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NEWS

Wisconsin regulators authorize Superior Water, Light and Power rate changes

Superior, Wisconsin – The Public Service Commission of Wisconsin (PSCW) on Thursday authorized base utility rate changes for Superior Water, Light & Power’s (SWL&P) electric, natural gas and water utilities.

SWL&P filed an application in May of 2018 with the PSCW for authority to adjust rates for the electric, gas and water utilities to support ongoing system improvements. The rate adjustments, which are expected to go into effect on Jan. 1, 2019, will cover the costs of replacing aging infrastructure, improving delivery systems, adjust for fluctuations in the price of gas, and maintain the water delivery system while the Husky refinery is offline in 2019.

“We appreciate the in-depth review by the PSCW, and the input from our customers and other stakeholders. The robust process ended in the best outcome for our customers and for our company,” said Rob Sandstrom, SWL&P manager of customer excellence and electric operations. “Our cost-effective investments in improvements ensure safe and reliable delivery of energy and water while also giving customers more control over their water and energy use, and consequently their bills.”

As part of the rate review process, the PSCW approved a request by SWL&P allowing customers to pay their bills via credit or debit card without additional charges through SWL&P’s website or through the MyAccount portal, which also allows customers to track their energy and water use.

In addition, for the protection of customers, all water sales sold to Husky Energy over what was approved in this filing will be tracked, and reported to the PSCW for potential refunds or adjustments in SWL&P’s next rate filing which the PSCW mandated today will be in two years. SWL&P will not profit on sales above what was approved today.

“This outcome is something we worked hard with commission staff on to develop a solution that would protect our customers as Husky continues to rebuild. We acknowledge that temporarily losing a large customer can be very difficult for our community and are pleased commission staff was willing to work with us to find a balance acceptable to both our customers and our investors,” said Paul Holt, SWL&P treasurer.

The PSCW approved an annual revenue increase for SWL&P of about \$1.3 million, which affects base rates for all three utilities. Total electric rates will increase by \$0.3 million, or 0.54 percent; gas rates will increase by \$192,000, or 1.21 percent; and water rates will increase by \$783,000 or 8.74 percent. While these increases were verbally approved during the open meeting held today, final rates will not go into

effect until the final order is received at some point in December. The final rates set by the PSCW were lower than the \$2.4 million originally requested by SWL&P.

Customer bills will vary depending on respective utility service schedule, rate, season and usage characteristics. The average residential customer of all three utilities using about 600 kilowatt hours of electricity, 100 therms of natural gas and 500 cubic feet of water will see a total change of about \$7 per month, or 3.9 percent. All residential customers would see an expected increase of \$5 to \$14 per month for all three services, depending on their level of use.

The rate changes will help pay for two miles of 100-year old water mains now installed under Belknap Street as part of the Belknap Reconstruction Project; gas system upgrades including new pipes with a 300-year lifespan to improve safety, efficiency and leak detection; replacement of equipment at the Winter Street substation that is 50 years old and has exceeded its useful life; and a water overflow project at the treatment plant to protect the safety and quality of customers' water. SWL&P customers also will benefit from the continued installation of advanced meters across SWL&P's gas and water service territory that will improve the customer experience, and enhance the safety and reliability of the electric, gas and water systems. All electric customers now have these meters, and all water and natural gas customers will have them by the end of 2020.

SWL&P, a wholly owned subsidiary of ALLETE Inc. (NYSE:ALE), has served customers in northwestern Wisconsin for more than 126 years. The last rate adjustment authorized by the PSCW for SWL&P took effect in August of 2017.

Please visit www.swlp.com for more detailed information on these rate changes.

Superior Water, Light and Power Company (SWL&P) is a wholly owned subsidiary of ALLETE that provides service to approximately 15,000 electric customers, 13,000 natural gas customers and 10,000 water customers in Superior, Wisconsin, and adjacent areas. Superior is in northwestern Wisconsin across the St. Louis River from Duluth, Minnesota

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