

UNITED STATES
SECURITIES AND EXCHANGE COMMISSION
WASHINGTON, D.C. 20549

FORM 10-Q

(Mark One)

Quarterly Report Pursuant to Section 13 or 15(d) of the Securities Exchange Act of 1934

For the quarterly period ended June 30, 2025

or

Transition Report Pursuant to Section 13 or 15(d) of the Securities Exchange Act of 1934
For the transition period from _____ to _____

Commission File Number **1-3548**

ALLETE, Inc.

(Exact name of registrant as specified in its charter)

Minnesota

41-0418150

(State or other jurisdiction of incorporation or organization)

(IRS Employer Identification No.)

30 West Superior Street
Duluth, Minnesota 55802-2093
(Address of principal executive offices)
(Zip Code)

(218) 279-5000

(Registrant's telephone number, including area code)

Securities registered pursuant to Section 12(b) of the Act:

Title of each class	Trading symbol	Name of each exchange on which registered
Common Stock, without par value	ALE	New York Stock Exchange

Indicate by check mark whether the registrant (1) has filed all reports required to be filed by Section 13 or 15(d) of the Securities Exchange Act of 1934 during the preceding 12 months (or for such shorter period that the registrant was required to file such reports), and (2) has been subject to such filing requirements for the past 90 days. Yes No

Indicate by check mark whether the registrant has submitted electronically every Interactive Data File required to be submitted pursuant to Rule 405 of Regulation S-T during the preceding 12 months (or for such shorter period that the registrant was required to submit such files). Yes No

Indicate by check mark whether the registrant is a large accelerated filer, an accelerated filer, a non-accelerated filer, a smaller reporting company or an emerging growth company. See the definitions of "large accelerated filer," "accelerated filer," "smaller reporting company" and "emerging growth company" in Rule 12b-2 of the Exchange Act.

Large Accelerated Filer Accelerated Filer
Non-Accelerated Filer Smaller Reporting Company
Emerging Growth Company

If an emerging growth company, indicate by check mark if the registrant has elected not to use the extended transition period for complying with any new or revised financial accounting standards provided pursuant to Section 13(a) of the Exchange Act.

Indicate by check mark whether the registrant is a shell company (as defined in Rule 12b-2 of the Exchange Act). Yes No

Common Stock, without par value,
58,035,364 shares outstanding
as of June 30, 2025

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Definitions

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.

<u>Abbreviation or Acronym</u>	<u>Term</u>
AFUDC	Allowance for Funds Used During Construction – the cost of both debt and equity funds used to finance regulated 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.
Alloy Merger Sub	Alloy Merger Sub LLC, a Delaware limited liability company and wholly owned subsidiary of Alloy Parent.
Alloy Parent	Alloy Parent LLC, a Delaware limited liability company which, upon closing, will be jointly owned by a wholly owned subsidiary of Canada Pension Plan Investment Board and affiliates of investment vehicles affiliated with one or more funds, accounts, or other entities managed or advised by Global Infrastructure Management, LLC
ATC	American Transmission Company LLC
BNI Energy	BNI Energy, Inc. and its subsidiary
Boswell	Boswell Energy Center
Caddo	ALLETE Clean Energy’s Caddo Wind Energy Facility
CCR	Coal Combustion Residuals from Electric Utilities
CFIUS	The Committee on Foreign Investment in the United States
Cliffs	Cleveland-Cliffs Inc.
Company	ALLETE, Inc. and its subsidiaries
CSAPR	Cross-State Air Pollution Rule
Diamond Spring	ALLETE Clean Energy’s Diamond Spring Wind Energy Facility
ECO	Energy Conservation and Optimization Plan
EPA	United States Environmental Protection Agency
ESOP	Employee Stock Ownership Plan
ESPP	Employee Stock Purchase Plan
Executive Officers of ALLETE	Chair, President and Chief Executive Officer; Vice President and President of ALLETE Clean Energy; Vice President, Chief Legal Officer and Corporate Secretary; Vice President, Chief Financial Officer, and Corporate Treasurer; Vice President and Chief Operating Officer of Minnesota Power; and Vice President, Chief Accounting Officer, and Controller
FERC	Federal Energy Regulatory Commission
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
HVDC	High-Voltage Direct-Current
IBEW	International Brotherhood of Electrical Workers
Invest Direct	ALLETE’s Direct Stock Purchase and Dividend Reinvestment Plan
Item ____	Item ____ of this Form 10-Q
kV	Kilovolt(s)
kWh	Kilowatt-hour(s)
Lampert Capital Markets	Lampert Capital Markets, Inc.
Laskin	Laskin Energy Center

Abbreviation or Acronym	Term
Merger	Pursuant to the Merger Agreement, on the terms and subject to the conditions set forth therein, Alloy Merger Sub will merge with and into ALLETE (the “Merger”), with ALLETE continuing as the surviving corporation in the Merger and becoming a subsidiary of Alloy Parent
Merger Agreement	Agreement and Plan of Merger, dated as of May 5, 2024, by and among ALLETE, Alloy Parent, and Alloy Merger Sub
Minnesota Power	An operating division of ALLETE, Inc.
Minnkota Power	Minnkota Power Cooperative, Inc.
MISO	Midcontinent Independent System Operator, Inc.
Moody’s	Moody’s Investors Service, Inc.
MPCA	Minnesota Pollution Control Agency
MPUC	Minnesota Public Utilities Commission
MW	Megawatt(s)
NAAQS	National Ambient Air Quality Standards
NDPSC	North Dakota Public Service Commission
New Energy	New Energy Equity LLC
Nippon Steel	Nippon Steel Corporation
Nobles 2	Nobles 2 Power Partners, LLC
NO _x	Nitrogen Oxides
Note ___	Note ___ to the consolidated financial statements in this Form 10-Q
NPDES	National Pollutant Discharge Elimination System
NTEC	Nemadji Trail Energy Center
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
SO ₂	Sulfur Dioxide
South Shore Energy	South Shore Energy, LLC
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
U.S.	United States of America
USS Corporation	United States Steel Corporation

Forward-Looking Statements

Statements in this report that are not statements of historical facts are considered “forward-looking” and, accordingly, involve risks and uncertainties that could cause actual results to differ materially from those discussed. Although such forward-looking statements have been made in good faith and are based on reasonable assumptions, there can be no assurance that the expected results will be achieved. Any statements that express, or involve discussions as to, future expectations, risks, beliefs, plans, objectives, assumptions, events, uncertainties, financial performance, or growth strategies (often, but not always, through the use of words or phrases such as “anticipates,” “believes,” “estimates,” “expects,” “intends,” “plans,” “projects,” “likely,” “will continue,” “could,” “may,” “potential,” “target,” “outlook” or words of similar meaning) are not statements of historical facts and may be forward-looking.

In connection with the safe harbor provisions of the Private Securities Litigation Reform Act of 1995, we are providing this cautionary statement to identify important factors that could cause our actual results to differ materially from those indicated in forward-looking statements made by or on behalf of ALLETE in this Form 10-K, in presentations, on our website, in response to questions or otherwise. These statements are qualified in their entirety by reference to, and are accompanied by, the following important factors, in addition to any assumptions and other factors referred to specifically in connection with such forward-looking statements that could cause our actual results to differ materially from those indicated in the forward-looking statements:

- our ability to successfully implement our strategic objectives;
- global and domestic economic conditions affecting us or our customers;
- changes in and compliance with laws and regulations, the direct and indirect effects of new or changes in existing tariffs, or changes in tax rates or policies;
- changes in rates of inflation or availability of key materials and suppliers;
- the outcome of legal and administrative proceedings (whether civil or criminal) and settlements;
- weather conditions, natural disasters and pandemic diseases;
- our ability to access capital markets, bank financing and other financing sources;
- changes in interest rates and the performance of the financial markets;
- project delays or changes in project costs;
- changes in operating expenses and capital expenditures and our ability to raise revenues from our customers;
- the impacts of commodity prices on ALLETE and our customers;
- our ability to attract and retain qualified, skilled and experienced personnel;
- effects of emerging technology;
- war, acts of terrorism and cybersecurity attacks;
- our ability to manage expansion and integrate acquisitions;
- population growth rates and demographic patterns;
- wholesale power market conditions;
- federal and state regulatory and legislative actions that impact regulated utility economics, including our allowed rates of return, capital structure, ability to secure financing, industry and rate structure, acquisition and disposal of assets and facilities, operation and construction of plant facilities and utility infrastructure, recovery of purchased power, capital investments and other expenses, including present or prospective environmental matters;
- effects of competition, including competition for retail and wholesale customers;
- effects of restructuring initiatives in the electric industry;
- the impacts on our businesses of climate change and future regulation to restrict the emissions of GHG;
- effects of increased deployment of distributed low-carbon electricity generation resources;
- the impacts of laws and regulations related to renewable and distributed generation;
- pricing, availability and transportation of fuel and other commodities and the ability to recover the costs of such commodities;
- our current and potential industrial and municipal customers’ ability to execute announced expansion plans;
- real estate market conditions where our legacy Florida real estate investment is located may deteriorate;
- the success of efforts to realize value from, invest in, and develop new opportunities;
- the risk that Alloy Parent or ALLETE may be unable to obtain governmental and regulatory approvals required for the Merger, or that required governmental and regulatory approvals or agreements with other parties interested therein may delay the Merger, may subject the Merger to or impose adverse conditions or costs, or may cause the parties to abandon the Merger;
- the timing and costs incurred to consummate the Merger;
- the occurrence of any event, change or other circumstances that could give rise to the termination of the Merger Agreement or could otherwise cause the failure of the Merger to be consummated on the timeline anticipated; and

Forward Looking Statements (Continued)

- the announcement and pendency of the Merger, during which ALLETE is subject to certain operating restrictions, could have an adverse effect on ALLETE's businesses, results of operations, financial condition or cash flows.

Additional disclosures regarding factors that could cause our results or performance to differ from those anticipated by this report are discussed in Part I, Item 1A. Risk Factors of our 2024 Form 10-K. Any forward-looking statement speaks only as of the date on which such statement is made, and we undertake no obligation to update any forward-looking statement to reflect events or circumstances after the date on which that statement is made or to reflect the occurrence of unanticipated events. New factors emerge from time to time, and it is not possible for management to predict all of these factors, nor can it assess the impact of each of these factors on the businesses of ALLETE or the extent to which any factor, or combination of factors, may cause actual results to differ materially from those contained in any forward-looking statement. Readers are urged to carefully review and consider the various disclosures made by ALLETE in this Form 10-Q and in other reports filed with the SEC that attempt to identify the risks and uncertainties that may affect ALLETE's business.

PART I. FINANCIAL INFORMATION

ITEM 1. CONSOLIDATED FINANCIAL STATEMENTS

ALLETE
CONSOLIDATED BALANCE SHEET
Unaudited

	June 30, 2025	December 31, 2024
Millions		
Assets		
Current Assets		
Cash and Cash Equivalents	\$55.4	\$32.8
Accounts Receivable (Less Allowance of \$1.9 and \$1.7)	129.7	148.1
Inventories – Net	178.2	154.6
Prepayments and Other	89.6	99.7
Total Current Assets	452.9	435.2
Property, Plant and Equipment – Net	5,324.0	5,181.5
Regulatory Assets	363.0	371.7
Equity Investments	350.5	340.1
Goodwill and Intangible Assets – Net	155.3	155.3
Other Non-Current Assets	267.5	270.5
Total Assets	\$6,913.2	\$6,754.3
Liabilities, Redeemable Non-Controlling Interest and Equity		
Liabilities		
Current Liabilities		
Accounts Payable	\$124.0	\$113.6
Accrued Taxes	43.3	54.6
Accrued Interest	25.3	23.4
Long-Term Debt Due Within One Year	63.6	94.7
Other	81.7	117.9
Total Current Liabilities	337.9	404.2
Long-Term Debt	1,931.8	1,704.7
Deferred Income Taxes	278.9	253.4
Regulatory Liabilities	586.7	570.5
Defined Benefit Pension and Other Postretirement Benefit Plans	99.4	118.2
Other Non-Current Liabilities	311.4	312.8
Total Liabilities	3,546.1	3,363.8
Commitments, Guarantees and Contingencies (Note 6)		
Redeemable Non-Controlling Interest	0.8	0.4
Equity		
ALLETE Equity		
Common Stock Without Par Value, 80.0 Shares Authorized, 58.0 and 57.9 Shares Issued and Outstanding	1,833.7	1,823.2
Accumulated Other Comprehensive Loss	(18.1)	(18.1)
Retained Earnings	1,046.3	1,042.9
Total ALLETE Equity	2,861.9	2,848.0
Non-Controlling Interest in Subsidiaries	504.4	542.1
Total Equity	3,366.3	3,390.1
Total Liabilities, Redeemable Non-Controlling Interest and Equity	\$6,913.2	\$6,754.3

The accompanying notes are an integral part of these statements.

ALLETE
CONSOLIDATED STATEMENT OF INCOME
Unaudited

	Quarter Ended		Six Months Ended	
	June 30,		June 30,	
	2025	2024	2025	2024
Millions Except Per Share Amounts				
Operating Revenue				
Contracts with Customers – Utility	\$305.1	\$279.8	\$637.9	\$618.1
Contracts with Customers – Non-utility	53.8	73.5	119.7	137.2
Other – Non-utility	1.4	1.2	2.9	2.5
Total Operating Revenue	360.3	354.5	760.5	757.8
Operating Expenses				
Fuel, Purchased Power and Gas – Utility	113.3	107.3	236.3	240.8
Transmission Services – Utility	19.3	1.6	38.3	24.3
Cost of Sales – Non-utility	24.3	31.8	49.2	56.2
Operating and Maintenance	96.6	102.1	189.6	193.8
Depreciation and Amortization	73.2	66.0	142.9	131.0
Taxes Other than Income Taxes	15.6	16.3	33.2	35.0
Total Operating Expenses	342.3	325.1	689.5	681.1
Operating Income	18.0	29.4	71.0	76.7
Other Income (Expense)				
Interest Expense	(23.1)	(20.1)	(44.5)	(40.5)
Equity Earnings	5.9	5.9	11.9	11.4
Other	5.2	5.9	9.8	14.5
Total Other Expense	(12.0)	(8.3)	(22.8)	(14.6)
Income Before Income Taxes	6.0	21.1	48.2	62.1
Income Tax Expense (Benefit)	(0.6)	1.4	6.9	5.4
Net Income	6.6	19.7	41.3	56.7
Net Loss Attributable to Non-Controlling Interest	(25.3)	(13.3)	(46.7)	(27.0)
Net Income Attributable to ALLETE	\$31.9	\$33.0	\$88.0	\$83.7
Average Shares of Common Stock				
Basic	58.0	57.7	58.0	57.7
Diluted	58.1	57.8	58.0	57.7
Basic Earnings Per Share of Common Stock	\$0.55	\$0.57	\$1.52	\$1.45
Diluted Earnings Per Share of Common Stock	\$0.55	\$0.57	\$1.52	\$1.45

The accompanying notes are an integral part of these statements.

ALLETE
CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME
Unaudited

	Quarter Ended		Six Months Ended	
	June 30,		June 30,	
	2025	2024	2025	2024
Millions				
Net Income	\$6.6	\$19.7	\$41.3	\$56.7
Other Comprehensive Loss				
Unrealized Gain on Securities				
Net of Income Tax Expense of \$—, \$—, \$— and \$—	—	—	—	—
Defined Benefit Pension and Other Postretirement Benefit Plans				
Net of Income Tax Benefit of \$—, \$(0.3), \$— and \$(0.2)	—	—	—	(0.4)
Total Other Comprehensive Loss	—	—	—	(0.4)
Total Comprehensive Income	6.6	19.7	41.3	56.3
Net Loss Attributable to Non-Controlling Interest	(25.3)	(13.3)	(46.7)	(27.0)
Total Comprehensive Income Attributable to ALLETE	\$31.9	\$33.0	\$88.0	\$83.3

The accompanying notes are an integral part of these statements.

ALLETE
CONSOLIDATED STATEMENT OF CASH FLOWS
Unaudited

Six Months Ended
June 30,
2025 **2024**

Millions		
Operating Activities		
Net Income	\$41.3	\$56.7
Adjustments to Reconcile Net Income to Cash provided by Operating Activities:		
AFUDC – Equity	(2.7)	(2.5)
Income from Equity Investments – Net of Dividends	1.5	(0.3)
Gain on Investments and Property, Plant and Equipment	(1.3)	(0.1)
Depreciation Expense	142.9	130.9
Amortization of PSAs	(2.9)	(2.5)
Amortization of Other Intangible Assets and Other Assets	3.4	3.3
Deferred Income Tax Benefit	(3.5)	(8.0)
Share-Based and ESOP Compensation Expense	4.0	3.7
Defined Benefit Pension and Other Postretirement Plan Benefit	(1.7)	(6.9)
Fuel Adjustment Clause	0.8	8.0
Bad Debt Expense	0.3	0.7
Provision (Payments) for Interim Rate Refund	(23.0)	11.0
Changes in Operating Assets and Liabilities		
Accounts Receivable	18.1	6.0
Inventories	(15.3)	(8.9)
Prepayments and Other	(4.5)	0.3
Accounts Payable	(2.9)	(12.8)
Other Current Liabilities	(20.0)	(28.0)
Renewable Tax Credit Sales	22.3	22.5
Cash Contributions to Defined Benefit Pension Plans	(19.1)	(25.0)
Changes in Regulatory and Other Non-Current Assets	4.9	23.1
Changes in Regulatory and Other Non-Current Liabilities	7.0	5.3
Cash provided by Operating Activities	149.6	176.5
Investing Activities		
Proceeds from Sale of Available-for-sale Securities	2.5	1.4
Payments for Purchase of Available-for-sale Securities	(1.4)	(1.6)
Payments for Equity Method Investments	(11.3)	(3.9)
Additions to Property, Plant and Equipment	(262.7)	(134.0)
Other Investing Activities	(0.8)	1.3
Cash used in Investing Activities	(273.7)	(136.8)
Financing Activities		
Proceeds from Issuance of Common Stock	6.5	6.4
Proceeds from Issuance of Short-Term and Long-Term Debt	340.0	306.0
Repayments of Short-Term and Long-Term Debt	(143.7)	(309.0)
Proceeds from Non-Controlling Interest in Subsidiaries – Net	9.9	4.1
Distributions to Non-Controlling Interest	(0.5)	(0.7)
Dividends on Common Stock	(84.6)	(81.3)
Other Financing Activities	(0.8)	(0.9)
Cash provided by (used in) Financing Activities	126.8	(75.4)
Change in Cash, Cash Equivalents and Restricted Cash	2.7	(35.7)
Cash, Cash Equivalents and Restricted Cash at Beginning of Period	55.2	79.4
Cash, Cash Equivalents and Restricted Cash at End of Period	\$57.9	\$43.7

The accompanying notes are an integral part of these statements.

ALLETE
CONSOLIDATED STATEMENT OF EQUITY
Unaudited

	Quarter Ended		Six Months Ended	
	June 30,		June 30,	
	2025	2024	2025	2024
Millions Except Per Share Amounts				
Equity				
Common Stock				
Balance, Beginning of Period	\$1,827.4	\$1,807.4	\$1,823.2	\$1,803.7
Common Stock Issued	6.3	6.4	10.5	10.1
Balance, End of Period	1,833.7	1,813.8	1,833.7	1,813.8
Accumulated Other Comprehensive Loss				
Balance, Beginning of Period	(18.1)	(20.9)	(18.1)	(20.5)
Other Comprehensive Income – Net of Income Taxes				
Defined Benefit Pension and Other Postretirement Benefit Plans	—	—	—	(0.4)
Balance, End of Period	(18.1)	(20.9)	(18.1)	(20.9)
Retained Earnings				
Balance, Beginning of Period	1,056.7	1,036.5	1,042.9	1,026.4
Net Income Attributable to ALLETE	31.9	33.0	88.0	83.7
Common Stock Dividends	(42.3)	(40.7)	(84.6)	(81.3)
Balance, End of Period	1,046.3	1,028.8	1,046.3	1,028.8
Non-Controlling Interest in Subsidiaries				
Balance, Beginning of Period	522.3	585.5	542.1	597.0
Proceeds from Non-Controlling Interest in Subsidiaries – Net	—	1.4	2.0	1.4
Net Loss Attributable to Non-Controlling Interest	(17.8)	(13.7)	(39.3)	(24.7)
Distributions to Non-Controlling Interest	(0.1)	(0.2)	(0.4)	(0.7)
Balance, End of Period	504.4	573.0	504.4	573.0
Total Equity	\$3,366.3	\$3,394.7	\$3,366.3	\$3,394.7
Redeemable Non-Controlling Interest				
Balance, Beginning of Period	\$0.5	\$0.5	\$0.4	\$0.5
Proceeds from Non-Controlling Interest in Subsidiaries	7.9	—	7.9	2.7
Net Income (Loss) Attributable to Non-Controlling Interest	(7.5)	0.4	(7.4)	(2.3)
Distributions to Non-Controlling Interest	(0.1)	—	(0.1)	—
Total Redeemable Non-Controlling Interest	\$0.8	\$0.9	\$0.8	\$0.9
Dividends Per Share of Common Stock	\$0.73	\$0.705	\$1.46	\$1.41

The accompanying notes are an integral part of these statements.

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS – UNAUDITED

The accompanying unaudited Consolidated Financial Statements have been prepared in accordance with the instructions to Form 10-Q and Rule 10-01 of Regulation S-X, and do not include all of the information and notes required by GAAP for complete financial statements pursuant to such rules and regulations. Similarly, the December 31, 2024, Consolidated Balance Sheet was derived from audited financial statements, but does not include all disclosures required by GAAP. The presentation of certain prior period amounts on the Consolidated Financial Statements have been adjusted for comparative purposes. In management’s opinion, these unaudited financial statements include all adjustments necessary for a fair statement of financial results. All adjustments are of a normal, recurring nature, except as otherwise disclosed. Operating results for the six months ended June 30, 2025, are not necessarily indicative of results that may be expected for any other interim period or for the year ending December 31, 2025. For further information, refer to the Consolidated Financial Statements and notes included in our 2024 Form 10-K.

NOTE 1. OPERATIONS AND SIGNIFICANT ACCOUNTING POLICIES

Subsequent Events. The Company performed an evaluation of subsequent events for potential recognition and disclosure through the date of the financial statements issuance.

On July 4, 2025, the budget reconciliation bill H.R. 1 was enacted, which includes various tax reform and other provisions including provisions modifying, terminating, and accelerating the phase out of a wide range of energy tax credits enacted by the Inflation Reduction Act of 2022. We are evaluating the impacts of this legislation on our businesses and consolidated financial statements. We are unable to estimate the impact at this time; however, it could be material.

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 June 30, 2025, restricted cash amounts included in Other Non-Current Assets represent collateral deposits required under an ALLETE Clean Energy PSA. 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	June 30, 2025	December 31, 2024	June 30, 2024	December 31, 2023
Millions				
Cash and Cash Equivalents	\$55.4	\$32.8	\$37.5	\$71.9
Restricted Cash included in Prepayments and Other	—	19.9	3.8	5.1
Restricted Cash included in Other Non-Current Assets	2.5	2.5	2.4	2.4
Cash, Cash Equivalents and Restricted Cash on the Consolidated Statement of Cash Flows	\$57.9	\$55.2	\$43.7	\$79.4

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 and New Energy segments as well as our Corporate and Other businesses are carried at an average cost, first-in, first-out or specific identification basis.

Inventories – Net	June 30, 2025	December 31, 2024
Millions		
Fuel (a)	\$23.8	\$22.5
Materials and Supplies	125.3	107.6
Renewable Energy Facilities Under Development (b)	29.1	24.5
Total Inventories – Net	\$178.2	\$154.6

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

(b) Renewable Energy Facilities Under Development as of June 30, 2025, consists primarily of project costs related to renewable energy development projects at New Energy.

Prepayments and Other Current Assets. Prepayments and Other on the Consolidated Balance Sheet included \$32.3 million of costs in excess of billings at New Energy as of June 30, 2025 (\$32.4 million as of December 31, 2024).

NOTE 1. OPERATIONS AND SIGNIFICANT ACCOUNTING POLICIES (Continued)

Goodwill. The aggregate carrying amount of goodwill was \$154.9 million as of June 30, 2025 (\$154.9 million as of December 31, 2024). There have been no changes to goodwill by reportable segment for the six months ended June 30, 2025.

Other Non-Current Assets	June 30, 2025	December 31, 2024
Millions		
Other Postretirement Benefit Plans	\$103.0	\$107.6
Contract Assets (a)	14.8	15.9
ALLETE Properties	9.1	10.3
Restricted Cash	2.5	2.5
Other	138.1	134.2
Total Other Non-Current Assets	\$267.5	\$270.5

(a) Contract Assets consist of payments made to customers as an incentive to execute or extend service agreements. The payments are being amortized over the term of the respective agreements as a reduction to revenue.

Other Current Liabilities	June 30, 2025	December 31, 2024
Millions		
Provision for Interim Rate Refund	—	\$23.0
Customer Deposits	\$9.0	7.8
PSAs	5.8	5.9
Other	66.9	81.2
Total Other Current Liabilities	\$81.7	\$117.9

Other Non-Current Liabilities	June 30, 2025	December 31, 2024
Millions		
Asset Retirement Obligation (a)	\$263.3	\$261.3
PSAs	12.2	15.1
Other	35.9	36.4
Total Other Non-Current Liabilities	\$311.4	\$312.8

(a) The asset retirement obligation is primarily related to our Regulated Operations and is funded through customer rates over the life of the related assets. Additionally, BNI Energy funds its obligation through its cost-plus coal supply agreements for which BNI Energy has recorded a receivable of \$42.3 million in Other Non-Current Assets on the Consolidated Balance Sheet as of June 30, 2025 (\$42.3 million as of December 31, 2024).

Other Income (Expense)	Quarter Ended June 30,		Six Months Ended June 30,	
	2025	2024	2025	2024
Millions				
Pension and Other Postretirement Benefit Plan Non-Service Credits (a)	\$1.5	\$3.7	\$3.3	\$8.0
Interest and Investment Income	2.5	0.8	4.4	2.7
AFUDC - Equity	1.3	1.3	2.7	2.5
Other Income (Expense)	(0.1)	0.1	(0.6)	1.3
Total Other Income	\$5.2	\$5.9	\$9.8	\$14.5

(a) These are components of net periodic pension and other postretirement benefit cost other than service cost. (See Note 9. Pension and Other Postretirement Benefit Plans.)

NOTE 1. OPERATIONS AND SIGNIFICANT ACCOUNTING POLICIES (Continued)

Supplemental Statement of Cash Flows Information	Six Months Ended	
	2025	June 30, 2024
Millions		
Cash Paid for Interest – Net of Amounts Capitalized	\$40.5	\$36.8
Cash Paid for Income Taxes – Net	\$11.1	\$5.7
Noncash Investing and Financing Activities		
Increase in Accounts Payable for Capital Additions to Property, Plant and Equipment	\$13.6	\$5.8
Capitalized Asset Retirement Costs	\$2.6	\$50.0
AFUDC–Equity	\$2.7	\$2.5

New Accounting Pronouncements and Disclosure Rules.

See Note 1. Operations and Significant Accounting Policies to the Consolidated Financial Statements in our 2024 Form 10-K.

There are no other new accounting pronouncements or rules that we anticipate having a material effect on the presentation of ALLETE's consolidated financial statements.

NOTE 2. REGULATORY MATTERS

Regulatory matters are summarized in Note 4. Regulatory Matters to the Consolidated Financial Statements in our 2024 Form 10-K, with additional disclosure provided in the following paragraphs.

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. Revenue from cost recovery riders was \$22.9 million for the six months ended June 30, 2025 (\$13.3 million for the six months ended June 30, 2024).

2024 Minnesota General Rate Case. On November 1, 2023, Minnesota Power filed a retail rate increase request with the MPUC that sought an average increase of approximately 12.00 percent for retail customers, net of rider revenue incorporated into base rates. The rate filing sought a return on equity of 10.30 percent and a 53.00 percent equity ratio. On an annualized basis, the requested final rate increase would have generated approximately \$89 million in additional revenue. In separate orders dated December 19, 2023, the MPUC accepted the filing as complete and approved an annual interim rate increase of approximately \$64 million, net of rider revenue, beginning January 1, 2024, subject to refund.

On May 3, 2024, Minnesota Power entered into a settlement agreement with the Minnesota Department of Commerce, Minnesota Office of the Attorney General, Residential Utilities Division, and Large Power Intervenors to settle the retail rate increase request. As part of the settlement agreement, the parties agreed on all issues, including an overall rate increase of \$33.97 million, net of rider revenue and amounts transferring to the fuel adjustment clause, a return on equity of 9.78 percent, all non-financial items and cost allocation. In an order dated November 25, 2024, the MPUC approved the settlement agreement. Final rates were implemented in the first quarter of 2025; interim rates were collected through this period with reserves recorded as necessary, which were refunded to customers in the second quarter of 2025.

2022 Minnesota General Rate Case. Minnesota Power appealed with the Minnesota Court of Appeals (Court) specific aspects of the MPUC's February 2023 and May 2023 rate case orders for the ratemaking treatment of Taconite Harbor and Minnesota Power's prepaid pension asset. On September 9, 2024, the Court affirmed the MPUC's Taconite Harbor treatment, but reversed and remanded the treatment of Minnesota Power's prepaid pension asset back to the MPUC. The Court directed the MPUC to determine the amount of Minnesota Power's prepaid pension asset to be included in rate base. On June 26, 2025, the MPUC held a hearing and decided to reopen the record to address whether Minnesota Power has met its burden to prove the size and source of the prepaid pension asset, contributions required by Federal law, and possible allocation between ratepayers and shareholders. We are unable to predict the outcome of this proceeding.

NOTE 2. REGULATORY MATTERS (Continued)

Solar Cost Recovery Rider. Minnesota Power has an approved cost recovery rider in place to charge retail customers on a current basis for solar costs related to investments and expenditures for meeting the state of Minnesota's solar energy standard. Current customer billing rates were approved by the MPUC in an order dated February 13, 2025.

Fuel Adjustment Clause. Minnesota Power incurred higher fuel and purchased power costs in 2024 than those factored in its fuel adjustment forecast filed in May 2023 for 2024, which resulted in the recognition of a \$4.5 million regulatory asset. Minnesota Power submitted its annual true-up filing to the MPUC on March 3, 2025. At a hearing on June 26, 2025, the MPUC approved the filing, and authorized Minnesota Power to refund the regulatory liability over 12 months beginning on September 1, 2025.

Minnesota Power has incurred lower fuel and purchased power costs in 2025 than those factored in its 2025 fuel adjustment forecast filed in May 2024, which resulted in the recognition of a \$5.7 million regulatory liability as of June 30, 2025.

Minnesota Power filed its annual forecasted fuel and purchased energy rates for 2026 on May 1, 2025.

Energy Conservation and Optimization (ECO) Plan. On April 1, 2025, Minnesota Power submitted its 2024 ECO annual filing (formerly the Conservation Improvement Plan) detailing Minnesota Power's ECO plan results and requesting a financial incentive of \$2.6 million, which will be recognized upon approval by the MPUC. In 2024, a financial incentive of \$2.2 million was recognized in the fourth quarter upon approval by the MPUC of the 2023 ECO annual filing. The financial incentives are recognized in the period in which the MPUC approves the filing.

Integrated Resource Plan. On March 3, 2025, Minnesota Power filed its 2025 IRP, which outlines Minnesota Power's next steps to provide safe and reliable energy to customers while adding new resources, meeting increasing demand for energy and reducing carbon emissions. The 2025 IRP calls for adding renewable projects, customer-focused demand response, energy storage and natural gas generation, and positions Minnesota Power to cease coal use for its customers at the Boswell Energy Center in Cohasset and meet the requirements of the state of Minnesota's carbon-free standard. As part of the 2025 IRP, Minnesota Power anticipates maximizing and expanding customer-focused programs including energy efficiency, energy conservation and demand response, adding 400 MW of new wind energy resources by 2035, in addition to the 700 MW of wind and solar announced in its 2021 IRP, expanding energy storage resources by 100 MW by 2035, and adding approximately 1,000 MW of natural gas capacity, including the refuel of Boswell Unit 3 to run solely on natural gas by 2030. Minnesota Power will continue to explore biomass fuel opportunities at Boswell Unit 3 and will develop natural gas replacement options for Boswell Unit 4. A final decision on the 2025 IRP is expected in 2026.

2021 Integrated Resource Plan. In 2021, Minnesota Power filed its 2021 IRP, which was approved by the MPUC in a January 2023 order. The approved 2021 IRP, which reflected a joint agreement reached with various stakeholders, outlined Minnesota Power's clean-energy transition plans through 2035. Those plans included expanding its renewable energy supply, achieving coal-free operations at its facilities by 2035, and investing in a resilient and flexible transmission and distribution grid. As part of those plans, Minnesota Power is adding up to 700 MW of new wind and solar energy resources, and ceasing coal operations at Boswell Units 3 and 4 by 2030 and 2035, respectively. Minnesota Power's plans recognized that advances in technology will play a significant role in completing its transition to carbon-free energy supply, reliably and affordably.

Wind Energy Request For Proposals. On August 4, 2025, Minnesota Power announced plans to build a 200 MW wind project in North Dakota, which is expected to be in service in late 2027, subject to regulatory approvals in North Dakota and Minnesota. Minnesota Power also filed a petition with the MPUC on August 4, 2025, requesting approval of investments and expenditures in the wind project for recovery through Minnesota Power's renewable resources rider.

Regulatory Assets and Liabilities. Our regulated utility operations are subject to accounting standards for the effects 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. 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 2. REGULATORY MATTERS (Continued)

Regulatory Assets and Liabilities	June 30, 2025	December 31, 2024
Millions		
Current Regulatory Assets (a)		
Fuel Adjustment Clause	\$3.2	—
Other	1.6	\$1.6
Total Current Regulatory Assets	\$4.8	\$1.6
Non-Current Regulatory Assets		
Defined Benefit Pension and Other Postretirement Benefit Plans	\$197.2	\$200.3
Income Taxes	81.4	84.9
Asset Retirement Obligations	43.1	41.0
Taconite Harbor	10.5	17.3
Manufactured Gas Plant	10.8	11.6
Cost Recovery Riders	13.9	5.5
PPACA Income Tax Deferral	3.6	3.7
Fuel Adjustment Clause	0.7	4.5
Other	1.8	2.9
Total Non-Current Regulatory Assets	\$363.0	\$371.7
Current Regulatory Liabilities (b)		
Provision for Interim Rate Refund	—	\$23.0
Fuel Adjustment Clause	\$2.2	7.2
Other	1.1	1.3
Total Current Regulatory Liabilities	\$3.3	\$31.5
Non-Current Regulatory Liabilities		
Income Taxes	\$283.2	\$292.7
Wholesale and Retail Contra AFUDC	79.4	77.6
Plant Removal Obligations	78.2	74.2
Non-Jurisdictional Land Sales	74.8	59.7
Defined Benefit Pension and Other Postretirement Benefit Plans	37.2	40.7
Investment Tax Credits	17.4	17.8
Boswell Units 1 and 2 Net Plant and Equipment	6.7	6.7
Fuel Adjustment Clause	5.7	0.6
Other	4.1	0.5
Total Non-Current Regulatory Liabilities	\$586.7	\$570.5

(a) Current regulatory assets are presented within Prepayments and Other on the Consolidated Balance Sheet.

(b) Current regulatory liabilities are presented within Other Current Liabilities on the Consolidated Balance Sheet.

NOTE 3. 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.

ALLETE's Investment in ATC

Millions	
Equity Investment Balance as of December 31, 2024	\$194.4
Cash Investments	11.3
Equity in ATC Earnings	12.9
Distributed ATC Earnings	(12.3)
Amortization of the Remeasurement of Deferred Income Taxes	0.6
Equity Investment Balance as of June 30, 2025	\$206.9

NOTE 3. EQUITY INVESTMENTS (Continued)

The FERC issued a Notice of Proposed Rulemaking in 2021 proposing to limit the 0.50 percent incentive adder for participation in a regional transmission organization to only the first three years of membership in such an organization. If this proposal is adopted, our equity in earnings from ATC would be reduced by approximately \$1 million pre-tax annually.

Investment in Nobles 2. Our subsidiary, ALLETE South Wind, owns 49 percent of Nobles 2, the entity that owns and operates a 250 MW wind energy facility in southwestern Minnesota pursuant to a 20-year PPA with Minnesota Power. We account for our investment in Nobles 2 under the equity method of accounting.

ALLETE's Investment in Nobles 2

Millions	
Equity Investment Balance as of December 31, 2024	\$145.7
Equity in Nobles 2 Earnings <i>(a)</i>	(1.0)
Distributed Nobles 2 Earnings	(1.1)
Equity Investment Balance as of June 30, 2025	\$143.6

(a) The Company also recorded earnings from net loss attributable to non-controlling interest of \$7.3 million related to its investment in Nobles 2.

NOTE 4. 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). Descriptions of the three levels of the fair value hierarchy are discussed in Note 7. Fair Value to the Consolidated Financial Statements in our 2024 Form 10-K.

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 June 30, 2025, and December 31, 2024. 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.

NOTE 4. FAIR VALUE (Continued)

Recurring Fair Value Measures	Fair Value as of June 30, 2025			Total
	Level 1	Level 2	Level 3	
Millions				
Assets				
Investments (a)				
Available-for-sale – Equity Securities	\$5.0	—	—	\$5.0
Available-for-sale – Corporate and Governmental Debt Securities (b)	—	\$5.4	—	5.4
Cash Equivalents	16.5	—	—	16.5
Total Fair Value of Assets	\$21.5	\$5.4	—	\$26.9
Liabilities				
Deferred Compensation (c)	—	\$20.8	—	\$20.8
Total Fair Value of Liabilities	—	\$20.8	—	\$20.8

Recurring Fair Value Measures	Fair Value as of December 31, 2024			Total
	Level 1	Level 2	Level 3	
Millions				
Assets				
Investments (a)				
Available-for-sale – Equity Securities	\$8.6	—	—	\$8.6
Available-for-sale – Corporate and Governmental Debt Securities	—	\$6.8	—	6.8
Cash Equivalents	8.5	—	—	8.5
Total Fair Value of Assets	\$17.1	\$6.8	—	\$23.9
Liabilities				
Deferred Compensation (c)	—	\$21.1	—	\$21.1
Total Fair Value of Liabilities	—	\$21.1	—	\$21.1

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

(b) As of June 30, 2025, the aggregate amount of available-for-sale corporate and governmental debt securities maturing in one year or less was \$1.1 million, in one year to less than three years was \$2.9 million, in three years to less than five years was \$0.9 million and in five or more years was \$0.5 million.

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

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		
Short-Term and Long-Term Debt (a)		
June 30, 2025	\$2,004.2	\$1,892.2
December 31, 2024	\$1,808.0	\$1,668.0

(a) Excludes unamortized debt issuance costs.

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. For the quarter and six months ended June 30, 2025, and the year ended December 31, 2024, there were no indicators of impairment for these non-financial assets.

We continue to monitor changes in the broader energy markets along with wind resource expectations that could indicate impairment at ALLETE Clean Energy wind energy facilities upon contract expirations. A decline or volatility in energy prices, change in operational plans or lower wind resource expectations could result in a future impairment.

NOTE 5. SHORT-TERM AND LONG-TERM DEBT

The following tables present the Company's short-term and long-term debt as of June 30, 2025, and December 31, 2024:

June 30, 2025	Principal	Unamortized Debt Issuance Costs	Total
Millions			
Short-Term Debt	\$63.6	—	\$63.6
Long-Term Debt	1,940.6	\$(8.8)	1,931.8
Total Debt	\$2,004.2	\$(8.8)	\$1,995.4
December 31, 2024			
Millions			
Short-Term Debt	\$94.7	—	\$94.7
Long-Term Debt	1,713.3	\$(8.6)	1,704.7
Total Debt	\$1,808.0	\$(8.6)	\$1,799.4

We had \$16.2 million outstanding standby letters of credit and \$100.0 million outstanding draws under our lines of credit as of June 30, 2025 (\$16.2 million in standby letters of credit and \$20.0 million outstanding draws on our lines of credit as of December 31, 2024). We also have standby letters of credit outstanding under other letter of credit facilities. (See Note 6. Commitments, Guarantees and Contingencies.)

On March 25, 2025, ALLETE issued and sold \$150 million of senior unsecured notes ("Notes") to certain institutional buyers in the private placement market. The Notes 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. Of the Notes issued and sold, \$120 million of the Notes bear interest at a rate of 5.38 percent and mature on March 25, 2030, and \$30 million of the Notes bear interest at a rate of 5.82 percent and mature on March 25, 2035. Interest on the Notes will be payable semi-annually on April 1 and October 1 of each year, commencing on October 1, 2025. ALLETE has the option to prepay all or a portion of the Notes at its discretion, subject to a make-whole provision. The Notes are subject to additional terms and conditions which are customary for these types of transactions. Proceeds from the sale of the Notes were used for refinancing of debt and general corporate purposes.

On July 9, 2025, ALLETE issued \$250 million of first mortgage bonds ("Bonds") to certain institutional buyers in the private placement market. 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.

The Bonds were issued in four series as follows:

Maturity Date	Principal Amount	Interest Rate
July 9, 2032	\$50 million	5.37%
July 9, 2035	\$75 million	5.69%
July 9, 2037	\$50 million	5.79%
July 9, 2055	\$75 million	6.34%

Interest on the Bonds is payable semi-annually on January 15 and July 15 of each year, commencing on January 15, 2026. ALLETE has the option to prepay all or a portion of the Bonds at its discretion, subject to a make-whole provision; however, each series of bonds is redeemable at par, including, in each case, accrued and unpaid interest, three months prior to the maturity date of the series maturing in 2032, 2035 and 2037, and six months prior to the maturity date of the series maturing in 2055. The Bonds will be subject to additional terms and conditions which are customary for these types of transactions. ALLETE plans to use the proceeds from the sale of the Bonds to fund utility capital expenditures.

NOTE 5. SHORT-TERM AND LONG-TERM DEBT (Continued)

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 June 30, 2025, our ratio was approximately 0.39 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; however, under the Merger Agreement, the Company has agreed not to declare or pay dividends except for quarterly cash dividends payable by us in respect of shares of our common stock on a schedule consistent with our past practices in an amount not to exceed 5 percent per share more than the dividend payable during the prior 12-month period, subject to certain other exceptions. (See Note 11. Agreement and Plan of Merger.). As of June 30, 2025, ALLETE was in compliance with its financial covenants.

NOTE 6. COMMITMENTS, GUARANTEES AND CONTINGENCIES

Power Purchase and Sale 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 our capacity and energy payments.

Our PPAs are summarized in Note 9. Commitments, Guarantees and Contingencies to the Consolidated Financial Statements in our 2024 Form 10-K, with additional disclosure provided in the following paragraphs.

Square Butte PPA. As of June 30, 2025, Square Butte had total debt outstanding of \$157.6 million. 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 the six months ended June 30, 2025, was \$40.9 million (\$44.2 million for the same period in 2024). 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 \$2.1 million (\$2.6 million for the same period in 2024). Minnesota Power's payments to Square Butte are approved as a purchased power expense for ratemaking purposes by both the MPUC and the FERC.

Minnkota Power PSA. Minnesota Power has a PSA with Minnkota Power, which commenced in 2014. Under the PSA, 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, Minnesota Power sold to Minnkota Power approximately 46 percent in 2025 and 41 percent in 2024.

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 2027. Minnesota Power also has coal transportation agreements in place for the delivery of a significant portion of its coal requirements through December 2027. 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.

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.

Federal Environmental Regulatory Agenda. On March 12, 2025, the EPA announced its intent to reevaluate or reconsider numerous environmental regulations. This list includes various air, water, and waste environmental regulatory actions, many of which apply at the Company. The specific timing or outcome of this initiative is not yet known, but regular required rulemaking processes and procedures still apply, and litigation may also occur. The following disclosures do not attempt to discern potential impacts of these deregulatory actions until and unless formal rulemaking or other regulatory actions are announced and the potential impacts to ALLETE operations can be discerned. We are unable to predict the outcome of the reevaluation or reconsideration of these environmental regulations.

Air. The electric utility industry is regulated both at the federal and state level to address air emissions. Minnesota Power's thermal generating facilities mainly burn low-sulfur western sub-bituminous coal, as well as natural gas and biomass. 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.

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 SO₂ allowances issued and pending issuance as well as consideration of current rules, we currently expect generation levels and emission rates will result in continued compliance with the CSAPR. Minnesota Power will continue to monitor ongoing CSAPR rulemakings and compliance implementation, including the EPA's Good Neighbor Rule which modifies certain aspects of the CSAPR's program scope and extent (see *EPA Good Neighbor Plan for 2015 Ozone NAAQS*).

National Ambient Air Quality Standards (NAAQS). The EPA is required to review each 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. Minnesota Power actively monitors NAAQS developments, and the EPA has recently reassessed several primary and secondary NAAQS for NO_x, SO₂, and particulate matter. Implementation of the EPA's February 2024 final rule lowering the annual primary standard for fine particulate matter began on May 6, 2024. On December 27, 2024, the EPA published a final rule in the Federal Register revising the secondary SO₂ NAAQS while retaining the NO_x and particulate matter secondary standards, with a final rule effective date of January 27, 2025. Anticipated timelines and compliance costs related to this and other potential NAAQS revisions cannot yet be estimated but costs could be material. Minnesota Power would seek recovery of additional costs through a rate proceeding.

NOTE 6. COMMITMENTS, GUARANTEES AND CONTINGENCIES (Continued)
Environmental Matters (Continued)

EPA Good Neighbor Plan for 2015 Ozone NAAQS. On June 5, 2023, after disapproving state implementation plans, the EPA published a final Federal Implementation Plan (FIP) rule in the Federal Register, the Good Neighbor Plan, to address regional ozone transport for the 2015 Ozone NAAQS by reducing NO_x emissions during the period of May 1 through September 30 (ozone season). In its justification for the final rule, the EPA asserted that 23 states, including Minnesota, were modeled as significant contributors to downwind states' challenges in attaining or maintaining ozone NAAQS compliance within their state borders. The Good Neighbor Plan is designed to resolve this interstate transport issue by implementing a variety of NO_x reduction strategies, including federal implementation plan requirements, NO_x emission limitations, and ozone season allowance program requirements. The final rule imposed restrictions on fossil-fuel fired power plants in 22 states and on certain industrial sources in 20 states, with implementation occurring through changes to the existing CSAPR program for power plants.

Since the EPA partially disapproved the Good Neighbor State Implementation Plans (SIPs) for the states of Minnesota and Wisconsin, among others, Minnesota became subject to the final Good Neighbor Plan. However, Minnesota Power and a coalition of other Minnesota utilities and industry (the parties) co-filed challenges to the EPA's final Minnesota SIP disapproval, submitting a petition for reconsideration and stay to the EPA, and a petition for judicial review to the Eighth Circuit Court. The parties are challenging and requesting reconsideration of certain technical components of the EPA's review and subsequent partial disapproval of the state of Minnesota's SIP. In July 2023, the Eighth Circuit Court granted a stay of the SIP disapproval preventing the Good Neighbor Plan from taking effect in Minnesota; oral arguments occurred in October 2024. In April 2024, the EPA published a partial denial of several administrative reconsideration and stay petitions, including from the Minnesota coalition. On September 29, 2023, the EPA issued an updated final interim rule addressing the stays in Minnesota and five other states, formally delaying the effective date of the final FIP for states with active stays in place. The state of Minnesota therefore did not become subject to compliance obligations for the 2023, 2024, or 2025 ozone seasons.

Future compliance obligations will depend on resolution of the stay and outcomes of related litigation. Additional challenges have been filed against the final FIP rule by the Minnesota coalition parties and other entities, although the Minnesota coalition FIP challenge is currently in abeyance pending resolution of the SIP disapproval case. On June 27, 2024, the U.S. Supreme Court granted an emergency stay of the FIP rule requested by several states and industry groups, staying enforcement pending the D.C. Circuit's review and any petition for writ of certiorari. In response to the U.S. Supreme Court's stay order, the EPA published a third interim rule in the Federal Register on November 6, 2024, staying the effectiveness of the Good Neighbor FIP in the 10 remaining covered states, including Wisconsin. On March 10, 2025, the EPA filed a motion with the D.C. Circuit requesting a voluntary remand of its FIP, stating they anticipate completing replacement rulemaking by Fall 2026, and on March 12, 2025, the EPA also listed the Good Neighbor Plan reconsideration among its announcement of 31 proposed actions to reconsider EPA rules. Anticipated timelines and compliance costs related to final Good Neighbor Plan compliance cannot yet be estimated due to uncertainties about SIP approval resolution, implementation timing, FIP rule outcome, and allowance costs and facility emissions during the ozone season. However, the costs could be material, including costs of additional NO_x controls, emission allowance program participation, or operational changes, if any are required. Minnesota Power would seek recovery of additional costs through a rate proceeding. Additionally, final rates in Minnesota Power's most recent rate case were implemented on March 1, 2025, allowing any necessary allowance purchase costs to transfer to the fuel adjustment clause.

EPA National Emission Standards for Hazardous Air Pollutants for Major Sources: Industrial, Commercial and Institutional Boilers and Process Heaters (Industrial Boiler MACT) Rule. A final rule issued by the EPA for Industrial Boiler MACT became effective in 2013 with compliance required at major existing sources in 2016, which applied to Minnesota Power's Hibbard Renewable Energy Center and Rapids Energy Center. Compliance consisted largely of adjustments to fuels and operating practices and compliance costs were not material. After this initial rulemaking, litigation from 2016 through 2018 resulted in court orders directing that the EPA reconsider certain aspects of the regulation. A final rule incorporating these revisions became effective in December 2022, with a compliance deadline of October 6, 2025. Compliance costs are not expected to be material.

NOTE 6. COMMITMENTS, GUARANTEES AND CONTINGENCIES (Continued)

Environmental Matters (Continued)

EPA Mercury and Air Toxics Standards (MATS) Rule. On May 7, 2024, the EPA promulgated a final rule to revise the existing 2012 MATS Rule, which regulates air emissions of hazardous air pollutants from coal- and oil-fired electric generating units (EGUs). The final rule eliminates certain MATS compliance flexibility, lowers the particulate emission standard for all coal-fired EGUs, and reduces the mercury emission standard for lignite-fired EGUs. The rule became effective July 8, 2024, with compliance required beginning July 6, 2027. The MATS regulation applies at Minnesota Power's Boswell facility, which is currently well-controlled for these emissions and already complying with some of the new requirements. The Company anticipates the new rule will not have material impacts at Boswell. However, compliance costs cannot yet be fully estimated, and recovery of any additional costs would be sought through a rate proceeding. Litigation against the EPA's latest MATS rule revision from a number of U.S. states, as well as several companies and industry groups, is ongoing. Motions to stay the rule were denied by the U.S. Court of Appeals for the D.C. Circuit on August 6, 2024, and the U.S. Supreme Court on October 4, 2024. On April 8, 2025, President Trump issued a proclamation entitled *Regulatory Relief for Certain Stationary Sources to Further Promote American Energy* granting a two-year compliance extension deadline to "certain stationary sources" subject to the 2024 MATS Rule. The list of the specific facilities who may qualify for the exemption has not yet been made available.

On April 8, 2025, President Trump issued a proclamation entitled *Regulatory Relief for Certain Stationary Sources to Further Promote American Energy*. Pursuant to this proclamation, a two-year compliance extension deadline was granted on April 14, 2025 to 47 specific listed sources subject to the 2024 MATS rule, exempting those sources from compliance obligations of the 2024 rule until July 8, 2029; another proclamation was subsequently issued for several additional sources on July 17, 2025. Minnesota Power did not request a deadline extension. Subsequently, the EPA published a proposed rule on June 17, 2025, repealing the majority of the 2024 final MATS rule. The Company anticipates this proposed rule will not have material impact at Boswell.

Climate Change. The scientific community generally accepts that emissions of GHGs 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 or other changes in temperatures; increased risk of wildfires; 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 April 25, 2024, the EPA issued several final greenhouse gas regulations to establish emissions standards and guidelines for fossil fuel-fired electric generating units (EGUs) under Section 111 of the Clean Air Act (CAA). The final rules revise new source performance standards (NSPS) for new, modified and reconstructed EGUs (Section 111(b) of the CAA) and creates new emission guidelines for existing EGUs (Section 111(d) of the CAA). The action also officially repeals the predecessor regulation "Affordable Clean Energy Rule", first issued in 2019 and later vacated in 2021. Compliance will be required beginning January 1, 2030, for existing sources, and upon commencing operation of new units. The 111(d) rule also requires states to submit plans to provide for the establishment, implementation and enforcement of performance standards for existing sources. States must submit either a state plan or negative declaration letter to the EPA by May 11, 2026.

NOTE 6. COMMITMENTS, GUARANTEES AND CONTINGENCIES (Continued)

Environmental Matters (Continued)

The final Section 111 rules apply to several Company assets, including existing EGUs at the Boswell and Laskin facilities as well as the proposed combined cycle natural gas-fired generating facility, Nemadji Trail Energy Center. The Company anticipates compliance with the rules may require operational or planning adjustments. The state implementation plan process for Section 111(d) existing units will also be a factor in determining specific requirements and timing. We are unable to predict compliance costs at this time; however, the costs could be material. Minnesota Power would seek recovery of additional costs through a rate proceeding. The Company is also monitoring endangerment finding evaluations by the EPA, as well as litigation of the final Section 111 rules. Litigation began when the rules were published in the Federal Register on May 9, 2024, and continues in federal court. Both the D.C. Circuit and the U.S. Supreme Court have declined requests to block the rule from becoming effective while litigation is ongoing. Oral arguments in the D.C. Circuit occurred on December 6, 2024, with a merits decision expected in mid-2025; however, currently the case remains in continued abeyance at the EPA's request while the EPA reconsiders the Section 111 regulations. The EPA has stated it anticipates issuing a final reconsideration rule by December 2025.

On June 17, 2025, the EPA published a proposed rule titled *Repeal of Greenhouse Gas Emissions Standards for Fossil Fuel-Fired Electric Generating Units* (reconsideration rule) that, if finalized, would repeal either all or certain aspects of the 2024 Section 111 rules. Outcomes from ongoing litigation over the 2024 Section 111 rules, the outcome of the proposed reconsideration rule, and the effects of future litigation will determine the timing of rule effectiveness and the ultimate compliance obligations required by the rule. The EPA also released a proposed rule on July 29, 2025 titled *Reconsideration of 2009 Greenhouse Gas Endangerment Finding and Greenhouse Gas Standards* seeking to repeal all greenhouse gas emissions standards for vehicles and engines as well as to rescind the EPA's 2009 endangerment finding related to greenhouse gases. The Company cannot predict the outcome of this rulemaking initiative at this point, but resolution of this matter also has the potential to affect federal greenhouse gas regulations at stationary sources such as power plants.

Water. The Clean Water Act requires NPDES permits be obtained from the EPA or delegated state 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 Best Available Control Technology (BACT) for several wastewater streams, including flue gas desulfurization (FGD) water, bottom ash transport water and coal combustion landfill leachate. In October 2020, the EPA published a final ELG Rule allowing re-use of bottom ash transport water in FGD scrubber systems with limited discharges related to maintaining system water balance. The rule set technology standards and numerical pollutant limits for discharges of bottom ash transport water and FGD wastewater. Compliance deadlines depend on subcategory, with compliance generally required as soon as possible, beginning after October 13, 2021, but no later than December 31, 2025, or December 31, 2028, in some specific cases.

On May 9, 2024, the EPA finalized revisions to the 2020 ELG rule. The final rule establishes zero discharge limitations for bottom ash transport water, FGD wastewater, and combustion residual leachate. A definition for legacy wastewater was established, with deferral to state permit programs for setting discharge limits based on best professional judgment. The rule maintains exemptions for units permanently ceasing coal combustion by 2028 and adds a new subcategory for units that are retiring by 2032 and have already complied with either the 2015 or 2020 ELG rules. Additionally, the rule establishes mercury and arsenic limitations for functionally equivalent discharges of leachate via groundwater to surface water. Compliance deadlines are determined by the applicable state permitting authority through permit incorporation as soon as July 8, 2024, but no later than December 31, 2029.

Bottom ash transport and FGD wastewater ELGs are not expected to have a significant impact on Minnesota Power operations. Zero leachate discharge requirements have the potential to impact dewatering associated with the closed Taconite Harbor dry ash landfill. New limitations for arsenic and mercury related to functionally equivalent (groundwater to surface water) discharges are not currently anticipated to impact Minnesota Power facilities.

NOTE 6. COMMITMENTS, GUARANTEES AND CONTINGENCIES (Continued)

Environmental Matters (Continued)

We estimate no additional material compliance costs for ELG bottom ash water and FGD requirements. Compliance costs we might incur related to other ELG waste streams (e.g., leachate) or other potential future water discharge regulations at Minnesota Power facilities cannot be estimated; however, the costs could be material, including costs associated with wastewater treatment and re-use. Minnesota Power would seek recovery of additional costs through a rate proceeding. On June 30, 2025, the EPA announced its intent to update the 2024 final ELG Rule by extending certain compliance deadlines and exploring other potential compliance flexibility for sources. To accomplish this, the EPA currently plans to issue both a direct final rule and several proposed rulemaking notices beginning in the second or third quarter of 2025, with final action anticipated by the end of 2025.

Permitted Water Discharges – Sulfate. In 2017, the MPCA released a draft water quality standard in an attempt to update Minnesota's existing 10 mg/L sulfate limit for waters used for the production of wild rice with the proposed rulemaking heard before an administrative law judge (ALJ). In 2018, the ALJ rejected significant portions of the proposed rulemaking and the MPCA subsequently withdrew the rulemaking. The existing 10 mg/L limit remains in place, and primarily affects Boswell's discharge. Boswell received a NPDES Wastewater Permit that includes site specific sulfate limits that will not materially impact operations. We are unable to determine the specific impacts these requirements may have on other Minnesota Power operations or its customers, if any.

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 produces the majority of its coal ash at Boswell, with small amounts of ash generated at Hibbard Renewable Energy Center. Ash storage and disposal methods include storing ash in clay-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.

Boswell Ash Wastewater Spill. On August 12, 2024, Minnesota Power received a Notice of Violation (NOV) from the MPCA, related to the spill at Boswell from a pipeline carrying ash wastewater from an inactive onsite storage pond to Blackwater Lake, which the Company reported on July 16, 2024. Minnesota Power responded to the MPCA NOV, clarifying certain statements made by the MPCA, as well as providing a written report and required plans. Minnesota Power continues to work with state and federal agencies to evaluate and remediate the impacts from this event. We incurred remediation costs of approximately \$2 million pre-tax in the first half of 2025. We are unable to predict the total amount of remediation and other costs or potential financial penalties related to the ash wastewater spill at this time; however, the amounts could be material.

Coal Combustion Residuals from Electric Utilities. In 2015, the EPA published a final rule (2015 Rule) regulating CCR as nonhazardous waste under Subtitle D of the Resource Conservation and Recovery Act (RCRA) in the Federal Register. The rule included additional requirements for new landfill and impoundment construction as well as closure activities related to certain existing impoundments. Costs of compliance for Boswell and Laskin are expected to be incurred primarily over the next 12 years and be between approximately \$65 million and \$120 million. Compliance costs for CCR at Taconite Harbor are not expected to be material. Minnesota Power would seek recovery of additional costs through a rate proceeding.

Minnesota Power continues to work on minimizing compliance costs through evaluation of beneficial re-use and recycling of CCR. In 2018, a U.S. District Court for the District of Columbia decision vacated specific provisions of the CCR rule, which resulted in a change to the status of existing clay-lined impoundments at Boswell being considered unlined. In September 2020, the EPA finalized the CCR Part A Rule, which required all unlined impoundments to cease disposal and initiate closure. Upon completion of dry ash conversion activities, Boswell ceased disposal in both impoundments in September 2022. Both impoundments are now inactive and have initiated closure.

NOTE 6. COMMITMENTS, GUARANTEES AND CONTINGENCIES (Continued)

Environmental Matters (Continued)

On May 8, 2024, the EPA's final CCR Legacy Impoundment Rule was published in the Federal Register. The final rule expands the scope of units regulated under the CCR rule to include legacy ponds (inactive surface impoundments at inactive facilities) and creates a new category of units called CCR management units (CCRMU), which includes inactive and closed impoundments and landfills as well as other non-containerized accumulations of CCR. The final rule requires all regulated generating facilities to evaluate and identify past deposits of CCR materials on their sites and close or re-close existing CCR units to meet current closure standards, as well as install groundwater monitoring systems, conduct groundwater monitoring, and implement groundwater corrective actions as necessary. The Final Rule requires a Facility Evaluation Report by February 2027, which will identify regulated units and applicable requirements. Additionally, the EPA finalized portions of the proposed CCR Part B Rule, which allows CCR units to certify closure while conducting groundwater remediation activities. On July 22, 2025, the EPA published a proposed *CCRMU Deadline Extension Rule* to extend certain CCRMU compliance deadlines by at least one year, including reporting, groundwater monitoring, and closure requirements. We are unable at this time to predict the total impact of compliance relief if the extension rule is finalized; however, any lessened costs are not expected to be material.

Impacts to previously closed CCR units at Boswell and Laskin are anticipated from the CCR Legacy Rule. Compliance costs for Minnesota Power's Boswell and Laskin facilities are estimated to be between approximately \$50 million and \$85 million and are expected to be incurred over the next 10 years based on our preliminary assessment. These estimates may be revised as Minnesota Power completes the required facility evaluations. Minnesota Power is expected to seek recovery of these costs through a rate proceeding. The Company included in its 2024 Remaining Life Depreciation Petition filed with the MPUC on September 24, 2024, an additional \$67.8 million, the average of the estimated cost range, for the expected investigative costs and the increase in depreciation expense for these facilities. Furthermore, a petition seeking approval of deferred cost accounting treatment for these CCR Legacy Rule compliance costs was filed with the MPUC on December 30, 2024. We are currently recording depreciation expense related to this rule on the Consolidated Statement of Income, which would be moved to a deferred tracking account for MPUC review in a future rate case or other proceeding if the MPUC approves our request for deferral accounting treatment. We are unable to predict the outcome of this proceeding.

Additionally, the EPA released a proposed CCR Part B rulemaking in February 2020 addressing options for beneficial reuse of CCR materials, alternative liner demonstrations and other CCR regulatory revisions. Portions of the Part B rule addressing alternative liner equivalency standards were finalized in November 2020. A final rule establishing the remaining CCR beneficial reuse requirements is expected but has been moved to EPA's long-term rulemakings, without a publication target date currently. According to its latest Unified Agenda, the EPA had planned to publish the final CCR federal permit rule implementing a permitting program for tribal lands and nonparticipating states in December 2024, but that did not occur.

Other Matters

Letters of Credit, Surety Bonds and Other Indemnifications.

We have multiple credit facility agreements in place that provide the ability to issue standby letters of credit to satisfy contractual security requirements across our businesses. As of June 30, 2025, we had \$139.6 million of outstanding letters of credit issued, including those issued under our revolving credit facility, and \$133.2 million in outstanding surety bonds. We do not believe it is likely that any of these outstanding letters of credit or surety bonds will be drawn upon.

In 2024 and 2025, under the tax credit transferability provision of the Inflation Reduction Act, we entered into agreements with third parties to sell a portion of our renewable tax credits; to date, under these agreements we have indemnified the parties for approximately \$88.1 million of renewable tax credits. ALLETE has indemnified the parties for specified claims for reduction, loss, or disallowance of the transferred tax credits on an after-tax basis.

Regulated Operations. As of June 30, 2025, we had \$33.9 million outstanding in standby letters of credit and surety bonds at our Regulated Operations which are pledged as security to MISO, the NDPSC and state agencies.

ALLETE Clean Energy. ALLETE Clean Energy is party to PSAs that expire in various years between 2027 and 2039. As of June 30, 2025, ALLETE Clean Energy has \$86.7 million outstanding in standby letters of credit and surety bonds, the majority of which are pledged as security under these PSAs.

New Energy. As of June 30, 2025, New Energy had standby letters of credit outstanding of \$12.7 million related to the development of renewable energy projects.

Corporate and Other.

BNI Energy. As of June 30, 2025, BNI Energy had surety bonds outstanding of \$99.7 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 \$99.5 million. BNI Energy does not believe it is likely that any of these outstanding surety bonds will be drawn upon.

Investment in Nobles 2. The Nobles 2 wind energy facility requires standby letters of credit as security for certain contractual obligations. As of June 30, 2025, ALLETE South Wind has \$10.1 million outstanding in standby letters of credit, related to its portion of the security requirements relative to its ownership in Nobles 2.

South Shore Energy. As of June 30, 2025, South Shore Energy had \$29.7 million outstanding in standby letters of credit pledged as security in connection with the development of NTEC.

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.

Three complaints have been filed against ALLETE and its directors. The first was filed on July 1, 2024, in the U.S. District Court for the Southern District of New York, alleging violation of Sections 14(a) and 20(a) of the Securities Exchange Act of 1934, disclosure deficiency in the Preliminary Proxy, and seeking to enjoin the transaction until certain disclosures are corrected. On September 3, 2024, that complaint was voluntarily dismissed without prejudice. Two additional complaints were filed on August 6, 2024, and August 7, 2024, in the New York State Supreme Court, alleging negligent misrepresentation and negligence related to alleged deficiencies in the Preliminary Proxy. Those complaints have not been served on any defendant. The Company believes that the remaining complaints are without merit.

NOTE 7. EARNINGS PER SHARE AND COMMON STOCK

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.

Reconciliation of Basic and Diluted Earnings Per Share	2025			2024		
	Basic	Dilutive Securities	Diluted	Basic	Dilutive Securities	Diluted
Millions Except Per Share Amounts						
Quarter ended June 30,						
Net Income Attributable to ALLETE	\$31.9		\$31.9	\$33.0		\$33.0
Average Common Shares	58.0	0.1	58.1	57.7	0.1	57.8
Earnings Per Share	\$0.55		\$0.55	\$0.57		\$0.57
Six Months Ended June 30,						
Net Income Attributable to ALLETE	\$88.0		\$88.0	\$83.7		\$83.7
Average Common Shares	58.0	—	58.0	57.7	—	57.7
Earnings Per Share	\$1.52		\$1.52	\$1.45		\$1.45

NOTE 8. INCOME TAX EXPENSE

Millions	Quarter Ended June 30,		Six Months Ended June 30,	
	2025	2024	2025	2024
Current Income Tax Expense				
Federal (a)	\$1.2	\$3.3	\$4.3	\$6.8
State	1.4	3.2	6.1	6.6
Total Current Income Tax Expense	\$2.6	\$6.5	\$10.4	\$13.4
Deferred Income Tax Expense (Benefit)				
Federal (b)	\$(2.8)	\$(5.0)	\$(4.2)	\$(10.0)
State	(0.2)	0.1	1.1	2.5
Investment Tax Credit Amortization	(0.2)	(0.2)	(0.4)	(0.5)
Total Deferred Income Tax Benefit	\$(3.2)	\$(5.1)	\$(3.5)	\$(8.0)
Total Income Tax Expense (Benefit)	\$(0.6)	\$1.4	\$6.9	\$5.4

(a) For the quarter and six months ended June 30, 2025 and 2024, the federal current tax expense is partially offset by tax credits.

(b) For the quarter and six months ended June 30, 2025 and 2024, the federal deferred income tax benefit is primarily due to tax credits.

The Company's tax provision for interim periods is determined using an estimate of its annual effective tax rate, adjusted for discrete items arising in that quarter. In each quarter, the Company updates its estimate of the annual effective tax rate and if the estimated annual effective tax rate changes, the Company would make a cumulative adjustment in that quarter.

NOTE 8. INCOME TAX EXPENSE(Continued)

Reconciliation of Taxes from Federal Statutory Rate to Total Income Tax Expense	Quarter Ended June 30,		Six Months Ended June 30,	
	2025	2024	2025	2024
Millions				
Income Before Income Taxes	\$ 6.0	\$ 21.1	\$ 48.2	\$ 62.1
Statutory Federal Income Tax Rate	21 %	21 %	21 %	21 %
Income Taxes Computed at Statutory Federal Rate	\$ 1.2	\$ 4.4	\$ 10.1	\$ 13.0
Increase (Decrease) in Income Tax Due to:				
State Income Taxes – Net of Federal Income Tax Benefit	0.9	2.5	5.7	7.1
Production Tax Credits <i>(a)</i>	(1.6)	(5.1)	(6.4)	(16.7)
Investment Tax Credits <i>(a)</i>	(0.8)	(0.9)	(3.6)	(1.2)
Regulatory Differences – Excess Deferred Tax	(1.9)	(2.2)	(4.5)	(5.7)
Non-Controlling Interest in Subsidiaries	4.9	2.4	8.9	5.2
AFUDC – Equity	(0.3)	(0.3)	(0.7)	(0.9)
Nondeductible Portion of Transaction Costs	0.5	3.3	0.8	3.3
Other	(3.5)	(2.7)	(3.4)	1.3
Total Income Tax Expense	\$ (0.6)	\$ 1.4	\$ 6.9	\$ 5.4

(a) For the quarter and six months ended June 30, 2025 and 2024, the credits are presented net of any estimated discount on the sale of certain credits.

For the six months ended June 30, 2025, the effective tax rate was 14.3 percent (8.7 percent for the six months ended June 30, 2024). The effective tax rates for 2025 and 2024 were primarily impacted by tax credits.

Uncertain Tax Positions. As of June 30, 2025, we had gross unrecognized tax benefits of \$1.1 million (\$1.1 million as of December 31, 2024). Of the total gross unrecognized tax benefits, \$0.6 million represents the amount of unrecognized tax benefits included on the Consolidated Balance Sheet that, if recognized, would favorably impact the effective income tax rate. The unrecognized tax benefit amounts have been presented as an increase to the net deferred tax liability on the Consolidated Balance Sheet.

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 is currently under examination by the state of Minnesota for the tax years 2020 through 2022. ALLETE has no open federal audits and is no longer subject to federal examination for years before 2022 or new state examination for years before 2021. Additionally, the statute of limitations related to the federal tax credit carryforwards will remain open until those credits are utilized in subsequent returns.

NOTE 9. PENSION AND OTHER POSTRETIREMENT BENEFIT PLANS

Components of Net Periodic Benefit Cost (Credit)	Pension		Other Postretirement	
	2025	2024	2025	2024
Millions				
Quarter Ended June 30,				
Service Cost	\$1.6	\$1.7	\$0.5	\$0.4
Non-Service Cost Components (a)				
Interest Cost	9.9	9.6	1.0	0.9
Expected Return on Plan Assets	(10.9)	(11.2)	(2.7)	(2.8)
Amortization of Prior Service Credits	—	—	(1.5)	(2.9)
Amortization of Net Loss (Gain)	1.9	1.6	(0.6)	(0.8)
Net Periodic Benefit Cost (Credit)	\$2.5	\$1.7	\$(3.3)	\$(5.2)
Six Months Ended June 30,				
Service Cost	\$3.2	\$3.3	\$0.9	\$0.8
Non-Service Cost Components (a)				
Interest Cost	19.9	19.3	2.0	1.9
Expected Return on Plan Assets	(21.8)	(22.4)	(5.4)	(5.6)
Amortization of Prior Service Credits	—	—	(2.9)	(5.8)
Amortization of Net Loss (Gain)	3.7	3.2	(1.3)	(1.6)
Net Periodic Benefit Cost (Credit)	\$5.0	\$3.4	\$(6.7)	\$(10.3)

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

Employer Contributions. For the six months ended June 30, 2025, we contributed \$19.1 million in cash to the defined benefit pension plans (\$25.0 million for the six months ended June 30, 2024); we do not expect to make additional contributions to our defined benefit pension plans in 2025. For the six months ended June 30, 2025 and 2024, we made no contributions to our other postretirement benefit plans; we do not expect to make any contributions to our other postretirement benefit plans in 2025.

NOTE 10. BUSINESS SEGMENTS

During the first quarter of 2025, management updated our reportable segment presentation to reflect New Energy's increased contribution to net income attributable to ALLETE. We now present three reportable segments: Regulated Operations, ALLETE Clean Energy and New Energy. Prior period amounts have been revised to conform with the current business segment presentation. We measure performance of our operations through budgeting and monitoring of contributions to net income attributable to ALLETE by each reportable 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. New Energy is a renewable energy company with a primary focus on developing solar and energy storage facilities for external sale and internal ownership while also offering comprehensive operations, maintenance and asset management services. 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, South Shore Energy, our non-rate regulated, Wisconsin subsidiary developing NTEC, other business development and corporate expenditures, unallocated interest expense, a small amount of non-rate base generation, land holdings in Minnesota, and earnings on cash and investments.

Management has identified that the Chief Operating Decision Maker (CODM) for the Company is not an individual, but rather the Executive Officers of ALLETE. These individuals represent various areas of the Company and provide direction for the allocation of resources. They interact with one another on a regular basis, with more formal meetings quarterly to discuss company strategy. The group is provided with monthly and quarterly financial materials that show net income attributable to ALLETE by segment with variances compared to the budget and prior year. No other measure of segment profit or loss is provided regularly to this group or used to assess performance and allocate resources. The group reviews the segment profit and loss taking into account the Company's goals and strategy, and provides direction for the allocation of resources.

NOTE 10. BUSINESS SEGMENTS (Continued)

	Quarter Ended June 30,		Six Months Ended June 30,	
	2025	2024	2025	2024
Millions				
Operating Revenue				
Regulated Operations				
Residential	\$40.0	\$37.1	\$96.4	\$88.6
Commercial	45.3	43.8	97.0	93.5
Municipal	8.2	7.4	17.8	16.4
Industrial	137.2	146.8	277.1	306.3
Other Power Suppliers	47.3	30.4	94.4	70.4
Other	27.1	14.3	55.2	42.9
Total Regulated Operations	305.1	279.8	637.9	618.1
ALLETE Clean Energy				
Long-term PSA	13.9	14.5	28.9	32.3
Other	1.4	1.2	2.9	2.5
Total ALLETE Clean Energy	15.3	15.7	31.8	34.8
New Energy				
Sale of Renewable Development Projects	10.0	25.6	28.2	39.5
Other	4.6	2.8	7.8	5.9
Total New Energy	14.6	28.4	36.0	45.4
Corporate and Other				
Long-term Contract	22.4	27.3	48.5	52.7
Other	2.9	3.3	6.3	6.8
Total Corporate and Other	25.3	30.6	54.8	59.5
Total Operating Revenue	\$360.3	\$354.5	\$760.5	\$757.8
Net Income (Loss) Attributable to ALLETE				
Regulated Operations	\$23.0	\$33.7	\$61.4	\$77.9
ALLETE Clean Energy	0.9	2.4	8.3	6.2
New Energy	4.7	7.7	13.9	11.7
Corporate and Other	3.3	(10.8)	4.4	(12.1)
Total Net Income Attributable to ALLETE	\$31.9	\$33.0	\$88.0	\$83.7

NOTE 10. BUSINESS SEGMENTS (Continued)

Quarter Ended June 30, 2025	Regulated Operations	ALLETE Clean Energy	New Energy	Total Reportable Segments	Corporate and Other / Eliminations	Consolidated
Millions						
Contracts with Customers – Utility	\$305.1	—	—	\$305.1	—	\$305.1
Contracts with Customers – Non-utility	—	\$13.9	\$14.6	28.5	\$25.3	53.8
Other – Non-utility	—	1.4	—	1.4	—	1.4
Total Operating Revenue	305.1	15.3	14.6	335.0	25.3	360.3
Significant Segment Expenses:						
Fuel, Purchased Power and Gas – Utility	114.1	—	—	114.1		
Transmission Services – Utility	19.3	—	—	19.3		
Cost of Sales – Non-utility	—	—	8.3	8.3		
Operating and Maintenance	68.6	13.8	6.9	89.3		
Depreciation and Amortization	54.1	14.6	0.4	69.1		
Taxes Other than Income Taxes	12.3	2.8	—	15.1		
Other Segment Items (a)	(13.7)	16.8	5.7	8.8		
Net Income Attributable to ALLETE	\$23.0	\$0.9	\$4.7	\$28.6	\$3.3	\$31.9
Other Segment Information:						
Depreciation and Amortization	\$54.1	\$14.6	\$0.4	\$69.1	\$4.1	\$73.2
Interest Expense	\$(17.4)	—	\$(0.9)	\$(18.3)	\$(4.8)	\$(23.1)
Equity Earnings	\$6.4	—	—	\$6.4	\$(0.5)	\$5.9
Income Tax Expense (Benefit)	\$5.2	\$(1.7)	\$0.9	\$4.4	\$(5.0)	\$(0.6)
Assets	\$4,633.4	\$1,456.8	\$377.0	\$6,467.2	\$446.0	\$6,913.2
Equity Investment	\$206.9	—	—	\$206.9	\$143.6	\$350.5
Capital Expenditures	\$117.5	\$2.1	\$8.7	\$128.3	\$2.2	\$130.5

Quarter Ended June 30, 2024	Regulated Operations	ALLETE Clean Energy	New Energy	Total Reportable Segments	Corporate and Other / Eliminations	Consolidated
Millions						
Contracts with Customers – Utility	\$279.8	—	—	\$279.8	—	\$279.8
Contracts with Customers – Non-utility	—	\$14.5	\$28.4	42.9	\$30.6	73.5
Other – Non-utility	—	1.2	—	1.2	—	1.2
Total Operating Revenue	279.8	15.7	28.4	323.9	30.6	354.5
Significant Segment Expenses:						
Fuel, Purchased Power and Gas – Utility	108.0	—	—	108.0		
Transmission Services – Utility	1.6	—	—	1.6		
Cost of Sales – Non-utility	—	—	11.3	11.3		
Operating and Maintenance	66.7	11.7	5.9	84.3		
Depreciation and Amortization	46.8	14.7	0.5	62.0		
Taxes Other than Income Taxes	13.7	1.9	—	15.6		
Other Segment Items (a)	(9.3)	15.0	(3.0)	2.7		
Net Income Attributable to ALLETE	\$33.7	\$2.4	\$7.7	\$43.8	\$(10.8)	\$33.0
Other Segment Information:						
Depreciation and Amortization	\$46.8	\$14.7	\$0.5	\$62.0	\$4.0	\$66.0
Interest Expense	\$(16.3)	\$(0.1)	\$(0.5)	\$(16.9)	\$(3.2)	\$(20.1)
Equity Earnings	\$6.0	—	—	\$6.0	\$(0.1)	\$5.9
Income Tax Expense (Benefit)	\$3.8	\$(3.0)	\$2.1	\$2.9	\$(1.5)	\$1.4
Assets	\$4,404.2	\$1,577.7	\$306.2	\$6,288.1	\$373.2	\$6,661.3
Equity Investment	\$186.7	—	—	\$186.7	\$149.3	\$336.0
Capital Expenditures	\$80.5	\$1.4	\$5.1	\$87.0	\$4.9	\$91.9

(a) Other Segment Items consist of interest expense, equity earnings, AFUDC – Equity and income tax expense for Regulated Operations, and interest expense, income tax benefit and net loss attributable to non-controlling interest for ALLETE Clean Energy and New Energy.

NOTE 10. BUSINESS SEGMENTS (Continued)

Six Months Ended June 30, 2025	Regulated Operations	ALLETE Clean Energy	New Energy	Total Reportable Segments	Corporate and Other / Eliminations	Consolidated
Millions						
Contracts with Customers – Utility	\$637.9	—	—	\$637.9	—	\$637.9
Contracts with Customers – Non-utility	—	\$28.9	\$36.0	64.9	\$54.8	119.7
Other – Non-utility	—	2.9	—	2.9	—	2.9
Total Operating Revenue	637.9	31.8	36.0	705.7	54.8	760.5
Significant Segment Expenses:						
Fuel, Purchased Power and Gas – Utility	237.4	—	—	237.4		
Transmission Services – Utility	38.3	—	—	38.3		
Cost of Sales – Non-utility	—	—	13.6	13.6		
Operating and Maintenance	137.3	27.7	12.2	177.2		
Depreciation and Amortization	104.8	29.0	1.1	134.9		
Taxes Other than Income Taxes	26.6	5.5	—	32.1		
Other Segment Items (a)	(32.1)	38.7	4.8	11.4		
Net Income Attributable to ALLETE	\$61.4	\$8.3	\$13.9	\$83.6	\$4.4	\$88.0
Other Segment Information:						
Depreciation and Amortization	\$104.8	\$29.0	\$1.1	\$134.9	\$8.0	\$142.9
Interest Expense	\$(34.5)	—	\$(1.6)	\$(36.1)	\$(8.4)	\$(44.5)
Equity Earnings	\$12.9	—	—	\$12.9	\$(1.0)	\$11.9
Income Tax Expense (Benefit)	\$15.4	\$(5.2)	\$1.0	\$11.2	\$(4.3)	\$6.9
Assets	\$4,633.4	\$1,456.8	\$377.0	\$6,467.2	\$446.0	\$6,913.2
Equity Investment	\$206.9	—	—	\$206.9	\$143.6	\$350.5
Capital Expenditures	\$251.8	\$4.2	\$16.1	\$272.1	\$3.6	\$275.7

Six Months Ended June 30, 2024	Regulated Operations	ALLETE Clean Energy	New Energy	Total Reportable Segments	Corporate and Other / Eliminations	Consolidated
Millions						
Contracts with Customers – Utility	\$618.1	—	—	\$618.1	—	\$618.1
Contracts with Customers – Non-utility	—	\$32.3	\$45.4	77.7	\$59.5	137.2
Other – Non-utility	—	2.5	—	2.5	—	2.5
Total Operating Revenue	618.1	34.8	45.4	698.3	59.5	757.8
Significant Segment Expenses:						
Fuel, Purchased Power and Gas – Utility	241.7	—	—	241.7		
Transmission Services – Utility	24.3	—	—	24.3		
Cost of Sales – Non-utility	—	—	17.0	17.0		
Operating and Maintenance	133.5	25.2	12.4	171.1		
Depreciation and Amortization	93.2	28.8	1.0	123.0		
Taxes Other than Income Taxes	29.4	4.5	—	33.9		
Other Segment Items (a)	(18.1)	29.9	(3.3)	8.5		
Net Income Attributable to ALLETE	\$77.9	\$6.2	\$11.7	\$95.8	\$(12.1)	\$83.7
Other Segment Information:						
Depreciation and Amortization	\$93.2	\$28.8	\$1.0	\$123.0	\$8.0	\$131.0
Interest Expense	\$(32.3)	\$(0.2)	\$(2.3)	\$(34.8)	\$(5.7)	\$(40.5)
Equity Earnings	\$11.7	—	—	\$11.7	\$(0.3)	\$11.4
Income Tax Expense (Benefit)	\$8.7	\$(8.5)	\$3.6	\$3.8	\$1.6	\$5.4
Assets	\$4,404.2	\$1,577.7	\$306.2	\$6,288.1	\$373.2	\$6,661.3
Equity Investment	\$186.7	—	—	\$186.7	\$149.3	\$336.0
Capital Expenditures	\$130.0	\$1.6	\$5.1	\$136.7	\$7.0	\$143.7

(a) Other Segment Items consist of interest expense, equity earnings, AFUDC – Equity and income tax expense for Regulated Operations, and interest expense, income tax benefit and net loss attributable to non-controlling interest for ALLETE Clean Energy and New Energy.

NOTE 11. AGREEMENT AND PLAN OF MERGER

On May 5, 2024, ALLETE entered into the Merger Agreement. The Merger Agreement provides that, on the terms and subject to the conditions set forth therein, Alloy Merger Sub will merge with and into ALLETE, with ALLETE continuing as the surviving corporation in the Merger and becoming a subsidiary of Alloy Parent.

Subject to the terms and conditions set forth in the Merger Agreement, which has been unanimously approved by the board of directors of ALLETE and approved and adopted by the shareholders of ALLETE, at the effective time of the Merger (Effective Time), each share of common stock, without par value, of ALLETE (ALLETE common stock) issued and outstanding immediately prior to the Effective Time (other than shares of ALLETE common stock held by any holder who properly exercises dissenters' rights under Minnesota law in respect of such shares and any shares of ALLETE common stock held by an affiliate of Alloy Parent) shall be converted into the right to receive \$67.00 in cash, without interest (Merger Consideration). The aggregate equity value of the ALLETE common stock acquired by Parent will be approximately \$3.9 billion as calculated as of May 5, 2024.

In addition, at the Effective Time, each restricted stock unit (RSU) with respect to ALLETE common stock subject to time-based vesting that is outstanding immediately prior to the Effective Time will be cancelled and converted into a contingent right to receive an amount in cash, without interest, equal to the Merger Consideration, payable (i) in the case of such right converted from unvested RSUs, upon the same vesting conditions as applied to the corresponding RSU or (ii) in the case of such right converted from vested RSUs, as soon as reasonably practicable following the closing date of the Merger (the Closing Date). Each performance share award with respect to ALLETE common stock that is outstanding and unvested immediately prior to the Effective Time and was issued prior to the execution of the Merger Agreement will be cancelled and converted into a right to receive, without interest, the Merger Consideration multiplied by the number of shares of ALLETE common stock subject to the award, determined based on attainment of the greater of target and actual performance as of the last business day immediately preceding the Closing Date. A pro rata portion (based on the elapsed portion of the performance period at that time) of these converted performance share awards will be paid out as soon as reasonably practicable following the Closing Date, with the remainder of the award being subject to time-vesting for the remainder of the applicable performance period. Performance share awards issued following the signing of the Merger Agreement will also be cancelled and converted into a contingent right to receive, without interest, the Merger Consideration multiplied by the number of shares of ALLETE common stock subject to the performance share award, determined at the target level of performance, and shall be subject to time-based vesting following the Merger. Further, purchase rights accumulated during the offering period in effect under the Company's ESPP immediately prior to closing will be automatically exercised into shares of ALLETE common stock no later than five business days prior to the Closing Date, and the ESPP will be terminated as of immediately prior to the Closing Date.

Consummation of the Merger is subject to various closing conditions, including: (1) approval of the shareholders of ALLETE; (2) receipt of all required regulatory approvals without the imposition of a Burdensome Condition (as defined in the Merger Agreement); (3) absence of any law or order prohibiting the consummation of the Merger; (4) subject to materiality qualifiers, the accuracy of each party's representations and warranties; (5) each party's compliance in all material respects with its obligations and covenants under the Merger Agreement; and (6) the absence of a material adverse effect with respect to the Company. The Merger Agreement contains certain termination rights for ALLETE and Alloy Parent, which were described in a Current Report of Form 8-K filed by ALLETE on May 6, 2024. In the Merger Agreement, among other things, ALLETE has agreed, subject to certain exceptions, to, and to cause each of its subsidiaries to conduct its business in the ordinary course, consistent with past practice, from the date of the Merger Agreement until the Effective Time, and not to take certain actions prior to the closing of the Merger without the prior written consent of Alloy Parent (which consent shall not be unreasonably withheld, conditioned or delayed, except where ALLETE seeks Alloy Parent's consent to enter into a material new line of business or cease operations of an existing material line of business). The Merger Agreement also provides that ALLETE may notify Alloy Parent of our intent to raise equity capital of up to a total of \$300 million in the second half of 2025, subject to certain parameters. If Alloy Parent declines to participate in the equity capital raises or fails to provide timely notice with respect thereto, ALLETE will have the right to issue ALLETE common stock in the public markets for an amount equal to any unfunded amounts under such equity capital raises.

NOTE 11. AGREEMENT AND PLAN OF MERGER (Continued)

On July 10, 2024, ALLETE filed a definitive proxy statement relating to the special meeting of the shareholders held on August 21, 2024. At the special meeting, the shareholders of ALLETE voted to approve and adopt the Merger Agreement and approve the transactions contemplated thereby, including the Merger, among other matters.

On July 19, 2024, ALLETE filed requests for approval of the Merger with the MPUC, PSCW and FERC. On October 7, 2024, the MPUC issued an order referring the docket to the Minnesota Office of Administrative Hearings for a contested case proceeding and requesting the Administrative Law Judge (ALJ) issue a report and recommendation by July 15, 2025. On July 11, 2025, ALLETE announced a settlement agreement with the Minnesota Department of Commerce (MN DOC). As part of the agreement, the MN DOC will support the acquisition of ALLETE as being consistent with the public interest and recommend approval by the MPUC. On July 15, 2025, the ALJ issued its report, which included a non-binding recommendation to deny the acquisition of ALLETE. The MPUC is expected to make its decision in 2025.

ALLETE received approval from FERC on December 19, 2024, and in an order dated June 3, 2025, the PSCW approved the acquisition. ALLETE also received approval from CFIUS and all required international approvals in the third quarter of 2024. On January 31, 2025, ALLETE filed notification and report forms with the Antitrust Division of the Department of Justice and the Federal Trade Commission under the HSR Act with the applicable waiting periods expiring in the first quarter of 2025. Approval of the Merger from these and other regulators is required for consummation of the Merger.

ITEM 2. MANAGEMENT'S DISCUSSION AND ANALYSIS OF FINANCIAL CONDITION AND RESULTS OF OPERATIONS

OVERVIEW

The following discussion should be read in conjunction with our Consolidated Financial Statements and notes to those statements, Management's Discussion and Analysis of Financial Condition and Results of Operations from our 2024 Form 10-K and the other financial information appearing elsewhere in this report. In addition to historical information, the following discussion and other parts of this Form 10-Q contain forward-looking information that involves risks and uncertainties. Readers are cautioned that forward-looking statements should be read in conjunction with our disclosures in this Form 10-Q and our 2024 Form 10-K under the headings: "Forward-Looking Statements" and "Risk Factors" located in Part I, Item 1A of our 2024 Form 10-K. The risks and uncertainties described in this Form 10-Q and our 2024 Form 10-K are not the only risks facing our Company. Additional risks and uncertainties that we are not presently aware of, or that we currently consider immaterial, may also affect our business operations. Our business, financial condition or results of operations could suffer if the risks are realized.

Basis of Presentation. During the first quarter of 2025, management updated our reportable segment presentation to reflect New Energy's increased contribution to net income attributable to ALLETE. We now present three reportable segments: Regulated Operations, ALLETE Clean Energy and New Energy. Prior period amounts have been revised to conform with the current business segment presentation.

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 150,000 retail customers. Minnesota Power also has 14 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. (See Note 2. Regulatory Matters.)

ALLETE Clean Energy focuses on developing, acquiring, and operating clean and renewable energy projects. ALLETE Clean Energy currently owns, operates, or has developed more than 1,600 megawatts of wind energy generation in five major energy markets and eight states across the U.S. with a majority contracted under PSAs of various durations. In addition, ALLETE Clean Energy engages in the development of wind energy facilities to operate under long-term PSAs or for sale to others upon completion.

New Energy is a renewable energy company with a primary focus on developing solar and energy storage facilities for external sale and internal ownership while also offering comprehensive operations, maintenance and asset management services.

ITEM 2. MANAGEMENT’S DISCUSSION AND ANALYSIS OF FINANCIAL CONDITION AND RESULTS OF OPERATIONS (Continued)

Corporate and Other is comprised of our investment in Nobles 2, an entity that owns and operates a 250 MW wind energy facility in southwestern Minnesota; South Shore Energy, our non-rate regulated, Wisconsin subsidiary developing NTEC, an approximately 600 MW proposed combined-cycle natural gas-fired generating facility; BNI Energy, our coal mining operations in North Dakota; ALLETE Properties, our legacy Florida real estate investment; other business development and corporate expenditures; unallocated interest expense; a small amount of non-rate base generation; land holdings in Minnesota; and earnings on cash and investments.

ALLETE is incorporated under the laws of Minnesota. Our corporate headquarters are in Duluth, Minnesota. Statistical information is presented as of June 30, 2025, unless otherwise indicated. All subsidiaries are wholly-owned unless otherwise specifically indicated. References in this report to “we,” “us” and “our” are to ALLETE and its subsidiaries, collectively.

On May 5, 2024, ALLETE entered into the Merger Agreement. The Merger Agreement provides that, on and subject to the conditions set forth therein, Alloy Merger Sub will merge with and into ALLETE, with ALLETE continuing as the surviving corporation in the Merger and becoming a subsidiary of Alloy Parent. (See Note 11. Agreement and Plan of Merger.)

Financial Overview

The following net income discussion summarizes a comparison of the six months ended June 30, 2025, to the six months ended June 30, 2024.

Net income attributable to ALLETE for the six months ended June 30, 2025, was \$88.0 million, or \$1.52 per diluted share, compared to \$83.7 million, or \$1.45 per diluted share, for the same period in 2024. Net income in 2025 includes merger-related expenses of \$5.5 million after-tax, or \$0.09 per share, related to the Merger. Net income in 2024 included merger-related expenses of \$15.7 million after-tax, or \$0.27 per share. (See Note 11. Agreement and Plan of Merger.)

Regulated Operations net income attributable to ALLETE was \$61.4 million for the six months ended June 30, 2025, compared to \$77.9 million for the same period in 2024. Net income at Minnesota Power was lower than 2024 reflecting lower margins from industrial customers, lower transmission margins, higher operating and maintenance expense and higher depreciation expense. These decreases were partially offset by higher margins from residential, commercial and municipal customers. Net income at SWL&P was higher than 2024 reflecting new rates implemented in 2025 as well as higher kWh and gas sales. Our after-tax equity earnings in ATC were higher than 2024 primarily due to additional equity investments. (See Note 3. Equity Investments.)

ALLETE Clean Energy net income attributable to ALLETE was \$8.3 million for the six months ended June 30, 2025, compared to \$6.2 million for the same period in 2024. Net income in 2025 reflects higher production at ALLETE Clean Energy’s tax equity financed wind energy facilities. Net income in 2024 was negatively impacted by a network outage located near the Caddo wind energy facility.

New Energy net income attributable to ALLETE was \$13.9 million for the six months ended June 30, 2025, compared to net income of \$11.7 million for the same period in 2024. Net income in 2025 includes higher earnings from tax equity financed solar energy facilities and higher investment tax credits. These increases were partially offset by lower sales of renewable energy projects due to the timing of project closings.

Corporate and Other net income attributable to ALLETE was \$4.4 million for the six months ended June 30, 2025, compared to a net loss of \$12.1 million for the same period in 2024. Net income in 2025 reflects lower merger-related expenses compared to 2024. Merger-related expenses were \$5.5 million after-tax in 2025 and \$15.7 million in 2024. (See Note 11. Agreement and Plan of Merger.)

COMPARISON OF THE QUARTER ENDED JUNE 30, 2025 AND 2024

(See Note 10. Business Segments for financial results by segment.)

Regulated Operations

Quarter Ended June 30,	2025	2024
Millions		
Operating Revenue – Utility	\$305.1	\$279.8
Fuel, Purchased Power and Gas – Utility	114.1	108.0
Transmission Services – Utility	19.3	1.6
Operating and Maintenance	68.6	66.7
Depreciation and Amortization	54.1	46.8
Taxes Other than Income Taxes	12.3	13.7
Operating Income	36.7	43.0
Interest Expense	(17.4)	(16.3)
Equity Earnings	6.4	6.0
Other Income	2.5	4.8
Income Before Income Taxes	28.2	37.5
Income Tax Expense	5.2	3.8
Net Income Attributable to ALLETE	\$23.0	\$33.7

Operating Revenue – Utility increased \$25.3 million from 2024 primarily due to higher revenue from kWh sales, transmission revenue and cost recovery rider revenue, partially offset by lower fuel adjustment clause recoveries compared to 2024.

Higher kWh sales increased revenue by \$10.8 million from 2024 reflecting higher sales to other power suppliers as well as higher sales to residential and municipal customers, partially offset by lower sales to industrial customers. Sales to other power suppliers, which are sold at market-based prices into the MISO market on a daily basis or through PSAs of various durations, increased reflecting additional energy available for sale resulting from lower industrial sales. Sales to residential and municipal customers increased from 2024 primarily due to warmer weather in 2025 compared to 2024. Sales to industrial customers decreased primarily due to lower sales to taconite customers in 2025 compared to 2024. (See Outlook – Industrial Customers.)

Kilowatt-hours Sold Quarter Ended June 30,	2025	2024	Variance	
			Quantity	%
Millions				
Regulated Utility				
Retail and Municipal				
Residential	231	225	6	2.7 %
Commercial	304	307	(3)	(1.0)%
Industrial	1,530	1,729	(199)	(11.5)%
Municipal	108	105	3	2.9 %
Total Retail and Municipal	2,173	2,366	(193)	(8.2)%
Other Power Suppliers	981	579	402	69.4 %
Total Regulated Utility Kilowatt-hours Sold	3,154	2,945	209	7.1 %

Revenue from electric sales to taconite customers accounted for 28 percent of regulated operating revenue in 2025 (35 percent in 2024). Revenue from electric sales to paper, pulp and secondary wood product customers accounted for 5 percent of regulated operating revenue in 2025 (5 percent in 2024). Revenue from electric sales to pipelines and other industrial customers accounted for 11 percent of regulated operating revenue in 2025 (12 percent in 2024).

COMPARISON OF THE QUARTER ENDED JUNE 30, 2025 AND 2024 (Continued)
Regulated Operations (Continued)

Transmission revenue increased \$10.7 million primarily due to higher MISO-related revenue. Transmission revenue in 2024 included an accrual for the refund of MISO transmission payments that were over collected during 2023 and the first quarter of 2024 (See *Transmission Services – Utility*).

Cost recovery rider revenue increased \$8.4 million primarily due to fewer production tax credits generated by Minnesota Power in 2025 compared to 2024. If production tax credits are generated at a level below those assumed in Minnesota Power's retail rates, an increase in cost recovery rider revenue is recognized to offset the impact of higher production tax credits on income tax expense.

Fuel adjustment clause revenue decreased \$7.0 million primarily due to lower fuel and purchased power costs attributable to retail and municipal customers. (See *Fuel, Purchased Power and Gas – Utility*.)

Operating Expenses increased \$31.6 million, or 13 percent, from 2024.

Fuel, Purchased Power and Gas – Utility expense increased \$6.1 million from 2024 primarily due to higher kWh sales to other power suppliers, partially offset by lower sales to retail customers.

Transmission Services – Utility expense increased \$17.7 million from 2024 primarily due to higher MISO-related expense. *Transmission Services – Utility* expense in 2024 included an accrual for the refund of MISO transmission payments that were over billed during 2023 and the first quarter of 2024 (See *Operating Revenue – Utility*).

Operating and Maintenance expense increased \$1.9 million, or 3 percent, from 2024 primarily due to mitigation costs related to the ash wastewater spill at Boswell. (See Note 6. Commitments, Guarantees and Contingencies.)

Depreciation and Amortization expense increased \$7.3 million, or 16 percent, from 2024 primarily due to a higher plant in service balance in 2025 and the impact of estimated compliance costs related to the EPA's CCR Legacy Impoundment Rule finalized in May 2024. (See Note 2. Regulatory Matters and Note 6. Commitments, Guarantees and Contingencies.)

Taxes Other than Income Taxes decreased \$1.4 million, or 10 percent, from 2024 primarily due to lower property tax expense.

Interest Expense increased \$1.1 million from 2024 reflecting higher interest rates in 2025 compared to 2024.

Other Income decreased \$2.3 million from 2024 reflecting higher pension and other postretirement benefit plan non-service costs.

Income Tax Expense increased \$1.4 million from 2024 primarily due to lower production tax credits.

COMPARISON OF THE QUARTER ENDED JUNE 30, 2025 AND 2024 (Continued)

ALLETE Clean Energy

Quarter Ended June 30,	2025	2024
Millions		
Operating Revenue		
Contracts with Customers – Non-utility	\$13.9	\$14.5
Other – Non-utility (a)	1.4	1.2
Operating and Maintenance	13.8	11.7
Depreciation and Amortization	14.6	14.7
Taxes Other than Income Taxes	2.8	1.9
Operating Loss	(15.9)	(12.6)
Interest Expense	—	(0.1)
Other Income	0.7	1.8
Loss Before Income Taxes	(15.2)	(10.9)
Income Tax Benefit	(1.7)	(3.0)
Net Loss	(13.5)	(7.9)
Net Loss Attributable to Non-Controlling Interest	(14.4)	(10.3)
Net Income Attributable to ALLETE	\$0.9	\$2.4

(a) Represents non-cash amortization of differences between contract prices and estimated market prices on assumed PSAs.

Operating Revenue was similar compared to 2024 reflecting higher production and more favorable pricing at the Caddo wind energy facility, partially offset by lower production and less favorable pricing at other wind energy facilities. Operating revenue in 2024 was negatively impacted by a network outage located near Caddo, which increased congestion experienced by Caddo resulting in lower kWh sales and pricing in 2024. The forced outage was resolved in June 2024.

Operating and Maintenance expense increased \$2.1 million from 2024 primarily due to business interruption insurance proceeds at Diamond Spring in 2024 related to a transformer outage in the first half of 2024.

Other Income decreased \$1.1 million from 2024 primarily due to lower interest income in 2025 compared to 2024.

Income Tax Benefit decreased \$1.3 million from 2024 primarily due to higher loss attributable to non-controlling interest.

Net Loss Attributable to Non-Controlling Interest increased \$4.1 million from 2024 reflecting higher production at ALLETE Clean Energy's Caddo wind energy facility. Net Loss Attributable to Non-Controlling Interest in 2024 reflected the impact of a network outage near Caddo.

New Energy

Operating Revenue decreased \$13.8 million from 2024 primarily due to lower sales of renewable energy projects reflecting the timing of project sales.

Net Income Attributable to ALLETE was \$4.7 million in 2025 compared to net income of \$7.7 million in 2024. Net income in 2025 includes lower sales of renewable energy projects compared to 2024 due to timing of project closings. These decreases were partially offset by higher earnings from tax equity financed solar energy facilities.

COMPARISON OF THE QUARTER ENDED JUNE 30, 2025 AND 2024 (Continued)

Corporate and Other

Operating Revenue decreased \$5.3 million, or 17 percent, from 2024 primarily due to lower revenue at BNI Energy, which operates under cost-plus fixed fee contracts, as a result of lower expenses and fewer tons sold in 2025 compared to 2024.

Net Income Attributable to ALLETE of \$3.3 million in 2025 compared to a net loss of \$10.8 million in 2024. Net income in 2025 reflects lower merger-related expenses compared to 2024. Merger-related expenses were \$3.4 million after-tax in 2025 and \$14.5 million after-tax in 2024. (See Note 11. Agreement and Plan of Merger.)

Income Taxes – Consolidated

For the quarter ended June 30, 2025, the effective tax rate was a benefit of 10.0 percent (expense of 6.6 percent for the quarter ended June 30, 2024). The lower effective tax rate is primarily due to lower pre-tax income.

We expect our annual effective tax rate in 2025 to be lower than 2024 primarily due to lower estimated pre-tax income. The estimated annual effective tax rate can differ from what a quarterly effective tax rate would otherwise be on a standalone basis, and this may cause quarter to quarter differences in the timing of income taxes. (See Note 8. Income Tax Expense.)

COMPARISON OF THE SIX MONTHS ENDED JUNE 30, 2025 AND 2024

(See Note 10. Business Segments for financial results by segment.)

Regulated Operations

Six Months Ended June 30,	2025	2024
Millions		
Operating Revenue – Utility	\$637.9	\$618.1
Fuel, Purchased Power and Gas – Utility	237.4	241.7
Transmission Services – Utility	38.3	24.3
Operating and Maintenance	137.3	133.5
Depreciation and Amortization	104.8	93.2
Taxes Other than Income Taxes	26.6	29.4
Operating Income	93.5	96.0
Interest Expense	(34.5)	(32.3)
Equity Earnings	12.9	11.7
Other Income	4.9	11.2
Income Before Income Taxes	76.8	86.6
Income Tax Expense	15.4	8.7
Net Income Attributable to ALLETE	\$61.4	\$77.9

Operating Revenue – Utility increased \$19.8 million from 2024 primarily due to higher revenue from kWh sales, cost recovery rider revenue, transmission revenue and gas sales. This increase was partially offset by lower fuel adjustment clause recoveries compared to 2024.

Revenue from kWh sales increased \$12.9 million from 2024 reflecting higher sales to residential, commercial and municipal customers as well as higher sales to other power suppliers, partially offset by lower sales to industrial customers. Sales to residential, commercial and municipal customers increased from 2024 primarily due to colder weather in 2025 compared to 2024. Sales to other power suppliers, which are sold at market-based prices into the MISO market on a daily basis or through PSAs of various durations, increased reflecting higher market sales in 2025 compared to 2024. Sales to industrial customers decreased primarily due to lower sales to taconite customers in 2025 compared to 2024. (See Outlook – Industrial Customers.)

Kilowatt-hours Sold Six Months Ended June 30,	2025	2024	Variance	
			Quantity	%
Millions				
Regulated Utility				
Retail and Municipal				
Residential	563	531	32	6.0 %
Commercial	658	645	13	2.0 %
Industrial	3,104	3,527	(423)	(12.0)%
Municipal	240	230	10	4.3 %
Total Retail and Municipal	4,565	4,933	(368)	(7.5)%
Other Power Suppliers	1,907	1,336	571	42.7 %
Total Regulated Utility Kilowatt-hours Sold	6,472	6,269	203	3.2 %

Revenue from electric sales to taconite customers accounted for 28 percent of regulated operating revenue in 2025 (34 percent in 2024). Revenue from electric sales to paper, pulp and secondary wood product customers accounted for 5 percent of regulated operating revenue in 2025 (5 percent in 2024). Revenue from electric sales to pipelines and other industrial customers accounted for 10 percent of regulated operating revenue in 2025 (11 percent in 2024).

Cost recovery rider revenue increased \$11.3 million reflecting fewer production tax credits generated by Minnesota Power in 2025 compared to 2024. If production tax credits are generated at a level below those assumed in Minnesota Power's retail rates, an increase in cost recovery rider revenue is recognized to offset the impact of higher production tax credits on income tax expense.

COMPARISON OF THE SIX MONTHS ENDED JUNE 30, 2025 AND 2024 (Continued)

Regulated Operations (Continued)

Transmission revenue increased \$10.6 million primarily due to higher MISO-related revenue. Transmission revenue in 2024 included an accrual for the refund of MISO transmission payments that were over collected during 2023. (See *Transmission Services – Utility*).

Revenue from gas sales at SWL&P increased \$4.4 million reflecting the implementation of new rates beginning January 1, 2025, higher gas sales resulting from colder winter weather and higher gas prices in 2025 compared to 2024. (See *Fuel, Purchased Power and Gas – Utility*.)

Fuel adjustment clause revenue decreased \$21.4 million primarily due to lower fuel and purchased power costs attributable to retail and municipal customers. (See *Fuel, Purchased Power and Gas – Utility*.)

Operating Expenses increased \$22.3 million, or 4 percent, from 2024.

Fuel, Purchased Power and Gas – Utility expense decreased \$4.3 million, or 2 percent, from 2024 primarily due to lower fuel costs and more company-owned generation in 2025 compared to 2024 resulting in fewer sales being supplied through higher cost purchased power. These decreases were partially offset by higher kWh sales as well as higher gas sales and prices.

Transmission Services – Utility expense increased \$14.0 million, or 58 percent, from 2024 primarily due to higher MISO-related expense. Transmission Services – Utility expense in 2024 included an accrual for the refund of MISO transmission payments that were over billed during 2023 (See *Operating Revenue – Utility*).

Operating and Maintenance expense increased \$3.8 million, or 3 percent, from 2024 primarily due to mitigation costs related to the ash wastewater spill at Boswell. (See Note 6. Commitments, Guarantees and Contingencies.) Operating and Maintenance expense in 2025 also reflected higher energy conservation and optimization plan expenses compared to 2024.

Depreciation and Amortization expense increased \$11.6 million, or 12 percent, from 2024 primarily due to a higher plant in service balance in 2025 and the impact of estimated compliance costs related to the EPA's CCR Legacy Impoundment Rule finalized in May 2024. (See Note 2. Regulatory Matters and Note 6. Commitments, Guarantees and Contingencies.)

Taxes Other than Income Taxes decreased \$2.8 million, or 10 percent, from 2024 primarily due to lower property tax expense.

Interest Expense increased \$2.2 million from 2024 reflecting higher interest rates in 2025 compared to 2024.

Other Income decreased \$6.3 million from 2024 reflecting higher pension and other postretirement benefit plan non-service costs.

Income Tax Expense increased \$6.7 million from 2024 primarily due to lower production tax credits.

COMPARISON OF THE SIX MONTHS ENDED JUNE 30, 2025 AND 2024 (Continued)
ALLETE Clean Energy

Six Months Ended June 30,	2025	2024
Millions		
Operating Revenue		
Contracts with Customers – Non-utility	\$28.9	\$32.3
Other – Non-utility (a)	2.9	2.5
Operating and Maintenance	27.7	25.2
Depreciation and Amortization	29.0	28.8
Taxes Other than Income Taxes	5.5	4.5
Operating Loss	(30.4)	(23.7)
Interest Expense	—	(0.2)
Other Income	1.5	3.4
Loss Before Income Taxes	(28.9)	(20.5)
Income Tax Benefit	(5.2)	(8.5)
Net Loss	(23.7)	(12.0)
Net Loss Attributable to Non-Controlling Interest	(32.0)	(18.2)
Net Income Attributable to ALLETE	\$8.3	\$6.2

(a) Represents non-cash amortization of differences between contract prices and estimated market prices on assumed PSAs.

Operating Revenue decreased \$3.0 million from 2024 primarily due to less favorable pricing at the Diamond Spring wind energy facility in 2025 compared to 2024, partially offset by higher kWh sales at various wind energy facilities. Operating revenue in 2024 was negatively impacted by a network outage located near Caddo. The network outage began in the fourth quarter of 2023 resulting from a forced outage of a substation and the transmission lines feeding that substation. This forced outage increased congestion experienced by Caddo resulting in lower kWh sales and pricing in 2024. The forced outage was resolved in June 2024.

Operating and Maintenance expense increased \$2.5 million from 2024 primarily due to business interruption insurance proceeds at Diamond Spring in 2024 related to a transformer outage in the first half of 2024.

Taxes Other Than Income Taxes increased \$1.0 million from 2024 primarily due to higher property tax expense.

Other Income decreased \$1.9 million from 2024 primarily due to lower interest income in 2025 compared to 2024.

Income Tax Benefit decreased \$3.3 million from 2024 primarily due to higher loss attributable to non-controlling interest.

Net Loss Attributable to Non-Controlling Interest increased \$13.8 million from 2024 reflecting higher production at ALLETE Clean Energy's tax equity financed wind energy facilities. Net Loss Attributable to Non-Controlling Interest in 2024 reflected the impact of a network outage near Caddo.

New Energy

Operating Revenue decreased \$9.4 million from 2024 primarily due to lower sales of renewable energy projects reflecting the timing of project sales.

Net Income Attributable to ALLETE was \$13.9 million in 2025 compared to net income of \$11.7 million in 2024. Net income in 2025 includes higher earnings from tax equity financed solar energy facilities and higher investment tax credits. These increases were partially offset by lower sales of renewable energy projects due to the timing of project closings.

COMPARISON OF THE SIX MONTHS ENDED JUNE 30, 2025 AND 2024 (Continued)

Corporate and Other

Operating Revenue decreased \$4.7 million, or 8 percent, from 2024 primarily due to lower revenue at BNI Energy, which operates under cost-plus fixed fee contracts, as a result of lower expenses and fewer tons sold in 2025 compared to 2024.

Net Income Attributable to ALLETE was \$4.4 million in 2025 compared to a net loss of \$12.1 million in 2024. Net income in 2025 reflects lower merger-related expenses compared to 2024. Merger-related expenses were \$5.5 million after-tax in 2025 and \$15.7 million in 2024. (See Note 11. Agreement and Plan of Merger.)

Income Taxes – Consolidated

For the six months ended June 30, 2025, the effective tax rate was an expense of 14.3 percent (8.7 percent for the six months ended June 30, 2024). The higher effective tax rate for 2025 is primarily due to higher loss attributable to non-controlling interest and lower tax credits.

We expect our annual effective tax rate in 2025 to be higher than 2024 primarily due to higher loss attributable to non-controlling interest and higher estimated pre-tax income. The estimated annual effective tax rate can differ from what a quarterly effective tax rate would otherwise be on a standalone basis, and this may cause quarter to quarter differences in the timing of income taxes. (See Note 8. Income Tax Expense.)

CRITICAL ACCOUNTING POLICIES

Certain accounting measurements under GAAP involve management's judgment about subjective factors and estimates, the effects of which are inherently uncertain. Accounting measurements that we believe are most critical to our reported results of operations and financial condition include: regulatory accounting, pension and postretirement health and life actuarial assumptions, goodwill, impairment of long-lived assets, and taxation. These policies are reviewed with the Audit Committee of our Board of Directors on a regular basis and summarized in Part II, Item 7. Management's Discussion and Analysis of Financial Condition and Results of Operations of our 2024 Form 10-K.

OUTLOOK

For additional information see our 2024 Form 10-K.

On May 5, 2024, ALLETE entered into the Merger Agreement. (See Note 11. Agreement and Plan of Merger.) As a result of the Merger, transaction costs are expected to be material in 2025.

ALLETE is an energy company committed to earning a financial return that rewards our shareholders, allows for reinvestment in our businesses, and sustains growth. The Company has a long-term objective of achieving consolidated earnings per share growth within a range of 5 percent to 7 percent.

ALLETE is predominately a regulated utility through Minnesota Power, SWL&P, and an investment in ATC. ALLETE's strategy is to remain predominately a regulated utility while investing in ALLETE Clean Energy and New Energy and its Corporate and Other businesses to complement its regulated businesses, balance exposure to the utility's industrial customers, and provide potential long-term earnings growth. ALLETE expects net income from Regulated Operations to be approximately 75 percent of total consolidated net income in 2025. ALLETE expects its businesses to generally provide regulated, contracted or recurring revenues, and to support sustained growth in net income and cash flow.

Minnesota Carbon-Free Legislation. In February 2023, the Minnesota Governor signed a law that updated the state's renewable energy standard and requires Minnesota electric utilities to source retail sales with 100 percent carbon-free energy by 2040. The law increases the renewable energy standard from 25 percent renewable by 2025 to 55 percent renewable by 2035, and requires investor-owned Minnesota utilities to provide 80 percent carbon-free energy by 2030, 90 percent carbon-free energy by 2035 and 100 percent carbon-free energy by 2040. The law utilizes renewable energy credits as the means to demonstrate compliance with both the carbon-free and renewable standards, includes an off-ramp provision that enables the MPUC to protect reliability and customer costs through modification or delay of either the renewable energy standard, the carbon-free standard, or both, and streamlines development and construction of wind energy projects and transmission in Minnesota. Ongoing progress towards compliance with Minnesota's Carbon Free Standard is evaluated in the IRP proceedings at the MPUC. Minnesota Power's most recent IRP was filed on March 3, 2025, and discusses progress towards compliance with the 2040 law. (See Note 2. Regulatory Matters - Integrated Resource Plan.)

Budget Reconciliation Bill H.R. 1. On July 4, 2025, the budget reconciliation bill H.R. 1 was enacted, which includes various tax reform provisions including provisions modifying, terminating, and accelerating the phase out of a wide range of energy tax credits enacted by the Inflation Reduction Act of 2022. We are evaluating the impacts of this legislation on our businesses and consolidated financial statements. We are unable to estimate the impact at this time; however, it could be material.

Regulated Operations. Minnesota Power's long-term strategy is to be the leading electric energy provider in northeastern Minnesota by providing safe, reliable and cost-competitive electric energy, while complying with environmental permit conditions and renewable energy requirements. Keeping the cost of energy production competitive enables Minnesota Power to effectively compete in the wholesale power markets and minimizes retail rate increases to help maintain customer viability. As part of maintaining cost competitiveness, Minnesota Power intends to reduce its exposure to possible future carbon and GHG legislation by reshaping its generation portfolio, over time, to reduce its reliance on coal. In 2021, Minnesota Power announced its vision of delivering 100 percent carbon-free energy by 2050. We will monitor and review proposed environmental regulations and may challenge those that add considerable cost with limited environmental benefit. Minnesota Power will continue to pursue customer growth opportunities and cost recovery rider approvals for transmission, renewable and environmental investments, as well as work with regulators to earn a fair rate of return.

Integrated Resource Plan. On March 3, 2025, Minnesota Power filed its 2025 IRP, which outlines Minnesota Power's next steps to provide safe and reliable energy to customers while adding new resources, meeting increasing demand for energy and reducing carbon emissions. The 2025 IRP calls for adding renewable projects, customer-focused demand response, energy storage and natural gas generation, and positions Minnesota Power to cease coal use for its customers at the Boswell Energy Center in Cohasset and meet the requirements of the state of Minnesota's carbon-free standard. As part of the 2025 IRP, Minnesota Power anticipates maximizing and expanding customer-focused programs including energy efficiency, energy conservation and demand response, adding 400 MW of new wind energy resources by 2035, in addition to the 700 MW announced in its 2021 IRP, expanding energy storage resources by 100 MW by 2035, and adding approximately 1,000 MW of natural gas capacity, including the refuel of Boswell Unit 3 to run solely on natural gas by 2030. Minnesota Power will continue to explore biomass fuel opportunities at Boswell Unit 3 and will develop natural gas replacement options for Boswell Unit 4. A final decision on the 2025 IRP is expected in 2026.

OUTLOOK (Continued)

Regulated Operations (Continued)

Wind Energy Request For Proposals. On August 4, 2025, Minnesota Power announced plans to build a 200 MW wind project in North Dakota, which is expected to be in service in late 2027, subject to regulatory approvals in North Dakota and Minnesota. Minnesota Power also filed a petition with the MPUC on August 4, 2025, requesting approval of investments and expenditures in the wind project for recovery through Minnesota Power's renewable resources rider.

Industrial Customers.

Industrial Customers. Electric power is one of several key inputs in the taconite mining, paper, pulp and secondary wood products, pipeline and other industries. Approximately 48 percent of our regulated utility kWh sales in the six months ended June 30, 2025, were made to our industrial customers (56 percent in the six months ended June 30, 2024). We expect industrial sales for the full year of 2025 to be approximately 6.3 million MWh reflecting lower sales to taconite customers. (See *Taconite – Cleveland-Cliffs, Inc.*)

Taconite.

USS Corporation. In December 2023, USS Corporation announced it entered into a definitive agreement in which Nippon Steel will acquire all of the shares of USS Corporation. On January 3, 2025, President Biden issued an order blocking the transaction, a decision currently being challenged in court. On April 7, 2025, President Trump issued an order to direct CFIUS to conduct a new review of the acquisition of USS Corporation by Nippon Steel. President Trump signed an executive order on June 13, 2025 allowing the partnership between Nippon and USS Corporation to proceed subject to a national security agreement (NSA), and the transaction was finalized on June 18, 2025. The NSA signed by the companies also calls for \$11 billion in new investments to be made by 2028, with \$800 million earmarked for Minnesota ore operations, among other commitments.

On January 27, 2025, USS Corporation exercised its rights under its electric service agreement with Minnesota Power to provide a four-year notice of termination. Minnesota Power and USS Corporation are working together to meet USS Corporation's evolving energy needs. Absent any other action by the parties, the termination of the current electric service agreement would be effective January 27, 2029, and USS Corporation would become a non-contract large power customer of Minnesota Power. USS Corporation has the capability to annually produce approximately 15 million tons of blast furnace-grade pellets at its Minntac plant and 5 million tons of blast-furnace grade pellets, or 4 million tons of DR-grade pellets, at its Keetac plant.

Cleveland-Cliffs, Inc. (Cliffs). Cliffs is the largest flat-rolled steel producer and the largest iron ore pellet producer in North America, and is also Minnesota Power's largest customer. In March 2025, Cliffs announced it would temporarily idle its Minorca Mine in Virginia, Minnesota, and partially idle Hibbing Taconite in Hibbing, Minnesota. Both of these plants are Large Power industrial customers of Minnesota Power. The Hibbing Taconite plant has the capability to annually produce approximately 8 million tons of blast furnace-grade pellets and the Minorca plant has the capability to produce approximately 3 million tons of blast-furnace grade pellets.

OUTLOOK (Continued)

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 investments to enhance our own transmission facilities and investments in other transmission assets (individually or in combination with others) and our investment in ATC. Transmission investments are summarized in Item 7. Management's Discussion and Analysis of Financial Condition and Results of Operations – Outlook – Transmission in our 2024 Form 10-K, with additional disclosure provided in the following paragraphs.

HVDC Transmission System Project. On June 1, 2023, Minnesota Power submitted an application for a certificate of need and route permit with the MPUC to replace aging critical infrastructure and modernize the terminal stations of its HVDC transmission line. In an October 25, 2024, order, the MPUC approved the certificate of need and route permit. Minnesota Power uses the 465-mile, 250-kV HVDC 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. On March 17, 2025, the FERC approved Minnesota Power's request to recover on construction work in progress related to this project from Minnesota Power's wholesale customers for project assets in Minnesota and conditionally approved its request related to project assets located in North Dakota. The HVDC transmission system project is expected to improve reliability of the transmission system, improve system resiliency, expand the operating capacity of the HVDC terminals, and replace critical infrastructure. Construction on the Minnesota end of the project began in 2025. Construction on the North Dakota end of the project will begin later in 2025, pending regulatory approvals in North Dakota. The project will be placed in-service between 2028 and 2030. The project is estimated to cost between \$800 million and \$940 million. On October 18, 2023, the U.S. Department of Energy awarded a \$50 million grant to Minnesota Power for this project, which will be used to prepare the HVDC transmission system for future expansion and help reduce project costs to customers. In addition, this project was awarded \$15 million in state funding as part of an energy and climate budget bill passed by the Minnesota Legislature in 2023. Further, Minnesota Power's application to the Minnesota Department of Commerce (DOC) State Competitiveness Fund Match Program received notification the DOC is reserving \$10 million as a cost share for the project. In total, Minnesota Power has been awarded \$75 million in federal and state dollars in support of the project.

ALLETE Clean Energy.

ALLETE Clean Energy will pursue growth through acquisitions or project development. ALLETE Clean Energy is targeting acquisitions of existing operating portfolios which have a mix of long-term PSAs in place and/or available for repowering and recontracting. Further, ALLETE Clean Energy will evaluate actions that will lead to the addition of complimentary clean energy products and services. At this time, ALLETE Clean Energy is focused on actions that will optimize its clean energy project portfolio of operating and development projects, which may include recontracting, repowering, entering into partnerships and divestitures along with continued acquisitions or development of new projects including wind, solar, energy storage or storage ready facilities across North America.

New Energy.

New Energy is a renewable energy company with a primary focus on developing solar and energy storage facilities for external sale and internal ownership while also offering comprehensive operations, maintenance and asset management services. New Energy is a leading developer of community, commercial and industrial, and small utility-scale renewable energy projects that has completed more than 600 MW in its history, totaling more than \$1.5 billion of capital. New Energy currently has a robust project pipeline with greater than 2,000 MW of renewable projects in development across over 20 different states. New Energy adds value through cost effective development and economies of scale on project implementation, bringing national capabilities to regional co-development partners. New Energy is involved in greenfield development as well as acquiring and completing mid-stage and late-stage renewable energy projects. New Energy will continue its current strategy of developing, owning and operating renewable energy projects.

Corporate and Other.

Corporate and Other includes 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, South Shore Energy, our non-rate regulated, Wisconsin subsidiary developing NTEC, other business development and corporate expenditures, unallocated interest expense, a small amount of non-rate base generation, land in Minnesota, and earnings on cash and investments.

LIQUIDITY AND CAPITAL RESOURCES

Liquidity Position. ALLETE is well-positioned to meet the Company's liquidity needs. As of June 30, 2025, we had cash and cash equivalents of \$55.4 million, \$245.8 million in available consolidated lines of credit, 2.1 million original issue shares of common stock available for issuance through a distribution agreement with Lampert Capital Markets, the option (per the Merger Agreement) to request that Alloy Parent purchase up to a total of \$300 million of preferred stock of ALLETE in the second half of 2025 (see Securities), and a debt-to-capital ratio of 37 percent.

Capital Structure. ALLETE's capital structure is as follows:

	June 30, 2025	%	December 31, 2024	%
Millions				
ALLETE Equity	\$2,861.9	54	\$2,848.0	55
Non-Controlling Interest in Subsidiaries	504.4	9	542.1	10
Short-Term and Long-Term Debt <i>(a)</i>	2,004.2	37	1,808.0	35
Redeemable Non-Controlling Interest	0.8	—	0.4	—
	\$5,371.3	100	\$5,198.5	100

(a) Excludes unamortized debt issuance costs.

Cash Flows. Selected information from the Consolidated Statement of Cash Flows is as follows:

For the Six Months Ended June 30,	2025	2024
Millions		
Cash, Cash Equivalents and Restricted Cash at Beginning of Period	\$55.2	\$79.4
Cash Flows provided by (used in)		
Operating Activities	149.6	176.5
Investing Activities	(273.7)	(136.8)
Financing Activities	126.8	(75.4)
Change in Cash, Cash Equivalents and Restricted Cash	2.7	(35.7)
Cash, Cash Equivalents and Restricted Cash at End of Period	\$57.9	\$43.7

Operating Activities. Cash provided by operating activities was lower in 2025 compared to 2024 reflecting the payment of interim rate refunds to customers by Minnesota Power and higher cash payments for inventory in 2025.

Investing Activities. Cash used in investing activities was higher in 2025 compared to 2024 reflecting more payments for additions to property, plant and equipment compared to 2024 primarily due to capital expenditures for Minnesota Power solar and transmission projects.

Financing Activities. Cash provided by financing activities in 2025 reflected higher proceeds from the issuance of long-term debt, partially offset by higher repayments of long-term debt compared to cash used in financing activities in 2024.

Working Capital. Additional working capital, if and when needed, generally is provided by consolidated bank lines of credit and the issuance of securities, including long-term debt, common stock and commercial paper. As of June 30, 2025, we had consolidated bank lines of credit aggregating \$362.0 million (\$362.0 million as of December 31, 2024), the majority of which expire in January 2027. (See Note 5. Short-Term and Long-Term Debt.) We had \$16.2 million outstanding standby letters of credit and \$100.0 million outstanding draws under our lines of credit as of June 30, 2025 (\$16.2 million in standby letters of credit and \$20.0 million outstanding draws on our lines of credit as of December 31, 2024). As of June 30, 2025, we also had \$123.4 million outstanding in standby letters of credit under other credit facility agreements.

In addition, as of June 30, 2025, we had 2.4 million original issue shares of our common stock available for issuance through Invest Direct, our direct stock purchase and dividend reinvestment plan, and 2.1 million original issue shares of common stock available for issuance through a distribution agreement with Lampert Capital Markets. (See *Securities*.) The amount and timing of future sales of our securities will depend upon market conditions and our specific needs.

LIQUIDITY AND CAPITAL RESOURCES (Continued)

Securities. The Merger Agreement also provides that ALLETE may notify Alloy Parent of our intent to raise equity capital of up to a total of \$300 million in the second half of 2025, subject to certain parameters. If Alloy Parent declines to participate in the equity capital raises or fails to provide timely notice with respect thereto, ALLETE will have the right to issue ALLETE common stock in the public markets for an amount equal to any unfunded amounts under such equity capital raises up to certain limits. (See Note 11. Agreement and Plan of Merger.)

During the six months ended June 30, 2025, we issued 0.2 million shares of common stock through Invest Direct, ESPP, and RSOP, resulting in net proceeds of \$6.5 million (0.2 million shares were issued for the six months ended June 30, 2024, resulting in net proceeds of \$6.4 million).

Financial Covenants. See Note 5. Short-Term and Long-Term Debt for information regarding our financial covenants.

Pension and Other Postretirement Benefit Plans. 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 defined benefit pension plans. (See Note 9. Pension and Other Postretirement Benefit Plans.)

Off-Balance Sheet Arrangements. Off-balance sheet arrangements are summarized in our 2024 Form 10-K, with additional disclosure in Note 6. Commitments, Guarantees and Contingencies.

Credit Ratings. Access to reasonably priced capital markets is dependent in part on credit and ratings. Our securities have been rated by S&P Global Ratings and by Moody's. Rating agencies use both quantitative and qualitative measures in determining a company's credit rating. These measures include business risk, liquidity risk, competitive position, capital mix, financial condition, predictability of cash flows, management strength and future direction. Some of the quantitative measures can be analyzed through a few key financial ratios, while the qualitative ones are more subjective. Our current credit ratings are listed in the following table:

Credit Ratings	S&P Global Ratings ^(a)	Moody's
Issuer Credit Rating	BBB	Baa1
Commercial Paper	A-2	P-2
First Mortgage Bonds	^(b)	A2

^(a) On May 7, 2024, S&P Global Ratings revised its outlook on ALLETE to negative from stable and affirmed all of its ratings on ALLETE. S&P Global Ratings cited the possibility for higher leverage and weaker financial measures because of the Merger as its rationale for issuing the negative outlook.

^(b) Not rated by S&P Global Ratings.

The disclosure of these credit ratings is not a recommendation to buy, sell or hold our securities. Ratings are subject to revision or withdrawal at any time by the assigning rating organization. Each rating should be evaluated independently of any other rating.

Capital Requirements. Our capital expenditures for 2025 are now expected to be approximately \$900 million reflecting higher capital expenditures at Minnesota Power primarily related to timing of expenditures for the HVDC transmission system project. For the six months ended June 30, 2025, capital expenditures totaled \$275.7 million (\$143.7 million for the six months ended June 30, 2024). The expenditures were primarily made in the Regulated Operations segment.

OTHER

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. (See Note 6. Commitments, Guarantees and Contingencies.)

Employees.

As of June 30, 2025, ALLETE had 1,673 employees, of which 1,610 were full-time.

Minnesota Power and SWL&P have an aggregate of 500 employees covered under collective bargaining agreements, of which most are members of International Brotherhood of Electrical Workers (IBEW) Local 31. The current labor agreements with IBEW Local 31 expire on April 30, 2028, for Minnesota Power and January 31, 2029, for SWL&P.

BNI Energy has 184 employees, of which 136 are subject to a labor agreement with IBEW Local 1593. The current labor agreement with IBEW Local 1593 expires on March 31, 2026.

NEW ACCOUNTING PRONOUNCEMENTS

New accounting pronouncements are discussed in Note 1. Operations and Significant Accounting Policies.

ITEM 3. QUANTITATIVE AND QUALITATIVE DISCLOSURES ABOUT MARKET RISK

SECURITIES INVESTMENTS

Available-for-Sale Securities. As of June 30, 2025, our available-for-sale securities portfolio consisted primarily of securities held in other postretirement plans to fund employee benefits.

COMMODITY PRICE RISK

Our regulated utility operations incur costs for power and fuel (primarily coal and related transportation) in Minnesota, and power and natural gas purchased for resale in our regulated service territory in Wisconsin. Minnesota Power's exposure to price risk for these commodities is significantly mitigated by the current ratemaking process and regulatory framework, which allows recovery of fuel costs in excess of those included in base rates or distribution of savings in fuel costs to ratepayers. SWL&P's exposure to price risk for natural gas is significantly mitigated by the current ratemaking process and regulatory framework, which allows the commodity cost to be passed through to customers. We seek to prudently manage our customers' exposure to price risk by entering into contracts of various durations and terms for the purchase of power and coal and related transportation costs (Minnesota Power), and natural gas (SWL&P).

POWER MARKETING

Minnesota Power's power marketing activities consist of: (1) purchasing energy in the wholesale market to serve its regulated service territory when energy requirements exceed generation output; and (2) selling excess available energy and purchased power. From time to time, Minnesota Power may have excess energy that is temporarily not required by retail and municipal customers in our regulated service territory. Minnesota Power actively sells any excess energy to the wholesale market to optimize the value of its generating facilities.

We are exposed to credit risk primarily through our power marketing activities. We use credit policies to manage credit risk, which includes utilizing an established credit approval process and monitoring counterparty limits.

INTEREST RATE RISK

We are exposed to risks resulting from changes in interest rates as a result of our issuance of variable rate debt. We manage our interest rate risk by varying the issuance and maturity dates of our fixed rate debt, limiting the amount of variable rate debt, and continually monitoring the effects of market changes in interest rates. We may also enter into derivative financial instruments, such as interest rate swaps, to mitigate interest rate exposure. Interest rates on variable rate long-term debt are reset on a periodic basis reflecting prevailing market conditions. Based on the variable rate debt outstanding as of June 30, 2025, an increase of 100 basis points in interest rates would impact the amount of pre-tax interest expense by \$1.3 million. This amount was determined by considering the impact of a hypothetical 100 basis point increase to the average variable interest rate on the variable rate debt outstanding as of June 30, 2025.

ITEM 4. CONTROLS AND PROCEDURES

Evaluation of Disclosure Controls and Procedures. As of June 30, 2025, evaluations were performed, under the supervision and with the participation of management, including our principal executive officer and principal financial officer, on the effectiveness of the design and operation of ALLETE's disclosure controls and procedures (as defined in Rules 13a-15(e) and 15d-15(e) of the Securities Exchange Act of 1934 (Exchange Act)). Based upon those evaluations, our principal executive officer and principal financial officer have concluded that such disclosure controls and procedures are effective to provide assurance that information required to be disclosed in ALLETE's reports filed or submitted under the Exchange Act is recorded, processed, summarized and reported within the time periods specified in the SEC's rules and forms, and such information is accumulated and communicated to our management, including our principal executive officer and principal financial officer, to allow timely decisions regarding required disclosure.

Changes in Internal Controls. There has been no change in our internal control over financial reporting that occurred during our most recent fiscal quarter that has materially affected, or is reasonably likely to materially affect, our internal control over financial reporting.

PART II. OTHER INFORMATION

ITEM 1. LEGAL PROCEEDINGS

For information regarding material legal and regulatory proceedings, see Note 4. Regulatory Matters and Note 9. Commitments, Guarantees and Contingencies to the Consolidated Financial Statements in our 2024 Form 10-K and Note 2. Regulatory Matters and Note 6. Commitments, Guarantees and Contingencies herein. Such information is incorporated herein by reference.

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.

ITEM 1A. RISK FACTORS

Our 2024 Form 10-K includes a detailed discussion of our risk factors. There have been no material changes from the risk factors disclosed in Part I, Item 1A. Risk Factors of our 2024 Form 10-K.

ITEM 2. UNREGISTERED SALES OF EQUITY SECURITIES AND USE OF PROCEEDS

None.

ITEM 3. DEFAULTS UPON SENIOR SECURITIES

None.

ITEM 4. MINE SAFETY DISCLOSURES

The Dodd-Frank Wall Street Reform and Consumer Protection Act (Dodd-Frank Act) requires issuers to include in periodic reports filed with the SEC certain information relating to citations or orders for violations of standards under the Federal Mine Safety and Health Act of 1977 (Mine Safety Act). Information concerning mine safety violations or other regulatory matters required by Section 1503(a) of the Dodd-Frank Act and this Item are included in Exhibit 95 to this Form 10-Q.

ITEM 5. OTHER INFORMATION

Trading Plans. During the quarter ended June 30, 2025, no director or officer of the Company adopted or terminated a “Rule 10b5-1 trading arrangement” or “non-Rule 10b5-1 trading arrangement,” as each term is defined in Item 408(a) of Regulation S-K.

ITEM 6. EXHIBITS

Exhibit	Description
2	Agreement and Plan of Merger by and among ALLETE, Inc., Alloy Parent LLC and Alloy Merger Sub LLC, dated as of May 5, 2024 (filed as Exhibit 2.1 to the May 6, 2024, Form 8-K, File No. 1-3548).*
3	Amendment to Articles of Incorporation, dated as of May 13, 2025
4	Forty-Sixth Supplemental Indenture, dated as of July 1, 2025, between ALLETE, Inc. and The Bank of New York Mellon, as corporate trustee, and Sherma Thomas, as co-trustee.
31(a)	Rule 13a-14(a)/15d-14(a) Certification by the Chief Executive Officer Pursuant to Section 302 of the Sarbanes-Oxley Act of 2002.
31(b)	Rule 13a-14(a)/15d-14(a) Certification by the Chief Financial Officer Pursuant to Section 302 of the Sarbanes-Oxley Act of 2002.
32	Section 1350 Certification of Periodic Report by the Chief Executive Officer and the Chief Financial Officer Pursuant to Section 906 of the Sarbanes-Oxley Act of 2002.
95	Mine Safety.
99	ALLETE News Release dated August 7, 2025, announcing 2025 second quarter earnings. (This exhibit has been furnished and shall not be deemed “filed” for purposes of Section 18 of the Securities Exchange Act of 1934, nor shall it be deemed incorporated by reference in any filing under the Securities Act of 1933, except as shall be expressly set forth by specific reference in such filing.)
101.INS	XBRL Instance Document - the instance document does not appear in the Interactive Data File because its XBRL tags are embedded within the Inline XBRL document.
101.SCH	XBRL Schema
101.CAL	XBRL Calculation
101.DEF	XBRL Definition
101.LAB	XBRL Label
101.PRE	XBRL Presentation
104	Cover Page Interactive Data File (formatted as Inline XBRL and contained in Exhibit 101)

*Schedules and exhibits have been omitted pursuant to Item 601(b)(2) of Regulation S-K. A copy of any omitted schedules will be furnished supplementally to the SEC upon request; provided, however, that the parties may request confidential treatment pursuant to Rule 24b-2 of the Exchange Act for any document so furnished.

ALLETE agrees to furnish to the SEC upon request any instrument with respect to long-term debt that ALLETE has not filed as an exhibit pursuant to the exemption provided by Item 601(b)(4)(iii)(A) of Regulation S-K.

SIGNATURES

Pursuant to the requirements of the Securities Exchange Act of 1934, the registrant has duly caused this report to be signed on its behalf by the undersigned thereunto duly authorized.

ALLETE, INC.

August 7, 2025

/s/ Jeffrey J. Scissons

Jeffrey J. Scissons
Vice President, Chief Financial Officer and
Corporate Treasurer
(Principal Financial Officer)

August 7, 2025

/s/ Colin B. Anderson

Colin B. Anderson
Vice President, Chief Accounting Officer, and Controller
(Principal Accounting Officer)

**ARTICLES OF AMENDMENT OF
ALLETE, INC.**

Amending paragraphs 5, 7, 8, 9, 10, 11, 12, 13, and 15 of Article III and paragraph 1 of Article VI of ALLETE, Inc.'s Articles of
Incorporation

as Amended and Restated as of May 8, 2001

as previously amended as of September 20, 2004, May 28, 2009 and May 19, 2010

1. Article III, Section 5, of the Articles of Incorporation of ALLETE, Inc., as Amended and Restated as of May 8, 2001 (as amended as of September 20, 2004, May 28, 2009 and May 19, 2010, the "Articles") is amended to read in its entirety as follows:

5. Subject to the rights of the holders of the 5% Preferred Stock, and Serial Stocks and subordinate thereto (including those set forth in any certificate of designation filed with respect to any series of Serial Stock) (and subject and subordinate to the rights of any class of stock hereafter authorized), the Common Stock alone shall receive all dividends and shares in liquidation, dissolution, winding up or distribution other than those to be paid on shares of 5% Preferred Stock and Serial Stocks, as hereinbefore provided.

2. Article III, Section 7, of the Articles is amended to read in its entirety as follows:

7. Subject to the terms set forth in in any certificate of designation filed with respect to any series of Serial Stock, this Corporation, by a majority vote of its Board of Directors, may at any time redeem all of the Serial Preferred Stock or Serial Preferred Stock A or may from time to time redeem any series or any part of any series thereof, by paying in cash the redemption price or prices fixed for the series of Serial Preferred Stock or Serial Preferred Stock A to be redeemed by resolution or resolutions of the Board of Directors establishing such series, plus unpaid accumulated dividends, if any, to the date of redemption.

3. Article III, Section 8, of the Articles is amended to read in its entirety as follows:

8. [Deleted and intentionally reserved]

4. Article III, Section 9, of the Articles is amended to read in its entirety as follows:

9. Except as hereinafter otherwise provided or as otherwise provided in any certificate of designation filed with respect to any series of Serial Stock, every shareholder of record or his legal representative, at the date fixed for the determination of persons entitled to vote at the meeting of shareholders, or, if no date has been fixed, then at the date of the meeting shall be entitled at such meeting to one vote for each share of Common Stock, 5% Preferred Stock or Serial Preferred Stock standing in his name on the books of the Corporation.

There shall be no cumulative voting by any class, series or shares of stock of this Corporation.

5. Article III, Section 10, of the Articles is amended to read in its entirety as follows:

10. If and when dividends payable on any of the preferred stocks other than the Serial Preferred Stock A shall be in default in an amount equal to four full quarterly payments or more per share, and thereafter until all dividends on any of such preferred stocks in default shall have been paid, the holders of all of the then outstanding preferred stocks other than the Serial Preferred Stock A (such preferred stocks, the "Voting Preferred Stock"), voting as a class, shall be entitled to elect the smallest number of directors necessary to constitute a majority of the full Board of Directors, and the holders of the Common Stock, voting as a class, shall be entitled to elect the remaining directors of the Corporation, anything herein or in the Bylaws to the contrary notwithstanding. The terms of office, as directors, of all persons who may be directors of the Corporation at the time shall terminate upon the election of a majority of the Board of Directors by the holders of the Voting Preferred Stock, except that if the holders of the Common Stock shall not have elected the remaining directors of the Corporation, then, and only in that event, the directors of the Corporation, as constituted just prior to the election of a majority of the Board of Directors by the holders of the Voting Preferred Stock, shall elect the remaining directors of the Corporation. Thereafter, while such default continues and the majority of directors are being elected by the holders of the Voting Preferred Stock, the remaining directors, whether elected by directors, as aforesaid, or whether originally or later elected by holders of the Common Stock, shall continue in office until their successors are elected by holders of the Common Stock and qualify.

For purposes of this (tenth) paragraph, there shall be no cumulative voting by any class, series or shares of stock of this Corporation."

6. Article III, Section 11, of the Articles is amended to read in its entirety as follows:

11. If and when all dividends then in default on the Voting Preferred Stock then outstanding shall be paid (and such dividends shall be declared and paid out of any funds legally available therefore as soon as reasonably practicable), the holders of the Voting Preferred Stock shall be divested of any special right with respect to the election of directors and the voting power of the holders of the Voting Preferred Stock and the holders of the Common Stock shall revert to the status existing before the first dividend payment date on which dividends on any of the Voting Preferred Stock were not paid in full; but always subject to the same provisions for vesting such special rights in the holders of the Voting Preferred Stock in case of further like default or defaults on dividends thereon. Upon the termination of any such special voting right upon payment of all accumulated and defaulted dividends on the Voting Preferred Stock, the terms of office of all persons who may have been elected directors of the Corporation by

vote of the holders of the Voting Preferred Stock, as a class, pursuant to such special voting right shall forthwith terminate, and the resulting vacancies shall be filled by a vote of the majority of the remaining directors.

7. Article III, Section 12, of the Articles is amended to read in its entirety as follows:

12. In case of any vacancy in the office of a director occurring among the directors elected by the holders of the Voting Preferred Stock, voting as a class, the remaining directors elected by the holders of the Voting Preferred Stock, by affirmative vote of a majority thereof, or the remaining director so elected if there be but one, may elect a successor or successors to hold office for the unexpired terms of the director or directors whose place or places shall be vacant. Likewise in case of any vacancy in the office of a director occurring among the directors not elected by the holders of the Voting Preferred Stock, the remaining directors not elected by the holders of the Voting Preferred Stock, by affirmative vote of a majority thereof, or the remaining director so elected if there be but one, may elect a successor or successors to hold office for the unexpired term of the director or directors whose place or places shall be vacant.

8. Article III, Section 13, of the Articles is amended to read in its entirety as follows:

13. Whenever the right shall have accrued to the holders of the Voting Preferred Stock to elect directors, voting as a class, then upon request in writing signed by any holder of Voting Preferred Stock, delivered by registered mail or in person to the president, a vice president or secretary, it shall be the duty of such officer forthwith to cause notice to be given to the shareholders entitled to vote of a meeting to be held at such time as such officer may fix, not less than ten nor more than sixty days after the receipt of such request, for the purpose of electing directors. At all meetings of shareholders held for the purpose of electing directors during such time as the holders of the Voting Preferred Stock shall have the special right, voting as a class, to elect directors, the presence in person or by proxy of the holders of a majority of the outstanding Common Stock shall be required to constitute a quorum of such class for the election of directors, and the presence in person or by proxy of the holders of a majority of the outstanding Voting Preferred Stock shall be required to constitute a quorum of the Voting Preferred Stock for the election of directors; provided, however, that the absence of a quorum of the holders of Common Stock or of Voting Preferred Stock shall not prevent the election at any such meeting or adjournment thereof of directors by such other class or classes if the necessary quorum of the holders of stock of such other class or classes is present in person or by proxy at such meeting or any adjournment thereof; and provided further that in the event a quorum of the holders of the Common Stock is present but a quorum of the holders of the Voting Preferred Stock is not present, then the election of the directors elected by the holders of the Common Stock shall not become effective and the directors so elected by the holders of the Common Stock shall not assume their offices and duties until the holders of the Voting Preferred Stock, with a quorum present,

shall have elected the directors they shall be entitled to elect; and provided further, however, that in the absence of a quorum of the holders of either the Common Stock or the Voting Preferred Stock, a majority of the holders of the stock of the class or classes who are present in person or by proxy shall have power to adjourn the election of the directors to be elected by such class or classes from time to time without notice other than announcement at the meeting until the requisite amount of holders of such class or classes shall be present in person or by proxy, but such adjournment shall not be made to a date beyond the date for the mailing of notice of the next annual meeting of the Corporation or special meeting in lieu thereof.

9. The first paragraph of Article III, Section 15, of the Articles is amended to read in its entirety as follows:

15. So long as any shares of the 5% Preferred Stock or any shares of any series of the Serial Preferred Stock are outstanding, the Corporation shall not, without the consent (given by vote at a meeting called for that purpose) of the holders of a majority of the total number of shares of the Voting Preferred Stock then outstanding:

10. The first paragraph of Article VI of the Articles is amended to read in its entirety as follows:

Subject to the provisions of Article III hereof and subject to the terms set forth in any certificate of designation filed with respect of any series of Serial Stock, (1) the management of this Corporation shall be vested in a Board of Directors, the number of which shall be fixed from time to time exclusively by the Board of Directors pursuant to a resolution adopted by affirmative vote of the majority of the Disinterested Directors, as defined in Article VII, but the number of Directors shall be no less than nine (9) and no greater than fifteen (15), but no decrease shall have the effect of shortening the term of any incumbent Director. Directors shall be elected annually by the stockholders by ballot by a majority vote of all the outstanding stock entitled to vote, to hold office until their successors are elected and qualify; (2) subject to any rights then existing by applicable law with respect to cumulative voting, the stockholders at any meeting by a majority vote of all the outstanding stock entitled to vote, at an election of directors, may remove any director and fill the vacancy; (3) subject to the rights of the holders of any class or series of the then outstanding shares of voting capital stock of this Corporation, newly created directorships resulting from any increase in the authorized number of Directors or any vacancies in the Board of Directors resulting from death, resignation, retirement, disqualification, removal from office or other cause may be filled only by the shareholders or by the affirmative vote of a majority of the Disinterested Directors then in office, although less than a quorum. Directors so elected shall hold office for a term expiring at the time of the next annual election of Directors by the stockholders and until their successors are duly elected and qualify.

SUPPLEMENTAL INDENTURE

ALLETE, Inc.

(formerly Minnesota Power & Light Company
and formerly Minnesota Power, Inc.)

TO

THE BANK OF NEW YORK MELLON

(formerly The Bank of New York
(formerly Irving Trust Company))

AND

SHERMA THOMAS

(successor to Richard H. West, J. A. Austin, E. J. McCabe, D. W. May, J. A. Vaughan,
W. T. Cunningham, Douglas J. MacInnes, Ming Ryan, Philip L. Watson, Andres Serrano, Eva Waite
and Janet Lee)

As Trustees under ALLETE, Inc.'s Mortgage and Deed of Trust dated as of September 1, 1945

**Forty-sixth Supplemental Indenture
Providing, among other things, for**

**First Mortgage Bonds, 5.37% Series due July 9, 2032
(Sixty-sixth Series),**

**First Mortgage Bonds, 5.69% Series due July 9, 2035
(Sixty-seventh Series),**

**First Mortgage Bonds, 5.79% Series due July 9, 2037
(Sixty-eighth Series), and**

**First Mortgage Bonds, 6.34% Series due July 9, 2055
(Sixty-ninth Series),**

Dated as of July 1, 2025

FORTY-SIXTH SUPPLEMENTAL INDENTURE

THIS INDENTURE, dated as of July 1, 2025, by and between ALLETE, Inc. (formerly Minnesota Power & Light Company and formerly Minnesota Power, Inc.), a corporation of the State of Minnesota, whose post office address is 30 West Superior Street, Duluth, Minnesota 55802 (hereinafter sometimes called the “Company”), and The Bank of New York Mellon (formerly The Bank of New York (formerly Irving Trust Company)), a corporation of the State of New York, whose post office address is 240 Greenwich Street, New York, New York 10286 (hereinafter sometimes called the “Corporate Trustee”), and Sherma Thomas (successor to Richard H. West, J. A. Austin, E. J. McCabe, D. W. May, J. A. Vaughan, W. T. Cunningham, Douglas J. MacInnes, Ming Ryan, Philip L. Watson, Andres Serrano, Eva Waite and Janet Lee), whose post office address is c/o The Bank of New York Mellon, 240 Greenwich Street, New York, New York 10286 (said Sherma Thomas being hereinafter sometimes called the “Co-Trustee” and the Corporate Trustee and the Co-Trustee being hereinafter together sometimes called the “Trustees”), as Trustees under the Mortgage and Deed of Trust, dated as of September 1, 1945, between the Company and Irving Trust Company and Richard H. West, as Trustees, securing bonds issued and to be issued as provided therein (hereinafter sometimes called the “Mortgage”), reference to which Mortgage is hereby made, this indenture (hereinafter sometimes called the “Forty-sixth Supplemental Indenture”) being supplemental thereto:

Whereas, the Mortgage was filed and recorded in various official records in the State of Minnesota; and

Whereas, an instrument, dated as of October 16, 1957, was executed and delivered under which J. A. Austin succeeded Richard H. West as Co-Trustee under the Mortgage, and such instrument was filed and recorded in various official records in the State of Minnesota; and

Whereas, an instrument, dated as of April 4, 1967, was executed and delivered under which E. J. McCabe in turn succeeded J. A. Austin as Co-Trustee under the Mortgage, and such instrument was filed and recorded in various official records in the State of Minnesota; and

Whereas, under the Sixth Supplemental Indenture, dated as of August 1, 1975, to which reference is hereinafter made, D. W. May in turn succeeded E. J. McCabe as Co-Trustee under the Mortgage; and

Whereas, an instrument, dated as of June 25, 1984, was executed and delivered under which J. A. Vaughan in turn succeeded D. W. May as Co-Trustee under the Mortgage, and such instrument was filed and recorded in various official records in the State of Minnesota; and

Whereas, an instrument, dated as of July 27, 1988, was executed and delivered under which W. T. Cunningham in turn succeeded J. A. Vaughan as Co-Trustee under the Mortgage, and such instrument was filed and recorded in various official records in the State of Minnesota; and

Whereas, on May 12, 1998, the Company filed Amended and Restated Articles of Incorporation with the Secretary of State of the State of Minnesota changing its name from Minnesota Power & Light Company to Minnesota Power, Inc. effective May 27, 1998; and

Whereas, an instrument, dated as of April 15, 1999, was executed and delivered under which Douglas J. MacInnes in turn succeeded W. T. Cunningham as Co-Trustee under the Mortgage, and such instrument was filed and recorded in various official records in the State of Minnesota; and

Whereas, on May 8, 2001, the Company filed Amended and Restated Articles of Incorporation with the Secretary of State of the State of Minnesota changing its name from Minnesota Power, Inc. to ALLETE, Inc.; and

Whereas, under the Thirty-second Supplemental Indenture, dated as of August 1, 2010, to which reference is hereinafter made, Ming Ryan in turn succeeded Douglas J. MacInnes as Co-Trustee under the Mortgage; and

Whereas, an instrument, dated as of August 1, 2012, was executed and delivered under which Philip L. Watson in turn succeeded Ming Ryan as Co-Trustee under the Mortgage effective at the close of business on August 6, 2012, and such instrument was filed and recorded in various official records in the State of Minnesota and the State of North Dakota; and

Whereas, an instrument, dated as of July 31, 2015, was executed and delivered under which Andres Serrano in turn succeeded Philip L. Watson as Co-Trustee under the Mortgage effective at the close of business on August 14, 2015, and such instrument was filed and recorded in various official records in the State of Minnesota and the State of North Dakota; and

Whereas, an instrument, dated as of July 29, 2021, was executed and delivered under which Eva Waite in turn succeeded Andres Serrano as Co-Trustee under the Mortgage effective at the close of business on July 29, 2021, and such instrument was filed and recorded in various official records in the State of Minnesota and the State of North Dakota; and

Whereas, an instrument, dated as of April 27, 2022, was executed and delivered under which Janet Lee in turn succeeded Eva Waite as Co-Trustee under the Mortgage effective at the close of business on April 27, 2022, and such instrument was filed and recorded in various official records in the State of Minnesota and the State of North Dakota; and

Whereas, an instrument, dated as of March 25, 2024, was executed and delivered under which Sherma Thomas in turn succeeded Janet Lee as Co-Trustee under the Mortgage effective at the close of business on March 25, 2024, and such instrument was filed and recorded in various official records in the State of Minnesota and the State of North Dakota; and

Whereas, by the Mortgage the Company covenanted, among other things, that it would execute and deliver such supplemental indenture or indentures and such further instruments and do such further acts as might be necessary or proper to carry out more effectually the purposes of the Mortgage and to make subject to the lien of the Mortgage any property thereafter acquired and intended to be subject to the lien thereof; and

Whereas, for said purposes, among others, the Company executed and delivered the following indentures supplemental to the Mortgage:

<u>Designation</u>	<u>Dated as of</u>
First Supplemental Indenture	March 1, 1949
Second Supplemental Indenture	July 1, 1951
Third Supplemental Indenture	March 1, 1957
Fourth Supplemental Indenture	January 1, 1968
Fifth Supplemental Indenture	April 1, 1971
Sixth Supplemental Indenture	August 1, 1975
Seventh Supplemental Indenture	September 1, 1976
Eighth Supplemental Indenture	September 1, 1977
Ninth Supplemental Indenture	April 1, 1978
Tenth Supplemental Indenture	August 1, 1978
Eleventh Supplemental Indenture	December 1, 1982
Twelfth Supplemental Indenture	April 1, 1987
Thirteenth Supplemental Indenture	March 1, 1992
Fourteenth Supplemental Indenture	June 1, 1992
Fifteenth Supplemental Indenture	July 1, 1992
Sixteenth Supplemental Indenture	July 1, 1992
Seventeenth Supplemental Indenture	February 1, 1993
Eighteenth Supplemental Indenture	July 1, 1993
Nineteenth Supplemental Indenture	February 1, 1997
Twentieth Supplemental Indenture	November 1, 1997
Twenty-first Supplemental Indenture	October 1, 2000
Twenty-second Supplemental Indenture	July 1, 2003
Twenty-third Supplemental Indenture	August 1, 2004
Twenty-fourth Supplemental Indenture	March 1, 2005
Twenty-fifth Supplemental Indenture	December 1, 2005
Twenty-sixth Supplemental Indenture	October 1, 2006
Twenty-seventh Supplemental Indenture	February 1, 2008
Twenty-eighth Supplemental Indenture	May 1, 2008
Twenty-ninth Supplemental Indenture	November 1, 2008
Thirtieth Supplemental Indenture	January 1, 2009
Thirty-first Supplemental Indenture	February 1, 2010
Thirty-second Supplemental Indenture	August 1, 2010
Thirty-third Supplemental Indenture	July 1, 2012
Thirty-fourth Supplemental Indenture	April 1, 2013
Thirty-fifth Supplemental Indenture	March 1, 2014
Thirty-sixth Supplemental Indenture	June 1, 2014
Thirty-seventh Supplemental Indenture	September 1, 2014
Thirty-eighth Supplemental Indenture	September 1, 2015
Thirty-ninth Supplemental Indenture	April 1, 2018
Fortieth Supplemental Indenture	March 1, 2019
Forty-first Supplemental Indenture	August 1, 2020
Forty-second Supplemental Indenture	September 1, 2021
Forty-third Supplemental Indenture	August 1, 2022
Forty-fourth Supplemental Indenture	April 1, 2023
Forty-fifth Supplemental Indenture	April 1, 2024

which supplemental indentures were filed and recorded in various official records in the State of Minnesota and the State of North Dakota; and

Whereas, the Company has heretofore issued, in accordance with the provisions of the Mortgage, as heretofore supplemented, the following series of First Mortgage Bonds:

<u>Series</u>	<u>Principal Amount Issued</u>	<u>Principal Amount Outstanding</u>
3-1/8% Series due 1975	\$26,000,000	None
3-1/8% Series due 1979	4,000,000	None
3-5/8% Series due 1981	10,000,000	None
4-3/4% Series due 1987	12,000,000	None
6-1/2% Series due 1998	18,000,000	None
8-1/8% Series due 2001	23,000,000	None
10-1/2% Series due 2005	35,000,000	None
8.70% Series due 2006	35,000,000	None
8.35% Series due 2007	50,000,000	None
9-1/4% Series due 2008	50,000,000	None
Pollution Control Series A	111,000,000	None
Industrial Development Series A	2,500,000	None
Industrial Development Series B	1,800,000	None
Industrial Development Series C	1,150,000	None
Pollution Control Series B	13,500,000	None
Pollution Control Series C	2,000,000	None
Pollution Control Series D	3,600,000	None
7-3/4% Series due 1994	55,000,000	None
7-3/8% Series due March 1, 1997	60,000,000	None
7-3/4% Series due June 1, 2007	55,000,000	None
7-1/2% Series due August 1, 2007	35,000,000	None
Pollution Control Series E	111,000,000	None
7% Series due March 1, 2008	50,000,000	None
6-1/4% Series due July 1, 2003	25,000,000	None
7% Series due February 15, 2007	60,000,000	None
6.68% Series due November 15, 2007	20,000,000	None
Floating Rate Series due October 20, 2003	250,000,000	None
Collateral Series A	255,000,000	None
Pollution Control Series F	111,000,000	None
5.28% Series due August 1, 2020	35,000,000	None
5.69% Series due March 1, 2036	50,000,000	50,000,000
5.99% Series due February 1, 2027	60,000,000	60,000,000
4.86% Series due April 1, 2013	60,000,000	None
6.02% Series due May 1, 2023	75,000,000	None
6.94% Series due January 15, 2014	18,000,000	None
7.70% Series due January 15, 2016	20,000,000	None
8.17% Series due January 15, 2019	42,000,000	None
4.85% Series due April 15, 2021	15,000,000	None
5.10% Series due April 15, 2025	30,000,000	None
6.00% Series due April 15, 2040	35,000,000	35,000,000
4.90% Series due October 15, 2025	30,000,000	30,000,000
5.82% Series due April 15, 2040	45,000,000	45,000,000
3.20% Series due July 15, 2026	75,000,000	75,000,000
4.08% Series due July 15, 2042	85,000,000	85,000,000

<u>Series</u>	<u>Principal Amount Issued</u>	<u>Principal Amount Outstanding</u>
1.83% Series due April 15, 2018	50,000,000	None
3.30% Series due October 15, 2028	40,000,000	40,000,000
4.21% Series due October 15, 2043	60,000,000	60,000,000
3.69% Series due March 15, 2024	60,000,000	None
4.95% Series due March 15, 2044	40,000,000	40,000,000
3.40% Series due July 15, 2022	75,000,000	None
5.05% Series due July 15, 2044	40,000,000	40,000,000
3.02% Series due September 15, 2021	60,000,000	None
3.74% Series due September 15, 2029	50,000,000	50,000,000
4.39% Series due September 15, 2044	50,000,000	50,000,000
2.80% Series due September 15, 2020	40,000,000	None
3.86% Series due September 16, 2030	60,000,000	60,000,000
4.07% Series due April 16, 2048	60,000,000	60,000,000
4.08% Series due March 1, 2029	70,000,000	70,000,000
4.47% Series due March 1, 2049	30,000,000	30,000,000
2.50% Series due August 1, 2030	46,000,000	46,000,000
3.30% Series due August 1, 2050	94,000,000	94,000,000
2.79% Series due September 1, 2031	100,000,000	100,000,000
4.54% Series due August 9, 2032	75,000,000	75,000,000
4.98% Series due April 27, 2033	125,000,000	125,000,000
5.72% Series due April 30, 2039	100,000,000	100,000,000

which bonds are also hereinafter sometimes called bonds of the First through Sixty-fifth Series, respectively; and

Whereas, Section 8 of the Mortgage provides that the form of each series of bonds (other than the First Series) issued thereunder and of coupons to be attached to coupon bonds of such series shall be established by Resolution of the Board of Directors of the Company and that the form of such series, as established by said Board of Directors, shall specify the descriptive title of the bonds and various other terms thereof, and may also contain such provisions not inconsistent with the provisions of the Mortgage as the Board of Directors may, in its discretion, cause to be inserted therein expressing or referring to the terms and conditions upon which such bonds are to be issued and/or secured under the Mortgage; and

Whereas, Section 120 of the Mortgage provides, among other things, that any power, privilege or right expressly or impliedly reserved to or in any way conferred upon the Company by any provision of the Mortgage, whether such power, privilege or right is in any way restricted or is unrestricted, may (to the extent permitted by law) be in whole or in part waived or surrendered or subjected to any restriction if at the time unrestricted or to additional restriction if already restricted, and the Company may enter into any further covenants, limitations or restrictions for the benefit of any one or more series of bonds issued thereunder, or the Company may cure any ambiguity contained therein, or in any supplemental indenture, or may establish the terms and provisions of any series of bonds (other than said First Series) by an instrument in writing executed and acknowledged by the Company in such manner as would be necessary to entitle a conveyance of real estate to record in all of the states in which any property at the time subject to the lien of the Mortgage shall be situated; and

Whereas, the Company now desires to create one new series of bonds and (pursuant to the provisions of Section 120 of the Mortgage) to add to its covenants and agreements contained in the

Mortgage, as heretofore supplemented, certain other covenants and agreements to be observed by it and to alter and amend in certain respects the covenants and provisions contained in the Mortgage, as heretofore supplemented; and

Whereas, the execution and delivery by the Company of this Forty-sixth Supplemental Indenture, and the terms of the bonds of the Sixty-sixth Series, the Sixty-seventh Series, the Sixty-eighth Series and the Sixty-ninth Series, hereinafter referred to, have been duly authorized by the Board of Directors of the Company by appropriate resolutions of said Board of Directors;

Now, Therefore, This Indenture Witnesseth:

That the Company, in consideration of the premises and of One Dollar to it duly paid by the Trustees at or before the ensembling and delivery of these presents, the receipt whereof is hereby acknowledged, and in further evidence of assurance of the estate, title and rights of the Trustees and in order further to secure the payment of both the principal of and interest and premium, if any, on the bonds from time to time issued under the Mortgage, as heretofore supplemented, according to their tenor and effect and the performance of all the provisions of the Mortgage (including any instruments supplemental thereto and any modification made as in the Mortgage provided) and of said bonds, hereby grants, bargains, sells, releases, conveys, assigns, transfers, mortgages, pledges, sets over and confirms (subject, however, to Excepted Encumbrances) unto The Bank of New York Mellon and Sherma Thomas, as Trustees under the Mortgage, and to their successor or successors in said trust, and to said Trustees and their successors and assigns forever, all property, real, personal and mixed, of the kind or nature specifically mentioned in the Mortgage, as heretofore supplemented, or of any other kind or nature acquired by the Company after the date of the execution and delivery of the Mortgage, as heretofore supplemented (except any herein or in the Mortgage, as heretofore supplemented, expressly excepted), now owned or, subject to the provisions of subsection (I) of Section 87 of the Mortgage, hereafter acquired by the Company (by purchase, consolidation, merger, donation, construction, erection or in any other way) and wheresoever situated, including (without in anywise limiting or impairing by the enumeration of the same the scope and intent of the foregoing or of any general description contained in this Forty-sixth Supplemental Indenture) all lands, power sites, flowage rights, water rights, water locations, water appropriations, ditches, flumes, reservoirs, reservoir sites, canals, raceways, dams, dam sites, aqueducts, and all other rights or means for appropriating, conveying, storing and supplying water; all rights of way and roads; all plants for the generation of electricity by steam, water and/or other power; all power houses, gas plants, street lighting systems, standards and other equipment incidental thereto, telephone, radio and television systems, air-conditioning systems and equipment incidental thereto, water works, water systems, steam heat and hot water plants, substations, lines, service and supply systems, bridges, culverts, tracks, ice or refrigeration plants and equipment, offices, buildings and other structures and the equipment thereof; all machinery, engines, boilers, dynamos, electric, gas and other machines, regulators, meters, transformers, generators, motors, electrical, gas and mechanical appliances, conduits, cables, water, steam heat, gas or other pipes, gas mains and pipes, service pipes, fittings, valves and connections, pole and transmission lines, wires, cables, tools, implements, apparatus, furniture and chattels; all municipal and other franchises, consents or permits; all lines for the transmission and distribution of electric current, gas, steam heat or water for any purpose including towers, poles, wires, cables, pipes, conduits, ducts and all apparatus for use in connection therewith; all real estate, lands, easements, servitudes, licenses, permits, franchises, privileges, rights of way and other rights in or relating to real estate or the occupancy of the same and (except as herein or in the Mortgage, as heretofore supplemented, expressly excepted) all the right, title and interest of the Company in and to all other property of any kind or nature appertaining to and/or used and/or occupied and/or enjoyed in connection with any property hereinbefore or in the Mortgage, as heretofore supplemented, described.

Together with all and singular the tenements, hereditaments, prescriptions, servitudes and appurtenances belonging or in anywise appertaining to the aforesaid property or any part thereof, with the reversion and reversions, remainder and remainders and (subject to the provisions of Section 57 of the Mortgage) the tolls, rents, revenues, issues, earnings, income, product and profits thereof, and all the estate, right, title and interest and claim whatsoever, at law as well as in equity, which the Company now has or may hereafter acquire in and to the aforesaid property and franchises and every part and parcel thereof.

It is hereby agreed by the Company that, subject to the provisions of subsection (I) of Section 87 of the Mortgage, all the property, rights, and franchises acquired by the Company (by purchase, consolidation, merger, donation, construction, erection or in any other way) after the date hereof, except any herein or in the Mortgage, as heretofore supplemented, expressly excepted, shall be and are as fully granted and conveyed hereby and by the Mortgage and as fully embraced within the lien hereof and the lien of the Mortgage as if such property, rights and franchises were now owned by the Company and were specifically described herein or in the Mortgage and conveyed hereby or thereby.

Provided that the following are not and are not intended to be now or hereafter granted, bargained, sold, released, conveyed, assigned, transferred, mortgaged, hypothecated, affected, pledged, set over or confirmed hereunder and are hereby expressly excepted from the lien and operation of this Forty-sixth Supplemental Indenture and from the lien and operation of the Mortgage, namely: (1) cash, shares of stock, bonds, notes and other obligations and other securities not hereafter specifically pledged, paid, deposited, delivered or held under the Mortgage or covenanted so to be; (2) merchandise, equipment, apparatus, materials or supplies held for the purpose of sale or other disposition in the usual course of business; fuel, oil and similar materials and supplies consumable in the operation of any of the properties of the Company; all aircraft, rolling stock, trolley coaches, buses, motor coaches, automobiles and other vehicles and materials and supplies held for the purpose of repairing or replacing (in whole or part) any of the same; all timber, minerals, mineral rights and royalties; (3) bills, notes and accounts receivable, judgments, demands and choses in action, and all contracts, leases and operating agreements not specifically pledged under the Mortgage or covenanted so to be; the Company's contractual rights or other interest in or with respect to tires not owned by the Company; (4) the last day of the term of any lease or leasehold which may hereafter become subject to the lien of the Mortgage; (5) electric energy, gas, steam, ice, and other materials or products generated, manufactured, produced or purchased by the Company for sale, distribution or use in the ordinary course of its business; (6) the Company's franchise to be a corporation; and (7) any property heretofore released pursuant to any provisions of the Mortgage; provided, however, that the property and rights expressly excepted from the lien and operation of this Forty-sixth Supplemental Indenture and from the lien and operation of the Mortgage in the above subdivisions (2) and (3) shall (to the extent permitted by law) cease to be so excepted in the event and as of the date that either or both of the Trustees or a receiver or trustee shall enter upon and take possession of the Mortgaged and Pledged Property in the manner provided in Article XIII of the Mortgage by reason of the occurrence of a Default as defined in Section 65 thereof.

To have and to hold all such properties, real, personal and mixed, granted, bargained, sold, released, conveyed, assigned, transferred, mortgaged, pledged, set over or confirmed by the Company as aforesaid, or intended so to be, unto the Trustees and their successors and assigns forever.

In trust nevertheless, for the same purposes and upon the same terms, trusts and conditions and subject to and with the same provisos and covenants as are set forth in the Mortgage, as supplemented, this Forty-sixth Supplemental Indenture being supplemental thereto.

And it is hereby covenanted by the Company that all the terms, conditions, provisos, covenants and provisions contained in the Mortgage, as heretofore supplemented, shall affect and apply to the property hereinbefore described and conveyed and to the estate, rights, obligations and duties of the

Company and Trustees and the beneficiaries of the trust with respect to said property, and to the Trustees and their successors in the trust in the same manner and with the same effect as if said property had been owned by the Company at the time of the execution of the Mortgage, and had been specifically and at length described in and conveyed to said Trustees by the Mortgage as a part of the property therein stated to be conveyed.

The Company further covenants and agrees to and with the Trustees and their successors in said trust under the Mortgage as follows:

ARTICLE I
Sixty-sixth Series of Bonds

Section 1. There shall be a series of bonds designated “5.37% Series due July 9, 2032” (herein sometimes referred to as the “Sixty-sixth Series”), each of which shall also bear the descriptive title “First Mortgage Bond”, and the form thereof, which shall be established by Resolution of the Board of Directors of the Company, shall contain suitable provisions with respect to the matters hereinafter in this Section specified. Bonds of the Sixty-sixth Series shall be dated as in Section 10 of the Mortgage provided, mature on July 9, 2032 (the “Sixty-sixth Series Stated Maturity”), be issued as fully registered bonds in denominations of One Thousand Dollars and, at the option of the Company, in any multiple or multiples of One Thousand Dollars (the exercise of such option to be evidenced by the execution and delivery thereof) and bear interest from July 9, 2025 (computed on the basis of a 360-day year of twelve thirty-day months) at the rate of 5.37% per annum, payable semi-annually on January 15 and July 15 of each year, commencing January 15, 2026, the principal of and interest on each said bond to be payable at the office or agency of the Company in the Borough of Manhattan, The City of New York, in such coin or currency of the United States of America as at the time of payment is legal tender for public and private debts.

Any payment of principal of or interest on any bond of the Sixty-sixth Series that is due on a date other than a Business Day shall be made on the next succeeding Business Day without including the additional days elapsed in the computation of the interest payable on such next succeeding Business Day; provided that if the maturity date of any such bond of the Sixty-sixth Series is a date other than a Business Day, the payment otherwise due on such maturity date shall be made on the next succeeding Business Day and shall include the additional days elapsed in the computation of interest payable on such next succeeding Business Day.

(I) **Optional Prepayment.** At any time prior to April 9, 2032 (three months prior to the Sixty-sixth Series Stated Maturity) the Company may, at its option, upon notice as provided below, prepay at any time all, or from time to time any part of, the bonds of the Sixty-sixth Series at 100% of the principal amount so prepaid, and the Make-Whole Amount determined for the Settlement Date specified by the Company in such notice with respect to such principal amount. The Company will give each registered owner of bonds of the Sixty-sixth Series written notice (by first class mail or such other method as may be agreed upon by the Company and such registered owner) of each optional prepayment under this subsection (I) mailed or otherwise given not less than 30 days and not more than 60 days prior to the date fixed for such prepayment, to each such registered owner at his, her or its last address appearing on the registry books. Each such notice shall specify the Settlement Date (which shall be a Business Day), the aggregate principal amount of the bonds of the Sixty-sixth Series to be prepaid on such date, the principal amount of each bond held by such registered owner to be prepaid (determined in accordance with subsection (II) of this section), and the interest to be paid on the Settlement Date with respect to such principal amount being prepaid, and shall be accompanied by a certificate signed by a Senior Financial Officer as to the estimated Make-Whole Amount due in connection with such prepayment (calculated as if the date of such notice were the date of the prepayment), setting forth the details of such computation. Two Business Days prior to such Settlement Date, the Company shall send to each registered owner of

bonds of the Sixty-sixth Series (by first class mail or by such other method as may be agreed upon by the Company and such registered owner) a certificate signed by a Senior Financial Officer specifying the calculation of such Make-Whole Amount as of the specified Settlement Date. As promptly as practicable after the giving of the notice and the sending of the certificates provided in this subsection, the Company shall provide a copy of each to the Corporate Trustee. The Trustees shall be under no duty to inquire into, may conclusively presume the correctness of, and shall be fully protected in relying upon the information set forth in any such notice or certificate.

At any time on or after April 9, 2032, the bonds of the Sixty-sixth Series will be redeemable at the option of the Company, in whole or in part, on not less than 30 nor more than 60 days' notice prior to the Settlement Date, at a redemption price equal to 100% of the principal amount of the bonds of the Sixty-sixth Series to be redeemed, plus accrued and unpaid interest thereon to the Settlement Date.

The bonds of the Sixty-sixth Series are not otherwise subject to voluntary or optional prepayment.

(II) **Allocation of Partial Prepayments.** In the case of each partial prepayment of the bonds of the Sixty-sixth Series, the principal amount of the bonds of the Sixty-sixth Series to be prepaid shall be allocated by the Company among all of the bonds of the Sixty-sixth Series at the time outstanding in proportion, as nearly as practicable, to the respective unpaid principal amounts thereof not theretofore called for prepayment.

(III) **Maturity; Surrender, Etc.** In the case of each notice of prepayment of bonds of the Sixty-sixth Series pursuant to this section, if cash sufficient to pay the principal amount to be prepaid on the Settlement Date (which shall be a Business Day), together with interest on such principal amount accrued to such date and the applicable Make-Whole Amount, if any, is not paid as agreed upon by the Company and each registered owner of the affected bonds, or, to the extent that there is no such agreement entered into with one or more such owners, deposited with the Corporate Trustee on or before the Settlement Date, then such notice of prepayment shall be of no effect. If such cash is so paid or deposited, such principal amount of the bonds of the Sixty-sixth Series shall be deemed paid for all purposes and interest on such principal amount shall cease to accrue. In case the Company pays any registered owner pursuant to an agreement with that registered owner, the Company shall notify the Corporate Trustee as promptly as practicable of such agreement and payment, and shall furnish the Corporate Trustee with a copy of such agreement; in case the Company deposits any cash with the Corporate Trustee, the Company shall provide therewith a list of the registered owners and the amount of such cash each registered owner is to receive. The Trustees shall be under no duty to inquire into, may conclusively presume the correctness of, and shall be fully protected in relying upon the information set forth in any such notice, list or agreement, and shall not be chargeable with knowledge of any of the contents of any such agreement. Any bond prepaid in full shall be surrendered to the Company or the Corporate Trustee for cancellation on or before the Settlement Date or, with respect to cash deposited with the Corporate Trustee, before payment of such cash by the Corporate Trustee; any bond prepaid in part shall be surrendered to the Company or the Corporate Trustee on or before the Settlement Date (unless otherwise agreed between the Company and the registered owner) or, with respect to cash deposited with the Corporate Trustee before payment of such cash by the Corporate Trustee, for a substitute bond in the principal amount remaining unpaid.

(IV) Make-Whole Amount.

The term “Make-Whole Amount” means, with respect to any bond of the Sixty-sixth Series, an amount equal to the excess, if any, of the Discounted Value of the Remaining Scheduled Payments with respect to the Called Principal of such bond of the Sixty-sixth Series over the amount of such Called Principal, provided that the Make-Whole Amount may in no event be less than zero. For the purposes of determining the Make-Whole Amount, the following terms have the following meanings:

“Business Day” means any day other than a Saturday, a Sunday or a day on which commercial banks in New York City are required or authorized to be closed.

“Called Principal” means, with respect to any bond of the Sixty-sixth Series, the principal of such bond that is to be prepaid pursuant to subsection (I) of this section.

“Discounted Value” means, with respect to the Called Principal of any bond of the Sixty-sixth Series, the amount obtained by discounting all Remaining Scheduled Payments with respect to such Called Principal from their respective scheduled due dates to the Settlement Date with respect to such Called Principal, in accordance with accepted financial practice and at a discount factor (applied on the same periodic basis as that on which interest on the bonds of the Sixty-sixth Series is payable) equal to the Reinvestment Yield with respect to such Called Principal.

“Reinvestment Yield” means, with respect to the Called Principal of any bond of the Sixty-sixth Series, the sum of (a) 0.50% plus (b) the yield to maturity implied by the “Ask Yield(s)” reported as of 10:00 a.m. (New York City time) on the second Business Day preceding the Settlement Date with respect to such Called Principal, on the display designated as “Page PX1” (or such other display as may replace Page PX1) on Bloomberg Financial Markets for the most recently issued actively traded on-the-run benchmark U.S. Treasury securities (“Reported”) having a maturity equal to the Remaining Average Life of such Called Principal as of such Settlement Date. If there are no such U.S. Treasury securities Reported having a maturity equal to such Remaining Average Life, then such implied yield to maturity will be determined by (i) converting U.S. Treasury bill quotations to bond equivalent yields in accordance with accepted financial practice and (ii) interpolating linearly between the “Ask Yields” Reported for the applicable most recently issued actively traded on-the-run benchmark U.S. Treasury securities with the maturities (1) closest to and greater than such Remaining Average Life and (2) closest to and less than such Remaining Average Life. The Reinvestment Yield shall be rounded to the number of decimal places as appears in the interest rate of the applicable bond of the Sixty-sixth Series.

If such yields are not Reported or the yields Reported as of such time are not ascertainable (including by way of interpolation), then “Reinvestment Yield” means, with respect to the Called Principal of any bond of the Sixty-sixth Series, the sum of (x) 0.50% plus (y) the yield to maturity implied by the U.S. Treasury constant maturity yields reported, for the latest day for which such yields have been so reported as of the second Business Day preceding the Settlement Date with respect to such Called Principal, in Federal Reserve Statistical Release H.15 (or any comparable successor publication) for the U.S. Treasury constant maturity having a term equal to the Remaining Average Life of such Called Principal as of such Settlement Date. If there is no such U.S. Treasury constant maturity having a term equal to such Remaining Average Life, such implied yield to maturity will be determined by interpolating linearly between (1) the U.S. Treasury constant maturity so reported with the term closest to and greater than such Remaining Average Life and (2) the U.S. Treasury constant maturity so reported with the term closest to and less than such Remaining Average Life. The Reinvestment Yield shall be rounded to the number of decimal places as appears in the interest rate of the applicable bond of the Sixty-sixth Series.

“Remaining Average Life” means, with respect to any Called Principal, the number of years obtained by dividing (i) such Called Principal into (ii) the sum of the products obtained by multiplying (a) the principal component of each Remaining Scheduled Payment with respect to such Called Principal

by (b) the number of years, computed on the basis of a 360-day year comprised of twelve 30-day months and calculated to two decimal places, that will elapse between the Settlement Date with respect to such Called Principal and the scheduled due date of such Remaining Scheduled.

“Remaining Scheduled Payments” means, with respect to the Called Principal of any bond of the Sixty-sixth Series, all payments of such Called Principal and interest thereon that would be due after the Settlement Date with respect to such Called Principal if no payment of such Called Principal were made prior to its scheduled due date, provided that if such Settlement Date is not a date on which interest payments are due to be made under the terms of the bonds of the Sixty-sixth Series, then the amount of the next succeeding scheduled interest payment will be reduced by the amount of interest accrued to such Settlement Date and required to be paid on such Settlement Date pursuant to subsection (I) of this section.

“Senior Financial Officer” means the chief financial officer, principal accounting officer, treasurer or comptroller of the Company.

“Settlement Date” means, with respect to the Called Principal of any bond of the Sixty-sixth Series, the date on which such Called Principal is to be prepaid pursuant to subsection (I) of this section.

(V) At the option of the registered owner, any bonds of the Sixty-sixth Series, upon surrender thereof for cancellation at the office or agency of the Company in the Borough of Manhattan, The City of New York, together with a written instrument of transfer wherever required by the Company duly executed by the registered owner or by his duly authorized attorney, shall (subject to the provisions of Section 12 of the Mortgage) be exchangeable for a like aggregate unpaid principal amount of bonds of the same series of other authorized denominations.

Bonds of the Sixty-sixth Series shall be transferable (subject to the provisions of Section 12 of the Mortgage) at the office or agency of the Company in the Borough of Manhattan, The City of New York. The Company shall not be required to make transfers or exchanges of bonds of the Sixty-sixth Series for a period of ten (10) days next preceding any interest payment date for bonds of such series, or next preceding any designation of bonds of said series to be prepaid, and the Company shall not be required to make transfers or exchanges of any bonds of said series designated in whole or in part for prepayment.

Upon any exchange or transfer of bonds of the Sixty-sixth Series, the Company may make a charge therefor sufficient to reimburse it for any tax or taxes or other governmental charge, as provided in Section 12 of the Mortgage, but the Company hereby waives any right to make a charge in addition thereto for any exchange or transfer of bonds of the Sixty-sixth Series.

After the delivery of this Forty-sixth Supplemental Indenture and upon compliance with the applicable provisions of the Mortgage and receipt of consideration therefor by the Company, there shall be an initial issue of bonds of the Sixty-sixth Series for the aggregate principal amount of \$50,000,000.

ARTICLE II

Sixty-seventh Series of Bonds

Section 1. There shall be a series of bonds designated “5.69% Series due July 9, 2035” (herein sometimes referred to as the “Sixty-seventh Series”), each of which shall also bear the descriptive title “First Mortgage Bond”, and the form thereof, which shall be established by Resolution of the Board of Directors of the Company, shall contain suitable provisions with respect to the matters hereinafter in this Section specified. Bonds of the Sixty-seventh Series shall be dated as in Section 10 of the Mortgage provided, mature on July 9, 2035 (the “Sixty-seventh Series Stated Maturity”), be issued as fully

registered bonds in denominations of One Thousand Dollars and, at the option of the Company, in any multiple or multiples of One Thousand Dollars (the exercise of such option to be evidenced by the execution and delivery thereof) and bear interest from July 9, 2025 (computed on the basis of a 360-day year of twelve thirty-day months) at the rate of 5.69% per annum, payable semi-annually on January 15 and July 15 of each year, commencing January 15, 2026, the principal of and interest on each said bond to be payable at the office or agency of the Company in the Borough of Manhattan, The City of New York, in such coin or currency of the United States of America as at the time of payment is legal tender for public and private debts.

Any payment of principal of or interest on any bond of the Sixty-seventh Series that is due on a date other than a Business Day shall be made on the next succeeding Business Day without including the additional days elapsed in the computation of the interest payable on such next succeeding Business Day; provided that if the maturity date of any such bond of the Sixty-seventh Series is a date other than a Business Day, the payment otherwise due on such maturity date shall be made on the next succeeding Business Day and shall include the additional days elapsed in the computation of interest payable on such next succeeding Business Day.

(I) **Optional Prepayment.** At any time prior to April 9, 2035 (three months prior to the Sixty-seventh Series Stated Maturity) the Company may, at its option, upon notice as provided below, prepay at any time all, or from time to time any part of, the bonds of the Sixty-seventh Series at 100% of the principal amount so prepaid, and the Make-Whole Amount determined for the Settlement Date specified by the Company in such notice with respect to such principal amount. The Company will give each registered owner of bonds of the Sixty-seventh Series written notice (by first class mail or such other method as may be agreed upon by the Company and such registered owner) of each optional prepayment under this subsection (I) mailed or otherwise given not less than 30 days and not more than 60 days prior to the date fixed for such prepayment, to each such registered owner at his, her or its last address appearing on the registry books. Each such notice shall specify the Settlement Date (which shall be a Business Day), the aggregate principal amount of the bonds of the Sixty-seventh Series to be prepaid on such date, the principal amount of each bond held by such registered owner to be prepaid (determined in accordance with subsection (II) of this section), and the interest to be paid on the Settlement Date with respect to such principal amount being prepaid, and shall be accompanied by a certificate signed by a Senior Financial Officer as to the estimated Make-Whole Amount due in connection with such prepayment (calculated as if the date of such notice were the date of the prepayment), setting forth the details of such computation. Two Business Days prior to such Settlement Date, the Company shall send to each registered owner of bonds of the Sixty-seventh Series (by first class mail or by such other method as may be agreed upon by the Company and such registered owner) a certificate signed by a Senior Financial Officer specifying the calculation of such Make-Whole Amount as of the specified Settlement Date. As promptly as practicable after the giving of the notice and the sending of the certificates provided in this subsection, the Company shall provide a copy of each to the Corporate Trustee. The Trustees shall be under no duty to inquire into, may conclusively presume the correctness of, and shall be fully protected in relying upon the information set forth in any such notice or certificate.

At any time on or after April 9, 2035, the bonds of the Sixty-seventh Series will be redeemable at the option of the Company, in whole or in part, on not less than 30 nor more than 60 days' notice prior to the Settlement Date, at a redemption price equal to 100% of the principal amount of the bonds of the Sixty-seventh Series to be redeemed, plus accrued and unpaid interest thereon to the Settlement Date.

The bonds of the Sixty-seventh Series are not otherwise subject to voluntary or optional prepayment.

(II) **Allocation of Partial Prepayments.** In the case of each partial prepayment of the bonds of the Sixty-seventh Series, the principal amount of the bonds of the Sixty-seventh Series to be

prepaid shall be allocated by the Company among all of the bonds of the Sixty-seventh Series at the time outstanding in proportion, as nearly as practicable, to the respective unpaid principal amounts thereof not theretofore called for prepayment.

(III) **Maturity; Surrender, Etc.** In the case of each notice of prepayment of bonds of the Sixty-seventh Series pursuant to this section, if cash sufficient to pay the principal amount to be prepaid on the Settlement Date (which shall be a Business Day), together with interest on such principal amount accrued to such date and the applicable Make-Whole Amount, if any, is not paid as agreed upon by the Company and each registered owner of the affected bonds, or, to the extent that there is no such agreement entered into with one or more such owners, deposited with the Corporate Trustee on or before the Settlement Date, then such notice of prepayment shall be of no effect. If such cash is so paid or deposited, such principal amount of the bonds of the Sixty-seventh Series shall be deemed paid for all purposes and interest on such principal amount shall cease to accrue. In case the Company pays any registered owner pursuant to an agreement with that registered owner, the Company shall notify the Corporate Trustee as promptly as practicable of such agreement and payment, and shall furnish the Corporate Trustee with a copy of such agreement; in case the Company deposits any cash with the Corporate Trustee, the Company shall provide therewith a list of the registered owners and the amount of such cash each registered owner is to receive. The Trustees shall be under no duty to inquire into, may conclusively presume the correctness of, and shall be fully protected in relying upon the information set forth in any such notice, list or agreement, and shall not be chargeable with knowledge of any of the contents of any such agreement. Any bond prepaid in full shall be surrendered to the Company or the Corporate Trustee for cancellation on or before the Settlement Date or, with respect to cash deposited with the Corporate Trustee, before payment of such cash by the Corporate Trustee; any bond prepaid in part shall be surrendered to the Company or the Corporate Trustee on or before the Settlement Date (unless otherwise agreed between the Company and the registered owner) or, with respect to cash deposited with the Corporate Trustee before payment of such cash by the Corporate Trustee, for a substitute bond in the principal amount remaining unpaid.

(IV) **Make-Whole Amount.**

The term “Make-Whole Amount” means, with respect to any bond of the Sixty-seventh Series, an amount equal to the excess, if any, of the Discounted Value of the Remaining Scheduled Payments with respect to the Called Principal of such bond of the Sixty-seventh Series over the amount of such Called Principal, provided that the Make-Whole Amount may in no event be less than zero. For the purposes of determining the Make-Whole Amount, the following terms have the following meanings:

“Business Day” means any day other than a Saturday, a Sunday or a day on which commercial banks in New York City are required or authorized to be closed.

“Called Principal” means, with respect to any bond of the Sixty-seventh Series, the principal of such bond that is to be prepaid pursuant to subsection (I) of this section.

“Discounted Value” means, with respect to the Called Principal of any bond of the Sixty-seventh Series, the amount obtained by discounting all Remaining Scheduled Payments with respect to such Called Principal from their respective scheduled due dates to the Settlement Date with respect to such Called Principal, in accordance with accepted financial practice and at a discount factor (applied on the same periodic basis as that on which interest on the bonds of the Sixty-seventh Series is payable) equal to the Reinvestment Yield with respect to such Called Principal.

“Reinvestment Yield” means, with respect to the Called Principal of any bond of the Sixty-seventh Series, the sum of (a) 0.50% plus (b) the yield to maturity implied by the “Ask Yield(s)” reported as of 10:00 a.m. (New York City time) on the second Business Day preceding the Settlement Date with respect to such Called Principal, on the display designated as “Page PX1” (or such other display as may

replace Page PX1) on Bloomberg Financial Markets for the most recently issued actively traded on-the-run benchmark U.S. Treasury securities (“Reported”) having a maturity equal to the Remaining Average Life of such Called Principal as of such Settlement Date. If there are no such U.S. Treasury securities Reported having a maturity equal to such Remaining Average Life, then such implied yield to maturity will be determined by (i) converting U.S. Treasury bill quotations to bond equivalent yields in accordance with accepted financial practice and (ii) interpolating linearly between the “Ask Yields” Reported for the applicable most recently issued actively traded on-the-run benchmark U.S. Treasury securities with the maturities (1) closest to and greater than such Remaining Average Life and (2) closest to and less than such Remaining Average Life. The Reinvestment Yield shall be rounded to the number of decimal places as appears in the interest rate of the applicable bond of the Sixty-seventh Series.

If such yields are not Reported or the yields Reported as of such time are not ascertainable (including by way of interpolation), then “Reinvestment Yield” means, with respect to the Called Principal of any bond of the Sixty-seventh Series, the sum of (x) 0.50% plus (y) the yield to maturity implied by the U.S. Treasury constant maturity yields reported, for the latest day for which such yields have been so reported as of the second Business Day preceding the Settlement Date with respect to such Called Principal, in Federal Reserve Statistical Release H.15 (or any comparable successor publication) for the U.S. Treasury constant maturity having a term equal to the Remaining Average Life of such Called Principal as of such Settlement Date. If there is no such U.S. Treasury constant maturity having a term equal to such Remaining Average Life, such implied yield to maturity will be determined by interpolating linearly between (1) the U.S. Treasury constant maturity so reported with the term closest to and greater than such Remaining Average Life and (2) the U.S. Treasury constant maturity so reported with the term closest to and less than such Remaining Average Life. The Reinvestment Yield shall be rounded to the number of decimal places as appears in the interest rate of the applicable bond of the Sixty-seventh Series.

“Remaining Average Life” means, with respect to any Called Principal, the number of years obtained by dividing (i) such Called Principal into (ii) the sum of the products obtained by multiplying (a) the principal component of each Remaining Scheduled Payment with respect to such Called Principal by (b) the number of years, computed on the basis of a 360-day year comprised of twelve 30-day months and calculated to two decimal places, that will elapse between the Settlement Date with respect to such Called Principal and the scheduled due date of such Remaining Scheduled.

“Remaining Scheduled Payments” means, with respect to the Called Principal of any bond of the Sixty-seventh Series, all payments of such Called Principal and interest thereon that would be due after the Settlement Date with respect to such Called Principal if no payment of such Called Principal were made prior to its scheduled due date, provided that if such Settlement Date is not a date on which interest payments are due to be made under the terms of the bonds of the Sixty-seventh Series, then the amount of the next succeeding scheduled interest payment will be reduced by the amount of interest accrued to such Settlement Date and required to be paid on such Settlement Date pursuant to subsection (I) of this section.

“Senior Financial Officer” means the chief financial officer, principal accounting officer, treasurer or comptroller of the Company.

“Settlement Date” means, with respect to the Called Principal of any bond of the Sixty-seventh Series, the date on which such Called Principal is to be prepaid pursuant to subsection (I) of this section.

(V) At the option of the registered owner, any bonds of the Sixty-seventh Series, upon surrender thereof for cancellation at the office or agency of the Company in the Borough of Manhattan, The City of New York, together with a written instrument of transfer wherever required by the Company duly executed by the registered owner or by his duly authorized attorney, shall (subject to the provisions

of Section 12 of the Mortgage) be exchangeable for a like aggregate unpaid principal amount of bonds of the same series of other authorized denominations.

Bonds of the Sixty-seventh Series shall be transferable (subject to the provisions of Section 12 of the Mortgage) at the office or agency of the Company in the Borough of Manhattan, The City of New York. The Company shall not be required to make transfers or exchanges of bonds of the Sixty-seventh Series for a period of ten (10) days next preceding any interest payment date for bonds of such series, or next preceding any designation of bonds of said series to be prepaid, and the Company shall not be required to make transfers or exchanges of any bonds of said series designated in whole or in part for prepayment.

Upon any exchange or transfer of bonds of the Sixty-seventh Series, the Company may make a charge therefor sufficient to reimburse it for any tax or taxes or other governmental charge, as provided in Section 12 of the Mortgage, but the Company hereby waives any right to make a charge in addition thereto for any exchange or transfer of bonds of the Sixty-seventh Series.

After the delivery of this Forty-sixth Supplemental Indenture and upon compliance with the applicable provisions of the Mortgage and receipt of consideration therefor by the Company, there shall be an initial issue of bonds of the Sixty-seventh Series for the aggregate principal amount of \$75,000,000.

ARTICLE III

Sixty-eighth Series of Bonds

Section 1. There shall be a series of bonds designated “5.79% Series due July 9, 2037” (herein sometimes referred to as the “Sixty-eighth Series”), each of which shall also bear the descriptive title “First Mortgage Bond”, and the form thereof, which shall be established by Resolution of the Board of Directors of the Company, shall contain suitable provisions with respect to the matters hereinafter in this Section specified. Bonds of the Sixty-eighth Series shall be dated as in Section 10 of the Mortgage provided, mature on July 9, 2037 (the “Sixty-eighth Series Stated Maturity”), be issued as fully registered bonds in denominations of One Thousand Dollars and, at the option of the Company, in any multiple or multiples of One Thousand Dollars (the exercise of such option to be evidenced by the execution and delivery thereof) and bear interest from July 9, 2025 (computed on the basis of a 360-day year of twelve thirty-day months) at the rate of 5.79% per annum, payable semi-annually on January 15 and July 15 of each year, commencing January 15, 2026, the principal of and interest on each said bond to be payable at the office or agency of the Company in the Borough of Manhattan, The City of New York, in such coin or currency of the United States of America as at the time of payment is legal tender for public and private debts.

Any payment of principal of or interest on any bond of the Sixty-eighth Series that is due on a date other than a Business Day shall be made on the next succeeding Business Day without including the additional days elapsed in the computation of the interest payable on such next succeeding Business Day; provided that if the maturity date of any such bond of the Sixty-eighth Series is a date other than a Business Day, the payment otherwise due on such maturity date shall be made on the next succeeding Business Day and shall include the additional days elapsed in the computation of interest payable on such next succeeding Business Day.

(I) **Optional Prepayment.** At any time prior to April 9, 2037 (three months prior to the Sixty-eighth Series Stated Maturity) the Company may, at its option, upon notice as provided below, prepay at any time all, or from time to time any part of, the bonds of the Sixty-eighth Series at 100% of

the principal amount so prepaid, and the Make-Whole Amount determined for the Settlement Date specified by the Company in such notice with respect to such principal amount. The Company will give each registered owner of bonds of the Sixty-eighth Series written notice (by first class mail or such other method as may be agreed upon by the Company and such registered owner) of each optional prepayment under this subsection (I) mailed or otherwise given not less than 30 days and not more than 60 days prior to the date fixed for such prepayment, to each such registered owner at his, her or its last address appearing on the registry books. Each such notice shall specify the Settlement Date (which shall be a Business Day), the aggregate principal amount of the bonds of the Sixty-eighth Series to be prepaid on such date, the principal amount of each bond held by such registered owner to be prepaid (determined in accordance with subsection (II) of this section), and the interest to be paid on the Settlement Date with respect to such principal amount being prepaid, and shall be accompanied by a certificate signed by a Senior Financial Officer as to the estimated Make-Whole Amount due in connection with such prepayment (calculated as if the date of such notice were the date of the prepayment), setting forth the details of such computation. Two Business Days prior to such Settlement Date, the Company shall send to each registered owner of bonds of the Sixty-eighth Series (by first class mail or by such other method as may be agreed upon by the Company and such registered owner) a certificate signed by a Senior Financial Officer specifying the calculation of such Make-Whole Amount as of the specified Settlement Date. As promptly as practicable after the giving of the notice and the sending of the certificates provided in this subsection, the Company shall provide a copy of each to the Corporate Trustee. The Trustees shall be under no duty to inquire into, may conclusively presume the correctness of, and shall be fully protected in relying upon the information set forth in any such notice or certificate.

At any time on or after April 9, 2037, the bonds of the Sixty-eighth Series will be redeemable at the option of the Company, in whole or in part, on not less than 30 nor more than 60 days' notice prior to the Settlement Date, at a redemption price equal to 100% of the principal amount of the bonds of the Sixty-eighth Series to be redeemed, plus accrued and unpaid interest thereon to the Settlement Date.

The bonds of the Sixty-eighth Series are not otherwise subject to voluntary or optional prepayment.

(II) **Allocation of Partial Prepayments.** In the case of each partial prepayment of the bonds of the Sixty-eighth Series, the principal amount of the bonds of the Sixty-eighth Series to be prepaid shall be allocated by the Company among all of the bonds of the Sixty-eighth Series at the time outstanding in proportion, as nearly as practicable, to the respective unpaid principal amounts thereof not theretofore called for prepayment.

(III) **Maturity; Surrender, Etc.** In the case of each notice of prepayment of bonds of the Sixty-eighth Series pursuant to this section, if cash sufficient to pay the principal amount to be prepaid on the Settlement Date (which shall be a Business Day), together with interest on such principal amount accrued to such date and the applicable Make-Whole Amount, if any, is not paid as agreed upon by the Company and each registered owner of the affected bonds, or, to the extent that there is no such agreement entered into with one or more such owners, deposited with the Corporate Trustee on or before the Settlement Date, then such notice of prepayment shall be of no effect. If such cash is so paid or deposited, such principal amount of the bonds of the Sixty-eighth Series shall be deemed paid for all purposes and interest on such principal amount shall cease to accrue. In case the Company pays any registered owner pursuant to an agreement with that registered owner, the Company shall notify the Corporate Trustee as promptly as practicable of such agreement and payment, and shall furnish the Corporate Trustee with a copy of such agreement; in case the Company deposits any cash with the Corporate Trustee, the Company shall provide therewith a list of the registered owners and the amount of such cash each registered owner is to receive. The Trustees shall be under no duty to inquire into, may conclusively presume the correctness of, and shall be fully protected in relying upon the information set

forth in any such notice, list or agreement, and shall not be chargeable with knowledge of any of the contents of any such agreement. Any bond prepaid in full shall be surrendered to the Company or the Corporate Trustee for cancellation on or before the Settlement Date or, with respect to cash deposited with the Corporate Trustee, before payment of such cash by the Corporate Trustee; any bond prepaid in part shall be surrendered to the Company or the Corporate Trustee on or before the Settlement Date (unless otherwise agreed between the Company and the registered owner) or, with respect to cash deposited with the Corporate Trustee before payment of such cash by the Corporate Trustee, for a substitute bond in the principal amount remaining unpaid.

(IV) Make-Whole Amount.

The term “Make-Whole Amount” means, with respect to any bond of the Sixty-eighth Series, an amount equal to the excess, if any, of the Discounted Value of the Remaining Scheduled Payments with respect to the Called Principal of such bond of the Sixty-eighth Series over the amount of such Called Principal, provided that the Make-Whole Amount may in no event be less than zero. For the purposes of determining the Make-Whole Amount, the following terms have the following meanings:

“Business Day” means any day other than a Saturday, a Sunday or a day on which commercial banks in New York City are required or authorized to be closed.

“Called Principal” means, with respect to any bond of the Sixty-eighth Series, the principal of such bond that is to be prepaid pursuant to subsection (I) of this section.

“Discounted Value” means, with respect to the Called Principal of any bond of the Sixty-eighth Series, the amount obtained by discounting all Remaining Scheduled Payments with respect to such Called Principal from their respective scheduled due dates to the Settlement Date with respect to such Called Principal, in accordance with accepted financial practice and at a discount factor (applied on the same periodic basis as that on which interest on the bonds of the Sixty-eighth Series is payable) equal to the Reinvestment Yield with respect to such Called Principal.

“Reinvestment Yield” means, with respect to the Called Principal of any bond of the Sixty-eighth Series, the sum of (a) 0.50% plus (b) the yield to maturity implied by the “Ask Yield(s)” reported as of 10:00 a.m. (New York City time) on the second Business Day preceding the Settlement Date with respect to such Called Principal, on the display designated as “Page PX1” (or such other display as may replace Page PX1) on Bloomberg Financial Markets for the most recently issued actively traded on-the-run benchmark U.S. Treasury securities (“Reported”) having a maturity equal to the Remaining Average Life of such Called Principal as of such Settlement Date. If there are no such U.S. Treasury securities Reported having a maturity equal to such Remaining Average Life, then such implied yield to maturity will be determined by (i) converting U.S. Treasury bill quotations to bond equivalent yields in accordance with accepted financial practice and (ii) interpolating linearly between the “Ask Yields” Reported for the applicable most recently issued actively traded on-the-run benchmark U.S. Treasury securities with the maturities (1) closest to and greater than such Remaining Average Life and (2) closest to and less than such Remaining Average Life. The Reinvestment Yield shall be rounded to the number of decimal places as appears in the interest rate of the applicable bond of the Sixty-eighth Series.

If such yields are not Reported or the yields Reported as of such time are not ascertainable (including by way of interpolation), then “Reinvestment Yield” means, with respect to the Called Principal of any bond of the Sixty-eighth Series, the sum of (x) 0.50% plus (y) the yield to maturity implied by the U.S. Treasury constant maturity yields reported, for the latest day for which such yields have been so reported as of the second Business Day preceding the Settlement Date with respect to such Called Principal, in Federal Reserve Statistical Release H.15 (or any comparable successor publication) for the U.S. Treasury constant maturity having a term equal to the Remaining Average Life of such Called Principal as of such Settlement Date. If there is no such U.S. Treasury constant maturity having a

term equal to such Remaining Average Life, such implied yield to maturity will be determined by interpolating linearly between (1) the U.S. Treasury constant maturity so reported with the term closest to and greater than such Remaining Average Life and (2) the U.S. Treasury constant maturity so reported with the term closest to and less than such Remaining Average Life. The Reinvestment Yield shall be rounded to the number of decimal places as appears in the interest rate of the applicable bond of the Sixty-eighth Series.

“Remaining Average Life” means, with respect to any Called Principal, the number of years obtained by dividing (i) such Called Principal into (ii) the sum of the products obtained by multiplying (a) the principal component of each Remaining Scheduled Payment with respect to such Called Principal by (b) the number of years, computed on the basis of a 360-day year comprised of twelve 30-day months and calculated to two decimal places, that will elapse between the Settlement Date with respect to such Called Principal and the scheduled due date of such Remaining Scheduled.

“Remaining Scheduled Payments” means, with respect to the Called Principal of any bond of the Sixty-eighth Series, all payments of such Called Principal and interest thereon that would be due after the Settlement Date with respect to such Called Principal if no payment of such Called Principal were made prior to its scheduled due date, provided that if such Settlement Date is not a date on which interest payments are due to be made under the terms of the bonds of the Sixty-eighth Series, then the amount of the next succeeding scheduled interest payment will be reduced by the amount of interest accrued to such Settlement Date and required to be paid on such Settlement Date pursuant to subsection (I) of this section.

“Senior Financial Officer” means the chief financial officer, principal accounting officer, treasurer or comptroller of the Company.

“Settlement Date” means, with respect to the Called Principal of any bond of the Sixty-eighth Series, the date on which such Called Principal is to be prepaid pursuant to subsection (I) of this section.

(V) At the option of the registered owner, any bonds of the Sixty-eighth Series, upon surrender thereof for cancellation at the office or agency of the Company in the Borough of Manhattan, The City of New York, together with a written instrument of transfer wherever required by the Company duly executed by the registered owner or by his duly authorized attorney, shall (subject to the provisions of Section 12 of the Mortgage) be exchangeable for a like aggregate unpaid principal amount of bonds of the same series of other authorized denominations.

Bonds of the Sixty-eighth Series shall be transferable (subject to the provisions of Section 12 of the Mortgage) at the office or agency of the Company in the Borough of Manhattan, The City of New York. The Company shall not be required to make transfers or exchanges of bonds of the Sixty-eighth Series for a period of ten (10) days next preceding any interest payment date for bonds of such series, or next preceding any designation of bonds of said series to be prepaid, and the Company shall not be required to make transfers or exchanges of any bonds of said series designated in whole or in part for prepayment.

Upon any exchange or transfer of bonds of the Sixty-eighth Series, the Company may make a charge therefor sufficient to reimburse it for any tax or taxes or other governmental charge, as provided in Section 12 of the Mortgage, but the Company hereby waives any right to make a charge in addition thereto for any exchange or transfer of bonds of the Sixty-eighth Series.

After the delivery of this Forty-sixth Supplemental Indenture and upon compliance with the applicable provisions of the Mortgage and receipt of consideration therefor by the Company, there shall be an initial issue of bonds of the Sixty-eighth Series for the aggregate principal amount of \$50,000,000.

ARTICLE IV

Sixty-ninth Series of Bonds

Section 1. There shall be a series of bonds designated “6.34% Series due July 9, 2055” (herein sometimes referred to as the “Sixty-ninth Series”), each of which shall also bear the descriptive title “First Mortgage Bond”, and the form thereof, which shall be established by Resolution of the Board of Directors of the Company, shall contain suitable provisions with respect to the matters hereinafter in this Section specified. Bonds of the Sixty-ninth Series shall be dated as in Section 10 of the Mortgage provided, mature on July 9, 2055 (the “Sixty-ninth Series Stated Maturity”), be issued as fully registered bonds in denominations of One Thousand Dollars and, at the option of the Company, in any multiple or multiples of One Thousand Dollars (the exercise of such option to be evidenced by the execution and delivery thereof) and bear interest from July 9, 2025 (computed on the basis of a 360-day year of twelve thirty-day months) at the rate of 6.34% per annum, payable semi-annually on January 15 and July 15 of each year, commencing January 15, 2026, the principal of and interest on each said bond to be payable at the office or agency of the Company in the Borough of Manhattan, The City of New York, in such coin or currency of the United States of America as at the time of payment is legal tender for public and private debts.

Any payment of principal of or interest on any bond of the Sixty-ninth Series that is due on a date other than a Business Day shall be made on the next succeeding Business Day without including the additional days elapsed in the computation of the interest payable on such next succeeding Business Day; provided that if the maturity date of any such bond of the Sixty-ninth Series is a date other than a Business Day, the payment otherwise due on such maturity date shall be made on the next succeeding Business Day and shall include the additional days elapsed in the computation of interest payable on such next succeeding Business Day.

(I) **Optional Prepayment.** At any time prior to January 9, 2055 (six months prior to the Sixty-ninth Series Stated Maturity) the Company may, at its option, upon notice as provided below, prepay at any time all, or from time to time any part of, the bonds of the Sixty-ninth Series at 100% of the principal amount so prepaid, and the Make-Whole Amount determined for the Settlement Date specified by the Company in such notice with respect to such principal amount. The Company will give each registered owner of bonds of the Sixty-ninth Series written notice (by first class mail or such other method as may be agreed upon by the Company and such registered owner) of each optional prepayment under this subsection (I) mailed or otherwise given not less than 30 days and not more than 60 days prior to the date fixed for such prepayment, to each such registered owner at his, her or its last address appearing on the registry books. Each such notice shall specify the Settlement Date (which shall be a Business Day), the aggregate principal amount of the bonds of the Sixty-ninth Series to be prepaid on such date, the principal amount of each bond held by such registered owner to be prepaid (determined in accordance with subsection (II) of this section), and the interest to be paid on the Settlement Date with respect to such principal amount being prepaid, and shall be accompanied by a certificate signed by a Senior Financial Officer as to the estimated Make-Whole Amount due in connection with such prepayment (calculated as if the date of such notice were the date of the prepayment), setting forth the details of such computation. Two Business Days prior to such Settlement Date, the Company shall send to each registered owner of bonds of the Sixty-ninth Series (by first class mail or by such other method as may be agreed upon by the Company and such registered owner) a certificate signed by a Senior Financial Officer specifying the calculation of such Make-Whole Amount as of the specified Settlement Date. As promptly as practicable after the giving of the notice and the sending of the certificates provided

in this subsection, the Company shall provide a copy of each to the Corporate Trustee. The Trustees shall be under no duty to inquire into, may conclusively presume the correctness of, and shall be fully protected in relying upon the information set forth in any such notice or certificate.

At any time on or after January 9, 2055, the bonds of the Sixty-ninth Series will be redeemable at the option of the Company, in whole or in part, on not less than 30 nor more than 60 days' notice prior to the Settlement Date, at a redemption price equal to 100% of the principal amount of the bonds of the Sixty-ninth Series to be redeemed, plus accrued and unpaid interest thereon to the Settlement Date.

The bonds of the Sixty-ninth Series are not otherwise subject to voluntary or optional prepayment.

(II) **Allocation of Partial Prepayments.** In the case of each partial prepayment of the bonds of the Sixty-ninth Series, the principal amount of the bonds of the Sixty-ninth Series to be prepaid shall be allocated by the Company among all of the bonds of the Sixty-ninth Series at the time outstanding in proportion, as nearly as practicable, to the respective unpaid principal amounts thereof not theretofore called for prepayment.

(III) **Maturity; Surrender, Etc.** In the case of each notice of prepayment of bonds of the Sixty-ninth Series pursuant to this section, if cash sufficient to pay the principal amount to be prepaid on the Settlement Date (which shall be a Business Day), together with interest on such principal amount accrued to such date and the applicable Make-Whole Amount, if any, is not paid as agreed upon by the Company and each registered owner of the affected bonds, or, to the extent that there is no such agreement entered into with one or more such owners, deposited with the Corporate Trustee on or before the Settlement Date, then such notice of prepayment shall be of no effect. If such cash is so paid or deposited, such principal amount of the bonds of the Sixty-ninth Series shall be deemed paid for all purposes and interest on such principal amount shall cease to accrue. In case the Company pays any registered owner pursuant to an agreement with that registered owner, the Company shall notify the Corporate Trustee as promptly as practicable of such agreement and payment, and shall furnish the Corporate Trustee with a copy of such agreement; in case the Company deposits any cash with the Corporate Trustee, the Company shall provide therewith a list of the registered owners and the amount of such cash each registered owner is to receive. The Trustees shall be under no duty to inquire into, may conclusively presume the correctness of, and shall be fully protected in relying upon the information set forth in any such notice, list or agreement, and shall not be chargeable with knowledge of any of the contents of any such agreement. Any bond prepaid in full shall be surrendered to the Company or the Corporate Trustee for cancellation on or before the Settlement Date or, with respect to cash deposited with the Corporate Trustee, before payment of such cash by the Corporate Trustee; any bond prepaid in part shall be surrendered to the Company or the Corporate Trustee on or before the Settlement Date (unless otherwise agreed between the Company and the registered owner) or, with respect to cash deposited with the Corporate Trustee before payment of such cash by the Corporate Trustee, for a substitute bond in the principal amount remaining unpaid.

(IV) **Make-Whole Amount.**

The term "Make-Whole Amount" means, with respect to any bond of the Sixty-ninth Series, an amount equal to the excess, if any, of the Discounted Value of the Remaining Scheduled Payments with respect to the Called Principal of such bond of the Sixty-ninth Series over the amount of such Called Principal, provided that the Make-Whole Amount may in no event be less than zero. For the purposes of determining the Make-Whole Amount, the following terms have the following meanings:

"Business Day" means any day other than a Saturday, a Sunday or a day on which commercial banks in New York City are required or authorized to be closed.

“Called Principal” means, with respect to any bond of the Sixty-ninth Series, the principal of such bond that is to be prepaid pursuant to subsection (I) of this section.

“Discounted Value” means, with respect to the Called Principal of any bond of the Sixty-ninth Series, the amount obtained by discounting all Remaining Scheduled Payments with respect to such Called Principal from their respective scheduled due dates to the Settlement Date with respect to such Called Principal, in accordance with accepted financial practice and at a discount factor (applied on the same periodic basis as that on which interest on the bonds of the Sixty-ninth Series is payable) equal to the Reinvestment Yield with respect to such Called Principal.

“Reinvestment Yield” means, with respect to the Called Principal of any bond of the Sixty-ninth Series, the sum of (a) 0.50% plus (b) the yield to maturity implied by the “Ask Yield(s)” reported as of 10:00 a.m. (New York City time) on the second Business Day preceding the Settlement Date with respect to such Called Principal, on the display designated as “Page PX1” (or such other display as may replace Page PX1) on Bloomberg Financial Markets for the most recently issued actively traded on-the-run benchmark U.S. Treasury securities (“Reported”) having a maturity equal to the Remaining Average Life of such Called Principal as of such Settlement Date. If there are no such U.S. Treasury securities Reported having a maturity equal to such Remaining Average Life, then such implied yield to maturity will be determined by (i) converting U.S. Treasury bill quotations to bond equivalent yields in accordance with accepted financial practice and (ii) interpolating linearly between the “Ask Yields” Reported for the applicable most recently issued actively traded on-the-run benchmark U.S. Treasury securities with the maturities (1) closest to and greater than such Remaining Average Life and (2) closest to and less than such Remaining Average Life. The Reinvestment Yield shall be rounded to the number of decimal places as appears in the interest rate of the applicable bond of the Sixty-ninth Series.

If such yields are not Reported or the yields Reported as of such time are not ascertainable (including by way of interpolation), then “Reinvestment Yield” means, with respect to the Called Principal of any bond of the Sixty-ninth Series, the sum of (x) 0.50% plus (y) the yield to maturity implied by the U.S. Treasury constant maturity yields reported, for the latest day for which such yields have been so reported as of the second Business Day preceding the Settlement Date with respect to such Called Principal, in Federal Reserve Statistical Release H.15 (or any comparable successor publication) for the U.S. Treasury constant maturity having a term equal to the Remaining Average Life of such Called Principal as of such Settlement Date. If there is no such U.S. Treasury constant maturity having a term equal to such Remaining Average Life, such implied yield to maturity will be determined by interpolating linearly between (1) the U.S. Treasury constant maturity so reported with the term closest to and greater than such Remaining Average Life and (2) the U.S. Treasury constant maturity so reported with the term closest to and less than such Remaining Average Life. The Reinvestment Yield shall be rounded to the number of decimal places as appears in the interest rate of the applicable bond of the Sixty-ninth Series.

“Remaining Average Life” means, with respect to any Called Principal, the number of years obtained by dividing (i) such Called Principal into (ii) the sum of the products obtained by multiplying (a) the principal component of each Remaining Scheduled Payment with respect to such Called Principal by (b) the number of years, computed on the basis of a 360-day year comprised of twelve 30-day months and calculated to two decimal places, that will elapse between the Settlement Date with respect to such Called Principal and the scheduled due date of such Remaining Scheduled.

“Remaining Scheduled Payments” means, with respect to the Called Principal of any bond of the Sixty-ninth Series, all payments of such Called Principal and interest thereon that would be due after the Settlement Date with respect to such Called Principal if no payment of such Called Principal were made prior to its scheduled due date, provided that if such Settlement Date is not a date on which interest payments are due to be made under the terms of the bonds of the Sixty-ninth Series, then the amount of

the next succeeding scheduled interest payment will be reduced by the amount of interest accrued to such Settlement Date and required to be paid on such Settlement Date pursuant to subsection (I) of this section.

“Senior Financial Officer” means the chief financial officer, principal accounting officer, treasurer or comptroller of the Company.

“Settlement Date” means, with respect to the Called Principal of any bond of the Sixty-ninth Series, the date on which such Called Principal is to be prepaid pursuant to subsection (I) of this section.

(V) At the option of the registered owner, any bonds of the Sixty-ninth Series, upon surrender thereof for cancellation at the office or agency of the Company in the Borough of Manhattan, The City of New York, together with a written instrument of transfer wherever required by the Company duly executed by the registered owner or by his duly authorized attorney, shall (subject to the provisions of Section 12 of the Mortgage) be exchangeable for a like aggregate unpaid principal amount of bonds of the same series of other authorized denominations.

Bonds of the Sixty-ninth Series shall be transferable (subject to the provisions of Section 12 of the Mortgage) at the office or agency of the Company in the Borough of Manhattan, The City of New York. The Company shall not be required to make transfers or exchanges of bonds of the Sixty-ninth Series for a period of ten (10) days next preceding any interest payment date for bonds of such series, or next preceding any designation of bonds of said series to be prepaid, and the Company shall not be required to make transfers or exchanges of any bonds of said series designated in whole or in part for prepayment.

Upon any exchange or transfer of bonds of the Sixty-ninth Series, the Company may make a charge therefor sufficient to reimburse it for any tax or taxes or other governmental charge, as provided in Section 12 of the Mortgage, but the Company hereby waives any right to make a charge in addition thereto for any exchange or transfer of bonds of the Sixty-ninth Series.

After the delivery of this Forty-sixth Supplemental Indenture and upon compliance with the applicable provisions of the Mortgage and receipt of consideration therefor by the Company, there shall be an initial issue of bonds of the Sixty-ninth Series for the aggregate principal amount of \$75,000,000.

ARTICLE V

Consent to Amendments

Section 1. Consent to Amendments Each initial and future holder of bonds of the Sixty-sixth Series, the Sixty-seventh Series, the Sixty-eighth series or the Sixty-ninth Series, by its acquisition of an interest in such bonds, irrevocably (a) consents to the amendments set forth in Article IV of the Thirty-first Supplemental Indenture, dated as of February 1, 2010, and Article III of this Forty-sixth Supplemental Indenture, without any other or further action by any holder of such bonds, and (b) designates the Corporate Trustee, and its successors, as its proxy with irrevocable instructions to vote and deliver written consents on behalf of such holder in favor of such amendments at any bondholder meeting, in lieu of any bondholder meeting, in any consent solicitation or otherwise.

ARTICLE VI**Reservation of Right to Amend Sections 35(a), 99, 101 and 102 of the Mortgage**

Section 1. The Company reserves the right, without any vote, consent or other action by the holders of bonds of the Sixty-sixth Series, the Sixty-seventh Series, the Sixty-eighth Series, the Sixty-ninth Series or any subsequent series, to amend the Mortgage, as herein or heretofore supplemented as follows:

(A) to amend Section 35(a) to delete the phrase “having its principal office and place of business in the Borough of Manhattan, The City of New York” and the word “such” at the location in said Section 35(a) at which such word first appears; and

(B) to amend Sections 99, 101 and 102 to remove all requirements for the publishing of notices of the resignation, removal or appointment of any Trustee and to delete all references to the publication of such notices in the Mortgage, as herein or heretofore supplemented, including deletion of words “the first publication of notice of” in the last sentence of the first paragraph of Section 102.

ARTICLE VII**Miscellaneous Provisions**

Section 1. Section 126 of the Mortgage, as heretofore amended, is hereby further amended by adding the words “and July 9, 2032, July 9, 2035, July 9, 2037 and July 9, 2055” after the words “and April 30, 2039”.

Section 2. Subject to the amendments provided for in this Forty-sixth Supplemental Indenture, the terms defined in the Mortgage, as heretofore supplemented, shall, for all purposes of this Forty-sixth Supplemental Indenture, have the meanings specified in the Mortgage, as heretofore supplemented.

Section 3. The holders of bonds of the Sixty-sixth Series, the Sixty-seventh Series, the Sixty-eighth Series and the Sixty-ninth Series consent that the Company may, but shall not be obligated to, fix a record date for the purpose of determining the holders of bonds of the Sixty-sixth Series, this Sixty-seventh Series, the Sixty-eighth Series and the Sixty-ninth Series entitled to consent to any amendment, supplement or waiver. If a record date is fixed, those persons who were holders at such record date (or their duly designated proxies), and only those persons, shall be entitled to consent to such amendment, supplement or waiver or to revoke any consent previously given, whether or not such persons continue to be holders after such record date. No such consent shall be valid or effective for more than 90 days after such record date.

Section 4. The Trustees hereby accept the trusts herein declared, provided, created or supplemented and agree to perform the same upon the terms and conditions herein and in the Mortgage set forth and upon the following terms and conditions:

The Trustees shall not be responsible in any manner whatsoever for or in respect of the validity or sufficiency of this Forty-sixth Supplemental Indenture or for or in respect of the recitals contained herein, all of which recitals are made by the Company solely. In general, each and every term and condition contained in Article XVII of the Mortgage shall apply to and form part of this Forty-sixth Supplemental Indenture with the same force and effect as if the same were herein set forth in full with such omissions,

variations and insertions, if any, as may be appropriate to make the same conform to the provisions of this Forty-sixth Supplemental Indenture.

Section 5. Whenever in this Forty-sixth Supplemental Indenture any party hereto is named or referred to, this shall, subject to the provisions of Articles XVI and XVII of the Mortgage, as heretofore supplemented, be deemed to include the successors or assigns of such party, and all the covenants and agreements in this Forty-sixth Supplemental Indenture contained by or on behalf of the Company, or by or on behalf of the Trustees shall, subject as aforesaid, bind and inure to the benefit of the respective successors and assigns of such party whether so expressed or not.

Section 6. Nothing in this Forty-sixth Supplemental Indenture, expressed or implied, is intended, or shall be construed, to confer upon, or give to, any person, firm or corporation, other than the parties hereto and the holders of the bonds and coupons Outstanding under the Mortgage, any right, remedy, or claim under or by reason of this Forty-sixth Supplemental Indenture or any covenant, condition, stipulation, promise or agreement hereof, and all the covenants, conditions, stipulations, promises and agreements in this Forty-sixth Supplemental Indenture contained by and on behalf of the Company shall be for the sole and exclusive benefit of the parties hereto, and of the holders of the bonds and of the coupons Outstanding under the Mortgage.

Section 7. This Forty-sixth Supplemental Indenture shall be executed in several counterparts, each of which shall be an original and all of which shall constitute but one and the same instrument.

Section 8. The Company, the mortgagor named herein, by its execution hereof acknowledges receipt of a full, true and complete copy of this Forty-sixth Supplemental Indenture.

In witness whereof, ALLETE, Inc. has caused its corporate name to be hereunto affixed, and this instrument to be signed and sealed by its President, one of its Vice Presidents, or its Treasurer, and its corporate seal to be attested by its Secretary or one of its Assistant Secretaries for and in its behalf, all in the City of Duluth, Minnesota, and The Bank of New York Mellon has caused its corporate name to be hereunto affixed, and this instrument to be signed by one of its Vice Presidents or one of its Assistant Vice Presidents, and Sherma Thomas has hereunto set her hand, all in The City of New York, as of the day and year first above written.

ALLETE, Inc.

By___
Jeffrey J. Scissons
Vice President, Chief Financial Officer and Corporate Treasurer

Attest:

Julie L. Padilla
Vice President, Chief Legal Officer,
and Corporate Secretary

Trustees' Signature Pages Follow

The Bank of New York Mellon,
as Trustee

By__
Esther Antoine
Vice President

Forty-sixth Supplemental Indenture dated as of July 1, 2025
to Mortgage and Deed of Trust dated as of September 1, 1945

Corporate Trustee's Signature Page

— SHERMA THOMAS

Forty-sixth Supplemental Indenture dated as of July 1, 2025
to Mortgage and Deed of Trust dated as of September 1, 1945

Co-Trustee's Signature Page

STATE OF MINNESOTA)
) SS
COUNTY OF ST. LOUIS)

On this 1st day of July 2025, the foregoing instrument was acknowledged before me by Jeffrey J. Scissons, Vice President, Chief Financial Officer, and Corporate Treasurer of ALLETE, Inc., a Minnesota corporation, on behalf of the Company.

NOTARIAL STAMP OR SEAL

Jodi Lumberg

STATE OF MINNESOTA)
) SS
COUNTY OF ST. LOUIS)

On this 1st day of July 2025, the foregoing instrument was acknowledged before me by Julie L. Padilla, Vice President, Chief Legal Officer, and Corporate Secretary of ALLETE, Inc., a Minnesota corporation, on behalf of the Company.

NOTARIAL STAMP OR SEAL

Jodi Lumberg

**Rule 13a-14(a)/15d-14(a) Certification by the Chief Executive Officer
Pursuant to Section 302 of the Sarbanes-Oxley Act of 2002**

I, Bethany M. Owen, of ALLETE, Inc. (ALLETE), certify that:

1. I have reviewed this quarterly report on Form 10-Q for the period ended June 30, 2025, of ALLETE;
2. Based on my knowledge, this report does not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements made, in light of the circumstances under which such statements were made, not misleading with respect to the period covered by this report;
3. Based on my knowledge, the financial statements, and other financial information included in this report, fairly present in all material respects the financial condition, results of operations and cash flows of the registrant as of, and for, the periods presented in this report;
4. The registrant's other certifying officer and I are responsible for establishing and maintaining disclosure controls and procedures (as defined in Exchange Act Rules 13a-15(e) and 15d-15(e)) and internal control over financial reporting (as defined in Exchange Act Rules 13a-15(f) and 15d-15(f)) for the registrant and have:
 - a. Designed such disclosure controls and procedures, or caused such disclosure controls and procedures to be designed under our supervision, to ensure that material information relating to the registrant, including its consolidated subsidiaries, is made known to us by others within those entities, particularly during the period in which this report is being prepared;
 - b. Designed such internal control over financial reporting, or caused such internal control over financial reporting to be designed under our supervision, to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles;
 - c. Evaluated the effectiveness of the registrant's disclosure controls and procedures and presented in this report our conclusions about the effectiveness of the disclosure controls and procedures, as of the end of the period covered by this report based on such evaluation; and
 - d. Disclosed in this report any change in the registrant's internal control over financial reporting that occurred during the registrant's most recent fiscal quarter (the registrant's fourth fiscal quarter in the case of an annual report) that has materially affected, or is reasonably likely to materially affect, the registrant's internal control over financial reporting; and
5. The registrant's other certifying officer and I have disclosed, based on our most recent evaluation of internal control over financial reporting, to the registrant's auditors and the audit committee of the registrant's board of directors (or persons performing the equivalent functions):
 - a. All significant deficiencies and material weaknesses in the design or operation of internal control over financial reporting which are reasonably likely to adversely affect the registrant's ability to record, process, summarize and report financial information; and
 - b. Any fraud, whether or not material, that involves management or other employees who have a significant role in the registrant's internal control over financial reporting.

August 7, 2025

/s/ Bethany M. Owen

Bethany M. Owen

Chair, President and Chief Executive Officer

**Rule 13a-14(a)/15d-14(a) Certification by the Chief Financial Officer
Pursuant to Section 302 of the Sarbanes-Oxley Act of 2002**

I, Jeffrey J. Scissons, of ALLETE, Inc. (ALLETE), certify that:

1. I have reviewed this quarterly report on Form 10-Q for the period ended June 30, 2025, of ALLETE;
2. Based on my knowledge, this report does not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements made, in light of the circumstances under which such statements were made, not misleading with respect to the period covered by this report;
3. Based on my knowledge, the financial statements, and other financial information included in this report, fairly present in all material respects the financial condition, results of operations and cash flows of the registrant as of, and for, the periods presented in this report;
4. The registrant's other certifying officer and I are responsible for establishing and maintaining disclosure controls and procedures (as defined in Exchange Act Rules 13a-15(e) and 15d-15(e)) and internal control over financial reporting (as defined in Exchange Act Rules 13a-15(f) and 15d-15(f)) for the registrant and have:
 - a. Designed such disclosure controls and procedures, or caused such disclosure controls and procedures to be designed under our supervision, to ensure that material information relating to the registrant, including its consolidated subsidiaries, is made known to us by others within those entities, particularly during the period in which this report is being prepared;
 - b. Designed such internal control over financial reporting, or caused such internal control over financial reporting to be designed under our supervision, to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles;
 - c. Evaluated the effectiveness of the registrant's disclosure controls and procedures and presented in this report our conclusions about the effectiveness of the disclosure controls and procedures, as of the end of the period covered by this report based on such evaluation; and
 - d. Disclosed in this report any change in the registrant's internal control over financial reporting that occurred during the registrant's most recent fiscal quarter (the registrant's fourth fiscal quarter in the case of an annual report) that has materially affected, or is reasonably likely to materially affect, the registrant's internal control over financial reporting; and
5. The registrant's other certifying officer and I have disclosed, based on our most recent evaluation of internal control over financial reporting, to the registrant's auditors and the audit committee of the registrant's board of directors (or persons performing the equivalent functions):
 - a. All significant deficiencies and material weaknesses in the design or operation of internal control over financial reporting which are reasonably likely to adversely affect the registrant's ability to record, process, summarize and report financial information; and
 - b. Any fraud, whether or not material, that involves management or other employees who have a significant role in the registrant's internal control over financial reporting.

August 7, 2025

/s/ Jeffrey J. Scissons

Jeffrey J. Scissons

Vice President, Chief Financial Officer and Corporate Treasurer

**Section 1350 Certification of Periodic Report
By the Chief Executive Officer and Chief Financial Officer
Pursuant to Section 906 of the Sarbanes-Oxley Act of 2002**

Pursuant to Section 906 of the Sarbanes-Oxley Act of 2002, 18 U.S.C. Section 1350, each of the undersigned officers of ALLETE, Inc. (ALLETE), does hereby certify that:

1. The Quarterly Report on Form 10-Q of ALLETE for the period ended June 30, 2025, (Report) fully complies with the requirements of Section 13(a) of the Securities Exchange Act of 1934 (15 U.S.C. 78m); and
2. The information contained in the Report fairly presents, in all material respects, the financial condition and results of operations of ALLETE.

August 7, 2025

/s/ Bethany M. Owen
Bethany M. Owen
Chair, President and Chief Executive Officer

August 7, 2025

/s/ Jeffrey J. Scissons
Jeffrey J. Scissons
Vice President, Chief Financial Officer and Corporate Treasurer

This certification shall not be deemed “filed” for purposes of Section 18 of the Securities Exchange Act of 1934 or otherwise subject to liability pursuant to that section. Such certification shall not be deemed to be incorporated by reference into any filing under the Securities Act of 1933 or the Securities Exchange Act of 1934, except to the extent that ALLETE specifically incorporates it by reference.

A signed original of this written statement required by Section 906, or other document authenticating, acknowledging, or otherwise adopting the signature that appears in typed form within the electronic version of this written statement required by Section 906, has been provided to ALLETE and will be retained by ALLETE and furnished to the Securities and Exchange Commission or its staff upon request.

Mine Safety Disclosure

Mine or Operating Name/MSHA Identification Number	Section 104 S&S Citations (#)	Section 104(b) Orders (#)	Section 104(d) Citations and Orders (#)	Section 110(b)(2) Violations (#)	Section 107(a) Orders (#)	Total Dollar Value of MSHA Assessments Proposed (\$)	Total Number of Mining Related Fatalities (#)	Received Notice of Violation Under Section 104(e) (yes/no)	Received Notice of Potential to Have Pattern Under Section 104(e) (yes/no)	Legal Actions Pending as of Last Day of Period (#)	Legal Actions Initiated During Period (#)	Legal Actions Resolved During Period (#)
Center Mine / 3200218	—	—	—	—	—	—	—	No	No	—	—	—

For the quarter ended June 30, 2025, BNI Energy, owner of Center Mine, received two citation under Section 104(a) of the Mine Safety Act, none of which were significant and substantial (S&S) citations. For the quarter ended June 30, 2025, BNI Energy paid no penalties for citations closed during the period. For the quarter ended June 30, 2025, there were no citations, orders, violations or notices under Sections 104(b), 104(d), 107(a), 104(e) or 110(b)(2) of the Mine Safety Act and there were no fatalities.



For Release: August 7, 2025

Investor Contact: 218-723-3952
shareholder@allete.com

NEWS

ALLETE, Inc. reports second quarter 2025 earnings

DULUTH, Minn. - ALLETE, Inc. (NYSE: ALE) today reported second quarter 2025 earnings of 55 cents per share on net income of \$31.9 million. Last year's second quarter results were 57 cents per share on net income of \$33.0 million. Net income in the second quarter of 2025 includes transaction expenses of \$3.4 million after-tax, or 6 cents per share, related to the announced merger. Net income in the second quarter of 2024 included transaction expenses of \$14.5 million after-tax, or 25 cents per share.

"Our entire ALLETE team continues to work diligently to execute our Sustainability-in-Action strategy. On July 11, 2025, we were pleased to announce a settlement agreement reached between the Minnesota Department of Commerce, Minnesota Power and its transaction partners Canada Pension Plan Investment Board ("CPP Investments") and Global Infrastructure Partners ("GIP") that will deliver enhanced benefits for our customers, our employees and the communities we serve," said ALLETE Chair, President, and Chief Executive Officer Bethany Owen. "The settlement agreement is a strong, positive step forward in ALLETE's planned partnership with experienced infrastructure investors, CPP Investments and GIP and demonstrates our commitment to listening and working collaboratively with our stakeholders."

ALLETE continues to expect the proposed transaction to close in 2025, subject to approval by the Minnesota Public Utilities Commission and other customary closing conditions. Required approvals have been received from all other parties.

ALLETE also announced Superior Water, Light and Power's ("SWLP") leadership advanced legislation to help their customers replace lead service lines by working with state and local leaders to support a change in Wisconsin law that will allow SWLP to access federal grants to help offset costs for SWLP customers. The change has been passed by the legislature and signed into law by Governor Evers."

ALLETE's Regulated Operations segment, which includes Minnesota Power, SWLP and the Company's investment in the American Transmission Company, recorded second quarter 2025 net income of \$23.0 million, compared to \$33.7 million in the second quarter a year ago. Net income at Minnesota Power was lower than 2024 reflecting lower margins from industrial customers, higher operating and maintenance expense, higher depreciation expense due to the impact of estimated compliance costs related to an EPA Rule finalized in May 2024 and lower transmission margins. Net income at SWLP was higher than 2024 reflecting new rates implemented in 2025. After-tax equity earnings in the American Transmission Company were higher than 2024 primarily due to additional equity investments.

ALLETE Clean Energy recorded second quarter 2025 net income of \$900 thousand compared to \$2.4 million in 2024. Net income in 2025 reflects lower production and unfavorable pricing at most wind sites, partially offset by higher production at ALLETE Clean Energy's Caddo wind energy facility. Earnings in 2024 reflected negative impacts from a forced network outage near its Caddo wind energy facility.

New Energy Equity recorded 2025 second quarter net income of \$4.7 million, compared to net income of \$7.7 million for the same period in 2024. Net income in 2025 includes lower sales of renewable energy projects due to timing of project closings. These decreases were partially offset by higher earnings from tax equity financed solar energy facilities.

Corporate and Other businesses, which include BNI Energy, ALLETE Properties and our investments in renewable energy facilities, recorded net income of \$3.3 million in the second quarter of 2025, compared to a net loss of \$10.8 million in 2024. Net income in 2025 reflects lower merger-related expenses compared to 2024, and lower income tax expense. Merger-related expenses were \$3.4 million after-tax in 2025 compared to \$14.5 million in 2024.

"Results for the second quarter of 2025 were impacted primarily by lower industrial margins as a result of lower sales to taconite customers at Minnesota Power which are expected to continue through 2025." said ALLETE Vice President – Chief Financial Officer and Corporate Treasurer Jeff Scissons. "Absent the closing of the transaction and the rate case stay-out provision in the settlement agreement with the Minnesota Department of Commerce, Minnesota Power would be filing a rate case to account for reduced revenue, increased depreciation from capital investments and inflationary pressures. The rate case stay out provision in the settlement agreement provides immediate customer savings on top of numerous other commitments that benefit ALLETE stakeholders, customers and communities."

ALLETE is an energy company headquartered in Duluth, Minn. In addition to its electric utilities, Minnesota Power and Superior Water, Light and Power of Wisconsin, ALLETE owns ALLETE Clean Energy, based in Duluth, BNI Energy in Bismarck, N.D., New Energy Equity in Annapolis, MD, and has an eight percent equity interest in the American Transmission Co. More information about ALLETE is available at www.allete.com. ALE-CORP

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.

ALLETE's press releases and other communications may include certain non-Generally Accepted Accounting Principles (GAAP) financial measures. A "non-GAAP financial measure" is defined as a numerical measure of a company's financial performance, financial position or cash flows that excludes (or includes) amounts that are included in (or excluded from) the most directly comparable measure calculated and presented in accordance with GAAP in the company's financial statements.

Non-GAAP financial measures utilized by the Company include presentations of earnings (loss) per share. ALLETE's management believes that these non-GAAP financial measures provide useful information to investors by removing the effect of variances in GAAP reported results of operations that are not indicative of changes in the fundamental earnings power of the Company's operations. Management believes that the

presentation of the non-GAAP financial measures is appropriate and enables investors and analysts to more accurately compare the company's ongoing financial performance over the periods presented.

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ALLETE · 30 West Superior Street, Duluth, Minnesota 55802

ALLETE, Inc.
Consolidated Statement of Income
Millions Except Per Share Amounts - Unaudited

	Quarter Ended		Six Months Ended	
	June 30,		June 30,	
	2025	2024	2025	2024
Operating Revenue				
Contracts with Customers – Utility	\$305.1	\$279.8	\$637.9	\$618.1
Contracts with Customers – Non-utility	53.8	73.5	119.7	137.2
Other – Non-utility	1.4	1.2	2.9	2.5
Total Operating Revenue	360.3	354.5	760.5	757.8
Operating Expenses				
Fuel, Purchased Power and Gas – Utility	113.3	107.3	236.3	240.8
Transmission Services – Utility	19.3	1.6	38.3	24.3
Cost of Sales – Non-utility	24.3	31.8	49.2	56.2
Operating and Maintenance	96.6	102.1	189.6	193.8
Depreciation and Amortization	73.2	66.0	142.9	131.0
Taxes Other than Income Taxes	15.6	16.3	33.2	35.0
Total Operating Expenses	342.3	325.1	689.5	681.1
Operating Income	18.0	29.4	71.0	76.7
Other Income (Expense)				
Interest Expense	(23.1)	(20.1)	(44.5)	(40.5)
Equity Earnings	5.9	5.9	11.9	11.4
Other	5.2	5.9	9.8	14.5
Total Other Expense	(12.0)	(8.3)	(22.8)	(14.6)
Income Before Income Taxes	6.0	21.1	48.2	62.1
Income Tax Expense (Benefit)	(0.6)	1.4	6.9	5.4
Net Income	6.6	19.7	41.3	56.7
Net Loss Attributable to Non-Controlling Interest	(25.3)	(13.3)	(46.7)	(27.0)
Net Income Attributable to ALLETE	\$31.9	\$33.0	\$88.0	\$83.7
Average Shares of Common Stock				
Basic	58.0	57.7	58.0	57.7
Diluted	58.1	57.8	58.0	57.7
Basic Earnings Per Share of Common Stock	\$0.55	\$0.57	\$1.52	\$1.45
Diluted Earnings Per Share of Common Stock	\$0.55	\$0.57	\$1.52	\$1.45
Dividends Per Share of Common Stock	\$0.73	\$0.705	\$1.46	\$1.41

Consolidated Balance Sheet
Millions - Unaudited

	Jun. 30, 2025	Dec. 31, 2024		Jun. 30, 2025	Dec. 31, 2024
Assets			Liabilities and Equity		
Cash and Cash Equivalents	\$55.4	\$32.8	Current Liabilities	\$337.9	\$404.2
Other Current Assets	397.5	402.4	Long-Term Debt	1,931.8	1,704.7
Property, Plant and Equipment – Net	5,324.0	5,181.5	Deferred Income Taxes	278.9	253.4
Regulatory Assets	363.0	371.7	Regulatory Liabilities	586.7	570.5
Equity Investments	350.5	340.1	Defined Benefit Pension and Other Postretirement Benefit Plans	99.4	118.2
Goodwill and Intangibles – Net	155.3	155.3	Other Non-Current Liabilities	311.4	312.8
Other Non-Current Assets	267.5	270.5	Redeemable Non-Controlling Interest	0.8	0.4
			Equity	3,366.3	3,390.1
Total Assets	\$6,913.2	\$6,754.3	Total Liabilities, Redeemable Non-Controlling Interest and Equity	\$6,913.2	\$6,754.3

ALLETE, Inc. Income (Loss)	Quarter Ended June 30,		Six Months Ended June 30,	
	2025	2024	2025	2024
Millions				
Regulated Operations	\$23.0	\$33.7	\$61.4	\$77.9
ALLETE Clean Energy	0.9	2.4	8.3	6.2
New Energy	4.7	7.7	13.9	11.7
Corporate and Other	3.3	(10.8)	4.4	(12.1)
Net Income Attributable to ALLETE	\$31.9	\$33.0	\$88.0	\$83.7
Diluted Earnings Per Share	\$0.55	\$0.57	\$1.52	\$1.45

Statistical Data

Corporate				
Common Stock				
High	\$66.40	\$65.86	\$66.40	\$65.86
Low	\$63.27	\$56.66	\$63.27	\$55.86
Close	\$64.07	\$62.35	\$64.07	\$62.35
Book Value	\$49.31	\$48.86	\$49.31	\$48.86

Kilowatt-hours Sold

Millions				
Regulated Utility				
Retail and Municipal				
Residential	231	225	563	531
Commercial	304	307	658	645
Industrial	1,530	1,729	3,104	3,527
Municipal	108	105	240	230
Total Retail and Municipal	2,173	2,366	4,565	4,933
Other Power Suppliers	981	579	1,907	1,336
Total Regulated Utility Kilowatt-hours Sold	3,154	2,945	6,472	6,269

Regulated Utility Revenue

Millions				
Regulated Utility Revenue				
Retail and Municipal Electric Revenue				
Residential	\$36.9	\$34.4	\$86.2	\$81.1
Commercial	44.1	42.9	92.4	90.3
Industrial	136.5	146.3	274.9	304.8
Municipal	8.2	7.4	17.8	16.4
Total Retail and Municipal Electric Revenue	225.7	231.0	471.3	492.6
Other Power Suppliers	47.3	30.4	94.4	70.4
Other (Includes Water and Gas Revenue)	32.1	18.4	72.2	55.1
Total Regulated Utility Revenue	\$305.1	\$279.8	\$637.9	\$618.1