributions	(33)	(33)	(24)	(10)	(160)	(69)
Loans to participants						
Administrative expenses						
Increase (decrease) in net assets	611	246	25	60	1,201	(5)
Net transfers	4,119	(1,781)	1,751	(2,576)	3,079	172
Net assets available for plan benefits						
Beginning of year	0	1,535	0	2,516	0	2,061
End of year	\$4,730	\$ 0	\$ 1,776	\$ 0	\$4,280	\$2,228

	Minnesota Power Common Stock	Loans Receivable from Participants	Total Changes
Sources of net assets			
Participant contributions	\$ 265		\$ 5,594
Interest income	1		1,167
Dividend income	832		3,431
Net unrealized appreciation (depreciation) in aggregate fair value of securities	6,438		9,470
Participants' loan repayments, including interest	218	\$ (687)	150
Net gain (loss) on sale of securities	141		374
	7,895	(687)	20,186
Application of net assets			
Transfers to retirement plans			
Benefit distributions	(448)	(77)	(2,372)
Loans to participants		1,098	0
Administrative expenses			(9)
Increase (decrease) in net assets	7,447	334	17,181
Net transfers	(792)		0

Net assets available for plan benefits

Beginning of year	11,328	1,548	60,690
	-----	-----	-----
End of year	\$17,983	\$1,882	\$77,871
	=====	=====	=====

Balances include \$110 of short-term money market securities of which \$80 was being held to be invested in Minnesota Power Common Stock and the balance for participant distributions.

Balances include \$54 of short-term money market securities of which \$43 was being held to be invested in Minnesota Power Common Stock and the balance for participant distributions. Balances also include \$11 in cash.

NOTE 5 - CHANGES IN SRP ASSETS FOR PARTICIPANT DIRECTED ACCOUNTS
Thousands

The table below summarizes the changes in SRP assets for each investment fund for the year ended December 31, 1996.

	Fixed Income Fund	Mutual Fund Securities			
		GICs	Heartland Value Fund	Fidelity Magellan Fund	Vanguard Institutional Index Fund
Sources of net assets					
Participant contributions	\$ 886	\$ 653	\$ 884	\$ 665	\$ 191
Interest income	1,131				
Dividend income		166	1,697	171	51
Net unrealized appreciation (depreciation) in aggregate fair value of securities		159	(361)	647	(8)
Participants' loan repayments, including interest	272	18	90	49	17
Net gain (loss) on sale of securities		14	(175)	86	(2)
	----- 2,289	----- 1,010	----- 2,135	----- 1,618	----- 249
Application of net assets					
Transfers to retirement plans	(184)				
Benefit distributions	(1,228)	(42)	(318)	(93)	(9)
Loans to participants	(742)				
Administrative expenses	(9)				
	-----	-----	-----	-----	-----
Increase (decrease) in net assets	126	968	1,817	1,525	240
Net transfers	235	858	(1,335)	629	(40)
Net assets available for plan benefits					
Beginning of year	16,956	967	10,317	3,446	783
	-----	-----	-----	-----	-----
End of year	\$ 17,317	\$ 2,793	\$10,799	\$ 5,600	\$ 983
	=====	=====	=====	=====	=====

Mutual Fund Securities (Continued)

	IAI Emerging Growth Fund	IAI Int'l. Developed Market Fund	Fidelity Balanced Fund	Templeton Institutional Fund Emerging Market Series	Minnesota Power Common Stock	Loans Receivable from Participants	Total Changes
Sources of net assets							
Participant contributions	\$ 706	\$ 287	\$ 451	\$ 315	\$ 416		\$ 5,454
Interest income					1		1,132
Dividend income	583	157	108	49	847		3,829
Net unrealized appreciation (depreciation) in aggregate fair value of securities	(433)	(57)	99	206	(317)		(65)
Participants' loan repayments, including interest	42	15	26	23	212	\$ (637)	127
Net gain (loss) on sale of securities	7	8	(3)	19	(49)		(95)
	-----	-----	-----	-----	-----	-----	-----
	905	410	681	612	1,110	(637)	10,382
Application of net assets							
Transfers to retirement plans							(184)
Benefit distributions	(100)	(65)	(27)	(76)	(457)	(70)	(2,485)
Loans to participants						742	0
Administrative expenses							(9)
	-----	-----	-----	-----	-----	-----	-----
Increase (decrease) in net assets	805	345	654	536	653	35	7,704
Net transfers	727	25	(184)	198	(1,113)		0
Net assets available for plan benefits							
Beginning of year	2,678	1,165	2,046	1,327	11,788	1,513	52,986
	-----	-----	-----	-----	-----	-----	-----
End of year	\$ 4,210	\$1,535	\$2,516	\$ 2,061	\$11,328	\$ 1,548	\$60,690
	=====	=====	=====	=====	=====	=====	=====

Balances include \$1,642 of short-term money market securities of which \$1,000 was being held to be invested in a new GIC on January 3, 1996 and the balance for participant distributions.

Balances include \$110 of short-term money market securities of which \$80 was being held to be invested in Minnesota Power Common Stock and the balance for participant distributions.

MINNESOTA POWER AND AFFILIATED COMPANIES
 SUPPLEMENTAL RETIREMENT PLAN
 SCHEDULE OF INVESTMENTS HELD
 DECEMBER 31, 1997
 Thousands

Description	Number of Shares	Cost	Fair/ Contract Value
Guaranteed Investment Contracts			
Provident Life and Accident Insurance Company 7.06% due 1998		\$ 3,100	\$ 3,100
Allstate Life Insurance Company 7.14% due 1998		2,472	2,472
Aetna Life Insurance Company 6.06% due 1999		2,537	2,537
Provident Mutual Insurance Company 5.80% due 1999		2,014	2,014
SunAmerica Life Insurance Company 6.00% due 2000		2,028	2,028
Jackson National Life Insurance Company 6.30% due 2000		3,169	3,169
Commonwealth Life Insurance Company 6.67% due 2001		1,883	1,883
Protective Life Insurance Company 6.17% due 2001		1,202	1,202
Total guaranteed investment contracts		18,405	18,405
Minnesota Power, Inc. Common Stock *	413	11,020	17,929
Mutual Fund Securities			
Heartland Value Fund	136	4,249	4,606
Fidelity Magellan Fund	129	9,304	12,266
Vanguard Institutional Index Fund	97	6,245	8,649
Vanguard Short Term Federal Portfolio	104	1,051	1,055
BlackRock Small Cap Growth Equity Portfolio	231	4,740	4,730
Templeton Institutional Fund Foreign Equity Series	102	1,910	1,776
Janus Balanced Fund	215	4,139	4,280
Templeton Institutional Fund Emerging Market Series	279	2,598	2,228
Total mutual funds		34,236	39,590
Money Market Securities			
Dreyfus Institutional Government Securities Fund, floating interest rate with no maturity date		54	54
Loans Receivable from Participants * - 7% to 10%		-	1,882
Total Investments		\$ 63,715	\$77,860

* Party-in-interest

The above data was prepared from information certified as complete and accurate by North Shore Bank of Commerce, the plan Trustee.

MINNESOTA POWER AND AFFILIATED COMPANIES
SUPPLEMENTAL RETIREMENT PLAN
SCHEDULE OF TRANSACTIONS IN EXCESS OF
5% OF FAIR VALUE OF PLAN ASSETS
FOR THE YEAR ENDED DECEMBER 31, 1997
Dollars in Thousands

Purchases

Description -----	Aggregate Purchase Price and Fair Value on Transaction Dates -----	Number of Transactions -----
Dreyfus Institutional Government Series	\$7,232	246
BlackRock Small Cap Growth Equity Portfolio	\$4,788	14
BlackRock Small Cap Growth Equity Portfolio	\$4,105	1
Jackson National Life Insurance Company	\$4,177	12
Janus Balanced Fund	\$4,102	33
Vanguard Institutional Index Fund	\$2,060	37
Commonwealth Life Insurance Company	\$1,716	16
IAI Emerging Growth Fund	\$ 785	19

Sales

Description -----	Aggregate -----			Number of Transactions -----
	Net Cost of Asset -----	Sale Price -----	Gain/ (Loss) -----	
Dreyfus Institutional Government Series	\$7,260	\$7,260	0	162
IAI Emerging Growth Fund	\$4,830	\$4,685	\$(145)	26
IAI Emerging Growth Fund	\$4,108	\$4,105	\$ (3)	1
Commonwealth Life Insurance Company	\$1,844	\$1,844	0	14
Jackson National Life Insurance Company	\$1,077	\$1,077	0	11
Vanguard Institutional Index Fund	\$ 998	\$1,000	\$ 2	39
Janus Balanced Fund	\$ 408	\$ 408	0	29
BlackRock Small Cap Growth Equity Portfolio	\$ 286	\$ 281	\$ (5)	12

The above data was prepared from information certified as complete and accurate by North Shore Bank of Commerce, the plan Trustee.

SIGNATURES

Pursuant to the requirements of the Securities Exchange Act of 1934, the Employee Benefit Plans Committee has duly caused this annual report to be signed on its behalf by the undersigned hereunto duly authorized.

Minnesota Power and Affiliated Companies
Supplemental Retirement Plan

(Name of Plan)

June 24, 1998

By R.D. Edwards

R.D. Edwards
Chairman,
Employee Benefit Plans Committee

INDEX TO EXHIBITS

Exhibit

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a - Consent of Independent Accountants

CONSENT OF INDEPENDENT ACCOUNTANTS

We hereby consent to the incorporation by reference in the Registration Statement on Form S-8 (No. 333-26755) of the Minnesota Power and Affiliated Companies Supplemental Retirement Plan of our report dated June 5, 1998 appearing on page 1 of this Annual Report of the Minnesota Power and Affiliated Companies Supplemental Retirement Plan on Form 11-K for the year ended December 31, 1997.

PRICE WATERHOUSE LLP

Price Waterhouse LLP
Minneapolis, Minnesota
June 24, 1998