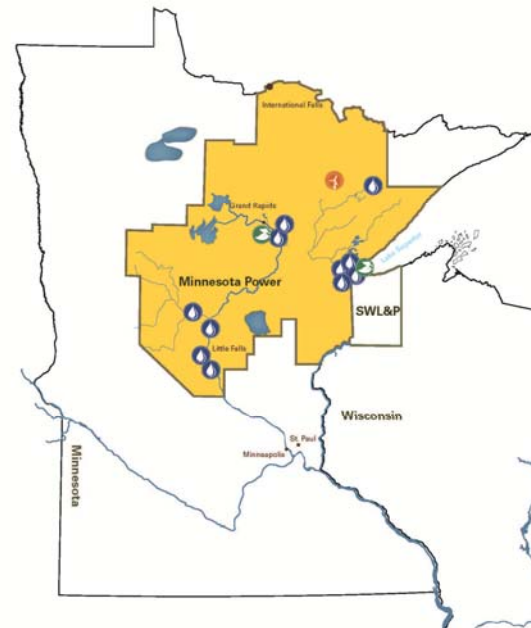


Minnesota Power Overview

House Energy Committee

January 22, 2013



Julie Pierce
Long-Term Strategy and Planning
Minnesota Power

Company Profile

- Investor –owned since 1906; state/federal regulated
- Serve Northeastern/some of North Central Minnesota
- 12 large industrial customers (mining, paper, pipelines), energy intensive customers that employ thousands
- 140,000 residential customers
- We are a “jobs” utility, i.e. very rate sensitive customer base relative to the economy
- Major capital investments for emission reduction, renewables and larger maintenance in recent years totaling \$900 million





AN ALLETE COMPANY

Minnesota Power Serves Industry



ArcelorMittal



UPM

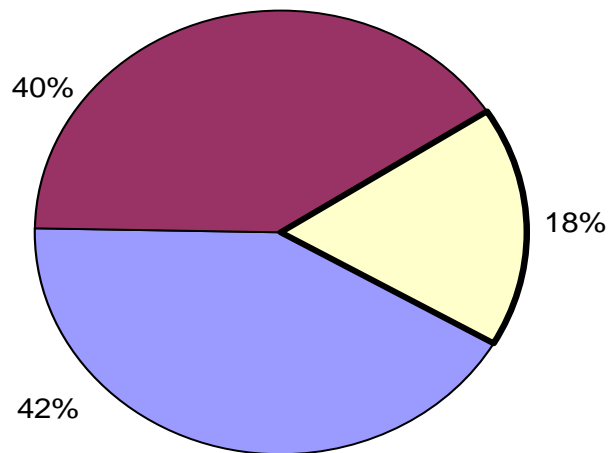


Revenue by Customer Class Comparison

- Minnesota Power is a unique utility
- Twelve large industrial customers provided over 60% of MP's revenue.

Typical United States Electric Utility

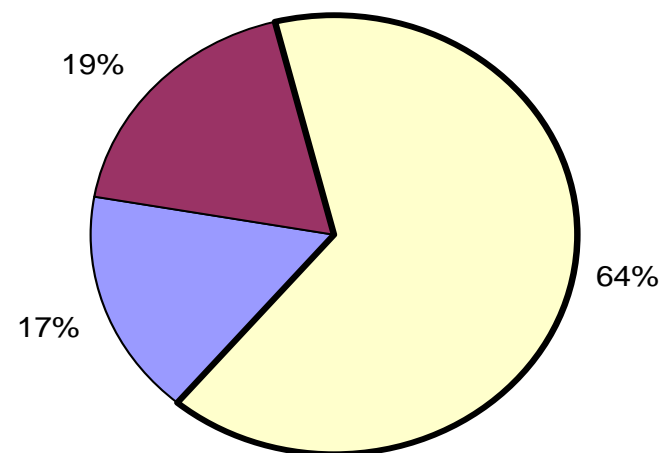
Composite of U.S. Investor-Owned Electric Utilities
Source: EEI 2008 Financial Review



■ Residential ■ Commercial ■ Industrial

Minnesota Power

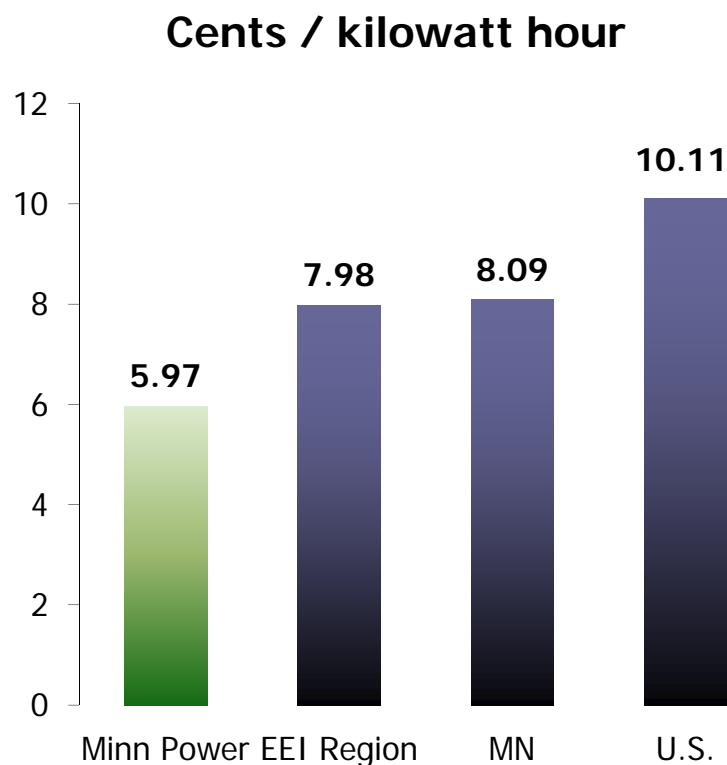
2008 Minnesota Power Revenue by Class



■ Residential ■ Commercial ■ Industrial

Low Cost Electricity Provider

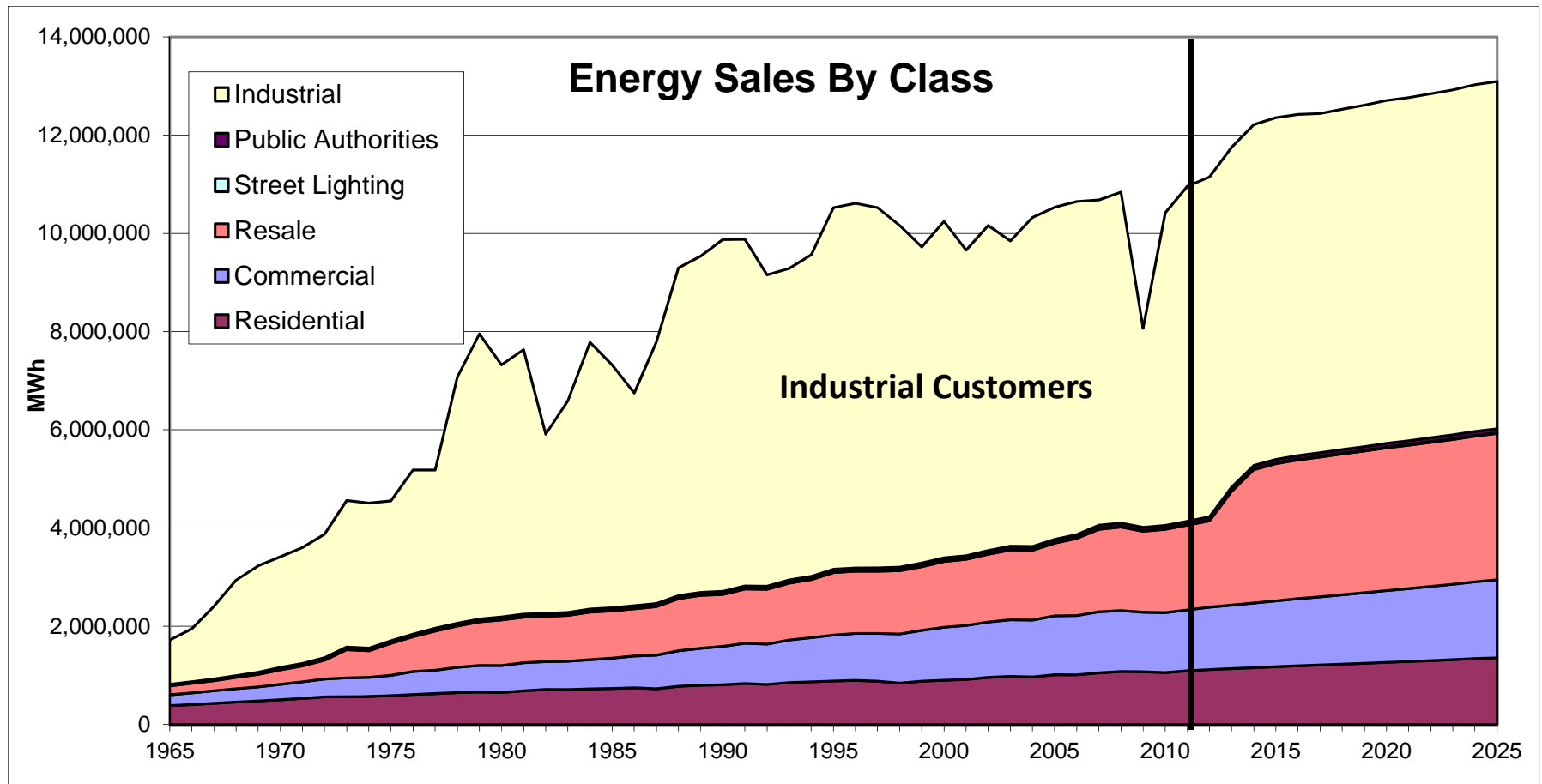
- 4th lowest out of 169 electric utilities
- Allows customers to stay competitive in global markets
- Supports current customer expansion and new customer growth



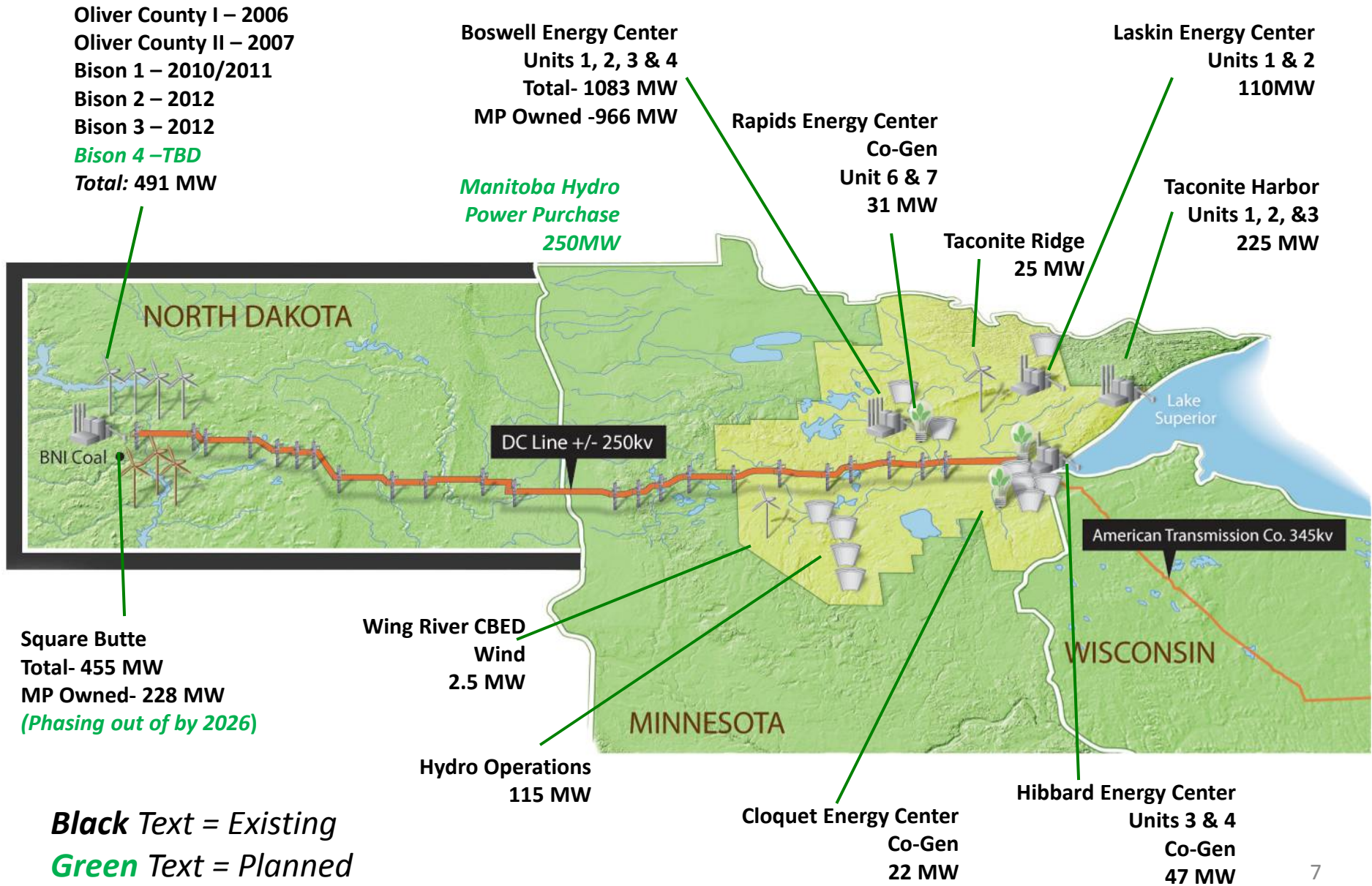
Average cents/kilowatt hour for retail rates for 12 months ending June 30, 2012. Information published by the Edison Electric Institute (Typical Bills and Average Rates Report – Summer 2012 and Rankings – July 1, 2012)



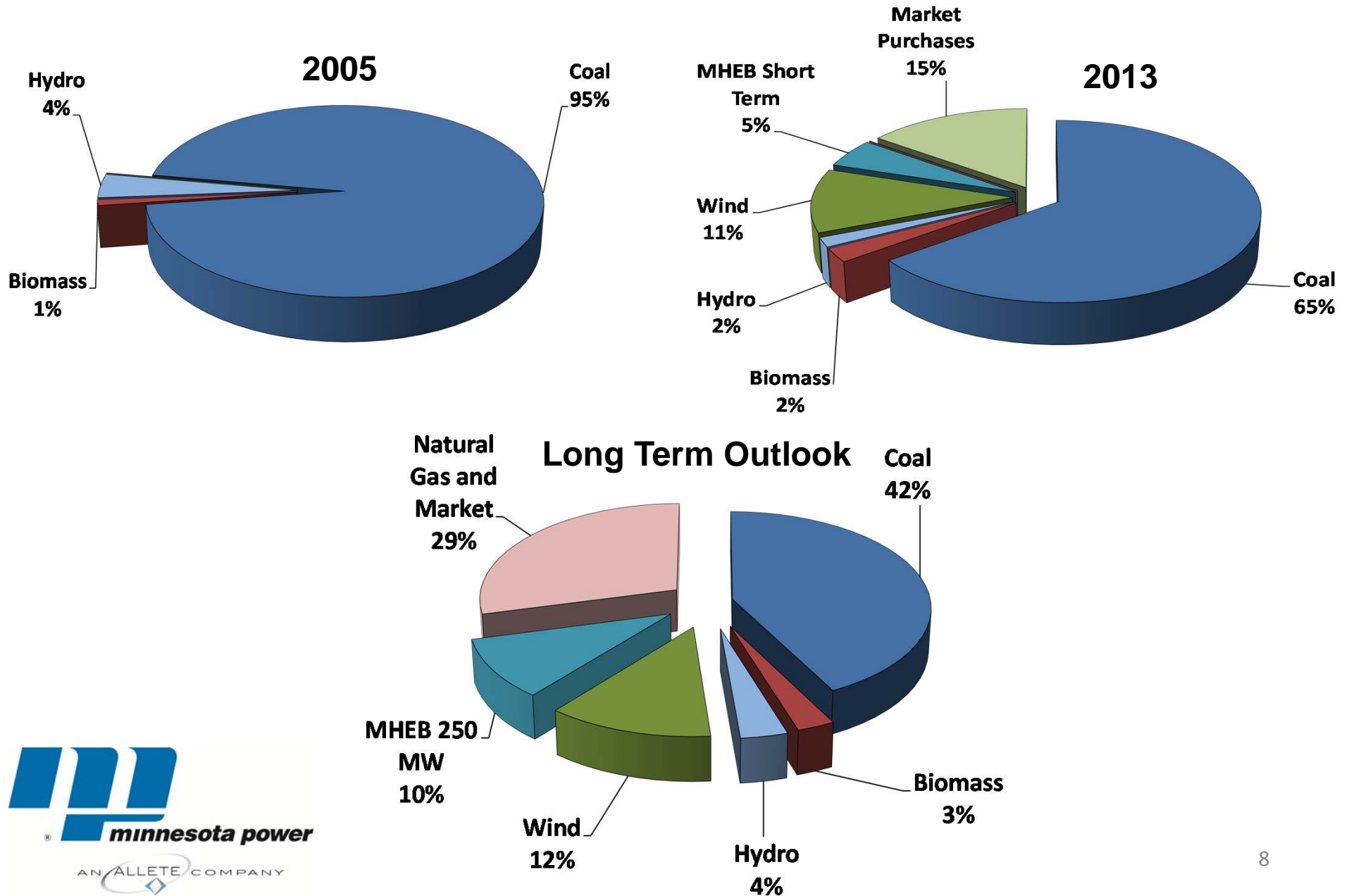
Historical and Future Energy Needs



Generation Supply

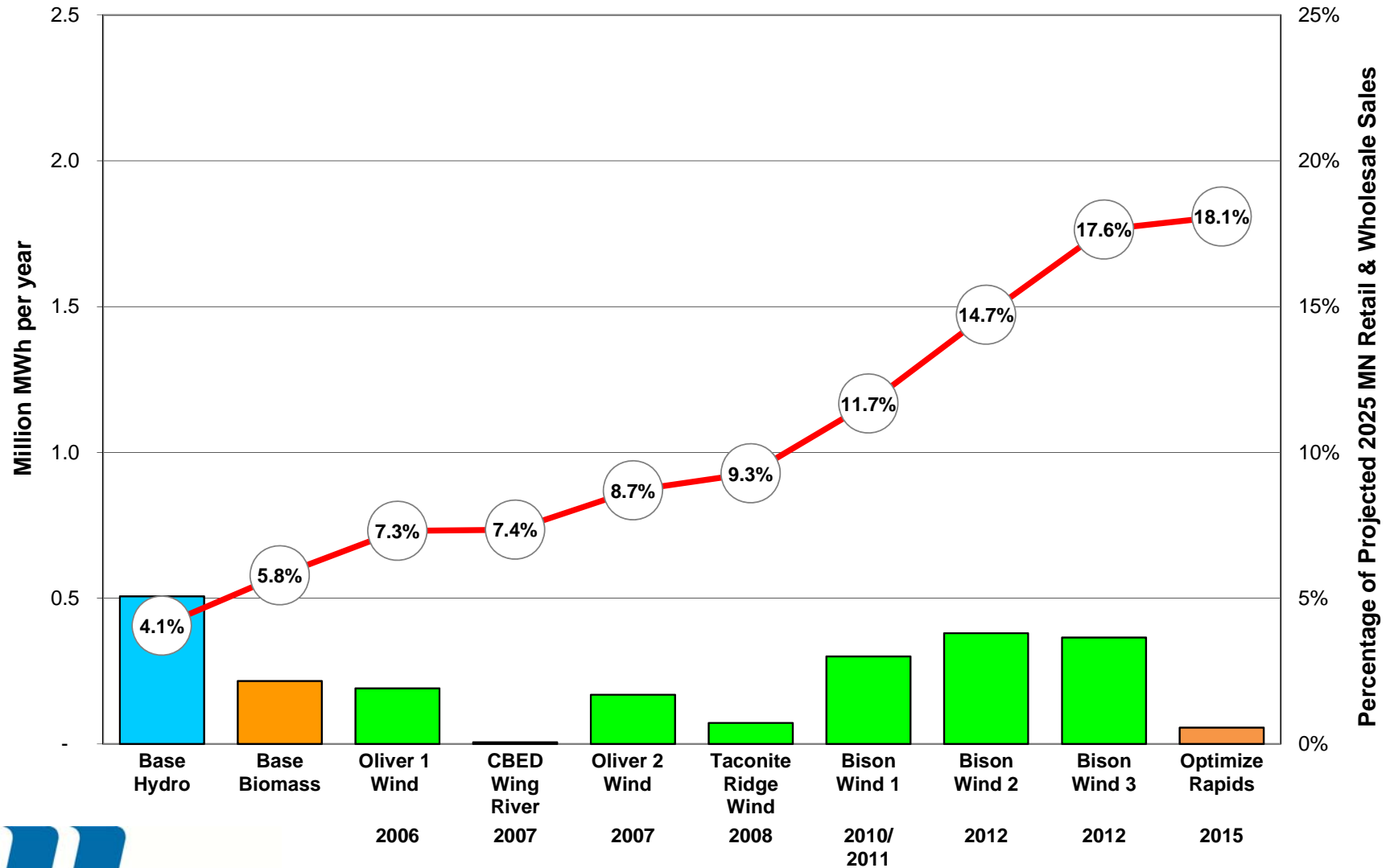


Energy Supply Transformation



Minnesota Power's Renewable Mandate

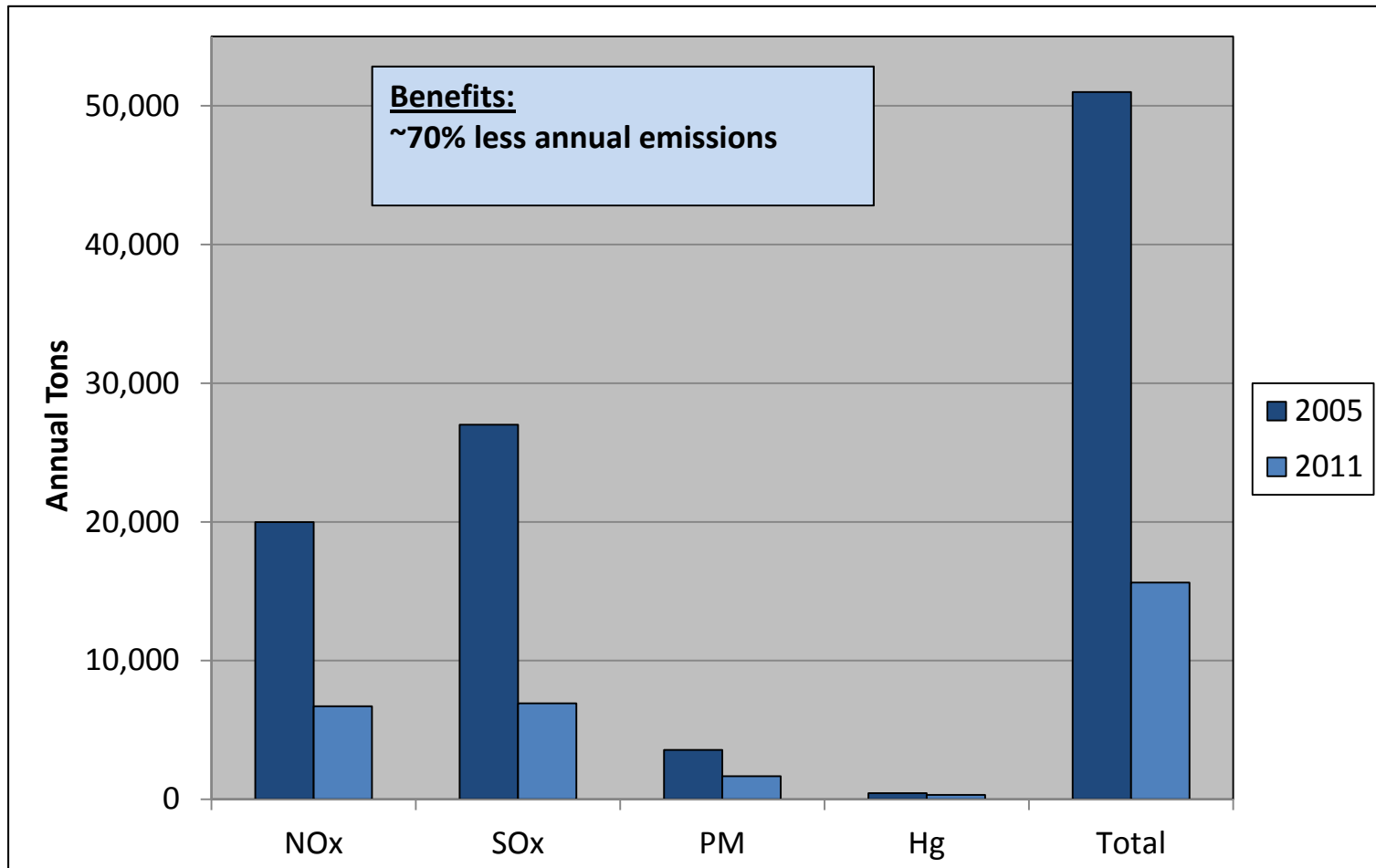
Progress towards 25% by 2025



Note: Percentages are based on projected 2025 sales, not current year sales to show progress towards Minnesota RES requirement

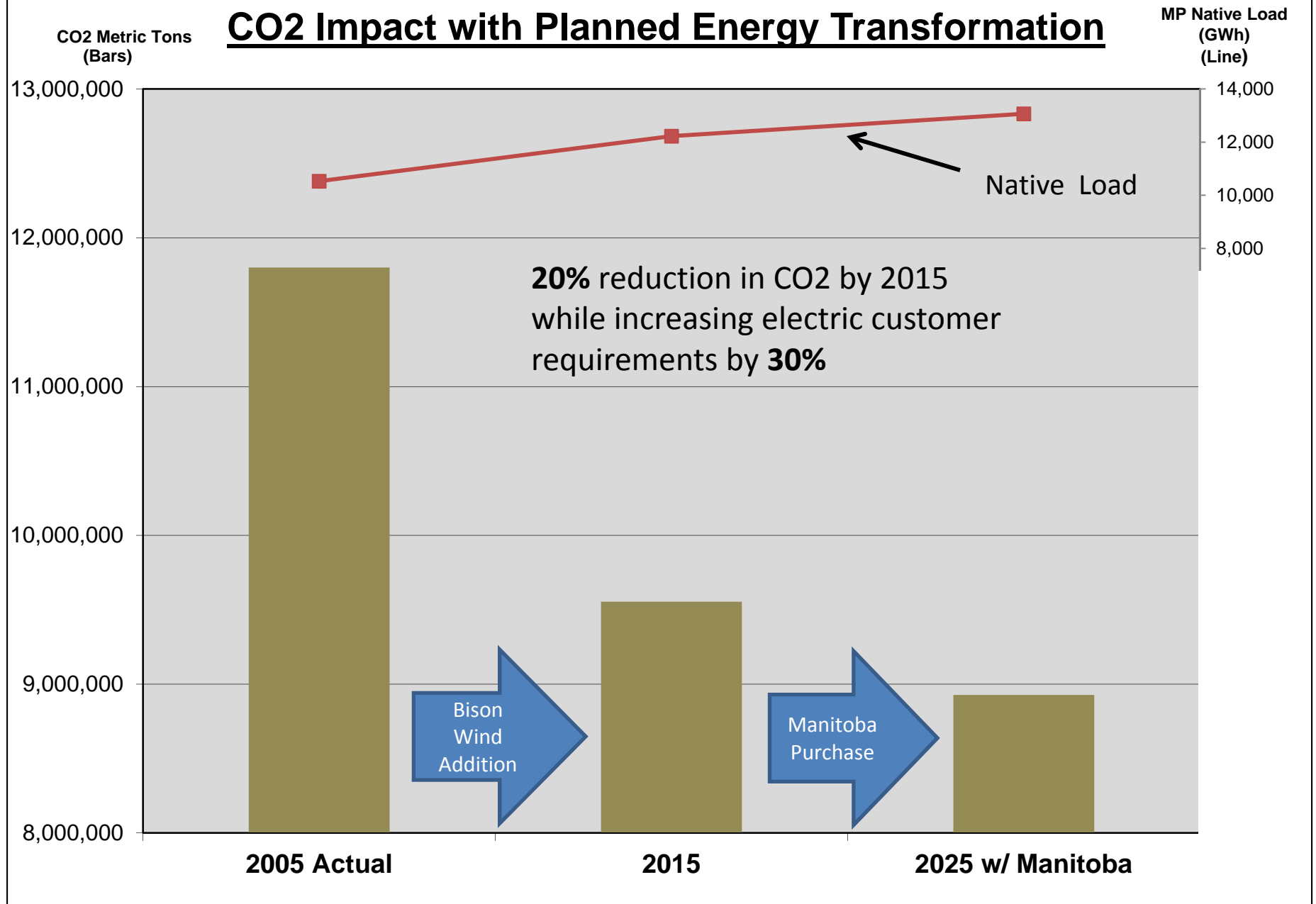
Environmental Investment To-Date:

Cost Effective Emission Reductions – Fleet Well Positioned

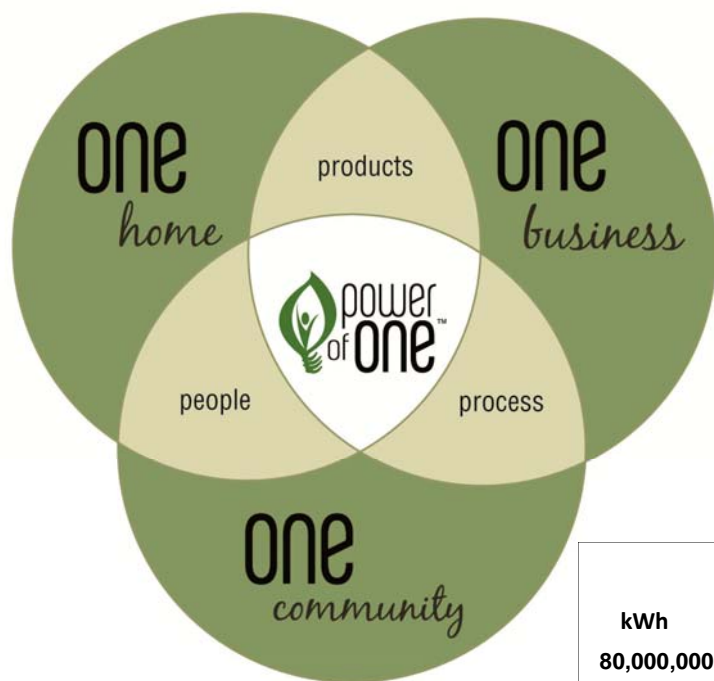


**\$355M invested in environmental Controls
2006-2010**

CO2 Impact with Planned Energy Transformation



Power of One ... it begins with you

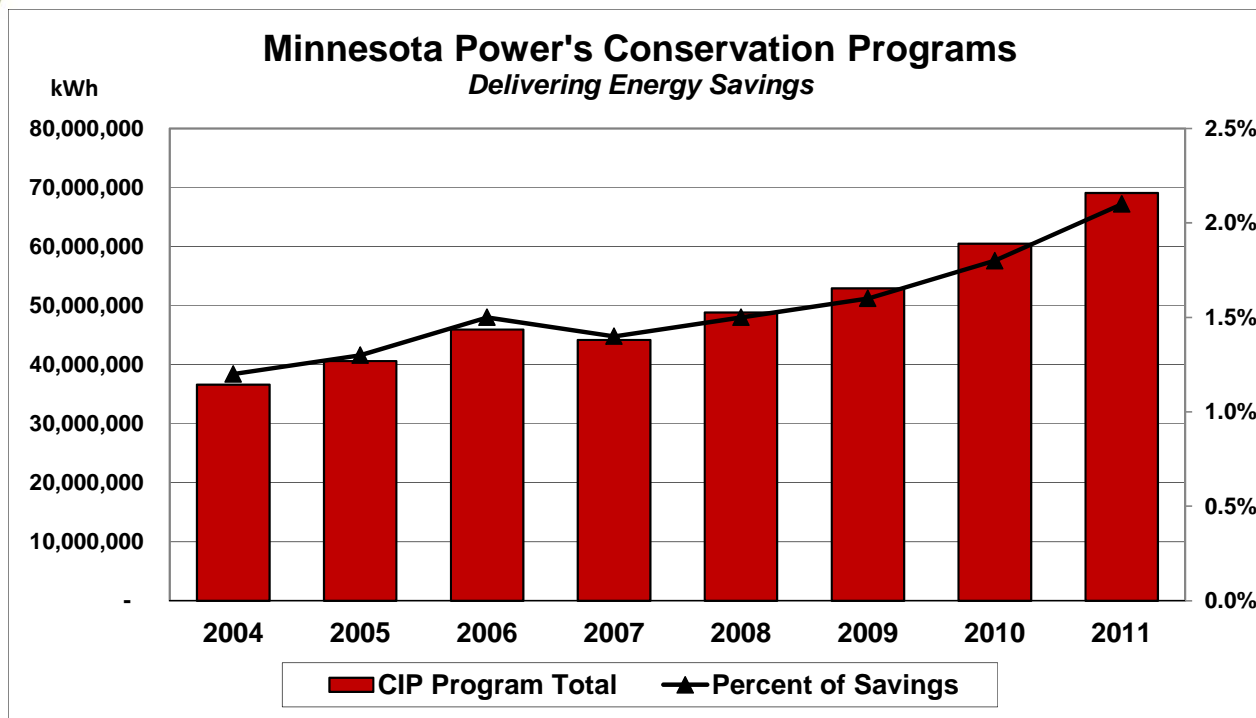


www.mnpower.com/powerofone

Conservation

Minnesota Power continues to implement a strong purpose based strategy for working with customers to identify energy savings opportunities.

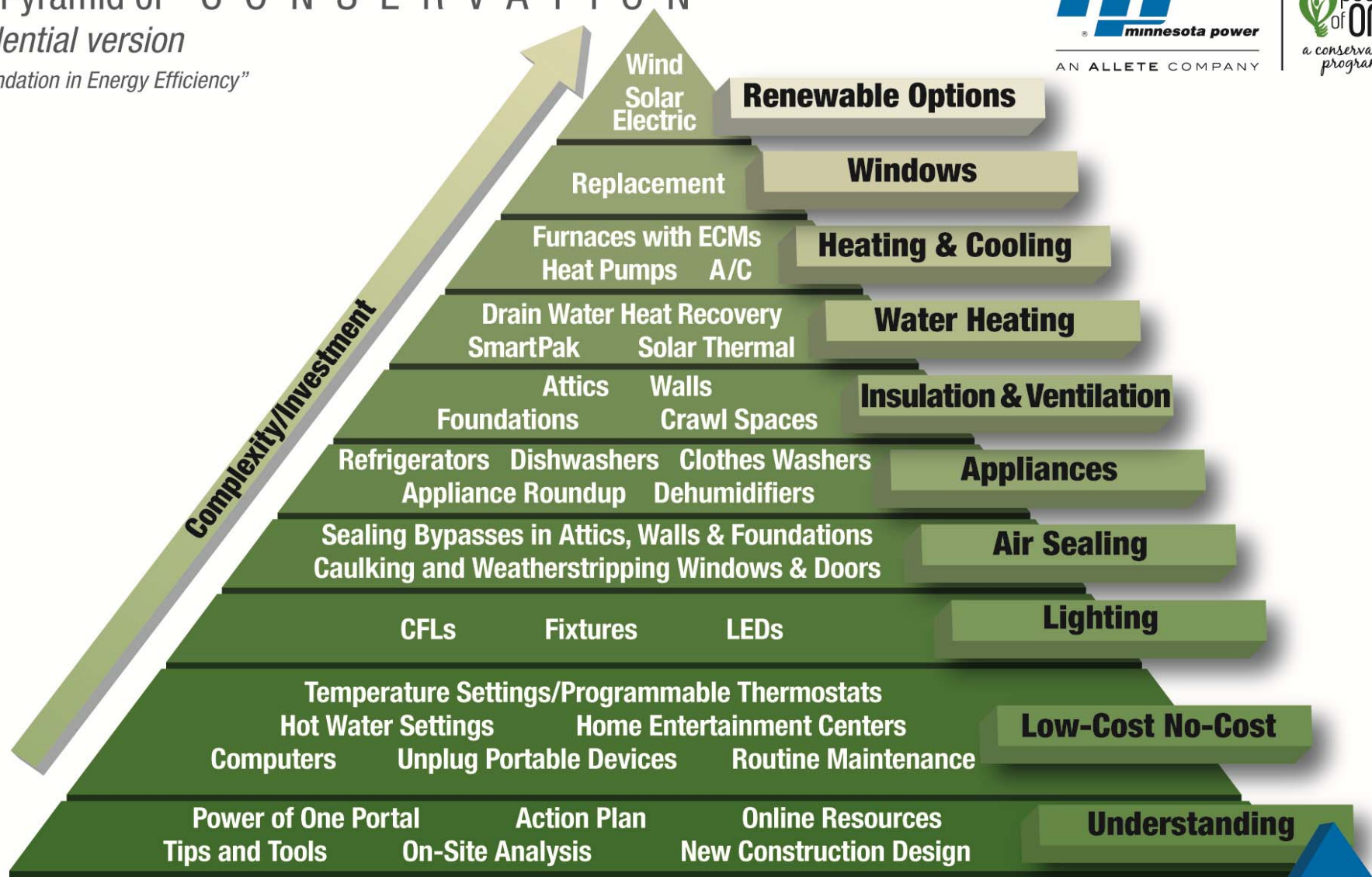
Minnesota Power's Conservation Programs
Delivering Energy Savings



The Pyramid of CONSERVATION

residential version

"A Foundation in Energy Efficiency"



www.mnpower.com/powerofonehome

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Conservation – where do I begin?

The choice to be more energy efficient may be clear, but the starting point can be more difficult to determine. The Pyramid of Conservation is designed to help you prioritize steps and develop an action plan that's right for you. By establishing a foundation in energy efficiency and gaining a better understanding about how you use energy, you can more effectively work your way up the pyramid.

Where do I Begin?

Questions?

Thank You

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