

Washington, D.C. 20549

FORM 11-K

(Mark One)

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

For the fiscal year ended December 31, 1995

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 & Light Company
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)

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, 1995 and 1994, 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 14, 1996

Minnesota Power and Affiliated Companies
 Supplemental Retirement Plan
 Statement of Net Assets Available for Plan Benefits

	December 31,	
	1995	1994
	----	----
Assets		
Investments, at fair/contract value		
Guaranteed investment contracts (cost of \$15,277,799 and \$16,264,983, respectively)	\$15,277,799	\$16,264,983
Minnesota Power & Light Company common stock (415,451 and 346,749 shares at cost of \$11,251,800 and \$9,951,459, respectively)	11,788,422	8,755,412
Mutual fund securities (cost of \$19,118,520 and \$15,786,820, respectively)	22,729,345	15,732,870
Money market securities	1,641,532	2,565,949
Loans receivable from participants	1,512,920	1,410,017
	-----	-----
Total investments	52,950,018	44,729,231
Cash	36,479	-
	-----	-----
Net assets available for plan benefits	\$52,986,497	\$44,729,231
	=====	=====

 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

	December 31, 1995 ----	1994 ----
Sources of net assets		
Contributions	\$ 4,912,365	\$ 4,142,821
Interest income	1,262,849	1,458,391
Dividend income	1,877,680	1,202,029
Net unrealized appreciation (depreciation) in aggregate fair value of securities	4,787,572	(2,991,910)
Participants' loan interest income	118,066	105,272
Net realized gain (loss) on sale of securities	587,935	(223,184)
	-----	-----
	13,546,467	3,693,419
Application of net assets		
Transfers to retirement plan	(3,165,992)	(717,205)
Benefit distributions	(2,123,209)	(1,269,576)
	-----	-----
Increase in net assets	8,257,266	1,706,638
Net assets available for plan benefits		
Beginning of year	44,729,231	43,022,593
	-----	-----
End of year	\$52,986,497	\$44,729,231
	=====	=====

 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 & Light Company (Minnesota Power); Superior Water, Light and Power Company; and Topeka Group Incorporated (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:

1. A flexible dollar contribution for the non-union participants up to 3 percent of each participant's compensation, up to a maximum compensation of \$150,000 in 1995, which has been elected by each participant to be contributed to the SRP.
2. A before-tax contribution for the union and non-union participants up to 12 percent, not to exceed \$9,240 in 1995, of each participant's compensation as permitted under Section 401(k) of the Internal Revenue Code of 1986 (Code). The contribution is equal to an amount by which the participant has elected to reduce his or her compensation pursuant to a salary reduction agreement.
3. 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.
4. Contributions by participants may also be made through rollovers from other qualified plans.
5. 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 the flexible dollar, if applicable, before-tax and after-tax contributions to the SRP for the subsequent year. Contributions may be invested in the Minnesota Power Common Stock Fund, Heartland Value Fund, Fidelity Magellan Fund, Vanguard Index 500 Fund, Vanguard Short Term Federal Portfolio, IAI Emerging Growth Fund, IAI International Developed Market Fund, Templeton International Emerging Market Fund, Fidelity Balanced Fund and the Fixed Income Fund. Contributions to the Fixed Income Fund are invested in guaranteed investment contracts (GICs) with insurance companies. 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).

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, 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, 1995 there were 1,685 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 managers shall be paid by the Companies. 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, 1996 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
David G. Gartzke	Senior Vice President - Finance Chief Financial Officer
Roger P. Engle	Vice President Minnesota Power Electric President and Chief Operating Officer - Superior Water, Light and Power Company
Philip R. Halverson	Vice President, General Counsel and Corporate Secretary
Donald J. Shippar	Vice President Minnesota Power Electric - Transmission and Distribution
Claudia S. Welty	Vice President Minnesota Power Electric - Support Services
Mark A. Schober	Corporate Controller
Lori A. Collard	Director - Minnesota Power Electric - Marketing
Brenda J. Flayton	Director - Minnesota Power Electric - Human Resources
Jeweleon W. Tuominen	Manager Employee Benefits

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 \$2,000,000.

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 approximate fair value.

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 - Changes in SRP Assets for Participant Directed Accounts

The table below is a breakdown of the changes in SRP assets for each investment fund for the year ended December 31, 1995.

	Fixed Income Fund	Mutual Fund Securities			
	GICs	Heartland Value Fund	Fidelity Magellan	Vanguard Index 500	Vanguard Short Term Federal Portfolio
Sources of net assets					
Contributions	\$ 1,148,916	\$ 406,265	\$ 661,052	\$ 409,795	\$ 140,310
Interest income	1,257,630				
Dividend income		42,218	594,504	73,563	41,522
Net unrealized appreciation (depreciation) in aggregate fair value of securities		30,247	2,039,135	709,033	31,720
Participants' loan interest income	314,990	4,518	81,907	31,012	11,491
Net gain (loss) on sale of securities		2,890	326,575	57,396	6,285
	2,721,536	486,138	3,703,173	1,280,799	231,328
Application of net assets					
Transfers to retirement plans	(3,165,992)				
Benefit distributions	(953,755)	(6,083)	(254,359)	(95,030)	(33,112)
Loans to participants	(756,812)				
Increase (decrease) in net assets	(2,155,023)	480,055	3,448,814	1,185,769	198,216
Net transfers	2,096,925	487,432	(1,112,187)	132,303	(18,996)
Net assets available for plan benefits					
Beginning of year	17,013,628	0	7,980,661	2,127,279	603,381
End of year	\$ 16,955,530	\$ 967,487	\$ 10,317,288	\$ 3,445,351	\$ 782,601

Mutual Fund Securities (Continued)

	IAI Emerging Growth Fund	IAI Int'l. Developed Market Fund	Fidelity Balanced Fund	Templeton International Emerging Market Fund	Minnesota Power Common Stock	Loans Receivable from Participants	Total Changes
Sources of net assets							
Contributions	\$ 450,546	\$ 357,800	\$ 488,611	\$ 426,920	\$ 422,150		\$ 4,912,365
Interest income					5,219		1,262,849
Dividend income	48,959	92,615	85,574	34,409	864,316		1,877,680
Net unrealized appreciation (depreciation) in aggregate fair value of securities	689,610	(2,008)	154,044	(32,233)	1,168,024		4,787,572
Participants' loan interest income	27,134	14,222	19,799	14,336	239,086	\$ (640,429)	118,066
Net gain (loss) on sale of securities	38,927	4,777	32,094	(683)	119,674		587,935
	1,255,176	467,406	780,122	442,749	2,818,469	(640,429)	13,546,467
Application of net assets							
Transfers to retirement plans							(3,165,992)
Benefit distributions	(80,116)	(44,057)	(91,732)	(21,130)	(530,355)	(13,480)	(2,123,209)
Loans to participants						756,812	0
Increase (decrease) in net assets	1,175,060	423,349	688,390	421,619	2,288,114	102,903	8,257,266
Net transfers	156,019	(162,997)	(320,170)	(186,189)	(1,072,140)		0
Net assets available for plan benefits							
Beginning of year	1,347,147	904,616	1,678,181	1,091,690	10,572,631	1,410,017	44,729,231
End of year	\$ 2,678,226	\$ 1,164,968	\$ 2,046,401	\$ 1,327,120	\$ 11,788,605	\$ 1,512,920	\$ 52,986,497

These beginning of year balances include \$2,565,949 of short term money market securities of which \$1,811,767 was being held to be reinvested into other SRP funds and the balance for participant distributions.

These end of year balances include \$1,641,532 of short term money market securities of which \$1,000,000 was being held to be invested in a new GIC on January 3, 1996 and the balance for participant distributions.

Note 4 - Changes in SRP Assets for Participant Directed Accounts (Continued)

The table below is a breakdown of the changes in SRP assets for each investment fund for the year ended December 31, 1994.

	Fixed Income Fund	Mutual Fund Securities			
	GICs	Evergreen	Fidelity Magellan	Vanguard Index 500	Vanguard Short Term Federal Portfolio
Sources of net assets					
Contributions	\$ 627,625		\$ 849,815	\$ 382,195	\$ 143,023
Interest income	1,456,823				
Dividend income			297,024	59,269	27,929
Net unrealized appreciation (depreciation) in aggregate fair value of securities		\$ 23,154	(428,363)	(36,726)	(30,112)
Participants' loan interest income	285,539		69,060	23,585	9,623
Net gain (loss) on sale of securities			(22,888)	(1,279)	(2,327)
	2,369,987	23,154	764,648	427,044	148,136
Application of net assets					
Transfers to retirement plans	(717,205)				
Benefit distributions	(734,299)	(60,152)	(137,225)	(39,095)	(5,661)
Loans to participants	(632,287)				
Increase (decrease) in net assets	286,196	(36,998)	627,423	387,949	142,475
Net transfers	(3,232,918)	(2,539,869)	530,887	345,492	19,530
Net assets available for plan benefits					
Beginning of year	19,960,350	2,576,867	6,822,351	1,393,838	441,376
End of year	\$ 17,013,628	\$ 0	\$ 7,980,661	\$ 2,127,279	\$ 603,381

Mutual Fund Securities (Continued)

	IAI Emerging Growth Fund	IAI Int'l. Developed Market Fund	Fidelity Balanced Fund	Templeton International Emerging Market Fund	Minnesota Power Common Stock	Loans Receivable from Participants	Total Changes
Sources of net assets							
Contributions	\$ 511,052	\$ 292,180	\$ 634,199	\$ 376,726	\$ 326,006		\$ 4,142,821
Interest income					1,568		1,458,391
Dividend income	43,448	47,244	37,551	39,030	650,534		1,202,029
Net unrealized appreciation (depreciation) in aggregate fair value of securities	8,944	(63,861)	(103,712)	(130,329)	(2,230,905)		(2,991,910)
Participants' loan interest income	23,333	14,331	18,193	21,212	220,808	\$ (580,412)	105,272
Net gain (loss) on sale of securities	(2,753)	(2,819)	(4,482)	(1,683)	(184,953)		(223,184)
	584,024	287,075	581,749	304,956	(1,216,942)	(580,412)	3,693,419
Application of net assets							
Transfers to retirement plans							(717,205)
Benefit distributions	(845)	(33,395)	(10,618)	(7,201)	(203,435)	(37,650)	(1,269,576)
Loans to participants						632,287	0
Increase (decrease) in net assets	583,179	253,680	571,131	297,755	(1,420,377)	14,225	1,706,638
Net transfers	763,968	650,936	1,107,050	793,935	1,560,989		0
Net assets available for plan benefits							
Beginning of year	0	0	0	0	10,432,019	1,395,792	43,022,593
End of year	\$1,347,147	\$ 904,616	\$1,678,181	\$1,091,690	\$10,572,631	\$ 1,410,017	\$44,729,231

These beginning of year balances include \$856,731 of short term money market securities of which \$776,891 was being held to be reinvested into other SRP funds and the balance for participant distributions.

These end of year balances include \$2,565,949 of short term money market securities of which \$1,811,767 was being held to be reinvested into other SRP funds and the balance for participant distributions.

Schedule I

Minnesota Power and Affiliated Companies
 Supplemental Retirement Plan
 Schedule of Investments Held
 December 31, 1995

Description	Cost	Fair/Contract Value
Guaranteed Investment Contracts		
Metropolitan Life Insurance Company 8.65% due 1997	\$ 2,226,196	\$ 2,226,196
Provident Life and Accident Insurance Company 7.06% due 1998	2,704,681	2,704,681
SunAmerica Life Insurance Company 8.73% due 1995	2,387,925	2,387,925
Aetna Life Insurance Company 6.06% due 1999	2,249,197	2,249,197
Allstate Life Insurance Company 7.14% due 1998	2,153,727	2,153,727
John Hancock Mutual Life Insurance Company 7.22% due 1996	2,083,446	2,083,446
Protective Life Insurance Company 6.99% due 1997	1,472,627	1,472,627
Total guaranteed investment contracts	15,277,799	15,277,799
Minnesota Power & Light Company		
Common Stock (415,451 shares)	11,251,800	11,788,422
Mutual Fund Securities		
Heartland Value Fund (34,615 shares)	937,239	967,486
Fidelity Magellan Fund (119,995 shares)	8,061,391	10,317,196
Vanguard Index 500 (59,815 shares)	2,714,743	3,445,350
Vanguard Short Term Federal Portfolio (76,351 shares)	775,371	782,600
IAI Emerging Growth Fund (122,629 shares)	1,979,236	2,678,225
IAI International Developed Market Fund (91,370 shares)	1,217,925	1,164,969
Fidelity Balanced Fund (151,361 shares)	1,969,705	2,046,399
Templeton International Emerging Market Fund (123,453 shares)	1,462,910	1,327,120
Total mutual funds	19,118,520	22,729,345
Money Market Securities		
Dreyfus Institutional Government Securities Fund, floating interest rate with no maturity date	1,641,532	1,641,532
Loans Receivable from Participants - 7% to 10%	1,512,920	1,512,920
Total Investments	\$ 48,802,571	\$ 52,950,018

 Party-in-interest

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

Schedule II

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, 1995

Purchases

Description	Aggregate Purchase Price and Fair Value on Transaction Dates	Number of Transactions
Dreyfus Institutional Government Series	\$ 6,650,737	154
Minnesota Power & Light Company Common Stock	\$ 3,773,186	38

Sales

Description	Cost of Asset	Sale Price	Net Gain/ (Loss)	Number of Transactions
Dreyfus Institutional Government Series	\$ 7,848,767	\$ 7,848,767	0	87
Minnesota Power & Light Company Common Stock	\$ 1,633,953	\$ 1,753,627	\$ 119,674	36

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

Signature

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 21, 1996

By

R.D. Edwards

R.D. Edwards
Chairman,
Employee Benefit Plans Committee

Index to Exhibits

Exhibit Page

a - Consent of Independent Accountants

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Consent of Independent Accountants

We hereby consent to the incorporation by reference in the Registration Statement on Form S-8 (No. 33-32033) of the Minnesota Power and Affiliated Companies Supplemental Retirement Plan of our report dated June 14, 1996 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, 1995.

Price Waterhouse LLP

Price Waterhouse LLP
Minneapolis, Minnesota
June 21, 1996