

Over the last few years, while sharpening its strategic focus, ALLETE has changed in measurable ways. Minnesota Power is rebalancing its energy sources, ALLETE Clean Energy is expanding in a major way less than four years since its founding, and we're integrating a successful water resources company acquired early this year. Sustainability for the long run motivates our planning

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ALLETE Clean Energy purchased this wind farm near Condon, Ore., from the AES Corp. in 2014.



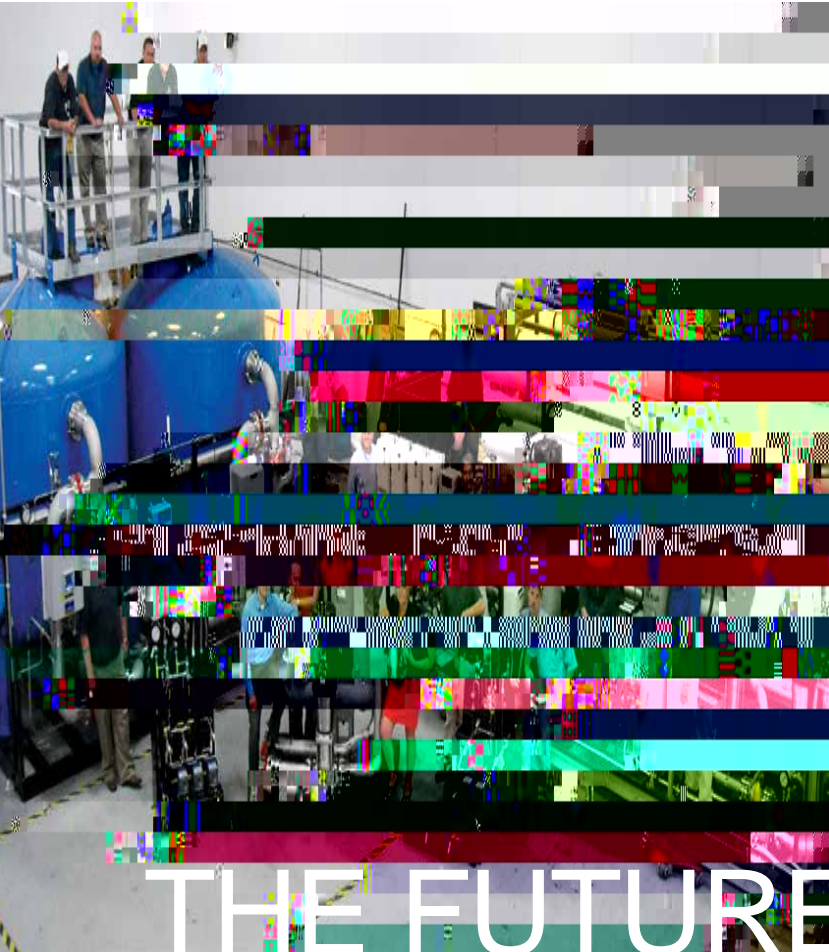
Y: BROAD HORIZONS

Also in December 2014, ALLETE Clean Energy signed a purchase agreement to acquire wind facilities in southern Minnesota from EDF Energy for approximately \$47.5 million, subject to a working capital adjustment. The Chanarambie-Viking facilities

The acquisition of U.S. Water Services ends ALLETE's search for a new energy-centric business, and there is little doubt that water and energy are intricately linked.

U.S. Water Services is an integrated industrial water management company based in St. Michael, Minn.,

The U.S. Water Engineering and Equipment team works together to deliver customized pretreatment and equipment capabilities to a large power customer.



THE FUTURE OF WATER

between 10 and 15 percent annually.

Founded in 1997, U.S. Water Services was launched with a mission to be universally recognized as the most innovative and exible provider in the marketplace by focusing on safe, economical and environmentally sound solutions. It soon became

OUR CHANGING ENERGY LANDSCAPE



weather. Laskin's conversion to natural gas proceeded in the subsequent weeks.

Reducing mercury emission 4 90 percent

About 80 miles to the west, in Cohasset, Minn., construction continues at Minnesota Power's Boswell Energy Center on a major mercury emissions reduction project at the newest and largest generator at the facility—Boswell's 585-megawatt

Unit 4. The environmental retrofit will reduce emissions of mercury approximately 90 percent and also reduce levels of particulates and sulfur dioxide. The project

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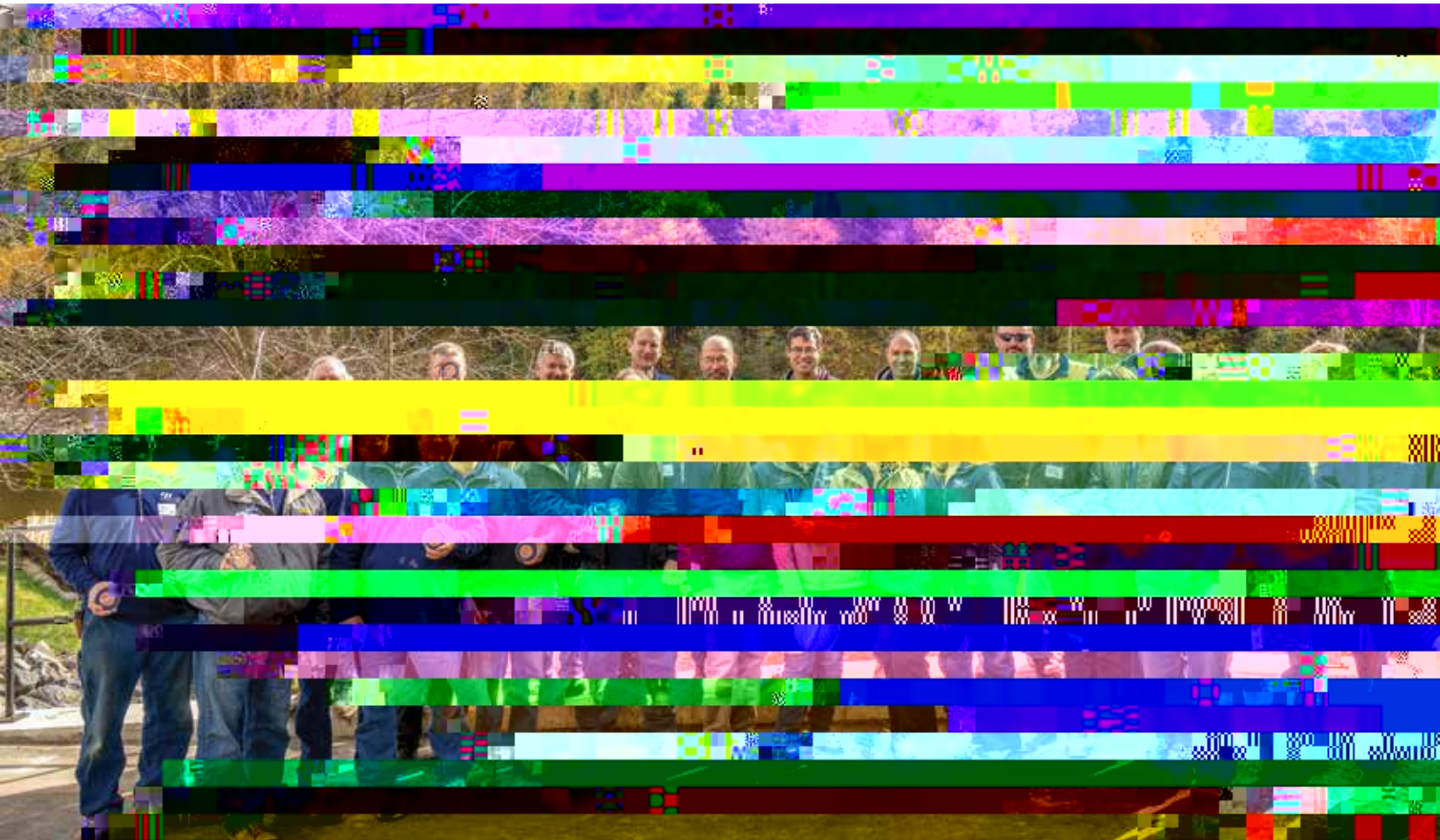
while lowering sulfur dioxide, nitrogen oxide and ne particulates by more than 70 percent compared to 2005 levels.

Boswell 4 is owned 80 percent by Minnesota Power, with the balance owned by WPPI Energy. The two



Key regulatory decisions are expected this spring on the

MINING, PIPELINES OFFER GROWTH OPPORTUNITIES



Minnesota Power Hydro employees gathered at the Thomson Hydro powerhouse in October 2014 to celebrate the return to service of the facility, Minnesota's largest generator of renewable

