

SECURITIES AND EXCHANGE COMMISSION  
 WASHINGTON, D.C. 20549

FORM S-3  
 REGISTRATION STATEMENT UNDER THE SECURITIES ACT OF 1933

MINNESOTA POWER & LIGHT COMPANY  
 (Exact name of registrant as specified in its charter)

MINNESOTA 41-0418150  
 (State or other jurisdiction (IRS Employer  
 of incorporation or organization) Identification No.)

30 WEST SUPERIOR STREET  
 DULUTH, MINNESOTA 55802  
 (218) 722-2641  
 (Address, including zip code, and telephone number, including  
 area code, of registrant's principal executive offices)

DAVID G. GARTZKE Senior Vice President-Finance and Chief Financial Officer 30 West Superior Street Duluth, Minnesota 55802 (218) 722-2641	PHILIP R. HALVERSON, Esq. Vice President, General Counsel and Secretary 30 West Superior Street Duluth, Minnesota 55802 (218) 722-2641	ROBERT J. REGER, JR., Esq. Reid & Priest LLP 40 West 57th Street New York, New York 10019 (212) 603-2000
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(Names, addresses, including zip codes, and telephone numbers,  
 including area codes, of agents for service)

It is respectfully requested that the Commission  
 send copies of all notices, orders and communications to:

MICHAEL CONNOLLY, Esq.  
 Morrison Cohen Singer & Weinstein, LLP  
 750 Lexington Avenue  
 New York, New York 10022

APPROXIMATE DATE OF COMMENCEMENT OF PROPOSED SALE TO THE  
 PUBLIC: As soon as practicable after the registration statement  
 becomes effective.

If the only securities being registered on this Form are  
 being offered pursuant to dividend or interest reinvestment  
 plans, please check the following box. [ ]

If any of the securities being registered on this Form are  
 to be offered on a delayed or continuous basis pursuant to Rule  
 415 under the Securities Act of 1933, other than securities  
 offered only in connection with dividend or interest reinvestment  
 plans, check the following box. [X]

If this Form is filed to register additional securities for  
 an offering pursuant to Rule 462(b) under the Securities Act,  
 please check the following box and list the Securities Act  
 registration statement number of the earlier effective  
 registration statement for the same offering. [ ]

If this Form is a post-effective amendment filed pursuant  
 to Rule 462(c) under the Securities Act, check the following box  
 and list the Securities Act registration statement number of the  
 earlier effective registration for the same offering. [ ]

If delivery of the prospectus is expected to be made  
 pursuant to Rule 434, please check the following box. [ ]

CALCULATION OF REGISTRATION FEE

TITLE OF EACH CLASS OF SECURITIES TO BE REGISTERED	AMOUNT TO BE REGISTERED	PROPOSED MAXIMUM OFFERING PRICE PER UNIT (1)	PROPOSED MAXIMUM AGGREGATE OFFERING PRICE (1)	AMOUNT OF REGISTRATION FEE
Common Stock, without par value	3,000,000 Shares	\$40 3/32	\$120,281,250	\$35,483
Preferred Share Purchase Rights	3,000,000 Rights (2)	---	---	--- (3)

- (1) Estimated solely for the purpose of calculating the registration fee, pursuant to Rule 457(c), on the basis of the average of the high and low prices of the registrant's Common Stock on the New York Stock Exchange composite tape on May 5, 1998.
- (2) The Preferred Share Purchase Rights ("Rights") are attached to and will trade with the Common Stock. The value attributable to the Rights, if any, is reflected in the market price of the Common Stock.
- (3) Since no separate consideration is paid for the Rights, the registration fee for such securities is included in the fee for the Common Stock.

THE REGISTRANT HEREBY AMENDS THIS REGISTRATION STATEMENT ON SUCH DATE OR DATES AS MAY BE NECESSARY TO DELAY ITS EFFECTIVE DATE UNTIL THE REGISTRANT SHALL FILE A FURTHER AMENDMENT WHICH SPECIFICALLY STATES THAT THIS REGISTRATION STATEMENT SHALL THEREAFTER BECOME EFFECTIVE IN ACCORDANCE WITH SECTION 8(A) OF THE SECURITIES ACT OF 1933 OR UNTIL THIS REGISTRATION STATEMENT SHALL THEREAFTER BECOME EFFECTIVE ON SUCH DATE AS THE COMMISSION, ACTING PURSUANT TO SAID SECTION 8(A), MAY DETERMINE.

Information contained herein is subject to completion or amendment. A Registration Statement relating to these securities has been filed with the Securities and Exchange Commission. These securities may not be sold nor may offers to buy be accepted prior to the time the Registration Statement becomes effective. This prospectus shall not constitute an offer to sell or the solicitation of an offer to buy nor shall there be any sale of these securities in any jurisdiction in which such offer, solicitation, or sale would be unlawful prior to registration or qualification under the securities laws of any such jurisdiction.

SUBJECT TO COMPLETION  
DATED MAY 8, 1998

PROSPECTUS  
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3,000,000 SHARES

MINNESOTA POWER & LIGHT COMPANY

COMMON STOCK

(WITHOUT PAR VALUE)  
  
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Minnesota Power & Light Company ("Company" or "Minnesota Power") intends to offer from time to time not to exceed 3,000,000 shares of its Common Stock, without par value, ("Common Stock") and the preferred share purchase rights attached thereto ("Rights") (collectively, the "New Stock"). The New Stock will be offered on terms to be determined at the time of sale. This Prospectus will be supplemented by a prospectus supplement ("Prospectus Supplement") which will set forth, as applicable, the number of shares, the purchase price and other specific terms of the New Stock in respect of which this Prospectus and the Prospectus Supplement are delivered ("Offered Stock").

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THESE SECURITIES HAVE NOT BEEN APPROVED OR DISAPPROVED BY THE SECURITIES AND EXCHANGE COMMISSION OR ANY STATE SECURITIES COMMISSION NOR HAS THE SECURITIES AND EXCHANGE COMMISSION OR ANY STATE SECURITIES COMMISSION PASSED UPON THE ACCURACY OR ADEQUACY OF THIS PROSPECTUS. ANY REPRESENTATION TO THE CONTRARY IS A CRIMINAL OFFENSE.  
  
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The New Stock may be sold directly by the Company or through agents designated from time to time or through dealers or underwriters. If any agent of the Company or any underwriters are involved in the sales of the New Stock, the names of such agents or such underwriters and any applicable commissions or discounts and the net proceeds to the Company will be set forth in the Prospectus Supplement.  
  
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The date of this Prospectus is

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AVAILABLE INFORMATION

The Company is subject to the informational requirements of the Securities Exchange Act of 1934, as amended ("1934 Act") and, in accordance therewith, files reports, proxy statements and other information with the Securities and Exchange Commission ("Commission"). Such reports, proxy statements and other information filed by the Company may be inspected and copied at the public reference facilities maintained by the Commission at 450 Fifth Street, N.W., Room 1024, Washington, D.C. 20549, and at the following Regional Offices of the Commission: New York Regional Office, 7 World Trade Center, 13th Floor, New York, New York 10048; and Chicago Regional Office, Citicorp Center, 500 West Madison Street, Suite 1400, Chicago, Illinois 60661. Copies of such material may also be obtained at prescribed rates from the Public Reference Section of the Commission at 450 Fifth Street, N.W., Washington, D.C. 20549. The Commission maintains a Web site (<http://www.sec.gov>) that contains reports, proxy statements and other information filed electronically by the Company. The Common Stock and the Rights are listed on the New York Stock Exchange. Reports and other information concerning the Company may be inspected and copied at the office of such Exchange at 20 Broad Street, New York, New York. In addition, the Company's 5% Preferred Stock, \$100 par value, is listed on the American Stock Exchange. Reports and other information concerning the Company may also be inspected and copied at the office of such Exchange at 86 Trinity Place, New York, New York.

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INCORPORATION OF CERTAIN DOCUMENTS BY REFERENCE

The following documents, filed by the Company with the Commission pursuant to the 1934 Act, are hereby incorporated by reference:

- (1) The Company's Annual Report on Form 10-K for the year ended December 31, 1997 ("1997 Form 10-K").
- (2) The Company's Quarterly Report on Form 10-Q for the quarter ended March 31, 1998.

Each document filed subsequent to the date of this Prospectus pursuant to Section 13(a), 13(c), 14 or 15(d) of the 1934 Act prior to the termination of the offering made by this Prospectus shall be deemed to be incorporated by reference in this Prospectus and shall be a part hereof from the date of filing of such document; provided, however, that the documents enumerated above or subsequently filed by the Company pursuant to Section 13 or 15(d) of the 1934 Act prior to the filing with the Commission of the Company's most recent Annual Report on Form 10-K shall not be incorporated by reference in this Prospectus or be a part hereof from and after the filing of such most recent Annual Report on Form 10-K. The documents which are incorporated by reference in this Prospectus are sometimes hereinafter referred to as the "Incorporated Documents."

Any statement contained in a document incorporated or deemed to be incorporated by reference herein shall be deemed to be modified or superseded for purposes of this Prospectus to the extent that a statement contained herein or in any other subsequently filed document which is deemed to be incorporated by reference herein modifies or supersedes such statement. Any such statement so modified or superseded shall not be deemed, except as so modified or superseded, to constitute a part of this Prospectus.

The Company will provide without charge to each person, including any beneficial owner, to whom a copy of this Prospectus is delivered, upon the written or oral request of any such person, a copy of any document referred to above which has been or may be incorporated in this Prospectus by reference, other than exhibits to such documents (unless such exhibits are specifically incorporated by reference into such documents). Requests for such copies should be directed to: Shareholder Services, Minnesota Power, 30 West Superior Street, Duluth,

Minnesota 55802, telephone number (218) 723-3974 or (800) 535-3056.

THE COMPANY

Minnesota Power, a broadly diversified service company incorporated under the laws of the State of Minnesota in 1906, has operations in four business segments: (1) Electric Operations, which include electric and gas services, and coal mining; (2) Water Services, which include water and wastewater services; (3) Automotive Services, which include a network of vehicle auctions, a finance company and an auto transport company; and (4) Investments, which include a securities portfolio, a 21 percent equity investment in a financial guaranty reinsurance and insurance company, and real estate operations. Corporate Charges represent general corporate expenses, including interest, not specifically allocated to any one business segment. As of March 31, 1998 the Company and its subsidiaries had approximately 6,900 employees. The principal executive offices of the Company are located at 30 West Superior Street, Duluth, Minnesota 55802, telephone number (218) 722-2641.

	Year Ended December 31			(Unaudited) Three Months Ended March 31	
	1997	1996	1995	1998	1997
MILLIONS					
OPERATING REVENUE AND INCOME					
Electric					
Operations	\$541.9	\$529.2	\$503.5	\$134.0	\$131.5
Water Services	95.5	85.2	66.1	20.8	20.6
Automotive					
Services (a)	255.5	183.9	61.6	76.7	60.5
Investments	60.9	49.9	43.7	15.2	9.5
Corporate Charges	(0.2)	(1.3)	(2.0)	(0.1)	0.0
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	\$953.6	\$846.9	\$672.9	\$246.6	\$222.1
	=====	=====	=====	=====	=====
NET INCOME					
Electric					
Operations	\$ 43.1	\$ 39.4	\$ 41.0	\$ 9.5	\$ 12.3
Water Services	8.2	5.4	(1.0)	0.7	0.4
Automotive					
Services (a)	14.0	3.7	-	5.4	3.2
Investments	32.1	38.1	41.3	8.3	5.6
Corporate Charges	(19.8)	(17.4)	(19.4)	(5.4)	(5.4)
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	77.6	69.2	61.9	18.5	16.1
Discontinued					
Operations (b)	-	-	2.8	-	-
	-----	-----	-----	-----	-----
	\$ 77.6	\$ 69.2	\$ 64.7	\$ 18.5	\$ 16.1
	=====	=====	=====	=====	=====
BASIC AND DILUTED EARNINGS PER SHARE OF COMMON STOCK					
Continuing					
Operations	\$2.47	\$2.28	\$2.06	\$ .58	\$ .52
Discontinued					
Operations	-	-	.10	-	-
	-----	-----	-----	-----	-----
	\$2.47	\$2.28	\$2.16	\$ .58	\$ .52
	=====	=====	=====	=====	=====
AVERAGE SHARES OF COMMON STOCK - MILLIONS					
	30.6	29.3	28.5	31.1	30.3

(a) The Company purchased 80 percent of ADESA, including AFC and Great Rigs, on July 1, 1995, another 3 percent in January 1996 and the remaining 17 percent in August

1996.

(b) On June 30, 1995 the Company sold its interest in a paper and pulp business to Consolidated Papers, Inc.

## ELECTRIC OPERATIONS

Electric Operations generate, transmit, distribute and market electricity. Minnesota Power provides electricity to 123,000 customers in northeastern Minnesota. MPEX, a division of Minnesota Power, is an expansion of the Company's inter-utility marketing group which has been a buyer and seller of capacity and energy for over 25 years in the wholesale power market. The customers of MPEX are other power suppliers in the Midwest and Canada. MPEX also contracts with its customers to provide hourly energy scheduling and power trading services. The Company's wholly owned subsidiary, Superior Water, Light and Power Company, sells electricity to 14,000 customers and natural gas to 11,000 customers, and provides water to 10,000 customers in northwestern Wisconsin. BNI Coal, Ltd. ("BNI Coal"), another wholly owned subsidiary of the Company, owns and operates a lignite mine in North Dakota. Two electric generating cooperatives, Minnkota Power Cooperative, Inc. and Square Butte Electric Cooperative ("Square Butte"), presently consume virtually all of BNI Coal's production of lignite coal under coal supply agreements extending to 2027. Under an agreement with Square Butte, Minnesota Power purchases about 71 percent of the output from the Square Butte unit which is capable of generating up to 455 megawatts ("MW").

In 1997 industrial customers contributed about half of the Company's electric operating revenue. The Company has large power contracts to sell power to eleven industrial customers (five taconite producers, four paper and pulp mills, and two pipeline companies) each requiring 10 MW or more of power. These contracts, which have termination dates ranging from April 2001 to October 2008, require the Company to have a certain amount of generating capacity available. In turn each customer is required to pay a minimum monthly demand charge that covers the fixed costs associated with having capacity available to serve the customer, including a return on common equity. Under the contracts, industrial customers pay demand charges for the base portion of their capacity needs on a take-or-pay basis for the entire term of the contract, while most customers are permitted bi-annually (coincident with each power pool season) to establish their capacity needs above this base, thereby committing to additional demand charges. In addition to the demand charge, each customer is billed an energy charge for each kilowatthour used that recovers the variable costs incurred in generating electricity.

## WATER SERVICES

Water Services include regulated and non-regulated wholly owned subsidiaries of the Company. Florida Water Services Corporation, which is the largest investor owned water supplier in Florida, provides water to 119,000 customers and wastewater treatment services to 53,000 customers. Heater Utilities, Inc. provides water to 29,000 customers and wastewater treatment services to 2,000 customers in North Carolina. Instrumentation Services, Inc. ("ISI") provides predictive maintenance and instrumentation consulting services to water and wastewater utilities, and other industrial operations throughout the southeastern part of the United States as well as Texas and Minnesota. U.S. Maintenance and Management Services Corporation ("USM&M") was incorporated in 1997 to complement ISI's operations. USM&M provides maintenance services to water and wastewater utilities, and other industrial operations primarily in Florida. Americas' Water Services Corporation, which is headquartered near Chicago, Illinois, offers contract management, operations and maintenance services to governments and industries in the Americas.

## AUTOMOTIVE SERVICES

Automotive Services include wholly owned subsidiaries operating as integral parts of the vehicle auction business: ADESA Corporation ("ADESA"), a network of vehicle auctions; Automotive Finance Corporation ("AFC"), a finance company; and Great Rigs Incorporated ("Great Rigs"), an auto transport company. ADESA is the third largest vehicle auction network in the United States. Headquartered in Indianapolis, Indiana, ADESA owns and operates 25 vehicle auction facilities in the United States and Canada through which used cars and other vehicles are

purchased and sold to franchised automobile dealers and licensed used car dealers. In April 1998 ADESA reached agreements to purchase three additional vehicle auctions which will increase the number of facilities to 28. Sellers at ADESA's auctions

include domestic and foreign auto manufacturers, car dealers, automotive fleet/lease companies, banks and finance companies. AFC provides inventory financing for wholesale and retail automobile dealers who purchase vehicles from ADESA auctions, independent auctions and other auction chains. AFC is headquartered in Indianapolis, Indiana, and has 57 loan production offices located at most ADESA auctions, as well as at or near independently owned auto auctions. From these offices car dealers obtain credit to purchase vehicles at any of the over 300 auctions approved by AFC. Great Rigs is one of the nation's largest independent used automobile transport carriers with 140 leased automotive carriers. Headquartered in Moody, Alabama, Great Rigs offers customers pick up and delivery service through 11 strategically located transportation hubs. Customers of Great Rigs include ADESA auctions, car dealerships, vehicle manufacturers, leasing companies, finance companies and other auctions.

#### INVESTMENTS

Minnesota Power's securities portfolio is managed by selected outside managers as well as internal managers. It is intended to provide stable earnings and liquidity, and is available for investment in existing businesses, acquisitions and other corporate purposes. The Company's objective is to maintain corporate liquidity between 7 percent and 10 percent of total assets (\$150 million to \$200 million). The Company plans to continue to concentrate in market-neutral investment strategies designed to provide stable and acceptable returns without sacrificing needed liquidity. The securities portfolio is structured to perform at an after-tax return between 7 percent and 9 percent. While these returns may seem modest compared to broader market indices over the past three years, the Company believes its investment strategy is a wise course in a volatile economic environment. Returns will continue to be partially dependent on general market conditions. The Company's investment in the securities portfolio at March 31, 1998 was approximately \$190 million.

Minnesota Power owns 3.3 million shares of Capital Re Corporation ("Capital Re"), a specialty insurance and reinsurance business. Capital Re's product lines currently include financial guaranty, mortgage, title, financial, credit and specialty reinsurance, and specialty insurance through its participation in Lloyds of London. Capital Re trades on the New York Stock Exchange under the symbol KRE. Minnesota Power's ownership represents 21 percent of the 16 million total outstanding shares of Capital Re. The market value of the Company's investment in Capital Re was \$210 million at March 31, 1998 based on a Capital Re share price of \$64.25. The Company accounts for its investment in Capital Re under the equity method and the carrying value was \$123 million at March 31, 1998.

The Company owns 80 percent of Lehigh Acquisition Corporation ("Lehigh"), a real estate company in Florida. Lehigh owns 2,500 acres of land and approximately 4,000 home sites near Fort Myers, Florida; 1,000 home sites in Citrus County, Florida; and 2,700 home sites and 12,000 acres of residential, commercial and industrial land at Palm Coast, Florida.

#### USE OF PROCEEDS

The Company is offering a maximum of 3,000,000 shares of its New Stock. The net proceeds to be received from the issuance and sale of the New Stock will be used for general corporate purposes which may include, among other things, acquisitions.

Reference is made to the Incorporated Documents with respect to the Company's general capital requirements and general financing plans and capabilities.

## DIVIDENDS AND PRICE RANGE

The following table sets forth the high and low sales prices per share of the Common Stock reported on the New York Stock Exchange composite tape as published in The Wall Street Journal and the dividends paid for the indicated periods.

	PRICE RANGE		DIVIDENDS PER SHARE
	HIGH	LOW	
1996 First Quarter . . . . .	\$29 3/4	\$26 1/8	\$ 0.51
Second Quarter . . . . .	29	26	0.51
Third Quarter . . . . .	28 3/4	26	0.51
Fourth Quarter . . . . .	28 7/8	26 3/8	0.51
1997 First Quarter . . . . .	\$29	\$27 1/4	\$ 0.51
Second Quarter . . . . .	30 5/8	27	0.51
Third Quarter . . . . .	36 5/16	30 1/4	0.51
Fourth Quarter . . . . .	44	35 3/16	0.51
1998 First Quarter . . . . .	\$43 7/16	\$39 1/8	\$ 0.51
Second Quarter (through May 7, 1998) . . . . .	42 15/16	39 3/16	

The last reported sale price of the Common Stock on the New York Stock Exchange composite tape on May 7, 1998, was \$39.25 per share.

The Company has paid dividends without interruption on its Common Stock since 1948, the date of initial distribution of the Common Stock by American Power & Light Company, the former holder of all such stock.

The Company has a Dividend Reinvestment and Stock Purchase Plan ("Plan"). The Plan provides investors ("Participants") with a convenient method of acquiring shares of Common Stock through (i) the reinvestment in Common Stock of all or a portion of the cash dividends payable on the Participant's holdings of Common Stock and Preferred Stocks, and/or (ii) the investment of optional cash payments pursuant to the terms of the Plan. The Company reserves the right to suspend, modify, amend or terminate the Plan at any time and to interpret and regulate the Plan as it deems necessary or desirable in connection with the operation of the Plan. Shares of Common Stock are offered for sale under the Plan only by means of a separate prospectus available upon request from the Company.

## DESCRIPTION OF COMMON STOCK

General. The following statements relating to the Common Stock are merely an outline and do not purport to be complete. They are qualified in their entirety by reference to the Company's Articles of Incorporation ("Articles of Incorporation") and the Mortgage and Deed of Trust of the Company. Reference is also made to the laws of the State of Minnesota.

The Company's authorized capital stock consists of 65,000,000 shares of Common Stock, without par value, 116,000 shares of 5% Preferred Stock, \$100 par value, 1,000,000 shares of Serial Preferred Stock, without par value, and 2,500,000 shares of Serial Preferred Stock A, without par value. The Company is proposing to amend the Articles of Incorporation to increase the number of authorized shares of Common Stock from 65,000,000 to 130,000,000. This proposal is being presented to the Company's shareholders for approval at the Annual Meeting of Shareholders to be held on May 12, 1998.

Dividend Rights. The Common Stock is entitled to all dividends after full provision for dividends on the issued and outstanding Preferred Stocks and the sinking fund requirements of the Serial Preferred Stock A, \$7.125 Series and \$6.70 Series.



The Articles of Incorporation provide that so long as any shares of the Company's Preferred Stocks are outstanding, cash dividends on Common Stock are restricted to 75 percent of available net income when Common Stock equity is or would become less than 25 percent but more than 20 percent of total capitalization. This restriction becomes 50 percent when such equity is or would become less than 20 percent. See Note 10 to Consolidated Financial Statements incorporated by reference in the Company's 1997 Form 10-K.

Voting Rights (Non-Cumulative Voting). Holders of Common Stock are entitled to notice of and to vote at any meeting of shareholders. Each share of Common Stock, as well as each share of the issued and outstanding Preferred Stocks, is entitled to one vote. Since the holders of such shares do not have cumulative voting rights, the holders of more than 50 percent of the shares voting can elect all the Company's directors, and in such event the holders of the remaining shares voting (less than 50 percent) cannot elect any directors. In addition, the Preferred Stocks are expressly entitled, as one class, to elect a majority of the directors (the Common Stock, as one class, electing the minority) whenever dividends on any of such Preferred Stocks shall be in default in the amount of four quarterly payments and thereafter until all such dividends in default shall have been paid. The Articles of Incorporation include detailed procedures and other provisions relating to these rights and their termination, such as quorums, terms of directors elected, vacancies, class voting as between Preferred Stocks and Common Stock, meetings, adjournments and other matters.

The Articles of Incorporation contain certain provisions which make it difficult to obtain control of the Company through transactions not having the approval of the Board of Directors, including:

- (1) A provision requiring the affirmative vote of 75 percent of the outstanding shares of all classes of capital stock of the Company, present and entitled to vote, in order to authorize certain "Business Combinations." Any such Business Combination is required to meet certain "fair price" and procedural requirements. Neither a 75 percent stockholder vote nor "fair price" is required for any Business Combination which has been approved by a majority of the "Disinterested Directors."
- (2) A provision permitting a majority of the Disinterested Directors to determine whether the above requirements have been satisfied.
- (3) A provision providing that certain of the Articles of Incorporation cannot be altered unless approved by 75 percent of the outstanding shares of all classes of capital stock, present and entitled to vote, unless such alteration is recommended to the shareholders by a majority of the Disinterested Directors.

Liquidation Rights. After satisfaction of creditors and of the preferential liquidation rights of the outstanding Preferred Stocks (\$100 per share plus unpaid accumulated dividends), the holders of the Common Stock are entitled to share ratably in the distribution of all remaining assets.

Miscellaneous. Holders of Common Stock have no preemptive or conversion rights.

The Common Stock is listed on the New York Stock Exchange.

The transfer agents and registrars for the Common Stock are Norwest Bank Minnesota, N.A. and the Company.

#### DESCRIPTION OF PREFERRED SHARE PURCHASE RIGHTS

Reference is made to the Rights Agreement, dated as of July 24, 1996 ("Rights Plan") between the Company and the Corporate Secretary of the Company, as Rights Agent. The description of

the Rights set forth below does not purport to be complete and is qualified in its entirety by reference to the Rights Plan. Reference is also made to the laws of the State of Minnesota.

On July 24, 1996 the Board of Directors of the Company declared a dividend distribution of one Right for each outstanding share of Common Stock to shareholders of record at the close of business on July 24, 1996 ("Record Date") and authorized the issuance of one Right with respect to each share of Common Stock that becomes outstanding between the Record Date and July 23, 2006 or such earlier time as the Rights are redeemed. Except as described below, each Right, when exercisable, entitles the registered holder to purchase from the Company one one-hundredth of a share of Junior Serial Preferred Stock A, without par value ("Serial Preferred"), at a price of \$90 per one one-hundredth share ("Purchase Price"), subject to adjustment.

No separate Right Certificates will be distributed. The Rights will be evidenced by the Common Stock certificates together with a copy of the Summary of Rights Plan and not by separate certificates until the earlier to occur (i) 10 days following a public announcement that a person or group of affiliated or associated persons (an "Acquiring Person") has acquired, or obtained the right to acquire, beneficial ownership of 15 percent or more of the outstanding shares of Common Stock (the "Stock Acquisition Date") or (ii) 15 business days (or such later date as may be determined by action of the Board of Directors prior to the time that any person becomes an Acquiring Person) following the commencement of (or a public announcement of an intention to make) a tender or exchange offer if, upon consummation thereof, such person or group would be the beneficial owner of 15 percent or more of such outstanding shares of Common Stock (the earlier of such dates being called the "Distribution Date").

Until the Distribution Date, the Rights will be transferred with and only with the Common Stock. Until the Distribution Date (or earlier redemption, expiration or termination of the Rights), the transfer of any certificates for Common Stock, with or without a copy of the Summary of Rights Plan, will also constitute the transfer of the Rights associated with the Common Stock represented by such certificates. As soon as practicable following the Distribution Date, separate certificates evidencing the Rights ("Right Certificates") will be mailed to holders of record of the Common Stock as of the close of business on the Distribution Date and, thereafter, such separate Right Certificates alone will evidence the Rights.

Each whole share of Serial Preferred will have a minimum preferential quarterly dividend rate equal to the greater of \$51 per share or, subject to anti-dilution adjustment, 100 times the dividend declared on the Common Stock. In the event of liquidation, no distribution will be made to the holders of Common Stock unless, prior thereto, the holders of the Serial Preferred have received a liquidation preference of \$100 per share, plus accrued and unpaid dividends. Holders of the Serial Preferred will be entitled to notice of and to vote at any meeting of the Company's shareholders. Each whole share of Serial Preferred is entitled to one vote. Such shares do not have cumulative voting rights. The Serial Preferred, together with the issued and outstanding shares of the other Preferred Stocks of the Company, will be expressly entitled, as one class, to elect a majority of directors (the Common Stock electing the minority) whenever dividends on any of the Preferred Stocks shall be in default in the amount of four quarterly payments and thereafter until all such dividends in default shall have been paid. In the event of any merger, consolidation or other transaction in which shares of Common Stock are exchanged for or converted into other securities and/or property, each whole share of Serial Preferred will be entitled to receive, subject to anti-dilution adjustment, 100 times the amount into which or for which each share of Common Stock is so exchanged or converted. The shares of Serial Preferred are not redeemable by the Company.

The Rights are not exercisable until the Distribution Date and will expire at the earliest of (i) July 23, 2006 ("Final Expiration Date"), (ii) the redemption of the Rights by the Company as described below, and (iii) the exchange of all Rights for Common Stock as described below.

In the event that any person (other than the Company, its

affiliates or any person receiving newly-issued shares of Common Stock directly from the Company) becomes the beneficial owner of 15 percent or more of the then outstanding shares of Common Stock, each holder of a Right will thereafter have a right to receive, upon exercise at the then current exercise price of the Right, Common Stock (or, in certain circumstances, cash, property or other securities of the Company) having a value equal to two times the exercise price of the Right. The Rights Plan contains an exemption for any issuance of Common Stock by the Company directly to any person (for example, in a private placement or an

acquisition by the Company in which Common Stock is used as consideration), even if that person would become the beneficial owner of 15 percent or more of the Common Stock, provided that such person does not acquire any additional shares of Common Stock.

In the event that, at any time following the Stock Acquisition Date, the Company is acquired in a merger or other business combination transaction or 50 percent or more of the Company's assets or earning power are sold, proper provision will be made so that each holder of a Right will thereafter have the right to receive, upon exercise at the then current exercise price of the Right, common stock of the acquiring or surviving company having a value equal to two times the exercise price of the Right.

Notwithstanding the foregoing, following the occurrence of any of the events set forth in the preceding two paragraphs (the "Triggering Events"), any Rights that are, or (under certain circumstances specified in the Rights Plan) were, beneficially owned by any Acquiring Person will immediately become null and void.

The Purchase Price payable, and the number of shares of Serial Preferred or other securities or property issuable, upon exercise of the Rights, are subject to adjustment from time to time to prevent dilution, among other circumstances, in the event of a stock dividend on, or a subdivision, split, combination, consolidation or reclassification of, the Serial Preferred or the Common Stock, or a reverse split of the outstanding shares of Serial Preferred or the Common Stock.

At any time after the acquisition by a person or group of affiliated or associated persons of beneficial ownership of 15 percent or more of the outstanding Common Stock and prior to the acquisition by such person or group of 50 percent or more of the outstanding Common Stock, the Board of Directors may exchange the Rights (other than Rights owned by such person or group, which have become void), in whole or in part, at an exchange ratio of one share of Common Stock per Right (subject to adjustment).

With certain exceptions, no adjustment in the Purchase Price will be required until cumulative adjustments require an adjustment of at least one percent in the Purchase Price. The Company will not be required to issue fractional shares of Serial Preferred or Common Stock (other than fractions in multiples of one one-hundredths of a share of Serial Preferred) and, in lieu thereof, an adjustment in cash may be made based on the market price of the Serial Preferred or Common Stock on the last trading date prior to the date of exercise.

At any time after the date of the Rights Plan until the time that a person becomes an Acquiring Person, the Board of Directors may redeem the Rights in whole, but not in part, at a price of \$.01 per Right ("Redemption Price"), which may (at the option of the Company) be paid in cash, shares of Common Stock or other consideration deemed appropriate by the Board of Directors. Upon the effectiveness of any action of the Board of Directors ordering redemption of the Rights, the Rights will terminate and the only right of the holders of Rights will be to receive the Redemption Price.

Issuance of Serial Preferred or Common Stock upon exercise of the Rights will be subject to any necessary regulatory approvals. Until a Right is exercised, the holder thereof, as such, will have no rights as a shareholder of the Company, including, without limitation, the right to vote or to receive dividends. One million shares of Serial Preferred were reserved for issuance in the event of exercise of the Rights.

The provisions of the Rights Plan may be amended by the Company, except that any amendment adopted after the time that a person becomes an Acquiring Person may not adversely affect the interests of holders of Rights.

The Rights have certain anti-takeover effects. The Rights will cause substantial dilution to a person or group that

attempts to acquire the Company without conditioning the offer on the Rights being redeemed or a substantial number of Rights being acquired, and under certain circumstances the Rights beneficially owned by such a person or group may become void. The Rights

should not interfere with any merger or other business combination approved by the Board of Directors because, if the Rights would become exercisable as a result of such merger or business combination, the Board of Directors may, at its option, at any time prior to the time that any person becomes an Acquiring Person, redeem all (but not less than all) of the then outstanding Rights at the Redemption Price.

#### EXPERTS

The Company's consolidated financial statements incorporated in this Prospectus by reference to the Company's 1997 Form 10-K have been so incorporated in reliance on the report of Price Waterhouse LLP, independent accountants, given on the authority of said firm as experts in auditing and accounting.

The statements as to matters of law and legal conclusions under "Description of Common Stock" and "Description of Preferred Share Purchase Rights" in this Prospectus and in the Incorporated Documents have been reviewed by Philip R. Halverson, Esq., Duluth, Minnesota, Vice President, General Counsel and Secretary for Minnesota Power, and are set forth or incorporated herein by reference in reliance upon his opinion given upon his authority as an expert.

As of April 30, 1998 Mr. Halverson owned 7,056 shares Minnesota Power Common Stock. Mr. Halverson is acquiring additional shares of Minnesota Power Common Stock at regular intervals as a participant in the Company's Employee Stock Ownership Plan, Employee Stock Purchase Plan, Supplemental Retirement Plan and Dividend Reinvestment and Stock Purchase Plan. In addition, Mr. Halverson has options to purchase 7,558 shares of Minnesota Power Common Stock pursuant to the Company's Executive Long-Term Incentive Compensation Plan.

#### LEGAL OPINIONS

The legality of the New Stock will be passed upon for the Company by Mr. Halverson and by Reid & Priest LLP, New York, New York, counsel for the Company, and for any underwriter, dealer or agent by Morrison Cohen Singer & Weinstein, LLP. Reid & Priest LLP and Morrison Cohen Singer & Weinstein, LLP may rely as to all matters of Minnesota law upon the opinion of Mr. Halverson.

#### PLAN OF DISTRIBUTION

The Company may sell the New Stock in any of three ways: (i) through underwriters or dealers; (ii) directly to a limited number of institutional purchasers or to a single purchaser; or (iii) through agents. The Prospectus Supplement relating to the Offered Stock will set forth the terms of the offering of the Offered Stock, including the name or names of any underwriters, dealers or agents, the purchase price of the Offered Stock and the net proceeds to the Company from such sale, any underwriting discounts and other items constituting underwriters' compensation, any initial public offering price and any discounts or concessions allowed or reallowed or paid to dealers. Any initial public offering price and any discounts or concessions allowed or reallowed or paid to dealers may be changed from time to time.

If underwriters are used in any sale of the New Stock, the Offered Stock will be acquired by the underwriters for their own account and may be resold from time to time in one or more transactions, including negotiated transactions, at a fixed public offering price or at varying prices determined at the time of sale. The underwriter or underwriters with respect to a particular underwritten offering of Offered Stock will be named in the Prospectus Supplement relating to such offering and, if an underwriting syndicate is used, the managing underwriter or underwriters will be set forth on the cover page of such Prospectus Supplement. Unless otherwise set forth in the Prospectus Supplement, the obligations of the underwriter or underwriters to purchase the Offered Stock will be subject to

certain conditions precedent and the underwriter or underwriters will be obligated to purchase all the Offered Stock if any is

purchased except that, in certain cases involving a default by one or more underwriters, less than all of the Offered Stock may be purchased.

Offered Stock may be sold directly by the Company or through agents designated by the Company from time to time. Any agent involved in the offer or sale of the Offered Stock in respect of which this Prospectus is delivered will be named, and any commissions payable by the Company to such agent will be set forth, in the Prospectus Supplement. Unless otherwise indicated in the Prospectus Supplement, any such agent will be acting on a best efforts basis for the period of its appointment.

If so indicated in the Prospectus Supplement, the Company will authorize agents, underwriters or dealers to solicit offers by certain specified institutions to purchase Offered Stock from the Company at the public offering price to be set forth in the Prospectus Supplement pursuant to delayed delivery contracts providing for payment and delivery on a specified date in the future. Such contracts will be subject to those conditions set forth in the Prospectus Supplement, and the Prospectus Supplement will set forth the commission payable for solicitation of such contracts.

Subject to certain conditions, agents and underwriters may be entitled under agreements entered into with the Company to indemnification by the Company against certain civil liabilities, including liabilities under the Securities Act of 1933, as amended, arising out of or based upon, among other things, any untrue statement or alleged untrue statement of a material fact contained in the registration statement, this Prospectus, a Prospectus Supplement or the Incorporated Documents or the omission or alleged omission to state therein a material fact required to be stated therein or necessary to make the statements therein, in light of the circumstances under which they were made, not misleading. See the Prospectus Supplement.

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NO PERSON HAS BEEN AUTHORIZED TO GIVE ANY INFORMATION OR TO MAKE ANY REPRESENTATIONS IN CONNECTION WITH THIS OFFERING OTHER THAN THOSE CONTAINED IN THIS PROSPECTUS OR ANY PROSPECTUS SUPPLEMENT AND, IF GIVEN OR MADE, SUCH OTHER INFORMATION AND REPRESENTATIONS MUST NOT BE RELIED UPON AS HAVING BEEN AUTHORIZED BY THE COMPANY OR ANY UNDERWRITER. NEITHER THE DELIVERY OF THIS PROSPECTUS OR ANY PROSPECTUS SUPPLEMENT NOR ANY SALE MADE HEREUNDER SHALL, UNDER ANY CIRCUMSTANCES, CREATE ANY IMPLICATION THAT THERE HAS BEEN NO CHANGE IN THE AFFAIRS OF THE COMPANY SINCE THE DATE HEREOF OR THEREOF OR THAT THE INFORMATION CONTAINED HEREIN OR THEREIN IS CORRECT AS OF ANY TIME SUBSEQUENT TO ITS DATE. THIS PROSPECTUS AND ANY PROSPECTUS SUPPLEMENT DO NOT CONSTITUTE AN OFFER TO SELL OR A SOLICITATION OF AN OFFER TO BUY ANY SECURITIES OTHER THAN THE REGISTERED SECURITIES TO WHICH THEY RELATE. THIS PROSPECTUS AND ANY PROSPECTUS SUPPLEMENT DO NOT CONSTITUTE AN OFFER TO SELL OR A SOLICITATION OF AN OFFER TO BUY SUCH SECURITIES IN ANY CIRCUMSTANCES IN WHICH SUCH OFFER OR SOLICITATION IS UNLAWFUL.

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 TABLE OF CONTENTS

	PAGE
	----
Available Information . . . . .	2
Incorporation of Certain Documents by Reference . . . . .	2
The Company . . . . .	3
Use of Proceeds . . . . .	5
Dividends and Price Range . . . . .	6
Description of Common Stock . . . . .	6
Description of Preferred Share Purchase Rights . . . . .	7
Experts . . . . .	10
Legal Opinions . . . . .	10
Plan of Distribution . . . . .	10

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3,000,000 SHARES

MINNESOTA

POWER & LIGHT

COMPANY

COMMON STOCK  
(WITHOUT PAR VALUE)

-----

PROSPECTUS

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, 199

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PART II. INFORMATION NOT REQUIRED IN PROSPECTUS

ITEM 14. OTHER EXPENSES OF ISSUANCE AND DISTRIBUTION.

The expenses in connection with the issuance and distribution of the securities being registered are:

Filing Fee - Securities and Exchange Commission	\$ 35,483
Stock exchange listing fee	10,937
Fees of Company's legal counsel*	100,000
Independent accountants' fees*	25,000
Printing, including Form S-3, prospectus, exhibits, etc.*	75,000
Fees of transfer agent and registrar*	10,000
Miscellaneous expenses*	33,580
	-----
Total*	\$290,000
	=====

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\*Estimated

ITEM 15. INDEMNIFICATION OF DIRECTORS AND OFFICERS.

Section 302A.521 of the Minnesota Business Corporation Act generally provides for the indemnification of directors, officers or employees of a corporation made or threatened to be made a party to a proceeding by reason of the former or present official capacity of the person against judgments, penalties and fines (including attorneys' fees and disbursements) where such person, among other things, has not been indemnified by another organization, acted in good faith, received no improper personal benefit and with respect to any criminal proceeding, had no reasonable cause to believe his conduct was unlawful.

Section 13 of the Bylaws of the Company contains the following provisions relative to indemnification of directors and officers:

"The Company shall reimburse or indemnify each present and future director and officer of the Company (and his or her heirs, executors and administrators) for or against all expenses reasonably incurred by such director or officer in connection with or arising out of any action, suit or proceeding in which such director or officer may be involved by reason of being or having been a director or officer of the Company. Such indemnification for reasonable expenses is to be to the fullest extent permitted by the Minnesota Business Corporation Act, Minnesota Statutes Chapter 302A. By affirmative vote of the Board of Directors or with written approval of the Chairman and Chief Executive Officer, such indemnification may be extended to include agents and employees who are not directors or officers of the Company, but who would otherwise be indemnified for acts and omissions under Chapter 302A of the Minnesota Business Corporation Act, if such agent or employee were an officer of the Company."

"Reasonable expenses may include reimbursement of attorney's fees and disbursements, including those incurred by a person in connection with an appearance as a witness."

"Upon written request to the Company and approval by the Chairman and Chief Executive Officer, an agent or employee for whom indemnification has been extended, or an officer or director may receive an advance for reasonable expenses if such agent, employee, officer or director is made or threatened to be made a party to a proceeding involving a matter for which indemnification is believed to be available under Minnesota Statutes Chapter 302A."

"The foregoing rights shall not be exclusive of other rights to which any director or officer may otherwise be entitled and shall be available whether or not the director or officer continues to be a director or officer at the time of incurring such expenses and liabilities."



The Company has insurance covering its expenditures which might arise in connection with the lawful indemnification of its directors and officers for their liabilities and expenses, and insuring officers and directors of the Company against certain other liabilities and expenses.

ITEM 16. EXHIBITS

EXHIBIT  
NUMBER

-----

- 1 - Form of Underwriting Agreement.
- \*4(a)1 - Articles of Incorporation, restated as of July 27, 1988 (filed as Exhibit 3(a), File No. 33-24936).
- \*4(a)2 - Certificate Fixing Terms of Serial Preferred Stock A, \$7.125 Series (filed as Exhibit 3(a)2, File No. 33-50143).
- \*4(a)3 - Certificate Fixing Terms of Serial Preferred Stock A, \$6.70 Series (filed as Exhibit 3(a)3, File No. 33-50143).
- \*4(b) - Bylaws as amended January 23, 1991 (filed as Exhibit 3(b), File No. 33-45549).
- \*4(c)1 - Mortgage and Deed of Trust, dated as of September 1, 1945, between the Company and Irving Trust Company (now The Bank of New York) and Richard H. West (W.T. Cunningham, successor), Trustees (filed as Exhibit 7(c), File No. 2-5865).
- \*4(c)2 - Supplemental Indentures to Mortgage and Deed of Trust:

NUMBER	DATED AS OF	REFERENCE FILE	EXHIBIT
-----	-----	-----	-----
First	March 1, 1949	2-7826	7(b)
Second	July 1, 1951	2-9036	7(c)
Third	March 1, 1957	2-13075	2(c)
Fourth	January 1, 1968	2-27794	2(c)
Fifth	April 1, 1971	2-39537	2(c)
Sixth	August 1, 1975	2-54116	2(c)
Seventh	September 1, 1976	2-57014	2(c)
Eighth	September 1, 1977	2-59690	2(c)
Ninth	April 1, 1978	2-60866	2(c)
Tenth	August 1, 1978	2-62852	2(d)2
Eleventh	December 1, 1982	2-56649	4(a)3
Twelfth	April 1, 1987	33-30224	4(a)3
Thirteenth	March 1, 1992	33-47438	4(b)
Fourteenth	June 1, 1992	33-55240	4(b)
Fifteenth	July 1, 1992	33-55240	4(c)
Sixteenth	July 1, 1992	33-55240	4(d)
Seventeenth	February 1, 1993	33-50143	4(b)
Eighteenth	July 1, 1993	33-50143	4(c)
Nineteenth	February 1, 1997	1-3548 (1996 Form 10-K)	4(a)3
Twentieth	November 1, 1997	1-3548 (1997 Form 10-K)	4(a)3

Exhibit  
Number  
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- \*4(d) - Mortgage and Deed of Trust, dated as of March 1, 1943, between Superior Water, Light and Power Company and Chemical Bank & Trust Company and Howard B. Smith, as Trustees, both succeeded by First Bank N.A., as Trustee (filed as Exhibit 7(c), File No. 2-8668), as supplemented and modified by First Supplemental Indenture thereto dated as of March 1, 1951 (filed as Exhibit 2(d)(1), File No. 2-59690), Second Supplemental Indenture thereto dated as of March 1, 1962 (filed as Exhibit 2(d)1, File No. 2-27794), Third Supplemental Indenture thereto dated July 1, 1976 (filed as Exhibit 2(e)1, File No. 2-57478), Fourth Supplemental Indenture thereto dated as of March 1, 1985 (filed as Exhibit 4(b), File No. 2-78641), Fifth Supplemental Indenture thereto dated as of December 1, 1992 (filed as Exhibit 4(b)1 to Form 10-K for the year ended December 31, 1992, File No. 1-3548), Sixth Supplemental Indenture, dated as of March 24, 1994 (filed as Exhibit 4(b)1 to Form 10-K for the year ended December 31, 1996, File No. 1-3548), Seventh Supplemental Indenture, dated as of November 1, 1994 (filed as Exhibit 4(b)2 to Form 10-K for the year ended December 31, 1996, File No. 1-3548) and Eighth Supplemental Indenture, dated as of January 1, 1997 (filed as Exhibit 4(b)3 to Form 10-K for the year ended December 31, 1996, File No. 1-3548).
- \*4(e) - Indenture, dated as of March 1, 1993, between Southern States Utilities, Inc. (now Florida Water Services Corporation) and Nationsbank of Georgia, National Association (now SunTrust Bank, Central Florida, N.A.), as Trustee (filed as Exhibit 4(d) to Form 10-K for the year ended December 31, 1992, File No. 1-3548), as supplemented and modified by First Supplemental Indenture, dated as of March 1, 1993 (filed as Exhibit 4(c)1 to Form 10-K for the year ended December 31, 1996, File No. 1-3548), Second Supplemental Indenture, dated as of March 31, 1997 (filed as Exhibit 4 to Form 10-Q for the quarter ended March 31, 1997, File No. 1-3548) and Third Supplemental Indenture, dated as of May 28, 1997 (filed as Exhibit 4 to Form 10-Q for the quarter ended June 30, 1997, File No. 1-3548).
- \*4(f) - Amended and Restated Trust Agreement, dated as of March 1, 1996, relating to MP&L Capital I's 8.05% Cumulative Quarterly Income Preferred Securities, between the Company, as Depositor, and The Bank of New York, The Bank of New York (Delaware), Philip R. Halverson, David G. Gartzke and James K. Vizanko, as Trustees (filed as Exhibit 4(a) to Form 10-Q for the quarter ended March 31, 1996, File No. 1-3548).
- \*4(g) - Amendment No. 1, dated April 11, 1996, to Amended and Restated Trust Agreement, dated as of March 1, 1996, relating to MP&L Capital I's 8.05% Cumulative Quarterly Income Preferred Securities (filed as Exhibit 4(b) to Form 10-Q for the quarter ended March 31, 1996, File No. 1-3548).
- \*4(h) - Indenture, dated as of March 1, 1996, relating to the Company's 8.05% Junior Subordinated Debentures, Series A, Due 2015, between the Company and The Bank of New York, as Trustee (filed as Exhibit 4(c) to Form 10-Q for the quarter ended March 31, 1996, File No. 1-3548).
- \*4(i) - Guarantee Agreement, dated as of March 1, 1996, relating to MP&L Capital I's 8.05% Cumulative Quarterly Income Preferred Securities, between the Company, as Guarantor, and The Bank of New York, as Trustee (filed as Exhibit 4(d) to Form 10-Q for the

quarter ended March 31, 1996, File No. 1-3548).

- \*4(j) - Agreement as to Expenses and Liabilities, dated as of March 20, 1996, relating to MP&L Capital I's 8.05% Cumulative Quarterly Income Preferred

Securities, between the Company and MP&L Capital I (filed as Exhibit 4(e) to Form 10-Q for the quarter ended March 31, 1996, File No. 1-3548).

- \*4(k) - Officer's Certificate, dated March 20, 1996, establishing the terms of the 8.05% Junior Subordinated Debentures, Series A, Due 2015 issued in connection with the 8.05% Cumulative Quarterly Income Preferred Securities of MP&L Capital I (filed as Exhibit 4(i) to Form 10-K for the year ended December 31, 1996, File No. 1-3548).
- \*4(l) - Rights Agreement dated as of July 24, 1996, between Minnesota Power & Light Company and the Corporate Secretary of Minnesota Power & Light Company, as Rights Agent (filed as Exhibit 4 to Form 8-K dated August 2, 1996, File No. 1-3548).
- \*4(m) - Indenture, dated as of May 15, 1996, relating to the ADESA Corporation's 7.70% Senior Notes, Series A, Due 2006, between ADESA Corporation and The Bank of New York, as Trustee (filed as Exhibit 4(k) to Form 10-K for the year ended December 31, 1996, File No. 1-3548).
- \*4(n) - Guarantee of Minnesota Power & Light Company, dated as of May 30, 1996, relating to the ADESA Corporation's 7.70% Senior Notes, Series A, Due 2006 (filed as Exhibit 4(i) to Form 10-K for the year ended December 31, 1996, File No. 1-3548).
- \*4(o) - ADESA Corporation Officer's Certificate 1-D-1, dated May 30, 1996, relating to the ADESA Corporation's 7.70% Senior Notes, Series A, Due 2006 (filed as Exhibit 4(m) to Form 10-K for the year ended December 31, 1996, File No. 1-3548).
- 5(a) - Opinion and Consent of Philip R. Halverson, Esq., Vice President, General Counsel and Secretary of the Company.
- 5(b) - Opinion and Consent of Reid & Priest LLP.
- 23(a) - Consent of Price Waterhouse LLP.
- 23(b) - Consents of Philip R. Halverson, Esq., and Reid & Priest LLP are contained in Exhibits 5(a) and 5(b), respectively.
- 24 - Power of Attorney (see page II-7).

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\*Incorporated herein by reference as indicated.

ITEM 17. UNDERTAKINGS.

The undersigned registrant hereby undertakes:

- (1) To file, during any period in which offers or sales are being made, a post-effective amendment to this registration statement:
  - (i) To include any prospectus required by section 10(a)(3) of the Securities Act of 1933;
  - (ii) To reflect in the prospectus any facts or events arising after the effective date of the registration statement (or the most recent post-effective amendment thereof) which, individually or in the aggregate, represent a fundamental change in the information set forth in the registration statement. Notwithstanding the foregoing, any increase or decrease in volume of securities offered (if the total dollar value of securities offered would not exceed that which was registered) and any deviation from the low or high end of the estimated maximum offering range may be reflected in the form of prospectus filed with the Commission pursuant to Rule 424(b) if, in the aggregate, the changes in volume and price represent no more than a 20 percent change in maximum aggregate offering price set forth in the "Calculation of Registration Fee" table in the effective registration statement;
  - (iii) To include any material information with respect to the plan of distribution not previously disclosed in the registration statement or any material change to such information in the registration statement.

Provided, however, that paragraphs (i) and (ii) do not apply if the registration statement is on Form S-3 or Form S-8 and the information required to be included in a post-effective amendment by those paragraphs is contained in periodic reports filed with or furnished to the Commission by the registrant pursuant to section 13 or section 15(d) of the Securities Exchange Act of 1934 that are incorporated by reference in the registration statement.

- (2) That, for the purpose of determining any liability under the Securities Act of 1933, each such post-effective amendment shall be deemed to be a new registration statement relating to the securities offered therein, and the offering of such securities at that time shall be deemed to be the initial bona fide offering thereof.
- (3) To remove from registration by means of a post-effective amendment any of the securities being registered which remain unsold at the termination of the offering.
- (4) That, for purposes of determining any liability under the Securities Act of 1933, each filing of the registrant's annual report pursuant to section 13(a) or section 15(d) of the Securities Exchange Act of 1934 that is incorporated by reference in the registration statement shall be deemed to be a new registration statement relating to the securities offered therein, and the offering of such securities at that time shall be deemed to be the initial bona fide offering thereof.
- (5) Insofar as indemnification for liabilities arising under the Securities Act of 1933 may be permitted to directors, officers and controlling persons of the

registrant pursuant to the foregoing provisions, or otherwise, the registrant has been advised that in the opinion of the Securities and Exchange Commission such indemnification is against public policy as expressed in the Act and is, therefore, unenforceable. In the event that a claim for indemnification against such liabilities (other than the payment by the registrant of expenses incurred or paid by a director, officer or controlling person of the registrant in the successful defense of any action, suit or proceeding) is asserted by such director, officer or controlling person in connection with the securities being registered, the

registrant will, unless in the opinion of its counsel the matter has been settled by controlling precedent, submit to a court of appropriate jurisdiction the question whether such indemnification by it is against public policy as expressed in the Act and will be governed by the final adjudication of such issue.

POWER OF ATTORNEY

Each person whose signature appears below hereby authorizes any agent for service named in this registration statement to execute in the name of each such person, and to file with the Securities and Exchange Commission, any and all amendments, including post-effective amendments, to the registration statement, and appoints any such agent for service as attorney-in-fact to sign in each such person's behalf individually and in each capacity stated below and file any such amendments to the registration statement and the registrant hereby also appoints each such agent for service as its attorney-in-fact with like authority to sign and file any such amendments in its name and behalf.

SIGNATURES

Pursuant to the requirements of the Securities Act of 1933, the registrant certifies that it has reasonable grounds to believe that it meets all of the requirements for filing on Form S-3 and has duly caused this registration statement to be signed on its behalf by the undersigned, thereunto duly authorized, in the City of Duluth, State of Minnesota, on May 8, 1998.

MINNESOTA POWER & LIGHT COMPANY  
(Registrant)

By /s/ Edwin L. Russell  
-----  
Edwin L. Russell  
Chairman, President and  
Chief Executive Officer

Pursuant to the requirements of the Securities Act of 1933, this registration statement has been signed by the following persons in the capacities and on the dates indicated.

SIGNATURE -----	TITLE -----	DATE -----
/s/ Edwin L. Russell ----- Edwin L. Russell Chairman, President, Chief Executive Officer and Director	Chairman, President, Chief Executive Officer and Director	May 8, 1998
/s/ D. G. Gartzke ----- D. G. Gartzke Senior Vice President -Finance and Chief Financial Officer	Senior Vice President- Finance and Chief Financial Officer	May 8, 1998
/s/ Mark A. Schober ----- Mark A. Schober Controller	Controller	May 8, 1998

SIGNATURE -----	TITLE -----	DATE -----
/s/ Kathleen A. Brekken ----- Kathleen A. Brekken	Director	May 8, 1998
/s/ Merrill K. Cragun ----- Merrill K. Cragun	Director	May 8, 1998
/s/ Dennis E. Evans ----- Dennis E. Evans	Director	May 8, 1998
/s/ Peter J. Johnson ----- Peter J. Johnson	Director	May 8, 1998
/s/ George L. Mayer ----- George L. Mayer	Director	May 8, 1998
/s/ Paula F. McQueen ----- Paula F. McQueen	Director	May 8, 1998
/s/ Robert S. Nickoloff ----- Robert S. Nickoloff	Director	May 8, 1998
/s/ Jack I. Rajala ----- Jack I. Rajala	Director	May 8, 1998
/s/ Arend J. Sandbulte ----- Arend J. Sandbulte	Director	May 8, 1998
/s/ Nick Smith ----- Nick Smith	Director	May 8, 1998
/s/ Bruce W. Stender ----- Bruce W. Stender	Director	May 8, 1998
/s/ Donald C. Wegmiller ----- Donald C. Wegmiller	Director	May 8, 1998

EXHIBIT INDEX

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Nineteenth	February 1, 1997	1-3548 (1996 Form 10-K)	4(a)3
Twentieth	November 1, 1997	1-3548 (1997 Form 10-K)	4(a)3

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Form 10-K for the year ended December 31, 1992, File No. 1-3548), Sixth Supplemental Indenture, dated as of March 24, 1994 (filed as Exhibit 4(b)1 to Form 10-K for the year ended December 31, 1996, File No. 1-3548), Seventh Supplemental Indenture, dated as of November 1, 1994 (filed as Exhibit 4(b)2 to Form 10-K for the year ended December 31, 1996, File No. 1-3548) and Eighth Supplemental Indenture, dated as of January 1, 1997 (filed as Exhibit 4(b)3 to Form 10-K for the year ended December 31, 1996, File No. 1-3548).

- \*4(e) - Indenture, dated as of March 1, 1993, between Southern States Utilities, Inc. (now Florida Water Services Corporation) and Nationsbank of Georgia, National Association (now SunTrust Bank, Central Florida, N.A.), as Trustee (filed as Exhibit 4(d) to Form 10-K for the year ended December 31, 1992, File No. 1-3548), as supplemented and modified by First Supplemental Indenture, dated as of March 1, 1993 (filed as Exhibit 4(c)1 to Form 10-K for the year ended December 31, 1996, File No. 1-3548), Second Supplemental Indenture, dated as of March 31, 1997 (filed as Exhibit 4 to Form 10-Q for the quarter ended March 31, 1997, File No. 1-3548) and Third Supplemental Indenture, dated as of May 28, 1997 (filed as Exhibit 4 to Form 10-Q for the quarter ended June 30, 1997, File No. 1-3548).
- \*4(f) - Amended and Restated Trust Agreement, dated as of March 1, 1996, relating to MP&L Capital I's 8.05% Cumulative Quarterly Income Preferred Securities, between the Company, as Depositor, and The Bank of New York, The Bank of New York (Delaware), Philip R. Halverson, David G. Gartzke and James K. Vizanko, as Trustees (filed as Exhibit 4(a) to Form 10-Q for the quarter ended March 31, 1996, File No. 1-3548).
- \*4(g) - Amendment No. 1, dated April 11, 1996, to Amended and Restated Trust Agreement, dated as of March 1, 1996, relating to MP&L Capital I's 8.05% Cumulative Quarterly Income Preferred Securities (filed as Exhibit 4(b) to Form 10-Q for the quarter ended March 31, 1996, File No. 1-3548).
- \*4(h) - Indenture, dated as of March 1, 1996, relating to the Company's 8.05% Junior Subordinated Debentures, Series A, Due 2015, between the Company and The Bank of New York, as Trustee (filed as Exhibit 4(c) to Form 10-Q for the quarter ended March 31, 1996, File No. 1-3548).
- \*4(i) - Guarantee Agreement, dated as of March 1, 1996, relating to MP&L Capital I's 8.05% Cumulative Quarterly Income Preferred Securities, between the Company, as Guarantor, and The Bank of New York, as Trustee (filed as Exhibit 4(d) to Form 10-Q for the quarter ended March 31, 1996, File No. 1-3548).
- \*4(j) - Agreement as to Expenses and Liabilities, dated as of March 20, 1996, relating to MP&L Capital I's 8.05% Cumulative Quarterly Income Preferred Securities, between the Company and MP&L Capital I (filed as Exhibit 4(e) to Form 10-Q for the quarter ended March 31, 1996, File No. 1-3548).
- \*4(k) - Officer's Certificate, dated March 20, 1996, establishing the terms of the 8.05% Junior Subordinated Debentures, Series A, Due 2015 issued in connection with the 8.05% Cumulative Quarterly Income Preferred Securities of MP&L Capital I (filed as Exhibit 4(i) to Form 10-K for the year ended December 31, 1996, File No. 1-3548).
- \*4(l) - Rights Agreement dated as of July 24, 1996, between Minnesota Power & Light Company and the Corporate Secretary of Minnesota Power & Light Company, as Rights Agent (filed as Exhibit 4 to Form 8-K dated August 2, 1996, File No. 1-3548).
- \*4(m) - Indenture, dated as of May 15, 1996, relating to the

ADESA Corporation's 7.70% Senior Notes, Series A, Due 2006, between ADESA Corporation and The Bank of New York, as Trustee (filed as Exhibit 4(k) to Form 10-K for the year ended December 31, 1996, File No. 1-3548).

- \*4(n) - Guarantee of Minnesota Power & Light Company, dated as of May 30, 1996, relating to the ADESA Corporation's 7.70% Senior Notes, Series A, Due 2006 (filed as Exhibit 4(i) to Form 10-K for the year ended December 31, 1996, File No. 1-3548).
- \*4(o) - ADESA Corporation Officer's Certificate 1-D-1, dated May 30, 1996, relating to the ADESA Corporation's 7.70% Senior Notes, Series A, Due 2006 (filed as Exhibit 4(m) to Form 10-K for the year ended December 31, 1996, File No. 1-3548).
- 5(a) - Opinion and Consent of Philip R. Halverson, Esq., Vice President, General Counsel and Secretary of the Company.
- 5(b) - Opinion and Consent of Reid & Priest LLP.
- 23(a) - Consent of Price Waterhouse LLP.
- 23(b) - Consents of Philip R. Halverson, Esq., and Reid & Priest LLP are contained in Exhibits 5(a) and 5(b), respectively.
- 24 - Power of Attorney (see page II-7).

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\*Incorporated herein by reference as indicated.

[ ] SHARES

MINNESOTA POWER & LIGHT COMPANY

COMMON STOCK

UNDERWRITING AGREEMENT

[ , 199 ]

New York, New York

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Dear Sirs:

Minnesota Power & Light Company (the "Company") proposes to issue and sell to you (each, an "Underwriter" and, collectively, the "Underwriters") an aggregate of [ ] shares of the

Company's Common Stock, without par value (the "Common Stock"), and the preferred share purchase rights attached thereto (the "Rights") (collectively referred to as "Firm Shares") . The Company has also agreed to grant to the Underwriters an option (the "Option") to purchase up to an additional [ ]

shares of Common Stock and the attached Rights (collectively referred to as the "Option Shares") on the terms and for the purposes set forth in Section 1(b). The Firm Shares and the Option Shares are collectively referred to as the "Shares."

The initial public offering price per share for the Shares and the purchase price per share for the Shares to be paid by the several Underwriters shall be agreed upon by the Company and the Underwriters, and such agreement shall be set forth in a separate written instrument substantially in the form of Annex A hereto (the "Price Determination Agreement"). The Price Determination Agreement may take the form of an exchange of any standard form of written telecommunication among the Company and the Underwriters and shall specify such applicable information as is indicated in Annex A hereto. The offering of the Shares shall be governed by this Agreement, as supplemented by the Price Determination Agreement. From and after the date of the execution and delivery of the Price Determination Agreement, this Agreement shall be deemed to incorporate, and, unless the context otherwise indicates, all references contained herein to "this Agreement" and the phrase "herein" shall be deemed to include the Price Determination Agreement.

The Company confirms as follows its agreements with the several Underwriters.

- 1. Agreement to Sell and Purchase.

(a) The Company agrees to issue and sell to each Underwriter, and each Underwriter, severally and not jointly, agrees to purchase from the Company at the purchase price per share for the Firm Shares to be agreed upon by the Underwriters and the Company and set forth in the Price Determination Agreement, the number of Firm Shares set forth opposite the name of such Underwriter in Schedule 1 thereto, plus such additional number of Firm Shares such Underwriter may become obligated to purchase pursuant to Section 10 hereof. The obligations of the Underwriters under this Agreement are several and not joint. The obligations of the Company and the Underwriters under this Agreement are undertaken on the basis of the representations and are subject to the conditions of this Agreement.

(b) Subject to all the terms and conditions in this Agreement, the Company grants the Option to the Underwriters, severally and not jointly, to purchase up to [ ]

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Option Shares from the Company at the same price per share as the Underwriters shall pay for the Firm Shares. The Option may be exercised only to cover over-allotments in the sale of the Firm Shares by the several Underwriters and may be exercised in whole or in part at any time (but not more than once), upon written or telegraphic notice (the "Option Share Notice") by the Underwriters to the Company on or before the 30th day after the date of this Agreement setting forth the aggregate number of Option Shares to be purchased and the time and date for such purchase (the "Option Closing Date"), which Option Closing Date may be the same as the Closing Date (as defined in Section 2) but in no event shall the Option Closing Date be earlier than the Closing Date nor later than five business days after the giving of the Option Shares Notice. On the Option Closing Date, the Company shall issue and sell to the several Underwriters the number of Option Shares set forth in the Option Shares Notice, and each Underwriter shall purchase such percentage of the Option Shares as is equal to the percentage of Firm Shares that such Underwriter is purchasing, as adjusted by the Underwriters in such manner as they deem advisable to avoid fractional shares.

(c) The initial public offering price per share for the Firm Shares and the purchase price per share for the Firm Shares to be paid by the several Underwriters shall be agreed upon and set forth in the Price Determination Agreement, which shall be dated the date hereof.

## 2. Payment and Delivery. Delivery of the Firm Shares

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shall be made to the Underwriters in New York, New York, against payment of the purchase price by wire transfer of immediately available funds to an account designated in writing by the Company to the Underwriters at least one business day prior to the Closing Date (as hereinafter defined). Such payment shall be made at 10:00 a.m., New York City time, on [ , 199 ] or

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at such time on such other date as may be agreed upon by the Company and the Underwriters (such date is hereinafter referred to as the "Closing Date").

To the extent that the Option is exercised, delivery of the Option Shares against payment by the Underwriters (in the manner specified above) shall take place in the manner specified above for the Closing Date at the time and date (which may be the Closing Date) specified in the Option Shares Notice.

Certificates evidencing the Shares shall be in definitive form and shall be registered in such names and in such denominations as the Underwriters shall request in writing at least three business days prior to the Closing Date or the Option Closing Date, as the case may be. If no such request is received by said time, the Company shall have the right to deliver the Shares in the name of the Underwriters in such denominations as the Company may determine. For the purpose of expediting the checking and packaging of certificates for the Shares, the Company agrees to make such certificates available for inspection at least one full business day prior to the Closing Date or the Option Closing Date, as the case may be.

## 3. Registration Statement and Prospectus; Public

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Offering. The Company has filed with the Securities and

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Exchange Commission (the "Commission"), pursuant to provisions of the Securities Act of 1933 (the "Act") and the published rules and regulations adopted by the Commission thereunder (the "Rules and Regulations"), a registration statement (No. 333- ) on -----  
Form S-3, relating to the registration of 3,000,000 shares of the Company's Common Stock, without par value. Such registration statement was declared effective on [ , 199 ]. The term -----

"preliminary prospectus" as used herein means any preliminary prospectus as contemplated by Rule 430 of the Rules and Regulations included at any time as a part of such registration statement. Copies of such registration statement and any amendments thereto and of each preliminary prospectus included as part of such registration statement have been delivered to the Underwriters. Such registration statement, as it may be amended to the date of this Agreement, including financial statements and all exhibits, and the prospectus, as supplemented by a prospectus supplement relating to the Shares proposed to be filed electronically pursuant to Rule 424 are hereinafter respectively referred to as the "Registration Statement" and the "Prospectus." Any reference herein to the Registration Statement, any preliminary prospectus or the Prospectus shall be deemed to refer to and include the documents incorporated by reference therein pursuant to Item 12 of Form S-3 of the Act (the "Incorporated Documents") which were filed under the Securities Exchange Act of 1934, as amended (the "Exchange Act"), on or before the Effective Date or the date of such preliminary prospectus or the Prospectus, as the case may be. Any reference herein to the terms "amend," "amendment" or "supplement" with respect to the Registration Statement, any preliminary prospectus or the Prospectus shall be deemed to refer to and include the filing of any document under the Exchange Act after the Effective Date, or the date of any preliminary prospectus or the Prospectus, as the case may be, and incorporated in such document by reference if such filing is made prior to the Closing Date. Any reference herein to the term "Effective Date" shall be deemed to refer to the later of the time and date the Registration Statement was declared effective or the time and date of the filing of the Company's most recent Annual Report on Form 10-K if such filing is made prior to the Closing Date.

The Company understands that the Underwriters propose to make a public offering of the Firm Shares, as described in the Prospectus, as soon after the date of the Price Determination Agreement as the Underwriters deem advisable. The Company confirms that the Underwriters and dealers have been authorized to distribute each preliminary prospectus, if any, and are authorized to distribute the Prospectus and any amendments or supplements to it.

4. Representations of the Company. The Company -----  
represents to the Under-writers as follows:

(a) The Company meets the requirements for use of Form S-3 under the Act.

(b) On the Effective Date, and at the Closing Date, the Registration Statement and, at the date of the filing of the Prospectus, and at the Closing Date, and, if later, the Option Closing Date, the Prospectus, as each may be amended or supplemented, fully complied or will fully comply in all material respects with the applicable provisions of the Act and the Rules and Regulations, or pursuant to the Rules and Regulations shall be deemed to comply therewith. On the Effective Date and Closing Date and, if later, the Option Closing Date, the Registration Statement, as it may be amended or supplemented, did not or will not contain an untrue statement of a material fact or omit to state a material fact required to be stated therein or necessary to make the statements therein not misleading. On the date of filing of the Prospectus and the Closing Date, and, if later, the Option Closing Date, the Prospectus, as it may be amended or supplemented, will not contain an untrue statement of a material fact or omit to state a material fact necessary in order to make the statements therein, in the light of the circumstances under which they were made, not misleading. On the date of filing of the Prospectus and the Closing Date, and, if later, the Option Closing Date, the Incorporated Documents did or will fully comply in all material respects with the applicable provisions of the

Exchange Act and the rules and regulations of the Commission thereunder (the "Exchange Act Rules and Regulations"), and, when read together with the Prospectus, as it may be amended or supplemented, will not contain an untrue statement of a material fact or omit to state a material fact required to be stated therein or necessary to make the statements therein not misleading. The foregoing representations do not apply to statements or omissions made in reliance on and in conformity with information relating to any Underwriter furnished in writing to the Company by such Underwriter expressly for use in the Registration Statement or the Prospectus, as they may be amended or supplemented.

(c) Since the respective dates as of which information is given in the Registration Statement and the Prospectus, as they may be amended or supplemented, there has not been any material adverse change in the management, business, properties, financial condition or results of operations of the Company and its subsidiaries taken as a whole, and there has not been any material transaction entered into by the Company or its subsidiaries, other than transactions in the ordinary course of business and transactions set forth in or contemplated by the Registration Statement and the Prospectus, as they may be amended or supplemented. The Company and its subsidiaries have no material contingent obligation which is not disclosed in the Registration Statement and the Prospectus, as they may be amended or supplemented.

(d) Any Incorporated Documents filed and incorporated by reference prior to the Closing Date will, when they are filed with the Commission, conform in all material respects with the requirements of the Exchange Act and the Exchange Act Rules and Regulations.

(e) The Company has full corporate power and authority to enter into this Agreement. This Agreement has been duly authorized, executed and delivered by the Company and is a valid and binding agreement of the Company enforceable against it in accordance with its terms.

(f) The consummation of the transactions contemplated by this Agreement and the fulfillment of its terms will not result in a breach of any of the terms or provisions of, or constitute a default under, any indenture, mortgage, deed of trust, or other material agreement or instrument to which the Company is now a party.

(g) The outstanding shares of Common Stock have been, and the Shares to be issued and sold by the Company upon such issuance will be, duly authorized, validly issued, fully paid and nonassessable and will not be subject to any preemptive or similar right; and the Rights will be validly issued.

(h) The description of the Common Stock in the Registration Statement and the Prospectus, as they may be amended or supplemented, is, and at the Closing Date and, if later, the Option Closing Date, will be, complete and accurate in all material respects. Except for shares issuable under the Company's Automatic Dividend Reinvestment and Stock Purchase Plan, the Minnesota Power and Affiliated Companies Employee Stock Purchase Plan or any compensation plan disclosed in the Company's Proxy Statement with respect to the Company's [ ] Annual

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Meeting of Shareholders (collectively referred to as the "Stock Purchase and Compensation Plans"), the Company does not have outstanding, and at the Closing Date and, if later, the Option Closing Date, will not have outstanding, any options to purchase, or any rights or warrants to subscribe for, or any securities or obligations convertible into, or any contracts or commitments to issue or sell, any shares of Common Stock, any shares of capital stock of any subsidiary or any such warrants, convertible securities or obligations.

(i) The Company has filed a Petition for Certification of Capital Structure with the Minnesota Public Utilities Commission ("Minnesota Commission") pursuant to the Minnesota Public Utilities Act with respect to the issuance and sale by the Company of the Shares. The Minnesota Commission has entered an authorizing order approving the capital structure including the issuance and sale of the Shares. Apart from such authorizing order of the Minnesota Commission, no consent, approval, authori-

zation or order of, or any filing or declaration with, any court or governmental agency or body is required for the consummation by the Company of the transactions on its part herein contemplated, except such as have been obtained under the Act or the Rules and Regulations and such as may be required under state securities or "Blue Sky" laws or the by-laws and rules of the National Association of Securities Dealers, Inc. (the "NASD") in connection with the purchase and distribution by the Underwriters of the Shares.

(j) The Company is duly registered as a transfer agent within the meaning of the Exchange Act with respect to the Common Stock and is in compliance with the Exchange Act Rules and Regulations with respect to its activities as transfer agent.

(k) Neither the Company nor any of its directors, officers or controlling persons has taken, directly or indirectly, any action intended, or which might reasonably be expected, to cause or result, under the Act or otherwise, in, or which has constituted, stabilization or manipulation of the price of any security of the Company to facilitate the sale or resale of the Shares.

(l) No holder of securities of the Company has rights to the registration of any securities of the Company because of the filing of the Registration Statement.

5. Agreements of the Company.  
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(a) The Company will not file any amendment or supplement to the Registration Statement or the Prospectus unless a copy has first been submitted to the Underwriters a reasonable time before its filing and the Underwriters have not reasonably objected to it in writing within a reasonable time after receiving the copy.

(b) The Company will promptly advise the Underwriters (i) of the initiation or threatening of any proceedings for, or receipt by the Company of any notice with respect to, the suspension of the qualification of the Shares for sale in any jurisdiction or the issuance of any order by the Commission suspending the effectiveness of the Registration Statement and (ii) of receipt by the Company or any representative or attorney of the Company of any other communication from the Commission relating to the Company, the Registration Statement, any preliminary prospectus or the Prospectus or to the transactions contemplated by this Agreement. The Company will make every reasonable effort to prevent the issuance of an order suspending the effectiveness of the Registration Statement and, if any such order is issued, to obtain its lifting as soon as possible.

(c) The Company will furnish to the Underwriters without charge one signed copy of the Registration Statement and of any amendments thereto (including all exhibits filed with any such document) and as many conformed copies of the Registration Statement as each of the Underwriters may reasonably request.

(d) During such period as a prospectus is required by law to be delivered by the Underwriters or a dealer, the Company will deliver, without charge, to the Underwriters and to dealers, at such office or offices as the Underwriters may designate, as many copies of the Prospectus as each of the Underwriters may reasonably request, and, during such period (not exceeding nine months) after the Effective Date if any event occurs as a result of which it is necessary to amend or supplement the Prospectus in order to make the statements in it, in the light of the circumstances existing when the Prospectus is delivered to a purchaser, not misleading in any material respect, or if during such period it is necessary to amend or supplement the Prospectus to comply with the Act or Rules and Regulations, the Company will promptly prepare, submit to the Underwriters, file, subject to Section 5(a), with the Commission and deliver, without charge, to each of the Underwriters and to dealers (whose names and addresses the Underwriters will furnish to the Company) to whom Shares may have been sold by the Underwriters, and to other dealers on request, amendments or supplements to the Prospectus so that the statements in the Prospectus, as so amended or supplemented, will not, in the light of the circumstances existing when the Prospectus is delivered to a purchaser, be misleading in any material respect and will comply

with the Act and the Rules and Regulations; provided, however, that should such event relate solely to the activities of any of the Underwriters, then such Underwriter will assume the expense of preparing and furnishing any such amendment or supplement. In case the Underwriters are required to deliver a Prospectus after the expiration of nine months from the Effective Date, the Company, upon the request of any of the Underwriters, will furnish to such Underwriter, at the expense of such Underwriter, a reasonable quantity of an amendment or supplement complying with Section 10(a) of the Act. Delivery by the Underwriters of any such amendments or supplements to the Prospectus will not constitute a waiver of any of the conditions in Section 6.

(e) The Company will make generally available to the Company's security holders, as soon as practicable but in no event later than the last day of the 15th full calendar month following the calendar quarter in which the Effective Date falls, an earnings statement satisfying the provisions of Section 11(a) of the Act and Rule 158 of the Rules and Regulations.

(f) The Company will take such actions as the Underwriters reasonably designate in order to qualify the Shares for offer and sale under the securities or "Blue Sky" laws of such jurisdictions as the Underwriters reasonably designate.

(g) The Company will pay, or reimburse if paid by the Underwriters, whether or not the transactions contemplated by this Agreement are consummated or this Agreement is terminated, all costs and expenses incident to the performance of the obligations of the Company under this Agreement, including costs and expenses relating to (i) the preparation, printing and filing of the Registration Statement and exhibits thereto, each preliminary prospectus, the Prospectus, all amendments and supplements to the Registration Statement and the Prospectus, except as provided in Section 5(d), (ii) the preparation and delivery of certificates representing the Shares, (iii) the registration or qualification of the Shares for offer and sale under the securities or "Blue Sky" laws of the jurisdictions referred to in Section 5(f) and the determination of the legality of the Shares for investment, including the reasonable fees and disbursements of counsel for the Underwriters (not to exceed \$10,000) in that connection, and the preparation and printing of preliminary and supplemental "Blue Sky" memoranda and legal investment memoranda, (iv) except as provided in Section 5(d), the furnishing (including costs of shipping and mailing) to the Underwriters and to dealers of copies of the Registration Statement, each preliminary prospectus, the Prospectus, and all amendments or supplements to the Prospectus, and of the other documents required by this Section 5 to be so furnished, (v) all transfer taxes, if any, with respect to the sale and delivery of the Shares by the Company to the Underwriters, (vi) the listing of the Shares on the New York Stock Exchange, (vii) any filings required to be made by the Underwriters with the NASD, including the reasonable fees and disbursements of counsel for the Underwriters in that connection, and (viii) the transfer agent for the Shares.

(h) During the period of two years commencing on the Effective Date, the Company will furnish to each Underwriter who may so request copies of such financial statements and other periodic and special reports as the Company may from time to time distribute generally to the holders of any class of its capital stock, and will furnish to each Underwriter who may so request a copy of each annual or other report it will be required to file with the Commission.

(i) The Company will not at any time, directly or indirectly, take any action intended, or which might reasonably be expected, to cause or result in, or which will constitute, stabilization of the price of the shares of Common Stock to facilitate the sale or resale of any of the Shares.

(j) Unless otherwise agreed to in writing by the Company and the Underwriters, the Company will not for a period of [ ] days after the commencement of public offering of the

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Shares sell or otherwise dispose of any shares of Common Stock, rights to acquire shares of Common Stock or securities convertible into shares of Common Stock other than to the Underwriters pursuant to this Agreement and other than in connection with the Stock Purchase and Compensation Plans.

6. Conditions of the Underwriters' Obligation. The

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obligation of each Underwriter to purchase the Shares is subject to the accuracy, on the date of this Agreement and on the Closing Date and, if later, the Option Closing Date, of the representations of the Company in this Agreement, to the accuracy and completeness of all statements made by the Company or any of its officers in any certificate delivered to the Underwriters or their counsel pursuant to this Agreement, to performance by the Company of its obligations under this Agreement and to each of the following additional conditions:

(a) All filings required by Rule 424 of the Rules and Regulations must have been made.

(b) No stop order suspending the effectiveness of the Registration Statement may be in effect and no proceedings for such purpose may be pending before or threatened by the Commission and any requests for additional information on the part of the Commission (to be included in the Registration Statement or the Prospectus or otherwise) must have been complied with.

(c) Since the respective dates as of which such information is given in the Registration Statement and the Prospectus, as they may be amended or supplemented, (i) there must not have been any material change in the capital stock or long-term debt of the Company and its subsidiaries, taken as a whole, (ii) there must not have been any material adverse change in the management, business, properties, financial condition, or results of operations of the Company and its subsidiaries, taken as a whole, other than transactions in the ordinary course of business and transactions set forth in or contemplated by the Prospectus, and (iii) there must not have occurred any event that makes untrue or incorrect in any material respect any statement or information contained in the Prospectus or that is not reflected in the Prospectus but should be reflected in it in order to make the statements or information in it not misleading in any material respect; and in the judgment of the Underwriters, any such development referred to in clause (i), (ii) or (iii) makes it impracticable or inadvisable to consummate the sale and delivery of the Shares by the Underwriters at the initial public offering price.

(d) The Underwriters must receive on the Closing Date and, with respect to the Option Shares, on the Option Closing Date, a certificate, dated such date, of the chief executive officer, the chief operating officer or the chief financial officer of the Company certifying that (i) the signer has carefully examined the Registration Statement and the Prospectus (including any Incorporated Documents) and this Agreement, (ii) the representations of the Company in this Agreement are accurate on and as of the date of the certificate, (iii) there has not been any material adverse change in the management, business, properties, financial condition or results of operations of the Company and its subsidiaries, taken as a whole, other than transactions in the ordinary course of business and transactions set forth in or contemplated in the Prospectus, (iv) to the knowledge of such officer, no order suspending the effectiveness of the Registration Statement or prohibiting the sale of the Shares has been issued and no proceedings for such purpose are pending before or threatened by the Commission, (v) there has been no document required to be filed under the Exchange Act and the Exchange Act Rules and Regulations that upon such filing would be deemed to be an Incorporated Document that has not been so filed, and (vi) the Company has performed all agreements that this Agreement requires it to perform by the Closing Date.

(e) The Underwriters must receive on the Closing Date and, with respect to the Option Shares, the Option Closing Date, opinions dated the Closing Date substantially in the form of Annex B-1 and B-2 to this Agreement from Reid & Priest LLP, counsel to the Company, and Philip R. Halverson, Esq., general counsel of the Company, respectively.

(f) The Underwriters must receive on the Closing Date from Morrison Cohen Singer & Weinstein, LLP, their counsel, an opinion dated the Closing Date and, with respect to the Option Shares, the Option Closing Date, with respect to the Company, the Shares, the Registration Statement, the Prospectus, this Agreement and the form and sufficiency of all proceedings taken

in connection with the sale and delivery of the Shares. Such opinion and proceedings will be satisfactory in all respects to the Underwriters. The Company must have furnished to such counsel such documents as they may reasonably request for the purpose of enabling them to render such opinion.

(g) On the Closing Date and, with respect to the Option Shares, the Option Closing Date, Price Waterhouse LLP must furnish to the Underwriters a letter, addressed to the Underwriters and in form and substance reasonably satisfactory to the Underwriters, confirming that they are independent accountants with respect to the Company as required by the Act and the Rules and Regulations and with respect to the financial and other statistical and numerical information contained in the Registration Statement or incorporated by reference therein.

(h) Prior to the Closing Date, the Shares must be duly authorized for listing by the New York Stock Exchange upon official notice of issuance.

All opinions, letters, evidence and certificates mentioned above or elsewhere in this Agreement will comply with this Agreement only if they are in form and scope satisfactory to counsel for the Underwriters.

7. Indemnification.  
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(a) The Company shall indemnify and hold harmless each Underwriter, the directors, officers, employees and agents of each Underwriter, and each person, if any, who controls each Underwriter, within the meaning of Section 15 of the Act or Section 20 of the Exchange Act, against any and all losses, claims, damages and liabilities, joint or several (including any investigation, legal or other expenses reasonably incurred in connection with, and any amount paid in settlement of, any action, suit or proceeding or any claim asserted), to which they, or any of them, may become subject under the Act, the Exchange Act or other Federal or state statutory law or regulation, at common law or otherwise, insofar as such losses, claims, damages or liabilities arise out of or are based on any untrue statement or alleged untrue statement of a material fact contained in any preliminary prospectus, the Registration Statement or the Prospectus or any amendment or supplement to the Registration Statement or the Prospectus (including any Incorporated Document), or the omission or alleged omission to state in it a material fact required to be stated in it or necessary to make the statements in it not misleading; provided, however, that the Company shall not be liable to the extent that such loss, claim, damage, or liability arises from the sale of the Shares in the public offering to any person by any Underwriter and is based on an untrue statement or omission or alleged untrue statement or omission (i) made in reliance on and in conformity with information furnished in writing to the Company by such Underwriter expressly for use in the document or (ii) in a preliminary prospectus if the Prospectus corrects the untrue statement or omission or alleged untrue statement or omission which is the basis of the loss, claim, damage or liability for which indemnification is sought and a copy of the Prospectus was not sent or given to such person at or before the confirmation of the sale to such person in any case where such delivery is required by the Act, unless such failure to deliver the Prospectus was a result of noncompliance by the Company with Section 5(d). This indemnity agreement shall be in addition to any liability that the Company might otherwise have.

(b) Each Underwriter shall indemnify and hold harmless the Company, its officers and directors, and each person, if any, who controls any thereof within the meaning of Section 15 of the Act or Section 20 of the Exchange Act, to the same extent as the foregoing indemnity from the Company to each Underwriter, but only insofar as losses, claims, damages or liabilities arise out of or are based on any untrue statement or omission or alleged untrue statement or omission made in or in reliance on and in conformity with information furnished in writing to the Company by such Underwriter expressly for use in preparation of the documents in which the statement or omission is made or alleged to be made. The Company acknowledges that for all purposes of this Agreement, the amounts of the selling commission and allowance set forth in the Prospectus and [ ] constitute the only information

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furnished in writing to the Company by any Underwriter expressly for use in the Registration Statement, any preliminary prospectus or the Prospectus. This indemnity agreement shall be in addition to any liability that the Underwriters might otherwise have.

(c) Any party that proposes to assert the right to be indemnified under this Section 7 shall, promptly after receipt of notice of commencement of any action against such party in respect of which a claim is to be made against an indemnifying party or parties under this Section 7, notify in writing each such indemnifying party of the commencement of such action, enclosing a copy of all papers served, but the omission so to notify such indemnifying party shall not relieve it from any liability that it may have to any indemnified party otherwise than under this Section 7. If any such action is brought against any indemnified party and it notifies the indemnifying party of its commencement, the indemnifying party shall be entitled to participate in, and, to the extent that it elects by delivering written notice to the indemnified party promptly after receiving notice of the commencement of the action from the indemnified party, jointly with any other indemnifying party similarly notified, to assume the defense of the action, with counsel satisfactory to the indemnified party, and, after notice from the indemnifying party to the indemnified party of its election to assume the defense, the indemnifying party shall not be liable to the indemnified party for any legal or other expenses except as provided below and except for the reasonable costs of investigation subsequently incurred by the indemnified party in connection with the defense. The indemnified party shall have the right to employ its counsel in any such action, but the fees and expenses of such counsel shall be at the expense of such indemnified party unless (i) the employment of counsel by the indemnified party has been authorized in writing by the indemnifying party, (ii) the indemnified party has been advised by such counsel employed by it that there may be legal defenses available to it involving potential conflict with the interests of an indemnifying party (in which case the indemnifying party shall not have the right to direct the defense of such action on behalf of the indemnified party) or (iii) the indemnifying party has not in fact employed counsel to assume the defense of such action within a reasonable time after receiving notice of the commencement of the action, in each of which cases the fees and expenses of counsel shall be at the expense of the indemnifying party or parties and all such fees and expenses shall be reimbursed promptly as they are incurred. An indemnifying party shall not be liable for any settlement of any action or claim effected without its written consent or, in connection with any proceeding or related proceeding in the same jurisdiction, for the fees and expenses of more than one separate counsel for all indemnified parties.

8. Contribution. If recovery is not available under  
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the foregoing indemnification provisions of Section 7, for any reason other than as specified therein, the parties entitled to indemnification by the terms thereof shall be entitled to contribution to liabilities and expenses, except to the extent that contribution is not permitted under Section 11(f) of the Act. In determining the amount of contribution to which the respective parties are entitled, there shall be considered the relative benefits received by each party from the offering of the Shares (taking into account the portion of the proceeds of the offering realized by each), the parties' relative knowledge and access to information concerning the matter with respect to which the claim was asserted, the opportunity to correct and prevent any statement or omission, and any other equitable considerations appropriate under the circumstances. The Company and the Underwriters agree that it would not be equitable if the amount of such contribution were determined by pro rata or per capita allocation. No person found guilty of fraudulent misrepresentation (within the meaning of Section 11(f) of the Act) shall be entitled to contribution from any person who was not guilty of such fraudulent misrepresentation.

9. Termination. This Agreement may be terminated by  
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Underwriters who have agreed to purchase in the aggregate 50% or more of the Firm Shares by notifying the Company at any time

(a) at or before the Closing Date (or, with

respect to the Option Shares, at or before the Option Closing Date) if, in the judgment of such Underwriters, payment for the delivery of the Shares is rendered impracticable or inadvisable because (i) trading in the equity securities of the Company is suspended by the Commission or the New York Stock Exchange, (ii) additional material governmental restrictions, not in force on the date of this Agreement, are imposed upon trading in securities generally or minimum or maximum prices have been generally established on the New York Stock Exchange or on the American Stock Exchange or trading in securities generally has been suspended or limited on either such exchange or a general banking moratorium has been established by Federal or New York authorities, or (iii) any outbreak or material escalation of hostilities or other calamity or crisis occurs the effect of which is such as to make it impracticable to market the Shares, or

(b) at or before the Closing Date (or, with respect to the Option Shares, at or before the Option Closing Date), if any of the conditions specified in Section 6 have not been fulfilled when and as required by this Agreement.

If this Agreement is terminated pursuant to any of its provisions, except as otherwise provided, the Company will not be under any liability to any of the Underwriters and the Underwriters will not be under any liability to the Company, except that (1) if this Agreement is terminated by the Underwriters because of any failure or refusal on the part of the Company to comply with the terms of this Agreement or because any of the conditions in Section 6 are not satisfied, the Company will reimburse the Underwriters for all reasonable out-of-pocket expenses (including the fees and disbursements of their counsel) reasonably incurred by them in connection with the proposed purchase and sale of the Shares, and (2) if the Underwriters fail or refuse to purchase the Shares agreed to be purchased by them under this Agreement, without some reason sufficient to justify cancellation or termination of its obligations under this Agreement, they will not be relieved of liability to the Company for damages occasioned by their default.

The Company will not in any event be liable to the Underwriters for damages on account of loss of anticipated profits.

10. Substitution of Underwriters. If one or more of  
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the Underwriters shall, for any reason permitted hereunder, cancel its obligation to purchase hereunder and to take up and pay for the Firm Shares to be purchased by such one or more Underwriters, the Company shall immediately notify the remaining Underwriters, and the remaining Underwriters shall have the right, within 24 hours of receipt of such notice, either to take up and pay for (in such proportion as may be agreed upon among them) or to substitute another underwriter or underwriters, satisfactory to the Company, to take up and pay for the number of Firm Shares that such one or more Underwriters did not purchase. If one or more Underwriters shall, for any reason other than a reason permitted hereunder, fail to take up and pay for the Firm Shares to be purchased by such one or more Underwriters, the Company shall immediately notify the remaining Underwriters, and the remaining Underwriters shall be obligated to take up and pay for (in addition to the respective number of Firm Shares set forth opposite their respective names in Schedule 1), the number of Firm Shares that such defaulting Underwriter or Underwriters failed to take up and pay for, up to a number thereof equal to, in the case of each such remaining Underwriter, ten percent (10%) of the number of Firm Shares set forth opposite the name of such remaining Underwriter in Schedule 1, and such remaining Underwriters shall have the right, within 24 hours of receipt of such notice, either to take up and pay for (in such proportion as may be agreed upon among them), or to substitute another underwriter or underwriters, satisfactory to the Company, to take up and pay for, the remaining number of the Firm Shares that the defaulting Underwriter or Underwriters agreed but failed to purchase. If any unpurchased Firm Shares still remain, then the Company or the Underwriters shall be entitled to an additional period of 24 hours within which to procure another party or parties, who are members of the NASD (or if not members of the NASD, who are not eligible for membership in the NASD and who agree (i) to make no sales within the United States, its territories or its possessions or to persons who are citizens

thereof or residents therein and (ii) in making sales to comply with the NASD's Rules of Fair Practice) and satisfactory to the Company, to purchase or agree to purchase such unpurchased Firm Shares on the terms herein set forth. In any such case, either the remaining Underwriters or the Company shall have the right to postpone the Closing Date for a period not to exceed seven full business days from the date agreed upon in accordance with this Section 10, in order that the necessary changes in the Registration Statement and Prospectus and any other documents and arrangements may be effected. If the Underwriters and the Company shall fail to procure a satisfactory party or parties as above provided to purchase or agree to purchase such unpurchased Firm Shares, then the Company may either (i) require the remaining Underwriters to purchase the number of Firm Shares that they are obligated to purchase hereunder (but no more than such number of Firm Shares) or (ii) terminate this Agreement by giving prompt notice to the Underwriters. In the event that neither the remaining Underwriters nor the Company has arranged for the purchase of such unpurchased Firm Shares by another party or parties as above provided and the Company has not elected to require the remaining Underwriters to purchase the number of Firm Shares that they are obligated to purchase hereunder, then this Agreement shall terminate without any liability on the part of any such Underwriter or the Company for the purchase or sale of any Shares under this Agreement. Any action taken pursuant to this Section 10 shall not relieve any defaulting Underwriter from liability in respect of any default of such Underwriters under this Agreement.

11. Miscellaneous. The reimbursement, indemnification  
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and contribution agreements in Sections 5, 7, 8 and 9 and the representations and agreements of the Company and the Underwriters in this Agreement will remain in full force and effect regardless of any termination of this Agreement, any investigation made by or on behalf of the Underwriters, the Company, or any controlling person and delivery of and payment for the Shares.

This Agreement is for the benefit of the several Underwriters, the Company, and their successors and assigns, and, to the extent expressed in this Agreement, for the benefit of persons controlling the several Underwriters or the Company, directors and officers of the Company and directors, officers, employees and agents of the several Underwriters, and their respective successors and assigns, and no other persons, partnership, association or corporation will acquire or have any right under or by virtue of this Agreement. The term "successors and assigns" does not include any purchaser of Shares from any of the Underwriters merely because of such purchase.

All notices and communications under this Agreement shall be in writing and mailed or delivered, by messenger, facsimile transmission or otherwise, to the Underwriters at  
[ ] Attention: Corporate Finance  
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Department, and to the Company, at 30 West Superior Street, Duluth, Minnesota 55802, Attention: Chief Financial Officer. Any such notice or communication shall take effect upon receipt thereof.

THIS AGREEMENT SHALL BE GOVERNED BY AND CONSTRUED IN ACCORDANCE WITH THE LAWS OF THE STATE OF NEW YORK WITHOUT REGARD TO THE CONFLICT OF LAWS PRINCIPLES OF SUCH STATE.

This Agreement may be signed in two or more counterparts with the same effect as if the signatures thereto and hereto were upon the same instrument.

This Agreement may not be amended or otherwise modified or any provision hereof waived except by an instrument in writing signed by the Underwriters and the Company.

Please confirm that the foregoing correctly sets forth the agreement between us.

Very truly yours,

MINNESOTA POWER & LIGHT COMPANY

By: \_\_\_\_\_  
Name:  
Title:

Confirmed:  
[ \_\_\_\_\_ ]

By: \_\_\_\_\_  
Name:  
Title:  
[ \_\_\_\_\_ ]

By: \_\_\_\_\_  
Name:  
Title:  
[ \_\_\_\_\_ ]

By: \_\_\_\_\_  
Name:  
Title:

FORM OF PRICE DETERMINATION AGREEMENT

[ \_\_\_\_\_, 199 ]  
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Dear Sirs:

Reference is made to the Underwriting Agreement, dated [ \_\_\_\_\_, 199 ] (the "Underwriting Agreement"), among \_\_\_\_\_ Minnesota Power & Light Company, a public utility incorporated under the laws of Minnesota (the "Company"), and you as the Underwriters (collectively, the "Underwriters"). The Underwriting Agreement provides for the purchase by the several Underwriters from the Company subject to the terms and conditions set forth therein, of an aggregate of [ \_\_\_\_\_ ] shares of

the Company's Common Stock, without par value ("Common Stock"), and the preferred share purchase rights attached thereto (the "Rights") (collectively referred to as the "Firm Shares"). Subject to the terms and conditions set forth in the Underwriting Agreement, the Company has also granted to the Underwriters an option (the "Option") to purchase up to an additional [ \_\_\_\_\_ ] shares of Common Stock and the Rights attached thereto (collectively referred to as the "Option Shares"). This Agreement is the Price Determination Agreement referred to in the Underwriting Agreement.

Pursuant to Section 1 of the Underwriting Agreement, the undersigned agrees with the Underwriters as follows:

1. The initial public offering price per share for the Firm Shares and, if the Option is exercised, the Option Shares, shall be \$[ \_\_\_\_\_ ].

2. The purchase price per share for the Firm Shares and, if the Option is exercised, the Option Shares to be paid by the several Underwriters shall be \$[ \_\_\_\_\_ ], representing an amount equal to the initial public offering price set forth above, less \$[ \_\_\_\_\_ ] per share.

The Company represents and warrants to each of the Underwriters that the representations and warranties of the Company set forth in Section 4 of the Underwriting Agreement are accurate as though expressly made at and as of the date hereof.

As contemplated by the Underwriting Agreement, attached as Schedule 1 is a completed list of the several Underwriters,

which shall be a part of this Agreement and the Underwriting Agreement.

THIS AGREEMENT SHALL BE GOVERNED BY AND CONSTRUED IN ACCORDANCE WITH THE LAWS OF THE STATE OF NEW YORK WITHOUT REGARD TO THE CONFLICT OF LAWS PRINCIPLES OF SUCH STATE.

If the foregoing is in accordance with your understanding of the agreement among the Underwriters and the Company, please sign and return to the Company a counterpart hereof, whereupon this instrument along with all counterparts and together with the Underwriting Agreement shall be a binding agreement among the Underwriters and the Company in accordance with its terms and the terms of the Underwriting Agreement.

Very truly yours,

MINNESOTA POWER & LIGHT COMPANY

By: \_\_\_\_\_  
Name:  
Title:

Confirmed:  
[ \_\_\_\_\_ ]

By: \_\_\_\_\_  
Name:  
Title:  
[ \_\_\_\_\_ ]

By: \_\_\_\_\_  
Name:  
Title:  
[ \_\_\_\_\_ ]

By: \_\_\_\_\_  
Name:  
Title:

SCHEDULE 1

UNDERWRITERS

Name of Underwriter -----	Number of Firm Shares to be Purchased -----
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FORM OF OPINION OF REID & PRIEST LLP

[ \_\_\_\_\_ , 199 ]  
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[ \_\_\_\_\_ ]  
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Dear Sirs:

Reference is made to the sale by Minnesota Power & Light Company (the "Company") of an aggregate of [ \_\_\_\_\_ ] shares of its Common Stock, without par value

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(the "Common Stock"), and the preferred share purchase rights attached thereto (the "Rights") (the Common Stock and the Rights being collectively referred to as the "Shares"). We advise you that we have acted as counsel to the Company in connection with such issuance and sale and have participated in the preparation of (a) Registration Statement No. [333- \_\_\_\_\_ ], as filed by the

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Company with the Securities and Exchange Commission for the registration of the Shares under the Securities Act of 1933, as amended (the "Act") (such registration statement, as amended at the Effective Date (as such term is defined in the Agreement referred to below), being hereinafter referred to as the "Registration Statement"); (b) the prospectus constituting part of the Registration Statement, as amended and supplemented by a prospectus supplement dated [ \_\_\_\_\_ , 199 ], relating to the

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Shares (such prospectus, as so amended and supplemented, being hereinafter referred to as the "Prospectus"); and (c) the Underwriting Agreement dated [ \_\_\_\_\_ , 199 ], between the

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Company and you (the "Agreement"). In addition, we have reviewed the petition filed by the Company with the Minnesota Public Utilities Commission seeking authorization to issue the Shares, and the order issued by said Commission in response to said petition.

We have reviewed all corporate proceedings taken by the Company in respect of the issuance and sale of the Shares.

Upon the basis of our familiarity with these transactions, we are of the opinion that:

1. The Shares when paid for by the Underwriters in accordance with the terms of the Agreement will be, duly authorized, validly issued, fully paid and non-assessable and will not be subject to any preemptive or similar right; and the Rights will be validly issued.

2. An authorizing order has been issued by the Minnesota Public Utilities Commission certifying the Company's capital structure and authorizing the issuance and sale of the Shares,

and, to the best of our knowledge, said order is still in full force and effect; and no further approval, authorization, consent or order of any public board or body (other than in connection or in compliance with the provisions of the securities or "Blue Sky" laws of any jurisdiction) is legally required for the authorization of the issuance and sale of the Shares.

3. The Registration Statement and the Prospectus (except as to the financial statements, statement of income and other financial or statistical data contained therein, upon which we do not pass) comply as to form in all material respects with the requirements of the Act and the applicable instructions, rules and regulations of the Securities and Exchange Commission thereunder; the Registration Statement has become, and at the date hereof the Registration Statement is, effective under the Act, and, to the best of our knowledge, no proceedings for a stop order with respect thereto are pending or threatened under Section 8 of the Act.

4. The statements set forth in the Prospectus under the captions "Description of Common Stock" and "Description of Preferred Share Purchase Rights," insofar as they purport to constitute a summary of the securities, documents and instruments therein described, are accurate and fairly present the information contained therein in all material respects.

5. The Agreement has been duly and validly authorized, executed and delivered by the Company and is a valid and legally binding obligation of the Company.

In passing upon the forms of the Registration Statement and the Prospectus, we necessarily assume the correctness and completeness of the statements made or included therein by the Company and take no responsibility therefor, except insofar as such statements relate to us and as set forth in the Prospectus under the heading "Legal Opinions" and in paragraph 4 above. In the course of the preparation by the Company of the Registration Statement and the Prospectus, we have had conferences with certain of its officers and representatives, with other counsel for the Company and with Price Waterhouse LLP, the independent certified public accountants who examined certain of the Company's financial statements incorporated by reference in the Registration Statement. Our examination of the Registration Statement and the Prospectus, and our discussions in the above-mentioned conferences did not disclose to us any information which gives us reason to believe that, at the Effective Date, the Registration Statement contained an untrue statement of a material fact or omitted to state a material fact required to be stated therein or necessary to make the statements therein not misleading or that the Prospectus at the time it was filed electronically with the Commission pursuant to Rule 424, and the Prospectus, as amended or supplemented at the date hereof, contained or contains an untrue statement of a material fact or omitted or omits to state a material fact necessary in order to make the statements therein, in the light of the circumstances under which they were made, not misleading. We do not express any opinion or belief as to the financial statements, statement of income or other financial or statistical data contained in the Registration Statement or in the Prospectus.

We are members of the New York Bar and do not hold ourselves out as experts on the laws of Minnesota. As to all matters of Minnesota law (and as to the incorporation of the Company, titles to property and franchises, upon which we do not pass), we have relied with your consent upon the opinion of even date herewith addressed to you by Philip R. Halverson, Esq., Vice President, General Counsel and Corporate Secretary for the Company.

Very truly yours,

REID & PRIEST LLP

FORM OF OPINION OF  
PHILIP R. HALVERSON, ESQ.  
VICE PRESIDENT, GENERAL COUNSEL  
AND CORPORATE SECRETARY OF  
MINNESOTA POWER & LIGHT COMPANY

[ \_\_\_\_\_, 199 ]  
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[ \_\_\_\_\_ ]  
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Dear Sirs:

Reference is made to the sale by Minnesota Power & Light Company (the "Company") of an aggregate of [ \_\_\_\_\_ ] shares of its Common Stock, without par value

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(the "Common Stock"), and the preferred share purchase rights attached thereto (the "Rights") (the Common Stock and the Rights being collectively referred to as the "Shares"). I advise you that I have acted as counsel to the Company in connection with such issuance and sale and have participated in the preparation of (a) Registration Statement No. [333- \_\_\_\_\_], as filed by the

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Company with the Securities and Exchange Commission for the registration of the Shares under the Securities Act of 1933, as amended (the "Act") (such registration statement, as amended at the Effective Date (as such term is defined in the Agreement referred to below), being hereinafter referred to as the "Registration Statement"); (b) the prospectus constituting part of the Registration Statement, as amended and supplemented by a prospectus supplement dated [ \_\_\_\_\_, 199 ], relating to the

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Shares (such prospectus, as so amended and supplemented, being hereinafter referred to as the "Prospectus"); and (c) the Underwriting Agreement dated [ \_\_\_\_\_, 199 ], between the

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Company and you (the "Agreement"). In addition, I have reviewed the petition filed by the Company with the Minnesota Public Utilities Commission seeking authorization to issue the Shares, and the order issued by said Commission in response to said petition.

I have reviewed all corporate proceedings taken by the Company in respect of the issuance and sale of the Shares.

Upon the basis of my familiarity with these transactions and with the Company's properties and affairs generally, I am of the opinion that:

1. The Shares, when paid for by the Underwriters in accordance with the terms of the Agreement, will be duly authorized, validly issued, fully paid and non-assessable and will not be subject to any preemptive or similar right; and the

Rights will be validly issued.

2. An authorizing order has been issued by the Minnesota Public Utilities Commission certifying the Company's capital structure and authorizing the issuance and sale of the Shares, and, to the best of my knowledge, said order is still in full force and effect; and no further approval, authorization, consent or order of any public board or body (other than in connection or in compliance with the provisions of the securities or "Blue Sky" laws of any jurisdiction) is legally required for the authorization of the issuance and sale of the Shares.

3. The Registration Statement and the Prospectus (except as to the financial statements, statement of income and other financial or statistical data contained therein, upon which I do not pass) comply as to form in all material respects with the requirements of the Act and the applicable instructions, rules and regulations of the Securities and Exchange Commission thereunder; the Registration Statement has become, and at the date hereof the Registration Statement is, effective under the Act, and, to the best of my knowledge, no proceedings for a stop order with respect thereto are pending or threatened under Section 8 of the Act.

4. The statements set forth in the Prospectus under the captions "Description of Common Stock" and "Description of Preferred Share Purchase Rights," insofar as they purport to constitute a summary of the securities, documents and instruments therein described, are accurate and fairly present the information contained therein in all material respects.

5. The Agreement has been duly and validly authorized, executed and delivered by the Company and is a valid and legally binding obligation of the Company.

6. The Company is a validly organized and existing corporation under the laws of the State of Minnesota and is duly qualified to do business, and is doing business, in that State.

7. The Company is a public utility corporation duly authorized by its Articles of Incorporation to conduct the business which it is now conducting as set forth in the Prospectus and the Company holds valid and subsisting franchises, licenses and permits authorizing it to carry on the utility business in which it is engaged.

8. Each subsidiary of the Company is a validly organized and existing corporation under the laws of the State of its incorporation and is duly qualified to do business, and is doing business, in such State and in each other State in which the failure to qualify as a foreign corporation would be material to the Company and its subsidiaries, taken as a whole.

9. Other than as stated in the Registration Statement and the Prospectus there are no pending legal proceedings to which the Company or any subsidiary is a party or of which property of the Company or any subsidiary is the subject, which depart from the ordinary routine litigation incident to the kind of business conducted by the Company or any such subsidiary, and which is material to the Company and its subsidiaries, taken as a whole, and, to the best of my knowledge, no such proceedings are known to be contemplated by governmental authorities.

10. The portions of the answers to the items of the Registration Statement and the portions of the information contained in the Prospectus, which are stated therein to have been made on my authority as General Counsel of the Company, have been reviewed by me and, as to matters of law and legal conclusions, are correct.

11. Neither the issue and sale by the Company of the Shares as contemplated by the Agreement nor the consummation by the Company of the other transactions contemplated by the Agreement conflicts with, or results in a breach of, the charter or by-laws of the Company or any subsidiary or any agreement or instrument known to me to which the Company or any subsidiary is a party or by which the Company or any subsidiary is bound, any law or regulation or, so far as is known to me, any order or regulation of any court, governmental instrumentality or arbitrator.

12. To the best of my knowledge, the Company is not currently in breach of, or in default under, any material written agreement or instrument to which it is a party or by which it or its property is bound or affected, and which breach or default is material to the Company and its subsidiaries, taken as a whole.

In passing upon the forms of the Registration Statement and the Prospectus, I necessarily assume the correctness and completeness of the statements made or included therein by the Company and take no responsibility therefor, except insofar as such statements relate to me and as set forth in the Prospectus under the headings "Experts" and "Legal Opinions" and in paragraphs 4 and 10 above. In the course of the preparation by the Company of the Registration Statement and the Prospectus, I had conferences with certain of its officers and representatives, with other counsel for the Company and with Price Waterhouse LLP, the independent certified public accountants who examined certain of the Company's financial statements incorporated by reference in the Registration Statement. My examination of the Registration Statement and the Prospectus, and my discussions in the above-mentioned conferences did not disclose to me any information which gives me reason to believe that, at the Effective Date, the Registration Statement contained an untrue statement of a material fact or omitted to state a material fact required to be stated therein or necessary to make the statements therein not misleading or that the Prospectus at the time it was filed electronically with the Commission pursuant to Rule 424, and the Prospectus, as amended or supplemented at the date hereof, contained or contains an untrue statement of a material fact or omitted or omits to state a material fact necessary in order to make the statements therein, in the light of the circumstances under which they were made, not misleading. I do not express any opinion or belief as to the financial statements, statement of income or other financial or statistical data included in the Registration Statement or in the Prospectus.

Very truly yours,

Philip R. Halverson

MINNESOTA POWER & LIGHT COMPANY  
30 West Superior Street  
Duluth, Minnesota 55802

Philip R. Halverson - Vice President,  
General Counsel and Corporate Secretary

May 8, 1998

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

Dear Sirs:

Referring to the proposed issuance and sale by Minnesota Power & Light Company (Company) of not to exceed 3,000,000 shares of the Company's Common Stock, without par value (Stock) and the Preferred Share Purchase Rights attached thereto (Rights) (the Stock and the Rights being collectively referred to as the "Shares"), as contemplated in the registration statement to be filed by the Company on or about the date hereof with the Securities and Exchange Commission under the Securities Act of 1933, as amended, I am of the opinion that:

1. The Company is a corporation validly organized and existing under the laws of the State of Minnesota.
2. All action necessary to make the Stock validly issued, fully paid and non-assessable and the Rights validly issued will have been taken when:
  - a) At a meeting or meetings of the Company's Board of Directors (or the Executive Committee of the Board of Directors) favorable action shall have been taken to approve and authorize the issuance and sale of the Shares and any other action necessary to the consummation of the proposed issuance and sale of the Shares;
  - b) The Minnesota Public Utilities Commission shall have authorized the issuance and sale of the Shares;
  - c) The Stock shall have been issued and delivered for the consideration contemplated in the registration statement; and
  - d) The Rights shall have been issued in accordance with the terms of the Rights Agreement dated as of July 24, 1996 between the Company and the Corporate Secretary of the Company, as Rights Agent.

I hereby consent to the use of my name in such registration statement and to the use of this opinion as an exhibit thereto.

Sincerely,

/s/ Philip R. Halverson

Philip R. Halverson

REID & PRIEST LLP  
40 West 57th Street  
New York, N.Y. 10019-4097  
Telephone 212 603-2000  
Fax 212 603-2001

New York, New York  
May 8, 1998

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

Dear Sirs:

Referring to the proposed issuance and sale by Minnesota Power & Light Company ("Company") of not to exceed 3,000,000 shares of the Company's Common Stock, without par value ("Stock") and the Preferred Share Purchase Rights attached thereto ("Rights") (the Stock and the Rights being collectively referred to as the "Shares"), as contemplated in the registration statement to be filed by you on or about the date hereof with the Securities and Exchange Commission under the Securities Act of 1933, as amended, we are of the opinion that:

1. The Company is a corporation validly organized and existing under the laws of the State of Minnesota.

2. All action necessary to make the Stock validly issued, fully paid and non-assessable and the Rights validly issued will have been taken when:

a) At a meeting or meetings of the Company's Board of Directors (or the Executive Committee of the Board of Directors) favorable action shall have been taken to approve and authorize the issuance and sale of the Shares and any other action necessary to the consummation of the proposed issuance and sale of the Shares;

b) The Minnesota Public Utilities Commission shall have authorized the issuance and sale of the Shares;

c) The Stock shall have been issued and delivered for the consideration contemplated in the registration statement; and

d) The Rights shall have been issued in accordance with the terms of the Rights Agreement dated as of July 24, 1996 between the Company and the Corporate Secretary of the Company, as Rights Agent.

We are members of the New York Bar and do not hold ourselves out as experts on the laws of the State of Minnesota. As to all matters of Minnesota law, we have relied with your consent upon an opinion of even date herewith addressed to you by Philip R. Halverson, Esq., Vice President, General Counsel and Secretary to the Company.

We hereby consent to the use of our name in such registration statement and to the use of this opinion as an exhibit thereto.

Very truly yours,

/s/ REID & PRIEST LLP

REID & PRIEST LLP

## CONSENT OF INDEPENDENT ACCOUNTANTS

We hereby consent to the incorporation by reference in the Prospectus constituting part of this Registration Statement on Form S-3 of our report dated January 26, 1998, which appears on page 32 of the 1997 Annual Report to Shareholders of Minnesota Power & Light Company, which is incorporated by reference in Minnesota Power & Light Company's Annual Report on Form 10-K for the year ended December 31, 1997. We also consent to the incorporation by reference of our report on the Financial Statement Schedule, which appears on page 31 of such Annual Report on Form 10-K. We also consent to the reference to us under the heading "Experts" in such Prospectus.

/s/ PRICE WATERHOUSE LLP

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PRICE WATERHOUSE LLP  
Minneapolis, Minnesota  
May 7, 1998