

Securities and Exchange Commission  
Washington, D.C. 20549

FORM 10-Q/A  
Amendment No.1

(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, 1996

or

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

Commission File No. 1-3548

Minnesota Power & Light Company  
A Minnesota Corporation  
IRS Employer Identification No. 41-0418150  
30 West Superior Street  
Duluth, Minnesota 55802  
Telephone - (218) 722-2641

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 and (2) has been subject to such filing  
requirements for the past 90 days.

Yes  No   
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Common Stock, no par value,  
31,935,547 shares outstanding  
as of July 31, 1996

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This Amendment No. 1 to Minnesota Power & Light Company's (Company) Quarterly Report on Form 10-Q for the quarter ended June 30, 1996 (Form 10-Q) is being filed to reflect a reclassification of distributions on Company obligated mandatorily redeemable preferred securities of subsidiary MP&L Capital I. This Amendment No. 1 includes only those portions of the Form 10-Q which have been changed as a result of such reclassification.  
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Minnesota Power  
Consolidated Balance Sheet  
In Thousands

	June 30, 1996 Unaudited	December 31, 1995 Audited
<b>Assets</b>		
<b>Plant and Other Assets</b>		
Electric operations	\$ 799,091	\$ 800,477
Water operations	319,331	323,182
Automobile auctions	140,257	123,632
Investments	227,056	201,360
	-----	-----
Total plant and other assets	1,485,735	1,448,651
	-----	-----
<b>Current Assets</b>		
Cash and cash equivalents	63,432	31,577
Trading securities	76,319	40,007
Trade accounts receivable (less reserve of \$4,088 and \$3,325)	171,700	128,072
Notes and other accounts receivable	22,309	12,220
Fuel, material and supplies	25,911	26,383
Prepayments and other	16,910	13,706
	-----	-----
Total current assets	376,581	251,965
	-----	-----
<b>Deferred Charges</b>		
Regulatory	82,178	88,631
Other	26,703	25,037
	-----	-----
Total deferred charges	108,881	113,668
	-----	-----
<b>Intangible Assets</b>		
Goodwill	124,122	120,245
Other	12,712	13,096
	-----	-----
Total intangible assets	136,834	133,341
	-----	-----
<b>Total Assets</b>	<b>\$ 2,108,031</b>	<b>\$ 1,947,625</b>
<b>Capitalization and Liabilities</b>		
<b>Capitalization</b>		
Common stock without par value, 65,000,000 shares authorized 31,917,569 and 31,467,650 shares outstanding	\$ 384,286	\$ 377,684
Unearned ESOP shares	(71,047)	(72,882)
Net unrealized gain on securities investments	1,165	3,206
Cumulative translation adjustment	(401)	(177)
Retained earnings	277,744	276,241
	-----	-----
Total common stock equity	591,747	584,072
Cumulative preferred stock	11,492	28,547
Redeemable serial preferred stock	20,000	20,000
Company obligated mandatorily redeemable preferred securities of subsidiary MP&L Capital I which holds solely Company Junior Subordinated Debentures	75,000	-
Long-term debt	653,039	639,548
	-----	-----
Total capitalization	1,351,278	1,272,167
	-----	-----
<b>Current Liabilities</b>		
Accounts payable	92,366	68,083
Accrued taxes	39,386	40,999
Accrued interest and dividends	16,136	14,471
Notes payable	89,330	96,218
Long-term debt due within one year	70,060	9,743
Other	27,155	27,292
	-----	-----
Total current liabilities	334,433	256,806
	-----	-----
<b>Deferred Credits</b>		
Accumulated deferred income taxes	164,994	164,737
Contributions in aid of construction	97,468	98,167
Regulatory	56,491	57,950
Other	103,367	97,798
	-----	-----
Total deferred credits	422,320	418,652
	-----	-----
<b>Total Capitalization and Liabilities</b>	<b>\$ 2,108,031</b>	<b>\$ 1,947,625</b>

The accompanying notes are an integral part of this statement.

Minnesota Power  
Consolidated Statement of Income  
In Thousands Except Per Share Amounts - Unaudited

	Quarter Ended June 30,		Six Months Ended June 30,	
	1996	1995	1996	1995
-----				
Operating Revenue and Income				
Electric operations	\$ 129,219	\$ 119,694	\$ 260,718	\$ 240,448
Water operations	23,050	17,814	42,277	33,416
Automobile auctions	45,215	-	84,908	-
Investments	11,019	9,828	23,275	20,160
	-----	-----	-----	-----
Total operating revenue and income	208,503	147,336	411,178	294,024
	-----	-----	-----	-----
Operating Expenses				
Fuel and purchased power	48,291	44,113	91,934	84,422
Operations	87,034	60,975	173,063	123,117
Administrative and general	40,559	16,790	74,350	35,252
Interest expense	14,357	11,388	28,517	22,489
	-----	-----	-----	-----
Total operating expenses	190,241	133,266	367,864	265,280
	-----	-----	-----	-----
Income (Loss) from Equity Investments	2,832	2,361	6,609	(3,909)
	-----	-----	-----	-----
Operating Income from Continuing Operations	21,094	16,431	49,923	24,835
Distributions on Redeemable Preferred Securities of Subsidiary	1,509	-	1,711	-
Income Tax Expense (Benefit)	4,753	5,508	15,077	(9,893)
	-----	-----	-----	-----
Income from Continuing Operations	14,832	10,923	33,135	34,728
Income from Discontinued Operations	-	1,190	-	2,842
	-----	-----	-----	-----
Net Income	14,832	12,113	33,135	37,570
Dividends on Preferred Stock	634	800	1,434	1,600
	-----	-----	-----	-----
Earnings Available for Common Stock	\$ 14,198	\$ 11,313	\$ 31,701	\$ 35,970
	=====	=====	=====	=====
Average Shares of Common Stock	29,053	28,446	28,919	28,409
Earnings Per Share of Common Stock				
Continuing operations	\$ .49	\$ .35	\$ 1.10	\$1.17
Discontinued operations	-	.05	-	.10
	-----	-----	-----	-----
Total	\$ .49	\$ .40	\$ 1.10	\$1.27
	=====	=====	=====	=====
Dividends Per Share of Common Stock	\$ .51	\$ .51	\$ 1.02	\$1.02
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The accompanying notes are an integral part of this statement.

Minnesota Power  
Consolidated Statement of Cash Flows  
In Thousands - Unaudited

	Six Months Ended June 30,	
	1996	1995
<b>Operating Activities</b>		
Net income	\$ 33,135	\$ 37,570
Depreciation and amortization	32,511	27,575
Deferred income taxes	(1,515)	(29,101)
Deferred investment tax credits	(839)	(1,024)
Pre-tax gain on sale of plant	(1,073)	-
Pre-tax loss on disposal of discontinued operations	-	1,793
Changes in operating assets and liabilities excluding the effects of discontinued operations		
Trading securities	(36,312)	18,013
Notes and accounts receivable	(53,488)	8,646
Fuel, material and supplies	531	(2,090)
Accounts payable	24,201	(1,325)
Other current assets and liabilities	(3,460)	8,221
Other - net	12,429	(2,514)
	6,120	65,764
	-----	-----
<b>Investing Activities</b>		
Proceeds from sale of investments in securities	14,640	94,162
Proceeds from sale of plant	5,311	-
Proceeds from sale of discontinued operations	-	106,115
Funds held by trustee for ADESA acquisition	-	(161,810)
Additions to investments	(51,921)	(65,996)
Additions to plant	(45,427)	(40,906)
Changes to other assets - net	6,443	2,777
	(70,954)	(65,658)
	-----	-----
<b>Financing Activities</b>		
Issuance of long-term debt	190,134	9,000
Issuance of Company obligated mandatorily redeemable preferred securities of subsidiary MP&L Capital I - net	72,270	-
Issuance of common stock	9,015	1,467
Changes in notes payable	(9,588)	124,372
Reductions of long-term debt	(116,455)	(2,217)
Redemption of preferred stock	(17,568)	-
Dividends on preferred and common stock	(31,119)	(30,846)
	96,689	101,776
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Change in Cash and Cash Equivalents	31,855	101,882
Cash and Cash Equivalents at Beginning of Period	31,577	27,001
	-----	-----
Cash and Cash Equivalents at End of Period	\$ 63,432	\$ 128,883
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<b>Supplemental Cash Flow Information</b>		
Cash paid during the period for		
Interest (net of capitalized)	\$ 24,930	\$ 22,481
Income taxes	\$ 17,182	\$ 11,893

The accompanying notes are an integral part of this statement.

Note 1. Business Segments  
In Thousands

	Consolidated	Electric Operations	Water Operations	Investments			Corporate Charges & Other
				Automobile Auctions	Portfolio & Reinsurance	Real Estate	
Quarter Ended June 30, 1996							
Operating revenue and income	\$208,503	\$129,219	\$ 23,050	\$ 45,215	\$4,736	\$ 6,605	\$ (322)
Operation and other expense	159,589	102,218	13,926	37,026	731	3,845	1,843
Depreciation and amortization expense	16,295	10,512	3,070	2,705	-	8	-
Interest expense	14,357	5,537	3,057	2,017	-	486	3,260
Income from equity investments	2,832	-	-	-	2,832	-	-
Operating income (loss)	21,094	10,952	2,997	3,467	6,837	2,266	(5,425)
Distributions on redeemable preferred securities of subsidiary	1,509	403	-	-	-	-	1,106
Income tax expense (benefit)	4,753	3,593	1,010	2,002	928	(782)	(1,998)
Net income	<u>\$ 14,832</u>	<u>\$ 6,956</u>	<u>\$ 1,987</u>	<u>\$ 1,465</u>	<u>\$5,909</u>	<u>\$ 3,048</u>	<u>\$(4,533)</u>
Quarter Ended June 30, 1995							
Operating revenue and income	\$147,336	\$119,694	\$ 17,814	-	\$6,223	\$ 4,438	\$ (833)
Operation and other expense	109,152	91,128	11,692	-	1,322	3,492	1,518
Depreciation and amortization expense	12,726	10,115	2,551	-	-	60	-
Interest expense	11,388	5,573	2,534	-	1	-	3,280
Income from equity investments	2,361	-	-	-	2,361	-	-
Operating income (loss) from continuing operations	16,431	12,878	1,037	-	7,261	886	(5,631)
Income tax expense (benefit)	5,508	5,014	348	-	488	592	(934)
Income (loss) from continuing operations	10,923	<u>\$ 7,864</u>	<u>\$ 689</u>	-	<u>\$6,773</u>	<u>\$ 294</u>	<u>\$(4,697)</u>
Income from discontinued operations	1,190						
Net income	<u>\$ 12,113</u>						

Purchased July 1, 1995.

Note 1. Business Segments (Continued)  
In Thousands

	Consolidated	Electric Operations	Water Operations	Investments			Corporate Charges & Other
				Automobile Auctions	Portfolio & Reinsurance	Real Estate	
Six Months Ended June 30, 1996							
Operating revenue and income	\$ 411,178	\$ 260,718	\$ 42,277	\$ 84,908	\$ 8,605	\$ 15,281	\$ (611)
Operation and other expense	306,836	197,523	25,444	71,228	1,254	7,058	4,329
Depreciation and amortization expense	32,511	21,011	6,207	5,255	-	38	-
Interest expense	28,517	11,212	6,344	3,308	1	488	7,164
Income from equity investments	6,609	-	-	-	6,609	-	-
Operating income (loss)	49,923	30,972	4,282	5,117	13,959	7,697	(12,104)
Distributions on redeemable preferred securities of subsidiary	1,711	480	-	-	-	-	1,231
Income tax expense (benefit)	15,077	11,367	1,459	2,664	2,897	1,581	(4,891)
Net income	\$ 33,135	\$ 19,125	\$ 2,823	\$ 2,453	\$ 11,062	\$ 6,116	\$ (8,444)
Total assets	\$2,108,031	\$ 983,971	\$ 341,792	\$453,561	\$ 244,526	\$ 82,516	\$ 1,665
Accumulated depreciation	\$ 646,609	\$ 527,425	\$ 115,162	\$ 4,022	-	-	-
Accumulated amortization	\$ 5,819	-	-	\$ 4,949	-	\$ 870	-
Construction work in progress	\$ 55,559	\$ 13,769	\$ 17,816	\$ 23,974	-	-	-
Six Months Ended June 30, 1995							
Operating revenue and income	\$ 294,024	\$ 240,448	\$ 33,416	-	\$ 12,962	\$ 8,703	\$ (1,505)
Operation and other expense	217,464	178,165	22,749	-	2,257	10,626	3,667
Depreciation and amortization expense	25,327	20,136	5,071	-	-	120	-
Interest expense	22,489	11,070	4,986	-	4	2	6,427
Income (loss) from equity investments	(3,909)	-	-	-	4,619	-	(8,528)
Operating income (loss) from continuing operations	24,835	31,077	610	-	15,320	(2,045)	(20,127)
Income tax expense (benefit)	(9,893)	12,833	(47)	-	1,950	(17,423)	(7,206)
Income (loss) from continuing operations	34,728	\$ 18,244	\$ 657	-	\$ 13,370	\$ 15,378	\$(12,921)
Income from discontinued operations	2,842	-	-	-	-	-	-
Net income	\$ 37,570	-	-	-	-	-	-
Total assets	\$1,872,156	\$ 993,127	\$ 325,348	-	\$ 518,702	\$ 34,181	\$ 798
Accumulated depreciation	\$ 604,884	\$ 510,170	\$ 94,714	-	-	-	-
Accumulated amortization	\$ 580	-	-	-	-	\$ 580	-
Construction work in progress	\$ 22,672	\$ 9,943	\$ 12,729	-	-	-	-

Purchased July 1, 1995.

Includes \$3.7 million of minority interest relating to the recognition of tax benefits. (See Note 3.)

Includes an \$8.5 million pre-tax provision for exiting the equipment manufacturing business.

Includes \$18.4 million of tax benefits. (See Note 3.)

Item 6. Exhibits and Reports on Form 8-K

(a) Exhibits

27 Financial Data Schedule

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.

Minnesota Power & Light Company  
-----  
(Registrant)

January 22, 1997

D. G. Gartzke  
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D. G. Gartzke  
Senior Vice President - Finance  
and Chief Financial Officer

January 22, 1997

Mark A. Schober  
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Mark A. Schober  
Corporate Controller



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THIS SCHEDULE CONTAINS SUMMARY FINANCIAL INFORMATION EXTRACTED FROM MINNESOTA POWER'S CONSOLIDATED BALANCE SHEET, STATEMENT OF INCOME, AND STATEMENT OF CASH FLOW FOR THE PERIOD ENDED JUNE 30, 1996, AND IS QUALIFIED IN ITS ENTIRETY BY REFERENCE TO SUCH FINANCIAL STATEMENTS.

		1,000
6-MOS		
	DEC-31-1996	
	JAN-01-1996	
	JUN-30-1996	
	PER-BOOK	
1,118,422		
367,313		
	376,581	
108,881		
	136,834	
	2,108,031	
		384,286
	0	
591,747	277,744	
	75,000	
		31,492
	653,039	
	89,330	
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0		
70,060		
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527,080		
2,108,031		
	411,178	
	15,077	
	339,347	
	367,864	
	49,923	
	4,898	
61,652		
	28,517	
		33,135
	1,434	
31,701		
	29,685	
	0	
	6,120	
		1.10
		1.10

Includes \$6,609,000 of Income from Equity Investments and \$1,711,000 for Distribution on Redeemable Preferred Securities of Subsidiary.