



AN ALLETE COMPANY

For release: April 29, 2022

Contact: Amy Rutledge
Manager – Corporate Communications
218-723-7400
arutledge@allete.com

SWL&P's overall rate change request includes reduction in water rates

Superior, Wisconsin — Superior Water, Light and Power Co. filed an application today with the Public Service Commission of Wisconsin for approval to adjust electric, natural gas and water rates to support continued infrastructure improvements that enhance reliability and provide programs and services that customers expect from their local utility. SWL&P is a wholly owned subsidiary of ALLETE Inc. (NYSE:ALE).

In today's filing, SWL&P requested an overall increase of 2.7% or approximately \$3.3 million, which would result in a 9.6% reduction in water rates, an 8.7% increase in natural gas rates, and a 3.1% increase in electric rates.

The actual amount of any change to SWL&P customers' rates will be determined by the PSCW based on a review of the application and after public hearings expected later this year. Any rate adjustments are anticipated to become effective in January 2023.

"Adjustments to rates are part of doing business as a regulated utility, and we've worked hard to keep rates affordable by keeping our operating costs near 2019 levels," said Rob Sandstrom, SWL&P president. "We continue to make cost-effective investments to enhance reliability and resiliency in our energy and water systems and offer programs to help customers gain insight into how much energy and water they use—all while keeping rates as low as possible."

The requested rate adjustments reflect changes in revenue, expenses and customer base, including higher projected water sales in 2023 as the Superior Refinery is expected to return to operations. The oil refinery has been offline since it was damaged in a fire in April 2018.

SWL&P last requested a rate adjustment in 2018 and it included a solution for maintaining the water system, which had to remain available to serve all customers, including the refinery when it is restarted.

"The temporary loss of our largest water customer was challenging, but we were able to work with PSCW staff to develop a plan for ongoing water system maintenance that also protected our customers as the refinery was rebuilt," said Joscelyn Skandel, manager SWL&P regulatory compliance, policy and rates. "Now, with expected higher water sales we can prepare to make a rate adjustment that will lower water rates for all customers."

Originally required to file a rate request in 2020, SWL&P was granted approval to delay the filing for two years because of the impact of the pandemic on customers. During that time, SWL&P implemented an income-qualified program to help residential customers facing financial challenges get caught up on their utility bills.

Today's filing includes estimates of the revenue the company needs to cover its operating expenses, debt payments, construction costs, taxes and a rate of return on its investment. Because each of SWL&P's three utilities – electric, natural gas and water – must stand alone financially, the rate change for each reflects each utility's expected costs.

SWL&P will file additional information regarding this rate request with the PSCW during the next month. The additional information will include a detailed breakdown of what it costs to serve each customer class as well as proposed rate changes among the electric, gas and water utilities.

Superior Water, Light and Power provides electricity, water and natural gas in the city of Superior and adjacent areas in northwestern Wisconsin. The company has served the area since 1889 and provides services to approximately 15,000 electric customers, 13,000 natural gas customers and 10,000 water customers. More information can be found at www.swlp.com.

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

###