

**SURGING RECEIVABLES AT AFC** PAGE 8

**COPPERHEAD AND THE CAPE**  
PAGE 11

2000 Annual Report and Form 10-K

**INVESTING IN  
ENERGY'S FUTURE**  
PAGE 14

# ALLETE™

A multi-services company engaged in energy,  
water services, investments & automotive services

[www.allete.com](http://www.allete.com)

## Defining A Broader Horizon

**Our new name  
represents  
strategic growth  
on a wider scale**



**A landmark year for ADESA**

*See page 6*

## ENERGY

Minnesota Power, now an ALLETE company, serves 144,000 customers in northeastern Minnesota and northwestern Wisconsin with low-cost electricity. Minnesota Power supplies wholesale electricity to 16 municipal systems and, through MPEX, markets power across the Midwest. Minnesota Power's large industrial customers include taconite producers, paper and pulp mills, pipeline companies and a manufacturer. MP Telecom provides fiber optic communications to customers in Minnesota and Wisconsin. ALLETE also owns BNI Coal, which mines lignite in North Dakota, and Electric Odyssey, which markets products through retail outlets, a cyber store and catalogs.

## AUTOMOTIVE

ALLETE's Automotive Services customers are auto dealers, manufacturers, fleet/lease firms and finance companies. ADESA is the second-largest vehicle auction network with 54 facilities located across North America. Automotive Finance Corporation, the premier provider of independent auto dealer inventory financing, operates in more than 80 locations. Great Rigs, Inc., transports vehicles to and from auctions. PAR North America assists leasing agents and finance professionals in transporting, remarketing or liquidating off-lease vehicles. AutoVIN provides real-time information to the automotive industry.

## WATER

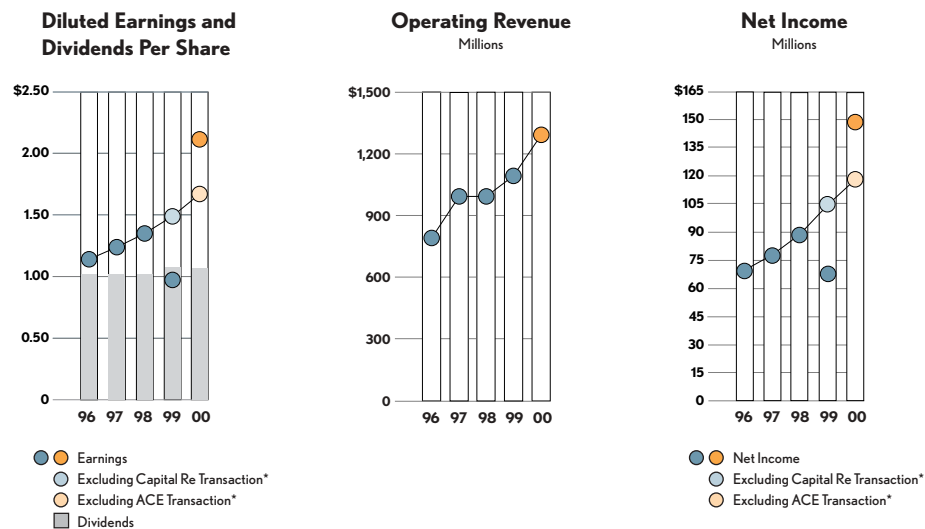
ALLETE operates the largest investor owned water and wastewater utilities in Florida and North Carolina, as well as non-regulated businesses that serve water utility companies and other industrial businesses. Florida Water Services serves 152,000 water customers and 73,000 wastewater customers. There are 44,000 water customers and 5,000 wastewater customers at Heater Utilities in North Carolina. Non-regulated subsidiaries include Americas' Water Services and Instrumentation Services, Inc.

## INVESTMENTS

ALLETE Investments include a short-term securities portfolio and several investments in emerging technologies critical to the future of the utility industry. The company also has invested directly in companies developing distributed generation and fuel cell technology. ALLETE owns or controls companies that market land in four locations in Florida: Lehigh, Cape Coral, Palm Coast and Sugarmill Woods.

# UNLIMITED FUTURE. SOLID TRACK RECORD.

ALLETE is a multi-services company with a long, successful track record — and a new name. With major auction expansion in 2000, Automotive Services has become the growth engine of our corporation. Our Water Services group is driven by resourcefulness and environmental sensitivity. ALLETE Investments open a door to innovation. Together, our companies form an elite alliance that includes Minnesota Power, a low-cost, efficient electric utility serving some of the biggest industrial loads in the United States. Evolving, growing, serving — we are defining our future.



ALLETE, 30 W. Superior St., Duluth, MN 55802  
 Minnesota Power, 30 W. Superior St., Duluth, MN 55802  
 ADESA, 310 E. 96th St., Suite 400, Indianapolis, IN 46240  
 AFC, 310 E. 96th St., Suite 300, Indianapolis, IN 46240  
 Florida Water Services, 1000 Color Place, Apopka, FL 32703  
 Heater Utilities, 202 MacKenan Ct., Cary, NC 27519  
 ALLETE Properties, 262 E. Joel Boulevard, Lehigh, FL 33972

218-279-5000  
 218-722-2641  
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 317-815-9751  
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## FINANCIAL HIGHLIGHTS

Millions except per share amounts

	Adjusted		2000	1999	1998
	2000*	1999*			
<b>Operating Revenue</b>	\$1,331.9	\$1,131.8	\$1,331.9	\$1,131.8	\$1,039.3
<b>Net Income</b>	\$118.2	\$104.2	\$148.6	\$68.0	\$88.5
<b>Diluted Earnings Per Share of Common Stock</b>	\$1.67	\$1.49	\$2.11	\$0.97	\$1.35
<b>Average Shares Outstanding</b>	70.1	68.7	70.1	68.7	64.2
<b>Dividends Per Share of Common Stock</b>	\$1.07	\$1.07	\$1.07	\$1.07	\$1.02
<b>Total Assets</b>	\$2,914.0	\$2,312.6	\$2,914.0	\$2,312.6	\$2,208.9
<b>Capital Expenditures</b>	\$168.7	\$99.7	\$168.7	\$99.7	\$80.8
<b>Return on Common Equity</b>	13.6%	12.9%	17.1%	8.3%	12.4%

\*In May 2000 ALLETE sold its investment in ACE Limited (ACE) common stock, which resulted in an after-tax gain of \$30.4 million, or \$0.44 per share. The ACE shares were received in December 1999 upon completion of ACE's merger with Capital Re Corporation (Capital Re). During 1999 ALLETE recorded an aggregate \$36.2 million, or \$0.52 per share, after-tax non-cash charge in connection with the valuation and exchange of its investment in Capital Re stock for the ACE shares.



This annual report was produced with the help of many employees within the corporation, as well as key ALLETE customers. Contributors from ALLETE, and their departments, include: from Corporate Relations — Max Herbach, Steve Kinney, Marilyn Bell; from Corporate Accounting — Mary Leuthner, Nan Olson, Steve DeVinck, Mary Kay Johnson, Terry F. Johnson, Jon Sather, Laura Stuermer, Jason Komarek; from Office Systems and Services — Pat Connell, Holly Klund, Patricia Young, Travis Thorson, Pat Stabs; and from Legal — Philip R. Halverson.

ALLETE is proud to use the products and services of its customers in this annual report. It was printed on Orion Gloss Text and Productolith cover stock, high quality papers manufactured by Stora Enso North America. Minnesota Power serves electricity to Stora Enso North America's Duluth Paper Mill and Recycled Pulp Mill. Banta Direct Marketing, whose Long Prairie, MN facility is served by Minnesota Power, printed the report on its presses in Chanhassen, MN. Service Printers of Duluth provided pre-press services; John Hydeuk and Julie Martin of WestmorelandFlint of Duluth headed the graphic design team. Photography by: Sam Johnston in Tampa, Shawn Spence in Indianapolis, Jeff Frey and Associates in Duluth, John Colletti in Boston.





**“By nearly every measure of financial performance, we had a very successful year.”**

I am proud to write to you this year as the chief executive officer of ALLETE. Our new name reinforces our continuing transformation to a multi-service company with diverse strengths in basic necessities, such as cars, electricity, water and real estate. The innovative “magazine” format of this year’s annual report is but one example of the creative talents and resources of the employees in this company. Also, at year’s end, I liked the price of our stock more than I did last year. Our total shareholder return topped 54% for 2000. By nearly every measure of financial performance, we had a very successful year. But we have more to do.

**We are on a path to create a larger, more valuable business** for you. We understand that our credibility is based in large part on how we perform, not just what we say. That being said, you can expect us to pay attention to the solid underpinnings of performance: discipline in our investment decisions, cash flow management, profit margin improvement and wise growth. And what strengths we have to build upon. We are:

- Among the lowest cost power producers in the United States;
- The largest investor owned water and wastewater utility in two of the fastest growing states;
- The second largest automobile auction company in the industry;
- The largest provider of floorplan finance to the independent vehicle dealer; and
- Through our positions in real estate and investments we are able to provide cash resources to support our expansion.

**2000 was a “prove it” year and we did.** As you read through this report you will learn that we continued to grow cash flow from operations and grew our operating earnings per share by 12 percent. We also spent more than \$500 million on new initiatives, including the addition of 28 auctions that doubled the size of ADESA. In addition, we became North America’s third largest provider of “total loss” vehicle recovery services. You will also see how the accomplishments in our automotive finance, in real estate and in our water and energy services businesses have been some of the most significant in their history. With our rapid growth and strong market positions, we ARE the competition.

**We have challenges ahead.** It takes time to change the market perception of a company. Our stock currently tracks with the utility index but over 50% of our income is now from non-

utility sources. The market needs to see more proof before recognizing us as a multi-services company. We see this evolution as one of our most important goals. Because, as much as we love the name change and feel it reflects the company’s future, we know there is more to do in redefining ourselves so that others realize the full value in our combined businesses.

Margin improvements and further growth in cash flow will be the name of the operating game in 2001. Acquisitions are only part of the long-term strategy. The rest of the story is integrating those acquisitions successfully.

No one can dispute the pervasive influence information technology has had in the way we all operate. Our challenge is to integrate the strengths of our powerful, well-positioned businesses with intelligent technology initiatives that support our customers. Read on to see what we are doing in information technology as well as some new emerging technologies in our businesses.

**An important part of the fabric of ALLETE** is the individual commitment of our employees. We measure ourselves by more than income statements, balance sheets and stock performance. We measure ourselves by what we give back to our communities. ALLETE employees contribute to their neighborhoods and lift those in need. Read about Carlyn Kowalsky, (see page 17) an employee at Florida Water Services. Our own Minnesota Power donated more than \$1 million this past year to non-profit organizations. Employees at Automotive Finance Corporation gave of their time and money to the Care Center in Indianapolis helping inner city families. ADESA Boston employees raised funds for Boston’s Children’s Hospital. These are only a few of many examples but are proof positive that our employees are committed to giving back.

The past year is only the beginning. We remain committed to continuous improvement and to significant growth. The financial strategy of the corporation is to strengthen our balance sheet and cash generating capabilities so we will be in a position to take action when growth opportunities become available. Staying the course for us means staying focused, disciplined and attuned to significantly increasing shareholder value.

Thank you for your investment in ALLETE.

Sincerely,

Edwin L. Russell, Chief Executive Officer

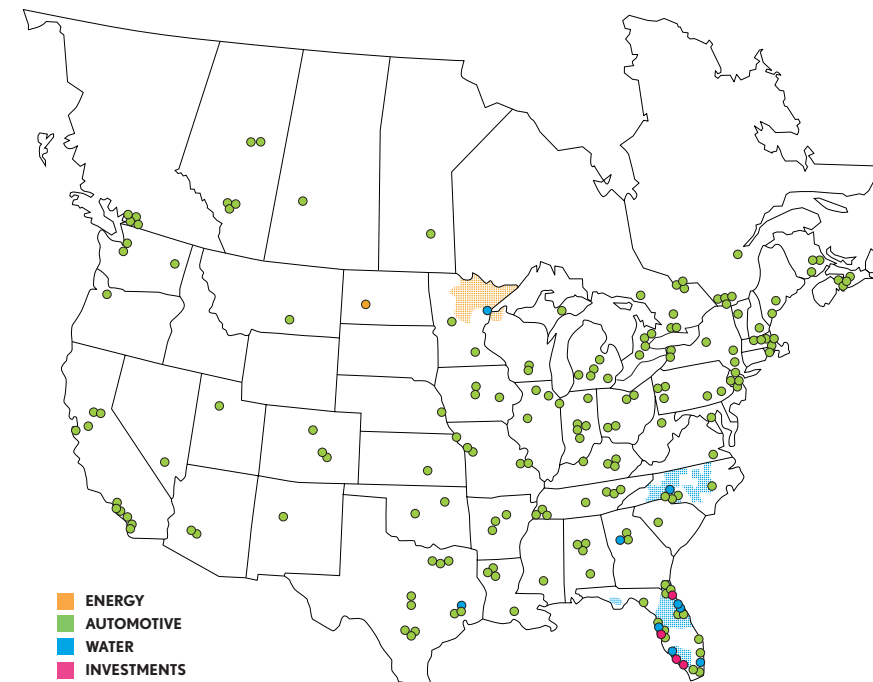
## Business growth trend leads to better balance

Revenue expanded in all four business segments in 2000, while net income increased in Automotive Services, Water Services and Investments.

2000 Assets by Business Segment



### ALLETE Operations



#### OUR DIVERSIFIED BUSINESSES

##### Energy

Minnesota Power  
Superior Water, Light and Power  
MPX  
MP Enterprises  
• BNI Coal  
• Electric Odyssey  
• MP Telecom

##### Automotive

ADESA  
Automotive Finance Corporation  
Great Rigs  
PAR North America  
AutoVIN

##### Water

Florida Water Services  
Heater Utilities  
Americas’ Water Services  
Instrumentation Services

##### Investments

Securities Portfolio  
Emerging Technologies  
Real Estate  
• Sugarmill Woods  
• Palm Coast  
• Cape Coral  
• Lehigh

MILLIONS  
Presentation does not include corporate charges.

ENERGY			
Operating Revenue			
2000	1999	1998	
\$589.5	\$554.5	\$559.8	
Net Income			
\$43.1	\$45.0	\$47.4	

AUTOMOTIVE			
Operating Revenue			
2000	1999	1998	
\$546.4	\$406.6	\$328.4	
Net Income			
\$48.5	\$39.9	\$25.5	

WATER			
Operating Revenue			
2000	1999	1998	
\$118.6	\$112.9	\$95.6	
Net Income			
\$13.1	\$12.2	\$7.5	

INVESTMENTS			
Operating Revenue			
2000	1999	1998	
\$77.4	\$57.8	\$55.5	
Net Income			
\$59.7*	\$(9.4)*	\$29.6	

\* Excluding the \$30.4 million gain associated with the ACE transaction, 2000 net income from Investments was \$29.3 million. Excluding the \$36.2 million non-cash charge associated with the Capital Re transaction, 1999 net income from Investments was \$26.8 million.

*This annual report contains “forward-looking statements” as defined in the Private Securities Litigation Reform Act of 1995. Such statements should be read with the cautionary language and important factors included in the Annual Report and Form 10-K on page 22.*





Transformation of the corporate image was highlighted by the installation of new signs at headquarters offices in Duluth, Minnesota. "An ALLETE company" was added to the Minnesota Power emblem, a fixture of the downtown Duluth skyline.

# A NEW NAME FOR AN ESTABLISHED COMPANY... AND WHAT LED UP TO IT.

To change a corporate identity was a big step, but not to change it was a bigger risk. The corporation became ALLETE, and the energy company retained its strong brand.

**O**N SEPTEMBER 1, 2000, A BRAND new ticker symbol scrolled before traders on the New York Stock Exchange — ALE. It signified a new name, ALLETE, for a well-established corporation. And it symbolized the rebirth of a company formed 95 years earlier as the consolidation of several electric power companies serving northern Minnesota.

Executives of Minnesota Power, Inc., announced the new name and logo to the public August 8, culminating several months of preparing for a new corporate brand.

But the real transformation of the business started years earlier. A diversification effort launched with the purchase of a telephone company in the early 1980s and followed by investments in water utilities, real estate and automotive services had reached critical mass. As the millennium drew to a close, profits from the diversified orbits of the corporation began to outpace earnings from the traditional electric utility base.

The balance tipped even further during the summer of 2000. In the span of a few short weeks, Automotive Services engineered two major acquisitions that brought 22 additional auto auctions to what was already the fastest-growing

network of vehicle remarketing outlets in North America — ADESA.

What's in a name? For a publicly traded corporation — everything. A company's name must define, describe and brand its purpose. The name Minnesota Power, Inc., though memorable and highly descriptive, no longer described the company accurately. It defined only a portion of the business. As the corporation grew further beyond its roots, the name Minnesota Power tended to mislead business partners, shareholders and potential investors.

Senior management realized it could no longer afford to let its corporate brand leave the wrong impression with the investment community. The corporation had already undergone dramatic change. To go forward without a new brand, it risked being unrecognized for its innovation, foresight and agility in a time of dramatic change. Market insiders perceived MP&L as a utility company confined to one state. Loyal shareholders were short-changed by the ubiquitous use of a symbol that stood for what was formerly known as Minnesota Power & Light.

A small working group of executives from across the corporation selected the new name last spring.

Potential names for the company were checked and re-checked while a

review of ticker symbols, web site domain names and other issues were completed. The small group of executives presented its recommendation to the Board of Directors in July and received its approval. They named the corporation ALLETE, symbolized on the NYSE as ALE. The subsequent unveiling of ALLETE was announced at an August 8 press conference in Duluth; within minutes news of the new brand was buzzing on wire services worldwide.

Late summer was a busy time as the distinctive new logo was embroidered on clothing, placed on new stationery and branded on company advertising. A new web site — [www.allete.com](http://www.allete.com) — was up and running by September 1. On the same day, transition to the new ALE ticker symbol on the New York Stock Exchange came off without a hitch.

Minnesota Power will continue as the name of ALLETE's Duluth-based electric operations. It's a recognizable brand with a long history of accomplishment in northeastern Minnesota. Once again, this venerable name accurately describes the home base and core business of a dynamic and growing electric utility.

Shareholders of ALLETE will be asked to approve changing the company's legal name at their annual meeting in Duluth, Minnesota May 8, 2001. ■



# THE ONE TO WATCH

ADESA is still number two, but a year ago there were four major automotive auction companies. Now, just two stand alone at the top.

**S**EISMIC SHIFTS TRANSFORMED THE auto auction world in 2000, and ADESA was a major mover and shaker. At the close of a landmark year, the auto remarketing arm of ALLETE Automotive Services had added 28 auctions, secured a preeminent position in Canada, grown its share of the "total loss" recovery auction niche and gained entrée to important vehicle markets in

charged with ensuring competitive practices, ultimately required Manheim to sell eight of the former ADT auctions and one of its own. The FTC ruling ignited a flurry of bids for the nine auctions, including a successful effort by ADESA and ALLETE.

Things happened fast in early summer. First came the announcement that ADESA had acquired the Canadian Auction Group with its 13 auctions and dealer finance operations across Canada.

"As a Canadian citizen, I am pleased that we are making this investment in Canada," said Jim Hallett, ADESA's president. "Combined with our existing auctions in Ottawa, Halifax, Montreal and Vancouver, and another opening soon in Calgary, this acquisition establishes ADESA Canada as the premier automotive services company in Canada."

A week later, on June 27, ADESA signed a letter of intent to buy the nine auto auctions from Manheim. Finalized in October for \$251 million, that acquisition brought auctions from the follow-

ing cities into the ADESA network: Phoenix, San Francisco, Atlanta, Kansas City, Seattle, Colorado Springs — and Florida auctions located in Tampa, Clearwater and Orlando.

"Along with our acquisition of the Canadian Auction Group, this deal dramatically expands our automotive services business across North America,"



With a swipe of a card in an I.D. terminal, ADESA customers get a bid badge and other auction information before the sale.

major U.S. cities.

Year 2000 began with four major automotive auction participants in North America: ADESA, ADT Automotive, Canadian Auction Group and Manheim Auctions, Inc. When Tyco International announced plans to sell ADT to Manheim early in the year, it triggered a review by the Federal Trade Commission. The FTC,



More than 1.3 million vehicles were sold at ADESA auctions in 2000, a 27 percent increase over the number sold in 1999. With the auction network roughly doubling in size during 2000, sales should continue to climb.

Hallett said in a news release. "Strategically, the Phoenix, San Francisco and Seattle auctions complement our ADESA facilities in San Diego, Los Angeles, Sacramento, Vancouver and Calgary. The three Florida locations boost our presence in that state."

During 2000, ADESA also acquired two auctions in Arkansas and another in Ocala, Florida, bringing its full North American auction network to 54 facilities. Manheim, a subsidiary of Cox Enterprises, has approximately 90 automotive auctions.

ADESA's acquisition of International Vehicle Importers, Inc. (IVI) further enhanced the auction company's Canadian-American presence. ADESA subsidiary ADESA Importation Services, Inc., acquired all of IVI's assets and those of its affiliated companies. IVI is the sec-

ond largest registered, independent commercial importer of vehicles in the United States. It provides a full range of services, including marshalling, transportation, brokerage, titling and tax processing. This new ADESA company also specializes in the conversion of metric odometers and speedometers to a miles-based system.

ADESA Canada completed its purchase of the remaining 53 percent of Impact Auto Auctions, Canada's largest provider of "total loss" vehicle recovery services. In early 2001, ADESA purchased the assets of Auto Placement Center, Inc.,

which owns eight salvage auctions in New England, and the stock of ComSearch, Inc., which locates auto parts on the Internet and provides insurance adjustment audits.

## What it means for ADESA and ALLETE

The auctions acquired by ADESA in 2000 sold more than 650,000 vehicles and brought in more than \$200 million in revenue in the 12 months before their acquisition. By nearly doubling in size, ADESA not only increases its sales potential by

hundreds of thousands of vehicles per year, it expands its footprint into markets previously untouched by the company's vaunted "spirit of service." Other ALLETE automotive services should also see significant growth as Automotive Finance Corporation gains access to new dealer finance opportunities, Great Rigs adds more auction locations to its transport network and PAR North America is able to expand the scale of its remarketing services.

ALLETE's automotive segment should contribute a higher proportion of revenue and earnings to the corporation. The



acquisitions will further shift the balance of the four business segments away from regulated water and electric utilities toward more entrepreneurial and higher-margin businesses. In short, ALLETE moves even further from being a diversified utility company to a true multi-services corporation.



ADESA now operates 54 wholesale vehicle auctions across North America.

### 2001 and beyond: The used vehicle outlook

The wholesale auto auction industry is expected to continue its volume growth. According to National Auto Dealers' Association data, the percentage of used vehicles retailed by franchised dealers that were sourced at auction grew from 6 percent in 1982 to about 33 percent in 1999. Much of that growth is attributable to the strong expansion of consumer leasing of automobiles. The effects of high off-lease volume should continue to be felt in 2001 and beyond, in large part due to record new-car sales years in 1999 and 2000.

Consumers now lease approximately one in four of all new vehicles in the United States, a total volume that exceeded 4 million units in 2000.

Although many are predicting a cooling of the economy and a slowdown in new vehicle sales, most experts predict that used vehicle auctions will continue to thrive. In an economic downturn, used vehicles become more attractive because of their lower price. Auto auction business can improve during a slowing economy because dealers may utilize auction services more frequently to manage tighter inventories and cash flow.

No matter how the national economy may influence the automotive business, one thing is certain. Even though the vehicle auction industry has changed forever, one key component has remained the same: ADESA is still the one to watch. ■

## AFC boosts receivables to more than \$400 million

795,000 vehicles financed at more than 80 offices

**M**AJOR CONSOLIDATION IN THE used vehicle auction world does not threaten the upward mobility of Automotive Finance Corporation, the largest exclusive provider of dealer floorplan financing to independent auto dealers. AFC, a subsidiary of ALLETE, increased the value of the receivables it manages by 27 percent in 2000, to \$430 million. AFC ended with a record year, financing 795,000 vehicles compared to 695,000 in 1999.

AFC has built strong relationships with the independent auto dealer. This solid base provides AFC with additional opportunities to help its customers succeed by offering new products.

These products include dealer tools for consumer loans, inventory management, finance modules and lead generation to increase automotive sales.

AFC has made and will continue to seek out investment opportunities to add additional building blocks to the variety of services it wants to make available to its customers.

AFC launched its new computer application, COSMOS (an acronym for computer operating system managing our success) in October 2000. COSMOS, an Oracle based system, follows the loan from origination to payoff and allows AFC to better manage its business, while expediting dealer services

through its branch network to over 15,000 registered dealers.

AFC took initial steps to move 15 loan production offices (LPOs) from the ADT Automotive Auctions that were acquired by Manheim. These moves were completed by January 31, 2001. AFC's branch network consists of more than 80 offices in North America. Of these locations, 23 are operated independent of auctions. Our

outside LPOs are just as profitable as our offices located in auctions and afford more buying opportunities for our dealer base.

AutoVIN, a 1999 AFC acquisition, provides inventory verification ("lot checks") for AFC as well as other customers. Using advanced technology, AutoVIN provides vehicle condition reporting and facility inspections as well as lease turn-ins at the customer's home.

Data is collected on handheld computers and delivered to customers instantly

via the Internet. AutoVIN expanded its facility inspection services in 2000 to include dealers selling other products, such as motorcycles and lawn equipment.

While "lot checks" are still the core of AutoVIN's business, their growth potential is dramatically increased by providing inspection services for other products. The integration of these new components strengthens a value-added menu of services to dealers across AFC's customer base. ■



AFC Rental Sales Manager Wayne Yocum with Stacey Johnson, branch assistant, at AFC Indianapolis.



Robin Dahline, sitting, and Denny Johnson in the new control room at Minnesota Power's largest generation station, the Boswell Energy Center in Cohasset, Minnesota.

## Changing electric industry landscape

Meeting the challenges of a market-based system

**T**O KEEP PACE IN AN EVER-CHANGING electric utility environment, Minnesota Power is creating dynamic partnerships, expanding its generation base and tackling difficult transmission constraints.

"The electricity market today can be very rewarding and it can be very punishing," says Bob Edwards, President and CEO of Minnesota Power. The electric utility segment of ALLETE is working to reward investors and satisfy customers while avoiding the pitfalls of a volatile marketplace.

Minnesota Power is also investing considerable manpower and resources in exploring the uses of emerging technol-

ogy in the future energy marketplace. From fuel cells to microturbines (see page 14), Minnesota Power is pursuing leading edge solutions. Minnesota Power is moving on several fronts to improve its relationships with longstanding customers while anticipating further rapid change. A great example of forging opportunities while hedging risk is evidenced by the creation of Split Rock Energy.

Split Rock is a unique alliance between Minnesota Power and Great River Energy, a member-owned electric cooperative based in Elk River that is Minnesota's second-largest generator of electricity.

The alliance is intended to provide the

lowest-cost energy to its partners, better manage risk and efficiently dispatch generated and purchased power. MPEX, Minnesota Power's power marketing division, is the exclusive marketer and trader of power for Split Rock Energy.

Split Rock helps protect alliance members from large price increases that could result from generating unit failures during periods of extreme price volatility.

The Mid Continent Area Power Pool accepted Split Rock as a transmission-using member, allowing Split Rock to assume regional responsibility for the electric loads of both Minnesota Power and Great River Energy.

Minnesota Power and Great River have been able to consolidate their purchased-power billing and data management functions. Alliance members are saving on insurance to protect against generation outages in the volatile summer power pool season. New risk management strategies developed for Split Rock by Minnesota Power are expected to offer additional protection against market volatility.

To further boost its power capacity, Minnesota Power will be purchasing output from a new gas-fired generating plant now under construction at Lakefield in southwest Minnesota. The 480-megawatt peaking plant, known as the Lakefield Junction Project, will be owned by Great River Energy and is expected to be completed in May 2001. The six combustion turbines will be fueled by natural gas. Minnesota Power has purchased the output of three of the generating units for the summers of 2001 and 2002 and of one unit during 2003 and 2004. The new plant will give MPEX more peaking capacity to be managed for the Split Rock alliance members.

Closer to its home base, Minnesota Power signed an agreement with long-time customer Potlatch Corp. to install a 24-megawatt turbine generator at the

### FOCUS ON ECONOMY AND EFFICIENCY

## Minnesota Power a founding member of Enporion

Minnesota Power was a founding equity member of Enporion, Inc., an Internet-based equipment exchange for the energy industry. The partnership is focused on the economical purchase of supplies —

from office equipment to natural gas.

Enporion conducted its first transactions in October of 2000. In November, Minnesota Power accepted online requests for proposals to

manage vegetation along 10 transmission lines. The auction resulted in the company saving 20 percent over traditional methods of obtaining the service, according to Claudia Scott Welty, ALLETE's Vice President of

Information Technology. Welty is on the interim board of directors of Enporion, whose founding members include Allegheny Energy, Inc., PPL Corp., Ameren Corp., CMS Energy, KeySpan Corp. and UGI Corp.



Potlatch facility in Cloquet, Minnesota. Power will own the turbine generator and have access to its excess power in times of high demand; Potlatch will operate and maintain the facility.

Through cogeneration, steam used for Potlatch's industrial processes will also be used to produce electricity. A blend of natural gas and wood wastes from the plant will fuel the generator, which is expected to be on line in the summer of 2001.

Minnesota Power also purchased Blandin Paper Co.'s steam and electric generating facilities at the Blandin paper mill in Grand Rapids, Minnesota, and added new boiler equipment to serve Blandin's future steam needs. Minnesota Power is now operating the refurbished generating equipment as well as procuring natural gas for the Blandin facility. Minnesota Power continues to furnish retail electric power to the plant.

As demand increases and the siting of new base load generating plants becomes more difficult, Minnesota Power values its agreements with industrial customers who provide access to their generation for mutual backup in the event of a generator outage. Other innovative arrangements with customers promote load reductions during periods of high electric use.

Minnesota Power is considering options for developing a natural gas-fired generating plant near Superior, Wisconsin.

Minnesota Power subsidiary Rainy River Energy signed a 15-year agreement in 1999 to purchase 275 megawatts of electric power from a natural gas-fueled generation facility now under construction

southwest of Chicago in Kendall County, IL. This intermediate-load plant is being built to serve growing demand in the Chicago area and will provide additional power to market.

Minnesota Power and Wisconsin Public Service Corp. are expecting regulatory decisions this year on their proposal to construct a 250-mile, 340-kilovolt transmission line between Duluth, Minnesota and Wausau, Wisconsin. This line, endorsed by the Wisconsin Reliability Assessment Organization and the former Wisconsin governor, among others, has undergone an extensive application process, public review and hearings.

The proposal has sparked lively debate among many interest groups in Minnesota and Wisconsin. Depending upon siting and regulatory outcomes, the line could be in service in 2004 at an estimated cost of \$125-\$175 million. The Wausau-Duluth line will strengthen the regional network of power lines and help reduce the electric system's vulnerability to disturbances.

Now that wholesale power markets are deregulated in most regions, electric prices can rapidly escalate from the traditional rates of \$20-\$30 per megawatt-hour to well over \$5,000 per megawatt-hour. California's legislature was among the first to deregulate retail electric rates. The law required California's investor-owned utilities to sell their power plants and buy wholesale power, but capped the rates they could charge customers. When energy prices began to spiral upward last year, utilities were unable to raise their rates and were threatened with bankruptcy. Power shortages early in 2001 led to rolling blackouts in California and emer-

CLICKS AND BRICKS AND CATALOGS

**Electric Odyssey opens two new stores, ships two million catalogs**

**T**he Electric Odyssey opened new stores in the Southdale and Ridgedale shopping malls in suburban Minneapolis, shipped 2 million catalogs and expanded its online CyberStore in 2000. ALLETE's innovative retail concept now combines three "bricks and mortar" stores, a nationwide catalog operation and an online store located at [www.electriconodyssey.com](http://www.electriconodyssey.com).

The Electric Odyssey offers a wide array of gifts, health devices, distinctive products for the home and other electric wonders.



gency orders from the federal government.

Minnesota's retail rates are among the lowest in the country. Minnesota Power is making deliberate, practical and strategic moves to ensure a reliable and economical marketplace for electric power in the communities it serves. ■

# Building the good life

At ALLETE Properties in desirable Florida locations, developers build their vision of the good life

**W**ITH FOUR DESIRABLE COMMUNITIES IN FLORIDA FROM WHICH TO CHOOSE, CUSTOMERS come to ALLETE Properties and its subsidiaries to make their dreams come true. The property marketed by ALLETE's sales professionals is a diverse mixture of land zoned for various uses. Buyers turn loose their imaginations when they acquire real estate from ALLETE subsidiaries in Lehigh, Palm Coast, Sugarmill Woods or Cape Coral.

Two good examples can be seen in the property purchased by Warren Israelson, a Minnesota developer, and William J. Stout Jr., president of the Realmark Companies, based in Atlanta.

Israelson decided he wanted to build a championship golf course. Stout's dream was to build an upscale residential community anchored by a deep-water marina catering to yacht owners.

## Turning raw land into housing units — and Copperhead

Israelson, whose home base is Prior Lake, MN, spent the weeks before Christmas 2000 directing a small army of landscapers, turf professionals and workers putting the finishing touches on Copperhead Golf Club, located on a hilly,



Developer Warren Israelson, Golf Course Superintendent Hugh Smith and course designer Gordy Lewis putting finishing touches on Copperhead Golf Course in Lehigh, FL.

wooded parcel in Lehigh. Israelson bought 298 acres of undeveloped land for the project from an ALLETE Properties subsidiary in 1997.

"We sell the land and Warren has the design and the dream," said Brian Green, ALLETE land asset manager, as he walked the Copperhead property. "He acquired a very good location and he's

making the most of it."

The golf course, which will open to the public this year, was designed by Gordy Lewis, a veteran of more than 50 golf course projects around the country. Plans call for development of about 1,000 housing units adjacent to Copperhead.

## Cape Harbour: a gem on Florida's West Coast

Stout, whose upscale residential development projects in Florida date back more than 20 years, purchased Cape Harbour from ALLETE Properties' subsidiary Cape Coral Holdings, Inc., at the beginning of 2000. What Stout bought from ALLETE represented the largest single-asset real estate deal in the city of Cape Coral's history. Cape Harbour is situated on deep-water canals off the Caloosahatchee River, which drains into the Gulf of Mexico.

"It's been a childhood dream of mine to develop a marina community like this, essentially from scratch," Stout was quoted as saying shortly after his purchase. "There aren't any other communities like this one, everything else has already been developed on the Gulf Coast side. This is the last of its kind. It's incredible."

When completed, Stout's project will include more than 300 luxury homes as well as a 76-slip marina to accommodate boats up to 70 feet in length. He's also constructing a clubhouse with swimming pool and tennis courts as well as antici-



Atlanta developer Will Stout was in on the ground floor construction of the Cape Harbour clubhouse in Cape Coral, Florida.

pating some limited commercial development.

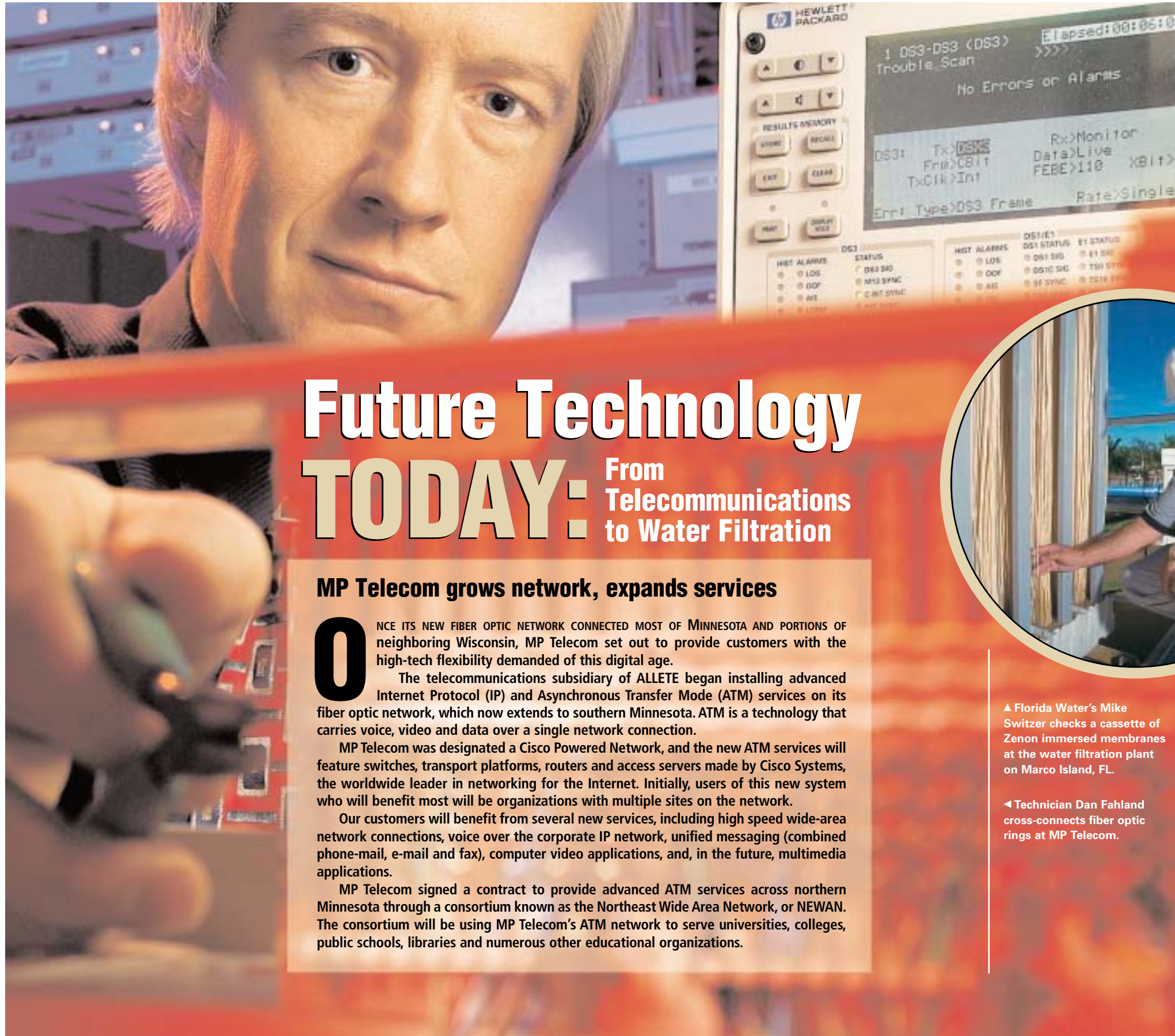
Stout and his team have already completed numerous site improvements that embellish separate gated communities surrounding the marina. Harbor Preserve, where Stout plans to build a 16,000-square-foot home of his own, will feature a 35-acre nature preserve, oversized waterfront lots and two- or three-story Mediterranean home packages that will begin at about \$1 million. ■

**con·duc'tor, n.** 1. the leader of a musical performance. 2. capable of transmitting energy (see MINNESOTA POWER).

**Electrifying Performances**

AN ALLETE COMPANY





# Future Technology TODAY: From Telecommunications to Water Filtration

## MP Telecom grows network, expands services

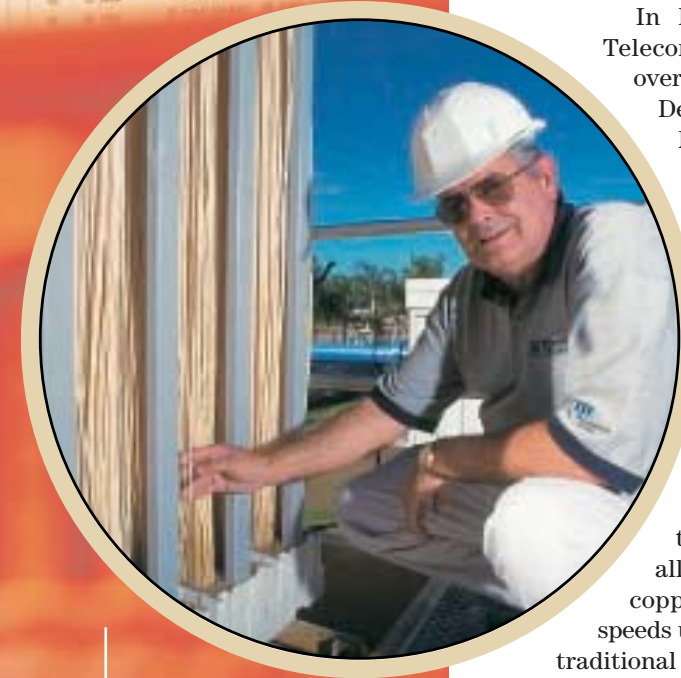
**O**NCE ITS NEW FIBER OPTIC NETWORK CONNECTED MOST OF MINNESOTA AND PORTIONS OF neighboring Wisconsin, MP Telecom set out to provide customers with the high-tech flexibility demanded of this digital age.

The telecommunications subsidiary of ALLETE began installing advanced Internet Protocol (IP) and Asynchronous Transfer Mode (ATM) services on its fiber optic network, which now extends to southern Minnesota. ATM is a technology that carries voice, video and data over a single network connection.

MP Telecom was designated a Cisco Powered Network, and the new ATM services will feature switches, transport platforms, routers and access servers made by Cisco Systems, the worldwide leader in networking for the Internet. Initially, users of this new system who will benefit most will be organizations with multiple sites on the network.

Our customers will benefit from several new services, including high speed wide-area network connections, voice over the corporate IP network, unified messaging (combined phone-mail, e-mail and fax), computer video applications, and, in the future, multimedia applications.

MP Telecom signed a contract to provide advanced ATM services across northern Minnesota through a consortium known as the Northeast Wide Area Network, or NEWAN. The consortium will be using MP Telecom's ATM network to serve universities, colleges, public schools, libraries and numerous other educational organizations.



▲ Florida Water's Mike Switzer checks a cassette of Zenon immersed membranes at the water filtration plant on Marco Island, FL.

◀ Technician Dan Fahland cross-connects fiber optic rings at MP Telecom.

It means that kindergarten students in one community can hear a teacher's voice and see her on video hundreds of miles away. It allows libraries and colleges to receive advanced voice, video and data applications over a single "pipe," in an efficient and cost-effective way.

This new service, riding on top of MP Telecom's new fiber network of 1,500 route miles, will benefit many businesses and organizations in the region.

MP Telecom completed its linkup of 11 regional markets in 2000, and is completing fiber routes that include the St. Paul metro area, Twin Cities suburbs, Rochester and Winona and across the Minnesota border to Eau Claire, Wisconsin.

In December of 2000, MP Telecom initiated a plan to overlay its fiber network with Dense Wave Division Multiplex, a technology that will increase bandwidth and provide a new set of advanced "wavelength services" to its carrier customers.

MP Telecom, in partnership with New Edge Networks, now offers Digital Subscriber Line (DSL) Internet access to business customers in Duluth. DSL allows Internet access over copper telephone lines at speeds up to 35 times faster than traditional modems.

## Immersed membranes mean cleaner water

Open a hatch and look down into Florida Water's new Zenon plant on Marco Island, FL. The view resembles spaghetti in the rinse cycle of a washing machine. In reality, it's a high-tech way of purifying drinking water.

Installed about a year ago at one of the two filtration plants on Marco Island, the new system uses ZeeWeed® immersed membranes to treat drinking water. It's a proprietary process developed by a Canadian firm, Zenon, which produces high quality water by drawing raw water through immersed ultra-filtration membrane modules. The hollow-fiber membranes, which are suspended from large

cassettes, form an absolute barrier to particulates, ensuring the removal of a large percentage of impurities.

The new system provides an extra level of filtration to the drinking water in this tropical isle off the southwest coast of Florida, and adds 1.67 million gallons a day to the treatment capacity of the facility, according to Frank Kane, Florida Water's lead operator at the plant. Florida Water serves a population of 13,000 people that swells to about 36,000 during the height of the tourist season on Marco Island. Florida Water Services also treats the island's wastewater.

Raw water that flows to the Zenon plant is piped from freshwater lakes more than 10 miles away. The filtration membranes operate under a slight vacuum created within the hollow fibers by a diffusing pump.

Treated water is drawn through the membranes, enters the hollow filters and is pumped out to the distribution system. Air introduced at the bottom of the membrane modules creates turbulence, which scrubs and cleans the outside of the fibers. This aeration also oxidizes iron and organic compounds, resulting in better treated water quality.

Florida Water's Area Supervisor Mike Switzer said lime softening and sand filters are still used to purify water before it's piped into the Zenon equipment. But Florida Water environmental personnel recognize that as stricter drinking water standards are imposed, sand filter filtration will be phased out.

Cassettes of membrane can be immersed in existing concrete tanks, thereby saving future construction costs. The same technology can also be applied to wastewater treatment. A Zenon plant that filters wastewater is in use at Florida Water's treatment plant in Lehigh, FL. With a growing customer base that has now reached 225,000 water and wastewater customers, Florida Water is demonstrating that, through technology, good science can translate into good business.

Our deployment of top-line technology is nothing new. A second Florida Water filtration plant on Marco Island utilizes a modern reverse-osmosis system to transform brackish water into pure drinking water. This 5-million-gallon-per-day facility is the largest continuously operating desalination plant treating the highest-salinity water in the United States. ■





Proton's Model 20 and Model 40 hydrogen generators are available for commercial use.

## TECH INVESTMENTS: venturing into our energy future

FUEL CELLS, SOLAR ENERGY AND high-tech battery technology may seem like great investments for an electric utility's future.

For Minnesota Power, ALLETE's electric business, the future is now.

Since 1985, Minnesota Power has invested more than \$38 million in start-up companies developing new technology related to the electric industry. In 2000, as several of these visionary firms went public, Minnesota Power increased its financial commitment and set up a project team for closer evaluation.

These investments keep Minnesota Power on the leading edge of technology and they hold the promise of bringing significant financial returns.

The Company made its initial investment in emerging technologies in 1985, when it became a charter member of the Utech Venture Capital Corp., managed by Arete Corp. Subsequent investments by Minnesota Power expanded into other funds.

These investments matched entrepreneurial capital with scientists and inventors developing electrotechnologies, renewable energy systems, micro generation, information systems, energy management, and power quality devices.

The following high-tech companies in which the funds have invested recently completed initial public offerings of stock in 2000:

**Capstone Turbine Corp.** (Nasdaq: CPST), a micro turbine manufacturer specializing in environmentally friendly distributed power generation systems;

**Corvis Corp.** (Nasdaq: CORV), a designer and manufacturer of products that transmit, switch, and manage communication traffic as optical signals;

**Hydrogenics** (Nasdaq: HYGs), a designer and systems integrator of fuel cell and related technology; and

**Evergreen Solar Inc.** (Nasdaq: ESLR), a manufacturer of polycrystalline solar cells grown continuously to finished size.



An illustration of Proton's high pressure hydrogen production and refueling system, currently under development.

**Beacon Power Corp.** (Nasdaq: BCON), develops and manufactures flywheel energy storage systems designed to provide reliable electric power for communications networks, distributed generation products and other applications.

Minnesota Power has also directly invested in two companies, Proton Energy Systems and Metallic Power, Inc. Both came to our attention through the emerging technology funds and are engaged in fuel cell development.

**Proton Energy Systems** (Nasdaq: PRTN) designs, develops and manufactures proton exchange membrane electrochemical products employed in hydrogen generating devices and fuel cell systems.

Proton's generators produce hydrogen from electricity and water in a very efficient process using proprietary technology.

Proton is manufacturing and delivering its hydrogen generators to customers for commercial use. Proton's regenerative fuel cell systems, currently in development, will combine Proton's hydrogen generation technology with a fuel cell for electric generation.

Proton issued 7 million shares of stock in a September 29, 2000, initial public offering and has 32 million total shares outstanding.

**Metallic Power, Inc.**, is developing zinc/air fuel cells, which will be used in place of batteries or small combustion engines. A prototype device employed its regenerative zinc/air fuel cell technology to operate a variety of power tools.

Upcoming tests will address applications such as providing backup power for telecommunications or residences, auxiliary power for long-haul trucks and mobile power for electric vehicles.

We have also invested in Larex, Inc., which produces and markets specialty natural compounds from trees to serve the health sciences and consumer markets using a patented process. ■

# Conservation the Watchword

## Comprehensive water savings in Florida; a super-efficient home in Minnesota

SOMETIMES CONSERVATION MEANS giving away thousands of faucet aerators and other times it's measured by the insulation

R-value in a northern Minnesota attic. Reducing wasteful water use in Florida and construction of a super-energy-efficient home up north demonstrate the broad applications of conservation at ALLETE.

We draw on a long track record in the utility business to develop innovative energy-saving strategies. And, with a large base of water and wastewater customers, our water resources experts can study broad usage patterns to design real-world conservation plans.

## Florida Water Honored for Conservation

Florida Water Services and the Southwest Florida Water Management District jointly funded a comprehensive project that led to ALLETE's largest water utility earning first place in the Florida division of the American Water Works Association's "Conservation 2000 Awards for Excellence." More importantly, the project, conducted in 1997-98, resulted in significant reductions in water use among targeted customers. Through public information releases and news coverage, our

customers learned that with a little effort, a lot of fresh water can be saved.

Spring Hill in Hernando County was the focus of the conservation effort.



## Florida Water Services puts conservation first in Spring Hill

The largest service territory in Florida Water's system, Spring Hill was selected for a comprehensive water conservation program. The utility handed out thousands of faucet aerators like the one Jim Hopkins is affixing to his kitchen faucet.



Located about an hour's drive north of Tampa, Spring Hill is Florida Water's largest service territory and includes 24,000 residential and 6,500 commercial customers. Billing analyses revealed that 25 percent of the residential users consumed about two-thirds of the water. Some 7,500 high-volume consumers were targeted after a two-step survey explor-

ing demographics, income levels, number of fixtures, history of using water saving devices and lot size.

Press releases and personalized letters were used to announce the program, and conservation seminars were also conducted. Plumbing retrofit kits with easy-to-install equipment were distributed to 3,750 households over a six-week period. Florida Water contracted with a firm called Volt VIEWtech to assist in distributing the kits and to conduct installation follow-ups and telephone surveys. Each kit included low-flow showerheads, faucet aerators for kitchen and bathroom use, toilet displacement bags, Teflon tape and installation instructions. Return postcards indicated that about 96 percent of the kits were immediately installed.

The toilet displacement bags were intended to limit the amount of water stored in a commode's tank. In addition, rebates of \$100 were given to customers who replaced older commodes with low-flow toilets.

Personnel from the University of Florida analyzed the data collected from participants in the projects and compared it to a control group. Their conclusion? The indoor water conservation kits saved participating households 550 gallons of water per month, or about 15 percent. Those who took advantage of the \$100 rebate and installed a low-flow toilet saved an average of 689 gallons of water per month, or 19 percent of what they previously used.

## The Millennium Star Home

Since its completion in March of 2000, thousands of visitors have toured Minnesota Power's "Millennium Star," a super-energy-efficient home built to demonstrate a variety of energy conser-

## CAPITAL RE MERGES WITH ACE LIMITED

### ALLETE closes out its reinsurance investment

In May of 2000 ALLETE recorded a \$30.4 million after-tax gain on the sale of its 4.7 million shares of ACE Limited, a reinsurance company listed on the New York Stock Exchange. ALLETE received the ACE shares and \$25.1 million in cash in December 1999 when Capital Re Corporation merged with ACE. The merger resulted in a \$36.2 million after-tax non-cash charge recorded by ALLETE in 1999. Prior to the merger, ALLETE owned 7.3 million shares, or 20 percent, of Capital Re.



## We're Preserving Water From The Ground Up.



We won't get technical here.

Florida Water operates in 120 Florida communities in twenty-five counties.

We make water from Florida's aquifer safe and usable before sending it through our pipelines to over half a million Floridians.

And we have systems in place that have made us a recognized leader in promoting water preservation:

A "reverse osmosis" system to turn saltwater into fresh drinking water.

Another that stores fresh drinking water during the rainy season for use in the dry winter months.

Another that converts 99% of all wastewater into reusable water for irrigation sites.

You get the idea.

As the State's largest investor-owned water and wastewater company, we're doing everything we can to provide a fresh supply of water today.

And tomorrow.



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## OUR ENVIRONMENT

vation techniques. The site of the 2,300-square-foot house was chosen with the idea of maximum solar gain, because it's located in Duluth, Minnesota — one of the nation's coldest cities. One goal was to heat and cool the Millennium Star for less than \$300 per year. By late January of its first heating season, the bill was under \$140. In a typical Duluth house of a similar size, the annual heating bill would range up to \$1,000 annually.

The Millennium Star project evolved from a state of Minnesota mandate requiring investor-owned utilities to spend a portion of their retail electric revenue on Conservation Improvement Programs (or CIPs). Minnesota Power planners believe the demonstration house is the first project of its kind approved for CIP funding by the Minnesota Department of Public Service. They are also stunned by the intense public reaction to the project.



Minnesota Power's Dean Talbott quizzes kids on solar power. Upper right: Phoebe Pearson, 9, of Homecroft School in Duluth focuses her brainpower on saving energy.

By year's end, an estimated 10,000 people had toured the Millennium Star.

"What really surprised us is the number of schools that wanted to set up visits," says Dean Talbott, a Minnesota Power customer service representative who has spearheaded the Millennium Star project. "We hadn't really planned on making the house available to them, but school offi-



Thousands of people, many of them school children, have toured Minnesota Power's Millennium Star home, a super-energy-efficient house constructed in Duluth, Minnesota.

cials began contacting us last spring asking about field trips." Many other groups and individuals flocked to the super-efficient house.

They've had a lot to examine. A variety of energy-efficient techniques and products went into its construction, from insulated concrete forms in the foundation to triple-pane windows, structural insulated panels and sophisticated architectural ideas to keep the home air-tight yet smartly ventilated. The Millennium Star employs four different solar technologies and six types of heating — five of them electric. Because of the super-energy-efficient construction, heat didn't need to be switched on until Nov. 4, a



late date for northern Minnesotans.

Much of the Millennium Star is a laboratory to test various types of insulation, heating equipment and solar technology. Many of the energy systems are monitored in real time and posted on the Millennium Star web site ([www.mnpower.com/energyhome](http://www.mnpower.com/energyhome)).

The home cost about \$220,000 to build, an amount driven higher by the multiple technologies demonstrated in the house. The goal was to use technologies and products that were commercially available, cost-effective and able to be purchased in the region. Considering the "payback" in energy efficiency, it's no wonder that several people who've toured the home have inquired about buying it. Minnesota Power plans to eventually sell the house, according to Talbott. But its usefulness as a model of conservation has not yet touched its potential. ■

## ALLETE PEOPLE

### BNI employees dig lignite — 100,000,000 tons to be exact

The people of ALLETE subsidiary BNI Coal and invited guests celebrated over a bratwurst luncheon the delivery of the 100 millionth ton of coal delivered to the Milton R. Young electric plants in North Dakota. BNI President and General Manager **CHUCK REICHERT** saluted the employees who've mined and loaded enough lignite coal over 30 years to fill a railroad train that would stretch halfway around the world.



### Former ADT chief joins ADESA

**TONY MOORBY**, former president of ADT Automotive, joined ADESA as executive vice president. Moorby helped establish ADT in 1982 when it was known as Anglo American Auto Auction. Moorby had been ADT president since 1998.

### Minnesota Power, IBEW Local 31 earn rare safety honor

Minnesota Power employees and the International Brotherhood of Electrical Workers Local 31 were presented with the Minnesota MNSTAR designation — a voluntary cooperative program initiated by the Minnesota Occupational Safety and Health Administration that encourages companies to exceed safety requirements. Minnesota Power is one of two employers so designated and the first with multiple work sites. All 27 company locations became eligible to fly MNSTAR flags.



### GLENDA HOOD NAMED TO ALLETE BOARD

**GLENDA HOOD** mayor of Orlando, Florida, since 1992, was elected to the ALLETE board of directors. As Mayor, she is the chief executive officer and is responsible for a workforce of approximately 3,200 employees and an annual budget of \$210 million. Before becoming mayor, Hood served on the Orlando City Council and was president of her own public relations firm.

### MENTOR OF THE YEAR



**CARLYN KOWALSKY**, assistant general counsel of Florida Water Services, was named National Mentor of the Year for her work with Alexius Williams, a student from a single parent home who Kowalsky helped guide through high school and into college. Kowalsky, pictured at left, received the award from the National Association for College Admission Counseling and Embark.com.



### Sylvester brings COSMOS to reality at AFC

**PAUL SYLVESTER**, who came to Automotive Finance Corporation in 1999 as vice president of information technology, supervised the start-up of the COSMOS project, a state of the art computer operating system developed specifically for AFC. COSMOS went live October 2, 2000.

### ADESA WELCOMES STEPHENS, KONTOS

**FRANK STEPHENS**, longtime DaimlerChrysler executive, was named executive vice president of marketing and strategic planning at ADESA. Stephens left DaimlerChrysler in June 2000 as senior manager of vehicle remarketing after 22 years with the automaker.



**TOM KONTOS**, an experienced automotive industry analyst, now authors for ADESA a comprehensive annual report about the automotive remarketing business. Kontos joined ADESA as vice president of industry relations and analytical services. Kontos came to ADESA from ADT Automotive.

### AFC hires Suprenant after successful tenure at Auction Finance Group

**KEN SUPRENANT** was named vice president of sales and marketing for Automotive Finance Corporation. Before joining AFC, Suprenant served as national marketing director for The Auction Finance Group, which grew to become the second-largest independent automotive dealer floorplan company in less than two years.



### Economic Development team: the Spirit of Minnesota

Minnesota Power's economic development team was presented the prestigious Spirit of Minnesota Award. The 3,200-member Minnesota Chamber of Commerce annually recognizes a business for its exemplary ideals, its contributions to community and state, and for its commitment to public service.



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Learn more about a dynamic corporation born in resource-rich northern Minnesota and growing across the continent. Explore our diverse businesses and use allete.com as a portal to other interesting sites affiliated with our company. Maybe you want a tutorial on the trees in Minnesota Power’s neck of the woods. How about a schedule of upcoming events in the used vehicle industry? And don’t forget to grab a bird’s eye view of the greatest Great Lake through our live video LakeCam.



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## BOARD OF DIRECTORS



**1) NICK SMITH, 64**, is Chairman and CEO of Northeast Ventures, a venture capital firm, and of counsel to Fryberger, Buchanan, Smith and Frederick, PA, a Duluth, Minnesota, law firm.

**BRUCE W. STENDER, 58**, is President and CEO of Labovitz Enterprises, which owns and manages hotels and commercial real estate, Duluth, Minnesota.

**EDWIN L. RUSSELL, 55**, is Chairman, President and Chief Executive Officer of ALLETE, Duluth, Minnesota.

**KATHLEEN A. BREKKEN, 51**, is President and CEO of Midwest of Cannon Falls, Inc., a Minnesota-based designer, wholesaler and distributor of giftware.

**2) PETER J. JOHNSON, 64**, is Chairman and CEO of Hoover Construction Co., Virginia, Minnesota.

**AREND J. SANDBULTE, 67**, is the retired Chairman, President and Chief Executive Officer of ALLETE, Duluth, Minnesota.



**MERRILL K. CRAGUN, 68**, is President of Cragun Corp., which owns and operates a resort, golf course and conference center in Brainerd, Minnesota.

**DENNIS E. EVANS, 62**, is President and Chief Executive Officer of Hanrow Financial Group, Ltd., a merchant banking firm, Minneapolis.

**3) JACK I. RAJALA, 61**, is Chairman and CEO of Rajala Companies, lumber manufacturing and trading firms, Grand Rapids, Minnesota.

**GLEND A. HOOD, 50**, is Mayor of Orlando, Florida, Chairman of the City Council, and board member of the Orlando Utilities Commission.

**DONALD C. WEGMILLER, 62**, is President and CEO of HealthCare Compensation Strategies, a division of Clark/Bardes Consulting, Minneapolis.

**GEORGE L. MAYER, 56**, is President of Manhattan Realty Group, Larchmont, New York.





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