

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 & LIGHT COMPANY

(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 & Light Company	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	Tugboat Leasing
BNI Coal, Ltd.	North Dakota	Bismarck, ND	Coal Mining
Capital Re Corporation	Delaware	New York, NY	Financial Guaranty Reinsurance
Rainy River Energy Corporation	Minnesota	Duluth, MN	Energy Management
RendField Land Company, Inc.	Minnesota	Duluth, MN	Land Holding
UtilEquip, Incorporated	Minnesota	Duluth, MN	Inactive
Synertec, Incorporated	Minnesota	Duluth, MN	Venture Investor in energy efficiency, pollution control and energy conservation activities
Minnesota Pulp, Incorporated	Minnesota	Duluth, MN	Inactive
Minnesota Pulp II, Incorporated	Minnesota	Duluth, MN	Inactive
Lakeview Financial Corporation 1	Minnesota	Duluth, MN	Inactive
Lakeview Financial Corporation 2	Minnesota	Duluth, MN	Inactive

Upper Minnesota Properties, Inc.	Minnesota	Duluth, MN	Affordable Housing Projects and Economic Development
Upper Minnesota Properties-Meadowlands, Inc.	Minnesota	Duluth, MN	Affordable Housing Project
Upper Minnesota Properties-Irving, Inc. (Minnesota	Duluth, MN	Affordable Housing Project
Upper Minnesota Properties-Development, Inc.	Minnesota	Duluth, MN	Economic Development
Minnesota Power Enterprises, Inc.	Minnesota	Duluth, MN	Product and Marketing Coordination
Minnesota Power Services Group, Inc.	Minnesota	Duluth, MN	Product Development
Electric Outlet, Inc.	Minnesota	Duluth, MN	Retailer
MP Water Resources Group, Inc.	Minnesota	Duluth, MN	Water and Wastewater
MP Real Estate Holdings, Inc.	Minnesota	Duluth, MN	Real Estate
MP&L Capital I	Minnesota	Duluth, MN	Trust
PCUC Acquisition Sub, Inc.	Minnesota	Duluth, MN	Inactive
Heater Utilities, Inc.	South Carolina	Cary, NC	Water and Wastewater Treatment Utility
Heater of Seabrook, Inc.	South Carolina SC	Seabrook Island,	Water and Wastewater Treatment Utility - Assets Sold
Brookwood Water Corporation	North Carolina	Fayetteville, NC	Water Utility
Upstate Heater Utilities, Inc.	South Carolina	Anderson, SC	Water Utility
Florida Water Services Corporation	Florida	Apopka, FL	Water and Wastewater Treatment Utility
Pelican Utility Corporation	Florida	Apopka, FL	Liquefied Propane Gas
Instrumentation Services, Inc	North Carolina	Apopka, FL	Predictive Maintenance Services
Lehigh Acquisition Corporation	Delaware	Lehigh Acres, FL	Subdivider, Developer
Lehigh Corporation	Florida	Lehigh Acres, FL	Subdivider, Developer
News-Star Publications, Inc.	Florida	Lehigh Acres, FL	Newspaper Publisher - Sold

Lehigh Land & Investment, Inc.	Florida	Lehigh Acres, FL	Inactive
Cliffside Properties, Inc.	California	Lehigh Acres, FL	Resort Operations
Home at Lehigh, Inc.	Florida	Lehigh Acres, FL	Construction Company - Sold
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
Able Land Services, Inc.	Florida	Lehigh Acres, FL	Land Management - Sold
Enterprise Lehigh, Inc.	Florida	Lehigh Acres, FL	Subdivider, Developer
Palm Coast Holdings, Inc.	Florida	Palm Coast, FL	Subdivider, Developer
Sugarmill Woods Communities, Inc.	Florida	Homosassa, FL	Subdivider, Developer
FiberCore, Incorporated	Minnesota	Duluth, MN	Inactive
MP Automotive Services, Inc.	Minnesota	Duluth, MN	Automotive Services Holding Company
ADESA Houston, Inc.	Texas	Houston, TX	Automobile Auction
ADESA San Antonio, Inc.	Texas	San Antonio, TX	Automobile Auction
ADESA Corporation	Indiana	Indianapolis, IN	Automobile Auction - Corporate Operation
ADESA Auto Transport, Inc.	Indiana	Moody, AL	Automobile Transport
A.D.E. of Birmingham, Inc.	Alabama	Moody, AL	Automobile Auction
ADESA Ohio, Inc.	Ohio	Cleveland, OH Franklin, OH	Automobile Auction
Auto Dealers Exchange of Memphis, Inc.	Tennessee	Memphis, TN	Automobile Auction
A.D.E. of Lexington, Inc.	Kentucky	Lexington, KY	Automobile Auction
Auto Dealers Exchange of Concord, Inc.	Massachusetts	Acton, MA Framingham, MA	Automobile Auction
Greater Buffalo Auto Auction, Inc.	New York	Akron, NY	Automobile Auction
ADESA Indianapolis, Inc.	Indiana	Plainfield, IN	Automobile Auction

ADESA Funding Corporation	Indiana	Indianapolis, IN	Inactive
A.D.E. Management Company	Indiana	Indianapolis, IN	Automobile Auction Holding Company
A.D.E. of Jacksonville, Inc.	Florida	Jacksonville, FL Sarasota/ Bradenton, FL	Automobile Auction
A.D.E. of Knoxville, Inc.	Tennessee	Knoxville, TN	Automobile Auction
ADESA Charlotte, Inc.	North Carolina	Charlotte, NC	Automobile Auction
ADESA Texas, Inc.	Texas	Austin, TX Mesquite, TX	Automobile Auction
Auto Banc Corporation	New Jersey	Manville, NJ	Wholesale Vehicle Redistributor
ADESA New Jersey, Inc.	New Jersey	Manville, NJ	Automobile Auction
ADESA Wisconsin, Inc.	Wisconsin	Portage, WI	Automobile Auction
ADESA Pennsylvania, Inc.	Pennsylvania	Pittsburgh, PA	Automobile Auction
Automotive Finance Corporation	Indiana	Indianapolis, IN	Financial Services
AFC Funding Corporation	Indiana	Indianapolis, IN	Financial Services
ADESA Canada, Inc.	Quebec	Vars, Ontario, Canada	Automobile Auction Corporate Operations
ADESA Montreal, Inc.	Quebec	St. Eustache, Quebec, Canada	Automobile Auction
3095-1115 Quebec Inc.	Quebec	St. Eustache, Quebec, Canada	Inactive
ADESA Halifax, Inc.	Nova Scotia	Lr. Sackville, Nova Scotia, Canada	Automobile Auction
ADESA Ottawa, Inc.	Ontario	Vars, Ontario, Canada	Automobile Auction
ADESA Remarketing Services, Inc.	Ontario Canada	Vars, Ontario,	Automobile Remarketing
ADESA Moncton, Inc.	New Brunswick	Moncton, New Brunswick, Canada	Automobile Auction

Footnotes

Subsidiary of Minnesota Power & Light Company.

Contributed less than 1 percent of consolidated net income for the year ended December 31, 1996.

Consisted of less than 1 percent of consolidated assets at December 31, 1996.

Minnesota Power & Light Company has a 20.6 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.

MP Water Resources Group, Inc. has an 80 percent ownership interest in this corporation.

Previously Topeka Group Incorporated.

Subsidiary of Minnesota Power Services Group, Inc.

Subsidiary of Upper Minnesota Properties, Inc.

Subsidiary of MP Water Resources Group, Inc.

Previously Southern States Utilities, Inc.

Subsidiary of Heater Utilities, Inc.

Subsidiary of Florida Water Services Corporation.

Subsidiary of Lehigh Acquisition Corporation.

SRC of Florida, Inc. is a 50 percent partner in Guardian Title of Lehigh, a title company in Lehigh Acres, FL.

Subsidiary of Lehigh Corporation.

Lehigh Corporation owns 100 percent of J.W. Ford, Inc., an investment accounted for under the equity method. J.W. Ford, Inc. owns 50 percent of Joel/Bell Property, Inc. a land management company in Lehigh Acres, FL. Lehigh Corporation is also a 40 percent participant in Westminster L.L.P. which is involved in residential development in Lehigh Acres, FL.

Sold in 1996.

Lehigh Corporation had an 80 percent stock ownership in this corporation until it acquired the remaining 20 percent stock ownership on February 29, 1996.

Sugarmill Woods Communities, Inc. dissolved its 50 percent participation in Greenbriar Lakes Joint Venture.

Cliffside Properties, Inc. owned 50 percent of Admiral Lehigh Resort, Ltd. Partnership, a resort operation in Lehigh Acres, FL. which was sold in 1996.

MP Automotive Services, Inc., formerly ADESA Holdings, Inc., purchased 80 percent of ADESA Corporation on July 1, 1995, 3 percent on January 31, 1996 and the remaining 17 percent on August 21, 1996.

Subsidiary of MP Automotive Services, Inc.

Subsidiary of ADESA Corporation.

ADESA Corporation has an 93.4 percent stock ownership in this corporation. ADESA Canada, Inc. owns 20 percent of Impact Auto Auctions Ltd.

Footnotes Continued

Subsidiary of ADESA Canada, Inc.

Subsidiary of Automotive Finance Corporation.

Subsidiary of A.D.E. Management Company.

ADESA Corporation owns 51 percent of ADESA South Florida, L.L.C. which is an automobile auction in Opa-Locka, FL.

Subsidiary of Minnesota Pulp, Incorporated.

In process of dissolution.

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 & Light Company

Reference is made to Annual Report Form 10-K (File No. 1-3548), filed by the claimant with the Commission on March 28, 1996, for the fiscal year ended December 31, 1995, particularly pages 25, 26, and 27, 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 & Light Company	9,347,351,193	None
Superior Water, Light and Power Company	544,674,112	28,963,176
Florida Water Services Corporation	None	28,634 (Liquefied Propane Gas)

(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 & Light Company	1,856,682,000	None
Superior Water, Light and Power Company	None	None
Florida Water Services Corporation	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 & Light Company	6,657,376,001	None
Superior Water, Light and Power Company	562,969,047	None
Florida Water Services Corporation*	None	None

* Purchased only liquefied propane gas and all such purchases were made from local distributors and delivered in Florida.

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 & Light Company

Exhibits

Exhibit A is the consolidating balance sheet of claimant and its subsidiary companies as of the close of such calendar year, together with a consolidating statement of income and consolidating statement of retained earnings of the claimant and its subsidiary companies for the last calendar year.

Exhibit A-1 is the consolidating financial statements for MP Water Resources Group, Inc. (MP Water Resources). These statements are combined in the consolidating financial statements of Minnesota Power & Light Company which are filed as Exhibit A.

Exhibit A-2 is the consolidating financial statements for Lehigh Acquisition Corporation which are combined with MP Water Resources and filed as Exhibit A-1.

Exhibit A-3 is the consolidating financial statements for Heater Utilities, Inc. These statements are combined in the consolidated financial statements for MP Water Resources and filed as Exhibit A-1.

Exhibit A-4 is the consolidating financial statements for MP Automotive Services, Inc. These statements are combined in the consolidating financial statements of Minnesota Power & Light Company which are filed as Exhibit A.

Exhibit A-5 - Consolidating financial statements for ADESA Corporation are combined in the consolidating financial statements for MP Automotive Services, Inc. and are filed as Exhibit A-4. Consolidating financial statements for ADESA Corporation have been excluded from this exhibit due to the competitive nature of the information.

Exhibit A-6 is the consolidating financial statements for RendField Land Company. These statements are combined in the consolidating financial statements of Minnesota Power & Light Company which are filed as Exhibit A.

Exhibit A-7 - Consolidating financial statements for Upper Minnesota Properties, Inc. are combined in the consolidating financial statements of Minnesota Power & Light Company which are filed as Exhibit A. These statements have been excluded from this exhibit because each subsidiary within this consolidated group is not material to Minnesota Power & Light Company's consolidating financial statements.

Exhibit A-8 is the consolidating financial statements for Minnesota Pulp, Incorporated. These statements are combined in the consolidating financial statements of Minnesota Power & Light Company which are filed as Exhibit A.

Exhibit A-9 is a list of abbreviations used in the Exhibits.

Exhibit B is the Financial Data Schedule.

Exhibit C is not applicable to Minnesota Power & Light Company.

The above-named claimant has caused this statement to be duly executed on its behalf by its authorized officer on this 26th day of February 1997.

MINNESOTA POWER & LIGHT COMPANY

(Name of Claimant)

By D.G. Gartzke

Senior Vice President -
Finance and Chief Financial Officer

Attest:

Mark A. Schober

Controller

Name, title, and address of officer to whom notices and correspondence concerning this statement should be addressed:

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

(Name) (Title)

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

(Address)

MINNESOTA POWER CONSOLIDATED BALANCE SHEET
DECEMBER 1996

	CONSOLIDATED	ELIMINATIONS	MPL	SWL	CNWR	ENLD	CNAD
PLANT AND OTHER ASSETS							
ELECTRIC	-U100 1225373,334	3,094,205	1197665,455	24,613,674	0	0	0
ELECTRIC MISCELLANEOUS	-U175 23305,532	0	17290,439	54,026	0	0	0
GAS	-U400 13857,571	953,178	0	12,904,393	0	0	0
WATER (SWLP)	-U401 19115,962	2,384,623	0	16,731,339	0	0	0
COAL	-U550,551 43997,263	0	0	0	0	0	0
COMMON	-U500 0	6,432,006	0	6,432,006	0	0	0
TOTAL ELECTRIC OPERATIONS	1325649,662	0	1214955,894	60,735,438	0	0	0
WATER	-U300 418977,793	0	0	0	418,977,793	0	0
WATER MISCELLANEOUS	-U350 11563,244	0	0	0	11,563,244	0	0
TOTAL WATER OPERATIONS	430541,037	0	0	0	430,541,037	0	0
AUTO REDISTRIBUTION	-N550 162170,984	0	0	0	0	0	162,170,984
PULP	-N300 0	0	0	0	0	0	0
AFFORD HOUSING AND OTHE	-N350 552,170	0	0	0	0	0	0
TOTAL INVEST OPERATIONS	552,170	0	0	0	0	0	0
TOTAL PLANT	1918913,853	0	1214955,894	60,735,438	430,541,037	0	162,170,984
ACCUMULATED DEPREC	-U600,N600 653816,068	0	491648,484	20,754,094	113,785,923	0	6,476,221
CONSTRUCTION IN PRO	-U710,711 22652,473	0	3313,885	645,385	7,114,203	0	11,579,000
NET PLANT	1287750,258	0	726621,295	40,626,729	323,869,317	0	167,273,763
SECURITIES INVESTES	-N900,905 78922,762	817,836	74552,268	0	198,949	4,989,380	0
EQUITY INVESTMENTS	-N910 102289,664	0	102289,664	0	0	0	0
REAL ESTATE	-N400 50996,767	0	0	0	50,996,767	0	0
OTHER	-N500 3747,701	0	2145,005	0	1,602,696	0	0
INV IN SUBSIDIARIES	-N200 3	580,202,915	580202,911	0	0	0	1
TOTAL PLANT AND ASSETS	1523707,149	581,020,751	1485811,143	40,626,729	376,667,729	4,989,380	167,273,764
CURRENT ASSETS (A)							
CASH	-110 30947,581	1	1937,963	716,655	5,379,267	5,677	22,646,027
WORKING FUNDS	-150 202,761	0	193,236	9,525	0	0	0
TEMP CASH INVESTMENTS	-200 8944,671	5,800,000	13508,176	0	830,000	0	0
RESTRICTED CASH	-115 0	0	0	0	0	0	0
TRADING SECURITIES	-250 86819,405	533,834	87353,239	0	0	0	0
CUSTOMER ACCTS REC	-321 150628,221	0	40527,229	6,444,832	10,613,414	0	89,488,730
RESERVE FOR UNCOL ACT	-322 6568,445	0	316,156	308,147	509,796	0	5,434,346
OTHER ACCOUNTS RECEIVABLE							
NOTES RECEIVABLE	-310 482,015	0	247,716	0	234,299	0	0
OTHER ACCOUNTS REC	-409 20237,374	336,553	7748,984	781,173	10,619,999	41,723	0
ACCTS REC FROM ASSOC	-432 0	293,083,779	58272,672	30,000	45,131,789	3,915,226	56,320,168
FUEL STOCK	-500 7637,973	0	7581,648	56,326	0	0	0
PLANT & OPER SUPPLIES	-610 15030,903	0	9546,446	656,309	1,000,429	0	1,220,782
MERCHANDISE	-620 489,495	0	302,931	0	0	0	0
STORES EXPENSE UNDIST	-630 63,122	0	85	63,037	0	0	0
PREPAYMENTS	-700 8929,933	1,692,400	1861,128	927,971	1,033,647	0	3,341,341
OTHER CUR & ACCR ASSETS	-900 3162,229	0	1953,657	227,636	979,844	0	0
FUNDS HELD BY TRUSTEE	-145 5102,489	6,500,000	4903,177	6,699,312	0	0	0
INTEREST DEP & OTHER	-120 0	0	0	0	0	0	0
TOTAL CURRENT ASSETS	332109,727	304,561,765	235622,131	16,304,629	75,312,892	3,962,626	167,582,702
DEFERRED CHARGES	H-200 110581,733	887,058	84902,038	1,702,394	18,890,939	250,000	821,265
INTANGIBLES - GOODWILL	N-700 166985,544	0	0	0	1,304,860	0	165,680,684
- OTHER	N-702 12665,336	0	0	0	0	0	11,823,417
TOTAL INTANGIBLES	179650,880	0	0	0	1,304,860	0	177,504,101
TOTAL ASSETS	2146049,489	884,695,458	1806335,312	58,633,752	472,176,420	9,202,006	513,181,832

	CNRD	BNI	RAIN	SYNR
PLANT AND OTHER ASSETS				
ELECTRIC	-U100 0	0	0	0
ELECTRIC MISCELLANEOUS	-U175 0	0	470,633	55,218
GAS	-U400 0	0	0	0
WATER (SWLP)	-U401 0	0	0	0
COAL	-U550,551 0	43,997,263	0	0
COMMON	-U500 0	0	0	0
TOTAL ELECTRIC OPERATIONS	0	43,997,263	470,633	55,218
WATER	-U300 0	0	0	0
WATER MISCELLANEOUS	-U350 0	0	0	0
TOTAL WATER OPERATIONS	0	0	0	0
AUTO REDISTRIBUTION	-N550 0	0	0	0

PULP	-N300	0	0	0	0
AFFORD HOUSING AND OTHE	-N350	552,170	0	0	0
TOTAL INVEST OPERATIONS		552,170	0	0	0
TOTAL PLANT		552,170	43,997,263	470,633	55,218
ACCUMULATED DEPREC	-U600,N600	0	20,745,892-	6,260-	47,416-
CONSTRUCTION IN PRO	-U710,711	0	0	0	0
NET PLANT		552,170	23,251,371	464,373	7,802
SECURITIES INVESTES	-N900,905	0	0	0	0
EQUITY INVESTMENTS	-N910	0	0	0	0
REAL ESTATE	-N400	0	0	0	0
OTHER	-N500	0	0	0	0
INV IN SUBSIDIARIES	-N200	0	0	0	0
TOTAL PLANT AND ASSETS		552,170	23,251,371	464,373	7,802
CURRENT ASSETS (A)					
CASH	-110	60,063	4,885-	57,429	19,933
WORKING FUNDS	-150	0	0	0	0
TEMP CASH INVESTMENTS	-200	0	381,495	0	0
RESTRICTED CASH	-115	0	0	0	0
TRADING SECURITIES	-250	0	0	0	0
CUSTOMER ACCTS REC	-321	0	3,554,016	0	0
RESERVE FOR UNCOL ACT	-322	0	0	0	0
OTHER ACCOUNTS RECEIVABLE					
NOTES RECEIVABLE	-310	0	0	0	0
OTHER ACCOUNTS REC	-409	848	0	82,655	68,833
ACCTS REC FROM ASSOC	-432	11,490,604	0	2,255,952	21,251,554
FUEL STOCK	-500	0	0	0	0
PLANT & OPER SUPPLIES	-610	0	2,606,938	0	0
MERCHANDISE	-620	0	0	0	0
STORES EXPENSE UNDIST	-630	0	0	0	0
PREPAYMENTS	-700	0	68,271	0	0
OTHER CUR & ACCR ASSETS	-900	0	1,094	0	0
FUNDS HELD BY TRUSTEE	-145	0	0	0	0
INTEREST DEP & OTHER	-120	0	0	0	0
TOTAL CURRENT ASSETS		11,551,515	6,606,929	2,396,036	21,340,320
DEFERRED CHARGES	H-200	32,036	3,040,151	0	0
INTANGIBLES - GOODWILL	N-700	0	0	0	0
- OTHER	N-702	0	0	0	0
TOTAL INTANGIBLES		0	0	0	0
TOTAL ASSETS		12,135,721	32,898,451	2,860,409	21,348,122

MINNESOTA POWER CONSOLIDATED BALANCE SHEET
DECEMBER 1996

	LFC1	CNUP	CNPI		MPC1	ELOT
PLANT AND OTHER ASSETS						
ELECTRIC -U100	0	0	0	0	0	0
ELECTRIC MISCELLANEOUS -U175	0	5,108,173	0	0	0	327,044
GAS -U400	0	0	0	0	0	0
WATER (SWLP) -U401	0	0	0	0	0	0
COAL -U550,551	0	0	0	0	0	0
COMMON -U500	0	0	0	0	0	0
TOTAL ELECTRIC OPERATIONS	0	5,108,173	0	0	0	327,044
WATER -U300	0	0	0	0	0	0
WATER MISCELLANEOUS -U350	0	0	0	0	0	0
TOTAL WATER OPERATIONS	0	0	0	0	0	0
AUTO REDISTRIBUTION -N550	0	0	0	0	0	0
PULP -N300	0	0	0	0	0	0
AFFORD HOUSING AND OTHE-N350	0	0	0	0	0	0
TOTAL INVEST OPERATIONS	0	0	0	0	0	0
TOTAL PLANT	0	5,108,173	0	0	0	327,044
ACCUMULATED DEPREC-U600,N600	0	329,820	0	0	0	21,957
CONSTRUCTION IN PRO-U710,711	0	0	0	0	0	0
NET PLANT	0	4,778,353	0	0	0	305,087
SECURITIES INVESTES-N900,905	0	0	0	0	0	0
EQUITY INVESTMENTS -N910	0	0	0	0	0	0
REAL ESTATE -N400	0	0	0	0	0	0
OTHER -N500	0	0	0	0	0	0
INV IN SUBSIDIARIES -N200	0	0	0	0	0	0
TOTAL PLANT AND ASSETS	0	4,778,353	0	0	0	305,087
CURRENT ASSETS (A)						
CASH -110	13,141	77,677	32,259	0	0	6,377
WORKING FUNDS -150	0	0	0	0	0	0
TEMP CASH INVESTMENTS -200	0	25,000	0	0	0	0
RESTRICTED CASH -115	0	0	0	0	0	0
TRADING SECURITIES -250	0	0	0	0	0	0
CUSTOMER ACCTS REC -321	0	0	0	0	0	0
RESERVE FOR UNCOL ACT-322	0	0	0	0	0	0
OTHER ACCOUNTS RECEIVABLE						
NOTES RECEIVABLE -310	0	0	0	0	0	0
OTHER ACCOUNTS REC -409	51	1,203,190	1,400	0	0	25,072
ACCTS REC FROM ASSOC -432	4,242	1,970,435	14,620,591	0	77,657,646	162,900
FUEL STOCK -500	0	0	0	0	0	0
PLANT & OPER SUPPLIES -610	0	0	0	0	0	0
MERCHANDISE -620	0	0	0	0	0	186,565
STORES EXPENSE UNDIST-630	0	0	0	0	0	0
PREPAYMENTS -700	0	5,175	0	0	0	0
OTHER CUR & ACCR ASSETS-900	0	0	0	0	0	0
FUNDS HELD BY TRUSTEE-145	0	0	0	0	0	0
INTEREST DEP & OTHER -120	0	0	0	0	0	0
TOTAL CURRENT ASSETS	17,434	3,281,477	14,654,250	0	77,657,646	380,914
DEFERRED CHARGES H-200	0	55,852	0	0	0	0
INTANGIBLES - GOODWILL N-700	0	0	0	0	0	0
- OTHER N-702	0	0	0	0	0	841,919
TOTAL INTANGIBLES	0	0	0	0	0	841,919
TOTAL ASSETS	17,434	8,115,682	14,654,250	0	77,657,646	1,527,920

MINNESOTA POWER CONSOLIDATED BALANCE SHEET
DECEMBER 1996

	CONSOLIDATED	ELIMINATIONS	MPL	SWL	CNWR	ENLD	CNAD
CAPITALIZATION							
COMMON EQUITY (C)							
COMMON STK&PD IN CAP -090	394186,749	432,984,341-	394186,749	5,800,000	62,774,485	2,500	332,351,924
LOAN TO LEV ESOP -210	69123,697-	0	69123,697-	0	0	0	0
UNREAL GAINS INVEST -215	2752,347	0	2752,347	0	0	0	0
CUM TRANSLATION ADJ -216	73,000	0	0	0	0	0	73,000
RETAINED EARNINGS -400	282959,751	147,218,573-	282959,750	11,755,362	124,640,539	5,263,532	5,803,495
PREFERRED STOCK (P)							
5% -100	11491,693	0	11491,693	0	0	0	0
\$7.36 SERIES -210	0	0	0	0	0	0	0
\$8.90 SERIES 220	0	0	0	0	0	0	0
\$6.70 SERIES -250	10000,000	0	10000,000	0	0	0	0
\$9.125 SERIES -320	0	0	0	0	0	0	0
\$7.125 SERIES -330	10000,000	0	10000,000	0	0	0	0
QUIPS (Q) -100	75000,000	0	0	0	0	0	0
LONG-TERM DEBT (D)							
BONDS -100	511105,576	3,450,000-	406180,000	5,000,000	103,375,576	0	0
BOND FUNDS HELD BY TRUST 0	0	0	0	0	0	0	0
OTHER LONG-TERM DEBT -700	184509,309	84,946,482-	89766,348	13,850,000	52,291,225	0	98,915,099
UNAMORT PREM ON DEBT -850	0	0	0	0	0	0	0
UNAMORT DISC ON DEBT -860	1191,236-	0	1061,236-	130,000-	0	0	0
TOTAL CAPITALIZATION	1411763,492	668,599,396-	1137151,954	36,275,362	343,081,825	5,266,032	437,143,518
CURRENT LIABILITIES (L)							
NOTES PAYABLE -100	155725,809	5,800,000-	154162,285	5,800,000	1,318,524	0	245,000
CURRENT MATURITIES -200	7208,206	4,396,481	0	0	686,740	0	132,000
ACCOUNTS PAYABLE							
ACCOUNTS PAYABLE -310	72787,205	1,776,832-	16123,783	2,160,423	3,132,268	100,000	52,670,257
ACCOUNTS PAY TO ASSOC-320	7	213,490,988-	157313,688	1,938,237	3,568,259	956,428	6,539,306
ACCRUED TAXES							
FEDERAL INCOME TAXES -401	5295,246	0	5195,950	28,706	211,904-	119,420-	675,068
STATE INCOME TAXES -450	1487,664	0	1114,052	97,452-	145,445	149,030	450,430
OTHER ACCRUED TAXES -500	42030,162	0	35779,455	121,742	5,572,663	0	12,963
ACCRD DIVIDEND & INTEREST							
INTEREST ACCRUED -610	14361,577	0	9876,853	288,605	3,938,878	0	0
DIVIDENDS DECLARED -620	487,323	0	487,323	0	0	0	0
MATURED INTEREST -630	1,709	0	1,709	0	0	0	0
OTHER							
CUSTOMER DEPOSITS -910	2515,850	0	298,485	12,391	2,204,974	0	0
TAX COLLECTIONS PAY -920	395,394	0	224,516	171,137	259-	0	0
MISC CURR & ACCR LIAB-930	34687,123	311,781-	14486,444	1,483,373	7,062,214	0	11,036,290
TOTAL CURRENT LIABILITIE	336983,275	216,983,120-	395064,543	11,907,162	27,417,802	1,086,038	71,761,314
CONTR IN AID OF CONST F-300	98378,144	0	0	1,033,634	97,344,511	0	0
ACCUM DEF INC TXS(H254)-100	116340,918	0	128453,536	3,061,455	21,781,751-	2,849,936	2,501,000
ACC DEF INV TAX CREDITS-200	32590,513	0	30324,417	959,931	1,306,165	0	0
OTHER							
MINORITY INTEREST -900	13864,011	0	0	0	12,086,365	0	1,776,000
CUST ADV FOR CONSTR -910	2932,544	0	1046,872	1,885,672	0	0	0
OTHER DEF CREDITS -920	128595,423	889,770	109690,109	3,510,536	12,721,503	0	0
LOST TIME RESERVE -930	4601,169	2,712-	4603,881	0	0	0	0
TOTAL DEFERRED CREDITS	397302,722	887,058	274118,815	10,451,228	101,676,793	2,849,936	4,277,000
TOTAL LIAB & CAPITALIZATION	2146049,489	884,695,458-	1806335,312	58,633,752	472,176,420	9,202,006	513,181,832

	CNRD	BNI	RAIN	SYNR
CAPITALIZATION				
COMMON EQUITY (C)				
COMMON STK&PD IN CAP -090	5,487,500	2,027,426	1,350,000	5,074,217
LOAN TO LEV ESOP -210	0	0	0	0
UNREAL GAINS INVEST -215	0	0	0	0
CUM TRANSLATION ADJ -216	0	0	0	0
RETAINED EARNINGS -400	12,003,960-	11,961,198	1,578,085-	469,832-
PREFERRED STOCK (P)				
5% -100	0	0	0	0
\$7.36 SERIES -210	0	0	0	0
\$8.90 SERIES 220	0	0	0	0
\$6.70 SERIES -250	0	0	0	0
\$9.125 SERIES -320	0	0	0	0
\$7.125 SERIES -330	0	0	0	0
QUIPS (Q) -100	0	0	0	0
LONG-TERM DEBT (D)				
BONDS -100	0	0	0	0
BOND FUNDS HELD BY TRUST 0	0	0	0	0
OTHER LONG-TERM DEBT -700	0	12,193,572	0	0
UNAMORT PREM ON DEBT -850	0	0	0	0
UNAMORT DISC ON DEBT -860	0	0	0	0

TOTAL CAPITALIZATION	6,516,460-	26,182,196	228,085-	4,604,385
CURRENT LIABILITIES (L)				
NOTES PAYABLE -100	0	0	0	0
CURRENT MATURITIES -200	0	1,824,692	0	0
ACCOUNTS PAYABLE				
ACCOUNTS PAYABLE -310	266,754	86,700	1	1
ACCOUNTS PAY TO ASSOC-320	18,900,000	177,324	3,151,477	16,895,768
ACCRUED TAXES				
FEDERAL INCOME TAXES -401	43,710-	4,994-	32,330	10,970-
STATE INCOME TAXES -450	98,167-	44,146	25,940-	34,760-
OTHER ACCRUED TAXES -500	7,646	520,066	0	0
ACCRD DIVIDEND & INTEREST				
INTEREST ACCRUED -610	0	207,246	0	0
DIVIDENDS DECLARED -620	0	0	0	0
MATURED INTEREST -630	0	0	0	0
OTHER				
CUSTOMER DEPOSITS -910	0	0	0	0
TAX COLLECTIONS PAY -920	0	0	0	0
MISC CURR & ACCR LIAB-930	0	923,843	0	0
TOTAL CURRENT LIABILITIE	19,032,523	3,779,023	3,157,868	16,850,039
CONTR IN AID OF CONST F-300	0	0	0	0
ACCUM DEF INC TXS(H254)-100	380,342-	1,153,727	69,374-	106,302-
ACC DEF INV TAX CREDITS-200	0	0	0	0
OTHER				
MINORITY INTEREST -900	0	0	0	0
CUST ADV FOR CONSTR -910	0	0	0	0
OTHER DEF CREDITS -920	0	1,783,505	0	0
LOST TIME RESERVE -930	0	0	0	0
TOTAL DEFERRED CREDITS	380,342-	2,937,232	69,374-	106,302-
TOTAL LIAB & CAPITALIZATION	12,135,721	32,898,451	2,860,409	21,348,122

MINNESOTA POWER CONSOLIDATED BALANCE SHEET
DECEMBER 1996

	LFC1	CNUP	CNPI		MPC1	ELOT
CAPITALIZATION						
COMMON EQUITY (C)						
COMMON STK&PD IN CAP -090	10,000	3,524,189	10,282,100	0	2,500,000	1,800,000
LOAN TO LEV ESOP -210	0	0	0	0	0	0
UNREAL GAINS INVEST -215	0	0	0	0	0	0
CUM TRANSLATION ADJ -216	0	0	0	0	0	0
RETAINED EARNINGS -400	1,029	833,255	1,342,016	0	0	327,918
PREFERRED STOCK (P)						
5% -100	0	0	0	0	0	0
\$7.36 SERIES -210	0	0	0	0	0	0
\$8.90 SERIES 220	0	0	0	0	0	0
\$6.70 SERIES -250	0	0	0	0	0	0
\$9.125 SERIES -320	0	0	0	0	0	0
\$7.125 SERIES -330	0	0	0	0	0	0
QUIPS (Q) -100	0	0	0	0	75,000,000	0
LONG-TERM DEBT (D)						
BONDS -100	0	0	0	0	0	0
BOND FUNDS HELD BY TRUST	0	0	0	0	0	0
OTHER LONG-TERM DEBT -700	0	2,439,547	0	0	0	0
UNAMORT PREM ON DEBT -850	0	0	0	0	0	0
UNAMORT DISC ON DEBT -860	0	0	0	0	0	0
TOTAL CAPITALIZATION	8,971	6,796,991	11,624,116	0	77,500,000	1,472,082
CURRENT LIABILITIES (L)						
NOTES PAYABLE -100	0	0	0	0	0	0
CURRENT MATURITIES -200	0	168,292	0	0	0	0
ACCOUNTS PAYABLE						
ACCOUNTS PAYABLE -310	1	23,861	0	0	0	1
ACCOUNTS PAY TO ASSOC -320	8,342	730,049	3,030,134	0	157,646	124,337
ACCRUED TAXES						
FEDERAL INCOME TAXES -401	10	29,010	0	0	0	274,810
STATE INCOME TAXES -450	130	23,370	0	0	0	135,880
OTHER ACCRUED TAXES -500	0	15,626	0	0	0	0
ACCRD DIVIDEND & INTEREST						
INTEREST ACCRUED -610	0	49,995	0	0	0	0
DIVIDENDS DECLARED -620	0	0	0	0	0	0
MATURED INTEREST -630	0	0	0	0	0	0
OTHER						
CUSTOMER DEPOSITS -910	0	0	0	0	0	0
TAX COLLECTIONS PAY -920	0	0	0	0	0	0
MISC CURR & ACCR LIAB -930	0	6,740	0	0	0	0
TOTAL CURRENT LIABILITIE	8,463	1,000,203	3,030,134	0	157,646	286,352
CONTR IN AID OF CONST F-300						
ACCUM DEF INC TXS(H254)-100	0	316,842	0	0	0	342,190
ACC DEF INV TAX CREDITS-200	0	0	0	0	0	0
OTHER						
MINORITY INTEREST -900	0	1,646	0	0	0	0
CUST ADV FOR CONSTR -910	0	0	0	0	0	0
OTHER DEF CREDITS -920	0	0	0	0	0	0
LOST TIME RESERVE -930	0	0	0	0	0	0
TOTAL DEFERRED CREDITS	0	318,488	0	0	0	342,190
TOTAL LIAB & CAPITALIZATION	17,434	8,115,682	14,654,250	0	77,657,646	1,527,920

MINNESOTA POWER CONSOLIDATED STATEMENT OF INCOME
YEAR TO DATE AS OF DECEMBER 1996

		CONSOLIDATED	ELIMINATIONS	MPL	SWL	CNWR	ENLD	CNAD
REVENUE - ELECTRIC	R100	467,645,277	17,187,647	460,840,770	23,992,154	0	0	0
- ELECT MISC	T513	13,742,279	9,493,647	20,210,364	246,141	0	0	0
- GAS	R400	13,349,924	0	0	13,349,924	0	0	0
- WATER (SWLP)	R401	4,262,488	0	0	4,262,488	0	0	0
- COAL	R500, R501	30,190,123	0	0	0	0	0	0
- AFDC	T101	0	0	0	0	0	0	0
TOTAL ELECTRIC OPERATIONS		529,190,091	26,681,294	481,051,134	41,850,707	0	0	0
- WATER	R300	75,108,553	0	0	0	75,108,553	0	0
- WATER MISC	R380	9,647,676	0	0	0	9,647,676	0	0
- AFDC	T102	473,181	0	0	0	473,181	0	0
TOTAL WATER OPERATIONS		85,229,410	0	0	0	85,229,410	0	0
- AUTO REDIST	T900	183,940,883	0	0	0	0	0	183,940,883
- INVESTMENT	T300	19,245,867	6,315,307	11,772,714	0	4,552,169	2,475,588	1,873,164
- PULP	T520	0	0	0	0	0	0	0
- REAL ESTATE	T711	29,166,453	0	0	0	29,166,453	0	0
- OTHER	T530	155,433	0	0	0	43,565	0	0
- GAIN ON SALE	T505	0	0	0	0	0	0	0
- EQUITY IN SUBS	T200	1	34,538,891	34,538,891	0	1	0	0
TOTAL INV AND OTHER INCOME		48,567,754	40,854,198	46,311,605	0	33,762,188	2,475,588	1,873,164
TOTAL OPER REVENUE AND INCOME		846,928,138	67,535,492	527,362,739	41,850,707	118,991,598	2,475,588	185,814,047
OPERATING EXPENSES								
FUEL	E100	75,878,418	0	75,878,418	0	0	0	0
PURCHASED POWER	E200	115,050,224	16,522,372	115,050,227	16,522,369	0	0	0
OPERATION	E305, T512, 350	207,309,467	10,105,812	84,325,526	12,642,358	23,918,579	0	75,257,196
MAINTENANCE	E405	31,677,906	0	22,203,060	1,023,994	4,453,877	0	2,255,919
DEPRECIATION	E500, T590	65,091,564	0	37,984,896	2,215,204	11,154,525	0	11,753,084
PROPERTY TAXES	E610, T570	40,218,028	0	33,257,564	781,859	4,147,061	0	1,974,759
OTHER TAXES	E620, T571	9,912,308	0	4,517,348	460,808	4,316,944	0	0
ADMIN AND GENERAL	E310	153,419,207	0	40,287,786	3,864,308	32,329,709	15,735	74,635,276
MINORITY INTEREST	T511	4,477,115	0	0	0	3,698,211	0	778,972
INTEREST EXPENSE								
INTEREST ON LTD	I100	50,930,074	0	28,029,390	951,512	12,616,135	0	7,922,977
OTHER INTEREST EXP	I340	10,192,715	6,210,770	14,097,864	421,170	786,505	0	0
AMORT OF DEBT EXP	I300	1,455,508	0	1,433,406	22,102	0	0	0
AFCD-DEBT	I200	464,388	0	154,997	0	309,391	0	0
TOTAL OPERATING EXPENSES		765,148,146	32,838,954	456,910,488	38,905,684	97,112,155	15,735	174,578,183
INCOME FROM EQUITY INVESTMENT		11,809,698	0	11,809,698	0	0	0	0
OPER INCOME FROM CONTIN OPER		93,589,690	34,696,538	82,261,949	2,945,023	21,879,443	2,459,853	11,235,864
DISTRIBUTION-QUIPS		4,729,374	157,647	0	0	0	0	0
INCOME TAX EXP	E700, T400, 6, 7	19,638,998	0	13,040,635	1,088,264	10,973	354,961	5,499,526
INCOME FROM CONTINUING OPERS		69,221,318	34,538,891	69,221,314	1,856,759	21,868,470	2,104,892	5,736,338
DISCONTINUED OPERATIONS	X200	0	0	0	0	0	0	0
NET INCOME		69,221,318	34,538,891	69,221,314	1,856,759	21,868,470	2,104,892	5,736,338
PREFERRED DIVIDENDS	V100	2,408,290	0	2,408,290	0	0	0	0
EARNINGS AVAILABLE FOR COMMON		66,813,028	34,538,891	66,813,024	1,856,759	21,868,470	2,104,892	5,736,338
COMMON DIVIDENDS	V200	59,581,128	0	59,581,128	0	0	0	0
ADJ TO RETAINED EARNINGS	V300	512,890	0	512,890	0	0	0	0
BEGIN RETAINED EARNINGS	C425	276,240,744	0	276,240,744	0	0	0	0
ENDING RETAINED EARNINGS		282,959,754	34,538,891	282,959,750	1,856,759	21,868,470	2,104,892	5,736,338

		CNRD	BNI	RAIN	SYNR
REVENUE - ELECTRIC	R100	0	0	0	0
- ELECT MISC	T513	0	0	1,996,830	189,895
- GAS	R400	0	0	0	0
- WATER (SWLP)	R401	0	0	0	0
- COAL	R500, R501	0	30,190,123	0	0
- AFDC	T101	0	0	0	0
TOTAL ELECTRIC OPERATIONS		0	30,190,123	1,996,830	189,895
- WATER	R300	0	0	0	0
- WATER MISC	R380	0	0	0	0
- AFDC	T102	0	0	0	0
TOTAL WATER OPERATIONS		0	0	0	0
- AUTO REDIST	T900	0	0	0	0

- INVESTMENT	T300	0	0	0	0
- PULP	T520	0	0	0	0
- REAL ESTATE	T711	0	0	0	0
- OTHER	T530	111,868	0	0	0
- GAIN ON SALE	T505	0	0	0	0
- EQUITY IN SUBS	T200	0	0	0	0
TOTAL INV AND OTHER INCOME		111,868	0	0	0
TOTAL OPER REVENUE AND INCOME		111,868	30,190,123	1,996,830	189,895
OPERATING EXPENSES					
FUEL	E100	0	0	0	0
PURCHASED POWER	E200	0	0	0	0
OPERATION	E305, T512, 350	0	18,570,374	1,805,755	0
MAINTENANCE	E405	0	1,741,056	0	0
DEPRECIATION	E500, T590	0	1,809,395	6,260	4,921
PROPERTY TAXES	E610, T570	7,488	30,816	0	0
OTHER TAXES	E620, T571	0	617,208	0	0
ADMIN AND GENERAL	E310	43,239	1,258,483	502,976	430,485
MINORITY INTEREST	T511	0	0	0	0
INTEREST EXPENSE					
INTEREST ON LTD	I100	0	1,215,580	0	0
OTHER INTEREST EXP	I340	1,035,258	28,860	0	0
AMORT OF DEBT EXP	I300	0	0	0	0
AFCD-DEBT	I200	0	0	0	0
TOTAL OPERATING EXPENSES		1,085,985	25,271,772	2,314,991	435,406
INCOME FROM EQUITY INVESTMENT		0	0	0	0
OPER INCOME FROM CONTIN OPER					
DISTRIBUTION-QUIPS		974,117	4,918,351	318,161	245,511
INCOME TAX EXP	E700, T400, 6, 7	402,691	964,515	131,720	150,520
INCOME FROM CONTINUING OPERS		571,426	3,953,836	186,441	94,991
DISCONTINUED OPERATIONS	X200	0	0	0	0
NET INCOME		571,426	3,953,836	186,441	94,991
PREFERRED DIVIDENDS	V100	0	0	0	0
EARNINGS AVAILABLE FOR COMMON					
COMMON DIVIDENDS	V200	0	0	0	0
ADJ TO RETAINED EARNINGS	V300	0	0	0	0
BEGIN RETAINED EARNINGS	C425	0	0	0	0
ENDING RETAINED EARNINGS		571,426	3,953,836	186,441	94,991

MINNESOTA POWER CONSOLIDATED STATEMENT OF INCOME
YEAR TO DATE AS OF DECEMBER 1996

	LFC1	CNUP	CNPI	MPAP	MPC1	ELOT
REVENUE - ELECTRIC R100	0	0	0	0	0	0
- ELECT MISC T513	0	393,142	0	0	0	199,554
- GAS R400	0	0	0	0	0	0
- WATER (SWLP) R401	0	0	0	0	0	0
- COAL R500, R501	0	0	0	0	0	0
- AFDC T101	0	0	0	0	0	0
TOTAL ELECTRIC OPERATIONS	0	393,142	0	0	0	199,554
- WATER R300	0	0	0	0	0	0
- WATER MISC R380	0	0	0	0	0	0
- AFDC T102	0	0	0	0	0	0
TOTAL WATER OPERATIONS	0	0	0	0	0	0
- AUTO REDIST T900	0	0	0	0	0	0
- INVESTMENT T300	519	0	0	0	4,887,021	0
- PULP T520	0	0	0	0	0	0
- REAL ESTATE T711	0	0	0	0	0	0
- OTHER T530	0	0	0	0	0	0
- GAIN ON SALE T505	0	0	0	0	0	0
- EQUITY IN SUBS T200	0	0	0	0	0	0
TOTAL INV AND OTHER INCOME	519	0	0	0	4,887,021	0
TOTAL OPER REVENUE AND INCOME	519	393,142	0	0	4,887,021	199,554
OPERATING EXPENSES						
FUEL E100	0	0	0	0	0	0
PURCHASED POWER E200	0	0	0	0	0	0
OPERATION E305, T512, 350	0	183,777	0	0	0	711,715
MAINTENANCE E405	0	0	0	0	0	0
DEPRECIATION E500, T590	0	141,323	0	0	0	21,957
PROPERTY TAXES E610, T570	0	18,363	0	0	0	117
OTHER TAXES E620, T571	0	0	0	0	0	0
ADMIN AND GENERAL E310	0	26,125	0	0	0	25,083
MINORITY INTEREST T511	0	68-	0	0	0	0
INTEREST EXPENSE						
INTEREST ON LTD I100	0	194,480	0	0	0	0
OTHER INTEREST EXP I340	1,276	32,552	0	0	0	0
AMORT OF DEBT EXP I300	0	0	0	0	0	0
AFCD-DEBT I200	0	0	0	0	0	0
TOTAL OPERATING EXPENSES	1,276	596,552	0	0	0	758,872
INCOME FROM EQUITY INVESTMENT	0	0	0	0	0	0
OPER INCOME FROM CONTIN OPER	757-	203,410-	0	0	4,887,021	559,318-
DISTRIBUTION-QUIPS	0	0	0	0	4,887,021-	0
INCOME TAX EXP E700, T400, 6, 7	16	388,855	14,673	0	0	231,400
INCOME FROM CONTINUING OPERS	741-	185,445	14,673	0	0	327,918-
DISCONTINUED OPERATIONS X200	0	0	0	0	0	0
NET INCOME	741-	185,445	14,673	0	0	327,918-
PREFERRED DIVIDENDS V100	0	0	0	0	0	0
EARNINGS AVAILABLE FOR COMMON	741-	185,445	14,673	0	0	327,918-
COMMON DIVIDENDS V200	0	0	0	0	0	0
ADJ TO RETAINED EARNINGS V300	0	0	0	0	0	0
BEGIN RETAINED EARNINGS C425	0	0	0	0	0	0
ENDING RETAINED EARNINGS	741-	185,445	14,673	0	0	327,918-

Minnesota Power & Light Company and Subsidiaries
Consolidating Statement of Retained Earnings
for the Year Ended December 31, 1996

	Consolidated Total	Eliminations and Adjustments	Minnesota Power & Light Company	Superior Water, Light and Power Company	Consolidated MP Water Resources Group, Inc.	Energy Land Incorporated	Consolidated MP Automotive Services, Inc.
Balance at Beginning of Period	\$276,240,745	\$(116,965,668)	\$276,240,745	\$11,498,603	\$102,563,110	\$3,158,640	\$ (37,894)
Additions							
Net Income (Loss) from Statement of Income	69,221,314	(34,538,896)	69,221,314	1,856,759	21,868,470	2,104,892	5,736,338
Acquisition of Subsidiaries		(314,010)			208,959		105,051
	345,462,059	(151,818,574)	345,462,059	13,355,362	124,640,539	5,263,532	5,803,495
Deductions							
Dividends - Cash							
5% Preferred Stock (\$5.00 per share)	566,790		566,790				
Serial Preferred Stock (\$7.36 per share)	459,000		459,000				
Serial (A) Preferred Stock (\$6.70 per share)	670,000		670,000				
Serial Preferred Stock (\$7.125 per share)	712,500		712,500				
Common Stock	59,581,128	(4,600,000)	59,581,128	1,600,000			
Redemption of Preferred Stock	512,890		512,890				
Total Deductions	62,502,308	(4,600,000)	62,502,308	1,600,000			
Balance at End of Period	\$282,959,751	\$(147,218,574)	\$282,959,751	\$11,755,362	\$124,640,539	\$5,263,532	\$5,803,495
	Consolidated RendField	BNI Coal, Ltd.	Rainy River Energy, Inc.	Synertec			
Balance at Beginning of Period	\$(11,432,534)	\$11,007,363	\$(1,391,643)	\$(374,841)			
Additions							
Net Income (Loss) from Statement of Income	(571,426)	3,953,836	(186,441)	(94,991)			
Acquisition of Subsidiaries							
	(12,003,960)	14,961,199	(1,578,084)	(469,832)			
Deductions							
Dividends - Cash							
5% Preferred Stock (\$5.00 per share)							
Serial Preferred Stock (\$7.36 per share)							
Serial (A) Preferred Stock (\$6.70 per share)							
Serial Preferred Stock (\$7.125 per share)							
Common Stock		3,000,000					
Redemption of Preferred Stock							
Total Deductions		3,000,000					
Balance at End of Period	(12,003,960)	\$11,961,199	\$(1,578,084)	\$(469,832)			

Accounted for as pooling of interests.
Common dividends from Superior Water, Light and Power Company and BNI Coal of \$1,600,000 and \$3,000,000, respectively.

Minnesota Power & Light Company and Subsidiaries
Consolidating Statement of Retained Earnings
for the Year Ended December 31, 1996

	Lakeview Financial Corporation	Consolidated Upper Minnesota Properties	Consolidated Minnesota Pulp	Electric Outlet, Inc.
	-----	-----	-----	-----
Balance at Beginning of Period	\$ (288)	\$ 647,809	\$1,327,343	
Additions				
Net Income (Loss) from Statement of Income	(741)	185,445	14,673	\$ (327,918)
Acquisition of Subsidiaries				
	-----	-----	-----	-----
	(1,029)	833,254	1,342,016	(327,918)
	-----	-----	-----	-----
Deductions				
Dividends - Cash				
5% Preferred Stock				
(\$5.00 per share)				
Serial Preferred Stock				
(\$7.36 per share)				
Serial (A) Preferred Stock				
(\$6.70 per share)				
Serial Preferred Stock				
(\$7.125 per share)				
Common Stock				
Redemption of Preferred Stock				
	-----	-----	-----	-----
Total Deductions				
	-----	-----	-----	-----
Balance at End of Period	\$(1,029)	\$ 833,254	\$1,342,016	\$ (327,918)
	-----	-----	-----	-----

Accounted for as pooling of interests.

MP WATER RESOURCES GROUP, INC. CONSOLIDATED BALANCE SHEET
DECEMBER 1996

	CONSOLIDATED	ELIMINATIONS	MP WATER	FIBERCORE	LAC
UTILITY PLANT (U)					
-WATER	-300	418,977,793	0	0	0
-GAS	-400	0	0	0	0
TOTAL GROSS PLANT		418,977,793	0	0	0
ACCUM DEPRECIATION	-600	113,267,976-	0	0	0
CONSTR WORK IN PROGRESS-710		7,114,203	0	0	0
NET UTILITY PLANT		312,824,020	0	0	0
NONUTIL PROP & INVESTMENTS(N)					
NONUTILITY & OTHER					
NONUTILITY PLANT	-100	11,564,075	830	0	0
ACCUM-DEPR NONUTILITY-600		517,947-	830-	0	0
GOODWILL	-700	1,304,860	1,304,860	0	0
OTHER	-950	52,598,632	1,594,995	0	50,996,767
INVESTMENTS	-900	198,949	0	0	0
INVEST IN ASSOC CO.	-200	0	143,867,566-	0	0
TOTAL NONUTIL PROP & INV		65,148,569	146,767,421	0	50,996,767
CURRENT ASSETS (A)					
CASH					
CASH	-110	5,379,267	98,786	0	1,384
WORKING FUNDS	-150	0	0	0	0
TEMP CASH INVESTMENTS	-200	830,000	0	0	0
RESTRICTED CASH	-115	0	0	0	0
TRADE ACCOUNTS RECEIVABLE					
CUSTOMER ACCOUNTS REC-321		10,613,414	0	0	0
ACCUM PROV UNCOL ACT -322		509,796-	0	0	0
OTHER ACCOUNTS RECEIVABLE					
NOTES RECEIVABLE	-310	234,299	170,206	0	0
OTHER ACCTS REC	-409	10,619,999	0	0	9,976,513
ACCTS REC FROM ASSOC	-432	45,131,790	84,847,129	0	4,299,328
FUEL STOCK	-500	0	0	0	0
MATERIALS & SUPPLIES					
PLANT & OPER SUPPLIES-610		1,000,429	0	0	0
MERCHANDISE	-620	0	0	0	0
STORES EXPENSE UNDIST-630		0	0	0	0
PREPAYMENTS	-700	1,033,647	28,936	0	0
OTHER					
OTH CUR & ACCR ASSETS-900		979,844	0	0	920,667
FUNDS HELD BY TRUSTEE-145		0	0	0	0
INTEREST DEP & OTHER -120		0	0	0	0
TOTAL CURRENT ASSETS		75,312,893	85,145,057	0	16,687,262
ACCUM DEF INC TAXES					
H-254		42,194,874	678,366	0	23,571,484
OTHER	-200	18,890,939	214,211	0	0
TOTAL DEFERRED DEBITS		61,085,813	892,577	0	23,571,484
TOTAL ASSETS		514,371,295	232,805,055	0	91,255,513

	HEATER	SSU	ISI
UTILITY PLANT (U)			
-WATER	-300	40,803,494	378,174,299
-GAS	-400	0	0
TOTAL GROSS PLANT		40,803,494	378,174,299
ACCUM DEPRECIATION	-600	11,977,095-	101,290,881-
CONSTR WORK IN PROGRESS-710		0	7,114,203
NET UTILITY PLANT		28,826,399	283,997,621
NONUTIL PROP & INVESTMENTS(N)			
NONUTILITY & OTHER			
NONUTILITY PLANT	-100	10,520	10,107,081
ACCUM-DEPR NONUTILITY-600		0	0
GOODWILL	-700	0	0
OTHER	-950	0	6,870
INVESTMENTS	-900	198,949	0
INVEST IN ASSOC CO.	-200	0	0
TOTAL NONUTIL PROP & INV		209,469	10,107,081
CURRENT ASSETS (A)			
CASH			
CASH	-110	579,889	3,139,583
WORKING FUNDS	-150	0	0
TEMP CASH INVESTMENTS	-200	830,000	0
RESTRICTED CASH	-115	0	0

TRADE ACCOUNTS RECEIVABLE			
CUSTOMER ACCOUNTS REC-321	890,724	8,968,396	754,294
ACCUM PROV UNCOL ACT -322	19,465-	490,330-	0
OTHER ACCOUNTS RECEIVABLE			
NOTES RECEIVABLE -310	64,093	0	0
OTHER ACCTS REC -409	197,651	445,835	0
ACCTS REC FROM ASSOC -432	5,821,633	7,292,540	0
FUEL STOCK -500	0	0	0
MATERIALS & SUPPLIES			
PLANT & OPER SUPPLIES-610	326,557	437,491	236,382
MERCHANDISE -620	0	0	0
STORES EXPENSE UNDIST-630	0	0	0
PREPAYMENTS -700	820,227	181,065	3,418
OTHER			
OTH CUR & ACCR ASSETS-900	3,387	55,790	0
FUNDS HELD BY TRUSTEE-145	0	0	0
INTEREST DEP & OTHER -120	0	0	0
	-----	-----	-----
TOTAL CURRENT ASSETS	9,514,696	20,030,370	1,062,967
	-----	-----	-----
ACCUM DEF INC TAXES H-254	0	17,945,024	0
OTHER -200	0	18,557,808	118,920
	-----	-----	-----
TOTAL DEFERRED DEBITS	0	36,502,832	118,920
	-----	-----	-----
TOTAL ASSETS	38,550,564	350,637,904	2,117,284
	=====	=====	=====

MP WATER RESOURCES GROUP, INC. CONSOLIDATED BALANCE SHEET
DECEMBER 1996

	CONSOLIDATED	ELIMINATIONS	MP WATER	FIBERCORE	LAC
CAPITALIZATION					
COMMON EQUITY (C)					
COMMON STK&PD IN CAP -090	62,774,485	94,759,205-	62,774,485	0	5,952,410
CAPITAL STOCK EXPENSE-300	0	0	0	0	0
RETAINED EARNINGS -400	124,640,539	61,194,726-	124,640,537	0	4,976,047-
PREFERRED STOCK (P)					
5% SERIES -100	0	0	0	0	0
\$7.36 SERIES -210	0	0	0	0	0
\$8.90 SERIES -220	0	0	0	0	0
\$8.30 SERIES -310	0	0	0	0	0
\$9.125 SERIES -320	0	0	0	0	0
LONG-TERM DEBT (D)					
BONDS	103,375,576	0	0	0	0
BONDS HELD BY TRUSTEE	0	0	0	0	0
OTHER LONG-TERM DEBT -700	52,291,225	29,896,250-	30,000,000	0	14,400,000
UNAMORT PREM ON DEBT -850	0	0	0	0	0
UNAMORT DISC ON DEBT -860	0	0	0	0	0
TOTAL CAPITALIZATION	343,081,825	185,850,181-	217,415,022	0	148,953
CURRENT LIABILITIES (L)					
NOTES PAYABLE -100	1,318,524	0	0	0	1,058,185
CURRENT MATURITIES -200	686,740	0	0	0	0
ACCOUNTS PAYABLE					
ACCOUNTS PAYABLE -310	3,132,269	0	25	0	247,167
ACCTS PAY TO ASSOC CO-320	3,568,259	19,502,648-	11,784,318	0	210,638
ACCRUED TAXES					
FEDERAL INCOME TAXES -401	211,904-	0	118,388-	0	341,079-
STATE INCOME TAXES -450	145,445	0	298,033	0	16,571-
OTHER ACCRUED TAXES -500	5,572,663	0	0	0	0
ACCRD DIVIDENDS & INTEREST					
INTEREST ACCRUED -610	3,938,878	0	1,174,500	0	0
DIVIDENDS DECLARED -620	0	0	0	0	0
MATURED INTEREST -630	0	0	0	0	0
OTHER					
CUSTOMER DEPOSITS -910	2,204,974	0	0	0	134,172
TAX COLLECTIONS PAY -920	259-	0	259-	0	0
MISC CURR & ACCR LIAB-930	7,062,214	0	1,560,320	0	0
TOTAL CURRENT LIABILITIES	27,417,803	19,502,648-	14,698,549	0	147,012-
CONTR IN AID OF CONST F-300					
ACCUM DEF INCOME TAXES -100	97,344,511	0	0	0	0
ACC DEF INV TAX CREDITS-200	20,413,123	0	387,846	0	0
OTHER	1,306,165	0	0	0	0
MINORITY INTEREST -900	12,086,365	12,086,365	0	0	0
CUST ADV FOR CONSTR -910	0	0	0	0	0
OTHER DEF CREDITS -920	12,721,503	7,730,500-	303,638	0	0
LOST TIME RESERVE -930	0	0	0	0	0
TOTAL DEFERRED CREDITS	143,871,667	4,355,865	691,484	0	5,745,526
TOTAL LIABILITY & CAPITAL	514,371,295	200,996,964-	232,805,055	0	1,941

	HEATER	SSU	ISI
CAPITALIZATION			
COMMON EQUITY (C)			
COMMON STK&PD IN CAP -090	5,840,250	77,832,405	9,140
CAPITAL STOCK EXPENSE-300	0	0	0
RETAINED EARNINGS -400	4,824,710	6,385,900	480,773
PREFERRED STOCK (P)			
5% SERIES -100	0	0	0
\$7.36 SERIES -210	0	0	0
\$8.90 SERIES -220	0	0	0
\$8.30 SERIES -310	0	0	0
\$9.125 SERIES -320	0	0	0
LONG-TERM DEBT (D)			
BONDS	0	103,375,576	0
BONDS HELD BY TRUSTEE	0	0	0
OTHER LONG-TERM DEBT -700	13,560,801	24,196,250	30,424
UNAMORT PREM ON DEBT -850	0	0	0
UNAMORT DISC ON DEBT -860	0	0	0
TOTAL CAPITALIZATION	24,225,761	211,790,131	520,337
CURRENT LIABILITIES (L)			
NOTES PAYABLE -100	0	260,339	0
CURRENT MATURITIES -200	5,400	624,500	56,840
ACCOUNTS PAYABLE			
ACCOUNTS PAYABLE -310	423,949	2,259,018	202,111
ACCTS PAY TO ASSOC CO-320	888,483	2,101,073	1,089,749
ACCRUED TAXES			
FEDERAL INCOME TAXES -401	428,537-	0	0
STATE INCOME TAXES -450	136,017-	0	0

OTHER ACCRUED TAXES -500	60,419	4,885,394	13,762
ACCRD DIVIDENDS & INTEREST			
INTEREST ACCRUED -610	0	2,764,378	0
DIVIDENDS DECLARED -620	0	0	0
MATURED INTEREST -630	0	0	0
OTHER			
CUSTOMER DEPOSITS -910	189,701	1,881,101	0
TAX COLLECTIONS PAY -920	0	0	0
MISC CURR & ACCR LIAB-930	1,349,510	2,965,073	234,485
	-----	-----	-----
TOTAL CURRENT LIABILITIES	2,352,908	17,740,876	1,596,947
	-----	-----	-----
CONTR IN AID OF CONST F-300	13,484,797	83,859,713	0
ACCUM DEF INCOME TAXES -100	1,512,902-	21,538,180	0
ACC DEF INV TAX CREDITS-200	0	1,306,165	0
OTHER			
MINORITY INTEREST -900	0	0	0
CUST ADV FOR CONSTR -910	0	0	0
OTHER DEF CREDITS -920	0	14,402,839	0
LOST TIME RESERVE -930	0	0	0
	-----	-----	-----
TOTAL DEFERRED CREDITS	11,971,895	121,106,897	0
	-----	-----	-----
TOTAL LIABILITY & CAPITAL	38,550,564	350,637,904	2,117,284
	=====	=====	=====

MP WATER RESOURCES GROUP, INC. CONSOLIDATED STATEMENT OF INCOME
DECEMBER 1996

		CONSOLIDATED	ELIMINATIONS	MP WATER	FIBERCORE	LAC
REVENUE - WATER	R300	75,108,553	0	0	0	0
- WATER MISC	R380	8,208,348	0	10,725	0	0
- AFDC	T100	473,181	0	0	0	0
TOTAL WATER OPERATIONS		83,790,082	0	10,725	0	0
- INVESTMENT	T300	5,991,497	3,832,184	8,384,353	0	0
- REAL ESTATE	T711	29,166,453	0	0	0	29,166,453
- OTHER	T530	43,565	0	43,565	0	0
- GAIN ON SALE	T505	0	0	0	0	0
- EQUITY IN SUBS	T200	1	20,166,757	20,166,758	0	0
TOTAL INV AND OTHER INCOME		35,201,516	23,998,941	28,594,676	0	29,166,453
TOTAL OPER REVENUE AND INCOME		118,991,598	23,998,941	28,605,401	0	29,166,453
OPERATING EXPENSES						
OPERATION	E305, T512	23,918,579	0	0	0	3,649,183
MAINTENANCE	E405	4,453,877	0	0	0	0
DEPRECIATION	E500, T590	11,154,525	0	0	0	175,741
PROPERTY TAXES	E610, T570	4,147,061	0	0	0	0
OTHER TAXES	E620, E621	4,316,944	0	0	0	0
ADMIN AND GENERAL	E310	32,329,709	0	2,237,374	0	9,708,136
MINORITY INTEREST	T511	3,698,211	3,698,211	0	0	0
INTEREST EXPENSE						
INTEREST ON LTD	I100	12,616,135	3,832,184	3,132,000	0	1,180,349
OTHER INTEREST EXP	I340	786,505	0	79,186	0	0
AMORT OF DEBT EXP	I300	0	0	0	0	0
AFDC-DEBT	I200	309,391	0	0	0	0
TOTAL OPERATING EXPENSES		97,112,155	133,973	5,448,560	0	14,713,409
OPER INCOME FROM CONTIN OPER		21,879,443	23,864,968	23,156,841	0	14,453,044
INCOME TAX EXP	E700, T400, 6, 7	10,973	0	1,288,373	0	4,038,013
INCOME FROM CONTINUING OPERS		21,868,470	23,864,968	21,868,468	0	18,491,057
NET INCOME		21,868,470	23,864,968	21,868,468	0	18,491,057
PREFERRED DIVIDENDS	V100	0	0	0	0	0
EARNINGS AVAILABLE FOR COMMON		21,868,470	23,864,968	21,868,468	0	18,491,057
COMMON DIVIDENDS	V200	0	0	0	0	0
ADJ TO RETAINED EARNINGS	V300	0	0	0	0	0
BEGIN RETAINED EARNINGS	C425	0	0	0	0	0
ENDING RETAINED EARNINGS		21,868,470	23,864,968	21,868,468	0	18,491,057

		HEATER	SSU	ISI
REVENUE - WATER	R300	8,981,474	66,127,079	0
- WATER MISC	R380	2,196,200	713,871	5,287,552
- AFDC	T100	0	473,181	0
TOTAL WATER OPERATIONS		11,177,674	67,314,131	5,287,552
- INVESTMENT	T300	549,844	889,484	0
- REAL ESTATE	T711	0	0	0
- OTHER	T530	0	0	0
- GAIN ON SALE	T505	0	0	0
- EQUITY IN SUBS	T200	0	0	0
TOTAL INV AND OTHER INCOME		549,844	889,484	0
TOTAL OPER REVENUE AND INCOME		11,727,518	68,203,615	5,287,552
OPERATING EXPENSES				
OPERATION	E305, T512	3,140,949	16,541,023	587,424
MAINTENANCE	E405	119,905	4,333,971	0
DEPRECIATION	E500, T590	1,370,810	9,607,973	0
PROPERTY TAXES	E610, T570	192,772	3,954,289	0
OTHER TAXES	E620, E621	458,922	3,858,022	0
ADMIN AND GENERAL	E310	2,352,050	13,809,144	4,223,005
MINORITY INTEREST	T511	0	0	0
INTEREST EXPENSE				
INTEREST ON LTD	I100	1,244,334	10,881,691	9,946
OTHER INTEREST EXP	I340	54,776	652,544	0
AMORT OF DEBT EXP	I300	0	0	0
AFDC-DEBT	I200	0	309,391	0
TOTAL OPERATING EXPENSES		8,934,518	63,329,266	4,820,375
OPER INCOME FROM CONTIN OPER		2,793,000	4,874,349	467,177
INCOME TAX EXP	E700, T400, 6, 7	1,088,823	1,476,429	195,361
INCOME FROM CONTINUING OPERS		1,704,177	3,397,920	271,816

NET INCOME		1,704,177	3,397,920	271,816
PREFERRED DIVIDENDS	V100	0	0	0
		-----	-----	-----
EARNINGS AVAILABLE FOR COMMON		1,704,177	3,397,920	271,816
COMMON DIVIDENDS	V200	0	0	0
ADJ TO RETAINED EARNINGS	V300	0	0	0
BEGIN RETAINED EARNINGS	C425	0	0	0
		-----	-----	-----
ENDING RETAINED EARNINGS		1,704,177	3,397,920	271,816
		=====	=====	=====

LEHIGH ACQUISITION CORPORATION AND SUBSIDIARIES CONSOLIDATING BALANCE SHEET AS OF 31-DEC-96
INCOME STATEMENT FOR THE 12 MONTHS ENDED 31-DEC-96

	COMBINED ENTITIES	PURCHASE ACCOUNTING ADJUSTMENTS		COMBINED ENTITIES ADJUSTED FOR PURCHASE ADJUSTMENTS	LEHIGH ACQUISITION CORPORATION	ELIMINATIONS AND ADJUSTMENTS	CONSOLIDATED LEHIGH ACQUISITION CORPORATION
		DR	CR				
ASSETS							
Cash and cash equivalents	4,040,244			4,040,244	391,033		4,431,277
Inventory and supplies							
Residential construction in progress							
Trade and miscellaneous accounts rec	494,820			494,820			494,820
Contracts receivable-postacquisition:							
Homesites, net of allowance for cancels	3,715,273	48,170		3,763,443			3,763,443
Timeshare	583,455	2,317		585,772			585,772
Commercial notes	7,145,255			7,145,255			7,145,255
Total contracts receivable-postacq	11,443,983	50,487		11,494,470			11,494,470
Contracts receivable-preacquisition	10,690,535		1,208,842	9,481,693			9,481,693
Due from affiliates:							
Water and wastewater connections	4,199,328			4,199,328			4,199,328
Tax share					1,308,566	(1,308,566)	
Other	14,673,168			14,673,168		(14,673,168)	
Total due from affiliates	18,872,496			18,872,496	1,308,566	(15,981,734)	4,199,328
Investments/advances to subsidiaries					55,886,432	(55,886,432)	
Property and equipment	2,944,010	2,739,409		5,683,419	2,225		5,685,644
Less accum depreciation	(2,052,999)	20,221	2,534,540	(4,567,318)	(779)		(4,568,097)
Less bargain differential-PP&E		548,342	688,415	(140,073)			(140,073)
Net property and equipment	891,011	3,307,972	3,222,955	976,028	1,446		977,474
Land, land improvements and CIP	50,199,383	6,240,285		56,439,668			56,439,668
Less bargain differential-land		2,686,186	23,860,715	(21,174,529)			(21,174,529)
Net land, land improvements	50,199,383	8,926,471	23,860,715	35,265,139			35,265,139
Investment in joint venture	743,580		424,419	319,161			319,161
Deferred Income Tax					23,571,484		23,571,484
Other assets	931,240			931,240	(10,573)		920,667
	98,307,292		16,432,001	81,875,291	81,148,388	(71,868,166)	91,155,513
LIAB, CAP STOCK AND R/E (DEFICIT)							
Trade accounts payable	247,167			247,167			247,167
Customer Deposits	134,172			134,172			134,172
Accrued expenses:							
Real estate taxes	613,089			613,089			613,089
Other	947,220			947,220	5,606		952,826
Total accrued expenses	1,560,309			1,560,309	5,606		1,565,915
Due to affiliates:							
Utility fee credit	1,100,000			1,100,000			1,100,000
Tax share	2,542,366			2,542,366		(1,308,566)	1,233,800
Other					19,177,647	(14,673,169)	4,504,478
Total due to affiliates	3,642,366			3,642,366	19,177,647	(15,981,735)	6,838,278
Contingency reserves	4,522,394			4,522,394			4,522,394
Deferred income	190,133		1,091,367	1,281,500			1,281,500
Income taxes payable	176,100			176,100	500,000		676,100
Notes payable	24,852			24,852	1,033,333		1,058,185
Notes payable - long term	14,400,000			14,400,000			14,400,000
Minority interest							
Common stock and R/E (deficit):							
Common stock	21,100			21,100	117	(21,100)	117
Capital in excess of par value	88,738,150	56,219,827		32,518,323	5,952,293	(32,518,323)	5,952,293
Retained earnings (deficit)	(15,349,451)		38,696,459	23,347,008	54,479,392	(23,347,008)	54,479,392
Total C/S and R/E (deficit)	73,409,799	56,219,827	38,696,459	55,886,431	60,431,802	(55,886,431)	60,431,802
	98,307,292	16,432,001		81,875,291	81,148,388	(71,868,166)	91,155,513

COMBINED ENTITIES CONSOLIDATING BALANCE SHEET AS OF 31-Dec-96
INCOME STATEMENT FOR THE 12 MONTHS ENDED 31-Dec-96

	LEHIGH CORPORATION AND SUBSIDIARIES	INTERLACKEN LAKES ESTATES	SUNDOWNER PROPERTIES, INC.	SRC OF FLORIDA	TOTAL COMBINED ENTITIES
ASSETS					
Cash and cash equivalents	3,986,715	40,403	13,126		4,040,244
Inventory and supplies					
Residential construction in progress					
Trade and miscellaneous accounts rec	437,952	28,549	28,319		494,820
Contracts receivable-postacquisition:					
Homesites, net of allowance for cancels	3,544,830	87,371	83,072		3,715,273
Timeshare	583,455				583,455
Commercial notes	7,145,255				7,145,255
Total contracts receivable-postacq	11,273,540	87,371	83,072		11,443,983
Contracts receivable-preacquisition	10,690,535				10,690,535
Due from affiliates:					
Water and wastewater connections	4,199,328				4,199,328
Tax share					
Other	13,391,700	538,777	399,167	343,524	14,673,168
Total due from affiliates	17,591,028	538,777	399,167	343,524	18,872,496
Investments/advances to subsidiaries					
Property and equipment	2,944,010				2,944,010
Less accum depreciation	(2,052,999)				(2,052,999)
Less bargain differential-PP&E					
Net property and equipment	891,011				891,011
Land, land improvements and CIP	50,142,288		57,095		50,199,383
Less bargain differential-land					
Net land, land improvements	50,142,288		57,095		50,199,383
Investment in joint venture	743,580				743,580
Deferred Income Tax					
Other assets	928,679			2,561	931,240
	96,685,328	695,100	580,779	346,085	98,307,292
LIAB, CAP STOCK AND R/E (DEFICIT)					
Trade accounts payable	244,734	2,204	229		247,167
Customer Deposits	125,000	317	8,855		134,172
Accrued expenses:					
Real estate taxes	537,264	38,066	37,759		613,089
Other	945,415	526	1,279		947,220
Total accrued expenses	1,482,679	38,592	39,038		1,560,309
Due to affiliates:					
Utility fee credit	1,100,000				1,100,000
Tax share	2,387,366	126,400	19,100	9,500	2,542,366
Other					
Total due to affiliates	3,487,366	126,400	19,100	9,500	3,642,366
Contingency reserves	4,522,394				4,522,394
Deferred income	190,133				190,133
Income taxes payable	176,100				176,100
Notes payable	24,852				24,852
Notes payable - long term	14,400,000				14,400,000
Minority interest					
Common stock and R/E (deficit):					
Common stock	500	20,000	500	100	21,100
Capital in excess of par value	79,290,534	2,089,678	7,249,487	108,451	88,738,150
Retained earnings (deficit)	(7,258,964)	(1,582,091)	(6,736,430)	228,034	(15,349,451)
Total C/S and R/E (deficit)	72,032,070	527,587	513,557	336,585	73,409,799
	96,685,328	695,100	580,779	346,085	98,307,292

LEHIGH CORPORATION AND SUBSIDIARIES CONSOLIDATING BALANCE SHEET AS OF
INCOME STATEMENT FOR THE 12 MONTHS ENDED

31-DEC-96
31-DEC-96

	HOME AT LEHIGH, INC. (Sold 1/31/96)	PALM COAST HOLDINGS, INC.	OTHER LEHIGH CORPORATION SUBSIDIARIES	LEHIGH CORPORATION	ELIMINATIONS	TOTAL LEHIGH CORPORATION AND SUBSIDIARIES
ASSETS						
Cash and cash equivalents		650,859	237,350	3,098,506		3,986,715
Inventory and supplies						
Residential construction in progress						
Trade and miscellaneous accounts rec		240,616	34,058	163,278		437,952
Contracts receivable-postacquisition:						
Homesites, net of allowance for cancels		672,094	673,698	2,199,038		3,544,830
Timeshare				583,455		583,455
Commercial notes		1,587,000	625,000	4,933,255		7,145,255
Total contracts receivable-postacq		2,259,094	1,298,698	7,715,748		11,273,540
Contracts receivable-preacquisition		8,042,504		2,648,031		10,690,535
Due from affiliates:						
Water and wastewater connections				4,199,328		4,199,328
Tax share				691,534	(691,534)	
Other			4,663,336	12,238,797	(3,510,433)	13,391,700
Total due from affiliates			4,663,336	17,129,659	(4,201,967)	17,591,028
Investments/advances to subsidiaries				60,196,962	(60,196,962)	
Property and equipment		37,348	6,149	2,900,513		2,944,010
Less accum depreciation		(1,372)	(512)	(2,051,115)		(2,052,999)
Less bargain differential-PP&E						
Net property and equipment		35,976	5,637	849,398		891,011
Land, land improvements and CIP		23,237,875	3,924,179	23,167,808	(187,574)	50,142,288
Less bargain differential-land						
Net land, land improvements		23,237,875	3,924,179	23,167,808	(187,574)	50,142,288
Investment in joint venture				743,580		743,580
Deferred Income Tax						
Other assets		556,081	70,418	302,180		928,679
		35,023,005	10,233,676	116,015,150	(64,586,503)	96,685,328
LIAB, CAP STOCK AND R/E (DEFICIT)						
Trade accounts payable		49,380	4,320	191,034		244,734
Customer Deposits				125,000		125,000
Accrued expenses:						
Real estate taxes		409,564		127,700		537,264
Other		494,173	42,412	408,830		945,415
Total accrued expenses		903,737	42,412	536,530		1,482,679
Due to affiliates:						
Utility fee credit				1,100,000		1,100,000
Tax share		1,530,200	1,548,700		(691,534)	2,387,366
Other		3,486,312	24,121		(3,510,433)	
Total due to affiliates		5,016,512	1,572,821	1,100,000	(4,201,967)	3,487,366
Contingency reserves		1,235,554		3,286,840		4,522,394
Deferred income			386,244	(8,537)	(187,574)	190,133
Income taxes payable		174,100	2,000			176,100
Notes payable		23,852		1,000		24,852
Notes payable - long term		14,400,000				14,400,000
Minority interest						
Common stock and R/E (deficit):						
Common stock		500	1,550	500	(2,050)	500
Capital in excess of par value		13,037,927	8,512,929	79,290,534	(21,550,856)	79,290,534
Retained earnings (deficit)		181,443	(288,600)	31,492,249	(38,644,056)	(7,258,964)
Total C/S and R/E (deficit)		13,219,870	8,225,879	110,783,283	(60,196,962)	72,032,070
		35,023,005	10,233,676	116,015,150	(64,586,503)	96,685,328

LEHIGH ACQUISITION CORPORATION AND SUBSIDIARIES CONSOLIDATING BALANCE SHEET AS OF 31-DEC-96
INCOME STATEMENT FOR THE 12 MONTHS ENDED 31-DEC-96

	COMBINED ENTITIES	PURCHASE ACCOUNTING ADJUSTMENTS		COMBINED ENTITIES ADJUSTED FOR PURCHASE ADJUSTMENTS	LEHIGH ACQUISITION CORPORATION	ELIMINATIONS AND ADJUSTMENTS	CONSOLIDATED LEHIGH ACQUISITION CORPORATION
		DR	CR				
Revenues:							
Lots with roads only	858,281			858,281			858,281
Builder lots (serviced)	1,910,079			1,910,079			1,910,079
Other lot sales	3,643,753			3,643,753			3,643,753
Less estimated uncollectible sales	(140,317)			(140,317)			(140,317)
Net homesite sales	6,271,796			6,271,796			6,271,796
Commercial/bulk land sales	9,888,292			9,888,292			9,888,292
Timeshare sales	182,265		6,691	188,956			188,956
Residential sales	129,660			129,660			129,660
Discount earned on acquired receivables	2,967,843		1,614,422	4,582,265			4,582,265
Bargain differential earned:							
Lots with roads only			384,824	384,824			384,824
Builder lots (serviced)			348,353	348,353			348,353
Timeshare							
Commercial/bulk land			1,408,118	1,408,118			1,408,118
Receivables							
Property and equipment			548,342	548,342			548,342
Total bargain differential earned			2,689,637	2,689,637			2,689,637
Finance income	870,849			870,849	3,011		873,860
Operating revenues - subsidiaries	4,562,045		5,416	4,567,461			4,567,461
Other revenues	2,588,750		75,413	2,664,163			2,664,163
Total revenues	27,461,500		4,391,579	31,853,079	3,011		31,856,090
Cost of Sales:							
Lots with roads only	449,540	35,866		485,406			485,406
Builder lots (serviced)	988,853	15,367		1,004,220			1,004,220
Other lot sales	937,174			937,174			937,174
Commercial/bulk land sales	2,704,425	1,105,318		3,809,743			3,809,743
Timeshare sales	123,064		123,064				
Residential sales	102,277			102,277			102,277
Total cost of sales	5,305,333	1,156,551	123,064	6,338,820			6,338,820
Expenses:							
Selling expenses	3,397,689			3,397,689			3,397,689
Property taxes	2,792,445			2,792,445			2,792,445
General and administrative expenses	2,814,337		291,251	2,523,086	147,030	240,000	2,910,116
Operating expenses - subsidiaries	602,428		5,923	596,505		(240,000)	356,505
Other expenses	4,774,566		4,515,012	259,554			259,554
Depreciation	195,660		20,141	175,519	222		175,741
Interest expense	924,637			924,637	255,712		1,180,349
Total expenses	15,501,762		4,832,327	10,669,435	402,964		11,072,399
Income (loss) before income taxes, minority interest, and equity in earnings of subsidiaries	6,654,405	1,156,551	9,346,970	14,844,824	(399,953)		14,444,871
Provision for (reduction) income taxes:							
Current	2,947,438			2,947,438	(291,400)		2,656,038
Deferred					(6,694,051)		(6,694,051)
	2,947,438			2,947,438	(6,985,451)		(4,038,013)
Income (loss) before minority interest and equity in earnings of consolidated subsidiaries	3,706,967	1,156,551	9,346,970	11,897,386	6,585,498		18,482,884
Minority interest	8,173			8,173			8,173
Net income (loss) before equity in earnings of consolidated subsidiaries	3,715,140	1,156,551	9,346,970	11,905,559	6,585,498		18,491,057
Equity in earnings of subsidiaries					11,905,559	(11,905,559)	
Net income (loss)	3,715,140	1,156,551	9,346,970	11,905,559	18,491,057	(11,905,559)	18,491,057
R/E (deficit) begin of period	(15,964,591)		30,506,040	14,541,449	35,988,335	(14,541,449)	35,988,335
Dividends from (advances to) subs	(3,100,000)			(3,100,000)		3,100,000	

R/E (deficit) end of period

(15,349,451)

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38,696,459

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23,347,008

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54,479,392

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(23,347,008)

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54,479,392

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COMBINED ENTITIES CONSOLIDATING BALANCE SHEET AS OF 31-DEC-96
INCOME STATEMENT FOR THE 12 MONTHS ENDED 31-DEC-96

	LEHIGH CORPORATION AND SUBSIDIARIES	INTERLACHEN LAKES ESTATES	SUNDOWNER PROPERTIES INC.	SRC OF FLORIDA	TOTAL COMBINED ENTITIES
Revenues:					
Lots with roads only	858,281				858,281
Builder lots (serviced)	1,910,079				1,910,079
Other lot sales	3,643,753				3,643,753
Less estimated uncollectible sales	(140,317)				(140,317)
Net homesite sales	6,271,796				6,271,796
Commercial/bulk land sales	9,888,292				9,888,292
Timeshare sales	182,265				182,265
Residential sales	129,660				129,660
Discount earned on acquired receivables	2,221,428	344,076	402,339		2,967,843
Bargain differential earned:					
Lots with roads only					
Builder lots (serviced)					
Timeshare					
Commercial/bulk land					
Receivables					
Property and equipment					
Total bargain differential earned					
Finance income	838,733	16,515	15,601		870,849
Operating revenues - subsidiaries	4,427,046	59,635	37,116	38,248	4,562,045
Other revenues	2,588,750				2,588,750
Total revenues	26,547,970	420,226	455,056	38,248	27,461,500
Cost of Sales:					
Lots with roads only	449,540				449,540
Builder lots (serviced)	988,853				988,853
Other lot sales	937,174				937,174
Commercial/bulk land sales	2,704,425				2,704,425
Timeshare sales	123,064				123,064
Residential sales	102,277				102,277
Total cost of sales	5,305,333				5,305,333
Expenses:					
Selling expenses	3,366,990	23,269	7,430		3,397,689
Property taxes	2,773,648	9,902	8,895		2,792,445
General and administrative expenses	2,811,747	1,837	753		2,814,337
Operating expenses - subsidiaries	355,555	121,330	124,593	950	602,428
Other expenses	4,774,566				4,774,566
Depreciation	195,660				195,660
Interest expense	924,637				924,637
Total expenses	15,202,803	156,338	141,671	950	15,501,762
Income (loss) before income taxes, minority interest, and equity in earnings of subsidiaries	6,039,834	263,888	313,385	37,298	6,654,405
Provision for (reduction) income taxes:					
Current	2,791,999	126,400	19,100	9,939	2,947,438
Deferred					
Total	2,791,999	126,400	19,100	9,939	2,947,438
Income (loss) before minority interest and equity in earnings of consolidated subsidiaries	3,247,835	137,488	294,285	27,359	3,706,967
Minority interest	8,173				8,173
Net income (loss) before equity in earnings of consolidated subsidiaries	3,256,008	137,488	294,285	27,359	3,715,140
Equity in earnings of subsidiaries					
Net income (loss)	3,256,008	137,488	294,285	27,359	3,715,140
R/E (deficit) begin of period	(7,414,972)	(1,719,579)	(7,030,715)	200,675	(15,964,591)
Dividends from (advances to) subs	(3,100,000)				(3,100,000)

R/E (deficit) end of period

(7,258,964)

(1,582,091)

(6,736,430)

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228,034

(15,349,451)

LEHIGH CORPORATION AND SUBSIDIARIES CONSOLIDATING BALANCE SHEET AS OF 31-DEC-96
INCOME STATEMENT FOR THE 12 MONTHS ENDED 31-DEC-96

	HOME AT LEHIGH, INC. (Sold 1/31/96)	PALM COAST HOLDINGS, INC.	OTHER LEHIGH CORPORATION SUBSIDIARIES	LEHIGH CORPORATION	ELIMINATIONS	TOTAL LEHIGH CORPORATION AND SUBSIDIARIES
Revenues:						
Lots with roads only				858,281		858,281
Builder lots (serviced)				1,910,079		1,910,079
Other lot sales		1,620,295	2,023,458			3,643,753
Less estimated uncollectible sales		(35,600)	(35,400)	(69,317)		(140,317)
Net homesite sales		1,584,695	1,988,058	2,699,043		6,271,796
Commercial/bulk land sales		5,616,677	275,000	3,996,615		9,888,292
Timeshare sales				182,265		182,265
Residential sales	129,660					129,660
Discount earned on acquired receivables		1,556,671		664,757		2,221,428
Bargain differential earned:						
Lots with roads only						
Builder lots (serviced)						
Timeshare						
Commercial/bulk land						
Receivables						
Property and equipment						
Total bargain differential earned						
Finance income		32,029	44,575	763,187	(1,058)	838,733
Operating revenues - subsidiaries		230,865	4,155,845	68,581	(28,245)	4,427,046
Other revenues	78,666	(238,550)	153,409	2,594,658	567	2,588,750
Total revenues	208,326	8,782,387	6,616,887	10,969,106	(28,736)	26,547,970
Cost of Sales:						
Lots with roads only				449,540		449,540
Builder lots (serviced)				988,853		988,853
Other lot sales		327,726	609,448			937,174
Commercial/bulk land sales		1,123,335	74,161	1,506,929		2,704,425
Timeshare sales				123,064		123,064
Residential sales	102,277					102,277
Total cost of sales	102,277	1,451,061	683,609	3,068,386		5,305,333
Expenses:						
Selling expenses	9,245	1,348,059	696,396	1,313,290		3,366,990
Property taxes		1,565,940	184,174	1,023,534		2,773,648
General and administrative expenses	22,830	999,376	115,568	1,673,973		2,811,747
Operating expenses - subsidiaries			383,800		(28,245)	355,555
Other expenses				4,774,566		4,774,566
Depreciation	1,005	11,797	9,733	174,043	(918)	195,660
Interest expense		910,872	2,436	12,387	(1,058)	924,637
Total expenses	33,080	4,836,044	1,392,107	8,971,793	(30,221)	15,202,803
Income (loss) before income taxes, minority interest, and equity in earnings of subsidiaries	72,969	2,495,282	4,541,171	(1,071,073)	1,485	6,039,834
Provision for (reduction) income taxes:						
Current		1,755,100	1,710,840	(673,941)		2,791,999
Deferred						
		1,755,100	1,710,840	(673,941)		2,791,999
Income (loss) before minority interest and equity in earnings of consolidated subsidiaries	72,969	740,182	2,830,331	(397,132)	1,485	3,247,835
Minority interest	(1,459)		(14,015)		23,647	8,173
Net income (loss) before equity in earnings of consolidated subsidiaries	71,510	740,182	2,816,316	(397,132)	25,132	3,256,008
Equity in earnings of subsidiaries				11,843,559	(11,843,559)	
Net income (loss)	71,510	740,182	2,816,316	11,446,427	(11,818,427)	3,256,008
R/E (deficit) begin of period	(391,364)	(558,739)	(2,575,823)	23,145,822	(27,034,868)	(7,414,972)
Dividends from (advances to) subs	319,854		(529,093)	(3,100,000)	209,239	(3,100,000)
R/E (deficit) end of period		181,443	(288,600)	31,492,249	(38,644,056)	(7,258,964)

HEATER UTILITIES, INC.
CONSOLIDATED BALANCE SHEET
FOR THE PERIOD ENDED DECEMBER 31, 1996

	HEATER UTILITIES	HEATER OF SEABROOK	BROOKWOOD WATER CORP.	UPSTATE HEATER	ELIMINATIONS	TOTAL
LIABILITIES AND SHAREHOLDERS' EQUITY						
SHAREHOLDERS' EQUITY						
Capital stock, par value \$1.00 per share--authorized 13,500 shares, issued and outstanding 13,500 shares	13,500		7,500	1,000	(8,500)	13,500
Additional paid in capital	5,826,750		213,428	464,864	(678,293)	5,826,750
Retained Earnings	4,479,274		1,054,336	(137,064)	(571,843)	4,824,703
	<u>10,319,524</u>	<u>-----</u>	<u>1,275,264</u>	<u>328,801</u>	<u>(1,258,636)</u>	<u>10,664,953</u>
LONG-TERM DEBT	13,560,801		1,400,961	527,926	(1,928,887)	13,560,801
CURRENT LIABILITIES						
Accounts payable to vendors	664,605		46,634	23,962		735,201
Accts. payable to Assoc. Companies			542,991	(41,619)	(501,373)	0
Accounts payable to MP&L	567,238					567,238
Income taxes payable - Federal	(342,626)		(115,060)	29,149		(428,537)
Income taxes payable - State	(105,950)		(31,132)	1,065		(136,017)
Taxes other than income	42,473		13,950	3,996		60,419
Customer deposits	29,703		159,998			189,701
Other accrued expenses	1,046,686		239,442	71,158		1,357,286
Current portion of long-term debt	5,400					5,400
TOTAL CURRENT LIABILITIES	1,907,528	-----	856,824	87,710	(501,373)	2,350,690
C.I.A.C.	10,670,510		2,707,185	107,101		13,484,797
ACCUM. DEFERRED INC. TAXES	(1,305,681)		(201,811)	(5,411)		(1,512,902)
REGULATORY LIABILITIES	(9,129)		1,208	145		(7,776)
	<u>35,143,554</u>	<u>-----</u>	<u>6,039,631</u>	<u>1,046,273</u>	<u>(3,688,896)</u>	<u>38,540,563</u>

HEATER UTILITIES, INC.
CONSOLIDATED STATEMENT OF INCOME
FOR THE YEAR ENDED DECEMBER 31, 1996

	HEATER UTILITIES	HEATER OF SEABROOK	BROOKWOOD WATER CORP.	UPSTATE HEATER	TOTAL
Operating Revenues					
Water	\$5,807,725	\$189,858	\$1,470,655	\$348,118	\$7,816,357
Sewer	562,435	175,634			738,069
Other	279,751	6,143	114,162	26,992	427,048
Total Operating Revenues	6,649,911	371,635	1,584,817	375,110	8,981,474
Operating Revenue Deductions					
Operations and Maintenance	2,327,505	142,369	478,922	156,375	3,105,172
Administrative and General	1,607,334	109,444	494,994	140,278	2,352,050
Taxes Other Than Income	344,865	11,006	88,963	14,088	458,922
Property Taxes	133,715	16,670	21,593	20,794	192,772
Depreciation	999,726	87,673	229,526	53,885	1,370,810
Total Operating Revenue Deductions	5,413,146	367,162	1,313,998	385,420	7,479,726
Income From Operations	1,236,765	4,473	270,820	(10,310)	1,501,748
Other Income					
Interest Income	527,560	9,166	7,718	5402	549,847
Other Non-Utility income	929,423	1,204,709	57,984	4243	2,196,359
Other Income Deductions					
Interest Expense	979,812	137,406	131,634	50,258	1,299,109
Other Non-Utility Deductions	152,010	1,078	2,706	47	155,841
Total Other Income and Income Deductions	(325,161)	(1,075,391)	68,637	40,660	(1,291,255)
Net Income (Loss) Before Income Taxes	1,561,926	1,079,863	202,183	(50,969)	2,793,003
Estimated Income Taxes	623,885	401,624	80,992	(17,674)	1,088,828
Net Profit (Loss)	\$938,041	\$678,239	\$121,190	(\$33,295)	\$1,704,175

Consolidated MP Automotive Services, Inc. Balance Sheet
December 1996

	Consolidated	Eliminations	ATSV	ADSA
	-----	-----	-----	-----
Assets				
Current Assets				
Cash	22,646,028	0	1	22,646,027
Accounts Receivable	0	0	0	0
Minnesota Power	56,320,168	(6,830,755)	56,320,168	6,830,755
ADESA	0	(2,927,082)	2,927,082	0
Other	0	0	0	0
Trade	89,488,730	0	0	89,488,730
Allowance - Doubtful Accounts	(5,434,346)	0	0	(5,434,346)
Inventory	1,220,782	0	0	1,220,782
Notes Receivable	0	(31,270,000)	31,270,000	0
Prepayments	3,341,341	0	5,791	3,335,550
Other Current Assets	0	0	0	0
Total Current Assets	167,582,703	(41,027,837)	90,523,042	118,087,498
Investments in Sub	1	(256,914,517)	256,914,518	0
Auto Plant - Net	155,694,763	0	0	155,694,763
CWIP	11,579,000	0	0	11,579,000
Deferred Cost	821,265	0	0	821,265
Goodwill	170,433,001	(1,999)	0	170,435,000
Goodwill Amortization	(4,752,317)	0	0	(4,752,317)
Intangible Assets	14,607,417	0	0	14,607,417
Intangible Amortization	(2,784,000)	0	0	(2,784,000)
Total Assets	513,181,833	(297,944,353)	347,437,560	463,688,626
	=====	=====	=====	=====

Consolidated MP Automotive Services, Inc. Balance Sheet
December 1996

	Consolidated	Eliminations	ATSV	ADSA
Liabilities and Stockholder's Equity				
Current Liabilities				
Accounts Payable				
ADESA	1	(33,557,837)	1,161,007	32,396,831
Minnesota Power	6,539,306	0	6,539,306	0
Other	52,670,257	0	1,153,750	51,516,507
Current maturities	132,000	0	0	132,000
Notes Payable	245,000	(7,470,000)	0	7,715,000
Accrued Income Taxes	1,125,498	0	428,080	697,418
Accrued Other Taxes	12,963	0	0	12,963
Accrued Other Liabilities	11,036,290	0	0	11,036,290
Total Current Liabilities	71,761,315	(41,027,837)	9,282,143	103,507,009
Long-Term Debt	98,915,099	0	0	98,915,099
Deferred Income Taxes	2,501,000	0	0	2,501,000
Minority Interest	1,776,000	0	0	1,776,000
Total Liabilities	174,953,414	(41,027,837)	9,282,143	206,699,108
Stockholder's Equity				
Common Stock, Without Par				
XXXX Shares Authorized				
Issued and Outstanding	332,351,924	(253,294,857)	332,351,924	253,294,857
Retained Earnings	5,803,495	(3,621,659)	5,803,493	3,621,661
Cumulative Translation Adjustment	73,000	0	0	73,000
Total Stockholder's Equity	338,228,419	(256,916,516)	338,155,417	256,989,518
Total Liabilities and Stockholder's Equity	513,181,833	(297,944,353)	347,437,560	463,688,626

Consolidated MP Automotive Services, Inc. Statement of Income
Year To Date as of December 1996

	Consolidated	Eliminations	ATSV	ADSA
Income				
Auto Redistribution	182,949,376	0	0	182,949,376
Equity in Sub Earnings	0	(3,651,801)	3,651,801	0
Interest	2,864,671	(3,743,961)	5,617,126	991,506
Miscellaneous	0	0	0	0
Total Income	185,814,047	(7,395,762)	9,268,927	183,940,882
Expenses				
Direct Auction	75,257,196	0	0	75,257,196
Maintenance	2,255,919	0	0	2,255,919
Property Taxes	1,974,759	0	0	1,974,759
Depreciation / Amortization	11,753,084	0	0	11,753,084
Interest	7,922,977	(3,743,961)	0	11,666,938
Administrative and General	74,635,276	0	2,061,709	72,573,567
Total Expenses	173,799,211	(3,743,961)	2,061,709	175,481,463
Income (Loss) Before Taxes	12,014,836	(3,651,801)	7,207,218	8,459,419
Minority Interest	(778,972)	(778,972)	0	0
Income Tax (Expense) Benefit	(5,499,526)	0	(1,470,881)	(4,028,645)
Net Income (Loss)	5,736,338	(4,430,773)	5,736,337	4,430,774

ADESA Corporation

Consolidating financial statements for ADESA Corporation have been excluded from this exhibit due to the competitive nature of the information.

RENFIELD CONSOLIDATED BALANCE SHEET
DECEMBER 1996

	CONSOLIDATED	ELIMINATIONS	REND	UTIL
NONUTIL PROP & INVESTMENTS(N)				
NONUTILITY & OTHER				
NONUTILITY PLANT -100	552,170	0	552,170	0
ACCUM DEPR-NONUTIL-600	0	0	0	0
OTHER -950	0	0	0	0
SECURITIES INVEST - 900	0	0	0	0
EQUITY INVESTMENTS - 910	0	0	0	0
INVEST IN SUBSIDIARIES-200	0	5,708,187	5,708,187-	0
TOTAL NONU PROP & INVEST	552,170	5,708,187	5,156,017-	0
CURRENT ASSETS (A)				
CASH				
CASH -110	60,063	0	60,063	0
OTHER ACCOUNTS RECEIVABLE				
NOTES RECEIVABLE -310	0	0	0	0
OTHER ACCOUNTS REC -409	848	0	848	0
ACCTS REC FROM ASSOC -432	11,490,604	17,115,320-	22,704,854	5,901,070
OTHER CURRENT ASSETS -900	0	0	0	0
TOTAL CURRENT ASSETS	11,551,515	17,115,320-	22,765,765	5,901,070
ACCUM DEF INC TAXES H-254				
OTHER -200	5,203,741	0	5,203,741	0
	32,036	0	32,036	0
TOTAL DEFERRED DEBITS	5,235,777	0	5,235,777	0
TOTAL ASSETS	17,339,462	11,407,133-	22,845,525	5,901,070
CAPITALIZATION				
COMMON EQUITY (C)				
COMMON STK&PD IN CAP-090	5,487,500	6,397,500-	5,487,500	6,397,500
CAPITAL STOCK EXP-300	0	0	0	0
RETAINED EARNINGS-400	12,003,960-	12,105,687	12,003,960-	12,105,687-
LONG-TERM DEBT D-700	0	0	0	0
TOTAL CAPITALIZATION	6,516,460-	5,708,187	6,516,460-	5,708,187-
CURRENT LIABILITIES (L)				
CURRENT MATURITITES - 200				
ACCOUNTS PAYABLE	266,754	0	266,755	0
ACCOUNTS PAY TO ASSOC-322	18,900,000	17,115,320-	24,801,069	11,214,250
ACCRUED TAXES				
FEDERAL INCOME TAXES -401	43,710-	0	1,951,840	1,995,550-
STATE INCOME TAXES -450	98,167-	0	923,860	1,022,027-
OTHER ACCRUED TAXES -500	7,646	0	7,646	0
MISC CURRENT LIAB -930	0	0	3,412,584-	3,412,584
TOTAL CURRENT LIABILITIE	19,032,523	17,115,320-	24,538,586	11,609,257
ACCUM DEF INC TAXES F-100				
	4,823,399	0	4,823,399	0
TOTAL LIAB & CAPITALIZATION	17,339,462	11,407,133-	22,845,525	5,901,070

REDFIELD CONSOLIDATED STATEMENT OF INCOME
YEAR TO DATE AS OF DECEMBER 1996

	CONSOLIDATED	ELIMINATIONS	REND	UTIL
	-----	-----	-----	-----
OTHER INCOME & DEDUCTIONS (T)				
EQUITY IN EARN OF SUBS -200	0	0	0	0
ALLOW FOR FUNDS-EQUITY -100	0	0	0	0
INVESTMENT INCOME -300	139,659	0	139,659	0
EARNINGS FROM REACHALL -542	0	0	0	0
ALLOW-GAIN ON CAP SALE -543	0	0	0	0
OTHER MISCELLANEOUS INC-500	78,518-	0	78,518-	0
INCOME TAXES - INVEST -400	57,780-	0	57,780-	0
- MISC -600	460,471	0	460,471	0
	-----	-----	-----	-----
TOTAL OTHER INC & DEDUCT	463,832	0	463,832	0
	-----	-----	-----	-----
INCOME BEFORE INTEREST CHARGE	463,832	0	463,832	0
	-----	-----	-----	-----
OTHER INTEREST EXPENSE	1,035,258	0	1,035,258	0
	-----	-----	-----	-----
NET INCOME	571,426-	0	571,426-	0
	=====	=====	=====	=====

Upper Minnesota Properties, Inc.

Consolidating financial statements for Upper Minnesota Properties, Inc. have been excluded from this exhibit because each subsidiary within this consolidated group is not material to Minnesota Power & Light Company's consolidating financial statements.

MINNESOTA PULP CONSOLIDATED BALANCE SHEET
DECEMBER 1996

	CONSOLIDATED	ELIMINATIONS	MNPI	MNP2
NONUTIL PROP & INVESTMENTS(N)				
NONUTILITY & OTHER				
NONUTILITY PLANT -100	0	0	0	0
ACCUM DEPR-NONUTIL-600	0	0	0	0
SECURITIES INVEST - 900	0	0	0	0
EQUITY INVESTMENTS - 910	0	0	0	0
INVEST IN SUBSIDIARIES-200	0	11,101,353-	11,101,353	0
TOTAL NONU PROP & INVEST	0	11,101,353-	11,101,353	0
CURRENT ASSETS (A)				
CASH -110	32,259	0	6,234	26,026
OTHER ACCOUNTS RECEIVABLE				
NOTES RECEIVABLE -310	0	0	0	0
OTHER ACCOUNTS REC -409	1,400	0	0	1,400
ACCTS REC FROM ASSOC -432	14,620,591	17,159,205-	17,663,231	14,116,565
TOTAL CURRENT ASSETS	14,654,250	17,159,205-	17,669,465	14,143,991
ACCUM DEF INC TAXES H-254				
OTHER -200	0	0	0	0
TOTAL DEFERRED DEBITS	0	0	0	0
TOTAL ASSETS	14,654,250	28,260,558-	28,770,818	14,143,991
CAPITALIZATION				
COMMON STK&PD IN CAP-090	10,282,100	10,151,313-	10,282,100	10,151,314
RETAINED EARNINGS-400	1,342,016	950,040-	1,342,017	950,039
LONG-TERM DEBT D-700	0	0	0	0
TOTAL CAPITALIZATION	11,624,116	11,101,353-	11,624,117	11,101,353
CURRENT LIABILITIES (L)				
CURRENT MATURITITES - 200	0	0	0	0
ACCOUNTS PAYABLE	0	0	0	0
ACCOUNTS PAY TO ASSOC-322	3,030,134	17,159,205-	17,146,701	3,042,638
ACCRUED TAXES				
FEDERAL INCOME TAXES -401	0	0	0	0
STATE INCOME TAXES -450	0	0	0	0
OTHER ACCRUED TAXES -500	0	0	0	0
INTEREST ACCRUED - 610	0	0	0	0
TOTAL CURRENT LIABILITIES	3,030,134	17,159,205-	17,146,701	3,042,638
ACCUM DEF INC TAXES F-100				
	0	0	0	0
TOTAL LIAB & CAPITALIZATION	14,654,250	28,260,558-	28,770,818	14,143,991

MINNESOTA PULP CONSOLIDATED STATEMENT OF INCOME
YEAR TO DATE AS OF DECEMBER 1996

	CONSOLIDATED	ELIMINATIONS	MNPI	MNP2
	-----	-----	-----	-----
OTHER INCOME & DEDUCTIONS (T)				
EQUITY IN EARN OF SUBS -200	0	14,673-	14,673	0
ALLOW FOR FUNDS-EQUITY -100	0	0	0	0
INVESTMENT INCOME -300	0	0	0	0
EARNINGS FROM LSPI FIBER 543	0	0	0	0
OTHER MISCELLANEOUS INC-500	0	0	0	0
INCOME TAXES - INVEST -400	0	0	0	0
- MISC -600	14,673	0	0	14,673
	-----	-----	-----	-----
TOTAL OTHER INC & DEDUCT	14,673	14,673-	14,673	14,673
	-----	-----	-----	-----
INCOME BEFORE INTEREST CHARGE	14,673	14,673-	14,673	14,673
	-----	-----	-----	-----
OTHER INTEREST EXPENSE	0	0	0	0
	-----	-----	-----	-----
NET INCOME	14,673	14,673-	14,673	14,673
	=====	=====	=====	=====

Abbreviations Used in Exhibits

Exhibit A

Minnesota Power & Light Company (MPL)
Superior Water, Light and Power Company (SWL)
Consolidated MP Water Resources Group, Inc. (CNWR)
Energy Land, Incorporated (ENLD)
Consolidated MP Automotive Services, Inc. (CNAD)
Consolidated RendField (CNRD)
BNI Coal, Ltd. (BNI)
Rainy River Energy Corporation (RAIN)
Synertec, Incorporated (SYNR)
Lakeview Financial Corporation 1 (LFC1)
Consolidated Upper Minnesota Properties, Inc. (CNUP)
Consolidated Minnesota Pulp, Incorporated (CNPI)
MP&L Capital I (MPC1)
Electric Outlet, Inc. (ELOT)

Exhibit A-1

MP Water Resources Group, Inc. (MP Water)
Fibercore, Incorporated (Fibercore)
Lehigh Acquisition Corporation (LAC)
Heater Utilities, Inc. (Heater)
Florida Water Services Corporation (SSU)
Instrumentation Services, Inc. (ISI)

Exhibit A-2

No abbreviations used

Exhibit A-3

Heater Utilities, Inc. (Heater Utilities)
Heater of Seabrook, Inc. (Heater of Seabrook)
Brookwood Water Corporation (Brookwood Water Corp.)
Upstate Heater Utilities, Inc. (Upstate Heater)

Exhibit A-4

MP Automotive Services, Inc. (ATSV)
ADESA Corporation (ADSA)

Exhibit A-5

No abbreviations used

Exhibit A-6

RendField Land Company, Inc. (REND)
UtilEquip, Incorporated (UTIL)

Exhibit A-7

No abbreviations used

Exhibit A-8

Minnesota Pulp, Inc. (MNPI)
Minnesota Pulp II, Inc. (MNP2)

OPUR3

THIS SCHEDULE CONTAINS SUMMARY FINANCIAL INFORMATION EXTRACTED FROM MINNESOTA POWER'S CONSOLIDATED BALANCE SHEET AND STATEMENT OF INCOME FOR THE PERIOD ENDED DECEMBER 31, 1996, AND IS QUALIFIED IN ITS ENTIRETY BY REFERENCE TO SUCH FINANCIAL STATEMENTS.

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YEAR
DEC-31-1996
JAN-01-1996
DEC-31-1996
PER-BOOK
2,146,049
846,928
69,221