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# NEWS

## Federal approval of a construction agreement for the Great Northern moves international transmission project forward

Duluth, Minn. — Minnesota Power's Great Northern Transmission Line has received another important approval. The Federal Energy Regulatory Commission (FERC), on November 25, approved a facilities construction agreement required to build this 500-kilovolt, 220-mile line that will run from the Canadian-U.S. border northwest of Roseau, Minn. to an expanded Blackberry electric substation east of Grand Rapids, Minn. Minnesota Power is a utility division of ALLETE (NYSE:ALE).

The facilities construction agreement signed by the Midcontinent Independent System Operator (MISO), ALLETE, and a subsidiary of Manitoba Hydro, lays out the costs and ownership percentages of the Great Northern Line. MISO is a non-profit organization that provides electric generation and transmission planning systems and operations, transparent prices and open access to electricity markets. It covers all or parts of fifteen states and the province of Manitoba. Minnesota Power is a member of MISO. Based on the FERC approval, MISO's Board of Directors voted on December 11 to include the transmission line in its MISO Transmission Expansion Planning report for 2014 (MTEP14). On the Canadian side, Manitoba Hydro has received the necessary approvals which will allow a subsidiary of Manitoba Hydro to move forward with activities related to the facilities construction agreement.

The Great Northern Line, under development by Minnesota Power and the Manitoba Hydro subsidiary, has an anticipated in-service date of June 1, 2020. It will provide 883 megawatts of transmission capacity, of which 383 megawatts will be used to deliver hydroelectric power purchased from Manitoba Hydro to serve Minnesota Power's customers. Total project cost in the U.S., is estimated to be between \$560 million and \$710 million, depending on the final route of the line. Minnesota Power is expected to have majority ownership of the transmission line.

"The long-term purchase of carbon-free hydro power is a key element of our *EnergyForward* balanced resource strategy and the driving force behind the need for the Great Northern Transmission Line," said ALLETE Chairman, President and CEO Al Hodnik. "Securing FERC approval of this facilities construction agreement is a crucial and necessary step as we plan for a sizable new capital investment in Upper Midwest transmission reliability and as we answer our Nation's call to transform its energy landscape."

The Great Northern Line will be constructed along a 200-foot-wide right of way and will include an associated 500-kilovolt substation. Manitoba Hydro is responsible for seeking the necessary approvals and constructing the Canadian portion of the 500-kilovolt transmission line.

Seven public hearings on the Great Northern Line were held in October and a two day evidentiary hearing was conducted in November where the Minnesota Department of Commerce recommended approval of the Certificate of Need. A decision from the Minnesota Public Utilities Commission on the line's Certificate of Need is anticipated by May 2015. Minnesota Power is also coordinating the federal Presidential Permit for the international border crossing and the state route permit with the U.S Department of Energy and state agencies which are required before construction can begin. More information about the project is available at [www.greatnortherntransmissionline.com](http://www.greatnortherntransmissionline.com). For more information on the FCA, please see the [FERC order](#) and for the MTEP14, visit [MISO's website](#).

Minnesota Power provides electric service within a 26,000-square-mile area in northeastern Minnesota, supporting comfort, security and quality of life for 144,000 customers, 16 municipalities and some of the largest industrial customers in the United States. More information can be found at [www.mnpower.com](http://www.mnpower.com).

*The statements contained in this release and statements that ALLETE may make orally in connection with this release that are not historical facts, are forward-looking statements. Actual results may differ materially from those projected in the forward-looking statements. These forward-looking statements involve risks and uncertainties and investors are directed to the risks discussed in documents filed by ALLETE with the Securities and Exchange Commission.*

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