THIS FILING IS		
Item 1: [X] An Initial (Original) Submission	OR [ ]	Resubmission No. ____

Form 1 Approved
OMB No.1902-0021
(Expires 11/30/2022)
Form 1-F Approved
OMB No.1902-0029
(Expires 11/30/2022)
Form 3-Q Approved
OMB No.1902-0205
(Expires 11/30/2022)

FERC FINANCIAL REPORT
FERC FORM No. 1: Annual Report of Major Electric Utilities, Licensees and Others and Supplemental Form 3-Q: Quarterly Financial Report

These reports are mandatory under the Federal Power Act, Sections 3, 4(a), 304 and 309, and 18 CFR 141.1 and 141.400. Failure to report may result in criminal fines, civil penalties and other sanctions as provided by law. The Federal Energy Regulatory Commission does not consider these reports to be of confidential nature

Exact Legal Name of Respondent (Company)	Year/Period of Report
ALLETE, Inc.	End of 2019/Q4

INSTRUCTIONS FOR FILING FERC FORM NOS. 1 and 3-Q

GENERAL INFORMATION

I. Purpose

FERC Form No. 1 (FERC Form 1) is an annual regulatory requirement for Major electric utilities, licensees and others (18 C.F.R. § 141.1). FERC Form No. 3-Q (FERC Form 3-Q)is a quarterly regulatory requirement which supplements the annual financial reporting requirement (18 C.F.R. § 141.400). These reports are designed to collect financial and operational information from electric utilities, licensees and others subject to the jurisdiction of the Federal Energy Regulatory Commission. These reports are also considered to be non-confidential public use forms.

II. Who Must Submit

Each Major electric utility, licensee, or other, as classified in the Commission's Uniform System of Accounts Prescribed for Public Utilities and Licensees Subject To the Provisions of The Federal Power Act (18 C.F.R. Part 101), must submit FERC Form 1 (18 C.F.R. § 141.1), and FERC Form 3-Q (18 C.F.R. § 141.400).

Note: Major means having, in each of the three previous calendar years, sales or transmission service that exceeds one of the following:

(1) one million megawatt hours of total annual sales,
(2) 100 megawatt hours of annual sales for resale,
(3) 500 megawatt hours of annual power exchanges delivered, or
(4) 500 megawatt hours of annual wheeling for others (deliveries plus losses).

III. What and Where to Submit

(a) Submit FERC Forms 1 and 3-Q electronically through the forms submission software. Retain one copy of each report for your files. Any electronic submission must be created by using the forms submission software provided free by the Commission at its web site: http://www.ferc.gov/docs-filing/forms/form-1/elec-subm-soft.asp. The software is used to submit the electronic filing to the Commission via the Internet.

(b) The Corporate Officer Certification must be submitted electronically as part of the FERC Forms 1 and 3-Q filings.

(c) Submit immediately upon publication, by either eFiling or mail, two (2) copies to the Secretary of the Commission, the latest Annual Report to Stockholders. Unless eFiling the Annual Report to Stockholders, mail the stockholders report to the Secretary of the Commission at:

Secretary
Federal Energy Regulatory Commission
888 First Street, NE
Washington, DC 20426

(d) For the CPA Certification Statement, submit within 30 days after filing the FERC Form 1, a letter or report (not applicable to filers classified as Class C or Class D prior to January 1, 1984). The CPA Certification Statement can be either eFiled or mailed to the Secretary of the Commission at the address above.

The CPA Certification Statement should:

a) Attest to the conformity, in all material aspects, of the below listed (schedules and pages) with the Commission's applicable Uniform System of Accounts (including applicable notes relating thereto and the Chief Accountant's published accounting releases), and

b) Be signed by independent certified public accountants or an independent licensed public accountant certified or licensed by a regulatory authority of a State or other political subdivision of the U. S. (See 18 C.F.R. §§ 41.10-41.12 for specific qualifications.)

Reference Schedules	Pages
Comparative Balance Sheet	110-113
Statement of Income	114-117
Statement of Retained Earnings	118-119
Statement of Cash Flows	120-121
Notes to Financial Statements	122-123

e) The following format must be used for the CPA Certification Statement unless unusual circumstances or conditions, explained in the letter or report, demand that it be varied. Insert parenthetical phrases only when exceptions are reported.

"In connection with our regular examination of the financial statements of _____ for the year ended on which we have reported separately under date of ___________ , we have also reviewed schedules ___________________of FERC Form No. 1 for the year filed with the Federal Energy Regulatory Commission, for conformity in all material respects with the requirements of the Federal Energy Regulatory Commission as set forth in its applicable Uniform System of Accounts and published accounting releases. Our review for this purpose included such tests of the accounting records and such other auditing procedures as we considered necessary in the circumstances.

Based on our review, in our opinion the accompanying schedules identified in the preceding paragraph (except as noted below) conform in all material respects with the accounting requirements of the Federal Energy Regulatory Commission as set forth in its applicable Uniform System of Accounts and published accounting releases."

The letter or report must state which, if any, of the pages above do not conform to the Commission's requirements. Describe the discrepancies that exist.

(f) Filers are encouraged to file their Annual Report to Stockholders, and the CPA Certification Statement using eFiling. To further that effort, new selections, "Annual Report to Stockholders," and "CPA Certification Statement" have been added to the dropdown "pick list" from which companies must choose when eFiling. Further instructions are found on the Commission's website at http://www.ferc.gov/help/how-to.asp.

(g) Federal, State and Local Governments and other authorized users may obtain additional blank copies of FERC Form 1 and 3-Q free of charge from http://www.ferc.gov/docs-filing/forms/form-1/form-1.pdf and http://www.ferc.gov/docs-filing/forms.asp#3Q-gas .

IV. When to Submit:

FERC Forms 1 and 3-Q must be filed by the following schedule:

a) FERC Form 1 for each year ending December 31 must be filed by April 18th of the following year (18 CFR § 141.1), and

b) FERC Form 3-Q for each calendar quarter must be filed within 60 days after the reporting quarter (18 C.F.R. § 141.400).

V. Where to Send Comments on Public Reporting Burden.

The public reporting burden for the FERC Form 1 collection of information is estimated to average 1,168 hours per response, including the time for reviewing instructions, searching existing data sources, gathering and maintaining the data-needed, and completing and reviewing the collection of information. The public reporting burden for the FERC Form 3-Q collection of information is estimated to average 168 hours per response.

Send comments regarding these burden estimates or any aspect of these collections of information, including suggestions for reducing burden, to the Federal Energy Regulatory Commission, 888 First Street NE, Washington, DC 20426 (Attention: Information Clearance Officer); and to the Office of Information and Regulatory Affairs, Office of Management and Budget, Washington, DC 20503 (Attention: Desk Officer for the Federal Energy Regulatory Commission). No person shall be subject to any penalty if any collection of information does not display a valid control number (44 U.S.C. § 3512 (a)).

GENERAL INSTRUCTIONS

I. Prepare this report in conformity with the Uniform System of Accounts (18 CFR Part 101) (USofA). Interpret all accounting words and phrases in accordance with the USofA.

II. Enter in whole numbers (dollars or MWH) only, except where otherwise noted. (Enter cents for averages and figures per unit where cents are important. The truncating of cents is allowed except on the four basic financial statements where rounding is required.) The amounts shown on all supporting pages must agree with the amounts entered on the statements that they support. When applying thresholds to determine significance for reporting purposes, use for balance sheet accounts the balances at the end of the current reporting period, and use for statement of income accounts the current year's year to date amounts.

III Complete each question fully and accurately, even if it has been answered in a previous report. Enter the word "None" where it truly and completely states the fact.

IV. For any page(s) that is not applicable to the respondent, omit the page(s) and enter "NA," "NONE," or "Not Applicable" in column (d) on the List of Schedules, pages 2 and 3.

V. Enter the month, day, and year for all dates. Use customary abbreviations. **The "Date of Report" included in the header of each page is to be completed only for resubmissions** (see VII. below).

VI. Generally, except for certain schedules, all numbers, whether they are expected to be debits or credits, must be reported as positive. Numbers having a sign that is different from the expected sign must be reported by enclosing the numbers in parentheses.

VII For any resubmissions, submit the electronic filing using the form submission software only. Please explain the reason for the resubmission in a footnote to the data field.

VIII. Do not make references to reports of previous periods/years or to other reports in lieu of required entries, except as specifically authorized.

IX. Wherever (schedule) pages refer to figures from a previous period/year, the figures reported must be based upon those shown by the report of the previous period/year, or an appropriate explanation given as to why the different figures were used.

Definitions for statistical classifications used for completing schedules for transmission system reporting are as follows:

FNS - Firm Network Transmission Service for Self. "Firm" means service that can not be interrupted for economic reasons and is intended to remain reliable even under adverse conditions. "Network Service" is Network Transmission Service as described in Order No. 888 and the Open Access Transmission Tariff. "Self" means the respondent.

FNO - Firm Network Service for Others. "Firm" means that service cannot be interrupted for economic reasons and is intended to remain reliable even under adverse conditions. "Network Service" is Network Transmission Service as described in Order No. 888 and the Open Access Transmission Tariff.

LFP - for Long-Term Firm Point-to-Point Transmission Reservations. "Long-Term" means one year or longer and" firm" means that service cannot be interrupted for economic reasons and is intended to remain reliable even under adverse conditions. "Point-to-Point Transmission Reservations" are described in Order No. 888 and the Open Access Transmission Tariff. For all transactions identified as LFP, provide in a footnote the termination date of the contract defined as the earliest date either buyer or seller can unilaterally cancel the contract.

OLF - Other Long-Term Firm Transmission Service. Report service provided under contracts which do not conform to the terms of the Open Access Transmission Tariff. "Long-Term" means one year or longer and “firm” means that service cannot be interrupted for economic reasons and is intended to remain reliable even under adverse conditions. For all transactions identified as OLF, provide in a footnote the termination date of the contract defined as the earliest date either buyer or seller can unilaterally get out of the contract.

SFP - Short-Term Firm Point-to-Point Transmission Reservations. Use this classification for all firm point-to-point transmission reservations, where the duration of each period of reservation is less than one-year.

NF - Non-Firm Transmission Service, where firm means that service cannot be interrupted for economic reasons and is intended to remain reliable even under adverse conditions.

OS - Other Transmission Service. Use this classification only for those services which can not be placed in the above-mentioned classifications, such as all other service regardless of the length of the contract and service FERC Form. Describe the type of service in a footnote for each entry.

AD - Out-of-Period Adjustments. Use this code for any accounting adjustments or "true-ups" for service provided in prior reporting periods. Provide an explanation in a footnote for each adjustment.

DEFINITIONS

I. Commission Authorization (Comm. Auth.) -- The authorization of the Federal Energy Regulatory Commission, or any other Commission. Name the commission whose authorization was obtained and give date of the authorization.

II. Respondent -- The person, corporation, licensee, agency, authority, or other Legal entity or instrumentality in whose behalf the report is made.

EXCERPTS FROM THE LAW

Federal Power Act, 16 U.S.C. § 791a-825r

Sec. 3. The words defined in this section shall have the following meanings for purposes of this Act, to with:

(3) 'Corporation' means any corporation, joint-stock company, partnership, association, business trust, organized group of persons, whether incorporated or not, or a receiver or receivers, trustee or trustees of any of the foregoing. It shall not include 'municipalities, as hereinafter defined;

(4) 'Person' means an individual or a corporation;

(5) 'Licensee, means any person, State, or municipality Licensed under the provisions of section 4 of this Act, and any assignee or successor in interest thereof;

(7) 'municipality means a city, county, irrigation district, drainage district, or other political subdivision or agency of a State competent under the Laws thereof to carry and the business of developing, transmitting, unitizing, or distributing power; ......

(11) "project' means. a complete unit of improvement or development, consisting of a power house, all water conduits, all dams and appurtenant works and structures (including navigation structures) which are a part of said unit, and all storage, diverting, or fore bay reservoirs directly connected therewith, the primary line or lines transmitting power there from to the point of junction with the distribution system or with the interconnected primary transmission system, all miscellaneous structures used and useful in connection with said unit or any part thereof, and all water rights, rights-of-way, ditches, dams, reservoirs, Lands, or interest in Lands the use and occupancy of which are necessary or appropriate in the maintenance and operation of such unit;

"Sec. 4. The Commission is hereby authorized and empowered

(a) To make investigations and to collect and record data concerning the utilization of the water 'resources of any region to be developed, the water-power industry and its relation to other industries and to interstate or foreign commerce, and concerning the location, capacity, development -costs, and relation to markets of power sites; ... to the extent the Commission may deem necessary or useful for the purposes of this Act."

"Sec. 304. (a) Every Licensee and every public utility shall file with the Commission such annual and other periodic or special* reports as the Commission may be rules and regulations or other prescribe as necessary or appropriate to assist the Commission in the -proper administration of this Act. The Commission may prescribe the manner and FERC Form in which such reports salt be made, and require from such persons specific answers to all questions upon which the Commission may need information. The Commission may require that such reports shall include, among other things, full information as to assets and Liabilities, capitalization, net investment, and reduction thereof, gross receipts, interest due and paid, depreciation, and other reserves, cost of project and other facilities, cost of maintenance and operation of the project and other facilities, cost of renewals and replacement of the project works and other facilities, depreciation, generation, transmission, distribution, delivery, use, and sale of electric energy. The Commission may require any such person to make adequate provision for currently determining such costs and other facts. Such reports shall be made under oath unless the Commission otherwise specifies*.10

"Sec. 309. The Commission shall have power to perform any and all acts, and to prescribe, issue, make, and rescind such orders, rules and regulations as it may find necessary or appropriate to carry out the provisions of this Act. Among other things, such rules and regulations may define accounting, technical, and trade terms used in this Act; and may prescribe the FERC Form or FERC Forms of all statements, declarations, applications, and reports to be filed with the Commission, the information which they shall contain, and the time within which they shall be field..."

General Penalties

The Commission may assess up to $1 million per day per violation of its rules and regulations. *See* FPA § 316(a) (2005), 16 U.S.C. § 825o(a).

FERC FORM NO. 1/3-Q:
REPORT OF MAJOR ELECTRIC UTILITIES, LICENSEES AND OTHER

IDENTIFICATION

01 Exact Legal Name of Respondent ALLETE, Inc.	02 Year/Period of Report End of 2019/Q4
03 Previous Name and Date of Change *(if name changed during year)* / /	
04 Address of Principal Office at End of Period *(Street, City, State, Zip Code)* 30 West Superior Street, Duluth, MN 55802	
05 Name of Contact Person Joshua G. Rostollan	06 Title of Contact Person Supervisor - Accounting
07 Address of Contact Person *(Street, City, State, Zip Code)* 30 West Superior Street, Duluth, MN 55802	

08 Telephone of Contact Person, *Including Area Code* (218) 355-3151	09 This Report Is (1) [X] An Original (2) [ ] A Resubmission	10 Date of Report *(Mo, Da, Yr)* / /

ANNUAL CORPORATE OFFICER CERTIFICATION

The undersigned officer certifies that:

I have examined this report and to the best of my knowledge, information, and belief all statements of fact contained in this report are correct statements of the business affairs of the respondent and the financial statements, and other financial information contained in this report, conform in all material respects to the Uniform System of Accounts.

01 Name Steven W. Morris	03 Signature Steven W. Morris	04 Date Signed *(Mo, Da, Yr)* 05/01/2020
02 Title VP, Controller, Chief Acctg Officer		

Title 18, U.S.C. 1001 makes it a crime for any person to knowingly and willingly to make to any Agency or Department of the United States any false, fictitious or fraudulent statements as to any matter within its jurisdiction.

Name of Respondent	This Report Is:	Date of Report (Mo, Da, Yr)	Year/Period of Report
ALLETE, Inc.	(1) [X] An Original (2) [ ] A Resubmission	/ /	End of 2019/Q4

LIST OF SCHEDULES (Electric Utility)

Enter in column (c) the terms "none," "not applicable," or "NA," as appropriate, where no information or amounts have been reported for certain pages. Omit pages where the respondents are "none," "not applicable," or "NA".

Line No.	Title of Schedule (a)	Reference Page No. (b)	Remarks (c)
1	General Information	101	
2	Control Over Respondent	102	N/A
3	Corporations Controlled by Respondent	103	
4	Officers	104	
5	Directors	105	
6	Information on Formula Rates	106(a)(b)	
7	Important Changes During the Year	108-109	
8	Comparative Balance Sheet	110-113	
9	Statement of Income for the Year	114-117	
10	Statement of Retained Earnings for the Year	118-119	
11	Statement of Cash Flows	120-121	
12	Notes to Financial Statements	122-123	
13	Statement of Accum Comp Income, Comp Income, and Hedging Activities	122(a)(b)	
14	Summary of Utility Plant & Accumulated Provisions for Dep, Amort & Dep	200-201	
15	Nuclear Fuel Materials	202-203	N/A
16	Electric Plant in Service	204-207	
17	Electric Plant Leased to Others	213	N/A
18	Electric Plant Held for Future Use	214	
19	Construction Work in Progress-Electric	216	
20	Accumulated Provision for Depreciation of Electric Utility Plant	219	
21	Investment of Subsidiary Companies	224-225	
22	Materials and Supplies	227	
23	Allowances	228(ab)-229(ab)	
24	Extraordinary Property Losses	230	N/A
25	Unrecovered Plant and Regulatory Study Costs	230	N/A
26	Transmission Service and Generation Interconnection Study Costs	231	N/A
27	Other Regulatory Assets	232	
28	Miscellaneous Deferred Debits	233	
29	Accumulated Deferred Income Taxes	234	
30	Capital Stock	250-251	
31	Other Paid-in Capital	253	
32	Capital Stock Expense	254	N/A
33	Long-Term Debt	256-257	
34	Reconciliation of Reported Net Income with Taxable Inc for Fed Inc Tax	261	
35	Taxes Accrued, Prepaid and Charged During the Year	262-263	
36	Accumulated Deferred Investment Tax Credits	266-267	

LIST OF SCHEDULES (Electric Utility) (continued)

Enter in column (c) the terms "none," "not applicable," or "NA," as appropriate, where no information or amounts have been reported for certain pages. Omit pages where the respondents are "none," "not applicable," or "NA".

Line No.	Title of Schedule (a)	Reference Page No. (b)	Remarks (c)
37	Other Deferred Credits	269	
38	Accumulated Deferred Income Taxes-Accelerated Amortization Property	272-273	
39	Accumulated Deferred Income Taxes-Other Property	274-275	
40	Accumulated Deferred Income Taxes-Other	276-277	
41	Other Regulatory Liabilities	278	
42	Electric Operating Revenues	300-301	
43	Regional Transmission Service Revenues (Account 457.1)	302	N/A
44	Sales of Electricity by Rate Schedules	304	
45	Sales for Resale	310-311	
46	Electric Operation and Maintenance Expenses	320-323	
47	Purchased Power	326-327	
48	Transmission of Electricity for Others	328-330	
49	Transmission of Electricity by ISO/RTOs	331	N/A
50	Transmission of Electricity by Others	332	
51	Miscellaneous General Expenses-Electric	335	
52	Depreciation and Amortization of Electric Plant	336-337	
53	Regulatory Commission Expenses	350-351	
54	Research, Development and Demonstration Activities	352-353	
55	Distribution of Salaries and Wages	354-355	
56	Common Utility Plant and Expenses	356	N/A
57	Amounts included in ISO/RTO Settlement Statements	397	
58	Purchase and Sale of Ancillary Services	398	
59	Monthly Transmission System Peak Load	400	
60	Monthly ISO/RTO Transmission System Peak Load	400a	N/A
61	Electric Energy Account	401	
62	Monthly Peaks and Output	401	
63	Steam Electric Generating Plant Statistics	402-403	
64	Hydroelectric Generating Plant Statistics	406-407	
65	Pumped Storage Generating Plant Statistics	408-409	N/A
66	Generating Plant Statistics Pages	410-411	

LIST OF SCHEDULES (Electric Utility) (continued)

Enter in column (c) the terms "none," "not applicable," or "NA," as appropriate, where no information or amounts have been reported for certain pages. Omit pages where the respondents are "none," "not applicable," or "NA".

Line No.	Title of Schedule (a)	Reference Page No. (b)	Remarks (c)
67	Transmission Line Statistics Pages	422-423	
68	Transmission Lines Added During the Year	424-425	
69	Substations	426-427	
70	Transactions with Associated (Affiliated) Companies	429	
71	Footnote Data	450	

Stockholders' Reports Check appropriate box:

[X] Two copies will be submitted

[ ] No annual report to stockholders is prepared

GENERAL INFORMATION

1. Provide name and title of officer having custody of the general corporate books of account and address of office where the general corporate books are kept, and address of office where any other corporate books of account are kept, if different from that where the general corporate books are kept.

Steven W. Morris – Vice President, Controller and Chief Accounting Officer
30 West Superior Street
Duluth, MN 55802

2. Provide the name of the State under the laws of which respondent is incorporated, and date of incorporation. If incorporated under a special law, give reference to such law. If not incorporated, state that fact and give the type of organization and the date organized.

Incorporated/Reorganized under Minnesota law as Minnesota Power & Light Company on October 26, 1923, and renamed Minnesota Power, Inc. on May 27, 1998. Corporate name changed to ALLETE, Inc. effective May 8, 2001.

3. If at any time during the year the property of respondent was held by a receiver or trustee, give (a) name of receiver or trustee, (b) date such receiver or trustee took possession, (c) the authority by which the receivership or trusteeship was created, and (d) date when possession by receiver or trustee ceased.

Not applicable

4. State the classes or utility and other services furnished by respondent during the year in each State in which the respondent operated.

Electric Utility – Minnesota

5. Have you engaged as the principal accountant to audit your financial statements an accountant who is not the principal accountant for your previous year's certified financial statements?

(1) [ ] Yes...Enter the date when such independent accountant was initially engaged:
(2) [X] No

Name of Respondent	This Report Is:	Date of Report (Mo, Da, Yr)	Year/Period of Report
ALLETE, Inc.	(1) [X] An Original (2) [ ] A Resubmission	/ /	End of 2019/Q4

CONTROL OVER RESPONDENT

1. If any corporation, business trust, or similar organization or a combination of such organizations jointly held control over the repondent at the end of the year, state name of controlling corporation or organization, manner in which control was held, and extent of control. If control was in a holding company organization, show the chain of ownership or control to the main parent company or organization. If control was held by a trustee(s), state name of trustee(s), name of beneficiary or beneficiearies for whom trust was maintained, and purpose of the trust.

Name of Respondent	This Report Is:	Date of Report (Mo, Da, Yr)	Year/Period of Report
ALLETE, Inc.	(1) [X] An Original (2) [ ] A Resubmission	/ /	End of 2019/Q4

CORPORATIONS CONTROLLED BY RESPONDENT

1. Report below the names of all corporations, business trusts, and similar organizations, controlled directly or indirectly by respondent at any time during the year. If control ceased prior to end of year, give particulars (details) in a footnote.
2. If control was by other means than a direct holding of voting rights, state in a footnote the manner in which control was held, naming any intermediaries involved.
3. If control was held jointly with one or more other interests, state the fact in a footnote and name the other interests.

Definitions
1. See the Uniform System of Accounts for a definition of control.
2. Direct control is that which is exercised without interposition of an intermediary.
3. Indirect control is that which is exercised by the interposition of an intermediary which exercises direct control.
4. Joint control is that in which neither interest can effectively control or direct action without the consent of the other, as where the voting control is equally divided between two holders, or each party holds a veto power over the other. Joint control may exist by mutual agreement or understanding between two or more parties who together have control within the meaning of the definition of control in the Uniform System of Accounts, regardless of the relative voting rights of each party.

Line No.	Name of Company Controlled (a)	Kind of Business (b)	Percent Voting Stock Owned (c)	Footnote Ref. (d)
1				
2	ALLETE Automotive Services, LLC	Administrative Operations	100	1
3	ALLETE Enterprises, Inc.	Holding Company	100	1, 23
4	ALLETE Clean Energy, Inc.	Holding Company	100	7
5	ACE O&M, LLC	Electric and Other Services	100	8
6	ACE Solar LLC	Holding Company	100	8
7	Red Lake Solar, LLC	Electric and Other Services	100	26
8	ACE Wind LLC	Holding Company	100	8
9	ACE Mid-West Holdings, LLC	Holding Company	100	9
10	ACE Gopher Holdings, LLC	Holding Company	100	10
11	ACE Lincoln Heights Holdings, LLC	Electric and Other Services	100	29
12	Cisco Holdings LLC	Electric and Other Services	100	29
13	MWW Holdings, LLC	Holding Company	100	10
14	Lake Benton Power Associates LLC	Holding Company	100	11
15	Lake Benton Holdings LLC	Holding Company	100	12
16	Lake Benton Power Partners L.L.C.	Electric and Other Services	100	13
17	Storm Lake Power Partners I LLC	Electric and Other Services	100	11
18	Storm Lake II Power Associates LLC	Holding Company	100	11
19	Storm Lake II Holdings LLC	Holding Company	100	14
20	Storm Lake Power Partners II LLC	Electric and Other Services	100	15
21	Northern Wind Energy, LLC	Holding Company	100	10
22	Chanarambie Power Partners, LLC	Electric and Other Services	100	20
23	Viking Wind Holdings, LLC	Electric and Other Services	100	20
24	ACE South Holdings, LLC	Holding Company	100	9
25	Diamond Spring QOZB, LLC	Holding Company	100	30
26	ACE DS Class B LLC	Holding Company	100	31
27	Diamond Spring, LLC	Holding Company	100	32

Name of Respondent	This Report Is:	Date of Report (Mo, Da, Yr)	Year/Period of Report
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CORPORATIONS CONTROLLED BY RESPONDENT

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2. If control was by other means than a direct holding of voting rights, state in a footnote the manner in which control was held, naming any intermediaries involved.
3. If control was held jointly with one or more other interests, state the fact in a footnote and name the other interests.

Definitions
1. See the Uniform System of Accounts for a definition of control.
2. Direct control is that which is exercised without interposition of an intermediary.
3. Indirect control is that which is exercised by the interposition of an intermediary which exercises direct control.
4. Joint control is that in which neither interest can effectively control or direct action without the consent of the other, as where the voting control is equally divided between two holders, or each party holds a veto power over the other. Joint control may exist by mutual agreement or understanding between two or more parties who together have control within the meaning of the definition of control in the Uniform System of Accounts, regardless of the relative voting rights of each party.

Line No.	Name of Company Controlled (a)	Kind of Business (b)	Percent Voting Stock Owned (c)	Footnote Ref. (d)
1	Diamond Spring Renewables, LLC	Electric and Other Services	100	33
2	ACE West Holdings, LLC	Holding Company	100	9
3	ACE GAWW Class B LLC	Holding Company	100	17
4	Great American West Wind, LLC	Holding Company	100	27, 34
5	Glen Ullin Energy Center, LLC	Electric and Other Services	100	28, 34
6	South Peak Wind LLC	Electric and Other Services	100	28, 34
7	Condon Wind Power, LLC	Electric and Other Services	100	17
8	Armenia Holdings, LLC	Holding Company	100	9
9	AMW I Holding, LLC	Holding Company	100	21
10	Armenia Mountain Wind, LLC	Electric and Other Services	100	22
11	Armenia Mountain Wind II, LLC	Electric and Other Services	100	21
12	Thunder Spirit Wind, LLC	Electric and Other Services	100	9
13	ALLETE Enterprises QOF, LLC	Holding Company	100	7
14	ALLETE Power Systems, Inc.	Electric and Other Services	100	7
15	ALLETE Renewable Resources, Inc.	Administrative Operations	100	7
16	ALLETE Transmission Holdings, Inc.	Investments	100	7, 19
17	ASW Partners, LLC	Holding Company	100	7
18	ALLETE South Wind, LLC	Investments	100	16, 25
19	BNI Energy, Inc.	Holding Company	100	7
20	BNI Coal, Ltd.	Coal Mining	100	24
21	MP Affiliate Resources, Inc.	Administrative Operations	100	7
22	Rainy River Energy Corporation	Generation/Power Marketing	100	7
23	South Shore Energy, LLC	Investments	100	7
24	Upper Minnesota Properties, Inc.	Afford Housing Proj/Econ Dev	100	7
25	Upper Minnesota Properties - Development, Inc.	Economic Development	100	18
26	ALLETE Properties, LLC	Real Estate	100	1
27	ALLETE Commercial, LLC	Real Estate	100	2

Name of Respondent ALLETE, Inc.	This Report Is: (1) [X] An Original (2) [ ] A Resubmission	Date of Report (Mo, Da, Yr) / /	Year/Period of Report End of 2019/Q4

CORPORATIONS CONTROLLED BY RESPONDENT

1. Report below the names of all corporations, business trusts, and similar organizations, controlled directly or indirectly by respondent at any time during the year. If control ceased prior to end of year, give particulars (details) in a footnote.
2. If control was by other means than a direct holding of voting rights, state in a footnote the manner in which control was held, naming any intermediaries involved.
3. If control was held jointly with one or more other interests, state the fact in a footnote and name the other interests.

Definitions
1. See the Uniform System of Accounts for a definition of control.
2. Direct control is that which is exercised without interposition of an intermediary.
3. Indirect control is that which is exercised by the interposition of an intermediary which exercises direct control.
4. Joint control is that in which neither interest can effectively control or direct action without the consent of the other, as where the voting control is equally divided between two holders, or each party holds a veto power over the other. Joint control may exist by mutual agreement or understanding between two or more parties who together have control within the meaning of the definition of control in the Uniform System of Accounts, regardless of the relative voting rights of each party.

Line No.	Name of Company Controlled (a)	Kind of Business (b)	Percent Voting Stock Owned (c)	Footnote Ref. (d)
1	Lehigh Acquisition, LLC	Real Estate	100	2
2	Florida Landmark Communities, LLC	Subdivider, Developer	100	3
3	Lehigh Corporation	Real Estate	100	4
4	Mardem, LLC	Real Estate	100	4
5	Palm Coast Holdings, Inc.	Real Estate	100	4
6	Port Orange Holdings, LLC	Real Estate	100	4
7	Interlachen Lakes Estates, LLC	Real Estate	100	3
8	Palm Coast Land, LLC	Subdivider, Developer	100	2
9	ALLETE Water Services, Inc.	Administrative Operations	100	1
10	Florida Water Services Corporation	Water & Wastewater Treatment	100	5
11	Energy Replacement Property, LLC	Real Estate	100	6
12	Energy Land, Incorporated	Inactive	100	1
13	MP Investments, Inc.	Investments	100	1
14	RendField Land Company, Inc.	Real Estate	100	1
15	Superior Water, Light and Power Company	Electric, Gas & Water Utility	100	1
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Schedule Page: 103 Line No.: 1 Column: d

1. Subsidiary of ALLETE, Inc.
2. Subsidiary of ALLETE Properties, LLC
3. Subsidiary of Lehigh Acquisition, LLC
4. Subsidiary of Florida Landmark Communities, LLC
5. Subsidiary of ALLETE Water Services, Inc.
6. Subsidiary of Florida Water Services Corporation
7. Subsidiary of ALLETE Enterprises, Inc.
8. Subsidiary of ALLETE Clean Energy, Inc.
9. Subsidiary of ACE Wind, LLC
10. Subsidiary of ACE Mid-West Holdings, LLC
11. Subsidiary of MWW Holdings, LLC
12. Subsidiary of Lake Benton Power Associates LLC
13. Subsidiary of Lake Benton Holdings LLC
14. Subsidiary of Storm Lake II Power Associates LLC
15. Subsidiary of Storm Lake II Holdings LLC
16. ALLETE South Wind, LLC has a 49 percent ownership in Nobles 2 Power Partners, LLC as of December 31, 2019.
17. Subsidiary of ACE West Holdings, LLC
18. Subsidiary of Upper Minnesota Properties, Inc.
19. ALLETE Transmission Holdings, Inc. has a 7.77 percent ownership in American Transmission Company, LLC as of December 31, 2019.
20. Subsidiary of Northern Wind Energy, LLC
21. Subsidiary of Armenia Holdings, LLC
22. Subsidiary of AMW I Holdings, LLC
23. Control of Global Water Services Holding Company, Inc., a subsidiary of ALLETE Enterprises and its subsidiaries U.S. Water Services, Inc., U.S. Water Services - Canada, Inc. and USWATERSERV-DR, S.R.L. ceased on March 26, 2019 when ALLETE completed the sale of U.S. Water Services to Kurita Water Industries Ltd.
24. Subsidiary of BNI Energy, Inc.
25. Subsidiary of ASW Partners, LLC
26. Subsidiary of ACE Solar LLC
27. Subsidiary of ACE GAWW Class B LLC
28. Subsidiary of Great American West Wind, LLC
29. Subsidiary of ACE Gopher Holdings, LLC
30. Subsidiary of ACE South Holdings, LLC
31. Subsidiary of Diamond Spring QOZB, LLC
32. Subsidiary of ACE DS Class B LLC
33. Subsidiary of Diamond Spring, LLC
34. Owned under a tax equity financing structure.

Name of Respondent	This Report Is:	Date of Report (Mo, Da, Yr)	Year/Period of Report
ALLETE, Inc.	(1) [X] An Original (2) [ ] A Resubmission	/ /	End of 2019/Q4

OFFICERS

1. Report below the name, title and salary for each executive officer whose salary is $50,000 or more. An "executive officer" of a respondent includes its president, secretary, treasurer, and vice president in charge of a principal business unit, division or function (such as sales, administration or finance), and any other person who performs similar policy making functions.
2. If a change was made during the year in the incumbent of any position, show name and total remuneration of the previous incumbent, and the date the change in incumbency was made.

Line No.	Title (a)	Name of Officer (b)	Salary for Year (c)
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2	Please refer to the 'Executive Compensation Tables'		
3	information in the Footnote Data of this page 104.		
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Schedule Page: 104 Line No.: 2 Column: a

EXECUTIVE COMPENSATION TABLES

The following table sets forth information for the last three fiscal years. Information for fiscal years 2017 and 2018 is not provided for Mr. Morris and Ms. Johnson because neither was an Named Executive Officer (NEO) prior to fiscal year 2019.

Summary Compensation Table

(a) Name and Principal Position[1]	(b) Year	(c) Salary	(d) Bonus[2]	(e) Stock Awards[3]	(f) Non-Equity Incentive Plan Compensation[4]	(g) Change in Pension Value[5]	(h) All Other Compensation[6]	(i) Total
Bethany M. Owen	2019	$337,450	—	$267,311	$190,388	$141,691	$73,432	$1,010,272
President and CEO	2018	$295,888	—	$284,088	$169,779	$49,454	$52,732	$851,941
	2017	$268,956	—	$203,404	$140,421	$45,838	$43,309	$701,928
Alan R. Hodnik	2019	$667,933	—	$1,113,733	$634,743	$2,093,019	$196,586	$4,706,014
Executive Chairman	2018	$633,421	—	$1,291,261	$726,906	$709,665	$132,205	$3,493,458
	2017	$623,574	—	$1,130,234	$729,626	$868,081	$112,568	$3,464,083
Robert J. Adams	2019	$390,626	$40,000	$311,875	$247,087	$557,208	$97,669	$1,644,465
Senior Vice President and	2018	$357,870	—	$361,578	$246,413	$175,938	$71,332	$1,213,131
Chief Financial Officer	2017	$327,456	—	$248,653	$212,296	$200,894	$51,177	$1,040,476
Steven W. Morris Vice President, Chief Accounting Officer and Controller	2019	$278,543	$25,000	$89,128	$93,545	$86,415	$61,114	$633,745
Nicole R. Johnson Vice President and Chief Administrative Officer	2019	$241,099	$25,000	$133,619	$104,266	$43,598	$47,570	$595,152
Bradley W. Oachs	2019	$257,810	—	$267,311	$90,358	$124,226	$205,891	$945,596
Retired Senior Vice President	2018	$381,090	—	$309,947	$219,373	$225,305	$71,868	$1,207,583
and President Regulated Operations	2017	$351,870	—	$226,059	$194,400	$226,991	$63,311	$1,062,631

1 The principal positions shown above are as of March 13, 2020. Ms. Owen was elected CEO effective February 3, 2020. Ms. Owen has served as President since January 31, 2019. Prior to her election as President, Ms. Owen served as ALLETE's Senior Vice President, Chief Legal and Administrative Officer, and Secretary, positions she had held since 2016. Mr. Hodnik became Executive Chairman effective February 3, 2020. From January 31, 2019 to February 2020, Mr. Hodnik served as Chairman and CEO. Prior to January 2019, Mr. Hodnik had served as ALLETE's Chairman, President, and CEO since 2011. Ms. Johnson was named Vice President and Chief Administrative Officer on June 28, 2019. Prior to June 28, 2019, Ms. Johnson was Vice President–Human Resources, a position she had held since 2016. Mr. Oachs retired as of June 30, 2019.

2 The amounts in column (d) represent discretionary cash bonuses paid to Mr. Adams, Mr. Morris, and Ms. Johnson on May 3, 2019 in connection with their roles in the sale of U.S. Water Services.

3 The amounts shown in column (e) represent the actuarial value of the future payout, but are not amounts that were paid to the NEOs in the year reported. The actual amount that an NEO will earn will depend on the extent to which long-term incentive goals are achieved and on the then-current market price of Common Stock. The actual value each NEO realized in 2019 from stock awards in prior years is shown in the "Option Exercises and Stock Vested" table on page 51 of ALLETE's 2020 Proxy Statement. The amounts in column (e) relate to PSA and RSU opportunities awarded to the NEOs during 2019. The amounts shown reflect the grant date fair value determined in accordance with generally accepted accounting principles under ASC 718, using the same assumptions used in the valuation of compensation expenses disclosed in Note 13 to the Company's Consolidated Financial Statements contained in ALLETE's 2019 Annual Report on Form 10-K, but based on a modeled probability of reaching performance goals and excluding the effect of estimated forfeitures. This estimated value was calculated by our consultant Mercer using a Monte-Carlo simulation model that used an underlying Black-Scholes methodology. The grant date fair value is the total amount that we will recognize as an expense over the awards' vesting period, except that the amounts shown do not include a reduction for forfeitures. The amounts shown in column (e) for 2019 are comprised of the following:

	RSUs	PSAs*
Bethany M. Owen	$74,243	$193,068
Alan R. Hodnik	$309,345	$804,388
Robert J. Adams	$86,617	$225,258
Steven W. Morris	$24,748	$64,380
Nicole R. Johnson	$37,121	$96,498
Bradley W. Oachs	$74,243	$193,068

*The maximum grant date fair value for each NEO's unearned 2019 PSAs, assuming the highest level of performance were to be achieved, is as follows: Ms. Owen—$386,136, Mr. Hodnik—$1,608,776, Mr. Adams—$450,516, Mr. Morris—$128,760, Ms. Johnson—$192,996, and Mr. Oachs—$386,136.

4 The amounts in column (f) reflect annual incentive awards earned in 2019 and paid in 2020. The amounts shown include any portion of the award that was deferred at the NEO's election. Mr. Oachs' award was prorated to reflect his retirement as of June 30, 2019.

5 The amounts shown in column (g) represent the actuarial increase during 2019 in the value of retirement benefits earned by each NEO under our retirement plans, which are described in detail beginning on page 52 of ALLETE's 2020 Proxy Statement, and were not paid to the NEOs in the year reported.

6 The amounts in column (h) for 2019 are comprised of the following:

	Company RSOP Contributions, Flexible Compensation Benefits, and Life Insurance Premiums	Company Contributions Under SERP II	Acceleration of Outstanding Equity Awards in Connection with Retirement*
Bethany M. Owen	$41,396	$32,036	—
Alan R. Hodnik	$51,537	$145,049	—
Robert J. Adams	$49,962	$47,707	—
Steven W. Morris	$48,975	$12,139	—
Nicole R. Johnson	$34,745	$12,825	—
Bradley W. Oachs	$45,151	$28,519	$132,221

* Mr. Oachs retired as of June 30, 2019, resulting in an accelerated vesting of the following outstanding RSU grants: 885 RSUs granted in January 2017, 535 RSUs granted in January 2018, and 169 RSUs granted in January 2019. Dividend equivalent shares also vested in connection with each grant. Mr. Oachs' receipt of these shares was subject to a non-elective, six-month deferral. The value of the accelerated vesting was calculated by multiplying the exact (non-rounded) number of shares acquired on vesting by the closing price of Common Stock on June 28, 2019.

Name of Respondent	This Report Is:	Date of Report (Mo, Da, Yr)	Year/Period of Report
ALLETE, Inc.	(1) [X] An Original (2) [ ] A Resubmission	/ /	End of 2019/Q4

DIRECTORS

1. Report below the information called for concerning each director of the respondent who held office at any time during the year. Include in column (a), abbreviated titles of the directors who are officers of the respondent.
2. Designate members of the Executive Committee by a triple asterisk and the Chairman of the Executive Committee by a double asterisk.

Line No.	Name (and Title) of Director (a)	Principal Business Address (b)
1	Kathryn W. Dindo	Akron, OH
2		
3	Sidney W. Emery, Jr.	Minneapolis, MN
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5	George G. Goldfarb	Duluth, MN
6		
7	James S. Haines, Jr.***	Lawrence, KS
8		
9	Alan R. Hodnik	Duluth, MN
10	Executive Chairman	
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13	James J. Hoolihan***	Grand Rapids, MN
14		
15	Heidi E. Jimmerson***	St. Augustine, FL
16		
17	Madeleine W. Ludlow**	Cincinnati, OH
18		
19	Susan K. Nestegard	Austin, TX
20		
21	Douglas C. Neve***	Bonita Springs, FL
22		
23	Bethany M. Owen	Duluth, MN
24	President and Chief Executive Officer	
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26	Robert P. Powers	Denver, CO
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28	Leonard C. Rodman***	Olathe, KS
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Name of Respondent	This Report Is:	Date of Report (Mo, Da, Yr)	Year/Period of Report
ALLETE, Inc.	(1) [X] An Original (2) [ ] A Resubmission	/ /	End of 2019/Q4

INFORMATION ON FORMULA RATES
FERC Rate Schedule/Tariff Number FERC Proceeding

Does the respondent have formula rates? [X] Yes [ ] No

1. Please list the Commission accepted formula rates including FERC Rate Schedule or Tariff Number and FERC proceeding (i.e. Docket No) accepting the rate(s) or changes in the accepted rate.

Line No.	FERC Rate Schedule or Tariff Number	FERC Proceeding
1	Market-Based Formula Rates	ER18-521-000
2	FERC Electric Tariff No. 205	ER13-1331-000
3	FERC Electric Tariff No. 182	ER17-169-000
4	FERC Electric Tariff No. 186	ER17-1147-000
5	FERC Electric Tariff No. 187	ER17-1148-000
6	FERC Electric Tariff No. 188	ER17-1149-000
7	FERC Electric Tariff No. 189	ER17-1150-000
8	FERC Electric Tariff No. 190	ER19-283-000
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Schedule Page: 106 Line No.: 1 Column: b

Market-Based Formula Rates

On December 23, 2017, FERC Docket No. ER18-521-000 superseded FERC Docket No. ER15-772-000 which had an effective date of March 1, 2015. Full requirement municipal customers' rates were calculated based on standardized power supply formula rate contracts based on the FERC Form 1. The contracts, which have effective dates of April 1, 2013, July 1, 2013, September 1, 2015, or August 1, 2017, were executed under ALLETE's market-based rate (MBR) authority. These MBR contract agreements do not require a FERC filing. ALLETE reports the required contract and transaction information related to the agreements in ALLETE's quarterly reports.

Schedule Page: 106 Line No.: 2 Column: b

FERC Electric Tariff No. 205

In FERC Docket No. ER13-1331-000, ALLETE submitted a Facilities Construction Agreement (FCA) among ALLETE, the Nashwauk Public Utilities Commission, and Mesabi Metallics Company LLC (formerly Essar Steel Minnesota LLC). ALLETE has designated the FCA as FERC Electric Tariff No. 205. The FCA became effective June 23, 2013.

Schedule Page: 106 Line No.: 3 Column: b

FERC Electric Tariff No. 182

In FERC Docket No. ER17-169-000, ALLETE submitted a Maintenance Services Agreement (MSA) for certain transmission substation facilities among ALLETE and Northern States Power Company. ALLETE has designated the MSA as FERC Electric Tariff No. 182. The MSA became effective December 23, 2016.

Schedule Page: 106 Line No.: 4 Column: b

FERC Electric Tariff No. 186

In FERC Docket No. ER17-1147-000, ALLETE submitted a Construction Management Agreement (CMA) among ALLETE and a subsidiary of Manitoba Hydro for the rights and obligations concerning the construction management services for the Great Northern Transmission Line. ALLETE has designated the CMA as FERC Electric Tariff No. 186. The CMA became effective May 10, 2017.

Schedule Page: 106 Line No.: 5 Column: b

FERC Electric Tariff No. 187

In FERC Docket No. ER17-1148-000, ALLETE submitted a Transmission Capacity Exchange Agreement (TCEA) among ALLETE and a subsidiary of Manitoba Hydro for the rights and obligations relative to the transmission capacity of the Great Northern Transmission Line once it goes into service. ALLETE has designated the TCEA as FERC Electric Tariff No. 187. The TCEA became effective May 10, 2017.

Schedule Page: 106 Line No.: 6 Column: b

FERC Electric Tariff No. 188

In FERC Docket No. ER17-1149-000, ALLETE submitted an Operation and Maintenance Agreement (OMA) among ALLETE and a subsidiary of Manitoba Hydro that governs the rights and obligations concerning the operation and maintenance of the Great Northern Transmission Line. ALLETE has designated the OMA as FERC Electric Tariff No. 188. The OMA became effective May 10, 2017.

Schedule Page: 106   Line No.: 7   Column: b

FERC Electric Tariff No. 189

In FERC Docket No. ER17-1150-000, ALLETE submitted a System Improvements Agreement (SIA) among ALLETE and a subsidiary of Manitoba Hydro for system improvements determined necessary to support ALLETE's transmission system after the Great Northern Transmission Line goes into service. ALLETE has designated the SIA as FERC Electric Tariff No. 189. The SIA became effective May 10, 2017.

Schedule Page: 106   Line No.: 8   Column: b

FERC Electric Tariff No. 190

FERC Docket No. ER19-283-000, sets forth ALLETE's revenue requirements for the provision of Reactive Supply Service from its generation facilities in accordance with Schedule 2 to the MISO Open Access Transmission, Energy and Operating Reserve Markets Tariff.

Name of Respondent	This Report Is:	Date of Report (Mo, Da, Yr)	Year/Period of Report
ALLETE, Inc.	(1) [X] An Original (2) [ ] A Resubmission	/ /	End of 2019/Q4

INFORMATION ON FORMULA RATES
FERC Rate Schedule/Tariff Number FERC Proceeding

Does the respondent file with the Commission annual (or more frequent) filings containing the inputs to the formula rate(s)?

[X] Yes

[ ] No

2. If yes, provide a listing of such filings as contained on the Commission's eLibrary website

Line No.	Accession No.	Document Date \ Filed Date	Docket No.	Description	Formula Rate FERC Rate Schedule Number or Tariff Number
1	20190417-8064	04/17/2019	None	2018 FERC Form 1	N/A
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Name of Respondent	This Report Is:	Date of Report (Mo, Da, Yr)	Year/Period of Report
ALLETE, Inc.	(1) [X] An Original (2) [ ] A Resubmission	/ /	End of 2019/Q4

INFORMATION ON FORMULA RATES
Formula Rate Variances

1. If a respondent does not submit such filings then indicate in a footnote to the applicable Form 1 schedule where formula rate inputs differ from amounts reported in the Form 1.
2. The footnote should provide a narrative description explaining how the "rate" (or billing) was derived if different from the reported amount in the Form 1.
3. The footnote should explain amounts excluded from the ratebase or where labor or other allocation factors, operating expenses, or other items impacting formula rate inputs differ from amounts reported in Form 1 schedule amounts.
4. Where the Commission has provided guidance on formula rate inputs, the specific proceeding should be noted in the footnote.

Line No.	Page No(s).	Schedule	Column	Line No
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Name of Respondent	This Report Is:	Date of Report	Year/Period of Report
ALLETE, Inc.	(1) [X] An Original (2) [ ] A Resubmission	/ /	End of 2019/Q4

IMPORTANT CHANGES DURING THE QUARTER/YEAR

Give particulars (details) concerning the matters indicated below. Make the statements explicit and precise, and number them in accordance with the inquiries. Each inquiry should be answered. Enter "none," "not applicable," or "NA" where applicable. If information which answers an inquiry is given elsewhere in the report, make a reference to the schedule in which it appears.

1. Changes in and important additions to franchise rights: Describe the actual consideration given therefore and state from whom the franchise rights were acquired. If acquired without the payment of consideration, state that fact.
2. Acquisition of ownership in other companies by reorganization, merger, or consolidation with other companies: Give names of companies involved, particulars concerning the transactions, name of the Commission authorizing the transaction, and reference to Commission authorization.
3. Purchase or sale of an operating unit or system: Give a brief description of the property, and of the transactions relating thereto, and reference to Commission authorization, if any was required. Give date journal entries called for by the Uniform System of Accounts were submitted to the Commission.
4. Important leaseholds (other than leaseholds for natural gas lands) that have been acquired or given, assigned or surrendered: Give effective dates, lengths of terms, names of parties, rents, and other condition. State name of Commission authorizing lease and give reference to such authorization.
5. Important extension or reduction of transmission or distribution system: State territory added or relinquished and date operations began or ceased and give reference to Commission authorization, if any was required. State also the approximate number of customers added or lost and approximate annual revenues of each class of service. Each natural gas company must also state major new continuing sources of gas made available to it from purchases, development, purchase contract or otherwise, giving location and approximate total gas volumes available, period of contracts, and other parties to any such arrangements, etc.
6. Obligations incurred as a result of issuance of securities or assumption of liabilities or guarantees including issuance of short-term debt and commercial paper having a maturity of one year or less. Give reference to FERC or State Commission authorization, as appropriate, and the amount of obligation or guarantee.
7. Changes in articles of incorporation or amendments to charter: Explain the nature and purpose of such changes or amendments.
8. State the estimated annual effect and nature of any important wage scale changes during the year.
9. State briefly the status of any materially important legal proceedings pending at the end of the year, and the results of any such proceedings culminated during the year.
10. Describe briefly any materially important transactions of the respondent not disclosed elsewhere in this report in which an officer, director, security holder reported on Page 104 or 105 of the Annual Report Form No. 1, voting trustee, associated company or known associate of any of these persons was a party or in which any such person had a material interest.
11. (Reserved.)
12. If the important changes during the year relating to the respondent company appearing in the annual report to stockholders are applicable in every respect and furnish the data required by Instructions 1 to 11 above, such notes may be included on this page.
13. Describe fully any changes in officers, directors, major security holders and voting powers of the respondent that may have occurred during the reporting period.
14. In the event that the respondent participates in a cash management program(s) and its proprietary capital ratio is less than 30 percent please describe the significant events or transactions causing the proprietary capital ratio to be less than 30 percent, and the extent to which the respondent has amounts loaned or money advanced to its parent, subsidiary, or affiliated companies through a cash management program(s). Additionally, please describe plans, if any to regain at least a 30 percent proprietary ratio.

PAGE 108 INTENTIONALLY LEFT BLANK
SEE PAGE 109 FOR REQUIRED INFORMATION.

Abbreviations and acronyms used in the text are defined beginning on page 123.62 of this FERC Form 1. References in this report to "we", "us" and "our" are to ALLETE, Inc., and its subsidiaries, collectively.

1. **Changes in and important additions to franchise rights: Describe the actual consideration given therefore and state from whom the franchise rights were acquired. If acquired without the payment of consideration, state that fact.**

   None.

2. **Acquisition of ownership in other companies by reorganization, merger, or consolidation with other companies: Give names of companies involved, particulars concerning the transactions, name of the Commission authorizing the transaction, and reference to Commission authorization.**

   None.

3. **Purchase or sale of an operating unit or system: Give a brief description of the property, and of the transactions relating thereto, and reference to Commission authorization, if any was required. Give date journal entries called for by the Uniform System of Accounts were submitted to the Commission.**

   None.

4. **Important leaseholds (other than leaseholds for natural gas lands) that have been acquired or given, assigned or surrendered: Give effective dates, lengths of terms, names of parties, rents, and other condition. State name of Commission authorizing lease and give reference to such authorization.**

   None.

5. **Important extension or reduction of transmission or distribution system: State territory added or relinquished and date operations began or ceased and give reference to Commission authorization, if any was required. State also the approximate number of customers added or lost and approximate annual revenues of each class of service. Each natural gas company must also state major new continuing sources of gas made available to it from purchases, development, purchase contract or otherwise, giving location and approximate total gas volumes available, period of contracts, and other parties to any such arrangements, etc.**

   Great Northern Transmission Line. As a condition of a 250 MW long-term PPA entered into with Manitoba Hydro, construction of additional transmission capacity is required. As a result, Minnesota Power is constructing the GNTL, an approximately 220-mile 500-kV transmission line between Manitoba and Minnesota's Iron Range that was proposed by Minnesota Power and Manitoba Hydro in order to strengthen the electric grid, enhance regional reliability and promote a greater exchange of sustainable energy.

   In a 2016 order, the MPUC approved the route permit for the GNTL, and in 2016, the U.S. Department of Energy issued a presidential permit to cross the U.S.-Canadian border, which was the final major regulatory approval needed before construction in the U.S. could begin. Construction activities commenced in the first quarter of 2017, and Minnesota Power expects the GNTL to be complete and in-service by mid-2020. The total project cost in the U.S., including substation work, is estimated to be approximately $700 million, of which Minnesota Power's portion is expected to be approximately $325 million; the difference will be recovered from a subsidiary of Manitoba Hydro as non-shareholder contributions to capital. Total project costs of $633.3 million have been incurred through December 31, 2019, of which $339.6 million has been recovered from a subsidiary of Manitoba Hydro.

   Also see *Note 9. Commitments, Guarantees and Contingencies – Transmission* in the Notes to Financial Statements beginning on Page 123 of this FERC Form 1.

6. **Obligations incurred as a result of issuance of securities or assumption of liabilities or guarantees including issuance of short-term debt and commercial paper having a maturity of one year or less. Give reference to FERC or State Commission authorization, as appropriate, and the amount of obligation or guarantee.**

   See *Note 8. Short-Term and Long-Term Debt* and *Note 10. Common Stock and Earnings Per Share* in the Notes to Financial Statements beginning on Page 123 of this FERC Form 1.

7. Changes in articles of incorporation or amendments to charter: Explain the nature and purpose of such changes or amendments.

None.

8. State the estimated annual effect and nature of any important wage scale changes during the year.

Minnesota Power has an aggregate of 969 employees of which 404 are members of the International Brotherhood of Electrical Workers (IBEW) Local 31. The labor agreement with IBEW Local 31 will expire on April 30, 2020.

Minnesota Power union employees received a 3.15 percent increase, effective February 2, 2019, which is an estimated increase of $1.0 million annualized. An average wage increase of 2.0 percent was granted to non-union employees effective March 2, 2019. The estimated annual effect of the non-union employees increase is expected to be approximately $1.1 million annualized.

9. State briefly the status of any materially important legal proceedings pending at the end of the year, and the results of any such proceedings culminated during the year.

See Note 9. Commitments, Guarantees and Contingencies – Other Matters – Legal Proceedings in the Notes to Financial Statements beginning on Page 123 of this FERC Form 1.

10. Describe briefly any materially important transactions of the respondent not disclosed elsewhere in this report in which an officer, director, security holder reported on Page 106, voting trustee, associated company or known associate of any of these persons was a party or in which any such person had a material interest.

None.

11. (Reserved.)

12. If the important changes during the year relating to the respondent company appearing in the annual report to stockholders are applicable in every respect and furnish the data required by Instructions 1 to 11 above, such notes may be included on this page.

The following information is from ALLETE's Annual Report on Form 10-K for the year ended December 31, 2019. Subsequent to the filing of this report, Cleveland-Cliffs Inc. temporarily idled its Northshore Mining operation, Hibbing Taconite Co. temporarily idled production and United States Steel Corporation indefinitely idled its Keetac plant which are served by Minnesota Power.

Industrial Customers. Electric power is one of several key inputs in the taconite mining, paper, pulp and secondary wood products, pipeline and other industries.

<u>Taconite</u>. Minnesota Power's taconite customers are capable of producing up to approximately 41 million tons of taconite pellets annually. Taconite pellets produced in Minnesota are primarily shipped to North American steel making facilities that are part of the integrated steel industry. Steel produced from these North American facilities is used primarily in the manufacture of automobiles, appliances, pipe and tube products for the gas and oil industry, and in the construction industry. Historically, less than 10 percent of Minnesota taconite production has been exported outside of North America.

There has been a general historical correlation between U.S. steel production and Minnesota taconite production. The American Iron and Steel Institute, an association of North American steel producers, reported that U.S. raw steel production operated at approximately 80 percent of capacity in 2019 (78 percent in 2018 and 74 percent in 2017). The World Steel Association, an association of over 160 steel producers, national and regional steel industry associations, and steel research institutes representing approximately 85 percent of world steel production, projected U.S. steel consumption in 2020 will increase by approximately one percent compared to 2019.

Minnesota Power's taconite customers may experience annual variations in production levels due to such factors as economic conditions, short-term demand changes or maintenance outages. We estimate that a one million ton change in Minnesota Power's taconite customers' production would impact our annual earnings per share by approximately $0.04, net of expected power marketing sales at current prices. Changes in wholesale electric prices or customer contractual demand nominations could impact this estimate. Minnesota Power proactively sells power in the wholesale power markets that is temporarily not required by industrial customers to optimize the value of its generating facilities. Long-term reductions in taconite production or a permanent shut down of a taconite customer may lead Minnesota Power to file a general rate case to recover lost revenue.

USS Corporation. On October 17, 2019, USS Corporation announced that it had idled one of its pellet production lines at its Minnesota Ore Operations - Minntac plant in Mountain Iron, Minnesota, citing changing market conditions and the need to adjust its raw materials accordingly. USS Corporation also noted it plans to perform additional maintenance during this time in preparation for improved market conditions and does not anticipate any employment impacts. We cannot predict when production may resume on the idled pellet production line, however, we do not expect a material impact to results of operations for 2019.

Northshore Mining. Cliffs has announced that it has made an approximately $90 million investment in its Minnesota ore operations to expand capacity for producing direct reduced-grade pellets at Northshore Mining. Cliffs is currently constructing a hot briquetted iron production plant in Toledo, Ohio, and has begun shipping direct reduced-grade pellets to the Toledo plant in anticipation of the planned start of operations in mid-2020. Minnesota Power has a PSA through 2031 with Silver Bay Power, which provides the majority of the electric service requirements for Northshore Mining. (See Silver Bay Power.)

Silver Bay Power. In 2016, Minnesota Power and Silver Bay Power entered into a PSA through 2031. Silver Bay Power supplies approximately 90 MW of load to Northshore Mining, an affiliate of Silver Bay Power, which had previously been served predominately through self-generation by Silver Bay Power. Starting in 2016, Minnesota Power supplied Silver Bay Power with at least 50 MW of energy and Silver Bay Power had the option to purchase additional energy from Minnesota Power as it transitioned away from self-generation. In the third quarter of 2019, Silver Bay Power ceased self-generation and Minnesota Power began supplying the full energy requirements for Silver Bay Power.

Paper, Pulp and Secondary Wood Products. The North American paper and pulp industry faces declining demand due to the impact of electronic substitution for print and changing customer needs. As a result, certain paper and pulp customers have reduced their existing operations in recent years and have pursued or are pursuing product changes in response to the declining demand. We expect operating levels in 2020 at the four major paper and pulp mills we serve to be similar to 2019.

Pipeline and Other Industries.

Husky Energy. In April 2018, a fire at Husky Energy's refinery in Superior, Wisconsin, disrupted operations at the facility. Under normal operating conditions, SWL&P provides approximately 14 MW of average monthly demand to Husky Energy in addition to water service. On September 30, 2019, Husky Energy announced that it had received the required permit approvals to begin reconstruction. The facility remains at minimal operations, and the refinery is not expected to resume normal operations until 2021.

Prospective Additional Load. Minnesota Power is pursuing new wholesale and retail loads in and around its service territory. Currently, several companies in northeastern Minnesota continue to progress in the development of natural resource-based projects that represent long-term growth potential and load diversity for Minnesota Power. We cannot predict the outcome of these projects.

PolyMet. PolyMet is planning to start a new copper-nickel and precious metal (non-ferrous) mining operation in northeastern Minnesota. In 2015, PolyMet announced the completion of the final EIS by state and federal agencies, which was subsequently published in the Federal Register and Minnesota Environmental Quality Board Monitor. The Minnesota Department of Natural Resources (DNR) and the U.S. Army Corps of Engineers have both issued final Records of Decision, finding the final EIS adequate.

In 2016, PolyMet submitted applications for water-related permits with the DNR and MPCA, an air quality permit with the MPCA, and a state permit to mine application with the DNR detailing its operational plans for the mine. In June 2018, the U.S. Forest Service and PolyMet closed on a land exchange, which resulted in PolyMet obtaining surface rights to land needed to develop its mining operation. In November 2018, the DNR issued PolyMet's permit to mine and certain water-related permits. In December 2018, the MPCA issued PolyMet's final state water and air quality permits. On March 21, 2019, the U.S. Army Corps of Engineers issued PolyMet's final federal permit. PolyMet was issued all necessary permits to construct and operate its new mining operation; however, on January 13, 2020, the Minnesota Court of Appeals reversed the DNR's decisions granting PolyMet's permit to mine and dam-safety permits, and remanded them back to the DNR to hold a contested-case hearing. On February 11, 2020, PolyMet announced it has filed a petition for further review with the Minnesota Supreme Court seeking to overturn the Minnesota Court of Appeals decision. Minnesota Power could supply between 45 MW and 50 MW of load under a 10-year power supply contract with PolyMet that would begin upon start-up of operations.

Renewable Energy. Minnesota Power's 2015 IRP includes an update on its plans and progress in meeting the Minnesota renewable energy milestones through 2025. Minnesota Power continues to execute its renewable energy strategy through renewable projects that will ensure it meets the identified state mandate at the lowest cost for customers. Minnesota Power has exceeded the interim milestone requirements to date and expects between 25 percent and 30 percent of its applicable retail and municipal energy sales will be supplied by renewable energy sources in 2020.

Minnesota Power continues to execute its renewable energy strategy and expects approximately 50 percent of its energy will be supplied by renewable energy sources by 2021.

Solar Energy. Minnesota Power's solar energy supply consists of Camp Ripley, a 10 MW solar energy facility at the Camp Ripley Minnesota Army National Guard base and training facility near Little Falls, Minnesota, and a community solar garden project in northeastern Minnesota, which is comprised of a 1 MW solar array owned and operated by a third party with the output purchased by Minnesota Power and a 40 kW solar array that is owned and operated by Minnesota Power.

Minnesota Power has approval for current cost recovery of investments and expenditures related to compliance with the Minnesota Solar Energy Standard. Currently, there is no approved customer billing rate for solar costs.

Wind Energy. Minnesota Power's wind energy facilities consist of Bison (497 MW) located in North Dakota, and Taconite Ridge (25 MW) located in northeastern Minnesota. Minnesota Power also has two long-term wind energy PPAs with an affiliate of NextEra Energy, Inc. to purchase the output from Oliver Wind I (50 MW) and Oliver Wind II (48 MW) located in North Dakota.

Minnesota Power uses the 465-mile, 250-kV DC transmission line that runs from Center, North Dakota, to Duluth, Minnesota, to transport wind energy from North Dakota while gradually phasing out coal-based electricity delivered to its system over this transmission line from Square Butte's lignite coal-fired generating unit. Minnesota Power is currently pursuing a modernization and capacity upgrade of its DC transmission system to continue providing reliable operations and additional system capabilities.

Minnesota Power has an approved cost recovery rider for certain renewable investments and expenditures. The cost recovery rider allows Minnesota Power to charge retail customers on a current basis for the costs of certain renewable investments plus a return on the capital invested. Updated customer billing rates for the renewable cost recovery rider were provisionally approved by the MPUC in a November 2018 order.

Nobles 2 PPA. In the third quarter of 2018, Minnesota Power and Nobles 2 signed an amended long-term PPA that provides for Minnesota Power to purchase the energy and associated capacity from a 250 MW wind energy facility in southwestern Minnesota for a 20-year period beginning in 2020. The agreement provides for the purchase of output from the facility at fixed energy prices. There are no fixed capacity charges, and Minnesota Power will only pay for energy as it is delivered. This agreement is subject to construction of the wind energy facility.

Manitoba Hydro. Minnesota Power has five long-term PPAs with Manitoba Hydro. The first PPA expires in May 2020. Under this agreement, Minnesota Power is purchasing 50 MW of capacity and the energy associated with that capacity. Both the capacity price and the energy price are adjusted annually by the change in a governmental inflationary index. Under the second PPA, Minnesota Power is purchasing surplus energy through April 2022. This energy-only agreement primarily consists of surplus hydro energy on Manitoba Hydro's system that is delivered to Minnesota Power on a non-firm basis. The pricing is based on forward market prices. Under this agreement, Minnesota Power will purchase at least one million MWh of energy over the contract term.

The third PPA provides for Minnesota Power to purchase 250 MW of capacity and energy from Manitoba Hydro for 15 years beginning in 2020. The PPA is subject to the construction of the GNTL and MMTP. The capacity price is adjusted annually until 2020 by the change in a governmental inflationary index. The energy price is based on a formula that includes an annual fixed price component adjusted for the change in a governmental inflationary index and a natural gas index, as well as market prices.

The fourth PPA provides for Minnesota Power to purchase up to 133 MW of energy from Manitoba Hydro for 20 years beginning in 2020. The pricing under this PPA is based on forward market prices. The PPA is subject to the construction of the GNTL and MMTP.

The fifth PPA provides for Minnesota Power to purchase 50 MW of capacity from Manitoba Hydro at fixed prices. The PPA began in June 2017 and expires in May 2020.

Also see *Note 9. Commitments, Guarantees and Contingencies – Power Purchase Agreements, Note 9. Commitments, Guarantees and Contingencies – Transmission, and Note 9. Commitments, Guarantees and Contingencies – Environmental Matters* in the Notes to Financial Statements beginning on Page 123 of this FERC Form 1.

13. Describe fully any changes in officers, directors, major security holders and voting powers of the respondent that may have occurred during the reporting period.

On January 14, 2019, Patrick K. Mullen, ALLETE Senior Vice President – External Affairs, announced his retirement which occurred in the second quarter of 2019.

On January 31, 2019, the Board of Directors of ALLETE appointed Bethany M. Owen as President of ALLETE.

On February 13, 2019, the Board of Directors of ALLETE elected Bethany M. Owen to the Board of Directors.

On February 13, 2019, Margaret A. Thickens was named ALLETE Vice President, Chief Legal Officer and Corporate Secretary.

On April 2, 2019, ALLETE announced the planned retirement of Senior Vice President and President - Regulated Operations Bradley W. Oachs which occurred in the second quarter of 2019.

On May 14, 2019, Sidney W. Emery, Jr., James S. Haines, Jr., and Leonard C. Rodman retired from the Board of Directors of ALLETE.

On June 28, 2019, Nicole R. Johnson was named ALLETE Vice President and Chief Administrative Officer.

14. In the event that the respondent participates in a cash management program(s) and its proprietary capital ratio is less than 30 percent please describe the significant events or transactions causing the proprietary capital ratio to be less than 30 percent, and the extent to which the respondent has amounts loaned or money advanced to its parent, subsidiary, or affiliated companies through a cash management program(s). Additionally, please describe plans, if any to regain at least a 30 percent proprietary ratio.

Ratio is not less than 30 percent.

Name of Respondent	This Report Is:	Date of Report (Mo, Da, Yr)	Year/Period of Report
ALLETE, Inc.	(1) [X] An Original (2) [ ] A Resubmission	/ /	End of 2019/Q4

COMPARATIVE BALANCE SHEET (ASSETS AND OTHER DEBITS)

Line No.	Title of Account (a)	Ref. Page No. (b)	Current Year End of Quarter/Year Balance (c)	Prior Year End Balance 12/31 (d)
1	**UTILITY PLANT**			
2	Utility Plant (101-106, 114)	200-201	4,429,830,342	4,373,086,001
3	Construction Work in Progress (107)	200-201	372,181,348	245,619,192
4	TOTAL Utility Plant (Enter Total of lines 2 and 3)		4,802,011,690	4,618,705,193
5	(Less) Accum. Prov. for Depr. Amort. Depl. (108, 110, 111, 115)	200-201	1,613,662,287	1,519,751,227
6	Net Utility Plant (Enter Total of line 4 less 5)		3,188,349,403	3,098,953,966
7	Nuclear Fuel in Process of Ref., Conv.,Enrich., and Fab. (120.1)	202-203	0	0
8	Nuclear Fuel Materials and Assemblies-Stock Account (120.2)		0	0
9	Nuclear Fuel Assemblies in Reactor (120.3)		0	0
10	Spent Nuclear Fuel (120.4)		0	0
11	Nuclear Fuel Under Capital Leases (120.6)		0	0
12	(Less) Accum. Prov. for Amort. of Nucl. Fuel Assemblies (120.5)	202-203	0	0
13	Net Nuclear Fuel (Enter Total of lines 7-11 less 12)		0	0
14	Net Utility Plant (Enter Total of lines 6 and 13)		3,188,349,403	3,098,953,966
15	Utility Plant Adjustments (116)		0	0
16	Gas Stored Underground - Noncurrent (117)		0	0
17	**OTHER PROPERTY AND INVESTMENTS**			
18	Nonutility Property (121)		17,746,449	17,896,652
19	(Less) Accum. Prov. for Depr. and Amort. (122)		5,142,658	5,297,195
20	Investments in Associated Companies (123)		-22,668,429	-22,668,429
21	Investment in Subsidiary Companies (123.1)	224-225	879,586,793	861,287,451
22	(For Cost of Account 123.1, See Footnote Page 224, line 42)			
23	Noncurrent Portion of Allowances	228-229	0	0
24	Other Investments (124)		0	0
25	Sinking Funds (125)		0	0
26	Depreciation Fund (126)		0	0
27	Amortization Fund - Federal (127)		0	0
28	Other Special Funds (128)		6,937,316	7,181,929
29	Special Funds (Non Major Only) (129)		0	0
30	Long-Term Portion of Derivative Assets (175)		0	0
31	Long-Term Portion of Derivative Assets – Hedges (176)		0	0
32	TOTAL Other Property and Investments (Lines 18-21 and 23-31)		876,459,471	858,400,408
33	**CURRENT AND ACCRUED ASSETS**			
34	Cash and Working Funds (Non-major Only) (130)		0	0
35	Cash (131)		2,183,257	5,980,559
36	Special Deposits (132-134)		0	0
37	Working Fund (135)		0	0
38	Temporary Cash Investments (136)		45,570,870	39,775,009
39	Notes Receivable (141)		0	0
40	Customer Accounts Receivable (142)		55,551,020	67,067,827
41	Other Accounts Receivable (143)		1,296,308	2,075,909
42	(Less) Accum. Prov. for Uncollectible Acct.-Credit (144)		250,000	250,000
43	Notes Receivable from Associated Companies (145)		144,387,500	103,937,500
44	Accounts Receivable from Assoc. Companies (146)		8,292,882	33,869,209
45	Fuel Stock (151)	227	25,913,367	25,994,422
46	Fuel Stock Expenses Undistributed (152)	227	0	0
47	Residuals (Elec) and Extracted Products (153)	227	0	0
48	Plant Materials and Operating Supplies (154)	227	27,008,442	26,946,830
49	Merchandise (155)	227	0	0
50	Other Materials and Supplies (156)	227	0	0
51	Nuclear Materials Held for Sale (157)	202-203/227	0	0
52	Allowances (158.1 and 158.2)	228-229	0	0

Name of Respondent	This Report Is:	Date of Report (Mo, Da, Yr)	Year/Period of Report
ALLETE, Inc.	(1) [X] An Original (2) [ ] A Resubmission	/ /	End of 2019/Q4

COMPARATIVE BALANCE SHEET (ASSETS AND OTHER DEBITS)(Continued)

Line No.	Title of Account (a)	Ref. Page No. (b)	Current Year End of Quarter/Year Balance (c)	Prior Year End Balance 12/31 (d)
53	(Less) Noncurrent Portion of Allowances		0	0
54	Stores Expense Undistributed (163)	227	0	0
55	Gas Stored Underground - Current (164.1)		0	0
56	Liquefied Natural Gas Stored and Held for Processing (164.2-164.3)		0	0
57	Prepayments (165)		13,640,877	10,820,649
58	Advances for Gas (166-167)		0	0
59	Interest and Dividends Receivable (171)		0	0
60	Rents Receivable (172)		49,589	38,185
61	Accrued Utility Revenues (173)		16,413,231	17,971,929
62	Miscellaneous Current and Accrued Assets (174)		3,800,281	7,216,882
63	Derivative Instrument Assets (175)		0	333,169
64	(Less) Long-Term Portion of Derivative Instrument Assets (175)		0	0
65	Derivative Instrument Assets - Hedges (176)		0	0
66	(Less) Long-Term Portion of Derivative Instrument Assets - Hedges (176		0	0
67	Total Current and Accrued Assets (Lines 34 through 66)		343,857,624	341,778,079
68	**DEFERRED DEBITS**			
69	Unamortized Debt Expenses (181)		7,383,226	7,400,556
70	Extraordinary Property Losses (182.1)	230a	0	0
71	Unrecovered Plant and Regulatory Study Costs (182.2)	230b	0	0
72	Other Regulatory Assets (182.3)	232	400,481,857	369,077,377
73	Prelim. Survey and Investigation Charges (Electric) (183)		0	0
74	Preliminary Natural Gas Survey and Investigation Charges 183.1)		0	0
75	Other Preliminary Survey and Investigation Charges (183.2)		0	0
76	Clearing Accounts (184)		0	583
77	Temporary Facilities (185)		86,953	78,431
78	Miscellaneous Deferred Debits (186)	233	87,148,219	52,379,265
79	Def. Losses from Disposition of Utility Plt. (187)		0	0
80	Research, Devel. and Demonstration Expend. (188)	352-353	0	0
81	Unamortized Loss on Reaquired Debt (189)		1,086,183	1,322,162
82	Accumulated Deferred Income Taxes (190)	234	557,701,378	578,811,873
83	Unrecovered Purchased Gas Costs (191)		0	0
84	Total Deferred Debits (lines 69 through 83)		1,053,887,816	1,009,070,247
85	TOTAL ASSETS (lines 14-16, 32, 67, and 84)		5,462,554,314	5,308,202,700

Name of Respondent	This Report is:	Date of Report (mo, da, yr)	Year/Period of Report
ALLETE, Inc.	(1) [x] An Original (2) [ ] A Resubmission	/ /	end of 2019/Q4

COMPARATIVE BALANCE SHEET (LIABILITIES AND OTHER CREDITS)

Line No.	Title of Account (a)	Ref. Page No. (b)	Current Year End of Quarter/Year Balance (c)	Prior Year End Balance 12/31 (d)
1	PROPRIETARY CAPITAL			
2	Common Stock Issued (201)	250-251	1,380,761,474	1,373,027,275
3	Preferred Stock Issued (204)	250-251	0	0
4	Capital Stock Subscribed (202, 205)		0	0
5	Stock Liability for Conversion (203, 206)		0	0
6	Premium on Capital Stock (207)		0	0
7	Other Paid-In Capital (208-211)	253	55,819,331	55,390,856
8	Installments Received on Capital Stock (212)	252	0	0
9	(Less) Discount on Capital Stock (213)	254	0	0
10	(Less) Capital Stock Expense (214)	254b	0	0
11	Retained Earnings (215, 215.1, 216)	118-119	797,382,867	516,233,554
12	Unappropriated Undistributed Subsidiary Earnings (216.1)	118-119	21,542,427	238,467,543
13	(Less) Reaquired Capital Stock (217)	250-251	0	0
14	Noncorporate Proprietorship (Non-major only) (218)		0	0
15	Accumulated Other Comprehensive Income (219)	122(a)(b)	-23,861,131	-26,658,449
16	Total Proprietary Capital (lines 2 through 15)		2,231,644,968	2,156,460,779
17	LONG-TERM DEBT			
18	Bonds (221)	256-257	1,501,300,000	1,343,300,000
19	(Less) Reaquired Bonds (222)	256-257	0	0
20	Advances from Associated Companies (223)	256-257	0	0
21	Other Long-Term Debt (224)	256-257	12,105,607	13,090,677
22	Unamortized Premium on Long-Term Debt (225)		0	0
23	(Less) Unamortized Discount on Long-Term Debt-Debit (226)		438	1,488
24	Total Long-Term Debt (lines 18 through 23)		1,513,405,169	1,356,389,189
25	OTHER NONCURRENT LIABILITIES			
26	Obligations Under Capital Leases - Noncurrent (227)		2,088,840	0
27	Accumulated Provision for Property Insurance (228.1)		0	0
28	Accumulated Provision for Injuries and Damages (228.2)		2,082,620	2,141,585
29	Accumulated Provision for Pensions and Benefits (228.3)		171,107,639	172,780,943
30	Accumulated Miscellaneous Operating Provisions (228.4)		0	0
31	Accumulated Provision for Rate Refunds (229)		0	50,007,722
32	Long-Term Portion of Derivative Instrument Liabilities		0	0
33	Long-Term Portion of Derivative Instrument Liabilities - Hedges		0	0
34	Asset Retirement Obligations (230)		98,211,593	96,900,505
35	Total Other Noncurrent Liabilities (lines 26 through 34)		273,490,692	321,830,755
36	CURRENT AND ACCRUED LIABILITIES			
37	Notes Payable (231)		0	0
38	Accounts Payable (232)		103,228,714	121,855,432
39	Notes Payable to Associated Companies (233)		0	0
40	Accounts Payable to Associated Companies (234)		6,025,637	10,168,619
41	Customer Deposits (235)		0	131
42	Taxes Accrued (236)	262-263	29,919,776	41,264,880
43	Interest Accrued (237)		17,972,653	17,717,649
44	Dividends Declared (238)		0	0
45	Matured Long-Term Debt (239)		0	0

COMPARATIVE BALANCE SHEET (LIABILITIES AND OTHER CREDITS)(continued)

Line No.	Title of Account (a)	Ref. Page No. (b)	Current Year End of Quarter/Year Balance (c)	Prior Year End Balance 12/31 (d)
46	Matured Interest (240)		0	0
47	Tax Collections Payable (241)		1,314,792	1,589,680
48	Miscellaneous Current and Accrued Liabilities (242)		23,958,974	30,073,755
49	Obligations Under Capital Leases-Current (243)		1,527,146	0
50	Derivative Instrument Liabilities (244)		0	0
51	(Less) Long-Term Portion of Derivative Instrument Liabilities		0	0
52	Derivative Instrument Liabilities - Hedges (245)		0	0
53	(Less) Long-Term Portion of Derivative Instrument Liabilities-Hedges		0	0
54	Total Current and Accrued Liabilities (lines 37 through 53)		183,947,692	222,670,146
55	DEFERRED CREDITS			
56	Customer Advances for Construction (252)		2,353,100	2,261,873
57	Accumulated Deferred Investment Tax Credits (255)	266-267	31,444,924	31,996,773
58	Deferred Gains from Disposition of Utility Plant (256)		0	0
59	Other Deferred Credits (253)	269	26,847,967	26,630,610
60	Other Regulatory Liabilities (254)	278	515,306,346	481,511,648
61	Unamortized Gain on Reaquired Debt (257)		0	0
62	Accum. Deferred Income Taxes-Accel. Amort.(281)	272-277	83,566,778	85,031,557
63	Accum. Deferred Income Taxes-Other Property (282)		514,699,824	536,829,457
64	Accum. Deferred Income Taxes-Other (283)		85,846,854	86,589,913
65	Total Deferred Credits (lines 56 through 64)		1,260,065,793	1,250,851,831
66	TOTAL LIABILITIES AND STOCKHOLDER EQUITY (lines 16, 24, 35, 54 and 65)		5,462,554,314	5,308,202,700

Schedule Page: 112   Line No.: 26   Column: c

Obligations Under Capital Leases-Noncurrent (227). The account balance relates to the non-current portion of Operating Lease Liabilities recognized as part of the adoption of Accounting Standard Codification (ASC) 842 - Leases. There are no non-current capital lease obligations.

Schedule Page: 112   Line No.: 49   Column: c

Obligations Under Capital Leases-Current (243). The account balance relates to the current portion of Operating Lease Liabilities recognized as part of the adoption of Accounting Standard Codification (ASC) 842 - Leases. There are no current capital lease obligations.

Name of Respondent	This Report Is:	Date of Report (Mo, Da, Yr)	Year/Period of Report
ALLETE, Inc.	(1) [X] An Original (2) [ ] A Resubmission	/ /	End of 2019/Q4

STATEMENT OF INCOME

Quarterly
1. Report in column (c) the current year to date balance. Column (c) equals the total of adding the data in column (g) plus the data in column (i) plus the data in column (k). Report in column (d) similar data for the previous year. This information is reported in the annual filing only.
2. Enter in column (e) the balance for the reporting quarter and in column (f) the balance for the same three month period for the prior year.
3. Report in column (g) the quarter to date amounts for electric utility function; in column (i) the quarter to date amounts for gas utility, and in column (k) the quarter to date amounts for other utility function for the current year quarter.
4. Report in column (h) the quarter to date amounts for electric utility function; in column (j) the quarter to date amounts for gas utility, and in column (l) the quarter to date amounts for other utility function for the prior year quarter.
5. If additional columns are needed, place them in a footnote.

Annual or Quarterly if applicable
5. Do not report fourth quarter data in columns (e) and (f)
6. Report amounts for accounts 412 and 413, Revenues and Expenses from Utility Plant Leased to Others, in another utility columnin a similar manner to a utility department. Spread the amount(s) over lines 2 thru 26 as appropriate. Include these amounts in columns (c) and (d) totals.
7. Report amounts in account 414, Other Utility Operating Income, in the same manner as accounts 412 and 413 above.

Line No.	Title of Account (a)	(Ref.) Page No. (b)	Total Current Year to Date Balance for Quarter/Year (c)	Total Prior Year to Date Balance for Quarter/Year (d)	Current 3 Months Ended Quarterly Only No 4th Quarter (e)	Prior 3 Months Ended Quarterly Only No 4th Quarter (f)
1	UTILITY OPERATING INCOME					
2	Operating Revenues (400)	300-301	1,003,729,537	1,021,400,291		
3	Operating Expenses					
4	Operation Expenses (401)	320-323	569,456,969	599,579,033		
5	Maintenance Expenses (402)	320-323	64,317,051	70,041,761		
6	Depreciation Expense (403)	336-337	143,503,746	147,561,954		
7	Depreciation Expense for Asset Retirement Costs (403.1)	336-337	295,208	1,229,411		
8	Amort. & Depl. of Utility Plant (404-405)	336-337	4,416,736	4,887,383		
9	Amort. of Utility Plant Acq. Adj. (406)	336-337	29,496	29,496		
10	Amort. Property Losses, Unrecov Plant and Regulatory Study Costs (407)					
11	Amort. of Conversion Expenses (407)					
12	Regulatory Debits (407.3)		7,140,292	74,712		
13	(Less) Regulatory Credits (407.4)		2,410,933	2,146,423		
14	Taxes Other Than Income Taxes (408.1)	262-263	45,228,463	49,200,786		
15	Income Taxes - Federal (409.1)	262-263	487	-1,254		
16	- Other (409.1)	262-263	1,045	9,985		
17	Provision for Deferred Income Taxes (410.1)	234, 272-277	81,553,518	105,405,377		
18	(Less) Provision for Deferred Income Taxes-Cr. (411.1)	234, 272-277	94,952,879	124,621,807		
19	Investment Tax Credit Adj. - Net (411.4)	266	-551,849	-603,818		
20	(Less) Gains from Disp. of Utility Plant (411.6)					
21	Losses from Disp. of Utility Plant (411.7)					
22	(Less) Gains from Disposition of Allowances (411.8)		2,324	2,808		
23	Losses from Disposition of Allowances (411.9)					
24	Accretion Expense (411.10)		672,938	715,134		
25	TOTAL Utility Operating Expenses (Enter Total of lines 4 thru 24)		818,697,964	851,358,922		
26	Net Util Oper Inc (Enter Tot line 2 less 25) Carry to Pg117,line 27		185,031,573	170,041,369		

STATEMENT OF INCOME FOR THE YEAR (Continued)

9. Use page 122 for important notes regarding the statement of income for any account thereof.
10. Give concise explanations concerning unsettled rate proceedings where a contingency exists such that refunds of a material amount may need to be made to the utility's customers or which may result in material refund to the utility with respect to power or gas purchases. State for each year effected the gross revenues or costs to which the contingency relates and the tax effects together with an explanation of the major factors which affect the rights of the utility to retain such revenues or recover amounts paid with respect to power or gas purchases.
11 Give concise explanations concerning significant amounts of any refunds made or received during the year resulting from settlement of any rate proceeding affecting revenues received or costs incurred for power or gas purches, and a summary of the adjustments made to balance sheet, income, and expense accounts.
12. If any notes appearing in the report to stokholders are applicable to the Statement of Income, such notes may be included at page 122.
13. Enter on page 122 a concise explanation of only those changes in accounting methods made during the year which had an effect on net income, including the basis of allocations and apportionments from those used in the preceding year. Also, give the appropriate dollar effect of such changes.
14. Explain in a footnote if the previous year's/quarter's figures are different from that reported in prior reports.
15. If the columns are insufficient for reporting additional utility departments, supply the appropriate account titles report the information in a footnote to this schedule.

ELECTRIC UTILITY		GAS UTILITY		OTHER UTILITY		
Current Year to Date (in dollars) (g)	Previous Year to Date (in dollars) (h)	Current Year to Date (in dollars) (i)	Previous Year to Date (in dollars) (j)	Current Year to Date (in dollars) (k)	Previous Year to Date (in dollars) (l)	Line No.
						1
1,003,729,537	1,021,400,291					2
						3
569,456,969	599,579,033					4
64,317,051	70,041,761					5
143,503,746	147,561,954					6
295,208	1,229,411					7
4,416,736	4,887,383					8
29,496	29,496					9
						10
						11
7,140,292	74,712					12
2,410,933	2,146,423					13
45,228,463	49,200,786					14
487	-1,254					15
1,045	9,985					16
81,553,518	105,405,377					17
94,952,879	124,621,807					18
-551,849	-603,818					19
						20
						21
2,324	2,808					22
						23
672,938	715,134					24
818,697,964	851,358,922					25
185,031,573	170,041,369					26

Name of Respondent	This Report Is:	Date of Report (Mo, Da, Yr)	Year/Period of Report
ALLETE, Inc.	(1) [X] An Original (2) [ ] A Resubmission	/ /	End of 2019/Q4

STATEMENT OF INCOME FOR THE YEAR (continued)

Line No.	Title of Account (a)	(Ref.) Page No. (b)	TOTAL Current Year (c)	TOTAL Previous Year (d)	Current 3 Months Ended Quarterly Only No 4th Quarter (e)	Prior 3 Months Ended Quarterly Only No 4th Quarter (f)
27	Net Utility Operating Income (Carried forward from page 114)		185,031,573	170,041,369		
28	Other Income and Deductions					
29	Other Income					
30	Nonutilty Operating Income					
31	Revenues From Merchandising, Jobbing and Contract Work (415)		22,937,953	25,451,084		
32	(Less) Costs and Exp. of Merchandising, Job. & Contract Work (416)		22,613,955	24,848,639		
33	Revenues From Nonutility Operations (417)		8,799,981	13,060,392		
34	(Less) Expenses of Nonutility Operations (417.1)		9,225,299	13,547,752		
35	Nonoperating Rental Income (418)		2,142,818	2,218,028		
36	Equity in Earnings of Subsidiary Companies (418.1)	119	52,989,439	58,808,715		
37	Interest and Dividend Income (419)		8,243,880	5,130,491		
38	Allowance for Other Funds Used During Construction (419.1)		2,070,119	1,076,956		
39	Miscellaneous Nonoperating Income (421)		3,647	-95,301		
40	Gain on Disposition of Property (421.1)		2,127,958	949,538		
41	TOTAL Other Income (Enter Total of lines 31 thru 40)		67,476,541	68,203,512		
42	Other Income Deductions					
43	Loss on Disposition of Property (421.2)		114,177	20,792		
44	Miscellaneous Amortization (425)		278,399	217,475		
45	Donations (426.1)		544,122	268,044		
46	Life Insurance (426.2)		-488,400	-729,935		
47	Penalties (426.3)		775	939		
48	Exp. for Certain Civic, Political & Related Activities (426.4)		527,755	459,449		
49	Other Deductions (426.5)					
50	TOTAL Other Income Deductions (Total of lines 43 thru 49)		976,828	236,764		
51	Taxes Applic. to Other Income and Deductions					
52	Taxes Other Than Income Taxes (408.2)	262-263	1,046,123	1,419,182		
53	Income Taxes-Federal (409.2)	262-263				
54	Income Taxes-Other (409.2)	262-263	9,190	-75		
55	Provision for Deferred Inc. Taxes (410.2)	234, 272-277	3,512,221	9,821,341		
56	(Less) Provision for Deferred Income Taxes-Cr. (411.2)	234, 272-277	3,031,702	10,396,463		
57	Investment Tax Credit Adj.-Net (411.5)					
58	(Less) Investment Tax Credits (420)					
59	TOTAL Taxes on Other Income and Deductions (Total of lines 52-58)		1,535,832	843,985		
60	Net Other Income and Deductions (Total of lines 41, 50, 59)		64,963,881	67,122,763		
61	Interest Charges					
62	Interest on Long-Term Debt (427)		60,679,514	58,930,907		
63	Amort. of Debt Disc. and Expense (428)		984,915	966,848		
64	Amortization of Loss on Reaquired Debt (428.1)		235,980	235,980		
65	(Less) Amort. of Premium on Debt-Credit (429)					
66	(Less) Amortization of Gain on Reaquired Debt-Credit (429.1)					
67	Interest on Debt to Assoc. Companies (430)					
68	Other Interest Expense (431)		3,123,607	3,281,489		
69	(Less) Allowance for Borrowed Funds Used During Construction-Cr. (432)		629,405	336,257		
70	Net Interest Charges (Total of lines 62 thru 69)		64,394,611	63,078,967		
71	Income Before Extraordinary Items (Total of lines 27, 60 and 70)		185,600,843	174,085,165		
72	Extraordinary Items					
73	Extraordinary Income (434)					
74	(Less) Extraordinary Deductions (435)					
75	Net Extraordinary Items (Total of line 73 less line 74)					
76	Income Taxes-Federal and Other (409.3)	262-263				
77	Extraordinary Items After Taxes (line 75 less line 76)					
78	Net Income (Total of line 71 and 77)		185,600,843	174,085,165		

Name of Respondent	This Report Is:	Date of Report (Mo, Da, Yr)	Year/Period of Report
ALLETE, Inc.	(1) [X] An Original (2) [ ] A Resubmission	/ /	End of 2019/Q4

STATEMENT OF RETAINED EARNINGS

1. Do not report Lines 49-53 on the quarterly version.
2. Report all changes in appropriated retained earnings, unappropriated retained earnings, year to date, and unappropriated undistributed subsidiary earnings for the year.
3. Each credit and debit during the year should be identified as to the retained earnings account in which recorded (Accounts 433, 436 - 439 inclusive). Show the contra primary account affected in column (b)
4. State the purpose and amount of each reservation or appropriation of retained earnings.
5. List first account 439, Adjustments to Retained Earnings, reflecting adjustments to the opening balance of retained earnings. Follow by credit, then debit items in that order.
6. Show dividends for each class and series of capital stock.
7. Show separately the State and Federal income tax effect of items shown in account 439, Adjustments to Retained Earnings.
8. Explain in a footnote the basis for determining the amount reserved or appropriated. If such reservation or appropriation is to be recurrent, state the number and annual amounts to be reserved or appropriated as well as the totals eventually to be accumulated.
9. If any notes appearing in the report to stockholders are applicable to this statement, include them on pages 122-123.

Line No.	Item (a)	Contra Primary Account Affected (b)	Current Quarter/Year Year to Date Balance (c)	Previous Quarter/Year Year to Date Balance (d)
	UNAPPROPRIATED RETAINED EARNINGS (Account 216)			
1	Balance-Beginning of Period		516,233,554	493,059,944
2	Changes			
3	Adjustments to Retained Earnings (Account 439)			
4	Accounting Policy Adoption Adjustment	219		5,425,578
5				
6				
7				
8				
9	TOTAL Credits to Retained Earnings (Acct. 439)			5,425,578
10				
11				
12				
13				
14				
15	TOTAL Debits to Retained Earnings (Acct. 439)			
16	Balance Transferred from Income (Account 433 less Account 418.1)		132,611,404	115,276,450
17	Appropriations of Retained Earnings (Acct. 436)			
18				
19				
20				
21				
22	TOTAL Appropriations of Retained Earnings (Acct. 436)			
23	Dividends Declared-Preferred Stock (Account 437)			
24				
25				
26				
27				
28				
29	TOTAL Dividends Declared-Preferred Stock (Acct. 437)			
30	Dividends Declared-Common Stock (Account 438)			
31	2018 Dividends			(115,028,418)
32	2019 Dividends		-121,376,646	
33				
34				
35				
36	TOTAL Dividends Declared-Common Stock (Acct. 438)		-121,376,646	(115,028,418)
37	Transfers from Acct 216.1, Unapprop. Undistrib. Subsidiary Earnings		269,914,555	17,500,000
38	Balance - End of Period (Total 1,9,15,16,22,29,36,37)		797,382,867	516,233,554
	APPROPRIATED RETAINED EARNINGS (Account 215)			
39				
40				

Name of Respondent	This Report Is:	Date of Report (Mo, Da, Yr)	Year/Period of Report
ALLETE, Inc.	(1) [X] An Original (2) [ ] A Resubmission	/ /	End of 2019/Q4

STATEMENT OF RETAINED EARNINGS

1. Do not report Lines 49-53 on the quarterly version.
2. Report all changes in appropriated retained earnings, unappropriated retained earnings, year to date, and unappropriated undistributed subsidiary earnings for the year.
3. Each credit and debit during the year should be identified as to the retained earnings account in which recorded (Accounts 433, 436 - 439 inclusive). Show the contra primary account affected in column (b)
4. State the purpose and amount of each reservation or appropriation of retained earnings.
5. List first account 439, Adjustments to Retained Earnings, reflecting adjustments to the opening balance of retained earnings. Follow by credit, then debit items in that order.
6. Show dividends for each class and series of capital stock.
7. Show separately the State and Federal income tax effect of items shown in account 439, Adjustments to Retained Earnings.
8. Explain in a footnote the basis for determining the amount reserved or appropriated. If such reservation or appropriation is to be recurrent, state the number and annual amounts to be reserved or appropriated as well as the totals eventually to be accumulated.
9. If any notes appearing in the report to stockholders are applicable to this statement, include them on pages 122-123.

Line No.	Item (a)	Contra Primary Account Affected (b)	Current Quarter/Year Year to Date Balance (c)	Previous Quarter/Year Year to Date Balance (d)
41				
42				
43				
44				
45	TOTAL Appropriated Retained Earnings (Account 215)			
	APPROP. RETAINED EARNINGS - AMORT. Reserve, Federal (Account 215.1)			
46	TOTAL Approp. Retained Earnings-Amort. Reserve, Federal (Acct. 215.1)			
47	TOTAL Approp. Retained Earnings (Acct. 215, 215.1) (Total 45,46)			
48	TOTAL Retained Earnings (Acct. 215, 215.1, 216) (Total 38, 47) (216.1)		797,382,867	516,233,554
	UNAPPROPRIATED UNDISTRIBUTED SUBSIDIARY EARNINGS (Account			
	Report only on an Annual Basis, no Quarterly			
49	Balance-Beginning of Year (Debit or Credit)		238,467,543	196,471,732
50	Equity in Earnings for Year (Credit) (Account 418.1)		52,989,439	58,808,715
51	(Less) Dividends Received (Debit)			
52			-269,914,555	(16,812,904)
53	Balance-End of Year (Total lines 49 thru 52)		21,542,427	238,467,543

STATEMENT OF CASH FLOWS

(1) Codes to be used:(a) Net Proceeds or Payments;(b)Bonds, debentures and other long-term debt; (c) Include commercial paper; and (d) Identify separately such items as investments, fixed assets, intangibles, etc.
(2) Information about noncash investing and financing activities must be provided in the Notes to the Financial statements. Also provide a reconciliation between "Cash and Cash Equivalents at End of Period" with related amounts on the Balance Sheet.
(3) Operating Activities - Other: Include gains and losses pertaining to operating activities only. Gains and losses pertaining to investing and financing activities should be reported in those activities. Show in the Notes to the Financials the amounts of interest paid (net of amount capitalized) and income taxes paid.
(4) Investing Activities: Include at Other (line 31) net cash outflow to acquire other companies. Provide a reconciliation of assets acquired with liabilities assumed in the Notes to the Financial Statements. Do not include on this statement the dollar amount of leases capitalized per the USofA General Instruction 20; instead provide a reconciliation of the dollar amount of leases capitalized with the plant cost.

Line No.	Description (See Instruction No. 1 for Explanation of Codes) (a)	Current Year to Date Quarter/Year (b)	Previous Year to Date Quarter/Year (c)
1	Net Cash Flow from Operating Activities:		
2	Net Income (Line 78(c) on page 117)	185,600,843	174,085,165
3	Noncash Charges (Credits) to Income:		
4	Depreciation and Depletion	155,565,307	154,319,948
5	Amortization of		
6	Debt Issuance Costs	1,221,944	1,203,878
7	Share-Based and RSOP Compensation Expense	2,865,213	2,702,770
8	Deferred Income Taxes (Net)	-12,918,841	-19,791,553
9	Investment Tax Credit Adjustment (Net)	-551,849	-603,818
10	Net (Increase) Decrease in Receivables	23,289,557	-2,333,698
11	Net (Increase) Decrease in Inventory	19,443	9,869,217
12	Net (Increase) Decrease in Allowances Inventory		
13	Net Increase (Decrease) in Payables and Accrued Expenses	-28,018,568	13,803,624
14	Net (Increase) Decrease in Other Regulatory Assets	-18,404,142	43,640,529
15	Net Increase (Decrease) in Other Regulatory Liabilities	-25,671,148	-59,092,473
16	(Less) Allowance for Other Funds Used During Construction	2,070,119	1,076,956
17	(Less) Undistributed Earnings from Subsidiary Companies	52,989,439	58,808,715
18	Other (provide details in footnote):	1,543,252	805,853
19	Provision (Payments) for Interim Rate Refund	-40,010,897	16,347,540
20	Provision (Payments) for Tax Reform Refund	-9,996,825	9,996,825
21			
22	Net Cash Provided by (Used in) Operating Activities (Total 2 thru 21)	179,473,731	285,068,136
23			
24	Cash Flows from Investment Activities:		
25	Construction and Acquisition of Plant (including land):		
26	Gross Additions to Utility Plant (less nuclear fuel)	-225,805,052	-180,210,919
27	Gross Additions to Nuclear Fuel		
28	Gross Additions to Common Utility Plant		
29	Gross Additions to Nonutility Plant		
30	(Less) Allowance for Other Funds Used During Construction	-2,070,119	-1,076,956
31	Other (provide details in footnote):		
32			
33			
34	Cash Outflows for Plant (Total of lines 26 thru 33)	-223,734,933	-179,133,963
35			
36	Acquisition of Other Noncurrent Assets (d)		
37	Proceeds from Disposal of Noncurrent Assets (d)		
38	Proceeds from Sale of Minnesota Power Land	2,583,178	1,407,270
39	Investments in and Advances to Assoc. and Subsidiary Companies	-263,864,655	-25,265,015
40	Contributions and Advances from Assoc. and Subsidiary Companies	270,774,181	9,903,315
41	Disposition of Investments in (and Advances to)		
42	Associated and Subsidiary Companies		
43			
44	Purchase of Investment Securities (a)	-140,252	-146,361
45	Proceeds from Sales of Investment Securities (a)	750,000	100,000

Name of Respondent	This Report Is:	Date of Report (Mo, Da, Yr)	Year/Period of Report
ALLETE, Inc.	(1) [X] An Original (2) [ ] A Resubmission	/ /	End of 2019/Q4

STATEMENT OF CASH FLOWS

(1) Codes to be used:(a) Net Proceeds or Payments;(b)Bonds, debentures and other long-term debt; (c) Include commercial paper; and (d) Identify separately such items as investments, fixed assets, intangibles, etc.
(2) Information about noncash investing and financing activities must be provided in the Notes to the Financial statements. Also provide a reconciliation between "Cash and Cash Equivalents at End of Period" with related amounts on the Balance Sheet.
(3) Operating Activities - Other: Include gains and losses pertaining to operating activities only. Gains and losses pertaining to investing and financing activities should be reported in those activities. Show in the Notes to the Financials the amounts of interest paid (net of amount capitalized) and income taxes paid.
(4) Investing Activities: Include at Other (line 31) net cash outflow to acquire other companies. Provide a reconciliation of assets acquired with liabilities assumed in the Notes to the Financial Statements. Do not include on this statement the dollar amount of leases capitalized per the USofA General Instruction 20; instead provide a reconciliation of the dollar amount of leases capitalized with the plant cost.

Line No.	Description (See Instruction No. 1 for Explanation of Codes) (a)	Current Year to Date Quarter/Year (b)	Previous Year to Date Quarter/Year (c)
46	Loans Made or Purchased		
47	Collections on Loans		
48			
49	Net (Increase) Decrease in Receivables		
50	Net (Increase) Decrease in Inventory		
51	Net (Increase) Decrease in Allowances Held for Speculation		
52	Net Increase (Decrease) in Payables and Accrued Expenses		
53	Other (provide details in footnote):	-361,202	1,223,179
54			
55			
56	Net Cash Provided by (Used in) Investing Activities		
57	Total of lines 34 thru 55)	-213,993,683	-191,911,575
58			
59	Cash Flows from Financing Activities:		
60	Proceeds from Issuance of:		
61	Long-Term Debt (b)	200,000,000	60,000,000
62	Preferred Stock		
63	Common Stock	1,846,656	24,451,678
64	Other (provide details in footnote):		
65			
66	Net Increase in Short-Term Debt (c)		
67	Other (provide details in footnote):		
68			
69			
70	Cash Provided by Outside Sources (Total 61 thru 69)	201,846,656	84,451,678
71			
72	Payments for Retirement of:		
73	Long-term Debt (b)	-42,985,070	-80,954,944
74	Preferred Stock		
75	Common Stock		
76	Other (provide details in footnote):	-966,429	-603,522
77			
78	Net Decrease in Short-Term Debt (c)		
79			
80	Dividends on Preferred Stock		
81	Dividends on Common Stock	-121,376,646	-115,028,418
82	Net Cash Provided by (Used in) Financing Activities		
83	(Total of lines 70 thru 81)	36,518,511	-112,135,206
84			
85	Net Increase (Decrease) in Cash and Cash Equivalents		
86	(Total of lines 22,57 and 83)	1,998,559	-18,978,645
87			
88	Cash and Cash Equivalents at Beginning of Period	45,755,568	64,733,213
89			
90	Cash and Cash Equivalents at End of period	47,754,127	45,754,568

Schedule Page: 120 Line No.: 18 Column: b

Net Increase (Decrease) in Other Current Assets

Prepayments	$(2,777,150)
Retirement Savings and Stock Ownership Plan Compensation Expense	2,781,376
Rent Receivable	(11,404)
Unbilled Revenue	1,558,698
Gain on Sale of Available-for-sale Securities	(8,268)
	$1,543,252

Schedule Page: 120 Line No.: 18 Column: c

Net Increase (Decrease) in Other Current Assets

Prepayments	$(2,950,257)
Retirement Savings and Stock Ownership Plan Compensation Expense	3,091,910
Rent Receivable	(30,593)
Unbilled Revenue	786,635
Deferred Fuel Adjustment Costs	(69,000)
Gain on Sale of Available-for-sale Securities	(21,842)
	$806,853

Schedule Page: 120 Line No.: 53 Column: b

Net Increase (Decrease) in Other Investments and Non-Regulatory Assets

Pension and Other Postretirement Benefit Investment Accounts (Grantor and Rabbi Trusts)	$(356,867)
Other Non-Utility Property	(4,335)
	$(361,202)

Schedule Page: 120 Line No.: 53 Column: c

Net Increase (Decrease) in Other Investments and Non-Regulatory Assets

Pension and Other Postretirement Benefit Investment Accounts (Grantor and Rabbi Trusts)	$1,628,607
Other Non-Utility Property	(405,428)
	$1,223,179

Schedule Page: 120 Line No.: 76 Column: b

Other

Debt Issuance Costs	$(966,430)

Schedule Page: 120 Line No.: 76 Column: c

Other

Debt Issuance Costs	$(603,522)

NOTES TO FINANCIAL STATEMENTS

1. Use the space below for important notes regarding the Balance Sheet, Statement of Income for the year, Statement of Retained Earnings for the year, and Statement of Cash Flows, or any account thereof. Classify the notes according to each basic statement, providing a subheading for each statement except where a note is applicable to more than one statement.
2. Furnish particulars (details) as to any significant contingent assets or liabilities existing at end of year, including a brief explanation of any action initiated by the Internal Revenue Service involving possible assessment of additional income taxes of material amount, or of a claim for refund of income taxes of a material amount initiated by the utility. Give also a brief explanation of any dividends in arrears on cumulative preferred stock.
3. For Account 116, Utility Plant Adjustments, explain the origin of such amount, debits and credits during the year, and plan of disposition contemplated, giving references to Cormmission orders or other authorizations respecting classification of amounts as plant adjustments and requirements as to disposition thereof.
4. Where Accounts 189, Unamortized Loss on Reacquired Debt, and 257, Unamortized Gain on Reacquired Debt, are not used, give an explanation, providing the rate treatment given these items. See General Instruction 17 of the Uniform System of Accounts.
5. Give a concise explanation of any retained earnings restrictions and state the amount of retained earnings affected by such restrictions.
6. If the notes to financial statements relating to the respondent company appearing in the annual report to the stockholders are applicable and furnish the data required by instructions above and on pages 114-121, such notes may be included herein.
7. For the 3Q disclosures, respondent must provide in the notes sufficient disclosures so as to make the interim information not misleading. Disclosures which would substantially duplicate the disclosures contained in the most recent FERC Annual Report may be omitted.
8. For the 3Q disclosures, the disclosures shall be provided where events subsequent to the end of the most recent year have occurred which have a material effect on the respondent. Respondent must include in the notes significant changes since the most recently completed year in such items as: accounting principles and practices; estimates inherent in the preparation of the financial statements; status of long-term contracts; capitalization including significant new borrowings or modifications of existing financing agreements; and changes resulting from business combinations or dispositions. However were material contingencies exist, the disclosure of such matters shall be provided even though a significant change since year end may not have occurred.
9. Finally, if the notes to the financial statements relating to the respondent appearing in the annual report to the stockholders are applicable and furnish the data required by the above instructions, such notes may be included herein.

PAGE 122 INTENTIONALLY LEFT BLANK
SEE PAGE 123 FOR REQUIRED INFORMATION.

Abbreviations and acronyms used in the text are defined beginning on page 123.63 of this FERC Form 1.

NOTE 1. OPERATIONS AND SIGNIFICANT ACCOUNTING POLICIES

Financial Statement Preparation. References in this report to “we,” “us,” and “our” are to ALLETE and its subsidiaries, collectively. We prepare our financial statements in conformity with GAAP. These principles require management to make informed judgments, best estimates, and assumptions that affect the reported amounts of assets, liabilities, revenue and expenses. Actual results could differ from those estimates.

Subsequent Events. The Company performed an evaluation of subsequent events for potential recognition and disclosure through the time of the financial statements issuance. Our financial position, results of operations and cash flows were not impacted during the year ended December 31, 2019, by the ongoing COVID-19 pandemic; however, this pandemic has resulted in widespread impacts on the global economy and on our employees, customers, contractors, and suppliers. There is considerable uncertainty regarding the extent to which COVID-19 will spread and the extent and duration of measures to try to contain the virus, such as travel bans and restrictions, quarantines, shelter-in-place orders (including those in effect in areas our businesses operate), and business and government shutdowns.

Principles of Consolidation. Our Consolidated Financial Statements include the accounts of ALLETE, all of our majority-owned subsidiary companies and variable interest entities of which ALLETE is the primary beneficiary. All material intercompany balances and transactions have been eliminated in consolidation.

Variable Interest Entities. The accounting guidance for “Variable Interest Entities” (VIE) is a consolidation model that considers if a company has a variable interest in a VIE. A VIE is a legal entity that possesses any of the following conditions: the entity’s equity at risk is not sufficient to permit the legal entity to finance its activities without additional subordinated financial support, equity owners are unable to direct the activities that most significantly impact the legal entity’s economic performance (or they possess disproportionate voting rights in relation to the economic interest in the legal entity), or the equity owners lack the obligation to absorb the legal entity’s expected losses or the right to receive the legal entity’s expected residual returns. Entities are required to consolidate a VIE when it is determined that they have a controlling financial interest in a VIE and therefore, are the primary beneficiary of that VIE, as defined by the accounting guidance for “Variable Interest Entities.” In determining whether ALLETE is the primary beneficiary of a VIE, management considers whether ALLETE has the power to direct the most significant activities of the VIE and is obligated to absorb losses or receive the expected residual returns that are significant to the VIE. The accounting guidance for VIEs applies to certain ALLETE Clean Energy wind energy facilities. (See *Tax Equity Financing*.)

Business Segments. We present three reportable segments: Regulated Operations, ALLETE Clean Energy and U.S. Water Services. Our segments were determined in accordance with the guidance on segment reporting. We measure performance of our operations through budgeting and monitoring of contributions to consolidated net income by each business segment.

Regulated Operations includes our regulated utilities, Minnesota Power and SWL&P, as well as our investment in ATC, a Wisconsin-based regulated utility that owns and maintains electric transmission assets in portions of Wisconsin, Michigan, Minnesota and Illinois. Minnesota Power provides regulated utility electric service in northeastern Minnesota to approximately 145,000 retail customers. Minnesota Power also has 15 non-affiliated municipal customers in Minnesota. SWL&P is a Wisconsin utility and a wholesale customer of Minnesota Power. SWL&P provides regulated utility electric, natural gas and water service in northwestern Wisconsin to approximately 15,000 electric customers, 13,000 natural gas customers and 10,000 water customers. Our regulated utility operations include retail and wholesale activities under the jurisdiction of state and federal regulatory authorities.

NOTE 1. OPERATIONS AND SIGNIFICANT ACCOUNTING POLICIES (Continued)

ALLETE Clean Energy focuses on developing, acquiring, and operating clean and renewable energy projects. ALLETE Clean Energy currently owns and operates, in five states, approximately 660 MW of nameplate capacity wind energy generation that is contracted under PSAs of various durations. In addition, ALLETE Clean Energy currently has approximately 380 MW of wind energy facilities under construction that it will own and operate with long-term PSAs in place. ALLETE Clean Energy also engages in the development of wind energy facilities to operate under long-term PSAs or for sale to others upon completion.

U.S. Water Services provided integrated water management for industry by combining chemical, equipment, engineering and service for customized solutions to reduce water and energy usage, and improve efficiency. On March 26, 2019, the Company sold U.S. Water Services to a subsidiary of Kurita Water Industries Ltd. pursuant to a stock purchase agreement for approximately $270 million in cash, net of transaction costs and cash retained.

Corporate and Other is comprised of BNI Energy, our investment in Nobles 2, ALLETE Properties, other business development and corporate expenditures, unallocated interest expense, a small amount of non-rate base generation, approximately 4,000 acres of land in Minnesota, and earnings on cash and investments.

BNI Energy mines and sells lignite coal to two North Dakota mine-mouth generating units, one of which is Square Butte. In 2019, Square Butte supplied 50 percent (227.5 MW) of its output to Minnesota Power under long-term contracts. (See Note 9. Commitments, Guarantees and Contingencies.)

Our investment in Nobles 2 represents a 49 percent equity interest in Nobles 2, the entity that will own and operate a 250 MW wind energy facility in southwestern Minnesota pursuant to a 20-year PPA with Minnesota Power.

ALLETE Properties represents our legacy Florida real estate investment. Our strategy incorporates the possibility of a bulk sale of the entire ALLETE Properties portfolio. Proceeds from a bulk sale would be strategically deployed to support growth at our Regulated Operations and ALLETE Clean Energy. ALLETE Properties continues to pursue sales of individual parcels over time and will continue to maintain key entitlements and infrastructure.

Cash, Cash Equivalents and Restricted Cash. We consider all investments purchased with original maturities of three months or less to be cash equivalents. As of December 31, 2019, restricted cash amounts included in Prepayments and Other on the Consolidated Balance Sheet include collateral deposits required under an ALLETE Clean Energy loan agreement. In prior periods presented, the amounts also include U.S. Water Services' standby letters of credit. The restricted cash amounts included in Other Non-Current Assets represent collateral deposits required under an ALLETE Clean Energy loan agreement, PSAs and a tax equity financing agreement. In prior periods presented, the amounts also include deposits from a SWL&P customer in aid of future capital expenditures. The following table provides a reconciliation of cash, cash equivalents and restricted cash reported within the Consolidated Balance Sheet that aggregate to the amounts presented in the Consolidated Statement of Cash Flows.

Cash, Cash Equivalents and Restricted Cash	December 31, 2019	December 31, 2018	December 31, 2017
Millions			
Cash and Cash Equivalents	$69.3	$69.1	$98.9
Restricted Cash included in Prepayments and Other	2.8	1.3	2.6
Restricted Cash included in Other Non-Current Assets	20.4	8.6	8.6
Cash, Cash Equivalents and Restricted Cash on the Consolidated Statement of Cash Flows	$92.5	$79.0	$110.1

NOTE 1. OPERATIONS AND SIGNIFICANT ACCOUNTING POLICIES (Continued)

Supplemental Statement of Cash Flow Information.

Consolidated Statement of Cash Flows

Year Ended December 31	**2019**	**2018**	**2017**
Millions			
Cash Paid During the Period for Interest – Net of Amounts Capitalized	$63.5	$66.0	$64.5
Recognition of Right-of-use Assets and Lease Liabilities *(a)*	$28.7	—	—
Remeasurement of Deferred Income Taxes Resulting from the TCJA			
Increase in Regulatory Assets	—	—	$80.9
Decrease in Investment in ATC	—	—	$(27.9)
Decrease in Deferred Income Taxes	—	—	$(353.6)
Increase in Regulatory Liabilities	—	—	$393.6
Noncash Investing and Financing Activities			
Increase (Decrease) in Accounts Payable for Capital Additions to Property, Plant and Equipment	$33.9	$(0.1)	$67.2
Reclassification of Property, Plant and Equipment to Inventory *(b)*	—	$46.3	—
Capitalized Asset Retirement Costs	$20.7	$14.2	$(15.6)
AFUDC–Equity	$2.3	$1.2	$1.2
ALLETE Common Stock Contributed to Pension Plans	—	—	$13.5

(a) See Leases.

(b) In February 2018, Montana-Dakota Utilities exercised its option to purchase the Thunder Spirit II wind energy facility upon completion, resulting in a reclassification from Property, Plant and Equipment – Net to Inventories – Net for project costs incurred in the prior year. On the Consolidated Statement of Cash Flows, the sale of the wind energy facility in the fourth quarter of 2018 resulted in Operating Activities – Inventories increasing by $46.3 million in 2018 due to the project costs incurred in the prior year.

Accounts Receivable. Accounts receivable are reported on the Consolidated Balance Sheet net of an allowance for doubtful accounts. The allowance is based on our evaluation of the receivable portfolio under current conditions, overall portfolio quality, review of specific situations and such other factors that, in our judgment, deserve recognition in estimating losses.

Accounts Receivable

As of December 31	**2019**	**2018**
Millions		
Trade Accounts Receivable *(a)*		
Billed	$77.2	$121.7
Unbilled	20.1	24.4
Less: Allowance for Doubtful Accounts	0.9	1.7
Total Accounts Receivable	$96.4	$144.4

(a) On March 26, 2019, ALLETE sold U.S. Water Services which resulted in the removal of the related accounts receivable from the Consolidated Balance Sheet.

NOTE 1. OPERATIONS AND SIGNIFICANT ACCOUNTING POLICIES (Continued)

Concentration of Credit Risk. We are subject to concentration of credit risk primarily as a result of accounts receivable. Minnesota Power sells electricity to eight Large Power Customers. Receivables from these customers totaled $7.8 million as of December 31, 2019 ($11.7 million as of December 31, 2018). Minnesota Power does not obtain collateral to support utility receivables, but monitors the credit standing of major customers. In addition, Minnesota Power, as permitted by the MPUC, requires its taconite-producing Large Power Customers to pay weekly for electric usage based on monthly energy usage estimates, which allows us to closely manage collection of amounts due. One of these customers accounted for 12 percent of consolidated operating revenue in 2019 (10 percent in 2018 and 2017).

Long-Term Finance Receivables. Long-term finance receivables relating to our real estate operations are collateralized by property sold, accrue interest at market-based rates and are net of an allowance for doubtful accounts. We assess delinquent finance receivables by comparing the balance of such receivables to the estimated fair value of the collateralized property. If the fair value of the property is less than the finance receivable, we record a reserve for the difference. We estimate fair value based on recent property tax assessed values or current appraisals.

Available-for-Sale Securities. Available-for-sale debt and equity securities are recorded at fair value. Unrealized gains and losses on available-for-sale debt securities are included in accumulated other comprehensive income (loss), net of tax. Unrealized gains and losses on available-for-sale equity securities are recognized in earnings. We use the specific identification method as the basis for determining the cost of securities sold.

Inventories – Net. Inventories are stated at the lower of cost or net realizable value. Inventories in our Regulated Operations segment are carried at an average cost or first-in, first-out basis. Inventories in our ALLETE Clean Energy segment and Corporate and Other businesses are carried at an average cost, first-in, first-out or specific identification basis.

Inventories – Net **As of December 31**	**2019**	**2018**
Millions		
Fuel *(a)*	$25.9	$26.0
Materials and Supplies	46.9	44.2
Raw Materials *(b)*	—	2.8
Work in Progress *(b)*	—	6.1
Finished Goods *(b)*	—	8.4
Reserve for Obsolescence *(b)*	—	(0.8)
Total Inventories – Net	$72.8	$86.7

(a) Fuel consists primarily of coal inventory at Minnesota Power.

(b) On March 26, 2019, ALLETE sold U.S. Water Services which resulted in the removal of the related inventory items from the Consolidated Balance Sheet.

NOTE 1. OPERATIONS AND SIGNIFICANT ACCOUNTING POLICIES (Continued)

Property, Plant and Equipment. Property, plant and equipment are recorded at original cost and are reported on the Consolidated Balance Sheet net of accumulated depreciation. Expenditures for additions, significant replacements, improvements and major plant overhauls are capitalized; maintenance and repair costs are expensed as incurred. Gains or losses on property, plant and equipment for Corporate and Other operations are recognized when they are retired or otherwise disposed. When property, plant and equipment in our Regulated Operations and ALLETE Clean Energy segments are retired or otherwise disposed, no gain or loss is recognized in accordance with the accounting standards for component depreciation except for certain circumstances where the retirement is unforeseen or unexpected. Our Regulated Operations capitalize AFUDC, which includes both an interest and equity component. AFUDC represents the cost of both debt and equity funds used to finance utility plant additions during construction periods. AFUDC amounts capitalized are included in rate base and are recovered from customers as the related property is depreciated. Upon MPUC approval of cost recovery, the recognition of AFUDC ceases. (See Note 2. Property, Plant and Equipment.)

We believe that long-standing ratemaking practices approved by applicable state and federal regulatory commissions allow for the recovery of the remaining book value of retired plant assets. In 2015, Minnesota Power retired Taconite Harbor Unit 3 and converted Laskin to operate on natural gas. Minnesota Power's 2015 IRP contained steps in Minnesota Power's *EnergyForward* plan including the economic idling of Taconite Harbor Units 1 and 2 in 2016, and the ceasing of coal-fired operations at Taconite Harbor in 2020. (See Note 4. Regulatory Matters.) The MPUC order for the 2015 IRP also directed Minnesota Power to retire Boswell Units 1 and 2 no later than 2022. Minnesota Power retired Boswell Units 1 and 2 in the fourth quarter of 2018. As part of the 2016 general retail rate case, the MPUC allowed recovery of the remaining book value of Boswell Units 1 and 2 through 2022. We do not expect to record any impairment charge as a result of the retirement of Taconite Harbor Unit 3, the ceasing of coal-fired operations at Taconite Harbor Units 1 and 2 or the conversion of Laskin to operate on natural gas. In addition, we expect to be able to continue depreciating these assets for at least their established remaining useful lives; however, we are unable to predict the impact of regulatory outcomes resulting in changes to their established remaining useful lives.

ALLETE Clean Energy Asset Acquisition. On May 3, 2019, ALLETE Clean Energy acquired the Diamond Spring wind project in Oklahoma from Apex Clean Energy. ALLETE Clean Energy will build, own and operate the approximately 300 MW wind energy facility. The Diamond Spring wind project is fully contracted to sell wind power under long-term power sales agreements. Construction is expected to be completed in late 2020.

Impairment of Long-Lived Assets. We review our long-lived assets for indicators of impairment in accordance with the accounting standards for property, plant and equipment on a quarterly basis. This includes our property, plant and equipment (see *Property, Plant and Equipment*) and land inventory. Land inventory is accounted for as held for use and is recorded at cost, unless the carrying value is determined not to be recoverable in accordance with the accounting standards for property, plant and equipment, in which case the land inventory is written down to estimated fair value.

In accordance with the accounting standards for property, plant and equipment, if indicators of impairment exist, we test our long-lived assets for recoverability by comparing the carrying amount of the asset to the undiscounted future net cash flows expected to be generated by the asset. Cash flows are assessed at the lowest level of identifiable cash flows. The undiscounted future net cash flows are impacted by trends and factors known to us at the time they are calculated and our expectations related to: management's best estimate of future use; sales prices; holding period and timing of sales; method of disposition; and future expenditures necessary to maintain the operations.

In 2019, 2018, and 2017, there were no indicators of impairment for our property, plant, and equipment or land inventory. As a result, no impairment was recorded in 2019, 2018 or 2017.

Derivatives. ALLETE is exposed to certain risks relating to its business operations that can be managed through the use of derivative instruments. ALLETE may enter into derivative instruments to manage those risks including interest rate risk related to certain variable-rate borrowings.

NOTE 1. OPERATIONS AND SIGNIFICANT ACCOUNTING POLICIES (Continued)

Accounting for Stock-Based Compensation. We apply the fair value recognition guidance for share-based payments. Under this guidance, we recognize stock-based compensation expense for all share-based payments granted, net of an estimated forfeiture rate. (See Note 13. Employee Stock and Incentive Plans.)

Other Non-Current Assets

As of December 31	**2019**	**2018**
Millions		
Contract Assets *(a)*	$28.0	$30.7
Finance Receivable *(b)*	—	10.4
Operating Lease Right-of-use Assets *(c)*	28.6	—
ALLETE Properties	21.9	24.4
Restricted Cash	20.4	8.6
Other Postretirement Benefit Plans	37.5	0.4
Other	80.8	77.9
Total Other Non-Current Assets	$217.2	$152.4

(a) Contract Assets include payments made to customers as an incentive to execute or extend service agreements. The contract payments are being amortized over the term of the respective agreements as a reduction to revenue.
(b) Finance Receivable related to the 2016 sale of Ormond Crossings and Lake Swamp, which was collected in the second quarter of 2019.
(c) See Leases.

Other Current Liabilities

As of December 31	**2019**	**2018**
Millions		
Provision for Interim Rate Refund *(a)*	—	$40.0
PSAs	$12.3	12.6
Contract Liabilities *(b)*	—	7.6
Provision for Tax Reform Refund *(c)*	0.2	10.7
Contingent Consideration *(d)*	—	3.8
Operating Lease Liabilities *(e)*	6.9	—
Other	41.0	53.8
Total Other Current Liabilities	$60.4	$128.5

(a) Provision for Interim Rate Refund was refunded to Minnesota Power's retail customers in the second quarter of 2019.
(b) Contract Liabilities consist of deposits received as a result of entering into contracts with our customers prior to completing our performance obligations.
(c) Provision for Tax Reform Refund related to the income tax benefits of the TCJA in 2018 was refunded to Minnesota Power customers in the first quarter of 2019 and is being returned to SWL&P customers through 2020.
(d) Contingent Consideration related to the earnings-based payment resulting from the U.S. Water Services acquisition was paid in the first quarter of 2019.
(e) See Leases.

NOTE 1. OPERATIONS AND SIGNIFICANT ACCOUNTING POLICIES (Continued)

Other Non-Current Liabilities As of December 31	2019	2018
Millions		
Asset Retirement Obligation	$160.3	$138.6
PSAs	64.6	76.9
Operating Lease Liabilities *(a)*	21.8	—
Other	46.3	47.1
Total Other Non-Current Liabilities	$293.0	$262.6

(a) See Leases.

Leases.

We determine if a contract is, or contains, a lease at inception and recognize a right-of-use asset and lease liability for all leases with a term greater than 12 months. Our right-of-use assets and lease liabilities for operating leases are included in Other Non-Current Assets, Other Current Liabilities and Other Non-Current Liabilities, respectively, in our Consolidated Balance Sheet. We currently do not have any finance leases.

Right-of-use assets represent our right to use an underlying asset for the lease term and lease liabilities represent the obligation to make lease payments arising from the lease. Operating lease right-of-use assets and lease liabilities are recognized at the commencement date based on the estimated present value of lease payments over the lease term. As our leases do not provide an explicit rate, we determine the present value of future lease payments based on our estimated incremental borrowing rate using information available at the lease commencement date. The operating lease right-of-use asset includes lease payments to be made during the lease term and any lease incentives, as applicable.

Our leases may include options to extend or buy out the lease at certain points throughout the term, and if it is reasonably certain that we will exercise that option at lease commencement, we include those rental payments in our calculation of the right-of-use asset and lease liability. Lease and rent expense is recognized on a straight-line basis over the lease term. Leases with a term of 12 months or less are not recognized on the Consolidated Balance Sheet.

The majority of our operating leases are for heavy equipment, vehicles and land with fixed monthly payments which we group into two categories: Vehicles and Equipment; and Land and Other. Our largest operating lease is for the dragline at BNI Energy which includes a termination payment at the end of the lease term if we do not exercise our purchase option. The amount of this payment is $3 million and is included in our calculation of the right-of-use asset and lease liability recorded. None of our other leases contain residual value guarantees.

Additional information on the components of lease cost and presentation of cash flows were as follows:

	December 31, 2019
Millions	
Operating Lease Cost	$9.4
Other Information:	
Operating Cash Flows From Operating Leases	$9.4

NOTE 1. OPERATIONS AND SIGNIFICANT ACCOUNTING POLICIES (Continued)

Leases (Continued)

Additional information related to leases was as follows:

Millions	December 31, 2019
Balance Sheet Information Related to Leases:	
Other Non-Current Assets	$28.6
Total Operating Lease Right-of-use Assets	$28.6
Other Current Liabilities	$6.9
Other Non-Current Liabilities	21.8
Total Operating Lease Liabilities	$28.7
Weighted Average Remaining Lease Term (Years):	
Operating Leases - Vehicles and Equipment	4
Operating Leases - Land and Other	28
Weighted Average Discount Rate:	
Operating Leases - Vehicles and Equipment	3.7 %
Operating Leases - Land and Other	4.1 %

Maturities of lease liabilities were as follows:

Millions	December 31, 2019
2020	$6.6
2021	6.0
2022	5.0
2023	3.2
2024	2.9
Thereafter	11.5
Total Lease Payments Due	35.2
Less: Imputed Interest	6.5
Total Lease Obligations	28.7
Less: Current Lease Obligations	6.9
Total Long-term Lease Obligations	$21.8

Environmental Liabilities. We review environmental matters on a quarterly basis. Accruals for environmental matters are recorded when it is probable that a liability has been incurred and the amount of the liability can be reasonably estimated based on current law and existing technologies. Accruals are adjusted as assessment and remediation efforts progress, or as additional technical or legal information becomes available. Accruals for environmental liabilities are included in the Consolidated Balance Sheet at undiscounted amounts and exclude claims for recoveries from insurance or other third parties. Costs related to environmental contamination treatment and cleanup are expensed unless recoverable in rates from customers.

NOTE 1. OPERATIONS AND SIGNIFICANT ACCOUNTING POLICIES (Continued)

Revenue.

Contracts with Customers – Utility includes sales from our regulated operations for generation, transmission and distribution of electric service, and distribution of water and gas services to our customers. Also included is an immaterial amount of regulated steam generation that is used by customers in the production of paper and pulp.

Contracts with Customers – Non-utility includes sales of goods and services to customers from ALLETE Clean Energy, U.S. Water Services and our Corporate and Other businesses.

Other – Non-utility is the non-cash adjustments to revenue recognized by ALLETE Clean Energy for the amortization of differences between contract prices and estimated market prices for PSAs that were assumed during the acquisition of various wind energy facilities.

Revenue Recognition

Revenue is recognized upon transfer of control of promised goods or services to our customers in an amount that reflects the consideration we expect to receive in exchange for those products or services. Revenue is recognized net of allowance for returns and any taxes collected from customers, which are subsequently remitted to the appropriate governmental authorities. We account for shipping and handling activities that occur after the customer obtains control of goods as a cost rather than an additional performance obligation thereby recognizing revenue at time of shipment and accruing shipping and handling costs when control transfers to our customers. We have a right to consideration from our customers in an amount that corresponds directly with the value to the customer for our performance completed to date; therefore, we may recognize revenue in the amount to which we have a right to invoice.

Nature of Revenue Streams

Utility

Residential and Commercial includes sales for electric, gas or water service to customers, who have implied contracts with the utility, under rates governed by the MPUC, PSCW or FERC. Customers are billed on a monthly cycle basis and revenue is recognized for electric, gas or water service delivered during the billing period. Revenue is accrued for service provided but not yet billed at period end. Performance obligations with these customers are satisfied at time of delivery to customer meters and simultaneously consumed.

Municipal includes sales to 15 non-affiliated municipal customers in Minnesota under long-term wholesale electric contracts. All wholesale electric contracts include a termination clause requiring a three-year notice to terminate. These contracts have termination dates ranging through at least 2032, with a majority of contracts effective through at least 2024. Performance obligations with these customers are satisfied at the time energy is delivered to an agreed upon municipal substation or meter.

NOTE 1. OPERATIONS AND SIGNIFICANT ACCOUNTING POLICIES (Continued)

Industrial includes sales recognized from contracts with customers in the taconite mining, paper, pulp and secondary wood products, pipeline and other industries. Industrial sales accounted for approximately 54 percent of total regulated utility kWh sales for the year ended December 31, 2019. Within industrial revenue, Minnesota Power has eight Large Power Customer contracts, each serving requirements of 10 MW or more of customer load. These contracts automatically renew past the contract term unless a four-year advanced written notice is given. Large Power Customer contracts have earliest termination dates ranging from 2023 through 2029. We satisfy our performance obligations for these customers at the time energy is delivered to an agreed upon customer substation. Revenue is accrued for energy provided but not yet billed at period end. Based on current contracts with industrial customers, we expect to recognize minimum revenue for the fixed contract components of approximately $55 million per annum in 2020 through 2023, $20 million in 2024, and $65 million in total thereafter, which reflects the termination notice period in these contracts. When determining minimum revenue, we assume that customer contracts will continue under the contract renewal provision; however, if long-term contracts are renegotiated and subsequently approved by the MPUC or there are changes within our industrial customer class, these amounts may be impacted. Contracts with customers that contain variable pricing or quantity components are excluded from the expected minimum revenue amounts.

Other Power Suppliers includes the sale of energy under long-term PSAs with two customers as well as MISO market and liquidation sales. Expiration dates of these PSAs range from 2020 through 2028. Performance obligations with these customers are satisfied at the time energy is delivered to an agreed upon delivery point defined in the contract (generally the MISO pricing node). Based on current contracts with two customers, we expect to recognize minimum revenue for fixed contract components of approximately $3 million in 2020. Other power supplier contracts that extend beyond 2020 contain variable pricing components that prevent us from estimating future minimum revenue, and therefore are not included.

Other Revenue includes all remaining individually immaterial revenue streams for Minnesota Power and SWL&P, and is comprised of steam sales to paper and pulp mills, wheeling revenue and other sources. Revenue for steam sales to customers is recognized at the time steam is delivered and simultaneously consumed. Revenue is recognized at the time each performance obligation is satisfied.

CIP Financial Incentive reflects certain revenue that is a result of the achievement of certain objectives for our CIP financial incentives. This revenue is accounted for in accordance with the accounting standards for alternative revenue programs which allow for the recognition of revenue under an alternative revenue program if the program is established by an order from the utility's regulatory commission, the order allows for automatic adjustment of future rates, the amount of revenue recognized is objectively determinable and probable of recovery, and the revenue will be collected within 24 months following the end of the annual period in which it is recognized. CIP financial incentives are recognized in the period in which the MPUC approves the filing, which is typically mid-year.

Non-utility

ALLETE Clean Energy

Long-term PSA revenue includes all sales recognized under long-term contracts for production, curtailment, capacity and associated renewable energy credits from ALLETE Clean Energy wind energy facilities. Expiration dates of these PSAs range from 2020 through 2039. Performance obligations for these contracts are satisfied at the time energy is delivered to an agreed upon point, or production is curtailed at the request of the customer, at specified prices. Revenue from the sale of renewable energy credits is recognized at the same time the related energy is delivered to the customer when sold to the same party.

Sale of Wind Energy Facility includes revenue recognized for the design, development, construction, and sale of a wind energy facility to a customer. Performance obligations for these types of agreements are satisfied at the time the completed project is transferred to the customer at the commercial operation date. Revenue from the sale of a wind energy facility is recognized at the time of asset transfer.

NOTE 1. OPERATIONS AND SIGNIFICANT ACCOUNTING POLICIES (Continued)
Revenue (Continued)

Other is the non-cash adjustments to revenue recognized by ALLETE Clean Energy for the amortization of differences between contract prices and estimated market prices on assumed PSAs. As part of wind energy facility acquisitions, ALLETE Clean Energy assumed various PSAs that were above or below estimated market prices at the time of acquisition; the resulting differences between contract prices and estimated market prices are amortized to revenue over the remaining PSA term.

U.S. Water Services

Point-in-time revenue is recognized for purchases by customers for chemicals, consumable equipment (e.g., filters, pumps and valves) or related maintenance and repair services as the customer's usage and needs change over time. These goods and services are purchased on an as-needed basis by customers and therefore revenue can be variable. Products are shipped to customers in accordance with the terms of each purchase order, and performance obligations are satisfied at the time of shipment of goods or when services are rendered to the customer.

Contract includes monthly revenue from contracts with customers to provide chemicals, consumable equipment and services to meet customer needs during the contract period. As agreed with the customer, a fixed amount is invoiced based on the goods and services to be provided under the contract. The duration of these contracts generally range in length from three months to five years and automatically renew. A 30-day notice is required to terminate such contracts without penalty. Performance obligations are satisfied during the period as goods and service are delivered in accordance with the terms of the contract.

Capital Project includes the sale of equipment and other components assembled to create a water treatment system for a customer. These projects are provided under contracts at an agreed upon price to meet a customer's specifications and typically take less than one year to complete. In general, progress payments are received throughout the project period and are recorded as contract liabilities until performance obligations are satisfied at the time the equipment and other components are delivered to the customer's site.

Corporate and Other

Long-term Contract encompasses the sale and delivery of coal to customer generation facilities. Revenue is recognized on a monthly basis at the cost of production plus a specified profit per ton of coal delivered to the customer. Coal sales are secured under long-term coal supply agreements extending through 2037. Performance obligations are satisfied during the period as coal is delivered to customer generation facilities.

Other primarily includes revenue from BNI Energy unrelated to coal, the sale of real estate from ALLETE Properties, and non-rate base steam generation that is sold for use during production of paper and pulp. Performance obligations are satisfied when control transfers to the customer.

Payment Terms

Payment terms and conditions vary across our businesses. Aside from taconite-producing Large Power Customers, payment terms generally require payment to be made within 15 to 30 days from the end of the period that the service has been rendered or goods provided. In the case of its taconite-producing Large Power Customers, as permitted by the MPUC, Minnesota Power requires weekly payments for electric usage based on monthly energy usage estimates. These customers receive estimated bills based on Minnesota Power's estimate of the customers' energy usage, forecasted energy prices and fuel adjustment clause estimates. Minnesota Power's taconite-producing Large Power Customers have generally predictable energy usage on a weekly basis and any differences that occur are trued-up the following month. Due to the timing difference of revenue recognition from the timing of invoicing and payment, the customer receives credit for the time value of money; however, we have determined that our contracts do not include a significant financing component as the period between when we transfer the service to the customer and when they pay for such service is minimal.

NOTE 1. OPERATIONS AND SIGNIFICANT ACCOUNTING POLICIES (Continued)
Revenue (Continued)

Assets Recognized From the Costs to Obtain a Contract with a Customer

We recognize as an asset the incremental costs of obtaining a contract with a customer if we expect the benefit of those costs to be longer than one year. We expense incremental costs when the asset that would have resulted from capitalizing these costs would have been amortized in one year or less. As of December 31, 2019, we have $28.0 million of assets recognized for costs incurred to obtain contracts with our customers ($30.7 million as of December 31, 2018). Management determined the amount of costs to be recognized as assets based on actual costs incurred and paid to obtain and fulfill these contracts to provide goods and services to our customers. Assets recognized to obtain contracts are amortized on a straight-line basis over the contract term as a non-cash reduction to revenue. We recognized $2.6 million of non-cash amortization for the years ended December 31, 2019 and 2018.

Operating Expenses – Other

Year Ended December 31	**2019**	**2018**	**2017**
Millions			
Change in Fair Value of Contingent Consideration *(a)*	—	$(2.0)	$(0.7)
Total Operating Expenses – Other	—	$(2.0)	$(0.7)

(a) Contingent Consideration related to the earnings-based payment resulting from the U.S. Water Services acquisition was paid in the first quarter of 2019. (See Note 7. Fair Value.)

Unamortized Discount and Premium on Debt. Discount and premium on debt are deferred and amortized over the terms of the related debt instruments using a method which approximates the effective interest method.

Tax Equity Financings. In the fourth quarter of 2019, certain subsidiaries of ALLETE entered into tax equity financings that include forming limited liability companies (LLC) with third-party investors for certain wind projects. Tax equity financings have specific terms that dictate distributions of cash and the allocation of tax attributes among the partners, who are divided into two categories: the sponsor and third-party investor. ALLETE subsidiaries are the sponsors in these tax equity financings. The distributions of cash and allocation of tax attributes in these financings are generally different than the underlying percentage ownership interests in the related LLC. A disproportionate share of tax attributes (including accelerated depreciation and production tax credits) are allocated to third-party investors in order to achieve targeted after-tax rates of return, or target yield, from project operations, while a disproportionate share of cash distributions are made to the sponsor.

The target yield and terms vary by financing agreement, by third-party investor, and sponsor project. Once the third-party investor's target yield has been achieved, a "flip point" is recognized. Prior to the flip point, tax attributes are disproportionately allocated to the third-party investor with cash distributions disproportionately made to the sponsor. In addition, cash distributions can be temporarily increased to the third-party investors in order to meet cumulative distribution thresholds. After the flip point, tax attributes and cash distributions are both typically disproportionately allocated to the sponsor.

Tax equity financings impose a range of affirmative and negative covenants that are similar to what a project lender would require, such as financial reporting, insurance, maintenance and prudent operator standards. Most of these restrictions end once the flip point occurs and any other obligations of the third-party investor have been eliminated.

NOTE 1. OPERATIONS AND SIGNIFICANT ACCOUNTING POLICIES (Continued)
Tax Equity Financings (Continued)

The third-party investor’s portion of equity ownership in tax equity LLC is recorded as non-controlling interest in subsidiaries on the Consolidated Balance Sheet.

Non-Controlling Interest in Subsidiaries. Non-controlling interest in subsidiaries represents the portion of equity ownership, net income (loss), and comprehensive income (loss) in subsidiaries that is not attributable to equity holders of ALLETE.

For those wind projects with tax equity financing structures where the economic benefits are not allocated based on the underlying ownership percentage interests, we have determined that the appropriate methodology for calculating the non-controlling interest in subsidiaries balance is the hypothetical liquidation at book value (HLBV) method. The HLBV method is a balance sheet approach which reflects the substantive economic arrangements in the tax equity financing structures.

Under the HLBV method, amounts reported as non-controlling interest in subsidiaries on the Consolidated Balance Sheet represent the amounts the third-party investors would hypothetically receive at each balance sheet reporting date under the liquidation provisions of the LLC operating agreements, assuming the net assets of the wind projects were liquidated at amounts determined in accordance with GAAP and distributed to the third-party investor and sponsor. The resulting non-controlling interest in subsidiaries balance in these projects is reported as a component of equity on the Consolidated Balance Sheet.

The results of operations for these projects attributable to non-controlling interests under the HLBV method is determined as the difference in non-controlling interest in subsidiaries on the Consolidated Balance Sheet at the start and end of each reporting period, after taking into account any capital transactions between the projects and the third-party investors.

Factors used in the HLBV calculation include GAAP income, taxable income (loss), tax attributes such as accelerated depreciation and production tax credits, capital contributions, cash distributions, and the stipulated third-party investor target after-tax return specified in the tax equity LLC operating agreements. Changes in these factors could have a significant impact on the amounts that third-party investors and sponsors would receive upon a hypothetical liquidation. The use of the HLBV method to allocate income to the non-controlling interest in subsidiaries may create variability in our results of operations as the application of the HLBV method can drive variability in net income or loss attributable to non-controlling interest in subsidiaries from period to period.

Other Income (Expense) - Other **Year Ended December 31**	**2019**	**2018**	**2017**
Millions			
Pension and Other Postretirement Benefit Plan Non-Service Credit *(a)*	$7.7	$4.6	$3.9
Interest and Investment Earnings	4.4	0.5	1.8
AFUDC - Equity	2.3	1.2	1.2
Gain (Loss) on Land Sales	2.1	0.9	(0.5)
Other	2.2	0.6	(0.1)
Total Other Income (Expense) - Other	$18.7	$7.8	$6.3

(a) These are components of net periodic pension and other postretirement benefit cost other than service cost. (See Note 12. Pension and Other Postretirement Benefit Plans.)

Income Taxes. ALLETE and its subsidiaries file a consolidated federal income tax return as well as combined and separate state income tax returns. We account for income taxes using the liability method in accordance with GAAP for income taxes. Under the liability method, deferred income tax assets and liabilities are established for all temporary differences in the book and tax basis of assets and liabilities, based upon enacted tax laws and rates applicable to the periods in which the taxes become payable.

NOTE 1. OPERATIONS AND SIGNIFICANT ACCOUNTING POLICIES (Continued)

Income Taxes (Continued)

Due to the effects of regulation on Minnesota Power and SWL&P, certain adjustments made to deferred income taxes are, in turn, recorded as regulatory assets or liabilities. Federal investment tax credits have been recorded as deferred credits and are being amortized to income tax expense over the service lives of the related property. In accordance with GAAP for uncertainty in income taxes, we are required to recognize in our financial statements the largest tax benefit of a tax position that is “more-likely-than-not” to be sustained on audit, based solely on the technical merits of the position as of the reporting date. The term “more-likely-than-not” means more than 50 percent likely. (See Note 11. Income Tax Expense.)

Excise Taxes. We collect excise taxes from our customers levied by government entities. These taxes are stated separately on the billing to the customer and recorded as a liability to be remitted to the government entity. We account for the collection and payment of these taxes on a net basis.

New Accounting Pronouncements.

Recently Adopted Pronouncements

Disclosure Update and Simplification. In November 2018, the SEC adopted amendments to certain disclosure requirements. The amendments adopted include requirements that interim financial statements should include comparative statements for the same period in the prior financial year, except that the requirement for comparative balance sheet information may be satisfied by presenting the year-end balance sheet. It further includes a requirement analyzing the changes in each caption of shareholders’ equity either separately in a note or on the face of the financial statement. These amendments were effective for ALLETE in the first quarter of 2019. We have included the presentation of our Statement of Shareholders’ Equity to meet these requirements.

Leases. In 2016, the FASB issued an accounting standard update which revised the existing guidance for leases. Under the revised guidance, lessees are required to recognize right-of-use assets and lease liabilities on the Consolidated Balance Sheet for leases with terms greater than 12 months. The new standard also requires additional qualitative and quantitative disclosures by lessees and lessors to enable users of the financial statements to assess the amount, timing and uncertainty of cash flows arising from leases. The accounting for leases by lessors and the recognition, measurement and presentation of expenses and cash flows from leases is not expected to significantly change as a result of the new guidance. The Company adopted this guidance in the first quarter of 2019 using the optional transition method and the package of practical expedients, which allowed for the adoption of the standard as of January 1, 2019, without restating previously disclosed information. Management elected the optional transition method of adoption due to the overall immateriality of the balance sheet gross up in the period of adoption. The package of practical expedients allowed management to not reassess the lease classification for leases, including those that had expired during the periods presented or that still existed at the time of adoption. We have included additional disclosures in the notes to the consolidated financial statements.

NOTE 2. PROPERTY, PLANT AND EQUIPMENT

Property, Plant and Equipment As of December 31	2019	2018
Millions		
Regulated Operations		
Property, Plant and Equipment in Service	$4,555.8	$4,490.6
Construction Work in Progress	383.6	251.1
Accumulated Depreciation	(1,635.3)	(1,549.6)
Regulated Operations – Net	3,304.1	3,192.1
ALLETE Clean Energy		
Property, Plant and Equipment in Service	686.0	488.4
Construction Work in Progress	351.3	164.5
Accumulated Depreciation	(86.8)	(73.0)
ALLETE Clean Energy – Net	950.5	579.9
U.S. Water Services *(a)*		
Property, Plant and Equipment in Service	—	30.1
Accumulated Depreciation	—	(14.0)
U.S. Water Services – Net	—	16.1
Corporate and Other *(b)*		
Property, Plant and Equipment in Service	231.9	214.3
Construction Work in Progress	3.8	6.6
Accumulated Depreciation	(113.3)	(104.6)
Corporate and Other – Net	122.4	116.3
Property, Plant and Equipment – Net	$4,377.0	$3,904.4

(a) On March 26, 2019, ALLETE completed the sale of U.S. Water Services. (See Note 1. Operations and Significant Accounting Policies.)

(b) Primarily includes BNI Energy and a small amount of non-rate base generation.

Depreciation is computed using the straight-line method over the estimated useful lives of the various classes of assets.

Estimated Useful Lives of Property, Plant and Equipment (Years)			
Regulated Operations			
Generation	4 to 50	ALLETE Clean Energy	5 to 35
Transmission	52 to 71	Corporate and Other	3 to 50
Distribution	19 to 68		

Asset Retirement Obligations. We recognize, at fair value, obligations associated with the retirement of certain tangible, long-lived assets that result from the acquisition, construction, development or normal operation of the asset. Asset retirement obligations (AROs) relate primarily to the decommissioning of our coal-fired and wind energy facilities, and land reclamation at BNI Energy. AROs are included in Other Non-Current Liabilities on the Consolidated Balance Sheet. The associated retirement costs are capitalized as part of the related long-lived asset and depreciated over the useful life of the asset. Removal costs associated with certain distribution and transmission assets have not been recognized, as these facilities have indeterminate useful lives.

NOTE 2. PROPERTY, PLANT AND EQUIPMENT
Asset Retirement Obligations. (Continued)

Conditional asset retirement obligations have been identified for treated wood poles and remaining polychlorinated biphenyl and asbestos-containing assets; however, the period of remediation is indeterminable and removal liabilities have not been recognized.

Long-standing ratemaking practices approved by applicable state and federal regulatory authorities have allowed provisions for future plant removal costs in depreciation rates. These plant removal cost recoveries are classified either as AROs or as a regulatory liability for non-AROs. To the extent annual accruals for plant removal costs differ from accruals under approved depreciation rates, a regulatory asset has been established in accordance with GAAP for AROs. (See Note 4. Regulatory Matters.)

Asset Retirement Obligations

Millions	
Obligation as of December 31, 2017	$122.7
Accretion	7.0
Liabilities Settled	(5.3)
Revisions in Estimated Cash Flows	14.2
Obligation as of December 31, 2018	138.6
Accretion	7.2
Liabilities Recognized	1.4
Liabilities Settled	(4.6)
Revisions in Estimated Cash Flows	17.7
Obligation as of December 31, 2019	$160.3

NOTE 3. JOINTLY-OWNED FACILITIES AND ASSETS

Boswell Unit 4. Minnesota Power owns 80 percent of the 585 MW Boswell Unit 4. While Minnesota Power operates the plant, certain decisions about the operations of Boswell Unit 4 are subject to the oversight of a committee on which it and WPPI Energy, the owner of the remaining 20 percent, have equal representation and voting rights. Each owner must provide its own financing and is obligated to its ownership share of operating costs. Minnesota Power's share of operating expenses for Boswell Unit 4 is included in Operating Expenses on the Consolidated Statement of Income.

CapX2020. Minnesota Power was a participant in the CapX2020 initiative which represented an effort to ensure electric transmission and distribution reliability in Minnesota and the surrounding region for the future. CapX2020, which consisted of electric cooperatives and municipal and investor-owned utilities, including Minnesota's largest transmission owners, assessed the transmission system and projected growth in customer demand for electricity through 2020. Minnesota Power participated in certain CapX2020 projects which were completed and placed in service by 2015.

NOTE 3. JOINTLY-OWNED FACILITIES AND ASSETS (Continued)

Minnesota Power's investments in jointly-owned facilities and assets and the related ownership percentages are as follows:

Regulated Utility Plant	Plant in Service	Accumulated Depreciation	Construction Work in Progress	% Ownership
Millions				
As of December 31, 2019				
Boswell Unit 4	$662.7	$258.9	$5.7	80
CapX2020	101.0	13.5	—	9.3 - 14.7
Total	$763.7	$272.4	$5.7	
As of December 31, 2018				
Boswell Unit 4	$650.1	$229.9	$6.4	80
CapX2020	101.0	11.0	—	9.3 - 14.7
Total	$751.1	$240.9	$6.4	

NOTE 4. REGULATORY MATTERS

Electric Rates. Entities within our Regulated Operations segment file for periodic rate revisions with the MPUC, PSCW or FERC. As authorized by the MPUC, Minnesota Power also recognizes revenue under cost recovery riders for transmission, renewable and environmental investments and expenditures. (See *Transmission Cost Recovery Rider, Renewable Cost Recovery Rider* and *Environmental Improvement Rider*.) Revenue from cost recovery riders was $31.8 million in 2019 ($103.8 million in 2018; $96.9 million in 2017). With the implementation of final rates in Minnesota Power's general rate case, certain revenue previously recognized under cost recovery riders was incorporated into base rates. (See *2016 Minnesota General Rate Case*.)

2016 Minnesota General Rate Case. The MPUC issued a March 2018 order in Minnesota Power's general rate case approving a return on common equity of 9.25 percent and a 53.81 percent equity ratio. Final rates went into effect on December 1, 2018, which results in additional revenue of approximately $13 million on an annualized basis.

2020 Minnesota General Rate Case. On November 1, 2019, Minnesota Power filed a retail rate increase request with the MPUC seeking an average increase of approximately 10.6 percent for retail customers. The rate filing seeks a return on equity of 10.05 percent and a 53.81 percent equity ratio. On an annualized basis, the requested final rate increase would generate approximately $66 million in additional revenue. In orders dated December 23, 2019, the MPUC accepted the filing as complete and authorized an annual interim rate increase of $36.1 million beginning January 1, 2020.

FERC-Approved Wholesale Rates. Minnesota Power has 15 non-affiliated municipal customers in Minnesota. SWL&P is a Wisconsin utility and a wholesale customer of Minnesota Power. All wholesale contracts include a termination clause requiring a three-year notice to terminate.

Minnesota Power's wholesale electric contract with the Nashwauk Public Utilities Commission is effective through at least December 31, 2032. No termination notice may be given for this contract prior to July 1, 2029. The wholesale electric service contract with SWL&P is effective through at least February 28, 2023. Under the agreement with SWL&P, no termination notice has been given. The rates included in these two contracts are set each July 1 based on a cost-based formula methodology, using estimated costs and a rate of return that is equal to Minnesota Power's authorized rate of return for Minnesota retail customers. The formula-based rate methodology also provides for a yearly true-up calculation for actual costs incurred.

NOTE 4. REGULATORY MATTERS (Continued)
Electric Rates (Continued)

Minnesota Power's wholesale electric contracts with 14 municipal customers are effective through varying dates ranging from 2024 through 2029. No termination notices may be given prior to three years before maturity. These contracts had fixed capacity charges through 2018; beginning in 2019, the capacity charge is determined using a cost-based formula methodology with limits on the annual change from the previous year's capacity charge. The base energy charge for each year of the contract term is set each January 1, subject to monthly adjustment, and is determined using a cost-based formula methodology.

The contract with another municipal customer expired on June 30, 2019. Minnesota Power historically provided approximately 29 MW of average monthly demand to this customer.

Transmission Cost Recovery Rider. Minnesota Power has an approved cost recovery rider in place for certain transmission investments and expenditures. In a 2016 order, the MPUC approved Minnesota Power's updated customer billing rates allowing Minnesota Power to charge retail customers on a current basis for the costs of constructing certain transmission facilities plus a return on the capital invested. On July 9, 2019, Minnesota Power filed a petition seeking MPUC approval to update the customer billing factor to include investments made for the GNTL. (See Note 9. Commitments, Guarantees and Contingencies.)

Renewable Cost Recovery Rider. Minnesota Power has an approved cost recovery rider for certain renewable investments and expenditures. The cost recovery rider allows Minnesota Power to charge retail customers on a current basis for the costs of certain renewable investments plus a return on the capital invested. Current customer billing rates for the renewable cost recovery rider were approved by the MPUC in a November 2018 order. On August 15, 2019, Minnesota Power filed a petition seeking MPUC approval to update the customer billing factor.

Minnesota Power also has approval for current cost recovery of investments and expenditures related to compliance with the Minnesota Solar Energy Standard. (See *Minnesota Solar Energy Standard.*) Currently, there is no approved customer billing rate for solar costs.

Environmental Improvement Rider. Minnesota Power has an approved environmental improvement rider for investments and expenditures related to the implementation of the Boswell Unit 4 mercury emissions reduction plan completed in 2015. Updated customer billing rates for the environmental improvement rider were approved by the MPUC in a November 2018 order.

Fuel Adjustment Clause Reform. In a 2017 order, the MPUC adopted a program to implement certain procedural reforms to Minnesota utilities' automatic fuel adjustment clause (FAC) for fuel and purchased power. With this order, the method of accounting for all Minnesota electric utilities changed to a monthly budgeted, forward-looking FAC with annual prudence review and true-up to actual allowed costs. On May 1, 2019, Minnesota Power filed its fuel adjustment forecast for 2020, which was accepted by the MPUC in an order dated November 14, 2019, for purposes of setting fuel adjustment clause rates for 2020, subject to a true-up filing in 2021.

2018 Wisconsin General Rate Case. In a December 2018 order, the PSCW approved a rate increase for SWL&P including a return on equity of 10.4 percent and a 55.0 percent equity ratio. Final rates went into effect January 1, 2019, which resulted in additional revenue of approximately $3 million.

NOTE 4. REGULATORY MATTERS (Continued)

Integrated Resource Plan. In a 2016 order, the MPUC approved Minnesota Power's 2015 IRP with modifications. The order accepted Minnesota Power's plans for the economic idling of Taconite Harbor Units 1 and 2 and the ceasing of coal-fired operations at Taconite Harbor in 2020, directed Minnesota Power to retire Boswell Units 1 and 2 no later than 2022, required an analysis of generation and demand response alternatives to be filed with a natural gas resource proposal, and required Minnesota Power to conduct requests for proposal for additional wind, solar and demand response resource additions. Minnesota Power retired Boswell Units 1 and 2 in the fourth quarter of 2018. Minnesota Power's next IRP filing is due October 1, 2020.

In 2017, Minnesota Power submitted a resource package to the MPUC which included requesting approval of a PPA for the output of a 250 MW wind energy facility as well as approval of a 250 MW natural gas capacity dedication agreement. The natural gas capacity dedication agreement was subject to MPUC approval of the construction of NTEC, a 525 MW to 625 MW combined-cycle natural gas-fired generating facility which will be jointly owned by Dairyland Power Cooperative and a subsidiary of ALLETE. Minnesota Power would purchase approximately 50 percent of the facility's output starting in 2025. In an order dated January 24, 2019, the MPUC approved Minnesota Power's request for approval of the NTEC natural gas capacity dedication agreement. Separately, the MPUC required a baseload retirement evaluation in Minnesota Power's next IRP filing analyzing its existing fleet, including potential early retirement scenarios of Boswell Units 3 and 4, as well as a securitization plan. On December 23, 2019, the Minnesota Court of Appeals reversed and remanded the MPUC's decision to approve certain affiliated-interest agreements. The MPUC was ordered to determine whether NTEC may have the potential for significant environmental effects and, if so, to prepare an environmental assessment worksheet before reassessing the agreements. On January 22, 2020, Minnesota Power filed a petition for further review with the Minnesota Supreme Court requesting that it review and overturn the Minnesota Court of Appeals decision. On January 8, 2019, an application for a certificate of public convenience and necessity for NTEC was submitted to the PSCW, which was approved by the PSCW at a hearing on January 16, 2020. Construction of NTEC is subject to obtaining additional permits from local, state and federal authorities. The total project cost is estimated to be approximately $700 million, of which ALLETE's portion is expected to be approximately $350 million. ALLETE's portion of NTEC project costs incurred through December 31, 2019, is approximately $12 million.

In August 2018, Minnesota Power filed a separate petition for approval of an amended PPA for the output of the 250 MW wind energy facility to be located in southwestern Minnesota which was approved in an order dated January 23, 2019. (See Note 5. Equity Investments.)

Conservation Improvement Program. Minnesota requires electric utilities to spend a minimum of 1.5 percent of gross operating revenues, excluding revenue received from exempt customers, from service provided in the state on energy CIPs each year. In 2017, the Minnesota Department of Commerce approved Minnesota Power's modified CIP triennial filing for 2017 through 2019, which outlined Minnesota Power's CIP spending and energy-saving goals for those years. Minnesota Power's CIP investment goal was $10.5 million for 2019 ($10.3 million for 2018 and 2017), with actual spending of $8.3 million in 2019 ($9.0 million in 2018; $8.1 million in 2017). The investment goal for 2020 is $10.5 million based on approval of an extension for Minnesota Power's next CIP triennial filing by the Minnesota Department of Commerce on November 26, 2019.

On April 1, 2019, Minnesota Power submitted its 2018 consolidated filing, which detailed Minnesota Power's CIP program results and requested a CIP financial incentive of $2.8 million based upon MPUC procedures, which was approved by the MPUC in an order dated July 19, 2019. In 2018, the CIP financial incentive of $3.0 million was recognized in the third quarter upon approval by the MPUC of Minnesota Power's 2017 CIP consolidated filing. CIP financial incentives are recognized in the period in which the MPUC approves the filing.

NOTE 4. REGULATORY MATTERS (Continued)

MISO Return on Equity Complaint. MISO transmission owners, including ALLETE and ATC, have an authorized return on equity of 9.88 percent, or 10.38 percent including an incentive adder for participation in a regional transmission organization, based on a November 2019 FERC order. In this order, the FERC reduced the base return on equity for regional transmission organizations as recommended by an administrative law judge with refunds ordered for prior periods, which are immaterial to ALLETE. Multiple parties to the complaint have appealed the FERC order.

Minnesota Solar Energy Standard. Minnesota law requires at least 1.5 percent of total retail electric sales, excluding sales to certain customers, to be generated by solar energy by the end of 2020. At least 10 percent of the 1.5 percent mandate must be met by solar energy generated by or procured from solar photovoltaic devices with a nameplate capacity of 40 kW or less and community solar garden subscriptions.

Minnesota Power’s solar energy supply consists of Camp Ripley, a 10 MW solar energy facility at the Camp Ripley Minnesota Army National Guard base and training facility near Little Falls, Minnesota, and a community solar garden project in northeastern Minnesota, which is comprised of a 1 MW solar array owned and operated by a third party with the output purchased by Minnesota Power and a 40 kW solar array that is owned and operated by Minnesota Power. Minnesota Power expects that Camp Ripley, the community solar garden arrays, and an increase in solar rebates will allow Minnesota Power to meet both parts of the solar mandate.

Regulatory Assets and Liabilities. Our regulated utility operations are subject to accounting guidance for the effect of certain types of regulation. Regulatory assets represent incurred costs that have been deferred as they are probable for recovery in customer rates. Regulatory liabilities represent obligations to make refunds to customers and amounts collected in rates for which the related costs have not yet been incurred. The Company assesses quarterly whether regulatory assets and liabilities meet the criteria for probability of future recovery or deferral. With the exception of the regulatory asset for Boswell Units 1 and 2 net plant and equipment, no other regulatory assets are currently earning a return. The recovery, refund or credit to rates for these regulatory assets and liabilities will occur over the periods either specified by the applicable regulatory authority or over the corresponding period related to the asset or liability.

NOTE 4. REGULATORY MATTERS (Continued)

Regulatory Assets and Liabilities As of December 31	2019	2018
Millions		
Non-Current Regulatory Assets		
Defined Benefit Pension and Other Postretirement Benefit Plans *(a)*	$212.9	$218.5
Income Taxes *(b)*	123.4	105.5
Asset Retirement Obligations *(c)*	32.0	32.6
Cost Recovery Riders *(d)*	24.7	—
Boswell 1 & 2 Net Plant and Equipment *(e)*	10.7	16.3
Manufactured Gas Plant *(f)*	8.2	8.0
PPACA Income Tax Deferral	4.8	5.0
Other	3.8	3.6
Total Non-Current Regulatory Assets	$420.5	$389.5
Current Regulatory Liabilities *(g)*		
Provision for Interim Rate Refund *(h)*	—	$40.0
Provision for Tax Reform Refund *(i)*	$0.2	10.7
Transmission Formula Rates	1.7	4.4
Total Current Regulatory Liabilities	1.9	55.1
Non-Current Regulatory Liabilities		
Income Taxes *(b)*	407.2	396.4
Wholesale and Retail Contra AFUDC *(j)*	79.3	64.4
Plant Removal Obligations *(k)*	35.5	25.1
Defined Benefit Pension and Other Postretirement Benefit Plans *(a)*	17.0	—
North Dakota Investment Tax Credits *(l)*	12.3	14.7
Conservation Improvement Program *(m)*	5.4	1.5
Cost Recovery Riders *(d)*	—	6.9
Transmission Formula Rates	—	1.6
Other	3.6	1.5
Total Non-Current Regulatory Liabilities	560.3	512.1
Total Regulatory Liabilities	$562.2	$567.2

(a) *Defined benefit pension and other postretirement items included in our Regulated Operations, which are otherwise required to be recognized in accumulated other comprehensive income as actuarial gains and losses as well as prior service costs and credits, are recognized as regulatory assets or regulatory liabilities on the Consolidated Balance Sheet. The asset or liability will decrease as the deferred items are amortized and recognized as components of net periodic benefit cost. (See Note 12. Pension and Other Postretirement Benefit Plans.)*

(b) *These costs represent the difference between deferred income taxes recognized for financial reporting purposes and amounts previously billed to our customers. The balances will primarily decrease over the remaining life of the related temporary differences.*

(c) *Asset retirement obligations will accrete and be amortized over the lives of the related property with asset retirement obligations.*

(d) *The cost recovery rider regulatory assets and liabilities are revenue not yet collected from our customers and cash collections from our customers in excess of the revenue recognized, respectively, primarily due to capital expenditures related to Bison, investment in CapX2020 projects, the Boswell Unit 4 environmental upgrade and the GNTL. The cost recovery rider regulatory assets as of December 31, 2019, will be recovered within the next two years.*

(e) *In December 2018, Minnesota Power retired Boswell Units 1 and 2 and reclassified the remaining net book value from property, plant and equipment to a regulatory asset on the Consolidated Balance Sheet. The remaining net book value is currently included in Minnesota Power's rate base and Minnesota Power is earning a return on the outstanding balance.*

NOTE 4. REGULATORY MATTERS (Continued)

(f) The manufactured gas plant regulatory asset represents costs of remediation for a former manufactured gas plant site located in Superior, Wisconsin, and formerly operated by SWL&P. We expect recovery of these remediation costs to be allowed by the PSCW in rates over time.
(g) Current regulatory liabilities are presented within Other Current Liabilities on the Consolidated Balance Sheet.
(h) This amount was refunded to Minnesota Power's regulated retail customers in the second quarter of 2019.
(i) Provision for Tax Reform Refund related to the income tax benefits of the TCJA in 2018 was refunded to Minnesota Power customers in the first quarter of 2019 and is being returned to SWL&P customers through 2020.
(j) Wholesale and retail contra AFUDC represents amortization to offset AFUDC Equity and Debt recorded during the construction period of our cost recovery rider projects prior to placing the projects in service. The regulatory liability will decrease over the remaining depreciable life of the related asset.
(k) Non-legal plant removal obligations included in retail customer rates that have not yet been incurred.
(l) North Dakota investment tax credits expected to be realized from Bison that will be credited to Minnesota Power's regulated retail customers through future renewable cost recovery rider filings as the tax credits are utilized.
(m) The conservation improvement program regulatory liability represents CIP expenditures, any financial incentive earned for cost-effective program achievements and a carrying charge deferred for future refund over the next year following MPUC approval.

NOTE 5. EQUITY INVESTMENTS

Investment in ATC. Our wholly-owned subsidiary, ALLETE Transmission Holdings, owns approximately 8 percent of ATC, a Wisconsin-based utility that owns and maintains electric transmission assets in portions of Wisconsin, Michigan, Minnesota and Illinois. We account for our investment in ATC under the equity method of accounting. For the year ended December 31, 2019, we invested $6.6 million in ATC and on January 31, 2020, we invested an additional $0.4 million in ATC. In total, we expect to invest approximately $2.7 million in 2020.

ALLETE's Investment in ATC

Year Ended December 31	**2019**	**2018**
Millions		
Equity Investment Beginning Balance	$128.1	$118.7
Cash Investments	6.6	6.2
Equity in ATC Earnings	21.7	17.5
Distributed ATC Earnings	(16.1)	(15.2)
Amortization of the Remeasurement of Deferred Income Taxes	1.3	0.9
Equity Investment Ending Balance	$141.6	$128.1

NOTE 5. EQUITY INVESTMENTS (Continued)

Investment in ATC (Continued)

ATC Summarized Financial Data

Balance Sheet Data		
As of December 31	**2019**	**2018**
Millions		
Current Assets	$84.6	$87.2
Non-Current Assets	5,244.3	4,928.8
Total Assets	$5,328.9	$5,016.0
Current Liabilities	$502.6	$640.0
Long-Term Debt	2,312.8	2,014.0
Other Non-Current Liabilities	298.9	295.3
Members' Equity	2,214.6	2,066.7
Total Liabilities and Members' Equity	$5,328.9	$5,016.0

Income Statement Data			
Year Ended December 31	**2019**	**2018**	**2017**
Millions			
Revenue	$744.4	$690.5	$721.6
Operating Expense	373.5	358.7	344.9
Other Expense	110.5	108.3	104.1
Net Income	$260.4	$223.5	$272.6
ALLETE's Equity in Net Income	$21.7	$17.5	$22.5

ATC's authorized return on equity is 9.88 percent, or 10.38 percent including an incentive adder for participation in a regional transmission organization, based on a November 2019 FERC order. (See Note 4. Regulatory Matters.)

Investment in Nobles 2. In December 2018, our wholly-owned subsidiary, ALLETE South Wind, entered into an agreement with Tenaska to purchase a 49 percent equity interest in Nobles 2, the entity that will own and operate a 250 MW wind energy facility in southwestern Minnesota pursuant to a 20-year PPA with Minnesota Power. The wind energy facility will be built in Nobles County, Minnesota and is expected to be completed in late 2020, with an estimated total project cost of approximately $350 million to $400 million. In the fourth quarter of 2019, we entered into a tax equity funding agreement to finance up to $125 million of the project costs. We account for our investment in Nobles 2 under the equity method of accounting. As of December 31, 2019, our equity investment in Nobles 2 was $56.0 million ($33.0 million at December 31, 2018). In the first quarter of 2019, Nobles 2 returned capital of $8.3 million based on its cash needs. For the year ended December 31, 2019, we invested $31.3 million in Nobles 2. We expect to invest approximately $115 million in 2020.

NOTE 6. GOODWILL AND INTANGIBLE ASSETS

As a result of completing the sale of U.S. Water Services on March 26, 2019, there was no goodwill recorded as of December 31, 2019 ($148.5 million at December 31, 2018).

The balance of intangible assets, net, for the year ended December 31, 2019:

	December 31, 2018	**Amortization**	**Other** *(b)*	**December 31, 2019**
Millions				
Intangible Assets				
Definite-Lived Intangible Assets				
Customer Relationships	$50.7	$(1.1)	$(49.6)	—
Developed Technology and Other *(a)*	7.5	(0.4)	(6.1)	$1.0
Total Definite-Lived Intangible Assets	58.2	(1.5)	(55.7)	1.0
Indefinite-Lived Intangible Assets				
Trademarks and Trade Names	16.6	n/a	(16.6)	—
Total Intangible Assets	$74.8	$(1.5)	$(72.3)	$1.0

(a) Developed Technology and Other includes land easements and trade names with finite lives.
(b) On March 26, 2019, ALLETE completed the sale of U.S. Water Services which resulted in the removal of the related intangible assets from the Consolidated Balance Sheet.

Amortization expense for intangible assets was $1.5 million for the year ended December 31, 2019 ($5.6 million for the year ended December 31, 2018). The remaining definite-lived intangible assets will continue to be amortized ratably through 2028.

NOTE 7. FAIR VALUE

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date (exit price). We utilize market data or assumptions that market participants would use in pricing the asset or liability, including assumptions about risk and the risks inherent in the inputs to the valuation technique. These inputs can be readily observable, market corroborated, or generally unobservable. We primarily apply the market approach for recurring fair value measurements and endeavor to utilize the best available information. Accordingly, we utilize valuation techniques that maximize the use of observable inputs and minimize the use of unobservable inputs. These inputs, which are used to measure fair value, are prioritized through the fair value hierarchy. The hierarchy gives the highest priority to unadjusted quoted prices in active markets for identical assets or liabilities (Level 1 measurement) and the lowest priority to unobservable inputs (Level 3 measurement). The three levels of the fair value hierarchy are as follows:

Level 1 — Quoted prices are available in active markets for identical assets or liabilities as of the reported date. Active markets are those in which transactions for the asset or liability occur in sufficient frequency and volume to provide pricing information on an ongoing basis. This category includes primarily equity securities.

NOTE 7. FAIR VALUE (Continued)

Level 2 — Pricing inputs are other than quoted prices in active markets, but are either directly or indirectly observable as of the reported date. The types of assets and liabilities included in Level 2 are typically either comparable to actively traded securities or contracts, such as treasury securities with pricing interpolated from recent trades of similar securities, or priced with models using highly observable inputs, such as commodity options priced using observable forward prices and volatilities. This category includes deferred compensation and fixed income securities.

Level 3 — Significant inputs that are generally less observable from objective sources. The types of assets and liabilities included in Level 3 are those with inputs requiring significant management judgment or estimation, such as the complex and subjective models and forecasts used to determine the fair value. This category included the U.S. Water Services contingent consideration liability.

The following tables set forth by level within the fair value hierarchy, our assets and liabilities that were accounted for at fair value on a recurring basis as of December 31, 2019, and December 31, 2018. Each asset and liability is classified based on the lowest level of input that is significant to the fair value measurement. Our assessment of the significance of a particular input to the fair value measurement requires judgment, which may affect the valuation of these assets and liabilities and their placement within the fair value hierarchy levels. The estimated fair value of Cash and Cash Equivalents listed on the Consolidated Balance Sheet approximates the carrying amount and therefore is excluded from the recurring fair value measures in the following tables.

	Fair Value as of December 31, 2019			
Recurring Fair Value Measures	**Level 1**	**Level 2**	**Level 3**	**Total**
Millions				
Assets:				
Investments *(a)*				
Available-for-sale – Equity Securities	$11.1	—	—	$11.1
Available-for-sale – Corporate and Governmental Debt Securities *(b)*	—	$9.7	—	9.7
Cash Equivalents	0.9	—	—	0.9
Total Fair Value of Assets	$12.0	$9.7	—	$21.7
Liabilities:				
Deferred Compensation *(c)*	—	$21.2	—	$21.2
Total Fair Value of Liabilities	—	$21.2	—	$21.2
Total Net Fair Value of Assets (Liabilities)	$12.0	$(11.5)	—	$0.5

(a) Included in Other Non-Current Assets on the Consolidated Balance Sheet.

(b) As of December 31, 2019, the aggregate amount of available-for-sale corporate and governmental debt securities maturing in one year or less was $2.1 million, in one year to less than three years was $7.2 million, in three years to less than five years was zero and in five or more years was $0.4 million.

(c) Included in Other Non-Current Liabilities on the Consolidated Balance Sheet.

NOTE 7. FAIR VALUE (Continued)

Recurring Fair Value Measures	Fair Value as of December 31, 2018 Level 1	Level 2	Level 3	Total
Millions				
Assets:				
Investments *(a)*				
Available-for-sale – Equity Securities	$12.2	—	—	$12.2
Available-for-sale – Corporate and Governmental Debt Securities	—	$8.0	—	8.0
Cash Equivalents	1.0	—	—	1.0
Total Fair Value of Assets	$13.2	$8.0	—	$21.2
Liabilities: *(b)*				
Deferred Compensation	—	$19.8	—	$19.8
U.S. Water Services Contingent Consideration	—	—	$3.8	3.8
Total Fair Value of Liabilities	—	$19.8	$3.8	$23.6
Total Net Fair Value of Assets (Liabilities)	$13.2	$(11.8)	$(3.8)	$(2.4)

(a) Included in Other Non-Current Assets on the Consolidated Balance Sheet.
(b) Included in Other Non-Current Liabilities on the Consolidated Balance Sheet.

The Level 3 liability in the preceding table is related to the contingent consideration liability that resulted from the 2015 acquisition of U.S. Water Services. Based on the terms and conditions of the acquisition agreement, a final payout of $3.8 million was made in the first quarter of 2019.

The Company's policy is to recognize transfers in and transfers out of Levels as of the actual date of the event or change in circumstances that caused the transfer. For the years ended December 31, 2019 and 2018, there were no transfers in or out of Levels 1, 2 or 3.

Fair Value of Financial Instruments. With the exception of the item listed in the following table, the estimated fair value of all financial instruments approximates the carrying amount. The fair value for the item listed in the following table was based on quoted market prices for the same or similar instruments (Level 2).

Financial Instruments	Carrying Amount	Fair Value
Millions		
Long-Term Debt, Including Long-Term Debt Due Within One Year		
December 31, 2019	$1,622.6	$1,791.8
December 31, 2018	$1,495.2	$1,534.6

Assets and Liabilities Measured at Fair Value on a Nonrecurring Basis. Non-financial assets such as equity method investments, goodwill, intangible assets, and property, plant and equipment are measured at fair value when there is an indicator of impairment and recorded at fair value only when an impairment is recognized.

Equity Method Investments. The aggregate carrying amount of our equity investments was $197.6 million as of December 31, 2019 ($161.1 million as of December 31, 2018). The Company assesses our equity investments in ATC and Nobles 2 for impairment whenever events or changes in circumstances indicate that the carrying amount of our investments may not be recoverable. For the years ended December 31, 2019 and 2018, there were no indicators of impairment. (See Note 5. Equity Investments.)

NOTE 7. FAIR VALUE (Continued)

Property, Plant and Equipment. The Company assesses the impairment of property, plant, and equipment whenever events or changes in circumstances indicate that the carrying amount of property, plant, and equipment assets may not be recoverable. (See Note 1. Operations and Significant Accounting Policies.) For the years ended December 31, 2019, and 2018, there was no impairment of property, plant, and equipment.

We believe that long-standing ratemaking practices approved by applicable state and federal regulatory commissions allow for the recovery of the remaining book value of retired plant assets. In a 2016 order, the MPUC accepted Minnesota Power's plans for Taconite Harbor, directed Minnesota Power to retire Boswell Units 1 and 2 no later than 2022, required an analysis of generation and demand response alternatives to be filed with a natural gas resource proposal, and required Minnesota Power to conduct request for proposals for additional wind, solar and demand response resource additions subject to further MPUC approvals. Minnesota Power retired Boswell Units 1 and 2 in the fourth quarter of 2018. As part of the 2016 general retail rate case, the MPUC allowed recovery of the remaining book value of Boswell Units 1 and 2 through 2022. We do not expect to record any impairment charge as a result of the retirement of Taconite Harbor Unit 3, ceasing of coal-fired operations at Taconite Harbor Units 1 and 2 or the conversion of Laskin to operate on natural gas. In addition, we expect to be able to continue depreciating these assets for at least their established remaining useful lives; however, we are unable to predict the impact of regulatory outcomes resulting in changes to their established remaining useful lives. (See Note 4. Regulatory Matters.)

NOTE 8. SHORT-TERM AND LONG-TERM DEBT

Short-Term Debt. As of December 31, 2019, total short-term debt outstanding was $212.9 million ($57.5 million as of December 31, 2018), consisted of long-term debt due within one year and included $0.4 million of unamortized debt issuance costs.

As of December 31, 2019, we had consolidated bank lines of credit aggregating $407.0 million ($407.0 million as of December 31, 2018), most of which expire in January 2024. We had $62.0 million outstanding in standby letters of credit and no outstanding draws under our lines of credit as of December 31, 2019 ($18.4 million in standby letters of credit and no outstanding draws as of December 31, 2018).

On January 10, 2019, ALLETE entered into an amended and restated $400 million credit agreement (Credit Agreement). The Credit Agreement amended and restated ALLETE's $400 million credit facility, which was scheduled to expire in October 2020. The Credit Agreement is unsecured, has a variable interest rate and will expire in January 2024. At ALLETE's request and subject to certain conditions, the Credit Agreement may be increased by up to$150 million and ALLETE may make two requests to extend the maturity date, each for a one-year extension. Advances may be used by ALLETE for general corporate purposes, to provide liquidity in support of ALLETE's commercial paper program and to issue up to $100 million in letters of credit.

Long-Term Debt. As of December 31, 2019, total long-term debt outstanding was $1,400.9 million ($1,428.5 million as of December 31, 2018) and included $8.4 million of unamortized debt issuance costs. The aggregate amount of long-term debt maturing in 2020 is $213.3 million; $98.6 million in 2021; $88.8 million in 2022; $88.8 million in 2023; $73.5 million in 2024; and $1,059.6 million thereafter. Substantially all of our regulated electric plant is subject to the lien of the mortgages collateralizing outstanding first mortgage bonds. The mortgages contain non-financial covenants customary in utility mortgages, including restrictions on our ability to incur liens, dispose of assets, and merge with other entities.

Minnesota Power is obligated to make financing payments for the Camp Ripley solar array totaling $1.4 million annually during the financing term, which expires in 2027. Minnesota Power has the option at the end of the financing term to renew for a two-year term, or to purchase the solar array for approximately $4 million. Minnesota Power anticipates exercising the purchase option when the term expires.

NOTE 8. SHORT-TERM AND LONG-TERM DEBT (Continued)
Long-Term Debt (Continued)

On March 1, 2019, ALLETE issued and sold the following First Mortgage Bonds (the Bonds):

Maturity Date	Principal Amount	Interest Rate
March 1, 2029	$70 Million	4.08%
March 1, 2049	$30 Million	4.47%

ALLETE has the option to prepay all or a portion of the Bonds at its discretion, subject to a make-whole provision. The Bonds are subject to additional terms and conditions which are customary for these types of transactions. ALLETE used the proceeds from the sale of the Bonds to fund utility capital investment and for general corporate purposes. The Bonds were sold in reliance on an exemption from registration under Section 4(a)(2) of the Securities Act of 1933, as amended, to institutional accredited investors.

On August 14, 2019, ALLETE entered into an amended and restated $110.0 million term loan agreement (Term Loan). The Term Loan is unsecured and due on August 25, 2020, and may be prepaid at any time, subject to a make-whole provision. Interest on the Term Loan is payable monthly at a rate per annum equal to LIBOR plus 1.025 percent. Proceeds from the Term Loan were used for construction-related expenditures.

NOTE 8. SHORT-TERM AND LONG-TERM DEBT (Continued)
Long-Term Debt (Continued)

Long-Term Debt As of December 31	2019	2018
Millions		
First Mortgage Bonds		
8.17% Series Due 2019	—	$42.0
5.28% Series Due 2020	$35.0	35.0
2.80% Series Due 2020	40.0	40.0
4.85% Series Due 2021	15.0	15.0
3.02% Series Due 2021	60.0	60.0
3.40% Series Due 2022	75.0	75.0
6.02% Series Due 2023	75.0	75.0
3.69% Series Due 2024	60.0	60.0
4.90% Series Due 2025	30.0	30.0
5.10% Series Due 2025	30.0	30.0
3.20% Series Due 2026	75.0	75.0
5.99% Series Due 2027	60.0	60.0
3.30% Series Due 2028	40.0	40.0
4.08% Series Due 2029	70.0	—
3.74% Series Due 2029	50.0	50.0
3.86% Series Due 2030	60.0	60.0
5.69% Series Due 2036	50.0	50.0
6.00% Series Due 2040	35.0	35.0
5.82% Series Due 2040	45.0	45.0
4.08% Series Due 2042	85.0	85.0
4.21% Series Due 2043	60.0	60.0
4.95% Series Due 2044	40.0	40.0
5.05% Series Due 2044	40.0	40.0
4.39% Series Due 2044	50.0	50.0
4.07% Series Due 2048	60.0	60.0
4.47% Series Due 2049	30.0	—
Variable Demand Revenue Refunding Bonds Series 1997 A Due 2020	13.5	13.5
Unsecured Term Loan Variable Rate Due 2020	110.0	10.0
Armenia Mountain Senior Secured Notes 3.26% Due 2024	47.8	57.2
Industrial Development Variable Rate Demand Refunding Revenue Bonds Series 2006, Due 2025	27.8	27.8
Senior Unsecured Notes 3.11% Due 2027	80.0	80.0
SWL&P First Mortgage Bonds 4.15% Series Due 2028	15.0	15.0
SWL&P First Mortgage Bonds 4.14% Series Due 2048	12.0	12.0
Other Long-Term Debt, 3.11% – 5.75% Due 2020 – 2037	46.5	67.7
Unamortized Debt Issuance Costs	(8.8)	(9.2)
Total Long-Term Debt	1,613.8	1,486.0
Less: Due Within One Year	212.9	57.5
Net Long-Term Debt	$1,400.9	$1,428.5

NOTE 8. SHORT-TERM AND LONG-TERM DEBT (Continued)
Long-Term Debt (Continued)

On January 10, 2020, ALLETE entered into a $200 million term loan agreement (Term Loan) and borrowed $60 million upon execution. The unsecured Term Loan provides for the ability to borrow up to an additional $140 million, is due on February 10, 2021, and may be repaid at any time. Interest is payable monthly at a rate per annum equal to LIBOR plus 0.55 percent. Proceeds from the Term Loan will be used for construction-related expenditures.

Financial Covenants. Our long-term debt arrangements contain customary covenants. In addition, our lines of credit and letters of credit supporting certain long-term debt arrangements contain financial covenants. Our compliance with financial covenants is not dependent on debt ratings. The most restrictive financial covenant requires ALLETE to maintain a ratio of indebtedness to total capitalization (as the amounts are calculated in accordance with the respective long-term debt arrangements) of less than or equal to 0.65 to 1.00, measured quarterly. As of December 31, 2019, our ratio was approximately 0.42 to 1.00. Failure to meet this covenant would give rise to an event of default if not cured after notice from the lender, in which event ALLETE may need to pursue alternative sources of funding. Some of ALLETE's debt arrangements contain "cross-default" provisions that would result in an event of default if there is a failure under other financing arrangements to meet payment terms or to observe other covenants that would result in an acceleration of payments due. ALLETE has no significant restrictions on its ability to pay dividends from retained earnings or net income. As of December 31, 2019, ALLETE was in compliance with its financial covenants.

NOTE 9. COMMITMENTS, GUARANTEES AND CONTINGENCIES

The following table details the estimated minimum payments for certain long-term commitments:

As of December 31, 2019

Millions	**2020**	**2021**	**2022**	**2023**	**2024**	**Thereafter**
Capital Purchase Obligations	$292.7	—	—	—	—	—
Easements *(a)*	$5.0	$5.3	$5.4	$5.5	$5.5	$170.4
PPAs *(b)*	$113.0	$122.5	$145.5	$145.6	$138.5	$1,386.7
Other Purchase Obligations *(c)*	$22.8	$9.6	—	—	—	$0.1

(a) Easement obligations represent the minimum payments for our land easement agreements at our wind energy facilities.
(b) Does not include the agreement with Manitoba Hydro expiring in 2022, as this contract is for surplus energy only; Oliver Wind I and Oliver Wind II, as Minnesota Power only pays for energy as it is delivered; and the agreement with Nobles 2 commencing in 2020 as it is subject to construction of a wind energy facility. (See Power Purchase Agreements.)
(c) Consists of long-term service agreements for wind energy facilities and minimum purchase commitments under coal and rail contracts.

Power Purchase and Sales Agreements. Our long-term PPAs have been evaluated under the accounting guidance for variable interest entities. We have determined that either we have no variable interest in the PPAs, or where we do have variable interests, we are not the primary beneficiary; therefore, consolidation is not required. These conclusions are based on the fact that we do not have both control over activities that are most significant to the entity and an obligation to absorb losses or receive benefits from the entity's performance. Our financial exposure relating to these PPAs is limited to capacity and energy payments.

These agreements have also been evaluated under the accounting guidance for derivatives. We have determined that either these agreements are not derivatives, or if they are derivatives, the agreements qualify for the normal purchases and normal sales exemption to the accounting guidance; therefore, derivative accounting is not required.

NOTE 9. COMMITMENTS, GUARANTEES AND CONTINGENCIES (Continued)
Power Purchase and Sales Agreements (Continued)

Square Butte PPA. Minnesota Power has a PPA with Square Butte that extends through 2026 (Agreement). Minnesota Power is obligated to pay its pro rata share of Square Butte's costs based on its entitlement to the output of Square Butte's 455 MW coal-fired generating unit. Minnesota Power's output entitlement under the Agreement is 50 percent for the remainder of the Agreement, subject to the provisions of the Minnkota Power PSA described in the following table. Minnesota Power's payment obligation will be suspended if Square Butte fails to deliver any power, whether produced or purchased, for a period of one year. Square Butte's costs consist primarily of debt service, operating and maintenance, depreciation and fuel expenses. As of December 31, 2019, Square Butte had total debt outstanding of $280.7 million. Annual debt service for Square Butte is expected to be approximately $48.7 million annually through 2023 and $33.6 million in 2024, of which Minnesota Power's obligation is 50 percent. Fuel expenses are recoverable through Minnesota Power's fuel adjustment clause and include the cost of coal purchased from BNI Energy under a long-term contract.

Minnesota Power's cost of power purchased from Square Butte during 2019 was $82.7 million ($78.0 million in 2018; $75.7 million in 2017). This reflects Minnesota Power's pro rata share of total Square Butte costs based on the 50 percent output entitlement. Included in this amount was Minnesota Power's pro rata share of interest expense of $8.3 million in 2019 ($9.1 million in 2018; $9.4 million in 2017). Minnesota Power's payments to Square Butte are approved as a purchased power expense for ratemaking purposes by both the MPUC and the FERC.

Minnesota Power has also entered into the following PPAs for the purchase of capacity and energy as of December 31, 2019:

Counterparty	Quantity	Product	Commencement	Expiration	Pricing
PPAs					
Calpine Corporation	25 MW	Capacity	June 2019	May 2026	Fixed
Great River Energy					
PPA 1	50 MW	Capacity / Energy	June 2016	May 2020	*(a)*
PPA 2	50 MW	Capacity	June 2016	May 2020	Fixed
PPA 3	50 MW	Capacity	June 2017	May 2020	Fixed
Manitoba Hydro					
PPA 1	*(b)*	Energy	May 2011	April 2022	Forward Market Prices
PPA 2	50 MW	Capacity / Energy	June 2015	May 2020	*(c)*
PPA 3	50 MW	Capacity	June 2017	May 2020	Fixed
PPA 4 *(d)*	250 MW	Capacity / Energy	June 2020	May 2035	*(e)*
PPA 5 *(d)*	133 MW	Energy	*(f)*	*(f)*	Forward Market Prices
Minnkota Power	50 MW	Capacity / Energy	June 2016	May 2020	*(g)*
Nobles 2 *(h)*	*(h)*	Capacity / Energy	*(h)*	*(h)*	Fixed
Oliver Wind I	*(i)*	Energy	December 2006	December 2040	Fixed
Oliver Wind II	*(i)*	Energy	December 2007	December 2040	Fixed

(a) The capacity price is fixed and the energy price is based on a formula that includes an annual fixed price component adjusted for changes in a natural gas index, as well as market prices.
(b) The energy purchased consists primarily of surplus hydro energy on Manitoba Hydro's system and is delivered on a non-firm basis. Minnesota Power will purchase at least one million MWh of energy over the contract term.
(c) The capacity and energy prices are adjusted annually by the change in a governmental inflationary index.
(d) Agreements are subject to the construction of the GNTL and MMTP. (See Great Northern Transmission Line.)
(e) The capacity price is adjusted annually until 2020 by the change in a governmental inflationary index. The energy price is based on a formula that includes an annual fixed component adjusted for the change in a governmental inflationary index and a natural gas index, as well as market prices.
(f) The contract term will be the 20-year period beginning on the in-service date for the GNTL. (See Great Northern Transmission Line.)
(g) The agreement includes a fixed capacity charge and energy prices that escalate at a fixed rate annually over the term.
(h) The PPA provides for the purchase of all output from a 250 MW wind energy facility to be constructed in southwest Minnesota for 20 years beginning upon commercial operation of the wind energy facility which is currently expected in fourth quarter of 2020. (See Note 4. Regulatory Matters and Note 5. Equity Investments.)
(i) The PPAs provide for the purchase of all output from the 50 MW Oliver Wind I and 48 MW Oliver Wind II wind energy facilities.

NOTE 9. COMMITMENTS, GUARANTEES AND CONTINGENCIES (Continued)
Power Purchase and Sales Agreements (Continued)

Minnesota Power has also entered into the following PSAs for the sale of capacity and energy as of December 31, 2019:

Counterparty	Quantity	Product	Commencement	Expiration	Pricing
PSAs					
Basin					
PSA 1	100 MW	Capacity / Energy	May 2010	April 2020	*(a)*
PSA 2	*(b)*	Capacity	June 2022	May 2025	Fixed
PSA 3	100 MW	Capacity	June 2025	May 2028	Fixed
Minnkota Power	*(c)*	Capacity / Energy	June 2014	December 2026	*(c)*
Oconto Electric Cooperative	25 MW	Capacity / Energy	January 2019	May 2026	Fixed
Silver Bay Power	*(d)*	Energy	January 2017	December 2031	*(e)*

(a) The capacity charge is based on a fixed monthly schedule with a minimum annual escalation provision. The energy charge is based on a fixed monthly schedule and provides for annual escalation based on the cost of fuel. The agreement also allows Minnesota Power to recover a pro rata share of increased costs related to emissions that occur during the last five years of the contract.

(b) The agreement provides for 75 MW of capacity from June 1, 2022, through May 31, 2023, and increases to 125 MW of capacity from June 1, 2023, through May 31, 2025.

(c) Minnesota Power is selling a portion of its entitlement from Square Butte to Minnkota Power, resulting in Minnkota Power's net entitlement increasing and Minnesota Power's net entitlement decreasing until Minnesota Power's share is eliminated at the end of 2025. Of Minnesota Power's 50 percent output entitlement, it sold to Minnkota Power approximately 28 percent in 2019 (28 percent in 2018 and in 2017). (See Square Butte PPA.)

(d) Silver Bay Power supplies approximately 90 MW of load to Northshore Mining, an affiliate of Silver Bay Power, which has been served predominately through self-generation by Silver Bay Power. Minnesota Power supplied Silver Bay Power with at least 50 MW of energy and Silver Bay Power had the option to purchase additional energy from Minnesota Power as it transitioned away from self-generation. In the third quarter of 2019, Silver Bay Power ceased self-generation and Minnesota Power began supplying the full energy requirements for Silver Bay Power.

(e) The energy pricing was fixed through 2019 with pricing in later years escalating at a fixed rate annually and adjusted for changes in a natural gas index.

Coal, Rail and Shipping Contracts. Minnesota Power has coal supply agreements providing for the purchase of a significant portion of its coal requirements through December 2021. Minnesota Power also has coal transportation agreements in place for the delivery of a significant portion of its coal requirements through December 2021. The costs of fuel and related transportation costs for Minnesota Power's generation are recoverable from Minnesota Power's utility customers through the fuel adjustment clause.

Transmission. We continue to make investments in transmission opportunities that strengthen or enhance the transmission grid or take advantage of our geographical location between sources of renewable energy and end users. These include the GNTL, investments to enhance our own transmission facilities, investments in other transmission assets (individually or in combination with others) and our investment in ATC.

Great Northern Transmission Line. As a condition of a 250 MW long-term PPA entered into with Manitoba Hydro, construction of additional transmission capacity is required. As a result, Minnesota Power is constructing the GNTL, an approximately 220-mile 500-kV transmission line between Manitoba and Minnesota's Iron Range that was proposed by Minnesota Power and Manitoba Hydro in order to strengthen the electric grid, enhance regional reliability and promote a greater exchange of sustainable energy.

In a 2016 order, the MPUC approved the route permit for the GNTL, and in 2016, the U.S. Department of Energy issued a presidential permit to cross the U.S.-Canadian border, which was the final major regulatory approval needed before construction in the U.S. could begin. Construction activities commenced in the first quarter of 2017, and Minnesota Power expects the GNTL to be complete and in-service by mid-2020. The total project cost in the U.S., including substation work, is estimated to be approximately $700 million, of which Minnesota Power's portion is expected to be approximately $325 million; the difference will be recovered from a subsidiary of Manitoba Hydro as non-shareholder contributions to capital. Total project costs of $633.3 million have been incurred through December 31, 2019, of which $339.6 million has been recovered from a subsidiary of Manitoba Hydro.

NOTE 9. COMMITMENTS, GUARANTEES AND CONTINGENCIES (Continued)
Transmission (Continued)

In 2015, Manitoba Hydro submitted the final preferred route and EIS for the MMTP to the Manitoba Conservation and Water Stewardship for siting and environmental approval, which was received on April 4, 2019. In 2016, Manitoba Hydro filed an application with the Canadian National Energy Board (NEB) requesting authorization to construct and operate the MMTP, which was recommended for approval on November 15, 2018. On June 14, 2019, Manitoba Hydro announced Canada's federal government approved the MMTP project and on August 22, 2019, the NEB granted final pre-construction approvals. Construction on the MMTP commenced in the third quarter of 2019.

The MMTP is subject to legal and regulatory challenges which Minnesota Power is actively monitoring. Manitoba Hydro has informed Minnesota Power that it continues to work towards completing the MMTP on schedule. In order to meet the transmission in-service requirements in PPAs with Minnesota Power, Manitoba Hydro had indicated that it would need to start construction of the MMTP by September 2019. We are unable to predict the outcome of the Canadian regulatory review process, including the timing thereof or whether any onerous conditions may be imposed, or the timing of the completion of the MMTP, including the impact of any delays that may result in construction schedule adjustments. In the event the MMTP is delayed and not in-service by June 1, 2020, Minnesota Power has construction and related agreements in place with Manitoba Hydro and a Manitoba Hydro subsidiary that will protect Minnesota Power and its customers.

Construction of Manitoba Hydro's Keeyask hydroelectric generation facility, which will provide the power to be sold under PPAs with Minnesota Power and transmitted on the MMTP and the GNTL, commenced in 2014 and is anticipated to be completely in service by early 2021.

Environmental Matters.

Our businesses are subject to regulation of environmental matters by various federal, state and local authorities. A number of regulatory changes to the Clean Air Act, the Clean Water Act and various waste management requirements have been promulgated by both the EPA and state authorities over the past several years. Minnesota Power's facilities are subject to additional requirements under many of these regulations. Minnesota Power is reshaping its generation portfolio, over time, to reduce its reliance on coal, has installed cost-effective emission control technology, and advocates for sound science and policy during rulemaking implementation.

We consider our businesses to be in substantial compliance with currently applicable environmental regulations and believe all necessary permits have been obtained. We anticipate that with many state and federal environmental regulations and requirements finalized, or to be finalized in the near future, potential expenditures for future environmental matters may be material and require significant capital investments. Minnesota Power has evaluated various environmental compliance scenarios using possible outcomes of environmental regulations to project power supply trends and impacts on customers.

We review environmental matters on a quarterly basis. Accruals for environmental matters are recorded when it is probable that a liability has been incurred and the amount of the liability can be reasonably estimated based on current law and existing technologies. Accruals are adjusted as assessment and remediation efforts progress, or as additional technical or legal information becomes available. Accruals for environmental liabilities are included in the Consolidated Balance Sheet at undiscounted amounts and exclude claims for recoveries from insurance or other third parties. Costs related to environmental contamination treatment and cleanup are expensed unless recoverable in rates from customers.

Air. The electric utility industry is regulated both at the federal and state level to address air emissions. Minnesota Power's generating facilities mainly burn low-sulfur western sub-bituminous coal. All of Minnesota Power's coal-fired generating facilities are equipped with pollution control equipment such as scrubbers, baghouses and low NO_X technologies. Under currently applicable environmental regulations, these facilities are substantially compliant with emission requirements.

NOTE 9. COMMITMENTS, GUARANTEES AND CONTINGENCIES (Continued)
Environmental Matters (Continued)

Cross-State Air Pollution Rule (CSAPR). The CSAPR requires certain states in the eastern half of the U.S., including Minnesota, to reduce power plant emissions that contribute to ozone or fine particulate pollution in other states. The CSAPR does not require installation of controls but does require facilities have sufficient allowances to cover their emissions on an annual basis. These allowances are allocated to facilities from each state's annual budget, and can be bought and sold. Based on our review of the NO_x and SO_2 allowances issued and pending issuance, we currently expect generation levels and emission rates will result in continued compliance with the CSAPR.

National Ambient Air Quality Standards (NAAQS). The EPA is required to review the NAAQS every five years. If the EPA determines that a state's air quality is not in compliance with the NAAQS, the state is required to adopt plans describing how it will reduce emissions to attain the NAAQS. None of the compliance costs for proposed or current NAAQS revisions are expected to be material.

Climate Change. The scientific community generally accepts that emissions of GHG are linked to global climate change which creates physical and financial risks. Physical risks could include, but are not limited to: increased or decreased precipitation and water levels in lakes and rivers; increased temperatures; and changes in the intensity and frequency of extreme weather events. These all have the potential to affect the Company's business and operations. We are addressing climate change by taking the following steps that also ensure reliable and environmentally compliant generation resources to meet our customers' requirements:

- Expanding renewable power supply for both our operations and the operations of others;
- Providing energy conservation initiatives for our customers and engaging in other demand side management efforts;
- Improving efficiency of our generating facilities;
- Supporting research of technologies to reduce carbon emissions from generating facilities and carbon sequestration efforts;
- Evaluating and developing less carbon intensive future generating assets such as efficient and flexible natural gas-fired generating facilities;
- Managing vegetation on right-of-way corridors to reduce potential wildfire or storm damage risks; and
- Practicing sound forestry management in our service territories to create landscapes more resilient to disruption from climate-related changes, including planting and managing long-lived conifer species.

EPA Regulation of GHG Emissions. On June 19, 2019, the EPA finalized several separate rulemakings regarding regulating carbon emissions from electric utility generating units.

The EPA repealed the Clean Power Plan (CPP), following a determination by the EPA that the CPP exceeded the EPA's statutory authority under the Clean Air Act (CAA). The primary reason for this was that the CPP attempted to regulate electric generating unit's carbon emissions through measures outside of the affected unit's direct control. The CPP was first announced as a proposed rule under Section 111(d) of the Clean Air Act for existing power plants entitled "Carbon Pollution Emission Guidelines for Existing Stationary Sources: Electric Generating Units".

NOTE 9. COMMITMENTS, GUARANTEES AND CONTINGENCIES (Continued)
Environmental Matters (Continued)

With the repeal of the CPP, the Affordable Clean Energy Rule was finalized. The rule establishes emissions guidelines for states to use when developing plans to limit carbon dioxide at coal-fired power plants. The rule identifies heat rate improvements made at individual units as the best system of emission reduction. Affected facilities for Minnesota Power include Boswell Units 3 and 4 and Taconite Harbor 1 and 2. Based on our initial review of the rule, many of the candidate heat rate improvements are already installed on Boswell Units 3 and 4.

Additionally, the EPA finalized new regulations for the state implementation of the Affordable Clean Energy Rule and any future emission guidelines issued under CAA Section 111(d). States will have three years to submit State Implementation Plans (SIP), and the EPA has 12 months to review and approve those plans. Since the Affordable Clean Energy Rule allows states considerable flexibility in how to best implement its requirements, Minnesota Power plans to work closely with the MPCA and the Minnesota Department of Commerce, who are currently co-reviewing the rule as the state develops its SIP. If a state does not submit a SIP or submits a SIP that is unacceptable to the EPA, the EPA will develop a Federal Implementation Plan.

Minnesota had already initiated several measures consistent with those called for under the now repealed CPP and finalized Affordable Clean Energy Rule. Minnesota Power continues implementing its *EnergyForward* strategic plan that provides for significant emission reductions and diversifying its electricity generation mix to include more renewable and natural gas energy. (See Note 4. Regulatory Matters.) We are unable to predict the GHG emission compliance costs we might incur as a result of the Affordable Clean Energy Rule and the resulting SIP; however, the costs could be material. Minnesota Power would seek recovery of additional costs through a rate proceeding.

Water. The Clean Water Act requires NPDES permits be obtained from the EPA (or, when delegated, from individual state pollution control agencies) for any wastewater discharged into navigable waters. We have obtained all necessary NPDES permits, including NPDES storm water permits for applicable facilities, to conduct our operations.

Steam Electric Power Generating Effluent Limitations Guidelines. In 2015, the EPA issued revised federal effluent limitation guidelines (ELG) for steam electric power generating stations under the Clean Water Act. It set effluent limits and prescribed BACT for several wastewater streams, including flue gas desulphurization (FGD) water, bottom ash transport water and coal combustion landfill leachate. In 2017, the EPA announced a two-year postponement of the ELG compliance date of November 1, 2018, to November 1, 2020, while the agency reconsiders the bottom ash transport water and FGD wastewater provisions. On April 12, 2019, the U.S. Court of Appeals for the Fifth Circuit vacated and remanded back to the EPA portions of the ELG that allowed for continued discharge of legacy wastewater and leachate. On November 22, 2019, the EPA published a draft rulemaking that proposes to allow re-use of bottom ash transport water in FGD scrubber systems with minor discharges related to maintaining system water balance. The proposed rulemaking would also allow future discharge of FGD wastewater discharge provided it meets new BACT standards. A final rulemaking is anticipated in mid to late 2020.

The final ELG's potential impact on Minnesota Power operations is primarily at Boswell. Boswell currently discharges bottom ash contact water through its NPDES permit, and also has a closed-loop FGD system that does not discharge to surface waters, but may do so in the future if additional water treatment measures are implemented. Under the current ELG rule, bottom ash transport water discharge to surface waters must cease no later than December 31, 2023. Bottom ash contact water will either need to be re-used in a closed-loop process, routed to a FGD scrubber, or the bottom ash handling system will need to be converted to a dry process. The ELG rule provision regarding these two waste-streams are being reconsidered and may change prior to November 1, 2020. Efforts have been underway at Boswell to reduce the amount of water discharged and evaluate potential re-use options in its plant processes. The EPA’s additional reconsideration of legacy wastewater discharge requirements have the potential to reduce timelines for dewatering Boswell’s existing bottom ash pond. The timing of a draft rule addressing legacy wastewater and leachate is currently unknown.

NOTE 9. COMMITMENTS, GUARANTEES AND CONTINGENCIES (Continued)
Environmental Matters (Continued)

At this time, we cannot estimate what compliance costs we might incur related to these or other potential future water discharge regulations; however, the costs could be material, including costs associated with retrofits for bottom ash handling, pond dewatering, pond closure, and wastewater treatment and re-use. Minnesota Power would seek recovery of additional costs through a rate proceeding.

Solid and Hazardous Waste. The Resource Conservation and Recovery Act of 1976 regulates the management and disposal of solid and hazardous wastes. We are required to notify the EPA of hazardous waste activity and, consequently, routinely submit reports to the EPA.

Coal Ash Management Facilities. Minnesota Power stores or disposes coal ash at four of its electric generating facilities by the following methods: storing ash in lined onsite impoundments (ash ponds), disposing of dry ash in a lined dry ash landfill, applying ash to land as an approved beneficial use and trucking ash to state permitted landfills.

Coal Combustion Residuals from Electric Utilities (CCR). In 2015, the EPA published the final rule regulating CCR as nonhazardous waste under Subtitle D of the Resource Conservation and Recovery Act (RCRA) in the Federal Register. The rule includes requirements for new landfill and impoundment construction, and regulates closure activities for existing impoundments. In 2017, the EPA announced its intention to formally reconsider certain provisions of the CCR rule under Subtitle D of the RCRA and on March 15, 2018, published the first phase of the proposed rule revisions in the Federal Register. In July 2018, the EPA finalized a portion of those proposed revisions that extended certain deadlines by two years, and established alternative groundwater protection standards for certain constituents and the potential for risk-based management options at facilities based on site characteristics. In August 2018, a U.S. District Court for the District of Columbia decision vacated specific provisions of the CCR rule related to operation of clay-lined impoundments. In response to the August 2018 court decision and outstanding issues from litigation, the EPA proposed additional rule revisions in August and December 2019.

The EPA's most recent proposed rule revisions are anticipated to be finalized in the first quarter of 2020 and could impact the timing of closure activities for Boswell's existing clay-lined impoundments. Costs of CCR compliance at Boswell are currently estimated to be between approximately $65 million and $120 million, and are expected to occur primarily over the next 15 years. Compliance costs for CCR at Taconite Harbor and Laskin are not expected to be material given CCR units at these facilities are closed. Minnesota Power continues to work on minimizing costs through evaluation of beneficial re-use and recycling of CCR and CCR-related waters. Minnesota Power would seek recovery of additional costs through a rate proceeding.

Other Environmental Matters

Manufactured Gas Plant Site. We are reviewing and addressing environmental conditions at a former manufactured gas plant site located in Superior, Wisconsin, and formerly operated by SWL&P. SWL&P has been working with the Wisconsin Department of Natural Resources (WDNR) in determining the extent and location of contamination at the site and surrounding properties. In June 2019, the WDNR approved the site investigation and authorized SWL&P to transition into the remedial design process. As of December 31, 2019, we have recorded a liability of approximately $7 million for remediation costs at this site (approximately $7 million as of December 31, 2018), and an associated regulatory asset as we expect recovery of these remediation costs to be allowed by the PSCW. We expect to incur these costs over the next four years.

NOTE 9. COMMITMENTS, GUARANTEES AND CONTINGENCIES (Continued)

Other Matters

ALLETE Clean Energy. ALLETE Clean Energy's wind energy facilities have PSAs in place for their entire output and expire in various years between 2020 and 2039. As of December 31, 2019, ALLETE Clean Energy has $64.3 million outstanding in standby letters of credit.

BNI Energy. As of December 31, 2019, BNI Energy had surety bonds outstanding of $67.7 million related to the reclamation liability for closing costs associated with its mine and mine facilities. Although its coal supply agreements obligate the customers to provide for the closing costs, additional assurance is required by federal and state regulations. BNI Energy's total reclamation liability is currently estimated at $67.3 million. BNI Energy does not believe it is likely that any of these outstanding surety bonds or the letter of credit will be drawn upon.

ALLETE Properties. As of December 31, 2019, ALLETE Properties had surety bonds outstanding and letters of credit to governmental entities totaling $4.8 million primarily related to development and maintenance obligations for various projects. The estimated cost of the remaining development work is $2.3 million. ALLETE Properties does not believe it is likely that any of these outstanding surety bonds or letters of credit will be drawn upon.

Community Development District Obligations. In 2005, the Town Center District issued $26.4 million of tax-exempt, 6.0 percent capital improvement revenue bonds, and in 2006, the Palm Coast Park District issued $31.8 million of tax-exempt, 5.7 percent special assessment bonds. The capital improvement revenue bonds and the special assessment bonds are payable over 31 years (by May 1, 2036 and 2037, respectively) and are secured by special assessments on the benefited land. The bond proceeds were used to pay for the construction of a portion of the major infrastructure improvements in each district and to mitigate traffic and environmental impacts. The assessments were billed to the landowners beginning in 2006 for the Town Center District and 2007 for the Palm Coast Park District. To the extent that ALLETE Properties still owns land at the time of the assessment, it will incur the cost of its portion of these assessments, based upon its ownership of benefited property.

As of December 31, 2019, we owned 53 percent of the assessable land in the Town Center District (68 percent as of December 31, 2018) and none of the assessable land in the Palm Coast Park District (19 percent as of December 31, 2018). As of December 31, 2019, ownership levels, our annual assessments related to capital improvement and special assessment bonds for the ALLETE Properties projects within these districts are $1.4 million for Town Center at Palm Coast. As we sell property at these projects, the obligation to pay special assessments will pass to the new landowners. In accordance with accounting guidance, these bonds are not reflected as debt on our Consolidated Balance Sheet.

Legal Proceedings.

We are involved in litigation arising in the normal course of business. Also in the normal course of business, we are involved in tax, regulatory and other governmental audits, inspections, investigations and other proceedings that involve state and federal taxes, safety, and compliance with regulations, rate base and cost of service issues, among other things. We do not expect the outcome of these matters to have a material effect on our financial position, results of operations or cash flows.

NOTE 10. COMMON STOCK AND EARNINGS PER SHARE

Summary of Common Stock	**Shares Thousands**	**Equity Millions**
Balance as of December 31, 2016	49,560	$1,295.3
Employee Stock Purchase Plan	12	0.8
Invest Direct	257	19.0
Options and Stock Awards	22	3.6
Contributions to RSOP	50	3.5
Equity Issuance Program	1,000	65.7
Contributions to Pension	216	13.5
Balance as of December 31, 2017	51,117	1,401.4
Employee Stock Purchase Plan	11	0.8
Invest Direct	277	20.7
Options and Stock Awards	57	2.1
Contributions to RSOP	47	3.5
Balance as of December 31, 2018	51,509	1,428.5
Employee Stock Purchase Plan	8	0.7
Invest Direct	38	3.0
Options and Stock Awards	85	1.3
Contributions to RSOP	39	3.2
Balance as of December 31, 2019	51,679	$1,436.7

Equity Issuance Program. We entered into a distribution agreement with Lampert Capital Markets, Inc., in 2008, as amended most recently in 2016, with respect to the issuance and sale of up to an aggregate of 13.6 million shares of our common stock, without par value, of which 2.9 million shares remain available for issuance as of December 31, 2019. For the year ended December 31, 2019, no shares of common stock were issued under this agreement (none in 2018; 1.0 million shares for net proceeds of $65.7 million in 2017). The shares issued in 2017 were offered and sold pursuant to Registration Statement No. 333-212794. On July 31, 2019, we filed Registration Statement No. 333-232905, pursuant to which the remaining shares will continue to be offered for sale, from time to time.

Contributions to Pension. For the year ended December 31, 2019, we contributed no shares of ALLETE common stock to our pension plan (none in 2018 and 0.2 million shares, which had an aggregate value of $13.5 million in 2017). The shares of ALLETE common stock contributed in 2017 were contributed in reliance upon an exemption available pursuant to Section 4(a)(2) of the Securities Act of 1933, as amended.

Earnings Per Share. We compute basic earnings per share using the weighted average number of shares of common stock outstanding during each period. The difference between basic and diluted earnings per share, if any, arises from non-vested restricted stock units and performance share awards granted under our Executive Long-Term Incentive Compensation Plan.

NOTE 10. COMMON STOCK AND EARNINGS PER SHARE (Continued)

Reconciliation of Basic and Diluted Earnings Per Share Year Ended December 31	Basic	Dilutive Securities	Diluted
Millions Except Per Share Amounts			
2019			
Net Income Attributable to ALLETE	$185.6		$185.6
Average Common Shares	51.6	0.1	51.7
Earnings Per Share	$3.59		$3.59
2018			
Net Income Attributable to ALLETE	$174.1		$174.1
Average Common Shares	51.3	0.2	51.5
Earnings Per Share	$3.39		$3.38
2017			
Net Income Attributable to ALLETE	$172.2		$172.2
Average Common Shares	50.8	0.2	51.0
Earnings Per Share	$3.39		$3.38

NOTE 11. INCOME TAX EXPENSE

Income Tax Expense Year Ended December 31	2019	2018	2017
Millions			
Current Income Tax Expense *(a)*			
Federal	—	—	—
State	$0.1	$0.3	$0.3
Total Current Income Tax Expense	$0.1	$0.3	$0.3
Deferred Income Tax Expense (Benefit)			
Federal *(b)*	$(27.8)	$(26.2)	$12.1
Federal – Remeasurement of Deferred Income Taxes *(c)*	—	—	(13.0)
State	21.7	11.0	15.8
Investment Tax Credit Amortization	(0.6)	(0.6)	(0.5)
Total Deferred Income Tax Expense (Benefit)	$(6.7)	$(15.8)	$14.4
Total Income Tax Expense (Benefit)	$(6.6)	$(15.5)	$14.7

(a) For the years ended December 31, 2019, 2018 and 2017, the federal and state current tax expense was minimal due to NOLs which resulted from the bonus depreciation provisions of the Protecting Americans from Tax Hikes Act of 2015, the Tax Increase Prevention Act of 2014 and the American Taxpayer Relief Act of 2012. Federal and state NOLs are being carried forward to offset current and future taxable income.

(b) For the years ended December 31, 2019, and 2018, the federal tax benefit is primarily due to production tax credits, and the reduction of the federal statutory tax rate from 35 percent to 21 percent enacted as part of the TCJA.

(c) For the year ended December 31, 2017, the federal deferred income tax benefit is due to the remeasurement of deferred income tax assets and liabilities resulting from the TCJA.

NOTE 11. INCOME TAX EXPENSE (Continued).

Reconciliation of Taxes from Federal Statutory Rate to Total Income Tax Expense **Year Ended December 31**	**2019**	**2018**	**2017**
Millions			
Income Before Non-Controlling Interest and Income Taxes	$178.9	$158.6	$186.9
Statutory Federal Income Tax Rate	21 %	21 %	35 %
Income Taxes Computed at Statutory Federal Rate	$37.6	$33.3	$65.4
Increase (Decrease) in Tax Due to:			
State Income Taxes – Net of Federal Income Tax Benefit	17.2	8.9	10.5
Production Tax Credits	(50.7)	(45.0)	(45.1)
Regulatory Differences – Excess Deferred Tax Benefit *(a)*	(8.8)	(8.2)	1.2
U.S. Water Services Sale of Stock Basis Difference	1.7	—	—
Change in Fair Value of Contingent Consideration	—	(0.4)	—
Remeasurement of Deferred Income Taxes *(b)*	—	—	(13.0)
Other	(3.6)	(4.1)	(4.3)
Total Income Tax Expense (Benefit)	($6.6)	($15.5)	$14.7

(a) Excess deferred income taxes are being returned to customers under both the Average Rate Assumption Method and amortization periods as approved by regulators. (See Note 4. Regulatory Matters.)

(b) Deferred income tax benefit from the remeasurement of deferred income tax assets and liabilities resulting from the TCJA.

The effective tax rate was a benefit of 3.7 percent for 2019 (benefit of 9.8 percent for 2018; expense of 7.9 percent for 2017). The 2019 effective tax rate was primarily impacted by production tax credits and the gain on sale of U.S. Water Services. The 2018 effective tax rate was primarily impacted by production tax credits and the reduction of the federal income tax rate from 35 percent to 21 percent enacted as part of the TCJA. The 2017 effective tax rate was primarily impacted by production tax credits and the remeasurement of deferred income tax assets and liabilities resulting from the TCJA.

NOTE 11. INCOME TAX EXPENSE (Continued).

Deferred Income Tax Assets and Liabilities As of December 31	2019	2018
Millions		
Deferred Income Tax Assets		
Employee Benefits and Compensation	$49.9	$62.2
Property-Related	76.9	95.2
NOL Carryforwards	63.2	86.1
Tax Credit Carryforwards	395.5	349.8
Power Sales Agreements	23.7	27.5
Regulatory Liabilities	116.9	113.4
Other	23.4	25.1
Gross Deferred Income Tax Assets	749.5	759.3
Deferred Income Tax Asset Valuation Allowance	(70.0)	(66.5)
Total Deferred Income Tax Assets	$679.5	$692.8
Deferred Income Tax Liabilities		
Property-Related	$713.4	$752.5
Regulatory Asset for Benefit Obligations	54.5	61.0
Unamortized Investment Tax Credits	31.6	32.2
Partnership Basis Differences	49.4	40.8
Regulatory Assets	35.4	29.9
Other	8.0	—
Total Deferred Income Tax Liabilities	$892.3	$916.4
Net Deferred Income Taxes *(a)*	$212.8	$223.6

(a) Recorded as a net long-term Deferred Income Tax liability on the Consolidated Balance Sheet

NOL and Tax Credit Carryforwards As of December 31	2019	2018
Millions		
Federal NOL Carryforwards *(a)*	$211.3	$319.0
Federal Tax Credit Carryforwards	$302.5	$256.4
State NOL Carryforwards *(a)*	$274.8	$305.8
State Tax Credit Carryforwards *(b)*	$23.4	$27.4

(a) Pre-tax amounts.
(b) Net of a $69.6 million valuation allowance as of December 31, 2019 ($66.0 million as of December 31, 2018).

NOTE 11. INCOME TAX EXPENSE (Continued).

The federal NOL and tax credit carryforward periods expire between 2031 and 2039. We expect to fully utilize the federal NOL and federal tax credit carryforwards; therefore, no federal valuation allowance has been recognized as of December 31, 2019. The state NOL and tax credit carryforward periods expire between 2024 and 2045. We have established a valuation allowance against certain state NOL and tax credits that we do not expect to utilize before their expiration.

Gross Unrecognized Income Tax Benefits	2019	2018	2017
Millions			
Balance at January 1	$1.6	$1.7	$2.0
Additions for Tax Positions Related to the Current Year	0.1	0.1	0.1
Additions for Tax Positions Related to Prior Years	0.1	0.1	0.1
Reductions for Tax Positions Related to Prior Years	(0.4)	(0.2)	(0.1)
Lapse of Statute	—	(0.1)	(0.4)
Balance as of December 31	$1.4	$1.6	$1.7

Unrecognized tax benefits are the differences between a tax position taken or expected to be taken in a tax return and the benefit recognized and measured pursuant to the “more-likely-than-not” criteria. The unrecognized tax benefit balance includes permanent tax positions which, if recognized would affect the annual effective income tax rate. In addition, the unrecognized tax benefit balance includes temporary tax positions for which the ultimate deductibility is highly certain but for which there is uncertainty about the timing of such deductibility. A change in the period of deductibility would not affect the effective tax rate but would accelerate the payment of cash to the taxing authority to an earlier period. The gross unrecognized tax benefits as of December 31, 2019, included $0.6 million of net unrecognized tax benefits which, if recognized, would affect the annual effective income tax rate.

As of December 31, 2019, we had no accrued interest (none as of December 31, 2018, and 2017) related to unrecognized tax benefits included on the Consolidated Balance Sheet due to our NOL carryforwards. We classify interest related to unrecognized tax benefits as interest expense and tax-related penalties in operating expenses on the Consolidated Statement of Income. Interest expense related to unrecognized tax benefits on the Consolidated Statement of Income was immaterial in 2019, 2018 and 2017). There were no penalties recognized in 2019, 2018 or 2017. The unrecognized tax benefit amounts have been presented as reductions to the tax benefits associated with NOL and tax credit carryforwards on the Consolidated Balance Sheet.

No material changes to unrecognized tax benefits are expected during the next 12 months.

ALLETE and its subsidiaries file a consolidated federal income tax return as well as combined and separate state income tax returns in various jurisdictions. ALLETE has no open federal or state audits, and is no longer subject to federal examination for years before 2016 or state examination for years before 2015.

NOTE 12. PENSION AND OTHER POSTRETIREMENT BENEFIT PLANS

We have noncontributory union, non-union and combined retiree defined benefit pension plans covering eligible employees. The combined retiree defined benefit pension plan was created in 2016, to include all union and non-union retirees from the existing plans as of January 1, 2016. The plans provide defined benefits based on years of service and final average pay. We contributed $10.4 million in cash to the plans in 2019 ($15.0 million in 2018; $1.7 million in 2017). We contributed no shares of ALLETE common stock to the plans in 2019 (none in 2018; 0.2 million shares, which had an aggregate value of $13.5 million in 2017). We also have a defined contribution RSOP covering substantially all employees. The 2019 plan year employer contributions, which are made through the employee stock ownership plan portion of the RSOP, totaled $10.8 million ($11.4 million for the 2018 plan year; $11.0 million for the 2017 plan year). (See Note 10. Common Stock and Earnings Per Share and Note 13. Employee Stock and Incentive Plans.)

The non-union defined benefit pension plan was frozen in 2018, and does not allow further crediting of service or earnings to the plan. Further, it is closed to new participants. The Minnesota Power union defined benefit pension plan is also closed to new participants.

We have postretirement health care and life insurance plans covering eligible employees. In 2010, the postretirement health care plan was closed to employees hired after January 31, 2011, and the eligibility requirements were amended. In 2014, the postretirement life plan was amended to close the plan to non-union employees retiring after December 31, 2015, and in 2018, the postretirement life plan was amended to limit the benefit level for union employees retiring after December 31, 2018. The postretirement health and life plans are contributory with participant contributions adjusted annually. Postretirement health and life benefits are funded through a combination of Voluntary Employee Benefit Association trusts (VEBAs), established under section 501(c)(9) of the Internal Revenue Code, and irrevocable grantor trusts. In 2019, no contributions were made to the VEBAs (none in 2018; none in 2017) and no contributions were made to the grantor trusts (none in 2018; none in 2017).

Management considers various factors when making funding decisions such as regulatory requirements, actuarially determined minimum contribution requirements and contributions required to avoid benefit restrictions for the pension plans. Contributions are based on estimates and assumptions which are subject to change. On January 15, 2020, we contributed $10.7 million in cash to the defined benefit pension plans. We do not expect to make any additional contributions to the defined benefit pension plans in 2020, and we do not expect to make any contributions to the defined benefit postretirement health and life plans in 2020.

Accounting for defined benefit pension and other postretirement benefit plans requires that employers recognize on a prospective basis the funded status of their defined benefit pension and other postretirement plans on their balance sheet and recognize as a component of other comprehensive income, net of tax, the gains or losses and prior service costs or credits that arise during the period but are not recognized as components of net periodic benefit cost.

The defined benefit pension and postretirement health and life benefit expense (credit) recognized annually by our regulated utilities are expected to be recovered (refunded) through rates filed with our regulatory jurisdictions. As a result, these amounts that are required to otherwise be recognized in accumulated other comprehensive income have been recognized as a long-term regulatory asset (regulatory liability) on the Consolidated Balance Sheet, in accordance with the accounting standards for the effect of certain types of regulation applicable to our Regulated Operations. The defined benefit pension and postretirement health and life benefit expense (credits) associated with our other operations are recognized in accumulated other comprehensive income.

NOTE 12. PENSION AND OTHER POSTRETIREMENT BENEFIT PLANS (Continued)

Pension Obligation and Funded Status

As of December 31	**2019**	**2018**
Millions		
Accumulated Benefit Obligation	$812.0	$713.7
Change in Benefit Obligation		
Obligation, Beginning of Year	$747.0	$793.2
Service Cost	9.3	11.0
Interest Cost	31.9	29.6
Plan Amendments	—	(1.5)
Plan Curtailments	—	(6.9)
Actuarial (Gain) Loss	98.3	(53.0)
Benefits Paid	(53.4)	(49.5)
Participant Contributions	20.9	24.1
Obligation, End of Year	$854.0	$747.0
Change in Plan Assets		
Fair Value, Beginning of Year	$598.0	$628.2
Actual Return on Plan Assets	122.1	(21.2)
Employer Contribution *(a)*	32.9	40.5
Benefits Paid	(53.4)	(49.5)
Fair Value, End of Year	$699.6	$598.0
Funded Status, End of Year	$(154.4)	$(149.0)

Net Pension Amounts Recognized in Consolidated Balance Sheet Consist of:		
Current Liabilities	$(1.6)	$(1.6)
Non-Current Liabilities	$(152.8)	$(147.4)

(a) Includes Participant Contributions noted above.

The pension costs that are reported as a component within the Consolidated Balance Sheet, reflected in long-term regulatory assets or liabilities and accumulated other comprehensive income, consist of a net loss of $243.4 million and prior service credit of $1.3 million as of December 31, 2019 (net loss of $230.5 million and prior service credit of $1.4 million as of December 31, 2018).

Reconciliation of Net Pension Amounts Recognized in Consolidated Balance Sheet

As of December 31	**2019**	**2018**
Millions		
Net Loss	$(243.4)	$(230.5)
Prior Service Credit	1.3	1.4
Accumulated Contributions in Excess of Net Periodic Benefit Cost (Prepaid Pension Asset)	87.7	80.1
Total Net Pension Amounts Recognized in Consolidated Balance Sheet	$(154.4)	$(149.0)

NOTE 12. PENSION AND OTHER POSTRETIREMENT BENEFIT PLANS (Continued)

Components of Net Periodic Pension Cost

Year Ended December 31	2019	2018	2017
Millions			
Service Cost	$9.3	$11.0	$10.2
Non-Service Cost Components *(a)*			
Interest Cost	31.9	29.6	32.5
Expected Return on Plan Assets	(44.2)	(44.4)	(42.4)
Amortization of Loss	7.5	11.4	9.9
Amortization of Prior Service Credit	(0.1)	(0.1)	—
Net Pension Cost	$4.4	$7.5	$10.2

(a) These components of net periodic pension cost are included in the line item "Other" under Other Income (Expense) on the Consolidated Statement of Income.

Other Changes in Pension Plan Assets and Benefit Obligations Recognized in Other Comprehensive Income and Regulatory Assets or Liabilities

Year Ended December 31	2019	2018
Millions		
Net Loss	$20.4	$5.8
Amortization of Prior Service Credit	0.1	0.1
Prior Service Credit Arising During the Period	—	(1.6)
Amortization of Loss	(7.5)	(11.4)
Total Recognized in Other Comprehensive Income and Regulatory Assets or Liabilities	$13.0	$(7.1)

Information for Pension Plans with an Accumulated Benefit Obligation in Excess of Plan Assets

As of December 31	2019	2018
Millions		
Projected Benefit Obligation	$854.0	$747.0
Accumulated Benefit Obligation	$812.0	$713.7
Fair Value of Plan Assets	$699.6	$598.0

NOTE 12. PENSION AND OTHER POSTRETIREMENT BENEFIT PLANS (Continued)

Postretirement Health and Life Obligation and Funded Status

As of December 31	**2019**	**2018**
Millions		
Change in Benefit Obligation		
Obligation, Beginning of Year	$176.0	$190.1
Service Cost	3.9	4.7
Interest Cost	7.3	7.1
Actuarial (Gain) Loss	10.5	(15.8)
Benefits Paid	(14.7)	(11.6)
Participant Contributions	3.5	3.6
Plan Amendments *(a)*	(34.6)	(2.1)
Plan Curtailments	(2.1)	—
Obligation, End of Year	$149.8	$176.0
Change in Plan Assets		
Fair Value, Beginning of Year	$154.3	$171.0
Actual Return on Plan Assets	29.5	(9.6)
Employer Contribution	1.1	1.0
Participant Contributions	3.5	3.6
Benefits Paid	(14.7)	(11.7)
Fair Value, End of Year	$173.7	$154.3
Funded Status, End of Year	$23.9	$(21.7)

Net Postretirement Health and Life Amounts Recognized in Consolidated Balance Sheet Consist of:

Non-Current Assets	$37.5	$0.4
Current Liabilities	$(0.7)	$(1.0)
Non-Current Liabilities	$(12.9)	$(21.1)

(a) Plan design changes under the other postretirement benefit plans resulted in a decrease to the benefit obligation of $34.6 million in 2019.

According to the accounting standards for retirement benefits, only assets in the VEBAs are treated as plan assets in the preceding table for the purpose of determining funded status. In addition to the postretirement health and life assets reported in the previous table, we had $19.1 million in irrevocable grantor trusts included in Other Investments on the Consolidated Balance Sheet as of December 31, 2019 ($18.3 million as of December 31, 2018).

NOTE 12. PENSION AND OTHER POSTRETIREMENT BENEFIT PLANS (Continued)

The postretirement health and life costs that are reported as a component within the Consolidated Balance Sheet, reflected in regulatory long-term assets or liabilities and accumulated other comprehensive income, consist of the following:

Unrecognized Postretirement Health and Life Costs

As of December 31	**2019**	**2018**
Millions		
Net Loss	$16.0	$25.0
Prior Service Credit	(36.3)	(4.6)
Total Unrecognized Postretirement Health and Life Cost	$(20.3)	$20.4

Reconciliation of Net Postretirement Health and Life Amounts Recognized in Consolidated Balance Sheet

As of December 31	**2019**	**2018**
Millions		
Net Loss *(a)*	$(16.0)	$(25.0)
Prior Service Credit	36.3	4.6
Accumulated Net Periodic Benefit Cost in Excess of Contributions *(a)*	3.6	(1.3)
Total Net Postretirement Health and Life Amounts Recognized in Consolidated Balance Sheet	$23.9	$(21.7)

(a) Excludes gains, losses and contributions associated with irrevocable grantor trusts.

Components of Net Periodic Postretirement Health and Life Cost

Year Ended December 31	**2019**	**2018**	**2017**
Millions			
Service Cost	$3.9	$4.7	$4.4
Non-Service Cost Components *(a)*			
Interest Cost	7.3	7.1	7.7
Expected Return on Plan Assets	(10.5)	(10.9)	(10.5)
Amortization of Loss	0.5	0.8	0.3
Amortization of Prior Service Credit	(2.8)	(2.1)	(2.0)
Effect of Plan Curtailment	(2.1)	—	—
Net Postretirement Health and Life Credit	$(3.7)	$(0.4)	$(0.1)

(a) These components of net periodic postretirement health and life cost are included in the line item "Other" under Other Income (Expense) on the Consolidated Statement of Income.

NOTE 12. PENSION AND OTHER POSTRETIREMENT BENEFIT PLANS (Continued)

Other Changes in Postretirement Benefit Plan Assets and Benefit Obligations Recognized in Other Comprehensive Income and Regulatory Assets or Liabilities

Year Ended December 31	2019	2018
Millions		
Net (Gain) Loss	$(10.6)	$4.7
Prior Service Credit Arising During the Period	(34.6)	(2.1)
Amortization of Prior Service Credit	2.8	2.1
Amortization of Loss	(0.5)	(0.8)
Total Recognized in Other Comprehensive Income and Regulatory Assets or Liabilities	$(42.9)	$3.9

Estimated Future Benefit Payments	Pension	Postretirement Health and Life
Millions		
2020	$51.2	$8.6
2021	$50.7	$8.4
2022	$50.1	$8.2
2023	$49.8	$8.0
2024	$49.6	$8.0
Years 2025 – 2029	$239.3	$40.1

The pension and postretirement health and life costs recorded in regulatory long-term assets or liabilities and accumulated other comprehensive income expected to be recognized as a component of net pension and postretirement benefit costs for the year ending December 31, 2020, are as follows:

	Pension	Postretirement Health and Life
Millions		
Net Loss	$12.8	$1.0
Prior Service Credit	(0.2)	(8.0)
Total Pension and Postretirement Health and Life Cost (Credit)	$12.6	$(7.0)

Assumptions Used to Determine Benefit Obligation

As of December 31	2019	2018
Discount Rate		
Pension	3.34 - 3.47%	4.39 - 4.53%
Postretirement Health and Life	3.45%	4.47%
Rate of Compensation Increase	3.70 - 4.10%	3.70 - 4.10%
Health Care Trend Rates		
Trend Rate	5.00 - 6.20%	5.00 - 6.46%
Ultimate Trend Rate	4.50%	4.50%
Year Ultimate Trend Rate Effective	2038	2038

NOTE 12. PENSION AND OTHER POSTRETIREMENT BENEFIT PLANS (Continued)

Assumptions Used to Determine Net Periodic Benefit Costs

Year Ended December 31	**2019**	**2018**	**2017**
Discount Rate	4.39 - 4.53%	3.81 - 3.96%	4.53 - 4.57%
Expected Long-Term Return on Plan Assets *(a)*			
Pension	7.25%	7.50%	7.50%
Postretirement Health and Life	5.80 - 7.25%	6.00 - 7.50%	6.00 - 7.50%
Rate of Compensation Increase	3.70 - 4.10%	3.70 - 4.10%	3.70 - 4.30%

(a) The expected long-term rates of return used to determine net periodic benefit expense for 2020 have been reduced to 6.75 percent for pension expense and 5.40 percent to 6.75 percent for postretirement health and life expense.

In establishing the expected long-term rate of return on plan assets, we determine the long-term historical performance of each asset class, adjust these for current economic conditions, and utilizing the target allocation of our plan assets, forecast the expected long-term rate of return.

The discount rate is computed using a bond matching study which utilizes a portfolio of high quality bonds that produce cash flows similar to the projected costs of our pension and other postretirement plans.

The Company utilizes actuarial assumptions about mortality to calculate the pension and postretirement health and life benefit obligations. The mortality assumptions used to calculate our pension and other postretirement benefit obligations as of December 31, 2019, considered a modified PRI-2012 mortality table and mortality projection scale.

Sensitivity of a One Percent Change in Health Care Trend Rates

	One Percent Increase	**One Percent Decrease**
Millions		
Effect on Total of Postretirement Health and Life Service and Interest Cost	$1.8	$(1.4)
Effect on Postretirement Health and Life Obligation	$16.5	$(13.6)

Actual Plan Asset Allocations

	Pension		**Postretirement Health and Life** *(a)*	
	2019	**2018**	**2019**	**2018**
Equity Securities	34 %	32 %	66 %	62 %
Fixed Income Securities	62 %	60 %	33 %	34 %
Private Equity	1 %	5 %	1 %	4 %
Real Estate	3 %	3 %	—	—
	100 %	100 %	100 %	100 %

(a) Includes VEBAs and irrevocable grantor trusts.

There were no shares of ALLETE common stock included in pension plan equity securities as of December 31, 2019 (no shares as of December 31, 2018).

NOTE 12. PENSION AND OTHER POSTRETIREMENT BENEFIT PLANS (Continued)

The defined benefit pension plans have adopted a dynamic asset allocation strategy (glide path) that increases the invested allocation to fixed income assets as the funding level of the plan increases to better match the sensitivity of the plan's assets and liabilities to changes in interest rates. This is expected to reduce the volatility of reported pension plan expenses. The postretirement health and life plans' assets are diversified to achieve strong returns within managed risk. Equity securities are diversified among domestic companies with large, mid and small market capitalizations, as well as investments in international companies. The majority of debt securities are made up of investment grade bonds.

Following are the current targeted allocations as of December 31, 2019:

Plan Asset Target Allocations	**Pension**	**Postretirement Health and Life** *(a)*
Equity Securities	32%	60%
Fixed Income Securities	56%	37%
Private Equity	6%	—
Real Estate	6%	3%
	100%	100%

(a) Includes VEBAs and irrevocable grantor trusts.

Fair Value

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date (exit price). We utilize market data or assumptions that market participants would use in pricing the asset or liability, including assumptions about risk and the risks inherent in the inputs to the valuation technique. These inputs can be readily observable, market corroborated, or generally unobservable. We primarily apply the market approach for recurring fair value measurements and endeavor to utilize the best available information. Accordingly, we utilize valuation techniques that maximize the use of observable inputs and minimize the use of unobservable inputs. These inputs, which are used to measure fair value, are prioritized through the fair value hierarchy. The hierarchy gives the highest priority to unadjusted quoted prices in active markets for identical assets or liabilities (Level 1 measurement) and the lowest priority to unobservable inputs (Level 3 measurement). (See Note 7. Fair Value)

NOTE 12. PENSION AND OTHER POSTRETIREMENT BENEFIT PLANS (Continued)
Fair Value (Continued)

Pension Fair Value

	Fair Value as of December 31, 2019			
Recurring Fair Value Measures	**Level 1**	**Level 2**	**Level 3**	**Total**
Millions				
Assets:				
Equity Securities:				
U.S. Large-cap *(a)*	—	$78.5	—	$78.5
U.S. Mid-cap Growth *(a)*	—	35.9	—	35.9
U.S. Small-cap *(a)*	—	34.6	—	34.6
International	—	92.1	—	92.1
Fixed Income Securities *(a)*	—	425.4	—	425.4
Cash and Cash Equivalents	$7.1	—	—	7.1
Private Equity Funds	—	—	$8.0	8.0
Real Estate	—	—	18.0	18.0
Total Fair Value of Assets	$7.1	$666.5	$26.0	$699.6

(a) The underlying investments consist of actively-managed funds managed to achieve the returns of certain U.S. equity and fixed income securities indexes.

Recurring Fair Value Measures

Activity in Level 3	**Private Equity Funds**	**Real Estate**
Millions		
Balance as of December 31, 2018	$27.8	$20.8
Actual Return on Plan Assets	0.4	(1.3)
Purchases, Sales, and Settlements – Net	(20.2)	(1.5)
Balance as of December 31, 2019	$8.0	$18.0

NOTE 12. PENSION AND OTHER POSTRETIREMENT BENEFIT PLANS (Continued)
Fair Value (Continued)

	Fair Value as of December 31, 2018			
Recurring Fair Value Measures	**Level 1**	**Level 2**	**Level 3**	**Total**
Millions				
Assets:				
Equity Securities:				
U.S. Large-cap *(a)*	—	$59.1	—	$59.1
U.S. Mid-cap Growth *(a)*	—	28.1	—	28.1
U.S. Small-cap *(a)*	—	27.2	—	27.2
International	—	75.8	—	75.8
Fixed Income Securities *(a)*	—	352.9	—	352.9
Cash and Cash Equivalents	$6.3	—	—	6.3
Private Equity Funds	—	—	$27.8	27.8
Real Estate	—	—	20.8	20.8
Total Fair Value of Assets	$6.3	$543.1	$48.6	$598.0

(a) The underlying investments consist of actively-managed funds managed to achieve the returns of certain U.S. equity and fixed income securities indexes.

Recurring Fair Value Measures		
Activity in Level 3	**Private Equity Funds**	**Real Estate**
Millions		
Balance as of December 31, 2017	$33.2	$25.5
Actual Return on Plan Assets	2.8	0.7
Purchases, Sales, and Settlements – Net	(8.2)	(5.4)
Balance as of December 31, 2018	$27.8	$20.8

NOTE 12. PENSION AND OTHER POSTRETIREMENT BENEFIT PLANS (Continued)
Fair Value (Continued)

Postretirement Health and Life Fair Value

	Fair Value as of December 31, 2019			
Recurring Fair Value Measures	**Level 1**	**Level 2**	**Level 3**	**Total**
Millions				
Assets:				
Equity Securities: *(a)*				
U.S. Large-cap	$33.6	—	—	$33.6
U.S. Mid-cap Growth	27.7	—	—	27.7
U.S. Small-cap	14.3	—	—	14.3
International	37.8	—	—	37.8
Fixed Income Securities:				
Mutual Funds	53.4	—	—	53.4
Debt Securities	—	$4.1	—	4.1
Cash and Cash Equivalents	1.1	—	—	1.1
Private Equity Funds	—	—	$1.7	1.7
Total Fair Value of Assets	$167.9	$4.1	$1.7	$173.7

(a) The underlying investments consist of mutual funds (Level 1).

Recurring Fair Value Measures **Activity in Level 3**	**Private Equity Funds**
Millions	
Balance as of December 31, 2018	$6.5
Actual Return on Plan Assets	0.7
Purchases, Sales, and Settlements – Net	(5.5)
Balance as of December 31, 2019	$1.7

NOTE 12. PENSION AND OTHER POSTRETIREMENT BENEFIT PLANS (Continued)
Fair Value (Continued)

	Fair Value as of December 31, 2018			
Recurring Fair Value Measures	**Level 1**	**Level 2**	**Level 3**	**Total**
Millions				
Assets:				
Equity Securities: *(a)*				
U.S. Large-cap	$29.1	—	—	$29.1
U.S. Mid-cap Growth	21.2	—	—	21.2
U.S. Small-cap	12.9	—	—	12.9
International	30.4	—	—	30.4
Fixed Income Securities:				
Mutual Funds	49.6	—	—	49.6
Debt Securities	—	$4.0	—	4.0
Cash and Cash Equivalents	0.6	—	—	0.6
Private Equity Funds	—	—	$6.5	6.5
Total Fair Value of Assets	$143.8	$4.0	$6.5	$154.3

(a) *The underlying investments consist of mutual funds (Level 1).*

Recurring Fair Value Measures **Activity in Level 3**	**Private Equity Funds**
Millions	
Balance as of December 31, 2017	$8.2
Actual Return on Plan Assets	0.9
Purchases, Sales, and Settlements – Net	(2.6)
Balance as of December 31, 2018	$6.5

Accounting and disclosure requirements for the Medicare Prescription Drug, Improvement and Modernization Act of 2003 (Act) provide guidance for employers that sponsor postretirement health care plans that provide prescription drug benefits. We provide a fully insured postretirement health benefit, including a prescription drug benefit, which qualifies us for a federal subsidy under the Act. The federal subsidy is reflected in the premiums charged to us by the insurance company.

NOTE 13. EMPLOYEE STOCK AND INCENTIVE PLANS

Employee Stock Ownership Plan. We sponsor an ESOP within the RSOP. Eligible employees may contribute to the RSOP plan as of their date of hire. The dividends received by the ESOP are distributed to participants. Dividends on allocated ESOP shares are recorded as a reduction of retained earnings. ESOP employer allocations are funded with contributions paid in either cash or the issuance of ALLETE common stock at the Company's discretion. We record compensation expense equal to the cash or current market price of stock contributed. ESOP compensation expense was $10.8 million in 2019 ($11.4 million in 2018; $11.0 million in 2017).

According to the accounting standards for stock compensation, unallocated shares of ALLETE common stock held and purchased by the ESOP were treated as unearned ESOP shares and not considered outstanding for earnings per share computations. All ESOP shares have been allocated to participants as of December 31, 2019, 2018 and 2017.

NOTE 13. EMPLOYEE STOCK AND INCENTIVE PLANS (Continued)

Stock-Based Compensation.

Stock Incentive Plan. Under our Executive Long-Term Incentive Compensation Plan (Executive Plan), share-based awards may be issued to key employees through a broad range of methods, including non-qualified and incentive stock options, performance shares, performance units, restricted stock, restricted stock units, stock appreciation rights and other awards. There are 0.8 million shares of ALLETE common stock reserved for issuance under the Executive Plan, of which 0.7 million of these shares remain available for issuance as of December 31, 2019.

The following types of share-based awards were outstanding in 2019, 2018 or 2017:

Performance Shares. Under the performance share awards, the number of shares earned is contingent upon attaining specific market and performance goals over a three-year performance period. Market goals are measured by total shareholder return relative to a group of peer companies while performance goals are measured by earnings per share growth. In the case of qualified retirement, death, or disability during a performance period, a pro rata portion of the award will be earned at the conclusion of the performance period based on the market goals achieved. In the case of termination of employment for any reason other than qualified retirement, death, or disability, no award will be earned. If there is a change in control, a pro rata portion of the award will be paid based on the greater of actual performance up to the date of the change in control or target performance. The fair value of these awards incorporates the probability of meeting the total shareholder return goals. Compensation cost is recognized over the three-year performance period based on our estimate of the number of shares which will be earned by the award recipients.

Restricted Stock Units. Under the restricted stock unit awards, shares for participants eligible for retirement vest monthly over a three-year period. For participants not eligible for retirement, shares vest at the end of the three-year period. In the case of qualified retirement, death or disability, a pro rata portion of the award will be earned. In the case of termination of employment for any reason other than qualified retirement, death or disability, no award will be earned. If there is a change in control, a pro rata portion of the award will be earned. The fair value of these awards is equal to the grant date fair value. Compensation cost is recognized over the three-year vesting period based on our estimate of the number of shares which will be earned by the award recipients.

Employee Stock Purchase Plan (ESPP). Under our ESPP, eligible employees may purchase ALLETE common stock at a 5 percent discount from the market price; we are not required to apply fair value accounting to these awards as the discount is not greater than 5 percent.

RSOP. The RSOP is a contributory defined contribution plan subject to the provisions of the Employee Retirement Income Security Act of 1974, as amended, and qualifies as an employee stock ownership plan and profit sharing plan. The RSOP provides eligible employees an opportunity to save for retirement.

The following share-based compensation expense amounts were recognized in our Consolidated Statement of Income for the periods presented.

Share-Based Compensation Expense

Year Ended December 31	**2019**	**2018**	**2017**
Millions			
Performance Shares	$2.3	$2.3	$2.1
Restricted Stock Units	0.8	0.9	1.0
Total Share-Based Compensation Expense	$3.1	$3.2	$3.1

Income Tax Benefit	$0.9	$0.9	$0.9

NOTE 13. EMPLOYEE STOCK AND INCENTIVE PLANS (Continued)
Stock-Based Compensation (Continued)

There were no capitalized share-based compensation costs during the years ended December 31, 2019, 2018 or 2017.

As of December 31, 2019, the total unrecognized compensation cost for the performance share awards and restricted stock units not yet recognized in our Consolidated Statement of Income was $2.2 million and $0.9 million, respectively. These amounts are expected to be recognized over a weighted-average period of 1.6 years.

Performance Shares. The following table presents information regarding our non-vested performance shares.

	2019		2018		2017	
	Number of Shares	**Weighted-Average Grant Date Fair Value**	**Number of Shares**	**Weighted-Average Grant Date Fair Value**	**Number of Shares**	**Weighted-Average Grant Date Fair Value**
Non-vested as of January 1	129,693	$66.12	127,898	$58.23	127,580	$52.56
Granted *(a)*	60,747	$63.89	66,557	$76.42	50,729	$62.90
Awarded	(75,943)	$53.44	(58,293)	$59.82	—	—
Unearned Grant Award	—	—	—	—	(40,801)	$46.27
Forfeited	(14,912)	$77.14	(6,469)	$72.99	(9,610)	$58.29
Non-vested as of December 31	99,585	$72.78	129,693	$66.12	127,898	$58.23

(a) Shares granted include accrued dividends.

There were approximately 22,000 performance shares granted in January 2020 for the three-year performance period ending in 2022. The ultimate issuance is contingent upon the attainment of certain goals of ALLETE during the performance periods. The grant date fair value of the performance shares granted was $1.8 million. There were approximately 25,000 performance shares awarded in February 2020. The grant date fair value of the shares awarded was $1.6 million.

Restricted Stock Units. The following table presents information regarding our available restricted stock units.

	2019		2018		2017	
	Number of Shares	**Weighted-Average Grant Date Fair Value**	**Number of Shares**	**Weighted-Average Grant Date Fair Value**	**Number of Shares**	**Weighted-Average Grant Date Fair Value**
Available as of January 1	49,771	$60.74	55,248	$56.18	54,728	$51.79
Granted *(a)*	13,927	$74.93	16,573	$71.11	21,241	$62.20
Awarded	(21,110)	$52.44	(18,881)	$55.78	(17,281)	$49.72
Forfeited	(2,645)	$72.43	(3,169)	$64.92	(3,440)	$56.00
Available as of December 31	39,943	$69.30	49,771	$60.74	55,248	$56.18

(a) Shares granted include accrued dividends.

There were approximately 14,000 restricted stock units granted in January 2020 for the vesting period ending in 2022. The grant date fair value of the restricted stock units granted was $1.1 million. There were approximately 15,000 restricted stock units awarded in February 2020. The grant date fair value of the shares awarded was $0.9 million.

NOTE 14. BUSINESS SEGMENTS

We present three reportable segments: Regulated Operations, ALLETE Clean Energy, and U.S. Water Services. We measure performance of our operations through budgeting and monitoring of contributions to consolidated net income by each business segment.

Regulated Operations includes three operating segments which consist of our regulated utilities, Minnesota Power and SWL&P, as well as our investment in ATC. ALLETE Clean Energy is our business focused on developing, acquiring and operating clean and renewable energy projects. U.S. Water Services was our integrated water management company, which reflects operating results until the date of its sale on March 26, 2019. We also present Corporate and Other which includes two operating segments, BNI Energy, our coal mining operations in North Dakota, and ALLETE Properties, our legacy Florida real estate investment, along with our investment in Nobles 2, other business development and corporate expenditures, unallocated interest expense, a small amount of non-rate base generation, approximately 4,000 acres of land in Minnesota, and earnings on cash and investments.

NOTE 14. BUSINESS SEGMENTS (Continued)

Year Ended December 31	2019	2018	2017
Millions			
Operating Revenue			
Residential	$139.6	$139.7	$127.4
Commercial	145.7	147.9	139.8
Municipal	48.6	54.9	57.9
Industrial	476.4	469.5	470.5
Other Power Suppliers	153.7	170.3	161.8
CIP Financial Incentive	2.8	3.0	5.5
Other	75.6	74.2	100.9
Total Regulated Operations	1,042.4	1,059.5	1,063.8
ALLETE Clean Energy			
Long-term PSA	48.0	55.2	56.9
Sale of Wind Energy Facility	—	81.1	—
Other	11.6	23.6	23.6
Total ALLETE Clean Energy	59.6	159.9	80.5
U.S. Water Services *(e)*			
Point-in-time	19.0	100.3	95.8
Contract	9.2	38.3	36.2
Capital Project	5.2	33.5	19.8
Total U.S. Water Services	33.4	172.1	151.8
Corporate and Other			
Long-term Contract	82.8	85.5	89.3
Other	22.3	21.6	33.9
Total Corporate and Other	105.1	107.1	123.2
Total Operating Revenue	$1,240.5	$1,498.6	$1,419.3
Net Income (Loss) Attributable to ALLETE *(a)(b)*			
Regulated Operations	$154.4	$131.0	$128.4
ALLETE Clean Energy *(c)*	12.4	33.7	41.5
U.S. Water Services	(1.1)	3.2	10.7
Corporate and Other *(d)(e)*	19.9	6.2	(8.4)
Total Net Income Attributable to ALLETE	$185.6	$174.1	$172.2

(a) Net income in 2017 included a favorable impact of $13.0 million after-tax due to the remeasurement of deferred income tax assets and liabilities resulting from the TCJA, which consisted of a $23.6 million after-tax benefit for ALLETE Clean Energy, a $9.2 million after-tax benefit for U.S. Water Services and a $19.8 million after-tax expense for Corporate and Other. The TCJA did not have an impact on net income for our Regulated Operations as the remeasurement of deferred income tax assets and liabilities primarily resulted in the recording of regulatory assets and liabilities. (See Note 1. Operations and Significant Accounting Policies and Note 4. Regulatory Matters.)

(b) Includes interest expense resulting from intercompany loan agreements and allocated to certain subsidiaries. The amounts are eliminated in consolidation.

(c) Net income in 2018 includes the recognition of profit for the sale of a wind energy facility to Montana-Dakota Utilities.

(d) Net income in 2017 included a $7.9 million after-tax favorable impact for the regulatory outcome of the MPUC's modification of its November 2016 order on the allocation of North Dakota investment tax credits.

(e) On March 26, 2019, ALLETE sold U.S. Water Services. The Company recognized a gain on the sale of $13.2 million after-tax which is reflected in Corporate and Other. (See Note 1. Operations and Significant Accounting Policies.)

NOTE 14. BUSINESS SEGMENTS (Continued)

Year Ended December 31	2019	2018	2017
Millions			
Depreciation and Amortization			
Regulated Operations	$159.4	$158.0	$132.6
ALLETE Clean Energy	26.8	24.4	23.4
U.S. Water Services	2.3	10.2	9.8
Corporate and Other	13.5	13.0	11.7
Total Depreciation and Amortization	$202.0	$205.6	$177.5
Operating Expenses – Other *(a)*			
Corporate and Other	—	$(2.0)	$(0.7)
Total Operating Expenses – Other	—	$(2.0)	$(0.7)
Interest Expense *(b)*			
Regulated Operations	$58.9	$60.2	$57.0
ALLETE Clean Energy	2.8	3.6	4.2
U.S. Water Services	0.2	1.5	1.6
Corporate and Other	8.0	7.3	10.3
Eliminations	(5.0)	(4.7)	(5.3)
Total Interest Expense	$64.9	$67.9	$67.8
Equity Earnings			
Regulated Operations	$21.7	$17.5	$22.5
Income Tax Expense (Benefit) *(c)*			
Regulated Operations *(d)*	$(7.1)	$(15.5)	$27.2
ALLETE Clean Energy	(11.9)	(1.0)	(14.2)
U.S. Water Services	(0.4)	1.0	(7.8)
Corporate and Other *(d)(e)*	12.8	—	9.5
Total Income Tax Expense (Benefit)	$(6.6)	$(15.5)	$14.7

(a) See Note 1. Operations and Significant Accounting Policies.

(b) Includes interest expense resulting from intercompany loan agreements and allocated to certain subsidiaries. The amounts are eliminated in consolidation.

(c) Income tax expense in 2017 included an income tax benefit of $13.0 million due to the remeasurement of deferred income tax assets and liabilities resulting from the TCJA, which consisted of income tax benefits of $23.6 million for ALLETE Clean Energy and $9.2 million for U.S. Water Services as well as additional income tax expense of $19.8 million for Corporate and Other. The TCJA did not have an impact on income tax expense for our Regulated Operations as the remeasurement of deferred income tax assets and liabilities primarily resulted in the recording of regulatory assets and liabilities. (See Note 1. Operations and Significant Accounting Policies and Note 4. Regulatory Matters.)

(d) In 2017, Regulated Operations includes $14.0 million of income tax expense related to North Dakota investment tax credits transferred to Corporate and Other and higher pre-tax income for the favorable impact for the regulatory outcome of the MPUC's modification of its November 2016 order on the allocation of North Dakota investment tax credits. There was no impact to net income for Regulated Operations. Corporate and Other recorded an offsetting income tax benefit of $7.9 million in 2017. (See Note 4. Regulatory Matters.)

(e) On March 26, 2019, ALLETE sold U.S. Water Services. The Company recognized income tax expense of $10.4 million for the gain on sale of U.S. Water Services which is reflected in Corporate and Other. (See Note 1. Operations and Significant Accounting Policies.)

NOTE 14. BUSINESS SEGMENTS (Continued)

As of December 31	2019	2018
Millions		
Assets		
Regulated Operations	$4,130.8	$3,952.5
ALLETE Clean Energy	1,001.5	606.6
U.S. Water Services *(a)*	—	295.8
Corporate and Other	350.5	310.1
Total Assets	$5,482.8	$5,165.0
Capital Expenditures		
Regulated Operations	$230.9	$211.9
ALLETE Clean Energy	385.6	89.7
U.S. Water Services *(a)*	—	5.0
Corporate and Other	10.1	12.0
Total Capital Expenditures	$626.6	$318.6

(a) On March 26, 2019, ALLETE sold U.S. Water Services. (See Note 1. Operations and Significant Accounting Policies.)

NOTE 15. QUARTERLY FINANCIAL DATA (UNAUDITED)

Information for any one quarterly period is not necessarily indicative of the results which may be expected for the year.

Quarter Ended	Mar. 31	Jun. 30	Sept. 30	Dec. 31
Millions Except Earnings Per Share				
2019				
Operating Revenue	$357.2	$290.4	$288.3	$304.6
Operating Income	$56.8	$36.2	$37.0	$49.8
Net Income Attributable to ALLETE	$70.5	$34.2	$31.2	$49.7
Earnings Per Share of Common Stock				
Basic	$1.37	$0.66	$0.60	$0.96
Diluted	$1.37	$0.66	$0.60	$0.96
2018				
Operating Revenue	$358.2	$344.1	$348.0	$448.3
Operating Income	$57.4	$36.5	$43.3	$64.0
Net Income Attributable to ALLETE	$51.0	$31.3	$30.7	$61.1
Earnings Per Share of Common Stock				
Basic	$1.00	$0.61	$0.59	$1.19
Diluted	$0.99	$0.61	$0.59	$1.18
2017				
Operating Revenue	$365.6	$353.3	$362.5	$337.9
Operating Income	$71.6	$54.0	$68.0	$32.3
Net Income Attributable to ALLETE	$49.0	$36.9	$44.9	$41.4
Earnings Per Share of Common Stock				
Basic	$0.97	$0.73	$0.88	$0.81
Diluted	$0.97	$0.72	$0.88	$0.81

NOTE 16. REGULATORY ACCOUNTING ISSUES

Basis of Accounting. The financial statements have been prepared in accordance with the accounting requirements of the uniform systems of accounts as prescribed by the FERC. The principle differences from generally accepted accounting principles include the exclusion of current maturities of long-term debt, the exclusion of preferred stock from current liabilities, the classification of deferred income taxes due to the guidance in accounting for income taxes, the classification of certain non-ARO plant removal obligations and the classification of certain securities investments due to the guidance for certain investments in debt and equity securities. As required by the FERC for this Form 1 report, ALLETE, Inc. accounts for its investments in majority-owned subsidiaries using the equity method rather than consolidating the assets, liabilities, revenues, and expenses of these subsidiaries, as required by generally accepted accounting principles.

The following abbreviations or acronyms are used in the text. References in this report to "we," "us" and "our" are to ALLETE, Inc. and its subsidiaries, collectively.

Abbreviation or Acronym	Term
AFUDC	Allowance for Funds Used During Construction - the cost of both debt and equity funds used to finance utility plant additions during construction periods
ALLETE	ALLETE, Inc.
ALLETE Clean Energy	ALLETE Clean Energy, Inc. and its subsidiaries
ALLETE Properties	ALLETE Properties, LLC and its subsidiaries
ALLETE South Wind	ALLETE South Wind, LLC
ALLETE Transmission Holdings	ALLETE Transmission Holdings, Inc.
ArcelorMittal	ArcelorMittal USA, Inc.
ATC	American Transmission Company LLC
Basin	Basin Electric Power Cooperative
Bison	Bison Wind Energy Center
BNI Energy	BNI Energy, Inc. and its subsidiary
Boswell	Boswell Energy Center
Camp Ripley	Camp Ripley Solar Array
CIP	Conservation Improvement Program
Cliffs	Cleveland-Cliffs Inc.
Company	ALLETE, Inc. and its subsidiaries
DC	Direct Current
EIS	Environmental Impact Statement
EPA	United States Environmental Protection Agency
ESOP	Employee Stock Ownership Plan
FASB	Financial Accounting Standards Board
FERC	Federal Energy Regulatory Commission
Form 8-K	ALLETE Current Report on Form 8-K
Form 10-K	ALLETE Annual Report on Form 10-K
Form 10-Q	ALLETE Quarterly Report on Form 10-Q
GAAP	Generally Accepted Accounting Principles in the United States of America
GHG	Greenhouse Gases
GNTL	Great Northern Transmission Line
Invest Direct	ALLETE's Direct Stock Purchase and Dividend Reinvestment Plan
IRP	Integrated Resource Plan
kV	Kilovolt(s)
kW / kWh	Kilowatt(s) / Kilowatt-hour(s)
Laskin	Laskin Energy Center
Manitoba Hydro	Manitoba Hydro-Electric Board
MBtu	Million British thermal units
Minnesota Power	An operating division of ALLETE, Inc.
Minnkota Power	Minnkota Power Cooperative, Inc.
MISO	Midcontinent Independent System Operator, Inc.
Montana-Dakota Utilities	Montana-Dakota Utilities Co., a subsidiary of MDU Resources Group, Inc.

Definitions (continued)

Moody's	Moody's Investor Service, Inc.
MPCA	Minnesota Pollution Control Agency
MPUC	Minnesota Public Utilities Commission
MW / MWh	Megawatt(s) / Megawatt-hour(s)
NDPSC	North Dakota Public Service Commission
NERC	North American Electric Reliability Corporation
Nobles 2	Nobles 2 Power Partners, LLC
NOL	Net Operating Loss
NOX	Nitrogen Oxides
Northern States Power	Northern States Power Company, a subsidiary of Xcel Energy Inc.
Northshore Mining	Northshore Mining Company, a wholly-owned subsidiary of Cliffs
Note ___	Note ___ to the consolidated financial statements in this Form 1
NTEC	Nemadji Trail Energy Center
NYSE	New York Stock Exchange
Oliver Wind I	Oliver Wind I Energy Center
Oliver Wind II	Oliver Wind II Energy Center
Palm Coast Park District	Palm Coast Park Community Development District in Florida
PolyMet	PolyMet Mining Corp.
PPA / PSA	Power Purchase Agreement / Power Sales Agreement
PPACA	Patient Protection and Affordable Care Act of 2010
PSCW	Public Service Commission of Wisconsin
RSOP	Retirement Savings and Stock Ownership Plan
SEC	Securities and Exchange Commission
S&P	S&P Global Ratings
Silver Bay Power	Silver Bay Power Company, a wholly-owned subsidiary of Cliffs
SO2	Sulfur Dioxide
Square Butte	Square Butte Electric Cooperative, a North Dakota cooperative corporation
SWL&P	Superior Water, Light and Power Company
Taconite Harbor	Taconite Harbor Energy Center
Taconite Ridge	Taconite Ridge Energy Center
Tenaska	Tenaska Energy, Inc. and Tenaska Energy Holdings, LLC
TCJA	Tax Cuts and Jobs Act of 2017 (Public Law 115-97)
Tonka Water	Tonka Equipment Company
Town Center District	Town Center at Palm Coast Community Development District in Florida
United Taconite	United Taconite LLC, a wholly-owned subsidiary of Cliffs
UPM Blandin	UPM, Blandin paper mill owned by UPM-Kymmene Corporation
U.S.	United States of America
U.S. Water Services	U.S. Water Services, Inc. and its subsidiaries
USS Corporation	United States Steel Corporation

Name of Respondent	This Report Is:	Date of Report (Mo, Da, Yr)	Year/Period of Report
ALLETE, Inc.	(1) [X] An Original (2) [ ] A Resubmission	/ /	End of 2019/Q4

STATEMENTS OF ACCUMULATED COMPREHENSIVE INCOME, COMPREHENSIVE INCOME, AND HEDGING ACTIVITIES

1. Report in columns (b),(c),(d) and (e) the amounts of accumulated other comprehensive income items, on a net-of-tax basis, where appropriate.
2. Report in columns (f) and (g) the amounts of other categories of other cash flow hedges.
3. For each category of hedges that have been accounted for as "fair value hedges", report the accounts affected and the related amounts in a footnote.
4. Report data on a year-to-date basis.

Line No.	Item (a)	Unrealized Gains and Losses on Available-for-Sale Securities (b)	Minimum Pension Liability adjustment (net amount) (c)	Foreign Currency Hedges (d)	Other Adjustments (e)
1	Balance of Account 219 at Beginning of Preceding Year	(89,979)	(21,438,757)		
2	Preceding Qtr/Yr to Date Reclassifications from Acct 219 to Net Income		908,698		
3	Preceding Quarter/Year to Date Changes in Fair Value	89,979	(6,128,390)		
4	Total (lines 2 and 3)	89,979	(5,219,692)		
5	Balance of Account 219 at End of Preceding Quarter/Year		(26,658,449)		
6	Balance of Account 219 at Beginning of Current Year		(26,658,449)		
7	Current Qtr/Yr to Date Reclassifications from Acct 219 to Net Income		361,176		
8	Current Quarter/Year to Date Changes in Fair Value		2,436,142		
9	Total (lines 7 and 8)		2,797,318		
10	Balance of Account 219 at End of Current Quarter/Year		(23,861,131)		

STATEMENTS OF ACCUMULATED COMPREHENSIVE INCOME, COMPREHENSIVE INCOME, AND HEDGING ACTIVITIES

Line No.	Other Cash Flow Hedges Interest Rate Swaps (f)	Other Cash Flow Hedges [Specify] (g)	Totals for each category of items recorded in Account 219 (h)	Net Income (Carried Forward from Page 117, Line 78) (i)	Total Comprehensive Income (j)
1			(21,528,736)	[redacted]	[redacted]
2			908,698	[redacted]	[redacted]
3			(6,038,411)	[redacted]	[redacted]
4			(5,129,713)	174,085,165	168,955,452
5			(26,658,449)	[redacted]	[redacted]
6			(26,658,449)	[redacted]	[redacted]
7			361,176	[redacted]	[redacted]
8			2,436,142	[redacted]	[redacted]
9			2,797,318	185,600,843	188,398,161
10			(23,861,131)	[redacted]	[redacted]

Name of Respondent	This Report Is:	Date of Report (Mo, Da, Yr)	Year/Period of Report
ALLETE, Inc.	(1) [X] An Original (2) [ ] A Resubmission	/ /	End of 2019/Q4

SUMMARY OF UTILITY PLANT AND ACCUMULATED PROVISIONS FOR DEPRECIATION. AMORTIZATION AND DEPLETION

Report in Column (c) the amount for electric function, in column (d) the amount for gas function, in column (e), (f), and (g) report other (specify) and in column (h) common function.

Line No.	Classification (a)	Total Company for the Current Year/Quarter Ended (b)	Electric (c)
1	Utility Plant		
2	In Service		
3	Plant in Service (Classified)	4,275,507,799	4,275,507,799
4	Property Under Capital Leases	18,507,845	18,507,845
5	Plant Purchased or Sold		
6	Completed Construction not Classified	134,855,927	134,855,927
7	Experimental Plant Unclassified		
8	Total (3 thru 7)	4,428,871,571	4,428,871,571
9	Leased to Others		
10	Held for Future Use	19,426	19,426
11	Construction Work in Progress	372,181,348	372,181,348
12	Acquisition Adjustments	939,345	939,345
13	Total Utility Plant (8 thru 12)	4,802,011,690	4,802,011,690
14	Accum Prov for Depr, Amort, & Depl	1,613,662,287	1,613,662,287
15	Net Utility Plant (13 less 14)	3,188,349,403	3,188,349,403
16	Detail of Accum Prov for Depr, Amort & Depl		
17	In Service:		
18	Depreciation	1,578,676,477	1,578,676,477
19	Amort & Depl of Producing Nat Gas Land/Land Right		
20	Amort of Underground Storage Land/Land Rights		
21	Amort of Other Utility Plant	34,965,086	34,965,086
22	Total In Service (18 thru 21)	1,613,641,563	1,613,641,563
23	Leased to Others		
24	Depreciation		
25	Amortization and Depletion		
26	Total Leased to Others (24 & 25)		
27	Held for Future Use		
28	Depreciation	20,724	20,724
29	Amortization		
30	Total Held for Future Use (28 & 29)	20,724	20,724
31	Abandonment of Leases (Natural Gas)		
32	Amort of Plant Acquisition Adj		
33	Total Accum Prov (equals 14) (22,26,30,31,32)	1,613,662,287	1,613,662,287

Name of Respondent	This Report Is:	Date of Report (Mo, Da, Yr)	Year/Period of Report
ALLETE, Inc.	(1) [X] An Original (2) [ ] A Resubmission	/ /	End of 2019/Q4

SUMMARY OF UTILITY PLANT AND ACCUMULATED PROVISIONS
FOR DEPRECIATION. AMORTIZATION AND DEPLETION

Gas (d)	Other (Specify) (e)	Other (Specify) (f)	Other (Specify) (g)	Common (h)	Line No.
					1
					2
					3
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					31
					32
					33

Schedule Page: 200 Line No.: 3 Column: c

Amount includes $44,282,611 Non-Regulated Plant in Service.

Schedule Page: 200 Line No.: 4 Column: c

Amount includes $3,536,485 related to the Right of Use Assets recognized as part of the adoption of ASC 842 – Leases; this amount is excluded from Pages 204-207. The remaining $14,971,360 relates to the Camp Ripley solar financing. The Company does not currently have any capital lease obligations.

Schedule Page: 200 Line No.: 6 Column: c

Amount includes $120,711 Non-Regulated Completed Construction not Classified.

Schedule Page: 200 Line No.: 11 Column: c

Amount includes $505,742 Non-Regulated Completed Construction Work in Progress.

Schedule Page: 200 Line No.: 14 Column: c

Amount includes $18,683,740 of Non-Regulated Accumulated Provision for Depreciation, Amortization & Depletion and $(133,261) of Non-Regulated Retirement Work in Progress.

Name of Respondent	This Report Is:	Date of Report (Mo, Da, Yr)	Year/Period of Report
ALLETE, Inc.	(1) [X] An Original (2) [ ] A Resubmission	/ /	End of 2019/Q4

NUCLEAR FUEL MATERIALS (Account 120.1 through 120.6 and 157)

1. Report below the costs incurred for nuclear fuel materials in process of fabrication, on hand, in reactor, and in cooling; owned by the respondent.
2. If the nuclear fuel stock is obtained under leasing arrangements, attach a statement showing the amount of nuclear fuel leased, the quantity used and quantity on hand, and the costs incurred under such leasing arrangements.

Line No.	Description of item (a)	Balance Beginning of Year (b)	Changes during Year Additions (c)
1	Nuclear Fuel in process of Refinement, Conv, Enrichment & Fab (120.1)		
2	Fabrication		
3	Nuclear Materials		
4	Allowance for Funds Used during Construction		
5	(Other Overhead Construction Costs, provide details in footnote)		
6	SUBTOTAL (Total 2 thru 5)		
7	Nuclear Fuel Materials and Assemblies		
8	In Stock (120.2)		
9	In Reactor (120.3)		
10	SUBTOTAL (Total 8 & 9)		
11	Spent Nuclear Fuel (120.4)		
12	Nuclear Fuel Under Capital Leases (120.6)		
13	(Less) Accum Prov for Amortization of Nuclear Fuel Assem (120.5)		
14	TOTAL Nuclear Fuel Stock (Total 6, 10, 11, 12, less 13)		
15	Estimated net Salvage Value of Nuclear Materials in line 9		
16	Estimated net Salvage Value of Nuclear Materials in line 11		
17	Est Net Salvage Value of Nuclear Materials in Chemical Processing		
18	Nuclear Materials held for Sale (157)		
19	Uranium		
20	Plutonium		
21	Other (provide details in footnote):		
22	TOTAL Nuclear Materials held for Sale (Total 19, 20, and 21)		

Name of Respondent ALLETE, Inc.	This Report Is: (1) [X] An Original (2) [ ] A Resubmission	Date of Report (Mo, Da, Yr) / /	Year/Period of Report End of 2019/Q4

NUCLEAR FUEL MATERIALS (Account 120.1 through 120.6 and 157)

Changes during Year		Balance	Line
Amortization (d)	Other Reductions (Explain in a footnote) (e)	End of Year (f)	No.
			1
			2
			3
			4
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			11
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			22

Name of Respondent ALLETE, Inc.	This Report Is: (1) [X] An Original (2) [ ] A Resubmission	Date of Report (Mo, Da, Yr) / /	Year/Period of Report End of 2019/Q4

ELECTRIC PLANT IN SERVICE (Account 101, 102, 103 and 106)

1. Report below the original cost of electric plant in service according to the prescribed accounts.
2. In addition to Account 101, Electric Plant in Service (Classified), this page and the next include Account 102, Electric Plant Purchased or Sold; Account 103, Experimental Electric Plant Unclassified; and Account 106, Completed Construction Not Classified-Electric.
3. Include in column (c) or (d), as appropriate, corrections of additions and retirements for the current or preceding year.
4. For revisions to the amount of initial asset retirement costs capitalized, included by primary plant account, increases in column (c) additions and reductions in column (e) adjustments.
5. Enclose in parentheses credit adjustments of plant accounts to indicate the negative effect of such accounts.
6. Classify Account 106 according to prescribed accounts, on an estimated basis if necessary, and include the entries in column (c). Also to be included in column (c) are entries for reversals of tentative distributions of prior year reported in column (b). Likewise, if the respondent has a significant amount of plant retirements which have not been classified to primary accounts at the end of the year, include in column (d) a tentative distribution of such retirements, on an estimated basis, with appropriate contra entry to the account for accumulated depreciation provision. Include also in column (d)

Line No.	Account (a)	Balance Beginning of Year (b)	Additions (c)
1	1. INTANGIBLE PLANT		
2	(301) Organization	100,000	
3	(302) Franchises and Consents	4,677,060	
4	(303) Miscellaneous Intangible Plant	69,679,898	2,427,740
5	TOTAL Intangible Plant (Enter Total of lines 2, 3, and 4)	74,456,958	2,427,740
6	2. PRODUCTION PLANT		
7	A. Steam Production Plant		
8	(310) Land and Land Rights	10,588,130	
9	(311) Structures and Improvements	194,713,717	501,841
10	(312) Boiler Plant Equipment	1,076,098,277	17,415,593
11	(313) Engines and Engine-Driven Generators		
12	(314) Turbogenerator Units	152,455,844	2,715,021
13	(315) Accessory Electric Equipment	130,523,659	446,122
14	(316) Misc. Power Plant Equipment	10,091,941	
15	(317) Asset Retirement Costs for Steam Production	48,296,168	1,582,493
16	TOTAL Steam Production Plant (Enter Total of lines 8 thru 15)	1,622,767,736	22,661,070
17	B. Nuclear Production Plant		
18	(320) Land and Land Rights		
19	(321) Structures and Improvements		
20	(322) Reactor Plant Equipment		
21	(323) Turbogenerator Units		
22	(324) Accessory Electric Equipment		
23	(325) Misc. Power Plant Equipment		
24	(326) Asset Retirement Costs for Nuclear Production		
25	TOTAL Nuclear Production Plant (Enter Total of lines 18 thru 24)		
26	C. Hydraulic Production Plant		
27	(330) Land and Land Rights	3,687,554	
28	(331) Structures and Improvements	20,618,168	-19,288
29	(332) Reservoirs, Dams, and Waterways	129,786,670	3,328,466
30	(333) Water Wheels, Turbines, and Generators	33,557,530	-54,567
31	(334) Accessory Electric Equipment	20,781,277	310,563
32	(335) Misc. Power PLant Equipment	1,809,097	
33	(336) Roads, Railroads, and Bridges	436,270	
34	(337) Asset Retirement Costs for Hydraulic Production		
35	TOTAL Hydraulic Production Plant (Enter Total of lines 27 thru 34)	210,676,566	3,565,174
36	D. Other Production Plant		
37	(340) Land and Land Rights	1,481,927	
38	(341) Structures and Improvements	52,643,685	
39	(342) Fuel Holders, Products, and Accessories		
40	(343) Prime Movers		
41	(344) Generators	732,703,256	-561,699
42	(345) Accessory Electric Equipment	49,658,308	-14,980
43	(346) Misc. Power Plant Equipment	3,220,843	2,577
44	(347) Asset Retirement Costs for Other Production	11,124,296	
45	TOTAL Other Prod. Plant (Enter Total of lines 37 thru 44)	850,832,315	-574,102
46	TOTAL Prod. Plant (Enter Total of lines 16, 25, 35, and 45)	2,684,276,617	25,652,142

Name of Respondent	This Report Is:	Date of Report (Mo, Da, Yr)	Year/Period of Report
ALLETE, Inc.	(1) [X] An Original (2) [ ] A Resubmission	/ /	End of 2019/Q4

ELECTRIC PLANT IN SERVICE (Account 101, 102, 103 and 106) (Continued)

Line No.	Account (a)	Balance Beginning of Year (b)	Additions (c)
47	3. TRANSMISSION PLANT		
48	(350) Land and Land Rights	15,964,551	-565,030
49	(352) Structures and Improvements	20,827,223	5,736,375
50	(353) Station Equipment	318,897,056	23,999,493
51	(354) Towers and Fixtures	26,052,506	
52	(355) Poles and Fixtures	274,205,568	6,734,928
53	(356) Overhead Conductors and Devices	121,529,561	-886,486
54	(357) Underground Conduit		
55	(358) Underground Conductors and Devices	2,988,455	
56	(359) Roads and Trails	58,614	
57	(359.1) Asset Retirement Costs for Transmission Plant		
58	TOTAL Transmission Plant (Enter Total of lines 48 thru 57)	780,523,534	35,019,280
59	4. DISTRIBUTION PLANT		
60	(360) Land and Land Rights	4,290,508	-739,444
61	(361) Structures and Improvements	11,673,027	573,233
62	(362) Station Equipment	92,521,665	1,293,692
63	(363) Storage Battery Equipment		
64	(364) Poles, Towers, and Fixtures	115,358,251	5,595,162
65	(365) Overhead Conductors and Devices	94,845,414	4,633,827
66	(366) Underground Conduit	12,312,613	9,452
67	(367) Underground Conductors and Devices	103,014,278	4,755,139
68	(368) Line Transformers	93,026,260	2,524,241
69	(369) Services	18,407,250	270,276
70	(370) Meters	64,315,977	4,569,490
71	(371) Installations on Customer Premises		
72	(372) Leased Property on Customer Premises	2,081,642	76,572
73	(373) Street Lighting and Signal Systems	4,426,060	288,488
74	(374) Asset Retirement Costs for Distribution Plant		
75	TOTAL Distribution Plant (Enter Total of lines 60 thru 74)	616,272,945	23,850,128
76	5. REGIONAL TRANSMISSION AND MARKET OPERATION PLANT		
77	(380) Land and Land Rights		
78	(381) Structures and Improvements		
79	(382) Computer Hardware		
80	(383) Computer Software		
81	(384) Communication Equipment		
82	(385) Miscellaneous Regional Transmission and Market Operation Plant		
83	(386) Asset Retirement Costs for Regional Transmission and Market Oper		
84	TOTAL Transmission and Market Operation Plant (Total lines 77 thru 83)		
85	6. GENERAL PLANT		
86	(389) Land and Land Rights	3,302,212	
87	(390) Structures and Improvements	77,311,440	5,248,214
88	(391) Office Furniture and Equipment	24,927,404	999,471
89	(392) Transportation Equipment	13,836,789	2,027,609
90	(393) Stores Equipment	1,298,803	7,840
91	(394) Tools, Shop and Garage Equipment	6,140,565	598,073
92	(395) Laboratory Equipment	3,683,526	28,825
93	(396) Power Operated Equipment	4,514,605	1,624,879
94	(397) Communication Equipment	81,357,175	1,230,276
95	(398) Miscellaneous Equipment	195,162	4,588
96	SUBTOTAL (Enter Total of lines 86 thru 95)	216,567,681	11,769,775
97	(399) Other Tangible Property		
98	(399.1) Asset Retirement Costs for General Plant		
99	TOTAL General Plant (Enter Total of lines 96, 97 and 98)	216,567,681	11,769,775
100	TOTAL (Accounts 101 and 106)	4,372,097,735	98,719,065
101	(102) Electric Plant Purchased (See Instr. 8)		
102	(Less) (102) Electric Plant Sold (See Instr. 8)		
103	(103) Experimental Plant Unclassified		
104	TOTAL Electric Plant in Service (Enter Total of lines 100 thru 103)	4,372,097,735	98,719,065

Name of Respondent ALLETE, Inc.	This Report Is: (1) [X] An Original (2) [ ] A Resubmission	Date of Report (Mo, Da, Yr) / /	Year/Period of Report End of 2019/Q4

ELECTRIC PLANT IN SERVICE (Account 101, 102, 103 and 106) (Continued)

distributions of these tentative classifications in columns (c) and (d), including the reversals of the prior years tentative account distributions of these amounts. Careful observance of the above instructions and the texts of Accounts 101 and 106 will avoid serious omissions of the reported amount of respondent's plant actually in service at end of year.

7. Show in column (f) reclassifications or transfers within utility plant accounts. Include also in column (f) the additions or reductions of primary account classifications arising from distribution of amounts initially recorded in Account 102, include in column (e) the amounts with respect to accumulated provision for depreciation, acquisition adjustments, etc., and show in column (f) only the offset to the debits or credits distributed in column (f) to primary account classifications.

8. For Account 399, state the nature and use of plant included in this account and if substantial in amount submit a supplementary statement showing subaccount classification of such plant conforming to the requirement of these pages.

9. For each amount comprising the reported balance and changes in Account 102, state the property purchased or sold, name of vendor or purchase, and date of transaction. If proposed journal entries have been filed with the Commission as required by the Uniform System of Accounts, give also date

Retirements (d)	Adjustments (e)	Transfers (f)	Balance at End of Year (g)		Line No.
					1
			100,000		2
			4,677,060		3
21,394,552			50,713,086		4
21,394,552			55,490,146		5
					6
					7
132,101			10,456,029		8
749,531			194,466,027		9
8,468,992			1,085,044,878		10
					11
3,708,552			151,462,313		12
135,937			130,833,844		13
			10,091,941		14
			49,878,661		15
13,195,113			1,632,233,693		16
					17
					18
					19
					20
					21
					22
					23
					24
					25
					26
47,001			3,640,553		27
			20,598,880		28
			133,115,136		29
			33,502,963		30
			21,091,840		31
			1,809,097		32
			436,270		33
					34
47,001			214,194,739		35
					36
			1,481,927		37
			52,643,685		38
					39
					40
1,390,349			730,751,208		41
			49,643,328		42
		-92,224	3,131,196		43
			11,124,296		44
1,390,349		-92,224	848,775,640		45
14,632,463		-92,224	2,695,204,072		46

Name of Respondent ALLETE, Inc.	This Report Is: (1) [X] An Original (2) [ ] A Resubmission	Date of Report (Mo, Da, Yr) / /	Year/Period of Report End of 2019/Q4

ELECTRIC PLANT IN SERVICE (Account 101, 102, 103 and 106) (Continued)

Retirements (d)	Adjustments (e)	Transfers (f)	Balance at End of Year (g)		Line No.
					47
			15,399,521		48
			26,563,598		49
1,630,383		-37,595	341,228,571		50
30,098			26,022,408		51
261,222	22,548		280,701,822		52
82,659	-22,548		120,537,868		53
					54
			2,988,455		55
			58,614		56
					57
2,004,362		-37,595	813,500,857		58
					59
5,887			3,545,177		60
-4,055			12,250,315		61
324,142		34,304	93,525,519		62
					63
578,702			120,374,711		64
603,309			98,875,932		65
			12,322,065		66
668,520			107,100,897		67
355,211			95,195,290		68
65,649			18,611,877		69
1,968,813		3,291	66,919,945		70
					71
38,379			2,119,835		72
33,001			4,681,547		73
					74
4,637,558		37,595	635,523,110		75
					76
					77
					78
					79
					80
					81
					82
					83
					84
					85
3,700			3,298,512		86
654,864		-127,140	81,777,650		87
975,656			24,951,219		88
		92,224	15,956,622		89
			1,306,643		90
200,826			6,537,812		91
51,029			3,661,322		92
			6,139,484		93
794,103			81,793,348		94
5,461			194,289		95
2,685,639		-34,916	225,616,901		96
					97
					98
2,685,639		-34,916	225,616,901		99
45,354,574		-127,140	4,425,335,086		100
					101
					102
					103
45,354,574		-127,140	4,425,335,086		104

Schedule Page: 204 Line No.: 41 Column: g

Amount includes $14,971,360 related to Camp Ripley solar financing. The Company does not currently have any capital lease obligations.

Schedule Page: 204 Line No.: 58 Column: g

Amount includes $62,445,783 of Transmission: Used in Production.

Schedule Page: 204 Line No.: 104 Column: g

Amount excludes $3,536,485 related to Right of Use Assets recognized as part of the adoption of ASC 842 - Leases. The Company does not currently have any capital lease obligations.

Name of Respondent	This Report Is:	Date of Report (Mo, Da, Yr)	Year/Period of Report
ALLETE, Inc.	(1) [X] An Original (2) [ ] A Resubmission	/ /	End of 2019/Q4

ELECTRIC PLANT LEASED TO OTHERS (Account 104)

Line No.	Name of Lessee (Designate associated companies with a double asterisk) (a)	Description of Property Leased (b)	Commission Authorization (c)	Expiration Date of Lease (d)	Balance at End of Year (e)
1					
2					
3					
4					
5					
6					
7					
8					
9					
10					
11					
12					
13					
14					
15					
16					
17					
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26					
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29					
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31					
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34					
35					
36					
37					
38					
39					
40					
41					
42					
43					
44					
45					
46					
47	TOTAL				

Name of Respondent	This Report Is:	Date of Report (Mo, Da, Yr)	Year/Period of Report
ALLETE, Inc.	(1) [X] An Original (2) [ ] A Resubmission	/ /	End of 2019/Q4

ELECTRIC PLANT HELD FOR FUTURE USE (Account 105)

1. Report separately each property held for future use at end of the year having an original cost of $250,000 or more. Group other items of property held for future use.
2. For property having an original cost of $250,000 or more previously used in utility operations, now held for future use, give in column (a), in addition to other required information, the date that utility use of such property was discontinued, and the date the original cost was transferred to Account 105.

Line No.	Description and Location Of Property (a)	Date Originally Included in This Account (b)	Date Expected to be used in Utility Service (c)	Balance at End of Year (d)
1	Land and Rights:			
2				
3				
4				
5				
6				
7				
8				
9				
10				
11				
12				
13				
14				
15				
16				
17				
18				
19				
20				
21	Other Property:			
22	Transmission Plant			
23	115kV Boswell - Grand Rapids Line #29	8/82	12/31/2029	19,426
24				
25				
26				
27				
28				
29				
30				
31				
32				
33				
34				
35				
36				
37				
38				
39				
40				
41				
42				
43				
44				
45				
46				
47	Total			19,426

Name of Respondent	This Report Is:	Date of Report (Mo, Da, Yr)	Year/Period of Report
ALLETE, Inc.	(1) [X] An Original (2) [ ] A Resubmission	/ /	End of 2019/Q4

CONSTRUCTION WORK IN PROGRESS - - ELECTRIC (Account 107)

1. Report below descriptions and balances at end of year of projects in process of construction (107)
2. Show items relating to "research, development, and demonstration" projects last, under a caption Research, Development, and Demonstrating (see Account 107 of the Uniform System of Accounts)
3. Minor projects (5% of the Balance End of the Year for Account 107 or $1,000,000, whichever is less) may be grouped.

Line No.	Description of Project (a)	Construction work in progress - Electric (Account 107) (b)
1	Minor Generation	7,912,505
2	Natural Gas Initiative	4,487,938
3	BEC Install Wastewater Treatment	1,833,975
4	BEC3 - Dry Ash Handling System Final	1,269,635
5	Sylvan Increase Spill Capacity	1,104,997
6	Taconite Ridge Gearbox	1,097,260
7	Minor Transmission	8,654,081
8	Great Northern Transmission Line	318,868,616
9	38 Line Reconductor	2,166,561
10	15 L Upgrade	1,342,051
11	Minor Distribution	1,699,177
12	Meter Data Management System	3,323,177
13	Superior St. Install Manholes & Conduit	1,878,973
14	Minor General Plant	11,401,366
15	SONET MPLS Phase	1,381,600
16	GOB 1st Floor Remodel	1,303,838
17	HCM Upgrade	1,290,116
18	P2 Class 5-8 Vehicle Purchases	1,165,482
19		
20		
21		
22		
23		
24		
25		
26		
27		
28		
29		
30		
31		
32		
33		
34		
35		
36		
37		
38		
39		
40		
41		
42		
43	TOTAL	372,181,348

Name of Respondent	This Report Is:	Date of Report (Mo, Da, Yr)	Year/Period of Report
ALLETE, Inc.	(1) [X] An Original (2) [ ] A Resubmission	/ /	End of 2019/Q4

ACCUMULATED PROVISION FOR DEPRECIATION OF ELECTRIC UTILITY PLANT (Account 108)

1. Explain in a footnote any important adjustments during year.
2. Explain in a footnote any difference between the amount for book cost of plant retired, Line 11, column (c), and that reported for electric plant in service, pages 204-207, column 9d), excluding retirements of non-depreciable property.
3. The provisions of Account 108 in the Uniform System of accounts require that retirements of depreciable plant be recorded when such plant is removed from service. If the respondent has a significant amount of plant retired at year end which has not been recorded and/or classified to the various reserve functional classifications, make preliminary closing entries to tentatively functionalize the book cost of the plant retired. In addition, include all costs included in retirement work in progress at year end in the appropriate functional classifications.
4. Show separately interest credits under a sinking fund or similar method of depreciation accounting.

Section A. Balances and Changes During Year

Line No.	Item (a)	Total (c+d+e) (b)	Electric Plant in Service (c)	Electric Plant Held for Future Use (d)	Electric Plant Leased to Others (e)
1	Balance Beginning of Year	1,468,405,511	1,468,385,147	20,364	
2	Depreciation Provisions for Year, Charged to				
3	(403) Depreciation Expense	143,503,746	143,503,386	360	
4	(403.1) Depreciation Expense for Asset Retirement Costs	295,208	295,208		
5	(413) Exp. of Elec. Plt. Leas. to Others				
6	Transportation Expenses-Clearing	1,350,918	1,350,918		
7	Other Clearing Accounts	6,478,671	6,478,671		
8	Other Accounts (Specify, details in footnote):	1,639,425	1,639,425		
9					
10	TOTAL Deprec. Prov for Year (Enter Total of lines 3 thru 9)	153,267,968	153,267,608	360	
11	Net Charges for Plant Retired:				
12	Book Cost of Plant Retired	27,933,369	27,933,369		
13	Cost of Removal	19,474,666	19,474,666		
14	Salvage (Credit)	303,996	303,996		
15	TOTAL Net Chrgs. for Plant Ret. (Enter Total of lines 12 thru 14)	47,104,039	47,104,039		
16	Other Debit or Cr. Items (Describe, details in footnote):	4,127,761	4,127,761		
17					
18	Book Cost or Asset Retirement Costs Retired				
19	Balance End of Year (Enter Totals of lines 1, 10, 15, 16, and 18)	1,578,697,201	1,578,676,477	20,724	

Section B. Balances at End of Year According to Functional Classification

Line No.	Item (a)	Total (c+d+e) (b)	Electric Plant in Service (c)	Electric Plant Held for Future Use (d)	Electric Plant Leased to Others (e)
20	Steam Production	701,331,388	701,331,388		
21	Nuclear Production				
22	Hydraulic Production-Conventional	39,700,400	39,700,400		
23	Hydraulic Production-Pumped Storage				
24	Other Production	153,745,061	153,745,061		
25	Transmission	264,538,107	264,517,383	20,724	
26	Distribution	298,947,171	298,947,171		
27	Regional Transmission and Market Operation				
28	General	120,435,074	120,435,074		
29	TOTAL (Enter Total of lines 20 thru 28)	1,578,697,201	1,578,676,477	20,724	

Schedule Page: 219 Line No.: 8 Column: b

Non-Regulated Depreciation Expense: $1,639,425

Schedule Page: 219 Line No.: 16 Column: b

Amount includes $5,352,133 of Asset Retirement Obligations Accounting Entries, $3,510,694 of reclassification of undepreciated balance of Boswell Energy Center to a regulated asset, $(427,753) of reserve relating to Camp Ripley, and $(13,538,912) of decommisioning costs spent to date to reduce the ARO liability. The remaining balance of $976,077 relates to miscellaneous items.

The company does not currently have capital lease obligations.

Name of Respondent	This Report Is:	Date of Report (Mo, Da, Yr)	Year/Period of Report
ALLETE, Inc.	(1) [X] An Original (2) [ ] A Resubmission	/ /	End of 2019/Q4

INVESTMENTS IN SUBSIDIARY COMPANIES (Account 123.1)

1. Report below investments in Accounts 123.1, investments in Subsidiary Companies.
2. Provide a subheading for each company and List there under the information called for below. Sub - TOTAL by company and give a TOTAL in columns (e),(f),(g) and (h)
(a) Investment in Securities - List and describe each security owned. For bonds give also principal amount, date of issue, maturity and interest rate.
(b) Investment Advances - Report separately the amounts of loans or investment advances which are subject to repayment, but which are not subject to current settlement. With respect to each advance show whether the advance is a note or open account. List each note giving date of issuance, maturity date, and specifying whether note is a renewal.
3. Report separately the equity in undistributed subsidiary earnings since acquisition. The TOTAL in column (e) should equal the amount entered for Account 418.1.

Line No.	Description of Investment (a)	Date Acquired (b)	Date Of Maturity (c)	Amount of Investment at Beginning of Year (d)
1	SUPERIOR WATER, LIGHT AND POWER COMPANY			
2	Common Stock			5,800,000
3	Other Paid in Capital			8,660,234
4	Retained Earnings at Acquisition			427,507
5	Equity in Retained Earnings			37,172,955
6	SUBTOTAL			52,060,696
7	ALLETE WATER SERVICES, INC.			
8	Capital Stock			10,001
9	Other Paid in Capital			-3,314,686
10	Equity in Retained Earnings			3,577,244
11	SUBTOTAL			272,559
12	RENDFIELD LAND COMPANY, INC.			
13	Common Stock			300,000
14	Other Paid in Capital			7,233,251
15	Equity in Retained Earnings			-5,711,165
16	SUBTOTAL			1,822,086
17	LAKEVIEW FINANCIAL CORPORATION I			
18	Capital Stock			10,000
19	Other Paid in Capital			849,627
20	Equity in Retained Earnings			-859,627
21	SUBTOTAL			
22	ALLETE AUTOMOTIVE SERVICES, LLC			
23	Capital Stock			343,141
24	Equity in Retained Earnings			-343,141
25	SUBTOTAL			
26	ALLETE ENTERPRISES, INC.			
27	Capital Stock			10,000
28	Other Paid in Capital			458,307,347
29	Equity in Retained Earnings			288,578,166
30	SUBTOTAL			746,895,513
31	ALLETE PROPERTIES, LLC			
32	Capital Stock			10,000
33	Other Paid in Capital			101,316,910
34	Equity in Retained Earnings			-41,089,175
35	SUBTOTAL			60,237,735
36	MP INVESTMENTS, INC.			
37	Capital Stock			10,000
38	Other Paid in Capital			43,274,082
39	Equity in Retained Earnings			-43,285,220
40	SUBTOTAL			-1,138
41				
42	Total Cost of Account 123.1 $ 858,471,871		TOTAL	861,287,451

INVESTMENTS IN SUBSIDIARY COMPANIES (Account 123.1) (Continued)

4. For any securities, notes, or accounts that were pledged designate such securities, notes, or accounts in a footnote, and state the name of pledgee and purpose of the pledge.
5. If Commission approval was required for any advance made or security acquired, designate such fact in a footnote and give name of Commission, date of authorization, and case or docket number.
6. Report column (f) interest and dividend revenues form investments, including such revenues form securities disposed of during the year.
7. In column (h) report for each investment disposed of during the year, the gain or loss represented by the difference between cost of the investment (or the other amount at which carried in the books of account if difference from cost) and the selling price thereof, not including interest adjustment includible in column (f).
8. Report on Line 42, column (a) the TOTAL cost of Account 123.1

Equity in Subsidiary Earnings of Year (e)	Revenues for Year (f)	Amount of Investment at End of Year (g)	Gain or Loss from Investment Disposed of (h)	Line No.
				1
		5,800,000		2
		8,456,099		3
		427,507		4
6,175,816	-3,300,000	40,048,771		5
6,175,816	-3,300,000	54,732,377		6
				7
		10,001		8
		-3,914,113		9
-3,444		3,573,800		10
-3,444		-330,312		11
				12
		300,000		13
		7,396,357		14
-210,252		-5,921,417		15
-210,252		1,774,940		16
				17
				18
				19
				20
				21
				22
		343,141		23
		-343,141		24
				25
				26
		10,000		27
		695,030,749		28
46,740,580	-251,474,181	83,844,564		29
46,740,580	-251,474,181	778,885,313		30
				31
		10,000		32
		101,316,911		33
286,739	-16,000,000	-56,802,436		34
286,739	-16,000,000	44,524,475		35
				36
		10,000		37
		43,275,220		38
		-43,285,220		39
				40
				41
52,989,439	-270,774,181	879,586,793		42

Name of Respondent ALLETE, Inc.	This Report Is: (1) [X] An Original (2) [ ] A Resubmission	Date of Report (Mo, Da, Yr) / /	Year/Period of Report End of 2019/Q4

MATERIALS AND SUPPLIES

1. For Account 154, report the amount of plant materials and operating supplies under the primary functional classifications as indicated in column (a); estimates of amounts by function are acceptable. In column (d), designate the department or departments which use the class of material.
2. Give an explanation of important inventory adjustments during the year (in a footnote) showing general classes of material and supplies and the various accounts (operating expenses, clearing accounts, plant, etc.) affected debited or credited. Show separately debit or credits to stores expense clearing, if applicable.

Line No.	Account (a)	Balance Beginning of Year (b)	Balance End of Year (c)	Department or Departments which Use Material (d)
1	Fuel Stock (Account 151)	25,994,422	25,913,367	Electric
2	Fuel Stock Expenses Undistributed (Account 152)			
3	Residuals and Extracted Products (Account 153)			
4	Plant Materials and Operating Supplies (Account 154)			
5	Assigned to - Construction (Estimated)	6,694,604	8,613,597	Electric
6	Assigned to - Operations and Maintenance			
7	Production Plant (Estimated)	15,922,705	15,330,474	Electric
8	Transmission Plant (Estimated)	3,092,323	3,021,940	Electric
9	Distribution Plant (Estimated)	1,237,198	42,431	Electric
10	Regional Transmission and Market Operation Plant (Estimated)			
11	Assigned to - Other (provide details in footnote)			
12	TOTAL Account 154 (Enter Total of lines 5 thru 11)	26,946,830	27,008,442	
13	Merchandise (Account 155)			
14	Other Materials and Supplies (Account 156)			
15	Nuclear Materials Held for Sale (Account 157) (Not applic to Gas Util)			
16	Stores Expense Undistributed (Account 163)			
17				
18				
19				
20	TOTAL Materials and Supplies (Per Balance Sheet)	52,941,252	52,921,809	

Schedule Page: 227 Line No.: 7 Column: b

Amount includes $1,301,248 non-regulated Production Plant (Rapids Energy Center).

Schedule Page: 227 Line No.: 7 Column: c

Amount includes $1,303,337 non-regulated Production Plant (Rapids Energy Center).

Allowances (Accounts 158.1 and 158.2)

1. Report below the particulars (details) called for concerning allowances.
2. Report all acquisitions of allowances at cost.
3. Report allowances in accordance with a weighted average cost allocation method and other accounting as prescribed by General Instruction No. 21 in the Uniform System of Accounts.
4. Report the allowances transactions by the period they are first eligible for use: the current year's allowances in columns (b)-(c), allowances for the three succeeding years in columns (d)-(i), starting with the following year, and allowances for the remaining succeeding years in columns (j)-(k).
5. Report on line 4 the Environmental Protection Agency (EPA) issued allowances. Report withheld portions Lines 36-40.

Line No.	SO2 Allowances Inventory (Account 158.1) (a)	Current Year No. (b)	Current Year Amt. (c)	2020 No. (d)	2020 Amt. (e)
1	Balance-Beginning of Year	216,484.00		35,587.00	
2					
3	Acquired During Year:				
4	Issued (Less Withheld Allow)	228.00			
5	Returned by EPA	784.00			
6					
7					
8	Purchases/Transfers:				
9	From : Milton R Young	3,497.00			
10					
11					
12					
13					
14					
15	Total	3,497.00			
16					
17	Relinquished During Year:				
18	Charges to Account 509	6,614.00			
19	Other:				
20	Surrender-Consent Decree	18,795.00			
21	Cost of Sales/Transfers:				
22	To: Milton R Young	1,738.00			
23	To: Northshore Mining				
24	Silver Bay Power	418.00			
25	To: WPPI	1,567.00			
26					
27					
28	Total	3,723.00			
29	Balance-End of Year	191,861.00		35,587.00	
30					
31	Sales:				
32	Net Sales Proceeds(Assoc. Co.)				
33	Net Sales Proceeds (Other)	418.00	836		
34	Gains				
35	Losses				
	Allowances Withheld (Acct 158.2)				
36	Balance-Beginning of Year				
37	Add: Withheld by EPA				
38	Deduct: Returned by EPA				
39	Cost of Sales				
40	Balance-End of Year				
41					
42	Sales:				
43	Net Sales Proceeds (Assoc. Co.)				
44	Net Sales Proceeds (Other)				
45	Gains				
46	Losses				

Allowances (Accounts 158.1 and 158.2) (Continued)

6. Report on Lines 5 allowances returned by the EPA. Report on Line 39 the EPA's sales of the withheld allowances. Report on Lines 43-46 the net sales proceeds and gains/losses resulting from the EPA's sale or auction of the withheld allowances.
7. Report on Lines 8-14 the names of vendors/transferors of allowances acquire and identify associated companies (See "associated company" under "Definitions" in the Uniform System of Accounts).
8. Report on Lines 22 - 27 the name of purchasers/ transferees of allowances disposed of an identify associated companies.
9. Report the net costs and benefits of hedging transactions on a separate line under purchases/transfers and sales/transfers.
10. Report on Lines 32-35 and 43-46 the net sales proceeds and gains or losses from allowance sales.

2021		2022		Future Years		Totals		Line No.
No. (f)	Amt. (g)	No. (h)	Amt. (i)	No. (j)	Amt. (k)	No. (l)	Amt. (m)	
34,948.00		23,160.00		612,646.00		922,825.00		1
								2
								3
		10,486.00		23,160.00		33,874.00		4
						784.00		5
								6
								7
								8
						3,497.00		9
								10
								11
								12
								13
								14
						3,497.00		15
								16
								17
						6,614.00		18
								19
						18,795.00		20
								21
						1,738.00		22
								23
						418.00		24
						1,567.00		25
								26
								27
						3,723.00		28
34,948.00		33,646.00		635,806.00		931,848.00		29
								30
								31
								32
						418.00	836	33
								34
								35
								36
								37
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								41
								42
								43
								44
								45
								46

Name of Respondent ALLETE, Inc.	This Report is: (1) X An Original (2) __ A Resubmission	Date of Report (Mo, Da, Yr) / /	Year/Period of Report 2019/Q4

FOOTNOTE DATA

Schedule Page: 228 Line No.: 1 Column: b

The 2018 FERC Form 1 inadvertently included 3,497 allowances for vintage year 2019 in its year end 2018 balance that were not received until 2019. These allowances were removed from the beggining period balance in this FERC Form 1.

Name of Respondent	This Report Is:	Date of Report (Mo, Da, Yr)	Year/Period of Report
ALLETE, Inc.	(1) [X] An Original (2) [ ] A Resubmission	/ /	End of 2019/Q4

Allowances (Accounts 158.1 and 158.2)

1. Report below the particulars (details) called for concerning allowances.
2. Report all acquisitions of allowances at cost.
3. Report allowances in accordance with a weighted average cost allocation method and other accounting as prescribed by General Instruction No. 21 in the Uniform System of Accounts.
4. Report the allowances transactions by the period they are first eligible for use: the current year's allowances in columns (b)-(c), allowances for the three succeeding years in columns (d)-(i), starting with the following year, and allowances for the remaining succeeding years in columns (j)-(k).
5. Report on line 4 the Environmental Protection Agency (EPA) issued allowances. Report withheld portions Lines 36-40.

Line No.	NOx Allowances Inventory (Account 158.1) (a)	Current Year No. (b)	Current Year Amt. (c)	2020 No. (d)	2020 Amt. (e)
1	Balance-Beginning of Year	25,240.00		8,575.00	
2					
3	Acquired During Year:				
4	Issued (Less Withheld Allow)	654.00			
5	Returned by EPA	203.00			
6					
7					
8	Purchases/Transfers:				
9					
10					
11					
12					
13					
14					
15	Total				
16					
17	Relinquished During Year:				
18	Charges to Account 509	4,577.00			
19	Other:				
20					
21	Cost of Sales/Transfers:				
22	To: Northshore Mining				
23	Silver Bay Power	496.00			
24	To: WPPII	390.00			
25					
26					
27					
28	Total	886.00			
29	Balance-End of Year	20,634.00		8,575.00	
30					
31	Sales:				
32	Net Sales Proceeds(Assoc. Co.)				
33	Net Sales Proceeds (Other)	496.00	1,488		
34	Gains				
35	Losses				
	Allowances Withheld (Acct 158.2)				
36	Balance-Beginning of Year				
37	Add: Withheld by EPA				
38	Deduct: Returned by EPA				
39	Cost of Sales				
40	Balance-End of Year				
41					
42	Sales:				
43	Net Sales Proceeds (Assoc. Co.)				
44	Net Sales Proceeds (Other)				
45	Gains				
46	Losses				

Allowances (Accounts 158.1 and 158.2) (Continued)

6. Report on Lines 5 allowances returned by the EPA. Report on Line 39 the EPA's sales of the withheld allowances. Report on Lines 43-46 the net sales proceeds and gains/losses resulting from the EPA's sale or auction of the withheld allowances.
7. Report on Lines 8-14 the names of vendors/transferors of allowances acquire and identify associated companies (See "associated company" under "Definitions" in the Uniform System of Accounts).
8. Report on Lines 22 - 27 the name of purchasers/ transferees of allowances disposed of an identify associated companies.
9. Report the net costs and benefits of hedging transactions on a separate line under purchases/transfers and sales/transfers.
10. Report on Lines 32-35 and 43-46 the net sales proceeds and gains or losses from allowance sales.

2021		2022		Future Years		Totals		Line
No. (f)	Amt. (g)	No. (h)	Amt. (i)	No. (j)	Amt. (k)	No. (l)	Amt. (m)	No.
8,144.00		7,266.00				49,225.00		1
								2
								3
				7,266.00		7,920.00		4
						203.00		5
								6
								7
								8
								9
								10
								11
								12
								13
								14
								15
								16
								17
						4,577.00		18
								19
								20
								21
								22
						496.00		23
						390.00		24
								25
								26
								27
						886.00		28
8,144.00		7,266.00		7,266.00		51,885.00		29
								30
								31
								32
						496.00	1,488	33
								34
								35
								36
								37
								38
								39
								40
								41
								42
								43
								44
								45
								46

Name of Respondent	This Report Is:	Date of Report (Mo, Da, Yr)	Year/Period of Report
ALLETE, Inc.	(1) [X] An Original (2) [ ] A Resubmission	/ /	End of 2019/Q4

EXTRAORDINARY PROPERTY LOSSES (Account 182.1)

Line No.	Description of Extraordinary Loss [Include in the description the date of Commission Authorization to use Acc 182.1 and period of amortization (mo, yr to mo, yr).] (a)	Total Amount of Loss (b)	Losses Recognised During Year (c)	WRITTEN OFF DURING YEAR Account Charged (d)	WRITTEN OFF DURING YEAR Amount (e)	Balance at End of Year (f)
1						
2						
3						
4						
5						
6						
7						
8						
9						
10						
11						
12						
13						
14						
15						
16						
17						
18						
19						
20	TOTAL					

Name of Respondent	This Report Is:	Date of Report (Mo, Da, Yr)	Year/Period of Report
ALLETE, Inc.	(1) [X] An Original (2) [ ] A Resubmission	/ /	End of 2019/Q4

UNRECOVERED PLANT AND REGULATORY STUDY COSTS (182.2)

Line No.	Description of Unrecovered Plant and Regulatory Study Costs [Include in the description of costs, the date of Commission Authorization to use Acc 182.2 and period of amortization (mo, yr to mo, yr)] (a)	Total Amount of Charges (b)	Costs Recognised During Year (c)	WRITTEN OFF DURING YEAR Account Charged (d)	WRITTEN OFF DURING YEAR Amount (e)	Balance at End of Year (f)
21						
22						
23						
24						
25						
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29						
30						
31						
32						
33						
34						
35						
36						
37						
38						
39						
40						
41						
42						
43						
44						
45						
46						
47						
48						
49	TOTAL					

Name of Respondent	This Report Is:	Date of Report (Mo, Da, Yr)	Year/Period of Report
ALLETE, Inc.	(1) [X] An Original (2) [ ] A Resubmission	/ /	End of 2019/Q4

Transmission Service and Generation Interconnection Study Costs

1. Report the particulars (details) called for concerning the costs incurred and the reimbursements received for performing transmission service and generator interconnection studies.
2. List each study separately.
3. In column (a) provide the name of the study.
4. In column (b) report the cost incurred to perform the study at the end of period.
5. In column (c) report the account charged with the cost of the study.
6. In column (d) report the amounts received for reimbursement of the study costs at end of period.
7. In column (e) report the account credited with the reimbursement received for performing the study.

Line No.	Description (a)	Costs Incurred During Period (b)	Account Charged (c)	Reimbursements Received During the Period (d)	Account Credited With Reimbursement (e)
1	**Transmission Studies**				
2					
3					
4					
5					
6					
7					
8					
9					
10					
11					
12					
13					
14					
15					
16					
17					
18					
19					
20					
21	**Generation Studies**				
22					
23					
24					
25					
26					
27					
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31					
32					
33					
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40					

Name of Respondent	This Report Is:	Date of Report (Mo, Da, Yr)	Year/Period of Report
ALLETE, Inc.	(1) [X] An Original (2) [ ] A Resubmission	/ /	End of 2019/Q4

OTHER REGULATORY ASSETS (Account 182.3)

1. Report below the particulars (details) called for concerning other regulatory assets, including rate order docket number, if applicable.
2. Minor items (5% of the Balance in Account 182.3 at end of period, or amounts less than $100,000 which ever is less), may be grouped by classes.
3. For Regulatory Assets being amortized, show period of amortization.

Line No.	Description and Purpose of Other Regulatory Assets (a)	Balance at Beginning of Current Quarter/Year (b)	Debits (c)	CREDITS Written off During the Quarter/Year Account Charged (d)	CREDITS Written off During the Period Amount (e)	Balance at end of Current Quarter/Year (f)
1	Net of Tax AFUDC in Plant	12,406,153	38,636,250	Var.	14,169,758	36,872,645
2						
3	Asset Retirement Obligation Deferrals	32,643,793	5,453,175	Var.	6,135,687	31,961,281
4						
5	Acquisition Costs for Wind Project	597,754		407.3	74,712	523,042
6						
7	Medicare Part D	4,974,254		926	207,984	4,766,270
8						
9	ASC 715:					
10	Pension	189,157,561	17,024,389	Var.	6,926,122	199,255,828
11	Retirement	16,604,327	18,418,995	Var.	35,023,322	
12	Supplemental Executive Retirement Plan	5,497,917	1,473,019	Var.	576,096	6,394,840
13						
14	Other Deferred Taxes	90,894,785	6,375,161	283	12,848,050	84,421,896
15						
16	Boswell Energy Center 1 & 2	16,300,833	6,043,086	407.3	11,660,717	10,683,202
17						
18	Cost Recovery Tracker Riders		53,619,996	Var.	28,891,743	24,728,253
19						
20	Deferred Rate Case Expenses		1,125,178	Var.	250,578	874,600
21	(MPUC Docket No. E015/GR-19-442)					
22						
23						
24						
25						
26						
27						
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30						
31						
32						
33						
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41						
42						
43						
44	TOTAL	369,077,377	148,169,249		116,764,769	400,481,857

Schedule Page: 232 Line No.: 1 Column: a

Net of Tax AFUDC in Plant. These assets are offsets to deferred income taxes recognized on certain regulatory temporary differences, which will reverse over the remaining lives of the related assets.

Schedule Page: 232 Line No.: 3 Column: a

Asset Retirement Obligation Deferrals. These assets will accrete and be amortized over the lives of the related property with asset retirement obligations.

Schedule Page: 232 Line No.: 5 Column: a

Acquisition Costs for Wind Projects. These assets are amortized over the life of the related property, plant and equipment.

Schedule Page: 232 Line No.: 7 Column: a

Medicare Part D. This regulatory asset is being amortized over 24 years as ordered in MPUC docket number GR-16-664.

Schedule Page: 232 Line No.: 9 Column: a

Accounting Standards Codification (ASC) 715. Defined benefit pension and other postretirement items included in Minnesota Power's regulated operations, which are otherwise required to be recognized in accumulated other comprehensive income, including actuarial gains and losses as well as prior service costs and credits are recognized as regulatory assets or regulatory liabilities on the Consolidated Balance Sheet. The asset or liability will decrease as the deferred items are amortized and recognized as components of net periodic benefit cost.

Schedule Page: 232 Line No.: 14 Column: a

Other Deferred Taxes. These assets are offsets to deferred income taxes recognized on certain regulatory temporary differences, which will reverse over the remaining lives of the related assets.

Schedule Page: 232 Line No.: 16 Column: a

Boswell Energy Center Units 1 and 2. In December 2018, Minnesota Power retired Boswell Units 1 and 2 and reclassified the remaining net book value from property, plant and equipment to a regulatory asset on the Consolidated Balance Sheet. The remaining net book value is currently included in Minnesota Power’s rate base and Minnesota Power is earning a return on the outstanding balance. This balance will be amortized through 2022 based on Minnesota Power's 2016 general retail rate case.

Schedule Page: 232 Line No.: 18 Column: a

Cost Recovery Tracker Riders. This regulatory asset represents revenue recognized from Minnesota Power customers in excess of the cash collected. Any balance is expected to be collected within two years. The cost recovery tracker riders included are; Transmission Tracker Rider, Renewable Tracker Rider, Environmental Improvement Rider, and Solar Tracker Rider.

Schedule Page: 232 Line No.: 20 Column: a

Deferred Rate Case Expense. Recovery of this regulatory asset has been requested in Minnesota Power's current rate case (MPUC Docket No. E015/GR-19-442)

Name of Respondent	This Report Is:	Date of Report (Mo, Da, Yr)	Year/Period of Report
ALLETE, Inc.	(1) [X] An Original (2) [ ] A Resubmission	/ /	End of 2019/Q4

MISCELLANEOUS DEFFERED DEBITS (Account 186)

1. Report below the particulars (details) called for concerning miscellaneous deferred debits.
2. For any deferred debit being amortized, show period of amortization in column (a)
3. Minor item (1% of the Balance at End of Year for Account 186 or amounts less than $100,000, whichever is less) may be grouped by classes.

Line No.	Description of Miscellaneous Deferred Debits (a)	Balance at Beginning of Year (b)	Debits (c)	CREDITS Account Charged (d)	CREDITS Amount (e)	Balance at End of Year (f)
1	Corporate Owned Life Insurance	20,952,508	647,454	var.	162,159	21,437,803
2						
3	Other Postretirement Benefit	433,509	43,959,323	var.	6,918,542	37,474,290
4	Plans					
5						
6	Municipal Deferred Contract	5,220,646	21,304	var.	912,100	4,329,850
7	Incentive Payment					
8	Amortization ending 12/31/2024					
9						
10	Industrial Deferred Contract	25,502,483		443	1,961,724	23,540,759
11	Incentive Payment					
12	Amortization ending 12/31/2031					
13						
14	Workers Compensation	100,000				100,000
15						
16	Deferred Solar Project Costs		109,420	var.	1,933	107,487
17						
18	Miscellaneous	170,119	2,891,124	var.	2,903,213	158,030
19						
20						
21						
22						
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42						
43						
44						
45						
46						
47	Misc. Work in Progress					
48	Deferred Regulatory Comm. Expenses (See pages 350 - 351)					
49	TOTAL	52,379,265				87,148,219

Name of Respondent	This Report Is:	Date of Report (Mo, Da, Yr)	Year/Period of Report
ALLETE, Inc.	(1) [X] An Original (2) [ ] A Resubmission	/ /	End of 2019/Q4

ACCUMULATED DEFERRED INCOME TAXES (Account 190)

1. Report the information called for below concerning the respondent's accounting for deferred income taxes.
2. At Other (Specify), include deferrals relating to other income and deductions.

Line No.	Description and Location (a)	Balance of Begining of Year (b)	Balance at End of Year (c)
1	Electric		
2	AFDC - FAS 109		
3	Bad Debt Expense	71,855	71,855
4	Boswell Transmission Agreement	567,833	448,112
5	Property Related	61,490,291	66,145,112
6			
7	Other - Footnote Detail (1)	487,932,120	463,553,581
8	TOTAL Electric (Enter Total of lines 2 thru 7)	550,062,099	530,218,660
9	Gas		
10			
11			
12			
13			
14			
15	Other		
16	TOTAL Gas (Enter Total of lines 10 thru 15		
17	Other (Specify) - Footnote Detail (2)	28,749,774	27,482,718
18	TOTAL (Acct 190) (Total of lines 8, 16 and 17)	578,811,873	557,701,378

Notes

Schedule Page: 234 Line No.: 7 Column: a

(1) Electric Other:	**Balance at Beginning of Year**	**Balance at End of Year**
Accrued Vacation	$1,383,777	$1,304,921
Asset Retirement Obligation Accretion	(4,050,041)	(5,171,306)
Asset Retirement Obligation Regulatory Asset Amortization	159,527	159,527
Deferred Executive Plans	12,349,422	12,547,383
Executive Incentive Plan Death Benefit	440,768	470,180
Investment Tax Credits Regulatory Liability	4,220,040	3,542,990
Leases	-	1,016,457
Midcontinent Independent System Operator Reserve	1,795,554	1,036,724
Net Operating Loss and Tax Credit Carryforward	312,648,142	312,801,895
Environmental Remediation	97,104	-
Pension Expense	35,391,980	36,326,665
Performance Shares - FAS 123R	207,242	156,481
Postretirement Benefits - FAS 106	3,793,493	(7,731,696)
Postemployment Benefits - FAS 112	847,200	828,139
Regulatory Difference - Effect of Rate Changes	104,535,272	92,695,957
Regulatory Difference - Investment Tax Credit Gross-Up	12,905,937	12,683,348
Unrealized Book Losses	366,845	44,110
Other	839,858	841,806
Total	$487,932,120	$463,553,581

Schedule Page: 234 Line No.: 8 Column: c

Remeasurement due to Tax Cuts and Jobs Act

Account 190 was remeasured as a result of the Tax Cuts and Jobs Act to reflect the revised federal income tax rate. The remeasurement resulted in an excess deferred tax asset which was grossed up to a pretax amount and recorded in account 182.3. The current year reversal of the excess deferred tax asset, and the remaining excess deferred tax, are shown below, categorized by protected and unprotected. The protected amount will reverse using the average rate assumption method over the remaining lives of the related assets. The unprotected amount is being amortized over 10 years. The excess ADIT is amortized to accounts 410.1 and 411.1.

	Beginning Excess Deferred Tax:	Current Year ADIT Reversal:	Remaining Excess Deferred Tax:
Protected	$55,978,923	$1,421,363	$54,557,560
Unprotected	26,536,421	2,948,491	23,587,930
	$82,515,344	$4,369,854	$78,145,490

Schedule Page: 234 Line No.: 17 Column: a

(2) Other:

	Balance at Beginning of Year	**Balance at End of Year**
Accrued Vacation	$(15,253)	$(20,703)
Deferred Compensation Plans	1,580,124	1,595,471
Executive Incentive Plan Death Benefits	254,585	257,143
Net Operating Loss and Tax Credit Carryforward	21,849,022	21,465,630
Pension Expense	3,375,104	3,456,381
Performance Shares	787,052	782,637
Postretirement Benefits - FAS 106	713,373	(251,026)
Postemployment Benefits - FAS 112	147,089	145,432
Unrealized Book Losses	-	(7,453)
Other	58,678	59,206
Total	$28,749,774	$27,482,718

Name of Respondent	This Report Is:	Date of Report (Mo, Da, Yr)	Year/Period of Report
ALLETE, Inc.	(1) [X] An Original (2) [ ] A Resubmission	/ /	End of 2019/Q4

CAPITAL STOCKS (Account 201 and 204)

1. Report below the particulars (details) called for concerning common and preferred stock at end of year, distinguishing separate series of any general class. Show separate totals for common and preferred stock. If information to meet the stock exchange reporting requirement outlined in column (a) is available from the SEC 10-K Report Form filing, a specific reference to report form (i.e., year and company title) may be reported in column (a) provided the fiscal years for both the 10-K report and this report are compatible.
2. Entries in column (b) should represent the number of shares authorized by the articles of incorporation as amended to end of year.

Line No.	Class and Series of Stock and Name of Stock Series (a)	Number of shares Authorized by Charter (b)	Par or Stated Value per share (c)	Call Price at End of Year (d)
1	COMMON (New York Stock Exchange)	80,000,000		
2				
3	TOTAL COMMON	80,000,000		
4				
5				
6				
7	PREFERRED			
8	5% Preferred - $100 Par Value	116,000	100.00	
9	Serial Preferred - No Par Value	1,000,000		
10	Serial Preferred A - No Par Value	2,500,000		
11				
12	TOTAL PREFERRED	3,616,000		
13				
14				
15				
16				
17				
18				
19				
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Name of Respondent	This Report Is:	Date of Report (Mo, Da, Yr)	Year/Period of Report
ALLETE, Inc.	(1) [X] An Original (2) [ ] A Resubmission	/ /	End of 2019/Q4

CAPITAL STOCKS (Account 201 and 204) (Continued)

3. Give particulars (details) concerning shares of any class and series of stock authorized to be issued by a regulatory commission which have not yet been issued.
4. The identification of each class of preferred stock should show the dividend rate and whether the dividends are cumulative or non-cumulative.
5. State in a footnote if any capital stock which has been nominally issued is nominally outstanding at end of year.
Give particulars (details) in column (a) of any nominally issued capital stock, reacquired stock, or stock in sinking and other funds which is pledged, stating name of pledgee and purposes of pledge.

OUTSTANDING PER BALANCE SHEET (Total amount outstanding without reduction for amounts held by respondent)		HELD BY RESPONDENT				Line No.
		AS REACQUIRED STOCK (Account 217)		IN SINKING AND OTHER FUNDS		
Shares (e)	Amount (f)	Shares (g)	Cost (h)	Shares (i)	Amount (j)	
51,678,681	1,380,761,474					1
						2
51,678,681	1,380,761,474					3
						4
						5
						6
						7
						8
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Name of Respondent	This Report Is:	Date of Report (Mo, Da, Yr)	Year/Period of Report
ALLETE, Inc.	(1) [X] An Original (2) [ ] A Resubmission	/ /	End of 2019/Q4

OTHER PAID-IN CAPITAL (Accounts 208-211, inc.)

Report below the balance at the end of the year and the information specified below for the respective other paid-in capital accounts. Provide a subheading for each account and show a total for the account, as well as total of all accounts for reconciliation with balance sheet, Page 112. Add more columns for any account if deemed necessary. Explain changes made in any account during the year and give the accounting entries effecting such change.
(a) Donations Received from Stockholders (Account 208)-State amount and give brief explanation of the origin and purpose of each donation.
(b) Reduction in Par or Stated value of Capital Stock (Account 209): State amount and give brief explanation of the capital change which gave rise to amounts reported under this caption including identification with the class and series of stock to which related.
(c) Gain on Resale or Cancellation of Reacquired Capital Stock (Account 210): Report balance at beginning of year, credits, debits, and balance at end of year with a designation of the nature of each credit and debit identified by the class and series of stock to which related.
(d) Miscellaneous Paid-in Capital (Account 211)-Classify amounts included in this account according to captions which, together with brief explanations, disclose the general nature of the transactions which gave rise to the reported amounts.

Line No.	Item (a)	Amount (b)
1	GAIN ON RESALE OR CANCELLATION OF REACQUIRED CAPITAL STOCK (210)	
2		
3	Balance at Beginning of Year	-13,890,266
4		
5	Reacquired Common Stock	
6		
7	SUBTOTAL - Account 210	-13,890,266
8		
9		
10	MISCELLANEOUS PAID-IN CAPITAL (211)	
11		
12	Balance at Begining of Year	69,281,122
13		
14	Miscellaneous Paid-in Capital on Common Stock	-86,284
15	Performance Shares / Restricted Stock Unit	514,759
16		
17	SUBTOTAL - Account 211	69,709,597
18		
19		
20		
21		
22		
23		
24		
25		
26		
27		
28		
29		
30		
31		
32		
33		
34		
35		
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39		
40	TOTAL	55,819,331

Name of Respondent	This Report Is:	Date of Report (Mo, Da, Yr)	Year/Period of Report
ALLETE, Inc.	(1) [X] An Original (2) [ ] A Resubmission	/ /	End of 2019/Q4

CAPITAL STOCK EXPENSE (Account 214)

1. Report the balance at end of the year of discount on capital stock for each class and series of capital stock.
2. If any change occurred during the year in the balance in respect to any class or series of stock, attach a statement giving particulars (details) of the change. State the reason for any charge-off of capital stock expense and specify the account charged.

Line No.	Class and Series of Stock (a)	Balance at End of Year (b)
1		
2		
3		
4		
5		
6		
7		
8		
9		
10		
11		
12		
13		
14		
15		
16		
17		
18		
19		
20		
21		
22	TOTAL	

Name of Respondent	This Report Is:	Date of Report (Mo, Da, Yr)	Year/Period of Report
ALLETE, Inc.	(1) [X] An Original (2) [ ] A Resubmission	/ /	End of 2019/Q4

LONG-TERM DEBT (Account 221, 222, 223 and 224)

1. Report by balance sheet account the particulars (details) concerning long-term debt included in Accounts 221, Bonds, 222, Reacquired Bonds, 223, Advances from Associated Companies, and 224, Other long-Term Debt.
2. In column (a), for new issues, give Commission authorization numbers and dates.
3. For bonds assumed by the respondent, include in column (a) the name of the issuing company as well as a description of the bonds.
4. For advances from Associated Companies, report separately advances on notes and advances on open accounts. Designate demand notes as such. Include in column (a) names of associated companies from which advances were received.
5. For receivers, certificates, show in column (a) the name of the court -and date of court order under which such certificates were issued.
6. In column (b) show the principal amount of bonds or other long-term debt originally issued.
7. In column (c) show the expense, premium or discount with respect to the amount of bonds or other long-term debt originally issued.
8. For column (c) the total expenses should be listed first for each issuance, then the amount of premium (in parentheses) or discount. Indicate the premium or discount with a notation, such as (P) or (D). The expenses, premium or discount should not be netted.
9. Furnish in a footnote particulars (details) regarding the treatment of unamortized debt expense, premium or discount associated with issues redeemed during the year. Also, give in a footnote the date of the Commission's authorization of treatment other than as specified by the Uniform System of Accounts.

Line No.	Class and Series of Obligation, Coupon Rate (For new issue, give commission Authorization numbers and dates) (a)	Principal Amount Of Debt issued (b)	Total expense, Premium or Discount (c)
1			
2	FIRST MORTGAGE BONDS		
3	First Mortgage Bonds, 5.28% Series due August 1, 2020	35,000,000	438,548
4			
5	First Mortgage Bonds, 5.99% Series due February 1, 2027	60,000,000	466,444
6			
7	First Mortgage Bonds, 6.02% Series due May 1, 2023	75,000,000	596,230
8			
9	First Mortgage Bonds, 8.17% Series due January 15, 2019	42,000,000	407,206
10			
11	First Mortgage Bonds, 5.69% Series due March 1, 2036	50,000,000	426,869
12			
13	First Mortgage Bonds, 4.08% Series due March 1, 2029	70,000,000	653,099
14			
15	First Mortgage Bonds, 4.85% Series due April 15, 2021	15,000,000	137,581
16			
17	First Mortgage Bonds, 5.10% Series due April 15, 2025	30,000,000	275,163
18			
19	First Mortgage Bonds, 6.00% Series due April 15, 2040	35,000,000	321,023
20			
21	First Mortgage Bonds, 4.90% Series due October 15, 2025	30,000,000	271,599
22			
23	First Mortgage Bonds, 5.82% Series due April 15, 2040	45,000,000	407,399
24			
25	First Mortgage Bonds, 3.20% Series due July 15, 2026	75,000,000	594,869
26			
27	First Mortgage Bonds, 4.08% Series due July 15, 2042	85,000,000	674,185
28			
29	First Mortgage Bonds, 3.30% Series due October 15, 2028	40,000,000	354,101
30			
31	First Mortgage Bonds, 4.21% Series due October 15, 2043	60,000,000	531,086
32			
33	TOTAL	1,569,401,361	12,731,100

Name of Respondent	This Report Is:	Date of Report (Mo, Da, Yr)	Year/Period of Report
ALLETE, Inc.	(1) [X] An Original (2) [ ] A Resubmission	/ /	End of 2019/Q4

LONG-TERM DEBT (Account 221, 222, 223 and 224)

1. Report by balance sheet account the particulars (details) concerning long-term debt included in Accounts 221, Bonds, 222, Reacquired Bonds, 223, Advances from Associated Companies, and 224, Other long-Term Debt.
2. In column (a), for new issues, give Commission authorization numbers and dates.
3. For bonds assumed by the respondent, include in column (a) the name of the issuing company as well as a description of the bonds.
4. For advances from Associated Companies, report separately advances on notes and advances on open accounts. Designate demand notes as such. Include in column (a) names of associated companies from which advances were received.
5. For receivers, certificates, show in column (a) the name of the court -and date of court order under which such certificates were issued.
6. In column (b) show the principal amount of bonds or other long-term debt originally issued.
7. In column (c) show the expense, premium or discount with respect to the amount of bonds or other long-term debt originally issued.
8. For column (c) the total expenses should be listed first for each issuance, then the amount of premium (in parentheses) or discount. Indicate the premium or discount with a notation, such as (P) or (D). The expenses, premium or discount should not be netted.
9. Furnish in a footnote particulars (details) regarding the treatment of unamortized debt expense, premium or discount associated with issues redeemed during the year. Also, give in a footnote the date of the Commission's authorization of treatment other than as specified by the Uniform System of Accounts.

Line No.	Class and Series of Obligation, Coupon Rate (For new issue, give commission Authorization numbers and dates) (a)	Principal Amount Of Debt issued (b)	Total expense, Premium or Discount (c)
1	FIRST MORTGAGE BONDS Continued		
2			
3	First Mortgage Bonds, 3.69% Series due March 15, 2024	60,000,000	519,384
4			
5	First Mortgage Bonds, 4.95% Series due March 15, 2044	40,000,000	344,485
6			
7	First Mortgage Bonds, 5.05% Series due July 15, 2044	40,000,000	344,475
8			
9	First Mortgage Bonds, 3.40% Series due July 15, 2022	75,000,000	650,230
10			
11	First Mortgage Bonds, 3.02% Series due September 15, 2021	60,000,000	479,152
12			
13	First Mortgage Bonds, 3.74% Series due September 15, 2029	50,000,000	399,293
14			
15	First Mortgage Bonds, 4.39% Series due September 15, 2044	50,000,000	399,293
16			
17	First Mortgage Bonds, 2.80% Series due September 15, 2020	40,000,000	347,447
18			
19	First Mortgage Bonds, 3.86% Series due September 16, 2030	60,000,000	521,170
20			
21	First Mortgage Bonds, 4.07% Series due April 16, 2048	60,000,000	591,682
22			
23	First Mortgage Bonds, 4.47% Series due March 1, 2049	30,000,000	279,900
24			
25			
26			
27			
28			
29			
30			
31			
32			
33	TOTAL	1,569,401,361	12,731,100

Name of Respondent	This Report Is:	Date of Report (Mo, Da, Yr)	Year/Period of Report
ALLETE, Inc.	(1) [X] An Original (2) [ ] A Resubmission	/ /	End of 2019/Q4

LONG-TERM DEBT (Account 221, 222, 223 and 224)

1. Report by balance sheet account the particulars (details) concerning long-term debt included in Accounts 221, Bonds, 222, Reacquired Bonds, 223, Advances from Associated Companies, and 224, Other long-Term Debt.
2. In column (a), for new issues, give Commission authorization numbers and dates.
3. For bonds assumed by the respondent, include in column (a) the name of the issuing company as well as a description of the bonds.
4. For advances from Associated Companies, report separately advances on notes and advances on open accounts. Designate demand notes as such. Include in column (a) names of associated companies from which advances were received.
5. For receivers, certificates, show in column (a) the name of the court -and date of court order under which such certificates were issued.
6. In column (b) show the principal amount of bonds or other long-term debt originally issued.
7. In column (c) show the expense, premium or discount with respect to the amount of bonds or other long-term debt originally issued.
8. For column (c) the total expenses should be listed first for each issuance, then the amount of premium (in parentheses) or discount. Indicate the premium or discount with a notation, such as (P) or (D). The expenses, premium or discount should not be netted.
9. Furnish in a footnote particulars (details) regarding the treatment of unamortized debt expense, premium or discount associated with issues redeemed during the year. Also, give in a footnote the date of the Commission's authorization of treatment other than as specified by the Uniform System of Accounts.

Line No.	Class and Series of Obligation, Coupon Rate (For new issue, give commission Authorization numbers and dates) (a)	Principal Amount Of Debt issued (b)	Total expense, Premium or Discount (c)
1			
2	INDUSTRIAL DEVELOPMENT REVENUE BONDS		
3	Collier County Industrial Development		
4	Demand Refunding Revenue Bonds Variable		
5	due October 1, 2025	27,800,000	468,251
6			
7	VARIABLE DEMAND REVENUE BONDS		
8	City of Cohasset, MN		
9	Variable Rate Demand Revenue Refunding Bonds		
10	Series A - due June 1, 2020	24,630,000	232,971
11			
12	OTHER		
13	Senior Unsecured Notes, 3.11%		
14	due June 1, 2027	80,000,000	511,655
15			
16			
17	Unsecured Term Loan Variable Rate		
18	due August 25, 2020	110,000,000	86,310
19			
20	Bank Lines of Credit		
21	maturity date January 10, 2024		
22			
23	SUBTOTAL - Account 221	1,554,430,000	12,731,100
24			
25	Solar Financing Camp Ripley		
26	CoBank, 3.11%		
27	due December 31, 2026	14,971,361	
28			
29	SUBTOTAL - Account 224	14,971,361	
30			
31			
32			
33	TOTAL	1,569,401,361	12,731,100

Name of Respondent	This Report Is:	Date of Report (Mo, Da, Yr)	Year/Period of Report
ALLETE, Inc.	(1) [X] An Original (2) [ ] A Resubmission	/ /	End of 2019/Q4

LONG-TERM DEBT (Account 221, 222, 223 and 224) (Continued)

10. Identify separate undisposed amounts applicable to issues which were redeemed in prior years.
11. Explain any debits and credits other than debited to Account 428, Amortization and Expense, or credited to Account 429, Premium on Debt - Credit.
12. In a footnote, give explanatory (details) for Accounts 223 and 224 of net changes during the year. With respect to long-term advances, show for each company: (a) principal advanced during year, (b) interest added to principal amount, and (c) principle repaid during year. Give Commission authorization numbers and dates.
13. If the respondent has pledged any of its long-term debt securities give particulars (details) in a footnote including name of pledgee and purpose of the pledge.
14. If the respondent has any long-term debt securities which have been nominally issued and are nominally outstanding at end of year, describe such securities in a footnote.
15. If interest expense was incurred during the year on any obligations retired or reacquired before end of year, include such interest expense in column (i). Explain in a footnote any difference between the total of column (i) and the total of Account 427, interest on Long-Term Debt and Account 430, Interest on Debt to Associated Companies.
16. Give particulars (details) concerning any long-term debt authorized by a regulatory commission but not yet issued.

Nominal Date of Issue (d)	Date of Maturity (e)	AMORTIZATION PERIOD Date From (f)	AMORTIZATION PERIOD Date To (g)	Outstanding (Total amount outstanding without reduction for amounts held by respondent) (h)	Interest for Year Amount (i)	Line No.
						1
						2
08/01/05	08/01/20	08/01/05	08/01/20	35,000,000	1,848,000	3
						4
02/01/07	02/01/27	02/01/07	02/01/27	60,000,000	3,594,000	5
						6
05/14/08	05/01/23	05/14/08	05/01/23	75,000,000	4,515,000	7
						8
01/15/09	01/15/19	01/15/09	01/15/19		122,929	9
						10
03/01/06	03/01/36	03/01/06	03/01/36	50,000,000	2,845,000	11
						12
03/01/19	03/01/29	03/01/19	03/01/29	70,000,000	2,380,000	13
						14
02/17/10	04/15/21	02/17/10	04/15/21	15,000,000	727,500	15
						16
02/17/10	04/15/25	02/17/10	04/15/25	30,000,000	1,530,000	17
						18
02/17/10	04/15/40	02/17/10	04/15/40	35,000,000	2,100,000	19
						20
08/17/10	10/15/25	08/17/10	10/15/25	30,000,000	1,470,000	21
						22
08/17/10	04/15/40	08/17/10	04/15/40	45,000,000	2,619,000	23
						24
07/02/12	07/15/26	07/02/12	07/15/26	75,000,000	2,400,000	25
						26
07/02/12	07/15/42	07/02/12	07/15/42	85,000,000	3,468,000	27
						28
04/02/13	10/15/28	04/02/13	10/15/28	40,000,000	1,320,000	29
						30
04/02/13	10/15/43	04/02/13	10/15/43	60,000,000	2,526,000	31
						32
				1,513,405,607	60,679,514	33

Name of Respondent	This Report Is:	Date of Report (Mo, Da, Yr)	Year/Period of Report
ALLETE, Inc.	(1) [X] An Original (2) [ ] A Resubmission	/ /	End of 2019/Q4

LONG-TERM DEBT (Account 221, 222, 223 and 224) (Continued)

10. Identify separate undisposed amounts applicable to issues which were redeemed in prior years.
11. Explain any debits and credits other than debited to Account 428, Amortization and Expense, or credited to Account 429, Premium on Debt - Credit.
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13. If the respondent has pledged any of its long-term debt securities give particulars (details) in a footnote including name of pledgee and purpose of the pledge.
14. If the respondent has any long-term debt securities which have been nominally issued and are nominally outstanding at end of year, describe such securities in a footnote.
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						1
						2
03/04/14	03/15/24	03/04/14	03/15/24	60,000,000	2,214,000	3
						4
03/04/14	03/15/44	03/04/14	03/15/44	40,000,000	1,980,000	5
						6
06/26/14	07/15/44	06/26/14	07/15/44	40,000,000	2,020,000	7
						8
06/26/14	07/15/22	06/26/14	07/15/22	75,000,000	2,550,000	9
						10
09/16/14	09/15/21	09/16/14	09/15/21	60,000,000	1,812,000	11
						12
09/16/14	09/15/29	09/16/14	09/15/29	50,000,000	1,870,000	13
						14
09/16/14	09/15/44	09/16/14	09/15/44	50,000,000	2,195,000	15
						16
09/24/15	09/15/20	09/24/15	09/15/20	40,000,000	1,120,000	17
						18
09/24/15	09/16/30	09/24/15	09/16/30	60,000,000	2,316,000	19
						20
04/16/18	04/16/48	04/16/18	04/16/48	60,000,000	2,442,000	21
						22
03/01/19	03/01/49	03/01/19	03/01/49	30,000,000	1,117,500	23
						24
						25
						26
						27
						28
						29
						30
						31
						32
				1,513,405,607	60,679,514	33

Name of Respondent	This Report Is:	Date of Report (Mo, Da, Yr)	Year/Period of Report
ALLETE, Inc.	(1) [X] An Original (2) [ ] A Resubmission	/ /	End of 2019/Q4

LONG-TERM DEBT (Account 221, 222, 223 and 224) (Continued)

10. Identify separate undisposed amounts applicable to issues which were redeemed in prior years.
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12. In a footnote, give explanatory (details) for Accounts 223 and 224 of net changes during the year. With respect to long-term advances, show for each company: (a) principal advanced during year, (b) interest added to principal amount, and (c) principle repaid during year. Give Commission authorization numbers and dates.
13. If the respondent has pledged any of its long-term debt securities give particulars (details) in a footnote including name of pledgee and purpose of the pledge.
14. If the respondent has any long-term debt securities which have been nominally issued and are nominally outstanding at end of year, describe such securities in a footnote.
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16. Give particulars (details) concerning any long-term debt authorized by a regulatory commission but not yet issued.

Nominal Date of Issue (d)	Date of Maturity (e)	AMORTIZATION PERIOD Date From (f)	AMORTIZATION PERIOD Date To (g)	Outstanding (Total amount outstanding without reduction for amounts held by respondent) (h)	Interest for Year Amount (i)	Line No.
						1
						2
						3
						4
07/01/06	10/01/25	07/01/06	10/01/25	27,800,000	426,357	5
						6
						7
						8
						9
06/01/97	06/01/20	06/01/97	06/01/20	13,500,000	201,381	10
						11
						12
						13
06/01/17	06/01/27	06/01/17	06/01/27	80,000,000	2,488,000	14
						15
						16
						17
08/25/17	08/25/20	08/25/17	08/25/20	110,000,000	1,489,313	18
						19
	01/2024				579,377	20
						21
						22
				1,501,300,000	60,286,357	23
						24
						25
						26
12/31/16	12/31/26	12/31/16	12/31/26	12,105,607	393,157	27
						28
				12,105,607	393,157	29
						30
						31
						32
				1,513,405,607	60,679,514	33

Name of Respondent ALLETE, Inc.	This Report Is: (1) [X] An Original (2) [ ] A Resubmission	Date of Report (Mo, Da, Yr) / /	Year/Period of Report End of 2019/Q4

RECONCILIATION OF REPORTED NET INCOME WITH TAXABLE INCOME FOR FEDERAL INCOME TAXES

1. Report the reconciliation of reported net income for the year with taxable income used in computing Federal income tax accruals and show computation of such tax accruals. Include in the reconciliation, as far as practicable, the same detail as furnished on Schedule M-1 of the tax return for the year. Submit a reconciliation even though there is no taxable income for the year. Indicate clearly the nature of each reconciling amount.
2. If the utility is a member of a group which files a consolidated Federal tax return, reconcile reported net income with taxable net income as if a separate return were to be field, indicating, however, intercompany amounts to be eliminated in such a consolidated return. State names of group member, tax assigned to each group member, and basis of allocation, assignment, or sharing of the consolidated tax among the group members.
3. A substitute page, designed to meet a particular need of a company, may be used as Long as the data is consistent and meets the requirements of the above instructions. For electronic reporting purposes complete Line 27 and provide the substitute Page in the context of a footnote.

Line No.	Particulars (Details) (a)	Amount (b)
1	Net Income for the Year (Page 117)	185,600,843
2		
3		
4	Taxable Income Not Reported on Books	
5	Contributions in Aid of Construction	1,800,606
6		
7	Provision for Income Tax	-13,459,969
8		
9	Deductions Recorded on Books Not Deducted for Return	
10	See Footnotes	86,663,416
11		
12		
13		
14	Income Recorded on Books Not Included in Return	
15	See Footnotes	-61,850,632
16		
17		
18		
19	Deductions on Return Not Charged Against Book Income	
20	See Footnotes	-50,615,902
21		
22		
23		
24		
25		
26		
27	Federal Tax Net Income	148,138,362
28	Show Computation of Tax:	
29		
30	Tax at 21%	31,109,055
31	Add:	
32	Adjustment of Prior Year Accruals	487
33	Fed Impact of State Current Tax Deduction	-2,149
34	Fuels Tax Credit	
35	Production Tax Credit	-39,276,130
36	Research Credit	-30,000
37	Current Year NOL Utilization	-31,106,906
38	Reclass of Federal Credits to Deferred (YTD)	39,306,130
39		
40	Total Federal Income Taxes	487
41		
42		
43		
44		

Schedule Page: 261 Line No.: 10 Column: b

Deductions Recorded on Books Not Deducted for Return:

Depreciation - Book > Tax	$62,540,733
Interest Capitalized	11,202,234
FAS 158 - Monthly	5,091,696
Conservation Improvement Project	4,963,764
FAS 158 - Other Comprehensive Income Adjustment	898,524
Capitalized Overheads	560,000
Political Activities	350,000
Regulatory Asset - Medicare Part D	207,984
Non-Deductible Dues	200,000
Meals and Entertainment	192,193
Deferred Directors Fees	165,316
Bond Issue Costs	149,060
Other	141,912
TOTAL	$86,663,416

Schedule Page: 261 Line No.: 15 Column: b

Income Recorded on Books Not Included in Return:

Equity in Subsidiaries	$(52,989,439)
AFUDC - Equity	(3,878,319)
State Investment Tax Credit Regulatory Liability	(2,355,613)
AFUDC - Debt	(1,232,139)
Unrealized Gains/Losses	(906,722)
Officers' Life Insurance	(488,400)
TOTAL	$(61,850,632)

Schedule Page: 261 Line No.: 20 Column: b

Deductions on Return Not Charged Against Book Income:

Pension Expense - Operating	$(15,028,736)
Cost to Retire	(9,937,880)
Tax > Book Gain/Loss on Sale and Retirements - Tax	(4,734,770)
Asset Retirement Obligation Accretion	(3,901,139)
Retirment Savings and Stock Ownership Plan	(3,690,942)
Performance Shares - FAS 123R	(2,851,887)
Midcontinent Idependent System Operator Reserve	(2,640,142)
Other Postretirement Employee Benefit Plans - FAS 106 Operating	(2,533,930)
Deferred Non-Qualified Plans	(1,020,930)
Rate Case Expense	(942,137)
Prepaid Insurance	(838,189)
Research and Development 174 Deduction	(638,308)
Accrued Vacation	(443,426)
Boswell - Transmission Agreement	(416,538)
Restricted Stock	(339,500)
Environmental Reserves	(337,847)
Property Taxes	(199,966)
Other	(119,635)
TOTAL	$(50,615,902)

ALLETE, Inc. is a member of an affiliated group that will file a consolidated Federal Income Tax Return for the year 2019. The other members of the affiliated group and the current Federal Income Tax Provision of each are:

Superior Water, Light and Power Company	$2,008,496
ALLETE Water Services, Inc., Consolidated	(915)
Rendfield Land Company, Inc.	(55,890)
ALLETE Properties, LLC, Consolidated	(2,759,198)
ALLETE Enterprises, Inc., Consolidated	(10,688,735)
TOTAL	$(11,496,242)

The consolidated Federal Income Tax Liability has been allocated on a separate return basis with a 100% allocation of the excess, in accordance with IRC Section 1552 (a) (2) and IRS Regulation Section 1.1502-33 (d) (2) (ii).

Name of Respondent	This Report Is:	Date of Report (Mo, Da, Yr)	Year/Period of Report
ALLETE, Inc.	(1) [X] An Original (2) [ ] A Resubmission	/ /	End of 2019/Q4

TAXES ACCRUED, PREPAID AND CHARGED DURING YEAR

1. Give particulars (details) of the combined prepaid and accrued tax accounts and show the total taxes charged to operations and other accounts during the year. Do not include gasoline and other sales taxes which have been charged to the accounts to which the taxed material was charged. If the actual, or estimated amounts of such taxes are know, show the amounts in a footnote and designate whether estimated or actual amounts.
2. Include on this page, taxes paid during the year and charged direct to final accounts, (not charged to prepaid or accrued taxes.) Enter the amounts in both columns (d) and (e). The balancing of this page is not affected by the inclusion of these taxes.
3. Include in column (d) taxes charged during the year, taxes charged to operations and other accounts through (a) accruals credited to taxes accrued, (b)amounts credited to proportions of prepaid taxes chargeable to current year, and (c) taxes paid and charged direct to operations or accounts other than accrued and prepaid tax accounts.
4. List the aggregate of each kind of tax in such manner that the total tax for each State and subdivision can readily be ascertained.

Line No.	Kind of Tax (See instruction 5) (a)	BALANCE AT BEGINNING OF YEAR Taxes Accrued (Account 236) (b)	Prepaid Taxes (Include in Account 165) (c)	Taxes Charged During Year (d)	Taxes Paid During Year (e)	Adjust-ments (f)
1	Federal - Income	-7,314,156		487	5,126,176	
2	Federal - Old Age Benefits	319,970		7,186,502	7,287,688	
3	Federal - Unemployment Ins.			46,243	46,243	
4	Federal - Motor Veh. Hwy.			5,333	5,333	
5	SUBTOTAL - Federal	-6,994,186		7,238,565	12,465,440	
6						
7	MN - Income	-548,632		10,210	5,357,480	
8	MN - Unemployment Ins.			132,312	132,311	
9	MN - Solar Production Tax	19,732		16,816	19,732	
10	MN - Air Quality Emission	608,588		937,152	966,968	
11	MN - Wind Production Tax	60,976		56,170	60,976	
12	SUBTOTAL - Minnesota	140,664		1,152,660	6,537,467	
13						
14	State of WI - Income	-425		25	-100	
15	State of ND - Income					
16	Other States - Income	-127,865			64,468	
17	SUBTOTAL - Other States	-128,290		25	64,368	
18						
19	Pers. Prop. - 2019	17,904,170		19,394,985		
20	Pers. Prop. - 2018 & Prior	2,129,240		306,363	18,350,207	
21	SUBTOTAL - Pers. Prop.	20,033,410		19,701,348	18,350,207	
22						
23	Real Estate - 2019			22,565,542	-3,328,572	
24	Real Estate - 2018 & Prior	27,888,050		1,147,614	29,035,664	
25	SUBTOTAL - Real Estate	27,888,050		23,713,156	25,707,092	
26						
27	Misc. Accrued Taxes					
28	Duluth Ordinance	231,076		2,705,688	2,737,864	
29	Long Prairie Franchise Fee	7,525		30,256	30,221	
30	Little Falls Franchise Fee	21,113		84,602	84,660	
31	Hermantown Franchise Fee	25,584		102,865	102,621	
32	Park Rapids Franchise Fee	22,460		89,875	90,167	
33	Aurora Franchise Fee	5,740		23,077	23,088	
34	Staples Franchise Fee					
35	Nashwauk Franchise Fee	663		8,432	8,358	
36	Silver Bay Franchise Fee	-2,871		37,509	31,501	
37	Hoyt Lakes Franchise Fee	9,785		39,338	39,363	
38	Upsula Franchise Fee	4,157		16,600	16,683	
39	SUBTOTAL - Local	325,232		3,138,242	3,164,526	
40						
41	TOTAL	41,264,880		54,943,996	66,289,100	

Name of Respondent	This Report Is:	Date of Report (Mo, Da, Yr)	Year/Period of Report
ALLETE, Inc.	(1) [X] An Original (2) [ ] A Resubmission	/ /	End of 2019/Q4

TAXES ACCRUED, PREPAID AND CHARGED DURING YEAR (Continued)

5. If any tax (exclude Federal and State income taxes)- covers more then one year, show the required information separately for each tax year, identifying the year in column (a).
6. Enter all adjustments of the accrued and prepaid tax accounts in column (f) and explain each adjustment in a foot- note. Designate debit adjustments by parentheses.
7. Do not include on this page entries with respect to deferred income taxes or taxes collected through payroll deductions or otherwise pending transmittal of such taxes to the taxing authority.
8. Report in columns (i) through (l) how the taxes were distributed. Report in column (l) only the amounts charged to Accounts 408.1 and 409.1 pertaining to electric operations. Report in column (l) the amounts charged to Accounts 408.1 and 109.1 pertaining to other utility departments and amounts charged to Accounts 408.2 and 409.2. Also shown in column (l) the taxes charged to utility plant or other balance sheet accounts.
9. For any tax apportioned to more than one utility department or account, state in a footnote the basis (necessity) of apportioning such tax.

BALANCE AT END OF YEAR		DISTRIBUTION OF TAXES CHARGED				Line No.
(Taxes accrued Account 236) (g)	Prepaid Taxes (Incl. in Account 165) (h)	Electric (Account 408.1, 409.1) (i)	Extraordinary Items (Account 409.3) (j)	Adjustments to Ret. Earnings (Account 439) (k)	Other (l)	
-12,439,845		487				1
218,784		5,280,217			1,906,285	2
		33,977			12,266	3
					5,333	4
-12,221,061		5,314,681			1,923,884	5
						6
-5,895,902		1,020			9,190	7
1		97,215			35,097	8
16,816		16,816				9
578,772		937,152				10
56,170		56,170				11
-5,244,143		1,108,373			44,287	12
						13
-300		25				14
						15
-192,333						16
-192,633		25				17
						18
19,394,985		15,826,207			3,568,778	19
1,989,566		306,363				20
21,384,551		16,132,570			3,568,778	21
						22
25,894,114		21,526,732			1,038,810	23
		1,147,614				24
25,894,114		22,674,346			1,038,810	25
						26
						27
198,900					2,705,688	28
7,560					30,256	29
21,055					84,602	30
25,828					102,865	31
22,168					89,875	32
5,729					23,077	33
						34
737					8,432	35
3,137					37,509	36
9,760					39,338	37
4,074					16,600	38
298,948					3,138,242	39
						40
29,919,776		45,229,995			9,714,001	41

Schedule Page: 262 Line No.: 2 Column: l

Federal - Old Age Benefits	Account No. 408.2	$7,313
	Account No. Other	1,898,972
		$1,906,285

Name of Respondent	This Report Is:	Date of Report (Mo, Da, Yr)	Year/Period of Report
ALLETE, Inc.	(1) [X] An Original (2) [ ] A Resubmission	/ /	End of 2019/Q4

ACCUMULATED DEFERRED INVESTMENT TAX CREDITS (Account 255)

Report below information applicable to Account 255. Where appropriate, segregate the balances and transactions by utility and nonutility operations. Explain by footnote any correction adjustments to the account balance shown in column (g).Include in column (i) the average period over which the tax credits are amortized.

Line No.	Account Subdivisions (a)	Balance at Beginning of Year (b)	Deferred for Year Account No. (c)	Deferred for Year Amount (d)	Allocations to Current Year's Income Account No. (e)	Allocations to Current Year's Income Amount (f)	Adjustments (g)
1	Electric Utility						
2	3%						
3	4%	192,691			411.4	14,871	
4	7%						
5	10%	6,937,636			411.4	529,985	
6	30%	24,866,446			411.4	6,993	
7							
8	TOTAL	31,996,773				551,849	
9	Other (List separately and show 3%, 4%, 7%, 10% and TOTAL)						
10							
11							
12							
13							
14							
15							
16							
17							
18							
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47							
48							

Name of Respondent	This Report Is:	Date of Report (Mo, Da, Yr)	Year/Period of Report
ALLETE, Inc.	(1) [X] An Original (2) [ ] A Resubmission	/ /	End of 2019/Q4

ACCUMULATED DEFERRED INVESTMENT TAX CREDITS (Account 255) (continued)

Balance at End of Year (h)	Average Period of Allocation to Income (i)	ADJUSTMENT EXPLANATION	Line No.
			1
			2
177,820	44		3
			4
6,407,651	34		5
24,859,453	45		6
			7
31,444,924			8
			9
			10
			11
			12
			13
			14
			15
			16
			17
			18
			19
			20
			21
			22
			23
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			25
			26
			27
			28
			30
			31
			32
			33
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			44
			45
			46
			47
			48

Schedule Page: 266 Line No.: 3 Column: b

Average Amortization Period	**Years**
Transmission Plant	59
Distribution Plant	44
Steam Plant	38
Hydro Plant	36

Name of Respondent	This Report Is:	Date of Report (Mo, Da, Yr)	Year/Period of Report
ALLETE, Inc.	(1) [X] An Original (2) [ ] A Resubmission	/ /	End of 2019/Q4

OTHER DEFFERED CREDITS (Account 253)

1. Report below the particulars (details) called for concerning other deferred credits.
2. For any deferred credit being amortized, show the period of amortization.
3. Minor items (5% of the Balance End of Year for Account 253 or amounts less than $100,000, whichever is greater) may be grouped by classes.

Line No.	Description and Other Deferred Credits (a)	Balance at Beginning of Year (b)	DEBITS Contra Account (c)	DEBITS Amount (d)	Credits (e)	Balance at End of Year (f)
1	Deferred Directors' Fees	1,881,402	930.2	567,168	732,484	2,046,718
2						
3	Executive Incentive Plan	586,817	var.	280,330	89,911	396,398
4						
5	Miscellaneous Retirement Benefits	1,443,212	var.	160,704	79,490	1,361,998
6						
7	Transmission Delivery Charge-	1,975,622	456	416,538		1,559,084
8	Boswell Sale					
9						
10	Deferrals Supplemental Executive	19,717,530	var.	2,935,951	3,635,504	20,417,083
11	Retirement Plan					
12						
13	FIN 48 - Income Tax Non-Current	537,090	var.	27,081	67,455	577,464
14						
15	Labor Allocations	-285	var.	21,638,654	21,638,939	
16						
17	Miscellaneous	489,222	var.	786,939	786,939	489,222
18						
19						
20						
21						
22						
23						
24						
25						
26						
27						
28						
29						
30						
31						
32						
33						
34						
35						
36						
37						
38						
39						
40						
41						
42						
43						
44						
45						
46						
47	TOTAL	26,630,610		26,813,365	27,030,722	26,847,967

Name of Respondent ALLETE, Inc.	This Report Is: (1) [X] An Original (2) [ ] A Resubmission	Date of Report (Mo, Da, Yr) / /	Year/Period of Report End of 2019/Q4

ACCUMULATED DEFERRED INCOME TAXES - ACCELERATED AMORTIZATION PROPERTY (Account 281)

1. Report the information called for below concerning the respondent's accounting for deferred income taxes rating to amortizable property.
2. For other (Specify),include deferrals relating to other income and deductions.

Line No.	Account (a)	Balance at Beginning of Year (b)	CHANGES DURING YEAR Amounts Debited to Account 410.1 (c)	CHANGES DURING YEAR Amounts Credited to Account 411.1 (d)
1	Accelerated Amortization (Account 281)			
2	Electric			
3	Defense Facilities			
4	Pollution Control Facilities	85,031,557	1,019,328	2,484,107
5	Other (provide details in footnote):			
6				
7				
8	TOTAL Electric (Enter Total of lines 3 thru 7)	85,031,557	1,019,328	2,484,107
9	Gas			
10	Defense Facilities			
11	Pollution Control Facilities			
12	Other (provide details in footnote):			
13				
14				
15	TOTAL Gas (Enter Total of lines 10 thru 14)			
16				
17	TOTAL (Acct 281) (Total of 8, 15 and 16)	85,031,557	1,019,328	2,484,107
18	Classification of TOTAL			
19	Federal Income Tax	64,702,651	786,009	2,021,262
20	State Income Tax	20,328,906	233,319	462,845
21	Local Income Tax			

NOTES

Name of Respondent	This Report Is:	Date of Report (Mo, Da, Yr)	Year/Period of Report
ALLETE, Inc.	(1) [X] An Original (2) [ ] A Resubmission	/ /	End of 2019/Q4

ACCUMULATED DEFERRED INCOME TAXES _ ACCELERATED AMORTIZATION PROPERTY (Account 281) (Continued)

3. Use footnotes as required.

CHANGES DURING YEAR		ADJUSTMENTS					
Amounts Debited to Account 410.2	Amounts Credited to Account 411.2	Debits		Credits		Balance at End of Year	Line No.
		Account Credited	Amount	Account Debited	Amount		
(e)	(f)	(g)	(h)	(i)	(j)	(k)	
							1
							2
							3
						83,566,778	4
							5
							6
							7
						83,566,778	8
							9
							10
							11
							12
							13
							14
							15
							16
						83,566,778	17
							18
						63,467,398	19
						20,099,380	20
							21

NOTES (Continued)

Schedule Page: 272 Line No.: 4 Column: k

Remeasurement due to Tax Cuts and Jobs Act

Account 281 was remeasured as a result of the Tax Cuts and Jobs Act to reflect the revised federal income tax rate. The remeasurement resulted in an excess deferred tax liability which was grossed up to a pretax amount and recorded in account 254. The current year reversal of the excess deferred tax liability, and the remaining excess deferred tax, are shown below, categorized by protected and unprotected. The protected amount will reverse using the average rate assumption method over the remaining lives of the related assets. The excess ADIT is amortized to accounts 410.1 and 411.1.

	Beginning Excess Deferred Tax:	Current Year ADIT Reversal:	Remaining Excess Deferred Tax:
Protected	$25,409,777	$791,612	$24,618,165

Name of Respondent	This Report Is:	Date of Report (Mo, Da, Yr)	Year/Period of Report
ALLETE, Inc.	(1) [X] An Original (2) [ ] A Resubmission	/ /	End of 2019/Q4

ACCUMULATED DEFFERED INCOME TAXES - OTHER PROPERTY (Account 282)

1. Report the information called for below concerning the respondent's accounting for deferred income taxes rating to property not subject to accelerated amortization
2. For other (Specify),include deferrals relating to other income and deductions.

Line No.	Account (a)	Balance at Beginning of Year (b)	CHANGES DURING YEAR Amounts Debited to Account 410.1 (c)	Amounts Credited to Account 411.1 (d)
1	Account 282			
2	Electric	529,254,880	13,597,579	26,337,882
3	Gas			
4				
5	TOTAL (Enter Total of lines 2 thru 4)	529,254,880	13,597,579	26,337,882
6				
7	Other	7,574,577		
8				
9	TOTAL Account 282 (Enter Total of lines 5 thru	536,829,457	13,597,579	26,337,882
10	Classification of TOTAL			
11	Federal Income Tax	363,987,865	3,360,473	21,490,478
12	State Income Tax	172,841,592	10,237,106	4,847,404
13	Local Income Tax			

NOTES

Name of Respondent	This Report Is:	Date of Report (Mo, Da, Yr)	Year/Period of Report
ALLETE, Inc.	(1) [X] An Original (2) [ ] A Resubmission	/ /	End of 2019/Q4

ACCUMULATED DEFERRED INCOME TAXES - OTHER PROPERTY (Account 282) (Continued)

3. Use footnotes as required.

CHANGES DURING YEAR		ADJUSTMENTS					
Amounts Debited to Account 410.2 (e)	Amounts Credited to Account 411.2 (f)	Debits: Account Credited (g)	Debits: Amount (h)	Credits: Account Debited (i)	Credits: Amount (j)	Balance at End of Year (k)	Line No.
							1
			27,804,958		18,590,850	507,300,469	2
							3
							4
			27,804,958		18,590,850	507,300,469	5
							6
212,510	387,732					7,399,355	7
							8
212,510	387,732		27,804,958		18,590,850	514,699,824	9
							10
152,870	268,348		25,409,052		17,420,274	337,753,604	11
59,640	119,384		2,395,906		1,170,576	176,946,220	12
							13

NOTES (Continued)

Schedule Page: 274 Line No.: 2 Column: h

Electric - Adjustments - Debit	Account	Total	Federal	State
	182.1	$7,346,395	$5,073,503	$2,272,892
	190.3	19,260,856	19,260,856	-
	254.1	1,197,707	1,074,693	123,014
		$27,804,958	$25,409,052	$2,395,906

Schedule Page: 274 Line No.: 2 Column: j

Electric - Adjustments - Credit	Account	Total	Federal	State
	182.1	$3,515,661	$2,548,913	$966,748
	190.3	4,787,503	4,787,503	-
	190.4	303	-	303
	254.1	10,287,383	10,083,858	203,525
		$18,590,850	$17,420,274	$1,170,576

Schedule Page: 274 Line No.: 2 Column: k

Account 282 was remeasured as a result of the Tax Cuts and Jobs Act to reflect the revised federal income tax rate. The remeasurement resulted in an excess deferred tax liability which was grossed up to a pretax amount and recorded in account 254. The current year reversal of the excess deferred tax liability, and the remaining excess deferred tax, are shown below, categorized by protected and unprotected. The amounts shown below also include excess deferred taxes that existed prior to the Tax Cuts and Jobs Act as a result of prior tax rate changes. The protected amount will reverse using the average rate assumption method over the remaining lives of the related assets. The unprotected amount is being amortized over 10 years. The excess ADIT is amortized to accounts 410.1 and 411.1.

	Beginning Excess Deferred Tax:	Current Year ADIT Reversal:	Remaining Excess Deferred Tax:
Protected	$232,787,554	$8,886,090	$223,901,464
Unprotected	3,892,786	432,532	3,460,254
	$236,680,340	$9,318,622	$227,361,718

Name of Respondent	This Report Is:	Date of Report (Mo, Da, Yr)	Year/Period of Report
ALLETE, Inc.	(1) [X] An Original (2) [ ] A Resubmission	/ /	End of 2019/Q4

ACCUMULATED DEFFERED INCOME TAXES - OTHER (Account 283)

1. Report the information called for below concerning the respondent's accounting for deferred income taxes relating to amounts recorded in Account 283.
2. For other (Specify),include deferrals relating to other income and deductions.

Line No.	Account (a)	Balance at Beginning of Year (b)	CHANGES DURING YEAR Amounts Debited to Account 410.1 (c)	CHANGES DURING YEAR Amounts Credited to Account 411.1 (d)
1	Account 283			
2	Electric			
3				
4				
5				
6				
7				
8	Other (1)	88,006,931	2,307,105	7,314,683
9	TOTAL Electric (Total of lines 3 thru 8)	88,006,931	2,307,105	7,314,683
10	Gas			
11				
12				
13				
14				
15				
16				
17	TOTAL Gas (Total of lines 11 thru 16)			
18	Other (Specify) (2)	-1,417,018		
19	TOTAL (Acct 283) (Enter Total of lines 9, 17 and 18)	86,589,913	2,307,105	7,314,683
20	Classification of TOTAL			
21	Federal Income Tax	64,646,218	1,739,381	5,997,863
22	State Income Tax	21,943,695	567,724	1,316,820
23	Local Income Tax			

NOTES

Name of Respondent ALLETE, Inc.	This Report Is: (1) [X] An Original (2) [ ] A Resubmission	Date of Report (Mo, Da, Yr) / /	Year/Period of Report End of 2019/Q4

ACCUMULATED DEFERRED INCOME TAXES - OTHER (Account 283) (Continued)

3. Provide in the space below explanations for Page 276 and 277. Include amounts relating to insignificant items listed under Other.
4. Use footnotes as required.

CHANGES DURING YEAR		ADJUSTMENTS					
		Debits		Credits			
Amounts Debited to Account 410.2 (e)	Amounts Credited to Account 411.2 (f)	Account Credited (g)	Amount (h)	Account Debited (i)	Amount (j)	Balance at End of Year (k)	Line No.
							1
							2
							3
							4
							5
							6
							7
		var.	13,855,772	var.	18,641,343	87,784,924	8
			13,855,772		18,641,343	87,784,924	9
							10
							11
							12
							13
							14
							15
							16
							17
8,383	125,459	var.	432,902	var.	28,926	-1,938,070	18
8,383	125,459		14,288,674		18,670,269	85,846,854	19
							20
8,383	85,540		11,211,243		14,570,315	63,669,651	21
	39,919		3,077,431		4,099,954	22,177,203	22
							23

NOTES (Continued)

Schedule Page: 276 Line No.: 8 Column: a

(1) Other Electric	**Beginning Balance**	**Debited (410.1)**	**Credited (411.1)**	**Debits to 283 Account Credited**	**Debits to 283 Amount**	**Credits to 283 Account Debited**	**Credits to 283 Amount**	**Ending Balance**
AFUDC - FAS 109	$3,565,777	-	-	182	$2,948,597	182	$1,410,050	$2,027,230
Conservation Improvement Project	(436,664)	$102,154	$1,528,839					(1,863,349)
Deferred Executive Plans	836,277	23,013	1,538					857,752
FAS 158	62,137,315	96,404	1,442,783	219	4,978,371	219	332,646	56,145,211
Lease	-	-	-	190	593,460	190	1,609,917	1,016,457
Prepaid Bison Easements	363,857	7,092	474					370,475
Prepaid Insurance	1,495,201	258,162	17,250					1,736,113
Prepayment Expense - Bonds	768,918	9,885	52,727					726,076
Property Taxes	(4,366,230)	447,707	308,807					(4,227,330)
Regulatory Asset - Medicare Part D	1,429,701	4,280	64,059					1,369,922
Rate Case Expense	(19,413)	1,112,111	841,322					251,376
Regulatory Assets and Liabilities	22,232,192	246,297	3,056,884	var.	5,335,344	var.	15,288,730	29,374,991
Total	$88,006,931	$2,307,105	$7,314,683		$13,855,772		$18,641,343	$87,784,924

Schedule Page: 276 Line No.: 8 Column: k

Remeasurement due to Tax Cuts and Jobs Act

Account 283 was remeasured as a result of the Tax Cuts and Jobs Act to reflect the revised federal income tax rate. The remeasurement resulted in an excess deferred tax liability which was grossed up to a pretax amount and recorded in account 254. The current year reversal of the excess deferred tax liability, and the remaining excess deferred tax, are shown below, categorized by protected and unprotected. The unprotected amount is being amortized over 10 years. The excess ADIT is amortized to accounts 410.1 and 411.1.

	Beginning Excess Deferred Tax:	Current Year ADIT Reversal:	Remaining Excess Deferred Tax:
Unprotected	$25,295,285	$2,810,587	$22,484,698

Schedule Page: 276 Line No.: 18 Column: a

(2) Other	**Beginning Balance**	**Debited (410.2)**	**Credited (411.2)**	**Account Credited**	**Amount**	**Account Debited**	**Amount**	**Ending Balance**
FAS 158	$(1,417,018)	$8,383	$125,459	219	$432,902	219	$28,926	$(1,938,070)

Name of Respondent ALLETE, Inc.	This Report Is: (1) [X] An Original (2) [ ] A Resubmission	Date of Report (Mo, Da, Yr) / /	Year/Period of Report End of 2019/Q4

OTHER REGULATORY LIABILITIES (Account 254)

1. Report below the particulars (details) called for concerning other regulatory liabilities, including rate order docket number, if applicable.
2. Minor items (5% of the Balance in Account 254 at end of period, or amounts less than $100,000 which ever is less), may be grouped by classes.
3. For Regulatory Liabilities being amortized, show period of amortization.

Line No.	Description and Purpose of Other Regulatory Liabilities (a)	Balance at Begining of Current Quarter/Year (b)	DEBITS Account Credited (c)	DEBITS Amount (d)	Credits (e)	Balance at End of Current Quarter/Year (f)
1	ASC 740 Liabilities					
2	Investment Tax Credits	12,905,940	190	238,527	15,938	12,683,351
3	Net of Tax AFUDC in Plant	52,044	Var.	10,793	1,059	42,310
4	Tax Over Book Depreciation	338,053,979	Var.	19,040,436	34,560,417	353,573,960
5	Other Deferred Taxes	35,498,169	Var.	4,271,710	327,470	31,553,929
6						
7	North Dakota Investment Tax Credits	14,682,486	456	2,355,613		12,326,873
8						
9	Pre-funded AFUDC	64,400,668	Var.	2,852,508	17,714,846	79,263,006
10						
11	Deferred Rate Case Expense	67,537	456	67,537		
12	MPUC Docket No.					
13	E015/GRZ-09-1151 and GR-16-664					
14						
15	Cost Recovery Tracker Riders	6,897,386	182.3	6,897,386		
16						
17	Sale of Service Centers	199,919			223,597	423,516
18	MPUC Docket No.					
19	E015/PA-17-457 and PA-17-459					
20						
21	Conservation Improvement Program	1,519,260	Var.	28,360,717	32,220,196	5,378,739
22						
23	Transmission Formula Rates	6,000,000	Var.	6,001,000	1,690,000	1,689,000
24						
25	SolarSense Program	1,234,260	Var.	1,166,770	1,123,189	1,190,679
26						
27	Credit and Debit Card Processing Fees				129,356	129,356
28						
29	ASC 715:					
30	Retirement				17,051,627	17,051,627
31						
32						
33						
34						
35						
36						
37						
38						
39						
40						
41	TOTAL	481,511,648		71,262,997	105,057,695	515,306,346

Schedule Page: 278 Line No.: 1 Column: a

ASC 740. These liabilities are offsets to deferred income taxes recognized on certain regulatory temporary differences, which will reverse over the remaining lives of the related assets.

Schedule Page: 278 Line No.: 4 Column: c

Tax Over Book Depreciation	Account 182	$3,679,717
	Account 190	4,648,373
	Account 282	10,279,814
	Account 283	432,532
		$19,040,436

Schedule Page: 278 Line No.: 5 Column: c

Other Deferred Taxes	Account 190	$1,214,826
	Account 283	3,056,884
		$4,271,710

Schedule Page: 278 Line No.: 7 Column: a

North Dakota Investment Tax Credits. Credits expected to be realized from Bison that will be credited to Minnesota Power's retail customers through future renewable cost recovery rider filings as the tax credits are utilized.

Schedule Page: 278 Line No.: 9 Column: a

Pre-funded AFUDC. Wholesale and Retail Contra AFUDC represents amortization to offset AFUDC Equity and Debt recorded during the construction period of our cost recovery rider projects prior to placing the projects in service. The regulatory liability will decrease over the remaining depreciable life of the related asset.

Schedule Page: 278 Line No.: 11 Column: a

Deferred Rate Case Expense. This regulatory liability was amortized through 2019 as ordered in MPUC docket number GR-16-664.

Schedule Page: 278 Line No.: 15 Column: a

Cost Recovery Tracker Riders. This regulatory liability represents cash collections from Minnesota Power customers in excess of the revenue recognized. Any balance is expected to be returned to customers within two years. The cost recovery tracker riders included are; Transmission Tracker Rider, Renewable Tracker Rider, Environmental Improvement Rider, and Solar Tracker Rider.

Schedule Page: 278 Line No.: 17 Column: a

Sale of Service Centers. This regulatory liability represents cash collected from Minnesota Power customers related to the Aurora and Chisholm Service Centers that were sold in 2017. Costs related to these assets are incorporated in base rates and will be adjusted for in Minnesota Power's current rate case (MPUC Docket No. E015/GR-19-442).

Schedule Page: 278 Line No.: 21 Column: a

Conservation Improvement Program. This regulatory liability represents cash collections from Minnesota Power customers in excess of CIP expenditures and financial incentives earned for cost-effective program achievements. Any balance is expected to be returned to customers over the next year.

Schedule Page: 278 Line No.: 23 Column: a

Transmission Formula Rates. This current regulatory liability represents an accrued liability for the MISO Attachment O, GG, ZZ true-up related to MISO rates billed and expected to be returned to customers in future periods.

Schedule Page: 278 Line No.: 25 Column: a

SolarSense Program. This regulatory liability represents cash collections from Minnesota Power customers in excess of SolarSense Program expenditures. Any balance is expected to be returned to customers over two years.

Schedule Page: 278 Line No.: 27 Column: a

Credit and Debit Card Processing Fees. This regulatory liability represents cash collected from Minnesota Power customers related to over collection of credit and debit card processing fees. A proposal to refund this over collection to retail customers is included in Minnesota Power's current rate case (MPUC Docket No. E015/GR-19-442).

Schedule Page: 278 Line No.: 29 Column: a

Accounting Standards Codification (ASC) 715. Defined benefit pension and other postretirement items included in Minnesota Power's regulated operations, which are otherwise required to be recognized in accumulated other comprehensive income, including actuarial gains and losses as well as prior service costs and credits are recognized as regulatory assets or regulatory liabilities on the Consolidated Balance Sheet. The asset or liability will decrease as the deferred items are amortized and recognized as components of net periodic benefit cost.

Name of Respondent	This Report Is:	Date of Report (Mo, Da, Yr)	Year/Period of Report
ALLETE, Inc.	(1) [X] An Original (2) [ ] A Resubmission	/ /	End of 2019/Q4

ELECTRIC OPERATING REVENUES (Account 400)

1. The following instructions generally apply to the annual version of these pages. Do not report quarterly data in columns (c), (e), (f), and (g). Unbilled revenues and MWH related to unbilled revenues need not be reported separately as required in the annual version of these pages.
2. Report below operating revenues for each prescribed account, and manufactured gas revenues in total.
3. Report number of customers, columns (f) and (g), on the basis of meters, in addition to the number of flat rate accounts; except that where separate meter readings are added for billing purposes, one customer should be counted for each group of meters added. The -average number of customers means the average of twelve figures at the close of each month.
4. If increases or decreases from previous period (columns (c),(e), and (g)), are not derived from previously reported figures, explain any inconsistencies in a footnote.
5. Disclose amounts of $250,000 or greater in a footnote for accounts 451, 456, and 457.2.

Line No.	Title of Account (a)	Operating Revenues Year to Date Quarterly/Annual (b)	Operating Revenues Previous year (no Quarterly) (c)
1	Sales of Electricity		
2	(440) Residential Sales	109,732,798	116,468,452
3	(442) Commercial and Industrial Sales		
4	Small (or Comm.) (See Instr. 4)	115,480,501	124,102,940
5	Large (or Ind.) (See Instr. 4)	415,956,121	430,298,865
6	(444) Public Street and Highway Lighting	2,288,726	2,467,252
7	(445) Other Sales to Public Authorities	4,228,805	4,637,432
8	(446) Sales to Railroads and Railways		
9	(448) Interdepartmental Sales		
10	TOTAL Sales to Ultimate Consumers	647,686,951	677,974,941
11	(447) Sales for Resale	249,430,930	274,482,249
12	TOTAL Sales of Electricity	897,117,881	952,457,190
13	(Less) (449.1) Provision for Rate Refunds	16,380	25,121,135
14	TOTAL Revenues Net of Prov. for Refunds	897,101,501	927,336,055
15	Other Operating Revenues		
16	(450) Forfeited Discounts	529,491	802,231
17	(451) Miscellaneous Service Revenues	76,037	87,022
18	(453) Sales of Water and Water Power		
19	(454) Rent from Electric Property	1,248,163	1,315,288
20	(455) Interdepartmental Rents		
21	(456) Other Electric Revenues	50,506,850	37,891,017
22	(456.1) Revenues from Transmission of Electricity of Others	54,267,495	53,968,678
23	(457.1) Regional Control Service Revenues		
24	(457.2) Miscellaneous Revenues		
25			
26	TOTAL Other Operating Revenues	106,628,036	94,064,236
27	TOTAL Electric Operating Revenues	1,003,729,537	1,021,400,291

Name of Respondent	This Report Is:	Date of Report (Mo, Da, Yr)	Year/Period of Report
ALLETE, Inc.	(1) [X] An Original (2) [ ] A Resubmission	/ /	End of 2019/Q4

ELECTRIC OPERATING REVENUES (Account 400)

6. Commercial and industrial Sales, Account 442, may be classified according to the basis of classification (Small or Commercial, and Large or Industrial) regularly used by the respondent if such basis of classification is not generally greater than 1000 Kw of demand. (See Account 442 of the Uniform System of Accounts. Explain basis of classification in a footnote.)
7. See pages 108-109, Important Changes During Period, for important new territory added and important rate increase or decreases.
8. For Lines 2,4,5,and 6, see Page 304 for amounts relating to unbilled revenue by accounts.
9. Include unmetered sales. Provide details of such Sales in a footnote.

MEGAWATT HOURS SOLD		AVG.NO. CUSTOMERS PER MONTH		Line No.
Year to Date Quarterly/Annual (d)	Amount Previous year (no Quarterly) (e)	Current Year (no Quarterly) (f)	Previous Year (no Quarterly) (g)	
				1
1,042,353	1,052,800	122,926	122,557	2
				3
1,202,403	1,233,117	23,059	22,834	4
6,709,265	6,677,892	379	380	5
13,482	14,206	701	693	6
47,302	49,884	275	277	7
				8
				9
9,014,805	9,027,899	147,340	146,741	10
4,652,952	5,563,354	17	17	11
13,667,757	14,591,253	147,357	146,758	12
				13
13,667,757	14,591,253	147,357	146,758	14

Line 12, column (b) includes $ -1,558,698 of unbilled revenues.

Line 12, column (d) includes 1,348 MWH relating to unbilled revenues

Name of Respondent ALLETE, Inc.	This Report is: (1) X An Original (2) __ A Resubmission	Date of Report (Mo, Da, Yr) / /	Year/Period of Report 2019/Q4

FOOTNOTE DATA

Schedule Page: 300 Line No.: 21 Column: b

Other Electric Revenue includes the following:

Cost Recovery on Transmission Projects	$31,134,504
Steam Sales Revenue	6,800,392
Cost Recovery on Renewable Projects	4,520,292
Conservation Improvement Program Financial Incentive	2,780,073
Cost Recovery on Solar Projects	2,775,348
Clean Coal Sales Revenue	2,629,973
Great River Energy Distribution Wheeling Revenue	1,873,582
Midcontinent Independent System Operator Reactive Supply Revenue	846,871
Recreational Site Leases	714,273
Miscellaneous	392,283
Fly Ash Sales	377,293
Cost Recovery on Environmental Projects	(4,338,034)
	$50,506,850

Schedule Page: 300 Line No.: 21 Column: c

Other Electric Revenue includes the following:

Cost Recovery on Transmission Projects	$14,756,732
Steam Sales Revenue	7,157,012
Cost Recovery on Renewable Projects	5,727,555
Clean Coal Sales Revenue	3,940,798
Conservation Improvement Program Financial Incentive	2,994,840
Cost Recovery on Solar Projects	2,758,949
Coal Sales Revenue	2,161,303
Great River Energy Distribution Wheeling Revenue	2,001,340
Recreational Site Leases	737,709
Miscellaneous	731,332
Fly Ash Sales	555,614
Midcontinent Independent System Operator Reactive Supply Revenue	490,129
Cost Recovery on Environmental Projects	(6,122,296)
	$37,891,017

Name of Respondent ALLETE, Inc.	This Report Is: (1) [X] An Original (2) [ ] A Resubmission	Date of Report (Mo, Da, Yr) / /	Year/Period of Report End of 2019/Q4

REGIONAL TRANSMISSION SERVICE REVENUES (Account 457.1)

1. The respondent shall report below the revenue collected for each service (i.e., control area administration, market administration, etc.) performed pursuant to a Commission approved tariff. All amounts separately billed must be detailed below.

Line No.	Description of Service (a)	Balance at End of Quarter 1 (b)	Balance at End of Quarter 2 (c)	Balance at End of Quarter 3 (d)	Balance at End of Year (e)
1					
2					
3					
4					
5					
6					
7					
8					
9					
10					
11					
12					
13					
14					
15					
16					
17					
18					
19					
20					
21					
22					
23					
24					
25					
26					
27					
28					
29					
30					
31					
32					
33					
34					
35					
36					
37					
38					
39					
40					
41					
42					
43					
44					
45					
46	TOTAL				

Name of Respondent	This Report Is:	Date of Report (Mo, Da, Yr)	Year/Period of Report
ALLETE, Inc.	(1) [X] An Original (2) [ ] A Resubmission	/ /	End of 2019/Q4

SALES OF ELECTRICITY BY RATE SCHEDULES

1. Report below for each rate schedule in effect during the year the MWH of electricity sold, revenue, average number of customer, average Kwh per customer, and average revenue per Kwh, excluding date for Sales for Resale which is reported on Pages 310-311.
2. Provide a subheading and total for each prescribed operating revenue account in the sequence followed in "Electric Operating Revenues," Page 300-301. If the sales under any rate schedule are classified in more than one revenue account, List the rate schedule and sales data under each applicable revenue account subheading.
3. Where the same customers are served under more than one rate schedule in the same revenue account classification (such as a general residential schedule and an off peak water heating schedule), the entries in column (d) for the special schedule should denote the duplication in number of reported customers.
4. The average number of customers should be the number of bills rendered during the year divided by the number of billing periods during the year (12 if all billings are made monthly).
5. For any rate schedule having a fuel adjustment clause state in a footnote the estimated additional revenue billed pursuant thereto.
6. Report amount of unbilled revenue as of end of year for each applicable revenue account subheading.

Line No.	Number and Title of Rate schedule (a)	MWh Sold (b)	Revenue (c)	Average Number of Customers (d)	KWh of Sales Per Customer (e)	Revenue Per KWh Sold (f)
1						
2	440 RESIDENTIAL					
3	20, 22 Residential	928,910	100,076,764	109,716	8,466	0.1077
4	21 Res. Dual Fuel Interruptible	94,652	8,064,184	7,368	12,846	0.0852
5	23 Seasonal Resident	10,574	1,546,347	3,114	3,396	0.1462
6	24 Residential Controlled Access	4,343	333,299	315	13,787	0.0767
7	28 Off-Peak Electric Vehicle	15	980	4	3,750	0.0653
8	76 Outdoor Lighting Service	12	3,062	21	571	0.2552
9	77 Area Ltg. Service	1,754	398,386	2,388	735	0.2271
10	Revenue Adjustment		-156,572			
11						
12	Unbilled	2,093	-533,652			-0.2550
13	TOTAL RESIDENTIAL	1,042,353	109,732,798	122,926	8,480	0.1053
14						
15	442 COMMERCIAL					
16	25 General Service	606,119	65,252,944	20,132	30,107	0.1077
17	26 Comm/Indust Dual Fuel Interr.	24,295	1,893,177	518	46,902	0.0779
18	27 Comm/Indust Controlled Access	755	60,721	56	13,482	0.0804
19	75 Large Light & Power	567,900	48,421,698	370	1,534,865	0.0853
20	76 Outdoor Ltg. Service	137	20,182	71	1,930	0.1473
21	77 Area Lg. Service	3,702	710,251	1,912	1,936	0.1919
22						
23						
24	Unbilled	-505	-878,472			1.7395
25	TOTAL COMMERCIAL	1,202,403	115,480,501	23,059	52,145	0.0960
26						
27	443 INDUSTRIAL					
28	25 General Service	26,153	2,866,281	261	100,203	0.1096
29	26 Comm/Ind Dual Fuel Inter	250	20,379	6	41,667	0.0815
30	74 Large Power	5,439,175	334,832,994	8	679,896,875	0.0616
31	75 Large Light & Power	701,900	54,153,779	58	12,101,724	0.0772
32	76 Outdoor Ltg. Service	3	523	2	1,500	0.1743
33	77 Are Ltg. Service	154	24,585	43	3,581	0.1596
34	CA Large Power	541,737	24,164,937	1	541,737,000	0.0446
35						
36	Unbilled	-107	-107,357			1.0033
37	TOTAL INDUSTRIAL	6,709,265	415,956,121	379	17,702,546	0.0620
38						
39						
40						
41	TOTAL Billed	9,013,457	649,245,649	147,340	61,175	0.0720
42	Total Unbilled Rev.(See Instr. 6)	1,348	-1,558,698	0	0	-1.1563
43	TOTAL	9,014,805	647,686,951	147,340	61,184	0.0718

Name of Respondent	This Report Is:	Date of Report (Mo, Da, Yr)	Year/Period of Report
ALLETE, Inc.	(1) [X] An Original (2) [ ] A Resubmission	/ /	End of 2019/Q4

SALES OF ELECTRICITY BY RATE SCHEDULES

1. Report below for each rate schedule in effect during the year the MWH of electricity sold, revenue, average number of customer, average Kwh per customer, and average revenue per Kwh, excluding date for Sales for Resale which is reported on Pages 310-311.
2. Provide a subheading and total for each prescribed operating revenue account in the sequence followed in "Electric Operating Revenues," Page 300-301. If the sales under any rate schedule are classified in more than one revenue account, List the rate schedule and sales data under each applicable revenue account subheading.
3. Where the same customers are served under more than one rate schedule in the same revenue account classification (such as a general residential schedule and an off peak water heating schedule), the entries in column (d) for the special schedule should denote the duplication in number of reported customers.
4. The average number of customers should be the number of bills rendered during the year divided by the number of billing periods during the year (12 if all billings are made monthly).
5. For any rate schedule having a fuel adjustment clause state in a footnote the estimated additional revenue billed pursuant thereto.
6. Report amount of unbilled revenue as of end of year for each applicable revenue account subheading.

Line No.	Number and Title of Rate schedule (a)	MWh Sold (b)	Revenue (c)	Average Number of Customers (d)	KWh of Sales Per Customer (e)	Revenue Per KWh Sold (f)
1						
2						
3	444 PUBLIC ST & HWY LIGHTING					
4	25 General Service	506	61,013	69	7,333	0.1206
5	77 Area Ltg. Service	268	43,522	86	3,116	0.1624
6	80 Highway Lighting	1,647	123,836	84	19,607	0.0752
7	83 Overhead Street Lighting	8,545	1,837,771	352	24,276	0.2151
8	84 Ornamental Street Lighting	2,516	222,584	110	22,873	0.0885
9						
10	Unbilled					
11	TOTAL PUBLIC ST & HWY LTG	13,482	2,288,726	701	19,233	0.1698
12						
13	445 OTHER SALES TO PUB AUTH					
14	25 General Service	8,944	962,177	161	55,553	0.1076
15	75 Large Light & Power	32,177	2,622,356	11	2,925,182	0.0815
16	77 Area Lighting Service	5	918	5	1,000	0.1836
17	87 Municipal Pumping	6,309	682,571	98	64,378	0.1082
18						
19	Unbilled	-133	-39,217			0.2949
20	TOTAL OTHER SALES/PUB AUTH	47,302	4,228,805	275	172,007	0.0894
21						
22						
23						
24						
25						
26						
27						
28						
29						
30						
31						
32						
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38						
39						
40						
41	TOTAL Billed	9,013,457	649,245,649	147,340	61,175	0.0720
42	Total Unbilled Rev.(See Instr. 6)	1,348	-1,558,698	0	0	-1.1563
43	TOTAL	9,014,805	647,686,951	147,340	61,184	0.0718

Schedule Page: 304 Line No.: 1 Column: c

The following identifies fuel adjustment revenue included in column c on pages 304 and 304.1.

Number and Title of Rate Schedule	Fuel Adjustment Revenue
440 Residential	
20,22 Residential	$2,269,551
21 Residential Dual Fuel Interruptible	219,707
23 Seasonal Residential	25,277
24 Residential Controlled Access	9,968
28 Residential Off-Peak Electric Vehicle	38
76 Outdoor Lighting Service	26
77 Area Ltg. Service	3,558
Total Residential	2,528,125
442 Commercial	
25 General Service	1,541,228
26 Commercial / Industrial Dual Fuel Interruptible	60,049
27 Commercial / Industrial Controlled Access	1,749
75 Large Light & Power	1,443,016
76 Outdoor Ltg. Service	278
77 Area Ltg. Service	7,440
Total Commercial Sales	3,053,760
443 Industrial	
25 General Service	66,724
26 Commercial / Industrial Dual Fuel Interruptible	652
74 Large Power	13,171,726
75 Large Light & Power	1,764,180
76 Outdoor Ltg. Service	6
77 Area Ltg. Service	311
Total Industrial	15,003,599
444 Public Street & Highway Lighting	
25 General Service	1,507
77 Area Ltg. Service	530
80 Highway Lighting	3,412
83 Overhead St. Lighting	17,199
84 Ornamental St. Lighting	5,237
Total Public Street & Highway Ltg.	27,885
445 Other Sales To Public Authorities	
25 General Service	18,744
75 Large Light & Power	84,183
77 Area Lighting Service	10
87 Municipal Pumping	21,043
Total Other Sales To Public Authorities	123,980
Total	$20,737,349

Rider Cost Recovery

The revenue amounts in column c on pages 304 and 304.1 exclude the portion of rider cost recovery on renewable, transmission and environmental projects included in account 456 - Other Electric Revenue on Page 300 of this FERC Form 1.

Schedule Page: 304 Line No.: 1 Column: d

Customer Counts

Customer counts reported in column d include customers that may be served under more than one rate schedule in the same revenue account classification. Customer account duplications can be found in the dual fuel, seasonal, controlled access, overhead lighting and area lighting rate schedules.

- The "average customer count" is the average number of service agreements billed for 2019.
- An "account with multiple" is defined as one customer account billing with multiple rate schedules.
- A database search for duplicates was performed that compared like service addresses containing more than one rate schedule to obtained a count by rate class.

The following residential and commercial counts are approximate as one customer can have multiple accounts within the same or across rate schedules.

440: 20, 22 Residential Total – 109,716
Accounts with multiples – 9,800
The customer counts for the following rate schedules are also included in the count for rate schedule 20, 22 Residential:

- 21 – Residential Dual Fuel Interruptible – 7,300
- 23 – Seasonal Residential – 200
- 24 – Residential Controlled Access – 300
- 77 – Area Lighting – 2,000

442: 25 General Service Total – 20,132
Accounts with multiples – 2,300
The customer counts for the following rate schedules are also included in the count for rate schedule 25 General Service:

- 26 – Commercial Dual Fuel Interruptible – 500
- 27 – Commercial / Industrial Controlled Access – 100
- 75 – Large Light & Power – 100
- 77 – Area Lighting – 1,600

Customer counts for the categories Industrial, Public Street & Highway Lighting, and Other Sales to Public Authorities also contain multiple accounts and overlap between rate schedules, however, are not material.

Name of Respondent ALLETE, Inc.	This Report Is: (1) [X] An Original (2) [ ] A Resubmission	Date of Report (Mo, Da, Yr) / /	Year/Period of Report End of 2019/Q4

SALES FOR RESALE (Account 447)

1. Report all sales for resale (i.e., sales to purchasers other than ultimate consumers) transacted on a settlement basis other than power exchanges during the year. Do not report exchanges of electricity (i.e., transactions involving a balancing of debits and credits for energy, capacity, etc.) and any settlements for imbalanced exchanges on this schedule. Power exchanges must be reported on the Purchased Power schedule (Page 326-327).
2. Enter the name of the purchaser in column (a). Do note abbreviate or truncate the name or use acronyms. Explain in a footnote any ownership interest or affiliation the respondent has with the purchaser.
3. In column (b), enter a Statistical Classification Code based on the original contractual terms and conditions of the service as follows:
RQ - for requirements service. Requirements service is service which the supplier plans to provide on an ongoing basis (i.e., the supplier includes projected load for this service in its system resource planning). In addition, the reliability of requirements service must be the same as, or second only to, the supplier's service to its own ultimate consumers.
LF - for tong-term service. "Long-term" means five years or Longer and "firm" means that service cannot be interrupted for economic reasons and is intended to remain reliable even under adverse conditions (e.g., the supplier must attempt to buy emergency energy from third parties to maintain deliveries of LF service). This category should not be used for Long-term firm service which meets the definition of RQ service. For all transactions identified as LF, provide in a footnote the termination date of the contract defined as the earliest date that either buyer or setter can unilaterally get out of the contract.
IF - for intermediate-term firm service. The same as LF service except that "intermediate-term" means longer than one year but Less than five years.
SF - for short-term firm service. Use this category for all firm services where the duration of each period of commitment for service is one year or less.
LU - for Long-term service from a designated generating unit. "Long-term" means five years or Longer. The availability and reliability of service, aside from transmission constraints, must match the availability and reliability of designated unit.
IU - for intermediate-term service from a designated generating unit. The same as LU service except that "intermediate-term" means Longer than one year but Less than five years.

Line No.	Name of Company or Public Authority (Footnote Affiliations)	Statistical Classification	FERC Rate Schedule or Tariff Number	Average Monthly Billing Demand (MW)	Actual Demand (MW)	
					Average Monthly NCP Demand	Average Monthly CP Demand
	(a)	(b)	(c)	(d)	(e)	(f)
1						
2	Municipal Customers					
3	Superior Water, Light and Power Co	RQ	2	107.7	107.1	99.1
4	City of Aitkin	RQ	2	6.3	6.2	5.4
5	City of Biwabik	RQ	2	1.1	1.1	1.0
6	City of Brainerd	RQ	2	14.5	14.4	11.9
7	City of Buhl	RQ	2	1.1	1.1	1.0
8	City of Ely	RQ	2	6.0	5.9	5.2
9	City of Gilbert	RQ	2	1.8	1.8	1.6
10	City of Grand Rapids	RQ	2	25.0	24.7	22.8
11	City of Hibbing	RQ	2	19.4	20.2	18.5
12	City of Keewatin	RQ	2	1.0	0.9	0.8
13	City of Mt. Iron	RQ	2	3.0	3.0	2.7
14	City of Nashwauk	RQ	2	1.9	1.8	1.7
	Subtotal RQ			0	0	0
	Subtotal non-RQ			0	0	0
	Total			**0**	**0**	**0**

Name of Respondent	This Report Is:	Date of Report (Mo, Da, Yr)	Year/Period of Report
ALLETE, Inc.	(1) [X] An Original (2) [ ] A Resubmission	/ /	End of 2019/Q4

SALES FOR RESALE (Account 447)

1. Report all sales for resale (i.e., sales to purchasers other than ultimate consumers) transacted on a settlement basis other than power exchanges during the year. Do not report exchanges of electricity (i.e., transactions involving a balancing of debits and credits for energy, capacity, etc.) and any settlements for imbalanced exchanges on this schedule. Power exchanges must be reported on the Purchased Power schedule (Page 326-327).
2. Enter the name of the purchaser in column (a). Do note abbreviate or truncate the name or use acronyms. Explain in a footnote any ownership interest or affiliation the respondent has with the purchaser.
3. In column (b), enter a Statistical Classification Code based on the original contractual terms and conditions of the service as follows:
RQ - for requirements service. Requirements service is service which the supplier plans to provide on an ongoing basis (i.e., the supplier includes projected load for this service in its system resource planning). In addition, the reliability of requirements service must be the same as, or second only to, the supplier's service to its own ultimate consumers.
LF - for tong-term service. "Long-term" means five years or Longer and "firm" means that service cannot be interrupted for economic reasons and is intended to remain reliable even under adverse conditions (e.g., the supplier must attempt to buy emergency energy from third parties to maintain deliveries of LF service). This category should not be used for Long-term firm service which meets the definition of RQ service. For all transactions identified as LF, provide in a footnote the termination date of the contract defined as the earliest date that either buyer or setter can unilaterally get out of the contract.
IF - for intermediate-term firm service. The same as LF service except that "intermediate-term" means longer than one year but Less than five years.
SF - for short-term firm service. Use this category for all firm services where the duration of each period of commitment for service is one year or less.
LU - for Long-term service from a designated generating unit. "Long-term" means five years or Longer. The availability and reliability of service, aside from transmission constraints, must match the availability and reliability of designated unit.
IU - for intermediate-term service from a designated generating unit. The same as LU service except that "intermediate-term" means Longer than one year but Less than five years.

Line No.	Name of Company or Public Authority (Footnote Affiliations) (a)	Statistical Classifi-cation (b)	FERC Rate Schedule or Tariff Number (c)	Average Monthly Billing Demand (MW) (d)	Actual Demand (MW) Average Monthly NCP Demand (e)	Actual Demand (MW) Average Monthly CP Demand (f)
1	City of Pierz	RQ	2	1.8	1.8	1.6
2	City of Proctor	RQ	2	4.2	4.2	3.8
3	City of Randall	RQ	2	0.8	0.8	0.7
4	City of Two Harbors	RQ	2	4.4	4.3	4.0
5	City of Virginia	RQ	2	15.3	17.2	15.9
6	2019 Formula-Based Rates True-Up	RQ				
7	Prior Years Formula-Based Rates True-Up	AD				
8	Contract Incentive Amortization	RQ				
9	MISO Attachment O, GG, ZZ True-Ups	AD				
10	MISO FERC ROE Complaint - 2019	RQ				
11	MISO FERC ROE Complaint - Prior Years	AD				
12	Non-Required Sales for Resale					
13	Other Nonassociated Utilities Under					
14	FERC Electric Tariff	OS	1st Rev. Vol. No.5			
	Subtotal RQ			0	0	0
	Subtotal non-RQ			0	0	0
	Total			**0**	**0**	**0**

Name of Respondent	This Report Is:	Date of Report (Mo, Da, Yr)	Year/Period of Report
ALLETE, Inc.	(1) [X] An Original (2) [ ] A Resubmission	/ /	End of 2019/Q4

SALES FOR RESALE (Account 447) (Continued)

OS - for other service. use this category only for those services which cannot be placed in the above-defined categories, such as all non-firm service regardless of the Length of the contract and service from designated units of Less than one year. Describe the nature of the service in a footnote.
AD - for Out-of-period adjustment. Use this code for any accounting adjustments or "true-ups" for service provided in prior reporting years. Provide an explanation in a footnote for each adjustment.
4. Group requirements RQ sales together and report them starting at line number one. After listing all RQ sales, enter "Subtotal - RQ" in column (a). The remaining sales may then be listed in any order. Enter "Subtotal-Non-RQ" in column (a) after this Listing. Enter "Total" in column (a) as the Last Line of the schedule. Report subtotals and total for columns (9) through (k)
5. In Column (c), identify the FERC Rate Schedule or Tariff Number. On separate Lines, List all FERC rate schedules or tariffs under which service, as identified in column (b), is provided.
6. For requirements RQ sales and any type of-service involving demand charges imposed on a monthly (or Longer) basis, enter the average monthly billing demand in column (d), the average monthly non-coincident peak (NCP) demand in column (e), and the average monthly coincident peak (CP)
demand in column (f). For all other types of service, enter NA in columns (d), (e) and (f). Monthly NCP demand is the maximum metered hourly (60-minute integration) demand in a month. Monthly CP demand is the metered demand during the hour (60-minute integration) in which the supplier's system reaches its monthly peak. Demand reported in columns (e) and (f) must be in megawatts. Footnote any demand not stated on a megawatt basis and explain.
7. Report in column (g) the megawatt hours shown on bills rendered to the purchaser.
8. Report demand charges in column (h), energy charges in column (i), and the total of any other types of charges, including out-of-period adjustments, in column (j). Explain in a footnote all components of the amount shown in column (j). Report in column (k) the total charge shown on bills rendered to the purchaser.
9. The data in column (g) through (k) must be subtotaled based on the RQ/Non-RQ grouping (see instruction 4), and then totaled on the Last -line of the schedule. The "Subtotal - RQ" amount in column (g) must be reported as Requirements Sales For Resale on Page 401, line 23. The "Subtotal - Non-RQ" amount in column (g) must be reported as Non-Requirements Sales For Resale on Page 401,iine 24.
10. Footnote entries as required and provide explanations following all required data.

MegaWatt Hours Sold (g)	REVENUE Demand Charges ($) (h)	Energy Charges ($) (i)	Other Charges ($) (j)	Total ($) (h+i+j) (k)	Line No.
					1
					2
796,348	23,164,027	14,485,514	7,216,326	44,865,867	3
37,420	1,482,502	734,565	561,182	2,778,249	4
6,498	266,366	127,547	119,778	513,691	5
83,041	3,322,769	1,513,837	1,502,757	6,339,363	6
6,697	273,905	131,466	121,491	526,862	7
37,602	1,439,370	738,134	658,469	2,835,973	8
11,167	438,394	219,199	201,668	859,261	9
158,656	5,849,529	3,114,418	2,372,709	11,336,656	10
123,184	4,551,456	2,418,093	2,128,754	9,098,303	11
5,725	250,919	112,391	104,867	468,177	12
19,214	731,973	377,179	333,871	1,443,023	13
11,794	449,565	214,550	170,600	834,715	14
1,468,108	48,572,177	27,538,947	17,559,900	93,671,024	
3,184,844	47,138,126	105,590,120	3,031,660	155,759,906	
4,652,952	**95,710,303**	**133,129,067**	**20,591,560**	**249,430,930**	

SALES FOR RESALE (Account 447) (Continued)

OS - for other service. use this category only for those services which cannot be placed in the above-defined categories, such as all non-firm service regardless of the Length of the contract and service from designated units of Less than one year. Describe the nature of the service in a footnote.
AD - for Out-of-period adjustment. Use this code for any accounting adjustments or "true-ups" for service provided in prior reporting years. Provide an explanation in a footnote for each adjustment.
4. Group requirements RQ sales together and report them starting at line number one. After listing all RQ sales, enter "Subtotal - RQ" in column (a). The remaining sales may then be listed in any order. Enter "Subtotal-Non-RQ" in column (a) after this Listing. Enter "Total" in column (a) as the Last Line of the schedule. Report subtotals and total for columns (9) through (k)
5. In Column (c), identify the FERC Rate Schedule or Tariff Number. On separate Lines, List all FERC rate schedules or tariffs under which service, as identified in column (b), is provided.
6. For requirements RQ sales and any type of-service involving demand charges imposed on a monthly (or Longer) basis, enter the average monthly billing demand in column (d), the average monthly non-coincident peak (NCP) demand in column (e), and the average monthly coincident peak (CP)
demand in column (f). For all other types of service, enter NA in columns (d), (e) and (f). Monthly NCP demand is the maximum metered hourly (60-minute integration) demand in a month. Monthly CP demand is the metered demand during the hour (60-minute integration) in which the supplier's system reaches its monthly peak. Demand reported in columns (e) and (f) must be in megawatts. Footnote any demand not stated on a megawatt basis and explain.
7. Report in column (g) the megawatt hours shown on bills rendered to the purchaser.
8. Report demand charges in column (h), energy charges in column (i), and the total of any other types of charges, including out-of-period adjustments, in column (j). Explain in a footnote all components of the amount shown in column (j). Report in column (k) the total charge shown on bills rendered to the purchaser.
9. The data in column (g) through (k) must be subtotaled based on the RQ/Non-RQ grouping (see instruction 4), and then totaled on the Last -line of the schedule. The "Subtotal - RQ" amount in column (g) must be reported as Requirements Sales For Resale on Page 401, line 23. The "Subtotal - Non-RQ" amount in column (g) must be reported as Non-Requirements Sales For Resale on Page 401,iine 24.
10. Footnote entries as required and provide explanations following all required data.

MegaWatt Hours Sold (g)	REVENUE: Demand Charges ($) (h)	Energy Charges ($) (i)	Other Charges ($) (j)	Total ($) (h+i+j) (k)	Line No.
10,524	441,374	206,586	204,819	852,779	1
26,902	1,006,684	528,090	476,962	2,011,736	2
4,848	207,945	95,166	92,558	395,669	3
28,370	1,037,384	556,895	501,048	2,095,327	4
100,118	3,658,015	1,965,317	1,857,153	7,480,485	5
			302,752	302,752	6
			2,485,950	2,485,950	7
			-591,864	-591,864	8
			913,000	913,000	9
			-776,000	-776,000	10
			-1,359,000	-1,359,000	11
					12
					13
3,184,844	47,138,126	105,590,120	991,710	153,719,956	14
1,468,108	48,572,177	27,538,947	17,559,900	93,671,024	
3,184,844	47,138,126	105,590,120	3,031,660	155,759,906	
4,652,952	**95,710,303**	**133,129,067**	**20,591,560**	**249,430,930**	

Schedule Page: 310 Line No.: 1 Column: j

Other Charges include Formula Rate True-Ups, Energy Adjustments and True-Ups, and Midcontinent Independent System Operator (MISO) Network Services and Ancillary Services.

Schedule Page: 310 Line No.: 3 Column: a

Superior Water, Light and Power Company (SWL&P) is a wholly-owned subsidiary of ALLETE, Inc.

Schedule Page: 310 Line No.: 6 Column: a

The City of Brainerd contract terminated effective June 30, 2019.

Schedule Page: 310.1 Line No.: 6 Column: j

Formula-Based Rate True-Up includes:

	Total	2019	Prior Years
2019 / 2020 True-Up Accrual	$201,274	$201,274	-
2018 / 2019 True-Up Accrual Adjustment	829,735	256,104	$573,631
2018 / 2019 True-Up Accrual Reversal	(784,003)	(154,626)	(629,377)
2017 / 2018 True-Up Accrual Reversal	2,541,696	-	2,541,696
	$2,788,702	$302,752	$2,485,950

The 2019 / 2020 True-Up Accrual reflects an estimated amount for 2020 billings to SWL&P and municipal customers related to service provided in 2019.

The 2018 / 2019 True-Up Accrual Adjustment reflects an increase to the amount accrued for 2019 billings to SWL&P and municipal customers related to service provided from July 2018 through June 2019.

The 2018 / 2019 True-Up Accrual Reversal reflects the reversal of the 2018 accrual and a portion of the 2019 accrual for billings made in 2019 to SWL&P and municipal customers for service provided from July 2018 through June 2019.

The 2017 / 2018 True-Up Accrual Reversal reflects the reversal of the remaining 2017 accruals, and a portion of the 2018 accrual for net billings made to SWL&P in 2018 for service provided in July 2017 through June 2018.

Schedule Page: 310.1 Line No.: 7 Column: j

See footnote for Schedule Page 310.1 Line No. 6 Column J above.

Schedule Page: 310.1 Line No.: 9 Column: j

MISO Attachment O, GG, ZZ True-Ups. Reflects estimated out-period adjustments for MISO rates billed in one year and credited to customers in another.

2018 / 2020 True-Up Accrual	
Estimate related to MISO rates billed in 2018 and expected to be credited to customers in 2020.	$687,000
2017 / 2019 True-Up Accrual Reversal	
Estimate related to MISO rates billed in 2017 and credited to customers in 2019.	(1,600,000)
	$(913,000)

Schedule Page: 310.1 Line No.: 10 Column: j

MISO FERC ROE Complaint. Reflects an estimated accrued refund related to a November 2019 FERC order, that authorized MISO transmission owners, including ALLETE, Inc., a return on equity (ROE) of 9.88%, or 10.38% including an incentive adder for participation in a regional transmission organization. In this order, the FERC reduced the base ROE for regional transmission organizations as recommended by an administrative law judge with refunds ordered for October 2016 through 2019. Multiple parties have filed for rehearing of the FERC order.

Schedule Page: 310.1 Line No.: 11 Column: j

See footnote for Schedule Page 310.1 Line No. 10 Column J above.

Schedule Page: 310.1 Line No.: 14 Column: j

Amount reflects recovery of pass-thru transmission expenses.

Name of Respondent	This Report Is:	Date of Report (Mo, Da, Yr)	Year/Period of Report
ALLETE, Inc.	(1) [X] An Original (2) [ ] A Resubmission	/ /	End of 2019/Q4

ELECTRIC OPERATION AND MAINTENANCE EXPENSES

If the amount for previous year is not derived from previously reported figures, explain in footnote.

Line No.	Account (a)	Amount for Current Year (b)	Amount for Previous Year (c)
1	1. POWER PRODUCTION EXPENSES		
2	A. Steam Power Generation		
3	Operation		
4	(500) Operation Supervision and Engineering	4,713,468	6,058,151
5	(501) Fuel	94,878,449	149,684,997
6	(502) Steam Expenses	9,312,167	10,562,658
7	(503) Steam from Other Sources		
8	(Less) (504) Steam Transferred-Cr.		
9	(505) Electric Expenses	1,539,631	1,822,805
10	(506) Miscellaneous Steam Power Expenses	543,485	800,614
11	(507) Rents		
12	(509) Allowances		
13	TOTAL Operation (Enter Total of Lines 4 thru 12)	110,987,200	168,929,225
14	Maintenance		
15	(510) Maintenance Supervision and Engineering	2,677,699	3,357,688
16	(511) Maintenance of Structures	927,081	1,018,541
17	(512) Maintenance of Boiler Plant	9,040,936	9,613,150
18	(513) Maintenance of Electric Plant	2,548,768	2,713,305
19	(514) Maintenance of Miscellaneous Steam Plant	3,101,696	3,867,090
20	TOTAL Maintenance (Enter Total of Lines 15 thru 19)	18,296,180	20,569,774
21	TOTAL Power Production Expenses-Steam Power (Entr Tot lines 13 & 20)	129,283,380	189,498,999
22	B. Nuclear Power Generation		
23	Operation		
24	(517) Operation Supervision and Engineering		
25	(518) Fuel		
26	(519) Coolants and Water		
27	(520) Steam Expenses		
28	(521) Steam from Other Sources		
29	(Less) (522) Steam Transferred-Cr.		
30	(523) Electric Expenses		
31	(524) Miscellaneous Nuclear Power Expenses		
32	(525) Rents		
33	TOTAL Operation (Enter Total of lines 24 thru 32)		
34	Maintenance		
35	(528) Maintenance Supervision and Engineering		
36	(529) Maintenance of Structures		
37	(530) Maintenance of Reactor Plant Equipment		
38	(531) Maintenance of Electric Plant		
39	(532) Maintenance of Miscellaneous Nuclear Plant		
40	TOTAL Maintenance (Enter Total of lines 35 thru 39)		
41	TOTAL Power Production Expenses-Nuc. Power (Entr tot lines 33 & 40)		
42	C. Hydraulic Power Generation		
43	Operation		
44	(535) Operation Supervision and Engineering	689,303	759,047
45	(536) Water for Power		
46	(537) Hydraulic Expenses	777,788	889,964
47	(538) Electric Expenses		
48	(539) Miscellaneous Hydraulic Power Generation Expenses	34,456	75,218
49	(540) Rents		
50	TOTAL Operation (Enter Total of Lines 44 thru 49)	1,501,547	1,724,229
51	C. Hydraulic Power Generation (Continued)		
52	Maintenance		
53	(541) Mainentance Supervision and Engineering	329,828	384,193
54	(542) Maintenance of Structures	120,302	76,957
55	(543) Maintenance of Reservoirs, Dams, and Waterways	919,140	1,317,590
56	(544) Maintenance of Electric Plant	896,964	1,002,687
57	(545) Maintenance of Miscellaneous Hydraulic Plant	1,104,598	1,242,398
58	TOTAL Maintenance (Enter Total of lines 53 thru 57)	3,370,832	4,023,825
59	TOTAL Power Production Expenses-Hydraulic Power (tot of lines 50 & 58)	4,872,379	5,748,054

Name of Respondent	This Report Is:	Date of Report (Mo, Da, Yr)	Year/Period of Report
ALLETE, Inc.	(1) [X] An Original (2) [ ] A Resubmission	/ /	End of 2019/Q4

ELECTRIC OPERATION AND MAINTENANCE EXPENSES (Continued)

If the amount for previous year is not derived from previously reported figures, explain in footnote.

Line No.	Account (a)	Amount for Current Year (b)	Amount for Previous Year (c)
60	D. Other Power Generation		
61	Operation		
62	(546) Operation Supervision and Engineering	327,320	369,221
63	(547) Fuel		
64	(548) Generation Expenses	83,289	149,695
65	(549) Miscellaneous Other Power Generation Expenses	1,236,142	1,662,388
66	(550) Rents	2,983,546	2,987,001
67	TOTAL Operation (Enter Total of lines 62 thru 66)	4,630,297	5,168,305
68	Maintenance		
69	(551) Maintenance Supervision and Engineering	1,557	18,976
70	(552) Maintenance of Structures		2,964
71	(553) Maintenance of Generating and Electric Plant	6,281,191	9,234,251
72	(554) Maintenance of Miscellaneous Other Power Generation Plant	1,615,053	2,201,046
73	TOTAL Maintenance (Enter Total of lines 69 thru 72)	7,897,801	11,457,237
74	TOTAL Power Production Expenses-Other Power (Enter Tot of 67 & 73)	12,528,098	16,625,542
75	E. Other Power Supply Expenses		
76	(555) Purchased Power	294,511,186	256,053,067
77	(556) System Control and Load Dispatching	444,342	427,408
78	(557) Other Expenses	1,315,005	1,220,715
79	TOTAL Other Power Supply Exp (Enter Total of lines 76 thru 78)	296,270,533	257,701,190
80	TOTAL Power Production Expenses (Total of lines 21, 41, 59, 74 & 79)	442,954,390	469,573,785
81	2. TRANSMISSION EXPENSES		
82	Operation		
83	(560) Operation Supervision and Engineering	1,886,513	2,054,076
84			
85	(561.1) Load Dispatch-Reliability	1,589,358	1,827,532
86	(561.2) Load Dispatch-Monitor and Operate Transmission System	3,308,816	4,146,827
87	(561.3) Load Dispatch-Transmission Service and Scheduling		
88	(561.4) Scheduling, System Control and Dispatch Services	1,943,554	2,029,704
89	(561.5) Reliability, Planning and Standards Development	601,563	626,635
90	(561.6) Transmission Service Studies		
91	(561.7) Generation Interconnection Studies		1,339
92	(561.8) Reliability, Planning and Standards Development Services	139,746	145,941
93	(562) Station Expenses	96,495	191,740
94	(563) Overhead Lines Expenses		
95	(564) Underground Lines Expenses		
96	(565) Transmission of Electricity by Others	67,824,231	67,904,601
97	(566) Miscellaneous Transmission Expenses	805,666	1,387,057
98	(567) Rents	2,050,501	1,904,196
99	TOTAL Operation (Enter Total of lines 83 thru 98)	80,246,443	82,219,648
100	Maintenance		
101	(568) Maintenance Supervision and Engineering	4,599	3,851
102	(569) Maintenance of Structures		
103	(569.1) Maintenance of Computer Hardware		
104	(569.2) Maintenance of Computer Software		
105	(569.3) Maintenance of Communication Equipment	1,726,261	1,844,050
106	(569.4) Maintenance of Miscellaneous Regional Transmission Plant		
107	(570) Maintenance of Station Equipment	3,499,749	3,585,173
108	(571) Maintenance of Overhead Lines	3,877,620	2,209,888
109	(572) Maintenance of Underground Lines		
110	(573) Maintenance of Miscellaneous Transmission Plant	24,153	53,996
111	TOTAL Maintenance (Total of lines 101 thru 110)	9,132,382	7,696,958
112	TOTAL Transmission Expenses (Total of lines 99 and 111)	89,378,825	89,916,606

ELECTRIC OPERATION AND MAINTENANCE EXPENSES (Continued)

If the amount for previous year is not derived from previously reported figures, explain in footnote.

Line No.	Account (a)	Amount for Current Year (b)	Amount for Previous Year (c)
113	3. REGIONAL MARKET EXPENSES		
114	Operation		
115	(575.1) Operation Supervision		
116	(575.2) Day-Ahead and Real-Time Market Facilitation		
117	(575.3) Transmission Rights Market Facilitation		
118	(575.4) Capacity Market Facilitation		
119	(575.5) Ancillary Services Market Facilitation		
120	(575.6) Market Monitoring and Compliance		
121	(575.7) Market Facilitation, Monitoring and Compliance Services		
122	(575.8) Rents		
123	Total Operation (Lines 115 thru 122)		
124	Maintenance		
125	(576.1) Maintenance of Structures and Improvements		
126	(576.2) Maintenance of Computer Hardware		
127	(576.3) Maintenance of Computer Software		
128	(576.4) Maintenance of Communication Equipment		
129	(576.5) Maintenance of Miscellaneous Market Operation Plant		
130	Total Maintenance (Lines 125 thru 129)		
131	TOTAL Regional Transmission and Market Op Expns (Total 123 and 130)		
132	4. DISTRIBUTION EXPENSES		
133	Operation		
134	(580) Operation Supervision and Engineering	911,751	1,087,316
135	(581) Load Dispatching	750,280	291,245
136	(582) Station Expenses	2,747	2,755
137	(583) Overhead Line Expenses	223,470	152,185
138	(584) Underground Line Expenses	75,515	68,030
139	(585) Street Lighting and Signal System Expenses	160,999	142,915
140	(586) Meter Expenses	361,997	289,542
141	(587) Customer Installations Expenses	957	1,147
142	(588) Miscellaneous Expenses	5,768,727	5,404,793
143	(589) Rents	67,978	98,518
144	TOTAL Operation (Enter Total of lines 134 thru 143)	8,324,421	7,538,446
145	Maintenance		
146	(590) Maintenance Supervision and Engineering	786,537	724,542
147	(591) Maintenance of Structures		
148	(592) Maintenance of Station Equipment	49,528	41,604
149	(593) Maintenance of Overhead Lines	8,871,494	9,416,023
150	(594) Maintenance of Underground Lines	1,569,423	1,656,776
151	(595) Maintenance of Line Transformers		
152	(596) Maintenance of Street Lighting and Signal Systems	39,175	32,914
153	(597) Maintenance of Meters	15,141	18,552
154	(598) Maintenance of Miscellaneous Distribution Plant	582,891	785,940
155	TOTAL Maintenance (Total of lines 146 thru 154)	11,914,189	12,676,351
156	TOTAL Distribution Expenses (Total of lines 144 and 155)	20,238,610	20,214,797
157	5. CUSTOMER ACCOUNTS EXPENSES		
158	Operation		
159	(901) Supervision	27,630	
160	(902) Meter Reading Expenses	489,474	547,348
161	(903) Customer Records and Collection Expenses	4,417,082	4,633,691
162	(904) Uncollectible Accounts	-352,822	855,020
163	(905) Miscellaneous Customer Accounts Expenses		
164	TOTAL Customer Accounts Expenses (Total of lines 159 thru 163)	4,581,364	6,036,059

Name of Respondent	This Report Is:	Date of Report (Mo, Da, Yr)	Year/Period of Report
ALLETE, Inc.	(1) [X] An Original (2) [ ] A Resubmission	/ /	End of 2019/Q4

ELECTRIC OPERATION AND MAINTENANCE EXPENSES (Continued)

If the amount for previous year is not derived from previously reported figures, explain in footnote.

Line No.	Account (a)	Amount for Current Year (b)	Amount for Previous Year (c)
165	6. CUSTOMER SERVICE AND INFORMATIONAL EXPENSES		
166	Operation		
167	(907) Supervision		
168	(908) Customer Assistance Expenses	14,319,874	15,168,444
169	(909) Informational and Instructional Expenses	975	
170	(910) Miscellaneous Customer Service and Informational Expenses		
171	TOTAL Customer Service and Information Expenses (Total 167 thru 170)	14,320,849	15,168,444
172	7. SALES EXPENSES		
173	Operation		
174	(911) Supervision		
175	(912) Demonstrating and Selling Expenses		
176	(913) Advertising Expenses	92,202	138,860
177	(916) Miscellaneous Sales Expenses		
178	TOTAL Sales Expenses (Enter Total of lines 174 thru 177)	92,202	138,860
179	8. ADMINISTRATIVE AND GENERAL EXPENSES		
180	Operation		
181	(920) Administrative and General Salaries	26,479,393	28,498,912
182	(921) Office Supplies and Expenses	2,308,170	2,094,990
183	(Less) (922) Administrative Expenses Transferred-Credit		
184	(923) Outside Services Employed	7,674,688	10,830,723
185	(924) Property Insurance	6,718,657	6,071,680
186	(925) Injuries and Damages		-553,097
187	(926) Employee Pensions and Benefits	234,483	1,819,104
188	(927) Franchise Requirements	16,732	21,534
189	(928) Regulatory Commission Expenses	2,518,103	3,431,544
190	(929) (Less) Duplicate Charges-Cr.		
191	(930.1) General Advertising Expenses	259,977	312,343
192	(930.2) Miscellaneous General Expenses	2,291,910	2,426,894
193	(931) Rents		
194	TOTAL Operation (Enter Total of lines 181 thru 193)	48,502,113	54,954,627
195	Maintenance		
196	(935) Maintenance of General Plant	13,705,667	13,617,616
197	TOTAL Administrative & General Expenses (Total of lines 194 and 196)	62,207,780	68,572,243
198	TOTAL Elec Op and Maint Expns (Total 80,112,131,156,164,171,178,197)	633,774,020	669,620,794

Schedule Page: 320 Line No.: 5 Column: b

Included within Account 501 are costs related to the sale of coal (from Minnesota Power's Boswell facility) to a retail customer for use in a non-rate base facility (See Rapids Energy Center on Page 403 to this FERC Form 1). In 2019, the cost of coal and related expenditures totaled $6,650. The corresponding revenue from this transaction is $0 and is reflected as part of account 456 - Other Electric Revenue at Page 300 to this FERC Form 1.

Schedule Page: 320 Line No.: 5 Column: c

Included within Account 501 are costs related to the sale of coal (from Minnesota Power's Boswell facility) to a retail customer for use in a non-rate base facility (See Rapids Energy Center on Page 403 to this FERC Form 1). In 2018, the cost of coal and related expenditures totaled $1,410,698. The corresponding revenue from this transaction is $2,161,303 and is reflected as part of account 456 - Other Electric Revenue at Page 300 to this FERC Form 1.

Schedule Page: 320 Line No.: 181 Column: c

$2,532,477 of severance expense presented in FERC account 921 in ALLETE's 2018 FERC Form 1 has been reclassified to FERC account 920.

Schedule Page: 320 Line No.: 182 Column: c

$2,532,477 of severance expense presented in FERC account 921 in ALLETE's 2018 FERC Form 1 has been reclassified to FERC account 920.

Schedule Page: 320 Line No.: 192 Column: b

See Page 335 of this FERC Form 1 for more information.

Schedule Page: 320 Line No.: 192 Column: c

See Page 335 of this FERC Form 1 for more information.

Name of Respondent	This Report Is:	Date of Report (Mo, Da, Yr)	Year/Period of Report
ALLETE, Inc.	(1) [X] An Original (2) [ ] A Resubmission	/ /	End of 2019/Q4

PURCHASED POWER (Account 555)
(Including power exchanges)

1. Report all power purchases made during the year. Also report exchanges of electricity (i.e., transactions involving a balancing of debits and credits for energy, capacity, etc.) and any settlements for imbalanced exchanges.
2. Enter the name of the seller or other party in an exchange transaction in column (a). Do not abbreviate or truncate the name or use acronyms. Explain in a footnote any ownership interest or affiliation the respondent has with the seller.
3. In column (b), enter a Statistical Classification Code based on the original contractual terms and conditions of the service as follows:

RQ - for requirements service. Requirements service is service which the supplier plans to provide on an ongoing basis (i.e., the supplier includes projects load for this service in its system resource planning). In addition, the reliability of requirement service must be the same as, or second only to, the supplier's service to its own ultimate consumers.

LF - for long-term firm service. "Long-term" means five years or longer and "firm" means that service cannot be interrupted for economic reasons and is intended to remain reliable even under adverse conditions (e.g., the supplier must attempt to buy emergency energy from third parties to maintain deliveries of LF service). This category should not be used for long-term firm service firm service which meets the definition of RQ service. For all transaction identified as LF, provide in a footnote the termination date of the contract defined as the earliest date that either buyer or seller can unilaterally get out of the contract.

IF - for intermediate-term firm service. The same as LF service expect that "intermediate-term" means longer than one year but less than five years.

SF - for short-term service. Use this category for all firm services, where the duration of each period of commitment for service is one year or less.

LU - for long-term service from a designated generating unit. "Long-term" means five years or longer. The availability and reliability of service, aside from transmission constraints, must match the availability and reliability of the designated unit.

IU - for intermediate-term service from a designated generating unit. The same as LU service expect that "intermediate-term" means longer than one year but less than five years.

EX - For exchanges of electricity. Use this category for transactions involving a balancing of debits and credits for energy, capacity, etc. and any settlements for imbalanced exchanges.

OS - for other service. Use this category only for those services which cannot be placed in the above-defined categories, such as all non-firm service regardless of the Length of the contract and service from designated units of Less than one year. Describe the nature of the service in a footnote for each adjustment.

Line No.	Name of Company or Public Authority (Footnote Affiliations) (a)	Statistical Classification (b)	FERC Rate Schedule or Tariff Number (c)	Average Monthly Billing Demand (MW) (d)	Actual Demand (MW) Average Monthly NCP Demand (e)	Actual Demand (MW) Average Monthly CP Demand (f)
1	Non-Associated Other Utilities	OS	134			
2						
3	Municipals	OS	134			
4						
5	Cooperatives					
6	Square Butte Electric Power	LU				
7	Other Cooperatives	OS	134			
8						
9	IPP / Non-Utilities	OS	134			
10	Power Marketers	OS	134			
11	Other Public Authorities	OS	134			
12	Utility	OS	134			
13	Foreign	OS	134			
14						
	Total					

Name of Respondent	This Report Is:	Date of Report (Mo, Da, Yr)	Year/Period of Report
ALLETE, Inc.	(1) [X] An Original (2) [ ] A Resubmission	/ /	End of 2019/Q4

PURCHASED POWER(Account 555) (Continued)
(Including power exchanges)

AD - for out-of-period adjustment. Use this code for any accounting adjustments or "true-ups" for service provided in prior reporting years. Provide an explanation in a footnote for each adjustment.

4. In column (c), identify the FERC Rate Schedule Number or Tariff, or, for non-FERC jurisdictional sellers, include an appropriate designation for the contract. On separate lines, list all FERC rate schedules, tariffs or contract designations under which service, as identified in column (b), is provided.
5. For requirements RQ purchases and any type of service involving demand charges imposed on a monnthly (or longer) basis, enter the monthly average billing demand in column (d), the average monthly non-coincident peak (NCP) demand in column (e), and the average monthly coincident peak (CP) demand in column (f). For all other types of service, enter NA in columns (d), (e) and (f). Monthly NCP demand is the maximum metered hourly (60-minute integration) demand in a month. Monthly CP demand is the metered demand during the hour (60-minute integration) in which the supplier's system reaches its monthly peak. Demand reported in columns (e) and (f) must be in megawatts. Footnote any demand not stated on a megawatt basis and explain.
6. Report in column (g) the megawatthours shown on bills rendered to the respondent. Report in columns (h) and (i) the megawatthours of power exchanges received and delivered, used as the basis for settlement. Do not report net exchange.
7. Report demand charges in column (j), energy charges in column (k), and the total of any other types of charges, including out-of-period adjustments, in column (l). Explain in a footnote all components of the amount shown in column (l). Report in column (m) the total charge shown on bills received as settlement by the respondent. For power exchanges, report in column (m) the settlement amount for the net receipt of energy. If more energy was delivered than received, enter a negative amount. If the settlement amount (l) include credits or charges other than incremental generation expenses, or (2) excludes certain credits or charges covered by the agreement, provide an explanatory footnote.
8. The data in column (g) through (m) must be totalled on the last line of the schedule. The total amount in column (g) must be reported as Purchases on Page 401, line 10. The total amount in column (h) must be reported as Exchange Received on Page 401, line 12. The total amount in column (i) must be reported as Exchange Delivered on Page 401, line 13.
9. Footnote entries as required and provide explanations following all required data.

MegaWatt Hours Purchased (g)	POWER EXCHANGES		COST/SETTLEMENT OF POWER				Line No.
	MegaWatt Hours Received (h)	MegaWatt Hours Delivered (i)	Demand Charges ($) (j)	Energy Charges ($) (k)	Other Charges ($) (l)	Total (j+k+l) of Settlement ($) (m)	
293,761				10,407,837		10,407,837	1
							2
24,937			44,100	617,342		661,442	3
							4
							5
1,435,546			51,519,100	31,164,341		82,683,441	6
510,523			9,292,500	20,413,860		29,706,360	7
							8
64,841				1,850,230		1,850,230	9
1,331,070			340,625	43,197,773	16,100	43,554,498	10
3,587,080				104,921,592	-77,211	104,844,381	11
186				50,903		50,903	12
333,837			4,770,559	15,969,462	12,073	20,752,094	13
							14
7,581,781			65,966,884	228,593,340	-49,038	294,511,186	

Schedule Page: 326 Line No.: 1 Column: b

Other Services (OS) includes purchases of:

- Firm Power
- Economy Energy
- Replacement Energy
- Emergency Energy

Schedule Page: 326 Line No.: 6 Column: b

Rural Energy Agency Jurisdiction - Power Sales Interconnection Agreement between Square Butte Electric Cooperative and Minnesota Power (ALLETE, Inc.) (4/1/74). See Square Butte discussion in the Notes to Financial Statements on Page 123.

Schedule Page: 326 Line No.: 10 Column: l

Intercontinental Exchange broker fees.

Schedule Page: 326 Line No.: 11 Column: l

Multi-Value project transmission charges that are recoverable through transmission rider credit issued to customer.

Schedule Page: 326 Line No.: 12 Column: a

Utility includes purchases from Superior Water, Light and Power Company, a wholly owned subsidiary of ALLETE, Inc.

Schedule Page: 326 Line No.: 13 Column: l

Independent Electricity System Operator administrative expenses related to purchased energy.

Name of Respondent	This Report Is:	Date of Report (Mo, Da, Yr)	Year/Period of Report
ALLETE, Inc.	(1) [X] An Original (2) [ ] A Resubmission	/ /	End of 2019/Q4

TRANSMISSION OF ELECTRICITY FOR OTHERS (Account 456.1)
(Including transactions referred to as 'wheeling')

1. Report all transmission of electricity, i.e., wheeling, provided for other electric utilities, cooperatives, other public authorities, qualifying facilities, non-traditional utility suppliers and ultimate customers for the quarter.
2. Use a separate line of data for each distinct type of transmission service involving the entities listed in column (a), (b) and (c).
3. Report in column (a) the company or public authority that paid for the transmission service. Report in column (b) the company or public authority that the energy was received from and in column (c) the company or public authority that the energy was delivered to. Provide the full name of each company or public authority. Do not abbreviate or truncate name or use acronyms. Explain in a footnote any ownership interest in or affiliation the respondent has with the entities listed in columns (a), (b) or (c)
4. In column (d) enter a Statistical Classification code based on the original contractual terms and conditions of the service as follows: FNO - Firm Network Service for Others, FNS - Firm Network Transmission Service for Self, LFP - "Long-Term Firm Point to Point Transmission Service, OLF - Other Long-Term Firm Transmission Service, SFP - Short-Term Firm Point to Point Transmission Reservation, NF - non-firm transmission service, OS - Other Transmission Service and AD - Out-of-Period Adjustments. Use this code for any accounting adjustments or "true-ups" for service provided in prior reporting periods. Provide an explanation in a footnote for each adjustment. See General Instruction for definitions of codes.

Line No.	Payment By (Company of Public Authority) (Footnote Affiliation) (a)	Energy Received From (Company of Public Authority) (Footnote Affiliation) (b)	Energy Delivered To (Company of Public Authority) (Footnote Affiliation) (c)	Statistical Classification (d)
1	City of Wadena	Western Area Power Association	City of Wadena	OLF
2	City of Staples	Western Area Power Association	City of Staples	OLF
3	Great River Energy	Great River Energy	Great River Energy	FNO
4	WPPI Energy	N/A	N/A	OS
5	Midcontinent Independent System Operator	Various	Various	OS
6	Midcontinent Independent System Operator	Various	Minnesota Power	LFP
7	MISO - Schedule 26 Revenue	Various	N/A	OS
8	MISO - Schedule 37 Revenue	American Transmission Systems	N/A	OS
9	MISO - Schedule 38 Revenue	DEK / DEO	N/A	OS
10	MISO - Schedule 45 Revenue	Various	Various	OS
11	MISO FERC ROE Complaint Prior Period	N/A	N/A	AD
12	MISO FERC ROE Complaint	N/A	N/A	AD
13	MISO Attachment O, GG, ZZ True-Ups	N/A	N/A	AD
14				
15				
16				
17				
18				
19				
20				
21				
22				
23				
24				
25				
26				
27				
28				
29				
30				
31				
32				
33				
34				
	TOTAL			

Name of Respondent	This Report Is:	Date of Report (Mo, Da, Yr)	Year/Period of Report
ALLETE, Inc.	(1) [X] An Original (2) [ ] A Resubmission	/ /	End of 2019/Q4

TRANSMISSION OF ELECTRICITY FOR OTHERS (Account 456)(Continued)
(Including transactions reffered to as 'wheeling')

5. In column (e), identify the FERC Rate Schedule or Tariff Number, On separate lines, list all FERC rate schedules or contract designations under which service, as identified in column (d), is provided.
6. Report receipt and delivery locations for all single contract path, "point to point" transmission service. In column (f), report the designation for the substation, or other appropriate identification for where energy was received as specified in the contract. In column (g) report the designation for the substation, or other appropriate identification for where energy was delivered as specified in the contract.
7. Report in column (h) the number of megawatts of billing demand that is specified in the firm transmission service contract. Demand reported in column (h) must be in megawatts. Footnote any demand not stated on a megawatts basis and explain.
8. Report in column (i) and (j) the total megawatthours received and delivered.

FERC Rate Schedule of Tariff Number (e)	Point of Receipt (Subsatation or Other Designation) (f)	Point of Delivery (Substation or Other Designation) (g)	Billing Demand (MW) (h)	TRANSFER OF ENERGY MegaWatt Hours Received (i)	TRANSFER OF ENERGY MegaWatt Hours Delivered (j)	Line No.
120	System	System		70,560	70,560	1
133	System	System		27,928	27,928	2
47, 48 & 49	System	System		2,487,626	2,408,547	3
N/A	N/A	N/A				4
OATT	System	System				5
173	HVDC West	HVDC East	550			6
OATT	System	System				7
OATT	System	System				8
OATT	System	System				9
OATT	System	System				10
OATT	N/A	N/A				11
OATT	N/A	N/A				12
OATT	N/A	N/A				13
						14
						15
						16
						17
						18
						19
						20
						21
						22
						23
						24
						25
						26
						27
						28
						29
						30
						31
						32
						33
						34
			550	**2,586,114**	**2,507,035**	

Name of Respondent	This Report Is:	Date of Report (Mo, Da, Yr)	Year/Period of Report
ALLETE, Inc.	(1) [X] An Original (2) [ ] A Resubmission	/ /	End of 2019/Q4

TRANSMISSION OF ELECTRICITY FOR OTHERS (Account 456) (Continued)
(Including transactions reffered to as 'wheeling')

9. In column (k) through (n), report the revenue amounts as shown on bills or vouchers. In column (k), provide revenues from demand charges related to the billing demand reported in column (h). In column (l), provide revenues from energy charges related to the amount of energy transferred. In column (m), provide the total revenues from all other charges on bills or vouchers rendered, including out of period adjustments. Explain in a footnote all components of the amount shown in column (m). Report in column (n) the total charge shown on bills rendered to the entity Listed in column (a). If no monetary settlement was made, enter zero (11011) in column (n). Provide a footnote explaining the nature of the non-monetary settlement, including the amount and type of energy or service rendered.
10. The total amounts in columns (i) and (j) must be reported as Transmission Received and Transmission Delivered for annual report purposes only on Page 401, Lines 16 and 17, respectively.
11. Footnote entries and provide explanations following all required data.

REVENUE FROM TRANSMISSION OF ELECTRICITY FOR OTHERS

Demand Charges ($) (k)	Energy Charges ($) (l)	(Other Charges) ($) (m)	Total Revenues ($) (k+l+m) (n)	Line No.
	479,905		479,905	1
	190,046		190,046	2
				3
		416,538	416,538	4
		9,857,172	9,857,172	5
		16,417,392	16,417,392	6
		19,199,859	19,199,859	7
		215,251	215,251	8
		254,906	254,906	9
		7,652,283	7,652,283	10
		-2,540,857	-2,540,857	11
		-1,273,000	-1,273,000	12
		3,398,000	3,398,000	13
				14
				15
				16
				17
				18
				19
				20
				21
				22
				23
				24
				25
				26
				27
				28
				29
				30
				31
				32
				33
				34
0	**669,951**	**53,597,544**	**54,267,495**	

Schedule Page: 328   Line No.: 3   Column: n

Great River Energy. On May 6, 2016, FERC issued an order in dockets ER16-1107 and ER16-1108 accepting: (1) a Coordinated Local Planning Agreement, (2) Joint Pricing Zone Revenue Allocation Agreement, (3) a Revenue Credit Agreement for the Great Northern Transmission Line Project and (4) a Wholesale Distribution Service Agreement between Great River Energy and Minnesota Power. Together, the zonal agreements govern the respective obligations to each other concerning local transmission planning, cost allocation and revenue sharing for certain facilities and load within the Minnesota Power Pricing Zone. When the result of the Joint Pricing Zone Agreement is a payment from Great River Energy to Minnesota Power, revenue would be recorded on Page 328, Line 3. When the result of the Joint Pricing Agreement is a payment from Minnesota Power to Great River Energy, payment would be captured on Page 332, Line 7. Revenue received from the Wholesale Distribution Service Agreement is accounted for on Page 300, Line No. 21.

Schedule Page: 328   Line No.: 4   Column: m

WPPI Energy. Amount represents amortization of transmission delivery payment over the remaining life of Boswell Unit 4.

Schedule Page: 328   Line No.: 5   Column: m

Midcontinent Independent System Operator (MISO) - Delivered to Various Companies. Amount represents transmission service charge revenue generated under the MISO Tariff.

Schedule Page: 328   Line No.: 6   Column: m

MISO - Delivered to Minnesota Power. Amount represents transmission service charge revenue generated under the MISO High Voltage Direct Current Tariff.

Schedule Page: 328   Line No.: 7   Column: m

MISO - Schedule 26 Revenue. Minnesota Power participates in the MISO stakeholder-driven planning process referred to as the MISO Transmission Expansion Plan (MTEP). MISO has developed FERC-approved methodologies for allocating the cost of MTEP projects to all load-serving entities within the MISO footprint. There are currently three FERC-approved processes that allow MISO to allocate costs collected through Schedule 26, Schedule 26-A and Schedule 26-B to those who benefit from the project. Minnesota Power currently receives revenue under Schedule 26 for Baseline Reliability Projects that were approved in previous MTEP cycles.

Amount represents revenue Minnesota Power receives from other utilities as a result of the MISO Regional Expansion Criteria and Benefits cost allocation process.

Schedule Page: 328   Line No.: 8   Column: m

MISO - Schedule 37 Revenue. American Transmission Systems, Incorporated (ATSI) is responsible for a portion of MTEP Projects constructed or approved by the MISO Board of Directors for construction by MISO Transmission Owners. Minnesota Power receives revenue under Schedule 37 for Baseline Reliability Projects that were approved in MTEP cycles prior to June 1, 2011.

Amount represents revenue Minnesota Power receives from ATSI as a result of the MTEP cost allocation process.

Schedule Page: 328   Line No.: 9   Column: m

MISO - Schedule 38 Revenue. Duke Energy Kentucky, Inc. (DEK) and Duke Energy Ohio, Inc. (DEO) are responsible for a portion of MTEP Projects constructed or approved by the MISO Board of Directors for construction by MISO Transmission Owners. Minnesota Power receives revenue under Schedule 38 for Baseline Reliability Projects that were approved in MTEP cycles prior to June 1, 2011.

Amount represents revenue Minnesota Power receives from DEK and DEO as a result of the MTEP cost allocation process.

Schedule Page: 328 Line No.: 10 Column: m

MISO - Schedule 45 Revenue. MISO has developed a FERC-approved method for recovery of NERC Recommendation or Essential Action costs by NERC Transmission Owner Registered Entities through Schedule 45 of the MISO Tariff. Minnesota Power currently collects revenue for the October 7, 2010, NERC issued Recommendation to Industry for Consideration of Actual Field Conditions in Determination of Facility Ratings.

Schedule Page: 328 Line No.: 11 Column: m

MISO FERC ROE Complaint. Reflects an estimated accrued refund related to a November 2019 FERC order, that authorized MISO transmission owners, including ALLETE, a return on equity (ROE) of 9.88%, or 10.38% including an incentive adder for participation in a regional transmission organization. In this order, the FERC reduced the base ROE for regional transmission organizations as recommended by an administrative law judge with refunds ordered for October 2016 through 2019. Multiple parties to the complaint have appealed the FERC order.

Schedule Page: 328 Line No.: 12 Column: m

See footnote for Schedule Page 330 Line No. 11 Column (m) above.

Schedule Page: 328 Line No.: 13 Column: m

MISO Attachment O, GG, ZZ True-Ups. Reflects estimated out-period adjustments for MISO rates billed in one year and credited to customers in another.

2018 / 2020 True-Up Accrual Estimate related to MISO rates billed in 2018 and expected to be credited to customers in 2020.	$598,000
2017 / 2019 True-Up Accrual Reversal Estimate related to MISO rates billed in 2017 and credited to customers in 2019.	2,800,000
	$3,398,000

Name of Respondent	This Report Is:	Date of Report (Mo, Da, Yr)	Year/Period of Report
ALLETE, Inc.	(1) [X] An Original (2) [ ] A Resubmission	/ /	End of 2019/Q4

TRANSMISSION OF ELECTRICITY BY ISO/RTOs

1. Report in Column (a) the Transmission Owner receiving revenue for the transmission of electricity by the ISO/RTO.
2. Use a separate line of data for each distinct type of transmission service involving the entities listed in Column (a).
3. In Column (b) enter a Statistical Classification code based on the original contractual terms and conditions of the service as follows: FNO – Firm Network Service for Others, FNS – Firm Network Transmission Service for Self, LFP – Long-Term Firm Point-to-Point Transmission Service, OLF – Other Long-Term Firm Transmission Service, SFP – Short-Term Firm Point-to-Point Transmission Reservation, NF – Non-Firm Transmission Service, OS – Other Transmission Service and AD- Out-of-Period Adjustments. Use this code for any accounting adjustments or "true-ups" for service provided in prior reporting periods. Provide an explanation in a footnote for each adjustment. See General Instruction for definitions of codes.
4. In column (c) identify the FERC Rate Schedule or tariff Number, on separate lines, list all FERC rate schedules or contract designations under which service, as identified in column (b) was provided.
5. In column (d) report the revenue amounts as shown on bills or vouchers.
6. Report in column (e) the total revenues distributed to the entity listed in column (a).

Line No.	Payment Received by (Transmission Owner Name) (a)	Statistical Classification (b)	FERC Rate Schedule or Tariff Number (c)	Total Revenue by Rate Schedule or Tarirff (d)	Total Revenue (e)
1					
2					
3					
4					
5					
6					
7					
8					
9					
10					
11					
12					
13					
14					
15					
16					
17					
18					
19					
20					
21					
22					
23					
24					
25					
26					
27					
28					
29					
30					
31					
32					
33					
34					
35					
36					
37					
38					
39					
40	TOTAL				

TRANSMISSION OF ELECTRICITY BY OTHERS (Account 565)
(Including transactions referred to as "wheeling")

1. Report all transmission, i.e. wheeling or electricity provided by other electric utilities, cooperatives, municipalities, other public authorities, qualifying facilities, and others for the quarter.
2. In column (a) report each company or public authority that provided transmission service. Provide the full name of the company, abbreviate if necessary, but do not truncate name or use acronyms. Explain in a footnote any ownership interest in or affiliation with the transmission service provider. Use additional columns as necessary to report all companies or public authorities that provided transmission service for the quarter reported.
3. In column (b) enter a Statistical Classification code based on the original contractual terms and conditions of the service as follows: FNS - Firm Network Transmission Service for Self, LFP - Long-Term Firm Point-to-Point Transmission Reservations. OLF - Other Long-Term Firm Transmission Service, SFP - Short-Term Firm Point-to- Point Transmission Reservations, NF - Non-Firm Transmission Service, and OS - Other Transmission Service. See General Instructions for definitions of statistical classifications.
4. Report in column (c) and (d) the total megawatt hours received and delivered by the provider of the transmission service.
5. Report in column (e), (f) and (g) expenses as shown on bills or vouchers rendered to the respondent. In column (e) report the demand charges and in column (f) energy charges related to the amount of energy transferred. On column (g) report the total of all other charges on bills or vouchers rendered to the respondent, including any out of period adjustments. Explain in a footnote all components of the amount shown in column (g). Report in column (h) the total charge shown on bills rendered to the respondent. If no monetary settlement was made, enter zero in column (h). Provide a footnote explaining the nature of the non-monetary settlement, including the amount and type of energy or service rendered.
6. Enter "TOTAL" in column (a) as the last line.
7. Footnote entries and provide explanations following all required data.

Line No.	Name of Company or Public Authority (Footnote Affiliations) (a)	Statistical Classification (b)	TRANSFER OF ENERGY Magawatt-hours Received (c)	TRANSFER OF ENERGY Magawatt-hours Delivered (d)	EXPENSES FOR TRANSMISSION OF ELECTRICITY BY OTHERS Demand Charges ($) (e)	Energy Charges ($) (f)	Other Charges ($) (g)	Total Cost of Transmission ($) (h)
1	Otter Tail Power	OS	629,703	629,703				
2								
3	Midcontinent	OS					65,024,231	65,024,231
4	Independent System							
5	Operator, Inc (MISO)							
6								
7	Great River Energy	FNS					2,800,000	2,800,000
8								
9								
10								
11								
12								
13								
14								
15								
16								
	TOTAL		629,703	629,703			67,824,231	67,824,231

Schedule Page: 332 Line No.: 3 Column: g

Midcontinent Independent System Operator, Inc. Amount represents transmission expense generated under the Midcontinent Independent System Operator Tariff.

Schedule Page: 332 Line No.: 7 Column: g

Great River Energy. On May 6, 2016, FERC, issued an order in dockets ER16-1107 and ER16-1108 accepting: (1) a Coordinated Local Planning Agreement, (2) a Joint Zone Revenue Allocation Agreement, (3)a Revenue Credit Agreement for the Great Northern Transmission Line Project and (4) a Wholesale Distribution Service Agreement between Great River Energy and Minnesota Power. Together, the zonal agreements govern the respective obligations to each other concerning local transmission planning, cost allocation and revenue sharing for certain facilities and load within the Minnesota Power Pricing Zone.

Name of Respondent	This Report Is:	Date of Report (Mo, Da, Yr)	Year/Period of Report
ALLETE, Inc.	(1) [X] An Original (2) [ ] A Resubmission	/ /	End of 2019/Q4

MISCELLANEOUS GENERAL EXPENSES (Account 930.2) (ELECTRIC)

Line No.	Description (a)	Amount (b)
1	Industry Association Dues	
2	Nuclear Power Research Expenses	
3	Other Experimental and General Research Expenses	
4	Pub & Dist Info to Stkhldrs...expn servicing outstanding Securities	
5	Oth Expn >=5,000 show purpose, recipient, amount. Group if < $5,000	
6	Investor Relations Expense	852,628
7	Board of Directors Fees and Expenses	1,306,900
8	External Reporting Expense	132,382
9		
10		
11		
12		
13		
14		
15		
16		
17		
18		
19		
20		
21		
22		
23		
24		
25		
26		
27		
28		
29		
30		
31		
32		
33		
34		
35		
36		
37		
38		
39		
40		
41		
42		
43		
44		
45		
46	TOTAL	2,291,910

Name of Respondent	This Report Is:	Date of Report (Mo, Da, Yr)	Year/Period of Report
ALLETE, Inc.	(1) [X] An Original (2) [ ] A Resubmission	/ /	End of 2019/Q4

DEPRECIATION AND AMORTIZATION OF ELECTRIC PLANT (Account 403, 404, 405)
(Except amortization of aquisition adjustments)

1. Report in section A for the year the amounts for : (b) Depreciation Expense (Account 403; (c) Depreciation Expense for Asset Retirement Costs (Account 403.1; (d) Amortization of Limited-Term Electric Plant (Account 404); and (e) Amortization of Other Electric Plant (Account 405).
2. Report in Section 8 the rates used to compute amortization charges for electric plant (Accounts 404 and 405). State the basis used to compute charges and whether any changes have been made in the basis or rates used from the preceding report year.
3. Report all available information called for in Section C every fifth year beginning with report year 1971, reporting annually only changes to columns (c) through (g) from the complete report of the preceding year.
Unless composite depreciation accounting for total depreciable plant is followed, list numerically in column (a) each plant subaccount, account or functional classification, as appropriate, to which a rate is applied. Identify at the bottom of Section C the type of plant included in any sub-account used.
In column (b) report all depreciable plant balances to which rates are applied showing subtotals by functional Classifications and showing composite total. Indicate at the bottom of section C the manner in which column balances are obtained. If average balances, state the method of averaging used.
For columns (c), (d), and (e) report available information for each plant subaccount, account or functional classification Listed in column (a). If plant mortality studies are prepared to assist in estimating average service Lives, show in column (f) the type mortality curve selected as most appropriate for the account and in column (g), if available, the weighted average remaining life of surviving plant. If composite depreciation accounting is used, report available information called for in columns (b) through (g) on this basis.
4. If provisions for depreciation were made during the year in addition to depreciation provided by application of reported rates, state at the bottom of section C the amounts and nature of the provisions and the plant items to which related.

A. Summary of Depreciation and Amortization Charges

Line No.	Functional Classification (a)	Depreciation Expense (Account 403) (b)	Depreciation Expense for Asset Retirement Costs (Account 403.1) (c)	Amortization of Limited Term Electric Plant (Account 404) (d)	Amortization of Other Electric Plant (Acc 405) (e)	Total (f)
1	Intangible Plant			4,416,736		4,416,736
2	Steam Production Plant	66,457,722	244,292			66,702,014
3	Nuclear Production Plant					
4	Hydraulic Production Plant-Conventional	3,727,963				3,727,963
5	Hydraulic Production Plant-Pumped Storage					
6	Other Production Plant	24,297,277	50,916			24,348,193
7	Transmission Plant	18,204,901				18,204,901
8	Distribution Plant	21,796,131				21,796,131
9	Regional Transmission and Market Operation					
10	General Plant	9,019,752				9,019,752
11	Common Plant-Electric					
12	TOTAL	143,503,746	295,208	4,416,736		148,215,690

B. Basis for Amortization Charges

Name of Respondent ALLETE, Inc.	This Report Is: (1) [X] An Original (2) [ ] A Resubmission	Date of Report (Mo, Da, Yr) / /	Year/Period of Report End of 2019/Q4

DEPRECIATION AND AMORTIZATION OF ELECTRIC PLANT (Continued)

C. Factors Used in Estimating Depreciation Charges

Line No.	Account No. (a)	Depreciable Plant Base (In Thousands) (b)	Estimated Avg. Service Life (c)	Net Salvage (Percent) (d)	Applied Depr. rates (Percent) (e)	Mortality Curve Type (f)	Average Remaining Life (g)
12							
13	2A Steam Prod. Plant						
14	311	189,002					
15	312	1,065,329					
16	314	146,551					
17	315	129,674					
18	316	9,720					
19	317	49,878					
20	SUBTOTAL	1,590,154					
21	2C Hydraulic Prod. Plt						
22	331	19,685					
23	332	132,545					
24	333	31,836					
25	334	20,578					
26	335	1,799					
27	336	436					
28	SUBTOTAL	206,879					
29	Other Production Plt						
30	341	52,617					
31	341	27					
32	344	730,751					
33	345	49,643					
34	346	3,131					
35	347	11,124					
36	SUBTOTAL	847,293					
37	3 Transmission Plant						
38	352	26,564	56.00	-10.00	2.03	R-5	
39	353	339,050	52.00	-20.00	2.29	R-3	
40	353	2,178	52.00		0.74	R-3	
41	354	26,022	63.00	-30.00	2.15	S-4	
42	355	280,709	63.00	-60.00	2.51	R-1.5	
43	356	96,852	62.00	-40.00	2.35	S-4	
44	356	23,684	71.00		1.37	S-6	
45	358	2,988	50.00		2.03	R-3	
46	359	59	60.00		1.63	R-3	
47	SUBTOTAL	798,106					
48	4 Distribution Plant						
49	361	12,250	60.00	-25.00	2.04	S-6	
50	362	92,161	49.00	-25.00	2.34	R-1	

Name of Respondent	This Report Is:	Date of Report (Mo, Da, Yr)	Year/Period of Report
ALLETE, Inc.	(1) [X] An Original (2) [ ] A Resubmission	/ /	End of 2019/Q4

DEPRECIATION AND AMORTIZATION OF ELECTRIC PLANT (Continued)

C. Factors Used in Estimating Depreciation Charges

Line No.	Account No. (a)	Depreciable Plant Base (In Thousands) (b)	Estimated Avg. Service Life (c)	Net Salvage (Percent) (d)	Applied Depr. rates (Percent) (e)	Mortality Curve Type (f)	Average Remaining Life (g)
12	362	1,365	49.00		1.73	R-1	
13	364	120,368	43.00	-75.00	4.77	S-6	
14	365	93,541	43.00	-55.00	4.21	S-6	
15	365	5,333	65.00		1.42	S-4	
16	366	12,322	68.00	-10.00	1.50	R-2	
17	367	107,101	48.00	-27.00	2.57	R-2	
18	368	95,195	44.00	-5.00	2.18	R-1.5	
19	369	6,236	40.00	-60.00	3.07	L-0	
20	369	12,375	42.00	-15.00	2.47	R-2	
21	370	66,902	20.00		6.19	S-6	
22	372	2,120	19.00	-50.00	5.54	R-3	
23	373	4,680	27.00	-50.00	4.79	L-0	
24	SUBTOTAL	631,949					
25	5 General Plant						
26	390	75,338					
27	391	8,657	20.00	10.00	4.50	L-0.5	
28	391	13,881	7.00	5.00	13.57	S-3	
29	391	2,041	5.00	5.00	19.00	S-6	
30	392	3,178	25.00		4.00	R-4	
31	392	23	7.00		14.29	S-1.5	
32	392	2,983	8.00		12.50	L-2	
33	392	9,668	13.00		7.69	L-2	
34	393	1,307	20.00		5.00	R-1	
35	394	6,538	20.00	5.00	4.75	R-1	
36	395	3,661	20.00		5.00	S-4	
37	396	6,139	15.00		6.67	L-3	
38	397	19,445	15.00		6.67	R-1	
39	397	10,875	20.00		5.00	R-0.5	
40	397	5,845	10.00		10.00	R-0.5	
41	397	10,591	12.00		8.33	R-0.5	
42	397	5,300	10.00		10.00	R-0.5	
43	397	13,110	10.00		10.00	R-0.5	
44	397	16,236	25.00		4.00	S-6	
45	398	183	15.00	5.00	6.33		
46	398	11	10.00				
47	SUBTOTAL	215,010					
48							
49	TOTAL	4,289,391					
50							

Schedule Page: 336 Line No.: 13 Column: b

Steam Production and Hydraulic Production Plants are depreciated by average remaining life for each plant. Also Account 390 (Structure).

Schedule Page: 336 Line No.: 13 Column: g

Remaining Life by Facility	Years	Salvage Rate
Steam Production Plant		
Hibbard Renewable Energy Center - SE Station		
Unit No. 3	11.0	(2.11)%
Unit No. 4	11.0	(2.11)%
Laskin Energy Center - SE Station	12.0	(24.12)%
Boswell Energy Center - SE Station		
Unit No. 1	4.0	(16.08)%
Unit No. 2	4.0	(18.06)%
Unit No. 3	17.0	(7.92)%
Unit No. 4	17.0	(7.42)%
Common	17.0	(3.95)%
Taconite Harbor Energy Center - SE Station	8.0	(7.23)%
Other Production Plant		
Taconite Ridge 1 Wind	24.4	(0.31)%
Bison 1 Wind - Phase 1	26.9	(0.95)%
Bison 1 Wind - Phase 2	28.0	(0.93)%
Bison 2 Wind	29.0	(0.35)%
Bison 3 Wind	29.0	(0.42)%
Bison 4 Wind	31.0	0.03 %

Remaining Life by Facility	Years
Hydraulic Production Plant	
Prairie River HE Station	45.0
Thomson HE Station	45.0
Fond du Lac HE Station	45.0
Winton HE Station	45.0
Knife Falls HE Station	45.0
Scanlon HE Station	45.0
Little Falls HE Station	45.0
Blanchard HE Station	45.0
Sylvan HE Station	45.0
Pillager HE Station	45.0
Birch Lake Reservoir	45.0
Boulder Lake Reservoir	45.0
Fish Lake Reservoir	45.0
Island Lake Reservoir	45.0
Rice Lake Reservoir	45.0
Whiteface Reservoir	45.0
Gauging Stations	45.0
White Iron Lake Reservoir	45.0

Schedule Page: 336 Line No.: 30 Column: a

Structures and Improvements, Wind

Schedule Page: 336 Line No.: 31 Column: a

Structures and Improvements, Solar

Schedule Page: 336 Line No.: 39 Column: a

Station Equipment

Schedule Page: 336 Line No.: 40 Column: a

Station Equipment - Reserve Equipment

Schedule Page: 336 Line No.: 43 Column: a

Overhead Conductors & Devices

Schedule Page: 336 Line No.: 44 Column: a

Clearing Land and Right-of-Way

Schedule Page: 336 Line No.: 50 Column: a

Station Equipment

Schedule Page: 336.1 Line No.: 12 Column: a

Station Equipment - Reserve Equipment

Schedule Page: 336.1 Line No.: 14 Column: a

Overhead Conductors and Devices

Schedule Page: 336.1 Line No.: 15 Column: a

Clearing Land & Right-of-Way

Schedule Page: 336.1 Line No.: 19 Column: a

Services - Overhead

Schedule Page: 336.1 Line No.: 20 Column: a

Services - Underground

Schedule Page: 336.1 Line No.: 26 Column: g

Remaining Life by Facility	**Years**
General Plant	
General Office Building	32.0
Rowe Energy Control Center	32.0
Little Falls Service Center and DC Line Material Storage Facility	32.0
Herbert Service Center	22.0
Eveleth Service Center	22.0
Sandstone Service Center	22.0
Pine River Service Center	22.0
Misc. Structures & Improvements	22.0
International Falls Service Center	12.0
Cloquet Service Center	12.0
Coleraine Service Center	7.0
Crosby Service Center	3.0
Park Rapids Service Center	3.0

Schedule Page: 336.1 Line No.: 27 Column: a

Office Furniture and Equipment

Schedule Page: 336.1 Line No.: 28 Column: a

Office Furniture and Equipment - Computers

Schedule Page: 336.1 Line No.: 29 Column: a

Office Furniture and Equipment - Personal Computer Program

Schedule Page: 336.1 Line No.: 30 Column: a

Transportation Equipment - Trailers

Schedule Page: 336.1 Line No.: 31 Column: a

Transportation Equipment Vehicle Class 1 - Automobiles

Schedule Page: 336.1 Line No.: 32 Column: a

Transportation Equipment Vehicle Class 3 - Large Trucks with Mounted Power Equipment

Schedule Page: 336.1 Line No.: 33 Column: a

Transportation Equipment Vehicle Class 6 - Heavy Trucks

Schedule Page: 336.1 Line No.: 38 Column: a

Communication Equipment - General

Schedule Page: 336.1 Line No.: 39 Column: a

Communication Equipment - Microwave

Schedule Page: 336.1 Line No.: 40 Column: a

Telephone & Communication Equipment - Phone and Fiber Optic

Schedule Page: 336.1 Line No.: 41 Column: a

Communication Equipment - Mobile Radio

Schedule Page: 336.1 Line No.: 42 Column: a

Communication Equipment - Data Communication

Schedule Page: 336.1 Line No.: 43 Column: a

Communication Equip - Fiber Optic System

Schedule Page: 336.1 Line No.: 44 Column: a

Communication Equipment - Fiber Optic Cable

Schedule Page: 336.1 Line No.: 45 Column: a

Miscellaneous Equipment, 15 Year

Schedule Page: 336.1 Line No.: 46 Column: a

Miscellaneous Equipment, 10 Year

Name of Respondent	This Report Is:	Date of Report (Mo, Da, Yr)	Year/Period of Report
ALLETE, Inc.	(1) [X] An Original (2) [ ] A Resubmission	/ /	End of 2019/Q4

REGULATORY COMMISSION EXPENSES

1. Report particulars (details) of regulatory commission expenses incurred during the current year (or incurred in previous years, if being amortized) relating to format cases before a regulatory body, or cases in which such a body was a party.
2. Report in columns (b) and (c), only the current year's expenses that are not deferred and the current year's amortization of amounts deferred in previous years.

Line No.	Description (Furnish name of regulatory commission or body the docket or case number and a description of the case) (a)	Assessed by Regulatory Commission (b)	Expenses of Utility (c)	Total Expense for Current Year (b) + (c) (d)	Deferred in Account 182.3 at Beginning of Year (e)
1	FERC Annual Assessments & Fees	1,150,398		1,150,398	
2	(Includes any assessments through MISO)				
3					
4	MN Department of Commerce Assessments & Fees	1,460,266		1,460,266	
5					
6	Regulatory Expense Related to Hydro Operations	326,646		326,646	
7	(Includes licenses, insurance, misc.)				
8					
9	2016 Retail Rate Case Additional Misc. Expense		157,306	157,306	
10	(MPUC Docket No. E-015/GR-16-664)				
11					
12	Miscellaneous		192	192	
13					
14					
15					
16					
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45					
46	TOTAL	2,937,310	157,498	3,094,808	

Name of Respondent	This Report Is:	Date of Report (Mo, Da, Yr)	Year/Period of Report
ALLETE, Inc.	(1) [X] An Original (2) [ ] A Resubmission	/ /	End of 2019/Q4

REGULATORY COMMISSION EXPENSES (Continued)

3. Show in column (k) any expenses incurred in prior years which are being amortized. List in column (a) the period of amortization.
4. List in column (f), (g), and (h) expenses incurred during year which were charged currently to income, plant, or other accounts.
5. Minor items (less than $25,000) may be grouped.

EXPENSES INCURRED DURING YEAR				AMORTIZED DURING YEAR			
CURRENTLY CHARGED TO							
Department (f)	Account No. (g)	Amount (h)	Deferred to Account 182.3 (i)	Contra Account (j)	Amount (k)	Deferred in Account 182.3 End of Year (l)	Line No.
	928	1,150,398					1
							2
							3
	928,920	1,460,266					4
							5
	928	326,646					6
							7
							8
	928	157,306					9
							10
							11
	928	192					12
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		3,094,808					46

Name of Respondent	This Report Is:	Date of Report (Mo, Da, Yr)	Year/Period of Report
ALLETE, Inc.	(1) [X] An Original (2) [ ] A Resubmission	/ /	End of 2019/Q4

RESEARCH, DEVELOPMENT, AND DEMONSTRATION ACTIVITIES

1. Describe and show below costs incurred and accounts charged during the year for technological research, development, and demonstration (R, D & D) project initiated, continued or concluded during the year. Report also support given to others during the year for jointly-sponsored projects.(Identify recipient regardless of affiliation.) For any R, D & D work carried with others, show separately the respondent's cost for the year and cost chargeable to others (See definition of research, development, and demonstration in Uniform System of Accounts).
2. Indicate in column (a) the applicable classification, as shown below:

Classifications:

A. Electric R, D & D Performed Internally:
  (1) Generation
    a. hydroelectric
      i. Recreation fish and wildlife
      ii Other hydroelectric
    b. Fossil-fuel steam
    c. Internal combustion or gas turbine
    d. Nuclear
    e. Unconventional generation
    f. Siting and heat rejection
  (2) Transmission
    a. Overhead
    b. Underground
  (3) Distribution
  (4) Regional Transmission and Market Operation
  (5) Environment (other than equipment)
  (6) Other (Classify and include items in excess of $50,000.)
  (7) Total Cost Incurred

B. Electric, R, D & D Performed Externally:
  (1) Research Support to the electrical Research Council or the Electric Power Research Institute

Line No.	Classification (a)	Description (b)
1	B(1)	Electric Power Research Institute Membership
2		
3	B(5)	Total
4		
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Name of Respondent	This Report Is:	Date of Report (Mo, Da, Yr)	Year/Period of Report
ALLETE, Inc.	(1) [X] An Original (2) [ ] A Resubmission	/ /	End of 2019/Q4

RESEARCH, DEVELOPMENT, AND DEMONSTRATION ACTIVITIES (Continued)

(2) Research Support to Edison Electric Institute
(3) Research Support to Nuclear Power Groups
(4) Research Support to Others (Classify)
(5) Total Cost Incurred

3. Include in column (c) all R, D & D items performed internally and in column (d) those items performed outside the company costing $50,000 or more, briefly describing the specific area of R, D & D (such as safety, corrosion control, pollution, automation, measurement, insulation, type of appliance, etc.). Group items under $50,000 by classifications and indicate the number of items grouped. Under Other, (A (6) and B (4)) classify items by type of R, D & D activity.
4. Show in column (e) the account number charged with expenses during the year or the account to which amounts were capitalized during the year, listing Account 107, Construction Work in Progress, first. Show in column (f) the amounts related to the account charged in column (e)
5. Show in column (g) the total unamortized accumulating of costs of projects. This total must equal the balance in Account 188, Research, Development, and Demonstration Expenditures, Outstanding at the end of the year.
6. If costs have not been segregated for R, D &D activities or projects, submit estimates for columns (c), (d), and (f) with such amounts identified by "Est."
7. Report separately research and related testing facilities operated by the respondent.

Costs Incurred Internally Current Year (c)	Costs Incurred Externally Current Year (d)	AMOUNTS CHARGED IN CURRENT YEAR Account (e)	AMOUNTS CHARGED IN CURRENT YEAR Amount (f)	Unamortized Accumulation (g)	Line No.
	126,369	920	126,369		1
					2
	126,369		126,369		3
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Name of Respondent	This Report Is:	Date of Report (Mo, Da, Yr)	Year/Period of Report
ALLETE, Inc.	(1) [X] An Original (2) [ ] A Resubmission	/ /	End of 2019/Q4

DISTRIBUTION OF SALARIES AND WAGES

Report below the distribution of total salaries and wages for the year. Segregate amounts originally charged to clearing accounts to Utility Departments, Construction, Plant Removals, and Other Accounts, and enter such amounts in the appropriate lines and columns provided. In determining this segregation of salaries and wages originally charged to clearing accounts, a method of approximation giving substantially correct results may be used.

Line No.	Classification (a)	Direct Payroll Distribution (b)	Allocation of Payroll charged for Clearing Accounts (c)	Total (d)
1	Electric			
2	Operation			
3	Production	14,749,872		
4	Transmission	5,281,055		
5	Regional Market			
6	Distribution	5,360,204		
7	Customer Accounts	2,277,324		
8	Customer Service and Informational	687,759		
9	Sales	12,914		
10	Administrative and General	23,326,386		
11	TOTAL Operation (Enter Total of lines 3 thru 10)	51,695,514		
12	Maintenance			
13	Production	8,676,444		
14	Transmission	3,315,463		
15	Regional Market			
16	Distribution	5,599,331		
17	Administrative and General	4,960,822		
18	TOTAL Maintenance (Total of lines 13 thru 17)	22,552,060		
19	Total Operation and Maintenance			
20	Production (Enter Total of lines 3 and 13)	23,426,316		
21	Transmission (Enter Total of lines 4 and 14)	8,596,518		
22	Regional Market (Enter Total of Lines 5 and 15)			
23	Distribution (Enter Total of lines 6 and 16)	10,959,535		
24	Customer Accounts (Transcribe from line 7)	2,277,324		
25	Customer Service and Informational (Transcribe from line 8)	687,759		
26	Sales (Transcribe from line 9)	12,914		
27	Administrative and General (Enter Total of lines 10 and 17)	28,287,208		
28	TOTAL Oper. and Maint. (Total of lines 20 thru 27)	74,247,574	988,113	75,235,687
29	Gas			
30	Operation			
31	Production-Manufactured Gas			
32	Production-Nat. Gas (Including Expl. and Dev.)			
33	Other Gas Supply			
34	Storage, LNG Terminaling and Processing			
35	Transmission			
36	Distribution			
37	Customer Accounts			
38	Customer Service and Informational			
39	Sales			
40	Administrative and General			
41	TOTAL Operation (Enter Total of lines 31 thru 40)			
42	Maintenance			
43	Production-Manufactured Gas			
44	Production-Natural Gas (Including Exploration and Development)			
45	Other Gas Supply			
46	Storage, LNG Terminaling and Processing			
47	Transmission			

Name of Respondent	This Report Is:	Date of Report (Mo, Da, Yr)	Year/Period of Report
ALLETE, Inc.	(1) [X] An Original (2) [ ] A Resubmission	/ /	End of 2019/Q4

DISTRIBUTION OF SALARIES AND WAGES (Continued)

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Line No.	Classification (a)	Direct Payroll Distribution (b)	Allocation of Payroll charged for Clearing Accounts (c)	Total (d)
48	Distribution			
49	Administrative and General			
50	TOTAL Maint. (Enter Total of lines 43 thru 49)			
51	Total Operation and Maintenance			
52	Production-Manufactured Gas (Enter Total of lines 31 and 43)			
53	Production-Natural Gas (Including Expl. and Dev.) (Total lines 32,			
54	Other Gas Supply (Enter Total of lines 33 and 45)			
55	Storage, LNG Terminaling and Processing (Total of lines 31 thru			
56	Transmission (Lines 35 and 47)			
57	Distribution (Lines 36 and 48)			
58	Customer Accounts (Line 37)			
59	Customer Service and Informational (Line 38)			
60	Sales (Line 39)			
61	Administrative and General (Lines 40 and 49)			
62	TOTAL Operation and Maint. (Total of lines 52 thru 61)			
63	Other Utility Departments			
64	Operation and Maintenance			
65	TOTAL All Utility Dept. (Total of lines 28, 62, and 64)	74,247,574	988,113	75,235,687
66	Utility Plant			
67	Construction (By Utility Departments)			
68	Electric Plant	15,040,030	1,021,853	16,061,883
69	Gas Plant			
70	Other (provide details in footnote):			
71	TOTAL Construction (Total of lines 68 thru 70)	15,040,030	1,021,853	16,061,883
72	Plant Removal (By Utility Departments)			
73	Electric Plant	1,940,292	115,236	2,055,528
74	Gas Plant			
75	Other (provide details in footnote):			
76	TOTAL Plant Removal (Total of lines 73 thru 75)	1,940,292	115,236	2,055,528
77	Other Accounts (Specify, provide details in footnote):			
78	Billable Services - WPPI (Boswell Unit #4)	1,783,771		1,783,771
79	Billable Services - Other, Subsidiary Billings, Misc.	8,784,398	-2,125,202	6,659,196
80	Non-Utility Activity	4,352,339		4,352,339
81				
82				
83				
84				
85				
86				
87				
88				
89				
90				
91				
92				
93				
94				
95	TOTAL Other Accounts	14,920,508	-2,125,202	12,795,306
96	TOTAL SALARIES AND WAGES	106,148,404		106,148,404

Name of Respondent ALLETE, Inc.	This Report Is: (1) [X] An Original (2) [ ] A Resubmission	Date of Report *(Mo, Da, Yr)* / /	Year/Period of Report End of 2019/Q4

COMMON UTILITY PLANT AND EXPENSES

1. Describe the property carried in the utility's accounts as common utility plant and show the book cost of such plant at end of year classified by accounts as provided by Plant Instruction 13, Common Utility Plant, of the Uniform System of Accounts. Also show the allocation of such plant costs to the respective departments using the common utility plant and explain the basis of allocation used, giving the allocation factors.
2. Furnish the accumulated provisions for depreciation and amortization at end of year, showing the amounts and classifications of such accumulated provisions, and amounts allocated to utility departments using the Common utility plant to which such accumulated provisions relate, including explanation of basis of allocation and factors used.
3. Give for the year the expenses of operation, maintenance, rents, depreciation, and amortization for common utility plant classified by accounts as provided by the Uniform System of Accounts. Show the allocation of such expenses to the departments using the common utility plant to which such expenses are related. Explain the basis of allocation used and give the factors of allocation.
4. Give date of approval by the Commission for use of the common utility plant classification and reference to order of the Commission or other authorization.

Name of Respondent	This Report Is:	Date of Report (Mo, Da, Yr)	Year/Period of Report
ALLETE, Inc.	(1) [X] An Original (2) [ ] A Resubmission	/ /	End of 2019/Q4

AMOUNTS INCLUDED IN ISO/RTO SETTLEMENT STATEMENTS

1. The respondent shall report below the details called for concerning amounts it recorded in Account 555, Purchase Power, and Account 447, Sales for Resale, for items shown on ISO/RTO Settlement Statements. Transactions should be separately netted for each ISO/RTO administered energy market for purposes of determining whether an entity is a net seller or purchaser in a given hour. Net megawatt hours are to be used as the basis for determining whether a net purchase or sale has occurred. In each monthly reporting period, the hourly sale and purchase net amounts are to be aggregated and separately reported in Account 447, Sales for Resale, or Account 555, Purchased Power, respectively.

Line No.	Description of Item(s) (a)	Balance at End of Quarter 1 (b)	Balance at End of Quarter 2 (c)	Balance at End of Quarter 3 (d)	Balance at End of Year (e)
1	Energy				
2	Net Purchases (Account 555)	33,994,018	56,090,980	85,603,091	106,798,174
3	Net Sales (Account 447)	(3,325,455)	(4,827,822)	(6,680,977)	(8,689,062)
4	Transmission Rights	(128,611)	(528,161)	(2,114,712)	(3,608,065)
5	Ancillary Services	74,872	171,147	186,133	209,093
6	Other Items (list separately)				
7	Real Time Mult Value Projects Distr	(49,586)	(69,639)	(75,695)	(77,211)
8	Resource Adequacy Auction	(2,659)	(3,596)	(10,429)	(18,737)
9					
10					
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43					
44					
45					
46	TOTAL	30,562,579	50,832,909	76,907,411	94,614,192

Name of Respondent	This Report Is:	Date of Report (Mo, Da, Yr)	Year/Period of Report
ALLETE, Inc.	(1) [X] An Original (2) [ ] A Resubmission	/ /	End of 2019/Q4

PURCHASES AND SALES OF ANCILLARY SERVICES

Report the amounts for each type of ancillary service shown in column (a) for the year as specified in Order No. 888 and defined in the respondents Open Access Transmission Tariff.

In columns for usage, report usage-related billing determinant and the unit of measure.

(1) On line 1 columns (b), (c), (d), (e), (f) and (g) report the amount of ancillary services purchased and sold during the year.

(2) On line 2 columns (b) (c), (d), (e), (f), and (g) report the amount of reactive supply and voltage control services purchased and sold during the year.

(3) On line 3 columns (b) (c), (d), (e), (f), and (g) report the amount of regulation and frequency response services purchased and sold during the year.

(4) On line 4 columns (b), (c), (d), (e), (f), and (g) report the amount of energy imbalance services purchased and sold during the year.

(5) On lines 5 and 6, columns (b), (c), (d), (e), (f), and (g) report the amount of operating reserve spinning and supplement services purchased and sold during the period.

(6) On line 7 columns (b), (c), (d), (e), (f), and (g) report the total amount of all other types ancillary services purchased or sold during the year. Include in a footnote and specify the amount for each type of other ancillary service provided.

		Amount Purchased for the Year			Amount Sold for the Year		
		Usage - Related Billing Determinant			Usage - Related Billing Determinant		
Line No.	Type of Ancillary Service (a)	Number of Units (b)	Unit of Measure (c)	Dollars (d)	Number of Units (e)	Unit of Measure (f)	Dollars (g)
1	Scheduling, System Control and Dispatch		MWh	348,573			
2	Reactive Supply and Voltage		MWh	4,051,778		Varies	4,751,479
3	Regulation and Frequency Response						
4	Energy Imbalance						
5	Operating Reserve - Spinning						
6	Operating Reserve - Supplement						
7	Other						
8	Total (Lines 1 thru 7)			4,400,351			4,751,479

Schedule Page: 398 Line No.: 1 Column: b

The total number of units purchased under Schedules 1 and 2 was 27,811 MWh in 2019.

Name of Respondent	This Report Is:	Date of Report (Mo, Da, Yr)	Year/Period of Report
ALLETE, Inc.	(1) [X] An Original (2) [ ] A Resubmission	/ /	End of 2019/Q4

MONTHLY TRANSMISSION SYSTEM PEAK LOAD

(1) Report the monthly peak load on the respondent's transmission system. If the respondent has two or more power systems which are not physically integrated, furnish the required information for each non-integrated system.
(2) Report on Column (b) by month the transmission system's peak load.
(3) Report on Columns (c) and (d) the specified information for each monthly transmission - system peak load reported on Column (b).
(4) Report on Columns (e) through (j) by month the system' monthly maximum megawatt load by statistical classifications. See General Instruction for the definition of each statistical classification.

NAME OF SYSTEM:

Line No.	Month (a)	Monthly Peak MW - Total (b)	Day of Monthly Peak (c)	Hour of Monthly Peak (d)	Firm Network Service for Self (e)	Firm Network Service for Others (f)	Long-Term Firm Point-to-point Reservations (g)	Other Long-Term Firm Service (h)	Short-Term Firm Point-to-point Reservation (i)	Other Service (j)
1	January	1,582	29	18	1,526	38		18		
2	February	1,564	7	19	1,514	34		16		
3	March	1,504	4	9	1,453	34		17		
4	Total for Quarter 1				4,493	106		51		
5	April	1,433	11	12	1,390	29		14		
6	May	1,394	18	12	1,363	21		10		
7	June	1,457	29	13	1,420	25		12		
8	Total for Quarter 2				4,173	75		36		
9	July	1,581	26	17	1,538	28		15		
10	August	1,516	6	16	1,472	29		15		
11	September	1,460	24	15	1,426	23		11		
12	Total for Quarter 3				4,436	80		41		
13	October	1,486	24	10	1,448	26		12		
14	November	1,588	11	18	1,542	31		15		
15	December	1,518	20	19	1,477	28		13		
16	Total for Quarter 4				4,467	85		40		
17	Total Year to Date/Year				17,569	346		168		

Schedule Page: 400 Line No.: 1 Column: f

Firm Network Service for Others. The following megawatt loads of Great River Energy and Xcel Energy are in the Minnesota Power Midcontinent Independent System Operator Pricing Zone; however, these loads are excluded from Firm Network Service for Others in column (f) as these loads are reported by each respective company:

Megawatt Load	Great River Energy	Xcel Energy	AEP Energy Partners
January	199	22	n/a
February	231	19	n/a
March	227	18	n/a
April	162	15	n/a
May	110	14	n/a
June	159	17	n/a
July	189	19	30
August	152	17	32
September	109	11	25
October	137	14	23
November	197	19	24
December	185	17	22

Name of Respondent	This Report Is:	Date of Report (Mo, Da, Yr)	Year/Period of Report
ALLETE, Inc.	(1) [X] An Original (2) [ ] A Resubmission	/ /	End of 2019/Q4

MONTHLY ISO/RTO TRANSMISSION SYSTEM PEAK LOAD

(1) Report the monthly peak load on the respondent's transmission system. If the Respondent has two or more power systems which are not physically integrated, furnish the required information for each non-integrated system.
(2) Report on Column (b) by month the transmission system's peak load.
(3) Report on Column (c) and (d) the specified information for each monthly transmission - system peak load reported on Column (b).
(4) Report on Columns (e) through (i) by month the system's transmission usage by classification. Amounts reported as Through and Out Service in Column (g) are to be excluded from those amounts reported in Columns (e) and (f).
(5) Amounts reported in Column (j) for Total Usage is the sum of Columns (h) and (i).

NAME OF SYSTEM:

Line No.	Month (a)	Monthly Peak MW - Total (b)	Day of Monthly Peak (c)	Hour of Monthly Peak (d)	Imports into ISO/RTO (e)	Exports from ISO/RTO (f)	Through and Out Service (g)	Network Service Usage (h)	Point-to-Point Service Usage (i)	Total Usage (j)
1	January									
2	February									
3	March									
4	Total for Quarter 1									
5	April									
6	May									
7	June									
8	Total for Quarter 2									
9	July									
10	August									
11	September									
12	Total for Quarter 3									
13	October									
14	November									
15	December									
16	Total for Quarter 4									
17	Total Year to Date/Year									

Name of Respondent	This Report Is:	Date of Report (Mo, Da, Yr)	Year/Period of Report
ALLETE, Inc.	(1) [X] An Original (2) [ ] A Resubmission	/ /	End of 2019/Q4

ELECTRIC ENERGY ACCOUNT

Report below the information called for concerning the disposition of electric energy generated, purchased, exchanged and wheeled during the year.

Line No.	Item (a)	MegaWatt Hours (b)
1	SOURCES OF ENERGY	
2	Generation (Excluding Station Use):	
3	Steam	4,201,310
4	Nuclear	
5	Hydro-Conventional	643,771
6	Hydro-Pumped Storage	
7	Other	1,631,923
8	Less Energy for Pumping	
9	Net Generation (Enter Total of lines 3 through 8)	6,477,004
10	Purchases	7,581,781
11	Power Exchanges:	
12	Received	
13	Delivered	
14	Net Exchanges (Line 12 minus line 13)	
15	Transmission For Other (Wheeling)	
16	Received	2,586,114
17	Delivered	2,507,035
18	Net Transmission for Other (Line 16 minus line 17)	79,079
19	Transmission By Others Losses	
20	TOTAL (Enter Total of lines 9, 10, 14, 18 and 19)	14,137,864

Line No.	Item (a)	MegaWatt Hours (b)
21	DISPOSITION OF ENERGY	
22	Sales to Ultimate Consumers (Including Interdepartmental Sales)	9,014,805
23	Requirements Sales for Resale (See instruction 4, page 311.)	1,468,108
24	Non-Requirements Sales for Resale (See instruction 4, page 311.)	3,184,844
25	Energy Furnished Without Charge	
26	Energy Used by the Company (Electric Dept Only, Excluding Station Use)	17,789
27	Total Energy Losses	452,318
28	TOTAL (Enter Total of Lines 22 Through 27) (MUST EQUAL LINE 20)	14,137,864

Name of Respondent	This Report Is:	Date of Report (Mo, Da, Yr)	Year/Period of Report
ALLETE, Inc.	(1) [X] An Original (2) [ ] A Resubmission	/ /	End of 2019/Q4

MONTHLY PEAKS AND OUTPUT

1. Report the monthly peak load and energy output. If the respondent has two or more power which are not physically integrated, furnish the required information for each non- integrated system.
2. Report in column (b) by month the system's output in Megawatt hours for each month.
3. Report in column (c) by month the non-requirements sales for resale. Include in the monthly amounts any energy losses associated with the sales.
4. Report in column (d) by month the system's monthly maximum megawatt load (60 minute integration) associated with the system.
5. Report in column (e) and (f) the specified information for each monthly peak load reported in column (d).

NAME OF SYSTEM:

Line No.	Month	Total Monthly Energy	Monthly Non-Requirments Sales for Resale & Associated Losses	MONTHLY PEAK		
				Megawatts (See Instr. 4)	Day of Month	Hour
	(a)	(b)	(c)	(d)	(e)	(f)
29	January	1,310,529	306,275	1,563	29	18
30	February	1,134,562	246,660	1,548	7	19
31	March	1,222,385	268,718	1,488	4	9
32	April	1,117,138	238,504	1,419	11	12
33	May	1,100,219	227,726	1,384	18	12
34	June	1,100,684	248,320	1,445	29	13
35	July	1,179,587	275,986	1,567	26	17
36	August	1,170,224	284,741	1,501	6	16
37	September	1,049,108	197,731	1,449	24	15
38	October	1,144,094	232,143	1,474	24	10
39	November	1,247,468	310,606	1,573	11	18
40	December	1,282,788	347,434	1,505	20	19
41	TOTAL	14,058,786	3,184,844			

Schedule Page: 401 Line No.: 29 Column: b

Had customer-provided generation (Coincident Customer Net Generation Load (CCNL)) been included in 'Total Monthly Energy', the monthly totals for Column b, Page 401b and system peaks would have been:

Month	Col. b	CCNL (excludes MP Regulated Purchases)	Combined Total	CCNL Inclusive Peak
January	1,310,529	94,235	1,404,764	1,714
February	1,134,562	84,639	1,219,201	1,703
March	1,222,385	98,303	1,320,688	1,646
April	1,117,138	82,419	1,199,557	1,519
May	1,100,219	89,281	1,189,500	1,519
June	1,100,684	93,107	1,193,791	1,558
July	1,179,587	94,709	1,274,296	1,675
August	1,170,224	100,879	1,271,103	1,585
September	1,049,108	85,451	1,134,559	1,484
October	1,144,094	79,404	1,223,498	1,563
November	1,247,468	78,620	1,326,088	1,668
December	1,282,788	83,407	1,366,195	1,608
TOTAL	**14,058,786**	**1,064,454**	**15,123,240**	

Name of Respondent ALLETE, Inc.	This Report Is: (1) [X] An Original (2) [ ] A Resubmission	Date of Report (Mo, Da, Yr) / /	Year/Period of Report End of 2019/Q4

STEAM-ELECTRIC GENERATING PLANT STATISTICS (Large Plants)

1. Report data for plant in Service only. 2. Large plants are steam plants with installed capacity (name plate rating) of 25,000 Kw or more. Report in this page gas-turbine and internal combustion plants of 10,000 Kw or more, and nuclear plants. 3. Indicate by a footnote any plant leased or operated as a joint facility. 4. If net peak demand for 60 minutes is not available, give data which is available, specifying period. 5. If any employees attend more than one plant, report on line 11 the approximate average number of employees assignable to each plant. 6. If gas is used and purchased on a therm basis report the Btu content or the gas and the quantity of fuel burned converted to Mct. 7. Quantities of fuel burned (Line 38) and average cost per unit of fuel burned (Line 41) must be consistent with charges to expense accounts 501 and 547 (Line 42) as show on Line 20. 8. If more than one fuel is burned in a plant furnish only the composite heat rate for all fuels burned.

Line No.	Item (a)	Plant Name: Boswell (b)			Plant Name: Laskin (c)		
1	Kind of Plant (Internal Comb, Gas Turb, Nuclear	Steam Turbine			Steam Turbine		
2	Type of Constr (Conventional, Outdoor, Boiler, etc)	Convntl. Outdoor Blr			Outdoor Boiler		
3	Year Originally Constructed	1958			1953		
4	Year Last Unit was Installed	1980			1953		
5	Total Installed Cap (Max Gen Name Plate Ratings-MW)	810.00			116.00		
6	Net Peak Demand on Plant - MW (60 minutes)	817			98		
7	Plant Hours Connected to Load	8760			8760		
8	Net Continuous Plant Capability (Megawatts)	816			98		
9	When Not Limited by Condenser Water	816			98		
10	When Limited by Condenser Water	816			98		
11	Average Number of Employees	161			9		
12	Net Generation, Exclusive of Plant Use - KWh	4160010696			19454010		
13	Cost of Plant: Land and Land Rights	9820671			253164		
14	Structures and Improvements	155430264			11167507		
15	Equipment Costs	1074500732			63355103		
16	Asset Retirement Costs	24299271			11196718		
17	Total Cost	1264050938			85972492		
18	Cost per KW of Installed Capacity (line 17/5) Including	1560.5567			741.1422		
19	Production Expenses: Oper, Supv, & Engr	3780055			445274		
20	Fuel	92619505			1004736		
21	Coolants and Water (Nuclear Plants Only)	0			0		
22	Steam Expenses	5748423			998125		
23	Steam From Other Sources	0			0		
24	Steam Transferred (Cr)	0			0		
25	Electric Expenses	1281401			0		
26	Misc Steam (or Nuclear) Power Expenses	141740			165388		
27	Rents	0			0		
28	Allowances	0			0		
29	Maintenance Supervision and Engineering	2200555			76883		
30	Maintenance of Structures	647275			18503		
31	Maintenance of Boiler (or reactor) Plant	7703551			168799		
32	Maintenance of Electric Plant	2020516			33990		
33	Maintenance of Misc Steam (or Nuclear) Plant	2484488			141614		
34	Total Production Expenses	118627509			3053312		
35	Expenses per Net KWh	0.0285			0.1570		
36	Fuel: Kind (Coal, Gas, Oil, or Nuclear)	Coal (SB)	Natural Gas		Natural Gas		
37	Unit (Coal-tons/Oil-barrel/Gas-mcf/Nuclear-indicate)	Tons	MCF		MCF		
38	Quantity (Units) of Fuel Burned	2890886	83556	0	296019	0	0
39	Avg Heat Cont - Fuel Burned (btu/indicate if nuclear)	9027	1	0	1	0	0
40	Avg Cost of Fuel/unit, as Delvd f.o.b. during year	33.580	2.840	0.000	3.160	0.000	0.000
41	Average Cost of Fuel per Unit Burned	29.710	2.840	0.000	3.160	0.000	0.000
42	Average Cost of Fuel Burned per Million BTU	1.650	2.750	0.000	2.980	0.000	0.000
43	Average Cost of Fuel Burned per KWh Net Gen	0.021	0.000	0.000	0.048	0.000	0.000
44	Average BTU per KWh Net Generation	12545.000	0.000	0.000	16129.000	0.000	0.000

Name of Respondent	This Report Is:	Date of Report (Mo, Da, Yr)	Year/Period of Report
ALLETE, Inc.	(1) [X] An Original (2) [ ] A Resubmission	/ /	End of 2019/Q4

STEAM-ELECTRIC GENERATING PLANT STATISTICS (Large Plants) *(Continued)*

1. Report data for plant in Service only. 2. Large plants are steam plants with installed capacity (name plate rating) of 25,000 Kw or more. Report in this page gas-turbine and internal combustion plants of 10,000 Kw or more, and nuclear plants. 3. Indicate by a footnote any plant leased or operated as a joint facility. 4. If net peak demand for 60 minutes is not available, give data which is available, specifying period. 5. If any employees attend more than one plant, report on line 11 the approximate average number of employees assignable to each plant. 6. If gas is used and purchased on a therm basis report the Btu content or the gas and the quantity of fuel burned converted to Mct. 7. Quantities of fuel burned (Line 38) and average cost per unit of fuel burned (Line 41) must be consistent with charges to expense accounts 501 and 547 (Line 42) as show on Line 20. 8. If more than one fuel is burned in a plant furnish only the composite heat rate for all fuels burned.

Line No.	Item (a)	Plant Name: (b)			Plant Name: (c)		
1	Kind of Plant (Internal Comb, Gas Turb, Nuclear						
2	Type of Constr (Conventional, Outdoor, Boiler, etc)						
3	Year Originally Constructed						
4	Year Last Unit was Installed						
5	Total Installed Cap (Max Gen Name Plate Ratings-MW)	0.00			0.00		
6	Net Peak Demand on Plant - MW (60 minutes)	0			0		
7	Plant Hours Connected to Load	0			0		
8	Net Continuous Plant Capability (Megawatts)	0			0		
9	When Not Limited by Condenser Water	0			0		
10	When Limited by Condenser Water	0			0		
11	Average Number of Employees	0			0		
12	Net Generation, Exclusive of Plant Use - KWh	0			0		
13	Cost of Plant: Land and Land Rights	0			0		
14	Structures and Improvements	0			0		
15	Equipment Costs	0			0		
16	Asset Retirement Costs	0			0		
17	Total Cost	0			0		
18	Cost per KW of Installed Capacity (line 17/5) Including	0			0		
19	Production Expenses: Oper, Supv, & Engr	0			0		
20	Fuel	0			0		
21	Coolants and Water (Nuclear Plants Only)	0			0		
22	Steam Expenses	0			0		
23	Steam From Other Sources	0			0		
24	Steam Transferred (Cr)	0			0		
25	Electric Expenses	0			0		
26	Misc Steam (or Nuclear) Power Expenses	0			0		
27	Rents	0			0		
28	Allowances	0			0		
29	Maintenance Supervision and Engineering	0			0		
30	Maintenance of Structures	0			0		
31	Maintenance of Boiler (or reactor) Plant	0			0		
32	Maintenance of Electric Plant	0			0		
33	Maintenance of Misc Steam (or Nuclear) Plant	0			0		
34	Total Production Expenses	0			0		
35	Expenses per Net KWh	0.0000			0.0000		
36	Fuel: Kind (Coal, Gas, Oil, or Nuclear)						
37	Unit (Coal-tons/Oil-barrel/Gas-mcf/Nuclear-indicate)						
38	Quantity (Units) of Fuel Burned	0	0	0	0	0	0
39	Avg Heat Cont - Fuel Burned (btu/indicate if nuclear)	0	0	0	0	0	0
40	Avg Cost of Fuel/unit, as Delvd f.o.b. during year	0.000	0.000	0.000	0.000	0.000	0.000
41	Average Cost of Fuel per Unit Burned	0.000	0.000	0.000	0.000	0.000	0.000
42	Average Cost of Fuel Burned per Million BTU	0.000	0.000	0.000	0.000	0.000	0.000
43	Average Cost of Fuel Burned per KWh Net Gen	0.000	0.000	0.000	0.000	0.000	0.000
44	Average BTU per KWh Net Generation	0.000	0.000	0.000	0.000	0.000	0.000

Name of Respondent	This Report Is:	Date of Report (Mo, Da, Yr)	Year/Period of Report
ALLETE, Inc.	(1) [X] An Original (2) [ ] A Resubmission	/ /	End of 2019/Q4

STEAM-ELECTRIC GENERATING PLANT STATISTICS (Large Plants) *(Continued)*

9. Items under Cost of Plant are based on U. S. of A. Accounts. Production expenses do not include Purchased Power, System Control and Load Dispatching, and Other Expenses Classified as Other Power Supply Expenses. 10. For IC and GT plants, report Operating Expenses, Account Nos. 547 and 549 on Line 25 "Electric Expenses," and Maintenance Account Nos. 553 and 554 on Line 32, "Maintenance of Electric Plant." Indicate plants designed for peak load service. Designate automatically operated plants. 11. For a plant equipped with combinations of fossil fuel steam, nuclear steam, hydro, internal combustion or gas-turbine equipment, report each as a separate plant. However, if a gas-turbine unit functions in a combined cycle operation with a conventional steam unit, include the gas-turbine with the steam plant. 12. If a nuclear power generating plant, briefly explain by footnote (a) accounting method for cost of power generated including any excess costs attributed to research and development; (b) types of cost units used for the various components of fuel cost; and (c) any other informative data concerning plant type fuel used, fuel enrichment type and quantity for the report period and other physical and operating characteristics of plant.

Plant Name: *Hibbard* (d)	Plant Name: *Rapids Non Rate-base* (e)	Plant Name: *Taconite Harbor* (f)	Line No.
Steam Turbine	Steam Turbine	Steam Turbine	1
Conventional	Conventional, Indoor	Conventional Boiler	2
1931	1969	1957	3
1951	1980	1967	4
72.00	29.00	169.00	5
51	17	0	6
8760	0	0	7
60	23	137	8
60	23	137	9
60	23	137	10
26	16	0	11
21845843	0	0	12
87760	0	143350	13
8036016	3200832	16782492	14
88818072	25701719	125057350	15
3945153	0	10437519	16
100887001	28902551	152420711	17
1401.2083	996.6397	901.8977	18
223933	0	264204	19
1179208	0	75002	20
0	0	0	21
2540561	0	25058	22
0	0	0	23
0	0	0	24
0	0	258230	25
210613	0	25744	26
0	0	0	27
0	0	0	28
339977	0	60284	29
220096	0	41208	30
1137604	0	30981	31
466267	0	27995	32
388323	0	87270	33
6706582	0	895976	34
0.3070	0.0000	0.0000	35

(d)	(d)	(d)	(e)	(e)	(e)	(f)	(f)	(f)	Line No.
Wood Waste	Gas	Coal							36
Tons	MCF	Tons							37
43363	2326	1714	0	0	0	0	0	0	38
4816	1	9128	0	0	0	0	0	0	39
21.430	4.240	46.620	0.000	0.000	0.000	0.000	0.000	0.000	40
21.430	4.240	46.620	0.000	0.000	0.000	0.000	0.000	0.000	41
2.230	4.150	2.550	0.000	0.000	0.000	0.000	0.000	0.000	42
0.047	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	43
20659.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	44

Name of Respondent	This Report Is:	Date of Report (Mo, Da, Yr)	Year/Period of Report
ALLETE, Inc.	(1) [X] An Original (2) [ ] A Resubmission	/ /	End of 2019/Q4

STEAM-ELECTRIC GENERATING PLANT STATISTICS (Large Plants) *(Continued)*

9. Items under Cost of Plant are based on U. S. of A. Accounts. Production expenses do not include Purchased Power, System Control and Load Dispatching, and Other Expenses Classified as Other Power Supply Expenses. 10. For IC and GT plants, report Operating Expenses, Account Nos. 547 and 549 on Line 25 "Electric Expenses," and Maintenance Account Nos. 553 and 554 on Line 32, "Maintenance of Electric Plant." Indicate plants designed for peak load service. Designate automatically operated plants. 11. For a plant equipped with combinations of fossil fuel steam, nuclear steam, hydro, internal combustion or gas-turbine equipment, report each as a separate plant. However, if a gas-turbine unit functions in a combined cycle operation with a conventional steam unit, include the gas-turbine with the steam plant. 12. If a nuclear power generating plant, briefly explain by footnote (a) accounting method for cost of power generated including any excess costs attributed to research and development; (b) types of cost units used for the various components of fuel cost; and (c) any other informative data concerning plant type fuel used, fuel enrichment type and quantity for the report period and other physical and operating characteristics of plant.

Plant Name: (d)	Plant Name: (e)	Plant Name: (f)	Line No.
			1
			2
			3
			4
0.00	0.00	0.00	5
0	0	0	6
0	0	0	7
0	0	0	8
0	0	0	9
0	0	0	10
0	0	0	11
0	0	0	12
0	0	0	13
0	0	0	14
0	0	0	15
0	0	0	16
0	0	0	17
0	0	0	18
0	0	0	19
0	0	0	20
0	0	0	21
0	0	0	22
0	0	0	23
0	0	0	24
0	0	0	25
0	0	0	26
0	0	0	27
0	0	0	28
0	0	0	29
0	0	0	30
0	0	0	31
0	0	0	32
0	0	0	33
0	0	0	34
0.0000	0.0000	0.0000	35

(d)			(e)			(f)			Line No.
									36
									37
0	0	0	0	0	0	0	0	0	38
0	0	0	0	0	0	0	0	0	39
0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	40
0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	41
0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	42
0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	43
0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	44

Schedule Page: 402 Line No.: -1 Column: b

Boswell Energy Center. In September 1990, 20 percent of Boswell Unit 4 was sold to Wisconsin Public Power Systems, Inc. ALLETE, Inc. is the operating agent for the entire unit. Amounts listed for the Boswell station reflect only ALLETE, Inc.'s portion of ownership.

In December 2018, ALLETE, Inc. retired Boswell Units 1 and 2.

Schedule Page: 403 Line No.: -1 Column: e

Rapids Energy Center. This facility was purchased in 2000 from a retail customer. ALLETE, Inc. operates this facility for the exclusive energy needs of that customer as a non-rate base operation. All revenue and expenses associated with this facility appear as part of FERC Accounts 417 and 417.1. Energy produced at this facility is not included in retail sales or included in generation figures listed elsewhere in this FERC From 1.

Schedule Page: 403 Line No.: -1 Column: f

Taconite Harbor. In 2001, Minnesota Power acquired this generation facility through its wholly owned subsidiary Rainy River Energy Corporation - Taconite Harbor (RRTH). In 2002, ownership of this facility and associated assets were transferred from RRTH to ALLETE, Inc. via a statutory merger under Minnesota law. The disposition of jurisdictional facilities and the underlying merger were approved by the FERC on January 23, 2002 (98 FERC 62,034 - Docket No. EC02-16-000 and EC02-16-001) and by the Minnesota Public Utilities Commission in orders dated May 22, 2002 (Docket No. E015/AI-01-1648), June 11, 2002 (Docket No. E015/AI-01-1988) and an order dated September 17, 2002, that approved a compliance filing for the two referenced dockets. Non-rate base operations at the generating facility began in 2002.

In October 2005, in conjunction with the Company's Integrated Resource Plan, Minnesota Power proposed to the Minnesota Public Utilities Commission (MPUC) a comprehensive solution to meet generation needs through 2010 that included a transition of the Taconite Harbor generating facility from non-rate base energy operations to regulated utility to help meet the utility's forecasted base load energy requirements. The proposal to transition Taconite Harbor to a regulated utility asset was supported by the Minnesota Department of Commerce (DOC) and a group of Large Power Customers. On April 6, 2006, the MPUC approved the Integrated Resource Plan, including the transfer of Taconite Harbor at book value to regulated utility operations effective January 1, 2006.

Schedule Page: 403 Line No.: 5 Column: d

M.L. Hibbard Station. This facility's steam turbines 1 and 2 remain in cold lay-up status. In 1987, boiler units 3 and 4 were sold to the City of Duluth, Minnesota and converted to utilize coal and wood fuel to provide the steam supply for Duluth Steam District #2, part of which was then repurchased as "Steam from Other Sources." ALLETE, Inc. employees operated Duluth Steam District #2 for the City of Duluth, Minnesota. Unit 3 and 4 turbines were placed back in service in 1996 and 1998, respectively.

On September 30, 2009, ALLETE, Inc. purchased all of the assets of the Duluth Steam District #2 from the City of Duluth, Minnesota; primarily unit 3 and 4 boilers, fuel handling and pollution control equipment. ALLETE, Inc. owns and operates all processes of the steam electric station. ALLETE, Inc. also sells available steam to a retail customer for use in their paper-making plant with revenue being recorded in Account 456.

Name of Respondent	This Report Is:	Date of Report (Mo, Da, Yr)	Year/Period of Report
ALLETE, Inc.	(1) [X] An Original (2) [ ] A Resubmission	/ /	End of 2019/Q4

HYDROELECTRIC GENERATING PLANT STATISTICS (Large Plants)

1. Large plants are hydro plants of 10,000 Kw or more of installed capacity (name plate ratings)
2. If any plant is leased, operated under a license from the Federal Energy Regulatory Commission, or operated as a joint facility, indicate such facts in a footnote. If licensed project, give project number.
3. If net peak demand for 60 minutes is not available, give that which is available specifying period.
4. If a group of employees attends more than one generating plant, report on line 11 the approximate average number of employees assignable to each plant.

Line No.	Item (a)	FERC Licensed Project No. 2360 Plant Name: Thomson (b)	FERC Licensed Project No. 346 Plant Name: Blanchard (c)
1	Kind of Plant (Run-of-River or Storage)	Storage	Run-of-River
2	Plant Construction type (Conventional or Outdoor)	Conventional	Conventional
3	Year Originally Constructed	1907	1925
4	Year Last Unit was Installed	1949	1988
5	Total installed cap (Gen name plate Rating in MW)	72.60	18.00
6	Net Peak Demand on Plant-Megawatts (60 minutes)	74	16
7	Plant Hours Connect to Load	8,760	8,760
8	Net Plant Capability (in megawatts)		
9	(a) Under Most Favorable Oper Conditions	74	16
10	(b) Under the Most Adverse Oper Conditions	69	10
11	Average Number of Employees	21	0
12	Net Generation, Exclusive of Plant Use - Kwh	371,547,000	110,353,490
13	Cost of Plant		
14	Land and Land Rights	332,844	134,457
15	Structures and Improvements	8,420,392	3,072,751
16	Reservoirs, Dams, and Waterways	74,797,273	4,663,964
17	Equipment Costs	28,711,645	6,246,929
18	Roads, Railroads, and Bridges	90,090	0
19	Asset Retirement Costs	0	0
20	TOTAL cost (Total of 14 thru 19)	112,352,244	14,118,101
21	Cost per KW of Installed Capacity (line 20 / 5)	1,547.5516	784.3389
22	Production Expenses		
23	Operation Supervision and Engineering	431,281	98,838
24	Water for Power	0	0
25	Hydraulic Expenses	471,367	116,868
26	Electric Expenses	0	0
27	Misc Hydraulic Power Generation Expenses	26,316	3,181
28	Rents	0	0
29	Maintenance Supervision and Engineering	228,973	26,852
30	Maintenance of Structures	102,843	0
31	Maintenance of Reservoirs, Dams, and Waterways	275,037	72,148
32	Maintenance of Electric Plant	239,690	175,062
33	Maintenance of Misc Hydraulic Plant	605,937	69,584
34	Total Production Expenses (total 23 thru 33)	2,381,444	562,533
35	Expenses per net KWh	0.0064	0.0051

Name of Respondent	This Report Is:	Date of Report (Mo, Da, Yr)	Year/Period of Report
ALLETE, Inc.	(1) [X] An Original (2) [ ] A Resubmission	/ /	End of 2019/Q4

HYDROELECTRIC GENERATING PLANT STATISTICS (Large Plants) (Continued)

5. The items under Cost of Plant represent accounts or combinations of accounts prescribed by the Uniform System of Accounts. Production Expenses do not include Purchased Power, System control and Load Dispatching, and Other Expenses classified as "Other Power Supply Expenses."
6. Report as a separate plant any plant equipped with combinations of steam, hydro, internal combustion engine, or gas turbine equipment.

FERC Licensed Project No. 2360 Plant Name: Fond Du Lac (d)	FERC Licensed Project No. 0 Plant Name: (e)	FERC Licensed Project No. 0 Plant Name: (f)	Line No.
Storage			1
Conventional			2
1924			3
1924			4
11.00	0.00	0.00	5
13	0	0	6
8,760	0	0	7
			8
13	0	0	9
12	0	0	10
0	0	0	11
63,002,100	0	0	12
			13
874,754	0	0	14
853,326	0	0	15
10,810,155	0	0	16
6,344,295	0	0	17
309,483	0	0	18
0	0	0	19
19,192,013	0	0	20
1,744.7285	0.0000	0.0000	21
			22
65,346	0	0	23
0	0	0	24
79,178	0	0	25
0	0	0	26
1,529	0	0	27
0	0	0	28
16,409	0	0	29
0	0	0	30
72,430	0	0	31
69,369	0	0	32
35,716	0	0	33
339,977	0	0	34
0.0054	0.0000	0.0000	35

Schedule Page: 406   Line No.: 11   Column: b

There are 21 employees stationed at Thomson. These employees support Thomson, Fond du Lac and various other stations.

Schedule Page: 406   Line No.: 11   Column: c

There are no employees stationed at Blanchard; however, the 6 employees stationed at Little Falls support Blanchard and various other stations.

Schedule Page: 406   Line No.: 11   Column: d

There are no employees stationed at Fond du Lac; however, the 21 employees stationed at Thomson support Fond du Lac and various other stations.

Name of Respondent	This Report Is:	Date of Report (Mo, Da, Yr)	Year/Period of Report
ALLETE, Inc.	(1) [X] An Original (2) [ ] A Resubmission	/ /	End of 2019/Q4

PUMPED STORAGE GENERATING PLANT STATISTICS (Large Plants)

1. Large plants and pumped storage plants of 10,000 Kw or more of installed capacity (name plate ratings)
2. If any plant is leased, operating under a license from the Federal Energy Regulatory Commission, or operated as a joint facility, indicate such facts in a footnote. Give project number.
3. If net peak demand for 60 minutes is not available, give the which is available, specifying period.
4. If a group of employees attends more than one generating plant, report on line 8 the approximate average number of employees assignable to each plant.
5. The items under Cost of Plant represent accounts or combinations of accounts prescribed by the Uniform System of Accounts. Production Expenses do not include Purchased Power System Control and Load Dispatching, and Other Expenses classified as "Other Power Supply Expenses."

Line No.	Item (a)	FERC Licensed Project No. Plant Name: (b)
1	Type of Plant Construction (Conventional or Outdoor)	
2	Year Originally Constructed	
3	Year Last Unit was Installed	
4	Total installed cap (Gen name plate Rating in MW)	
5	Net Peak Demaind on Plant-Megawatts (60 minutes)	
6	Plant Hours Connect to Load While Generating	
7	Net Plant Capability (in megawatts)	
8	Average Number of Employees	
9	Generation, Exclusive of Plant Use - Kwh	
10	Energy Used for Pumping	
11	Net Output for Load (line 9 - line 10) - Kwh	
12	Cost of Plant	
13	Land and Land Rights	
14	Structures and Improvements	
15	Reservoirs, Dams, and Waterways	
16	Water Wheels, Turbines, and Generators	
17	Accessory Electric Equipment	
18	Miscellaneous Powerplant Equipment	
19	Roads, Railroads, and Bridges	
20	Asset Retirement Costs	
21	Total cost (total 13 thru 20)	
22	Cost per KW of installed cap (line 21 / 4)	
23	Production Expenses	
24	Operation Supervision and Engineering	
25	Water for Power	
26	Pumped Storage Expenses	
27	Electric Expenses	
28	Misc Pumped Storage Power generation Expenses	
29	Rents	
30	Maintenance Supervision and Engineering	
31	Maintenance of Structures	
32	Maintenance of Reservoirs, Dams, and Waterways	
33	Maintenance of Electric Plant	
34	Maintenance of Misc Pumped Storage Plant	
35	Production Exp Before Pumping Exp (24 thru 34)	
36	Pumping Expenses	
37	Total Production Exp (total 35 and 36)	
38	Expenses per KWh (line 37 / 9)	

Name of Respondent	This Report Is:	Date of Report (Mo, Da, Yr)	Year/Period of Report
ALLETE, Inc.	(1) [X] An Original (2) [ ] A Resubmission	/ /	End of 2019/Q4

PUMPED STORAGE GENERATING PLANT STATISTICS (Large Plants) (Continued)

6. Pumping energy (Line 10) is that energy measured as input to the plant for pumping purposes.
7. Include on Line 36 the cost of energy used in pumping into the storage reservoir. When this item cannot be accurately computed leave Lines 36, 37 and 38 blank and describe at the bottom of the schedule the company's principal sources of pumping power, the estimated amounts of energy from each station or other source that individually provides more than 10 percent of the total energy used for pumping, and production expenses per net MWH as reported herein for each source described. Group together stations and other resources which individually provide less than 10 percent of total pumping energy. If contracts are made with others to purchase power for pumping, give the supplier contract number, and date of contract.

FERC Licensed Project No. Plant Name: (c)	FERC Licensed Project No. Plant Name: (d)	FERC Licensed Project No. Plant Name: (e)	Line No.
			1
			2
			3
			4
			5
			6
			7
			8
			9
			10
			11
			12
			13
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Name of Respondent	This Report Is:	Date of Report (Mo, Da, Yr)	Year/Period of Report
ALLETE, Inc.	(1) [X] An Original (2) [ ] A Resubmission	/ /	End of 2019/Q4

GENERATING PLANT STATISTICS (Small Plants)

1. Small generating plants are steam plants of, less than 25,000 Kw; internal combustion and gas turbine-plants, conventional hydro plants and pumped storage plants of less than 10,000 Kw installed capacity (name plate rating). 2. Designate any plant leased from others, operated under a license from the Federal Energy Regulatory Commission, or operated as a joint facility, and give a concise statement of the facts in a footnote. If licensed project, give project number in footnote.

Line No.	Name of Plant (a)	Year Orig. Const. (b)	Installed Capacity Name Plate Rating (In MW) (c)	Net Peak Demand MW (60 min.) (d)	Net Generation Excluding Plant Use (e)	Cost of Plant (f)
1	HYDRO PLANTS					
2						
3	Knife Falls FERC Project No. 2360	1922	2.40	2.2	12,284,324	4,562,386
4						
5	Little Falls FERC Project No. 2532	1906	4.60	4.9	31,191,420	13,759,589
6						
7	Pillager FERC Project No. 2663	1917	1.50	1.7	8,461,824	2,424,910
8						
9	Prairie River FERC Project No. 2361	1920	1.10	1.0	3,224,130	4,665,691
10						
11	Scanlon FERC Project No. 2360	1923	1.60	1.7	7,260,121	3,803,921
12						
13	Sylvan FERC Project No. 2454	1913	1.80	1.8	11,530,180	2,372,618
14						
15	Winton FERC Project No. 469	1923	4.00	4.2	24,916,600	5,895,713
16						
17	Rapids FERC Proj. No. 2362 (non-rate base)	1917	2.10			3,146,207
18						
19	Other Hydro Assets (Resvr., Strm Gages, etc.)					27,901,347
20						
21	SOLAR PLANT					
22						
23	Camp Ripley Solar Array	2016	10.00	11.0	14,011,800	15,174,637
24						
25	WIND TURBINE PLANTS					
26						
27	Taconite Ridge Energy Center	2008	25.00	19.0	46,807,830	48,201,560
28						
29	Bison Wind Energy Center	2014	497.00	494.6	1,571,045,190	785,399,443
30						
31						
32						
33						
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35						
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46						

Name of Respondent	This Report Is:	Date of Report (Mo, Da, Yr)	Year/Period of Report
ALLETE, Inc.	(1) [X] An Original (2) [ ] A Resubmission	/ /	End of 2019/Q4

GENERATING PLANT STATISTICS (Small Plants) (Continued)

3. List plants appropriately under subheadings for steam, hydro, nuclear, internal combustion and gas turbine plants. For nuclear, see instruction 11, Page 403. 4. If net peak demand for 60 minutes is not available, give the which is available, specifying period. 5. If any plant is equipped with combinations of steam, hydro internal combustion or gas turbine equipment, report each as a separate plant. However, if the exhaust heat from the gas turbine is utilized in a steam turbine regenerative feed water cycle, or for preheated combustion air in a boiler, report as one plant.

Plant Cost (Incl Asset Retire. Costs) Per MW (g)	Operation Exc'l. Fuel (h)	Production Expenses Fuel (i)	Production Expenses Maintenance (j)	Kind of Fuel (k)	Fuel Costs (in cents (per Million Btu) (l)	Line No.
						1
						2
1,900,994	30,173		94,423	Hydro		3
						4
2,991,215	55,476		436,862	Hydro		5
						6
1,616,607	18,666		196,395	Hydro		7
						8
4,241,537	13,266		115,685	Hydro		9
						10
2,377,451	20,115		241,623	Hydro		11
						12
1,318,121	21,708		134,884	Hydro		13
						14
1,473,928	48,240		160,908	Hydro		15
						16
1,498,194				Hydro		17
						18
						19
						20
						21
						22
1,517,464			206,971	Solar		23
						24
						25
						26
1,928,062	430,378		615,240	Wind		27
						28
1,580,281	4,199,920		7,075,591	Wind		29
						30
						31
						32
						33
						34
						35
						36
						37
						38
						39
						40
						41
						42
						43
						44
						45
						46

Schedule Page: 410   Line No.: 17   Column: a

The Rapids Energy Center facility was purchased in 2000 from a retail customer. ALLETE, Inc. operates this facility for the exclusive energy needs of that customer as a non-rate base facility. All revenue and expenses associated with this facility appear as part of Accounts 417 and 417.1. Energy produced at this facility is not included in retail sales or generation figures listed elsewhere in this FERC Form 1.

Name of Respondent	This Report Is:	Date of Report (Mo, Da, Yr)	Year/Period of Report
ALLETE, Inc.	(1) [X] An Original (2) [ ] A Resubmission	/ /	End of 2019/Q4

TRANSMISSION LINE STATISTICS

1. Report information concerning transmission lines, cost of lines, and expenses for year. List each transmission line having nominal voltage of 132 kilovolts or greater. Report transmission lines below these voltages in group totals only for each voltage.
2. Transmission lines include all lines covered by the definition of transmission system plant as given in the Uniform System of Accounts. Do not report substation costs and expenses on this page.
3. Report data by individual lines for all voltages if so required by a State commission.
4. Exclude from this page any transmission lines for which plant costs are included in Account 121, Nonutility Property.
5. Indicate whether the type of supporting structure reported in column (e) is: (1) single pole wood or steel; (2) H-frame wood, or steel poles; (3) tower; or (4) underground construction If a transmission line has more than one type of supporting structure, indicate the mileage of each type of construction by the use of brackets and extra lines. Minor portions of a transmission line of a different type of construction need not be distinguished from the remainder of the line.
6. Report in columns (f) and (g) the total pole miles of each transmission line. Show in column (f) the pole miles of line on structures the cost of which is reported for the line designated; conversely, show in column (g) the pole miles of line on structures the cost of which is reported for another line. Report pole miles of line on leased or partly owned structures in column (g). In a footnote, explain the basis of such occupancy and state whether expenses with respect to such structures are included in the expenses reported for the line designated.

Line No.	DESIGNATION		VOLTAGE (KV) (Indicate where other than 60 cycle, 3 phase)		Type of Supporting Structure	LENGTH (Pole miles) (In the case of underground lines report circuit miles)		Number Of Circuits
	From (a)	To (b)	Operating (c)	Designed (d)	(e)	On Structure of Line Designated (f)	On Structures of Another Line (g)	(h)
1	Kettle River	Denham	500.00	500.00	Steel Tower	7.78		1
2								
3	Monticello	Quarry	345.00	345.00	Steel Pole	28.77		1
4	Quarry	Alexandria	345.00	345.00	Steel Pole	77.45		1
5	Alexandria	ND Border	345.00	345.00	Steel Pole	101.21		1
6	ND Border	Fargo	345.00	345.00	Steel Pole	34.44		1
7								
8	Square Butte (MN Portion)	Arrowhead DC Line	250.00	250.00	Steel Tower	231.43		1
9	Square Butte (ND Portion)	Arrowhead DC Line	250.00	250.00	Steel Tower	233.91		1
10								
11	Calumet	McCarthy Lake	230.00	230.00	H-Frame-Wd	3.31		1
12	Boswell	Calumet	230.00	230.00	H-Frame-Wd	25.85		1
13	Tri-County	Bison	230.00	230.00	H-Frame-Wd	10.96		1
14	Forbes	Minntac	230.00	230.00	H-Frame-Wd	25.50	0.55	1
15	Bison	Square Butte	230.00	230.00	H-Frame-Wd	22.05		1
16	Zemple	Cass Lake	230.00	230.00	H-Frame-Steel	51.08		1
17	Boswell	Blackberry	230.00	230.00	H-Frame-Wd	18.41	0.29	1
18	Bear Creek	Kettle River	230.00	230.00	H-Frame-Wd	11.79		1
19	Hubbard	Shell River	230.00	230.00	H-Frame-Wd	4.53		1
20	Riverton	Staples	230.00	230.00	H-Frame-Wd	35.96		1
21	Cass Lake	Winton	230.00	230.00	H-Frame-Steel	19.32		1
22	Arrowhead	Forbes	230.00	230.00	H-Frame-Wd	47.48		1
23	Riverton	Badoura	230.00	230.00	H-Frame-Wd	46.41		1
24	Riverton	Blackberry	230.00	230.00	H-Frame-Wd	67.18		1
25	Iron Range	Forbes	230.00	230.00	H-Frame-Wd	33.86		1
26	McCarthy Lake	Shannon	230.00	230.00	H-Frame-Wd	16.39		1
27	Boswell	Blackberry	230.00	230.00	H-Frame-Wd	18.80	2.40	1
28	Shannon	Minntac	230.00	230.00	H-Frame-Wd	23.11	0.55	1
29	Shannon	Littlefork	230.00	230.00	H-Frame-Wd	89.09		1
30	Arrowhead	Iron Range	230.00	230.00	H-Frame-Wd	71.92		1
31	Badoura	Hubbard	230.00	230.00	H-Frame-Wd	14.98		1
32	Arrowhead	Bear Creek	230.00	230.00	H-Frame-Wd	55.22		1
33	Iron Range	Blackberry Circuit 1	230.00	230.00	H-Frame-Wd	0.58		1
34	Iron Range	Blackberry Circuit 2	230.00	230.00	H-Frame-Wd	0.76		1
35								
36					TOTAL	2,767.26	97.06	126

Name of Respondent	This Report Is:	Date of Report (Mo, Da, Yr)	Year/Period of Report
ALLETE, Inc.	(1) [X] An Original (2) [ ] A Resubmission	/ /	End of 2019/Q4

TRANSMISSION LINE STATISTICS

1. Report information concerning transmission lines, cost of lines, and expenses for year. List each transmission line having nominal voltage of 132 kilovolts or greater. Report transmission lines below these voltages in group totals only for each voltage.
2. Transmission lines include all lines covered by the definition of transmission system plant as given in the Uniform System of Accounts. Do not report substation costs and expenses on this page.
3. Report data by individual lines for all voltages if so required by a State commission.
4. Exclude from this page any transmission lines for which plant costs are included in Account 121, Nonutility Property.
5. Indicate whether the type of supporting structure reported in column (e) is: (1) single pole wood or steel; (2) H-frame wood, or steel poles; (3) tower; or (4) underground construction If a transmission line has more than one type of supporting structure, indicate the mileage of each type of construction by the use of brackets and extra lines. Minor portions of a transmission line of a different type of construction need not be distinguished from the remainder of the line.
6. Report in columns (f) and (g) the total pole miles of each transmission line. Show in column (f) the pole miles of line on structures the cost of which is reported for the line designated; conversely, show in column (g) the pole miles of line on structures the cost of which is reported for another line. Report pole miles of line on leased or partly owned structures in column (g). In a footnote, explain the basis of such occupancy and state whether expenses with respect to such structures are included in the expenses reported for the line designated.

Line No.	DESIGNATION		VOLTAGE (KV) (Indicate where other than 60 cycle, 3 phase)		Type of Supporting Structure	LENGTH (Pole miles) (In the case of underground lines report circuit miles)		Number Of Circuits
	From (a)	To (b)	Operating (c)	Designed (d)	(e)	On Structure of Line Designated (f)	On Structures of Another Line (g)	(h)
1	Taconite Harbor	Erie	138.00	138.00	Steel Tower	61.21		1
2	Taconite Harbor	Erie	138.00	138.00	Steel Tower	61.20	60.00	1
3	Laskin	Erie	138.00	138.00	H-Frame-Wd	7.96		1
4								
5	Various		115.00	115.00	H-Frame-Wd	4.36		1
6	Various		115.00	115.00	Steel Pole	0.11		1
7	Various		115.00	115.00	H-Frame-Wd	18.41		5
8	Various		115.00	115.00	H-Frame-Wd	1.88		2
9	Various		115.00	115.00	H-Frame-Wd	358.40	0.96	20
10	Various		115.00	115.00	H-Frame-Wd	342.05	3.14	13
11	Various		115.00	115.00	H-Frame-Wd	449.55	17.45	39
12	Various		115.00	115.00	H-Frame-Wd	15.54	2.96	4
13	Various		115.00	115.00	Steel Pole	15.39	8.76	3
14	Various		115.00	115.00	Steel Pole	1.47		3
15								
16	UPA	Hinckley	69.00	69.00	Sgl Pole-Wd	0.20		1
17								
18								
19								
20								
21								
22								
23								
24								
25								
26								
27								
28								
29								
30								
31								
32								
33								
34								
35								
36					TOTAL	2,767.26	97.06	126

Name of Respondent	This Report Is:	Date of Report (Mo, Da, Yr)	Year/Period of Report
ALLETE, Inc.	(1) [X] An Original (2) [ ] A Resubmission	/ /	End of 2019/Q4

TRANSMISSION LINE STATISTICS (Continued)

7. Do not report the same transmission line structure twice. Report Lower voltage Lines and higher voltage lines as one line. Designate in a footnote if you do not include Lower voltage lines with higher voltage lines. If two or more transmission line structures support lines of the same voltage, report the pole miles of the primary structure in column (f) and the pole miles of the other line(s) in column (g)
8. Designate any transmission line or portion thereof for which the respondent is not the sole owner. If such property is leased from another company, give name of lessor, date and terms of Lease, and amount of rent for year. For any transmission line other than a leased line, or portion thereof, for which the respondent is not the sole owner but which the respondent operates or shares in the operation of, furnish a succinct statement explaining the arrangement and giving particulars (details) of such matters as percent ownership by respondent in the line, name of co-owner, basis of sharing expenses of the Line, and how the expenses borne by the respondent are accounted for, and accounts affected. Specify whether lessor, co-owner, or other party is an associated company.
9. Designate any transmission line leased to another company and give name of Lessee, date and terms of lease, annual rent for year, and how determined. Specify whether lessee is an associated company.
10. Base the plant cost figures called for in columns (j) to (l) on the book cost at end of year.

Size of Conductor and Material (i)	COST OF LINE (Include in Column (j) Land, Land rights, and clearing right-of-way) Land (j)	Construction and Other Costs (k)	Total Cost (l)	EXPENSES, EXCEPT DEPRECIATION AND TAXES Operation Expenses (m)	Maintenance Expenses (n)	Rents (o)	Total Expenses (p)	Line No.
3-1192 ACSR	462,475	1,865,069	2,327,544					1
								2
2-954 ACSS	2,469,851	10,319,920	12,789,771					3
2-954 ACSS		36,650,276	36,650,276					4
2-954 ACSS		36,723,022	36,723,022					5
2-954 ACSS		14,643,844	14,643,844					6
								7
2839 ACSR	1,262,966	18,350,344	19,613,310					8
2839 ACSR	1,375,820	30,045,688	31,421,508					9
								10
1590 ACSR	401,330	2,181,918	2,583,248					11
1590 ACSR	5,608,253	10,817,093	16,425,346					12
1780 ACSS	453,659	3,791,310	4,244,969					13
954 ACSR	629,523	3,399,250	4,028,773					14
1780 ACSR		9,951,297	9,951,297					15
795 ACSS	633,077	6,510,057	7,143,134					16
1590 ACSR	598,861	3,712,937	4,311,798					17
795 ACSR	48,642	664,749	713,391					18
795 ACSR	26,459	226,517	252,976					19
795 ACSR	160,242	1,528,176	1,688,418					20
795 ACSS	546,979	2,439,119	2,986,098					21
1033 ACSS/TW	316,097	5,033,292	5,349,389					22
795 ACSR	269,952	1,948,224	2,218,176					23
795 ACSR	403,973	7,232,076	7,636,049					24
954 ACSR	399,616	3,057,485	3,457,101					25
1590 ACSR	2,072,422	5,656,643	7,729,065					26
1431 ACSR	258,330	3,594,748	3,853,078					27
954 ACSR	212,856	2,310,142	2,522,998					28
954 ACSR	1,410,952	11,402,599	12,813,551					29
954 ACSR	1,161,398	11,798,504	12,959,902					30
795 ACSR	69,673	619,639	689,312					31
795 ACSR	223,667	1,978,793	2,202,460					32
954 ACSR	25,686	515,368	541,054					33
1590 ACSR	86,949	945,472	1,032,421					34
								35
	36,983,566	405,201,010	442,184,576					36

Name of Respondent	This Report Is:	Date of Report (Mo, Da, Yr)	Year/Period of Report
ALLETE, Inc.	(1) [X] An Original (2) [ ] A Resubmission	/ /	End of 2019/Q4

TRANSMISSION LINE STATISTICS (Continued)

7. Do not report the same transmission line structure twice. Report Lower voltage Lines and higher voltage lines as one line. Designate in a footnote if you do not include Lower voltage lines with higher voltage lines. If two or more transmission line structures support lines of the same voltage, report the pole miles of the primary structure in column (f) and the pole miles of the other line(s) in column (g)
8. Designate any transmission line or portion thereof for which the respondent is not the sole owner. If such property is leased from another company, give name of lessor, date and terms of Lease, and amount of rent for year. For any transmission line other than a leased line, or portion thereof, for which the respondent is not the sole owner but which the respondent operates or shares in the operation of, furnish a succinct statement explaining the arrangement and giving particulars (details) of such matters as percent ownership by respondent in the line, name of co-owner, basis of sharing expenses of the Line, and how the expenses borne by the respondent are accounted for, and accounts affected. Specify whether lessor, co-owner, or other party is an associated company.
9. Designate any transmission line leased to another company and give name of Lessee, date and terms of lease, annual rent for year, and how determined. Specify whether lessee is an associated company.
10. Base the plant cost figures called for in columns (j) to (l) on the book cost at end of year.

Size of Conductor and Material	COST OF LINE (Include in Column (j) Land, Land rights, and clearing right-of-way)			EXPENSES, EXCEPT DEPRECIATION AND TAXES				Line No.
(i)	Land (j)	Construction and Other Costs (k)	Total Cost (l)	Operation Expenses (m)	Maintenance Expenses (n)	Rents (o)	Total Expenses (p)	
477ACSR	119,285	2,444,496	2,563,781					1
477 ACSR		406,339	406,339					2
636 ACSR	105,246	2,003,802	2,109,048					3
								4
795 ACSR	13,432	1,236,214	1,249,646					5
336 ACSR		409,275	409,275					6
1272 ACSR	194,855	2,192,956	2,387,811					7
1590 ACSR	17,731	1,161,073	1,178,804					8
336 ACSR	1,567,249	26,309,405	27,876,654					9
4/0 CU	1,885,209	37,581,013	39,466,222					10
636 ACSR	10,898,810	76,594,806	87,493,616					11
954 ACSR	363,401	1,768,190	2,131,591					12
636 ACSR	228,640	2,734,857	2,963,497					13
795 ACSR		397,119	397,119					14
								15
336 ACSR		47,894	47,894					16
								17
								18
								19
								20
								21
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								31
								32
								33
								34
								35
	36,983,566	405,201,010	442,184,576					36

Schedule Page: 422 Line No.: 1 Column: a

Transmission Line #601

Schedule Page: 422 Line No.: 3 Column: a

Transmission Line #973

Schedule Page: 422 Line No.: 4 Column: a

Transmission Line #954

Schedule Page: 422 Line No.: 5 Column: a

Transmission Line #955 MN Portion

Schedule Page: 422 Line No.: 6 Column: a

Transmission Line #955 ND Portion

Schedule Page: 422 Line No.: 8 Column: a

Square Butte to Arrowhead DC Line is located in North Dakota and Minnesota.

Line 8 is the Minnesota portion (North Dakota / Minnesota border to Arrowhead DC Line).

Schedule Page: 422 Line No.: 9 Column: a

Square Butte to Arrowhead DC Line is located in North Dakota and Minnesota.

Line 9 is the North Dakota portion (Square Butte to North Dakota / Minnesota border).

Schedule Page: 422.1 Line No.: 5 Column: a

Includes the following 1 transmission line: 05.

Schedule Page: 422.1 Line No.: 6 Column: a

Includes the following 1 transmission line: 157.

Schedule Page: 422.1 Line No.: 7 Column: a

Includes the following 5 transmission lines: 60, 64, 67, 68, 69.

Schedule Page: 422.1 Line No.: 8 Column: a

Includes the following 2 transmission lines: 50, 54.

Schedule Page: 422.1 Line No.: 9 Column: a

Includes the following 20 transmission lines: 13, 24, 26, 39, 40, 41, 42, 44, 47, 48, 51, 130, 133, 138, 146, 151, 155, 725, 867, 868.

Schedule Page: 422.1 Line No.: 10 Column: a

Includes the following 13 transmission lines: 8, 9, 10, 11, 12, 16, 17, 25, 34, 46, 49, 135, 137.

Schedule Page: 422.1 Line No.: 11 Column: a

Includes the following 39 transmission lines: 6,14,15,18,19, 20, 22, 27, 28, 29, 35, 36, 37, 38, 45, 52, 53, 55, 56, 57, 58, 61, 62, 63, 70, 72, 74, 76, 78, 79, 126, 128, 134, 142, 145, 147, 153, 159, 726.

Schedule Page: 422.1 Line No.: 12 Column: a

Includes the following 4 transmission lines: 7, 77, 131, 132.

Schedule Page: 422.1 Line No.: 13 Column: a

Includes the following 3 transmission lines: 21,66, 71.

Schedule Page: 422.1 Line No.: 14 Column: a

Includes the following 2 transmission lines: 136,152

TRANSMISSION LINES ADDED DURING YEAR

1. Report below the information called for concerning Transmission lines added or altered during the year. It is not necessary to report minor revisions of lines.
2. Provide separate subheadings for overhead and under- ground construction and show each transmission line separately. If actual costs of competed construction are not readily available for reporting columns (l) to (o), it is permissible to report in these columns the

Line No.	LINE DESIGNATION From (a)	LINE DESIGNATION To (b)	Line Length in Miles (c)	SUPPORTING STRUCTURE Type (d)	SUPPORTING STRUCTURE Average Number per Miles (e)	CIRCUITS PER STRUCTURE Present (f)	CIRCUITS PER STRUCTURE Ultimate (g)
1	Iron Range	Blackberry	0.58	H-Frame Wood	8.62	1	1
2							
3	Iron Range	Blackberry	0.76	H-Frame Wood	7.89	1	1
4							
5							
6							
7							
8							
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41							
42							
43							
44	TOTAL		1.34		16.51	2	2

TRANSMISSION LINES ADDED DURING YEAR (Continued)

costs. Designate, however, if estimated amounts are reported. Include costs of Clearing Land and Rights-of-Way, and Roads and Trails, in column (l) with appropriate footnote, and costs of Underground Conduit in column (m).
3. If design voltage differs from operating voltage, indicate such fact by footnote; also where line is other than 60 cycle, 3 phase, indicate such other characteristic.

CONDUCTORS			Voltage	LINE COST					Line
Size (h)	Specification (i)	Configuration and Spacing (j)	KV (Operating) (k)	Land and Land Rights (l)	Poles, Towers and Fixtures (m)	Conductors and Devices (n)	Asset Retire. Costs (o)	Total (p)	No.
954	ACSR		230	25,686	381,553	133,815		541,054	1
									2
1590	ACSR		230	86,949	749,586	195,886		1,032,421	3
									4
									5
									6
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				112,635	1,131,139	329,701		1,573,475	44

Name of Respondent	This Report Is:	Date of Report (Mo, Da, Yr)	Year/Period of Report
ALLETE, Inc.	(1) [X] An Original (2) [ ] A Resubmission	/ /	End of 2019/Q4

SUBSTATIONS

1. Report below the information called for concerning substations of the respondent as of the end of the year.
2. Substations which serve only one industrial or street railway customer should not be listed below.
3. Substations with capacities of Less than 10 MVa except those serving customers with energy for resale, may be grouped according to functional character, but the number of such substations must be shown.
4. Indicate in column (b) the functional character of each substation, designating whether transmission or distribution and whether attended or unattended. At the end of the page, summarize according to function the capacities reported for the individual stations in column (f).

Line No.	Name and Location of Substation (a)	Character of Substation (b)	VOLTAGE (In MVa) Primary (c)	Secondary (d)	Tertiary (e)
1	0 Subs under 10 MVA, MN	Dist-Unattended	7.00		
2	2 Subs under 10 MVA, MN	Dist-Unattended	14.00		
3	9 Subs under 10 MVA, MN	Dist-Unattended	23.00		
4	43 Subs under 10 MVA, MN	Dist-Unattended	34.00		
5	11 Subs under 10 MVA, MN	Dist-Unattended	46.00		
6	6 Subs under 10 MVA, MN	Dist-Unattended	115.00		
7	15th Avenue West-Duluth, MN	Dist-Unattended	115.00	14.00	
8	Arrowhead-Adolph, MN	Trans-Unattended	230.00	115.00	
9	Akeley-Akeley, MN	Dist-Unattended	115.00	34.00	
10	Babbitt-Babbit, MN	Trans-Unattended	115.00	46.00	
11	Badoura-Badoura, MN	Trans-Unattended	230.00	115.00	
12	Badoura-Badoura, MN	Dist-Unattended	115.00	34.00	
13	Baxter-Brainerd, MN	Dist-Unattended	115.00	34.00	
14	Big Rock Switching Station, Two Harbors,MN	Trans-Unattended	115.00	14.00	
15	Bison 1,2,3,4-New Salem, ND	Trans-Unattended	230.00		
16	Blackberry-Blackberry, MN	Trans-Unattended	230.00	115.00	
17	Blanchard HE-North Little Falls, MN	Dist-Attended	115.00	34.00	
18	Brainerd-Brainerd, MN	Dist-Unattended	115.00	34.00	
19	Calumet-Nashwauk, MN	Trans-Unattended	230.00	14.00	
20	Canosia Road-Cloquet,MN	Dist-Unattended	115.00	14.00	
21	Center, ND-Sq.Butte	Trans-Unattended	230.00		
22	Clay Boswell-Cohasset, MN	Trans-Attended	230.00	115.00	
23	Clay Boswell-Cohasset, MN	Trans-Attended	115.00	23.00	
24	Cloquet-Cloquet, MN	Dist-Unattended	115.00	14.00	
25	Colbyville-Duluth, MN	Dist-Unattended	115.00	14.00	
26	Dog Lake-North Brainerd, MN	Dist-Unattended	115.00	34.00	
27	Eagle Valley-Eagle Bend, MN	Dist-Unattended	115.00	34.00	
28	Embarrass-Embarrass, MN	Trans-Unattended	115.00	115.00	
29	Forbes-Forbes, MN	Trans-Unattended	500.00	230.00	
30	Forbes-Forbes, MN	Trans-Unattended	230.00	115.00	
31	Four Corners-Duluth,MN	Dist-Unattended	115.00	14.00	
32	French River,MN	Dist-Unattended	115.00	14.00	
33	Gary-Duluth, MN	Dist-Unattended	115.00	14.00	
34	Grand Rapids-Grand Rapids, MN	Dist-Unattended	115.00	23.00	
35	Haines Road-Duluth, MN	Dist-Unattended	115.00	14.00	
36	Hat trick-Eveleth	Dist-Unattended	115.00	23.00	
37	Hewitt-Hewitt, MN	Dist-Unattended	7.00	2.00	
38	Hibbing-Hibbing, MN	Dist-Unattended	115.00	23.00	
39	Hilltop-Duluth, MN	Trans-Unattended	230.00	115.00	
40	Hinckley East-Hinckley, MN	Dist-Unattended	46.00	12.00	

Name of Respondent	This Report Is:	Date of Report (Mo, Da, Yr)	Year/Period of Report
ALLETE, Inc.	(1) [X] An Original (2) [ ] A Resubmission	/ /	End of 2019/Q4

SUBSTATIONS

1. Report below the information called for concerning substations of the respondent as of the end of the year.
2. Substations which serve only one industrial or street railway customer should not be listed below.
3. Substations with capacities of Less than 10 MVa except those serving customers with energy for resale, may be grouped according to functional character, but the number of such substations must be shown.
4. Indicate in column (b) the functional character of each substation, designating whether transmission or distribution and whether attended or unattended. At the end of the page, summarize according to function the capacities reported for the individual stations in column (f).

Line No.	Name and Location of Substation (a)	Character of Substation (b)	VOLTAGE (In MVa) Primary (c)	Secondary (d)	Tertiary (e)
1	Hinckley East-Hinckley, MN	Dist-Unattended	69.00	46.00	
2	International Falls, MN	Dist-Unattended	115.00	14.00	
3	International Falls, MN	Trans-Unattended	115.00	115.00	
4	Lake Superior Paper, Inc. - Duluth, MN	Dist-Unattended	115.00	14.00	
5	Lake Superior Paper, Inc. - Duluth, MN	Dist-Unattended	115.00	34.00	
6	Lind Greenway	Dist-Unattended	115.00	23.00	
7	Little Falls-Little Falls, MN	Dist-Unattended	115.00	34.00	
8	Little Fork-Little Fork, MN	Trans-Unattended	230.00	115.00	
9	Long Prairie - Long Prairie, MN	Dist-Unattended	115.00	34.00	
10	M.L. Hibbard-Duluth, MN	Dist-Attended	115.00	14.00	
11	Mahtowa-Mahtowa, MN	Dist-Unattended	115.00	23.00	
12	Mahtowa-Mahtowa, MN	Dist-Unattended	115.00	46.00	
13	Maturi	Dist-Unattended	115.00	23.00	
14	Maturi	Dist-Unattended	115.00	34.00	
15	McCarthy Lake-Nashwauk, MN	Trans-Unattended	230.00	14.00	
16	Minntac-Mt. Iron, MN	Trans-Unattended	230.00	115.00	
17	Mud Lake, Brainerd, MN	Trans-Unattended	230.00	115.00	
18	Nashwauk-Nashwauk, MN	Dist-Unattended	115.00	23.00	
19	Pequot Lakes-North Pequot Lakes, MN	Dist-Unattended	115.00	34.00	
20	Pepin Lake-Swanville, MN	Dist-Unattended	115.00	34.00	
21	Pine River-Pine River, MN	Dist-Unattended	115.00	34.00	
22	Platte River-Royalton, MN	Dist-Unattended	115.00	34.00	
23	Ridgeview-Duluth, MN	Dist-Unattended	115.00	14.00	
24	Riverton-Riverton, MN	Trans-Unattended	230.00	115.00	
25	Riverton-Riverton, MN	Dist-Unattended	115.00	34.00	
26	Sandstone-Sandstone, MN	Dist-Unattended	69.00	46.00	
27	Sandstone-Sandstone, MN	Dist-Unattended	46.00	12.00	
28	Scanlon HE - Scanlon, MN	Dist-Unattended	23.00	14.00	
29	Scearcyville-Brainerd, MN	Trans-Unattended	115.00		
30	Shannon-Hibbing, MN	Trans-Unattended	230.00	115.00	
31	Silver Bay, Hill Side, MN	Dist-Unattended	115.00	14.00	
32	S-Laskin-Aurora, MN	Trans-Unattended	138.00	115.00	
33	S-Laskin-Aurora, MN	Trans-Unattended	115.00	46.00	
34	S-Laskin-Aurora, MN	Trans-Unattended	115.00	23.00	
35	Swan Lake	Dist-Unattended	115.00	34.00	
36	Swan Lake	Dist-Unattended	115.00	14.00	
37	Taconite Harbor-Taconite Harbor, MN	Trans-Unattended	138.00	115.00	
38	Taft-Grand Lake Township	Dist-Unattended	115.00	34.00	
39	Thomson HE-Thomson, MN	Trans - Attended	115.00	46.00	
40	Thomson HE-Thomson, MN	Trans - Attended	115.00	14.00	

Name of Respondent ALLETE, Inc.	This Report Is: (1) [X] An Original (2) [ ] A Resubmission	Date of Report (Mo, Da, Yr) / /	Year/Period of Report End of 2019/Q4

SUBSTATIONS

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Line No.	Name and Location of Substation (a)	Character of Substation (b)	VOLTAGE (In MVa) Primary (c)	Secondary (d)	Tertiary (e)
1	Tower, MN	Dist-Unattended	115.00	46.00	
2	Tri-County	Trans-Unattended	230.00		
3	Two Harbors, Two Harbors, MN	Dist-Unattended	115.00	14.00	
4	Verndale-Verndale, MN	Dist-Unattended	115.00	34.00	
5	Virginia-Virginia, MN	Dist-Unattended	115.00	46.00	
6	Virginia-Virginia, MN	Dist-Unattended	115.00	23.00	
7	Wing River-Verndale, MN	Trans - Unattended	230.00	115.00	
8	Zemple	Trans - Unattended	230.00	115.00	
9	Zemple	Dist - Unattended	115.00	23.00	
10					
11					
12					
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Name of Respondent ALLETE, Inc.	This Report Is: (1) [X] An Original (2) [ ] A Resubmission	Date of Report (Mo, Da, Yr) / /	Year/Period of Report End of 2019/Q4

SUBSTATIONS (Continued)

5. Show in columns (I), (j), and (k) special equipment such as rotary converters, rectifiers, condensers, etc. and auxiliary equipment for increasing capacity.
6. Designate substations or major items of equipment leased from others, jointly owned with others, or operated otherwise than by reason of sole ownership by the respondent. For any substation or equipment operated under lease, give name of lessor, date and period of lease, and annual rent. For any substation or equipment operated other than by reason of sole ownership or lease, give name of co-owner or other party, explain basis of sharing expenses or other accounting between the parties, and state amounts and accounts affected in respondent's books of account. Specify in each case whether lessor, co-owner, or other party is an associated company.

Capacity of Substation (In Service) (In MVa) (f)	Number of Transformers In Service (g)	Number of Spare Transformers (h)	CONVERSION APPARATUS AND SPECIAL EQUIPMENT Type of Equipment (i)	Number of Units (j)	Total Capacity (In MVa) (k)	Line No.
						1
13	5		Cap Banks	2	1,810	2
24	20	4	Regulators	9	1,015	3
137	73					4
40	13		Regulators/Capacitor	13	4	5
35	6					6
78	2		14 KV Capacitors	2	12	7
746	2	1	230 KV Capacitor	5	196	8
34	1					9
39	1					10
167	1					11
34	1		115kV Cap/34KV Cap	2	33	12
35	1		115 KV Capacitor	1	30	13
19	1		115 kV Capacitor	1	27	14
			230kV Capacitor	1	40	15
746	2		230 KV Capacitor	1	50	16
65	2					17
			115 KV Capacitor	1	20	18
						19
39	1					20
						21
373	1					22
8	1					23
65	3		Ground Transformer	1	8	24
62	2		115 KV Capacitor	1	27	25
20	1					26
39	1					27
						28
672	1					29
746	2		230 KV Capacitor	1	68	30
34	1					31
19	1					32
73	2	1				33
			115kV Capacitor	1	30	34
67	2					35
39	1					36
						37
78	2		7.5MVA GRD/7MVAR Cap	2	16	38
187	1					39
6	1					40

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11	1		46 KV Capacitor	2	7	1
67	2		115kV Capacitor	2	31	2
180	2		115kV Phase Shifter		180	3
142	3					4
30	1					5
10	1					6
67	2		5 MVA/20 MVAR	2		7
187	1		20 MVA Reac/265Cap	8	335	8
47	3		115KV Cap./34KV Capa	2	35	9
34	1					10
8	1					11
15	1					12
10	1					13
10	1					14
						15
746	2		115 KV Capacitor	1	45	16
187	1					17
43	2		115 KV Capacitor	1	27	18
34	1					19
39	1					20
39	1					21
39	1					22
73	2					23
187	1		230 KV Capacitor	1	50	24
57	2		5 MVA GRD/22KV Cap	2	12	25
11	1					26
5	2					27
8	1					28
						29
374	2		45 MVAR 115KV Cap	3	113	30
10	1					31
187	1	1				32
23	2					33
15	1					34
30	1					35
39	1					36
187	1					37
13	1					38
13	1					39
10	1					40

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SUBSTATIONS (Continued)

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Capacity of Substation (In Service) (In MVa) (f)	Number of Transformers In Service (g)	Number of Spare Transformers (h)	CONVERSION APPARATUS AND SPECIAL EQUIPMENT Type of Equipment (i)	Number of Units (j)	Total Capacity (In MVa) (k)	Line No.
39	1					1
						2
20	3					3
45	2		34 KV Capacitor	1	5	4
39	1		115 kV Capacitor	1	27	5
45	3		23 KV Capacitor	1	6	6
						7
374	2		115 kV Capacitor	1	30	8
10	1					9
						10
						11
						12
						13
						14
						15
						16
						17
						18
						19
						20
						21
						22
						23
						24
						25
						26
						27
						28
						29
						30
						31
						32
						33
						34
						35
						36
						37
						38
						39
						40

Schedule Page: 426 Line No.: 1 Column: c

Voltages are nominal kV.
Taken as high voltage side.
Taken as the low voltage side.

31 Transmission Substations 6,373 MVA

123 Distribution Substations 2,125 MVA

Total Substations = 154 8,498 MVA

Schedule Page: 426 Line No.: 8 Column: i

Four 230kV 39 MVAR, One 230kV Capacitor Banks. Columns: I, J, K

Schedule Page: 426 Line No.: 18 Column: f

City of Brainerd owns #1-50 MVA and #2-50 MVA and #3-50 MVA Transformers Columns: F,G,I,J,K
115kV Capacitor has 1 Bank at 20 MVAR capacity

Schedule Page: 426 Line No.: 29 Column: g

Great River Energy owns three 500/230 kV Transformers Columns: F,G,I,J,K
Xcel Eergy owns all 500kV Reactors and 168 MVA-R SVC

Schedule Page: 426 Line No.: 34 Column: i

115kV Capacitor has 1 Bank at 29.7 MVAR capacity and City of Grand Rapids owns one 23kV Capacitor Bank at 8.6 MVAR capacity and two 115/23kv Transformers 50 MVA Columns: F,G,I,J,K

Schedule Page: 426.1 Line No.: 7 Column: f

Great River Energy owns one 115/34kV-30 MVA Transformer Columns: F,G

Schedule Page: 426.1 Line No.: 8 Column: f

Xcel Energy Owns six 230kV 44 MVAR Capacitor Banks Columns: F,G
Minnkota Power Cooperative owns one 20 MVA Reactor

Schedule Page: 426.1 Line No.: 9 Column: f

Great River Energy owns one 115/34.5kV 20 MVA Transformer Columns: F,G

Schedule Page: 426.1 Line No.: 30 Column: f

Great River Energy owns 230/69kV 50 MVA Transformer Columns: F,G

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TRANSACTIONS WITH ASSOCIATED (AFFILIATED) COMPANIES

1. Report below the information called for concerning all non-power goods or services received from or provided to associated (affiliated) companies.
2. The reporting threshold for reporting purposes is $250,000. The threshold applies to the annual amount billed to the respondent or billed to an associated/affiliated company for non-power goods and services. The good or service must be specific in nature. Respondents should not attempt to include or aggregate amounts in a nonspecific category such as "general".
3. Where amounts billed to or received from the associated (affiliated) company are based on an allocation process, explain in a footnote.

Line No.	Description of the Non-Power Good or Service (a)	Name of Associated/Affiliated Company (b)	Account Charged or Credited (c)	Amount Charged or Credited (d)
1	**Non-power Goods or Services Provided by Affiliated**			
2				
3	Wind Facility Operation and Maintenance Services	ALLETE Renewable Resources	234	1,351,857
4				
5				
6				
7				
8				
9				
10				
11				
12				
13				
14				
15				
16				
17				
18				
19				
20	**Non-power Goods or Services Provided for Affiliate**			
21				
22	Strategic Planning - ALLOC 12, 24, 25	SWL&P	146	105,801
23		ALLETE Enterprises	146	2,539,853
24		ALLETE Properties	146	144,245
25				
26	Human Resources - HEADCT 2, 6, ALLOC 33	SWL&P	146	2,286,915
27		ALLETE Enterprises	146	2,762,220
28		ALLETE Properties	146	494
29				
30	Accounting/Finance - ALLOC 8, 25	SWL&P	146	145,847
31		ALLETE Enterprises	146	1,798,753
32		ALLETE Properties	146	99,697
33				
34	Corporate Relations/Communications - ALLOC 12, 25	SWL&P	146	66,516
35		ALLETE Enterprises	146	546,718
36		ALLETE Properties	146	32,187
37				
38	Legal and Regulatory Support - ALLOC 25	SWL&P	146	123,771
39		ALLETE Enterprises	146	315,968
40		ALLETE Properties	146	11,168
41				
42				
1	**Non-power Goods or Services Provided by Affiliated**			
2				

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Line No.	Description of the Non-Power Good or Service (a)	Name of Associated/Affiliated Company (b)	Account Charged or Credited (c)	Amount Charged or Credited (d)
3				
4				
5				
6				
7				
8				
9				
10				
11				
12				
13				
14				
15				
16				
17				
18				
19				
20	**Non-power Goods or Services Provided for Affiliate**			
21				
22	Information Tech Services - ITS 2, 6, 7, 8, 10, 12	SWL&P	146	1,208,947
23		ALLETE Enterprises	146	1,508,972
24				
25	Purchasing	SWL&P	146	102,838
26		ALLETE Enterprises	146	167,279
27				
28	Risk Management - ALLOC 15	SWL&P	146	456,007
29		ALLETE Enterprises	146	602,116
30				
31				
32				
33				
34				
35				
36				
37				
38				
39				
40				
41				
42				
1	**Non-power Goods or Services Provided by Affiliated**			
2				
3				
4				

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3. Where amounts billed to or received from the associated (affiliated) company are based on an allocation process, explain in a footnote.

Line No.	Description of the Non-Power Good or Service (a)	Name of Associated/Affiliated Company (b)	Account Charged or Credited (c)	Amount Charged or Credited (d)
5				
6				
7				
8				
9				
10				
11				
12				
13				
14				
15				
16				
17				
18				
19				
20	**Non-power Goods or Services Provided for Affiliate**			
21				
22				
23				
24				
25				
26				
27				
28				
29				
30				
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41				
42				

Schedule Page: 429   Line No.: 21   Column: a

ALLOC03	This allocation method is used solely for Special Segment 4075 – Purchasing. Percentages are calculated based on number of purchase requests for each business unit using ALLETE's payable system.
ALLOC04	This allocation method is used solely for Special Segment 4080 – Accounts Payable. Percentages are calculated based on number of invoices processed for each business unit using ALLETE's payable system.
ALLOC12	Allocation assigns Special Segment costs to Minnesota Power's non-regulated and ALLETE's subsidiaries. Assignment between Minnesota Power non-regulated and subsidiaries is based on corporate equity in those entities. This allocation method has limited use and is used primarily for the allocation of shareholder or investor relations-related costs, Board of Director's costs, and Audit Services.
ALLOC14	Allocation percentages are based on a combination of annual Minnesota Power's budgeted construction costs and fixed asset balances as of a given date. The intent of this method is to assign costs that are associated with Minnesota Power's fixed assets. Budget amounts are taken from the most recent annual budget construction plan. Fixed asset balances by Minnesota Power regulated and non-regulated are retrieved from the fixed asset system as of a given date. Fixed asset balances are for those entities that are processed by MP and contained in the MP fixed asset system.
ALLOC15	Allocation percentages are based on a combination of methods using fixed asset balances as of a given date and employee headcount (HEADCT10). Currently, this method is utilized solely for a single Special segment - 4090 – Insurance. The assumption is that increases or decreases in the amount of costs to this special relate to physical assets or increases/decreases in the number of employees. An adjustment was made to subsidiaries to reflect the fact that they pay for much of their own specific insurance.
ALLOC24	All allocation percentages are based on fixed asset balances in Minnesota Power's fixed asset system as of a given date. Fixed asset balances are for Minnesota Power regulated, non-regulated and SWL&P are included.
ALLOC25	Allocation percentages are based on a combination of fixed asset balances and corporate equity. Allocations that utilize this method are those that relate to all operational entities of ALLETE.
ALLOC27	Allocation percentages are based on a combination of fixed asset balances and corporate equity.
ALLOC28	This allocation method is used for general Minnesota Power business costs. Allocation percentages are assigned between Minnesota Power regulated and non-regulated. Percentages were assigned based on geographic, regulatory and strategic factors, such as location in relation to Duluth headquarters, planned initiatives, regulatory proceeding, etc.
ALLOC33	Allocation percentages are based on the number of participants in specific executive plans. Percentages are calculated by using the number of participants in each company business unit (Minnesota Power and subsidiaries).
ALLOC36	Allocation percentages are based on fixed asset balances in MP's fixed asset system as of a given date, inclusive of non-regulated land and property assets. This method was established for specific land activities, including efforts related to Minnesota Power non-utility land. This allocation method ensures that an adequate amount of costs are assigned as Non-Regulated.
HEADCT2	Headcount allocation based on the number of employees processed through the Oracle payroll system, including ALLETE/Minnesota Power, SWL&P and ALLETE Clean Energy. Relates to those activities that benefit ALLETE/ Minnesota Power, SWL&P and ALLETE Clean Energy employees.
HEADCT5	Headcount allocation which is based on number of ALLETE/Minnesota Power employees processed through the Oracle/HR payroll system. SWL&P is excluded as this entity does not receive benefit from the assigned activities, but rather performs this function individually.
HEADCT6	Allocation is based on the number of union employees at Minnesota Power and SWL&P. Employee count is from the Oracle/HR Payroll system.
ITS01	Allocation is based on the number of employees at Minnesota Power and SWL&P. Employee count is from the Oracle/HR Payroll system.
ITS08	Allocation percentages are based on the number of employees processed through the Oracle/HR payroll system. Percentages are adjusted for SWL&P due to its general self-sufficiency for the activities that utilize these methods.
ITS20	Allocation percentages are based on the number of employees across the ALLETE organization. Employee counts are from the Oracle/HR Payroll system.
ITS21	Allocation percentages are based on the number of employees across the ALLETE organization, excluding US Water employees. Employee counts are from the Oracle/HR Payroll system.
ITS22	Allocation percentages are based on the number of devices supported by the CTS Department across the ALLETE organization. Device counts are provided by the CTS Department.
ITS23	Allocation percentages are based on the number of devices supported by the CTS Department across the ALLETE organization, excluding U.S. Water devices. Device counts are provided by the CTS Department.
ITS24	Allocation percentages are based on the number of devices supported by the CTS Department across the ALLETE

FOOTNOTE DATA

	organization, excluding U.S. Water and BNI Energy devices. Device counts are provided by the CTS Department.
ITS25	Allocation percentages are based on the number of premises within Minnesota Power's and SWL&P's service territories. Premise counts are provided by the CTS Department.
ITS26	Allocation percentages are based on the number of meters within Minnesota Power's and SWL&P's service territories. Meter counts are provided by the CTS Department.
ITS27	Allocation percentages are based on the average electric load within Minnesota Power's and SWL&P's service territories. Electric load averages are provided by the CTS Department.
ITS28	Allocation percentages are based on the number of users of the Geospatial Information System within Minnesota Power, SWL&P, BNI and ACE Corporate. Geospatial Information System user counts are provided by the CTS Department.
ITS29	Allocation percentages are based on the number of Continuous Emissions Monitoring System data analyzers within Minnesota Power's regulated and non-regulated operations. Data analyzer counts are provided by the Generation CTS Department.
ITS30	Allocation percentages are based on the number of employees across the ALLETE organization, excluding US Water and BNI employees. Employee counts are from the Oracle/HR Payroll system.
ITS31	Allocation percentages are based on the number of licenses to Minnesota Power and SWL&P for field management software.

Schedule	Page No.

Accrued and prepaid taxes 262-263
Accumulated Deferred Income Taxes 234
272-277
Accumulated provisions for depreciation of
    common utility plant 356
    utility plant 219
    utility plant (summary) 200-201
Advances
    from associated companies 256-257
Allowances 228-229
Amortization
    miscellaneous 340
    of nuclear fuel 202-203
Appropriations of Retained Earnings 118-119
Associated Companies
    advances from 256-257
    corporations controlled by respondent 103
    control over respondent 102
    interest on debt to 256-257
Attestation i
Balance sheet
    comparative 110-113
    notes to 122-123
Bonds 256-257
Capital Stock 251
    expense 254
    premiums 252
    reacquired 251
    subscribed 252
Cash flows, statement of 120-121
Changes
    important during year 108-109
Construction
    work in progress - common utility plant 356
    work in progress - electric 216
    work in progress - other utility departments 200-201
Control
    corporations controlled by respondent 103
    over respondent 102
Corporation
    controlled by 103
    incorporated 101
CPA, background information on 101
CPA Certification, this report form .... i-ii

Schedule	Page No.
Deferred	
credits, other	269
debits, miscellaneous	233
income taxes accumulated - accelerated amortization property	272-273
income taxes accumulated - other property	274-275
income taxes accumulated - other	276-277
income taxes accumulated - pollution control facilities	234
Definitions, this report form	iii
Depreciation and amortization	
of common utility plant	356
of electric plant	219
	336-337
Directors	105
Discount - premium on long-term debt	256-257
Distribution of salaries and wages	354-355
Dividend appropriations	118-119
Earnings, Retained	118-119
Electric energy account	401
Expenses	
electric operation and maintenance	320-323
electric operation and maintenance, summary	323
unamortized debt	256
Extraordinary property losses	230
Filing requirements, this report form	
General information	101
Instructions for filing the FERC Form 1	i-iv
Generating plant statistics	
hydroelectric (large)	406-407
pumped storage (large)	408-409
small plants	410-411
steam-electric (large)	402-403
Hydro-electric generating plant statistics	406-407
Identification	101
Important changes during year	108-109
Income	
statement of, by departments	114-117
statement of, for the year (see also revenues)	114-117
deductions, miscellaneous amortization	340
deductions, other income deduction	340
deductions, other interest charges	340
Incorporation information	101

Schedule	Page No.
Interest	
charges, paid on long-term debt, advances, etc	256-257
Investments	
nonutility property	221
subsidiary companies	224-225
Investment tax credits, accumulated deferred	266-267
Law, excerpts applicable to this report form	iv
List of schedules, this report form	2-4
Long-term debt	256-257
Losses-Extraordinary property	230
Materials and supplies	227
Miscellaneous general expenses	335
Notes	
to balance sheet	122-123
to statement of changes in financial position	122-123
to statement of income	122-123
to statement of retained earnings	122-123
Nonutility property	221
Nuclear fuel materials	202-203
Nuclear generating plant, statistics	402-403
Officers and officers' salaries	104
Operating	
expenses-electric	320-323
expenses-electric (summary)	323
Other	
paid-in capital	253
donations received from stockholders	253
gains on resale or cancellation of reacquired capital stock	253
miscellaneous paid-in capital	253
reduction in par or stated value of capital stock	253
regulatory assets	232
regulatory liabilities	278
Peaks, monthly, and output	401
Plant, Common utility	
accumulated provision for depreciation	356
acquisition adjustments	356
allocated to utility departments	356
completed construction not classified	356
construction work in progress	356
expenses	356
held for future use	356
in service	356
leased to others	356
Plant data	336-337 401-429

Schedule | Page No.

Plant - electric
- accumulated provision for depreciation 219
- construction work in progress 216
- held for future use 214
- in service 204-207
- leased to others 213

Plant - utility and accumulated provisions for depreciation
- amortization and depletion (summary) 201

Pollution control facilities, accumulated deferred
- income taxes 234

Power Exchanges 326-327
Premium and discount on long-term debt 256
Premium on capital stock 251
Prepaid taxes 262-263
Property - losses, extraordinary 230
Pumped storage generating plant statistics 408-409
Purchased power (including power exchanges) 326-327
Reacquired capital stock 250
Reacquired long-term debt 256-257
Receivers' certificates 256-257
Reconciliation of reported net income with taxable income
- from Federal income taxes 261

Regulatory commission expenses deferred 233
Regulatory commission expenses for year 350-351
Research, development and demonstration activities 352-353
Retained Earnings
- amortization reserve Federal 119
- appropriated 118-119
- statement of, for the year 118-119
- unappropriated 118-119

Revenues - electric operating 300-301
Salaries and wages
- directors fees 105
- distribution of 354-355
- officers' 104

Sales of electricity by rate schedules 304
Sales - for resale 310-311
Salvage - nuclear fuel 202-203
Schedules, this report form 2-4
Securities
- exchange registration 250-251

Statement of Cash Flows 120-121
Statement of income for the year 114-117
Statement of retained earnings for the year 118-119
Steam-electric generating plant statistics 402-403
Substations 426
Supplies - materials and 227

Schedule | Page No.

Taxes
- accrued and prepaid 262-263
- charged during year 262-263
- on income, deferred and accumulated 234
  272-277
- reconciliation of net income with taxable income for 261

Transformers, line - electric 429

Transmission
- lines added during year 424-425
- lines statistics 422-423
- of electricity for others 328-330
- of electricity by others 332

Unamortized
- debt discount 256-257
- debt expense 256-257
- premium on debt 256-257

Unrecovered Plant and Regulatory Study Costs 230