REVENUE CREDIT AGREEMENT FOR
THE GREAT NORTHERN TRANSMISSION LINE PROJECT

This Revenue Credit Agreement for the Great Northern Transmission Line Project ("Agreement") is made and entered into as of the January 28, 2016 ("Execution Date"), by and between Minnesota Power, a division of ALLETE, Inc., a Minnesota corporation, and any successors thereof ("MP"), and Great River Energy, a Minnesota cooperative corporation, and any successors thereof ("GRE"), which are referred to herein collectively as "Parties" and singularly as "Party." This Agreement is being made and entered into by the Parties with respect to treatment of the relevant Party's ownership interests in the Great Northern Transmission Line Project ("GNTL") for purposes of offsetting certain payment obligations under any Revenue Sharing Agreement between MP and GRE.

WITNESSETH:

WHEREAS, MP is a Minnesota corporation engaged in the generation, transmission, distribution, and sale of electric power and energy in the state of Minnesota. MP is a transmission owning member of the Midcontinent Independent System Operator, Inc. ("MISO") subject to the MISO Transmission Owners' Agreement ("TOA") effective February 1, 2002;

WHEREAS, GRE is a Minnesota cooperative corporation engaged in the business of generating, transmitting and selling electric power and energy in the states of North Dakota, Minnesota and Wisconsin. GRE is a transmission-owning member of MISO subject to the MISO TOA effective December 1, 2004;

WHEREAS, MP and GRE executed a Network Integration Transmission Service Agreement ("NITSA") dated February 18, 2000, as amended March 1, 2003, as currently designated as Service Agreement No. 28 under the MISO Tariff;

WHEREAS, concurrent with the execution of this Agreement, the Parties have entered into the JPZ Agreement which is meant to supersede the NITSA effective August 1, 2013, as explained in Article 6.10.1;

WHEREAS, MP and GRE own certain transmission facilities physically located in the Former MP Control Area;

WHEREAS, MP is developing and it is currently anticipated that MP will have an ownership interest in the GNTL;

WHEREAS, an MP Affiliate may hold an ownership interest in the GNTL in the future;

WHEREAS, GRE and/or a GRE Affiliate may hold an ownership interest in the GNTL in the future;

WHEREAS, the Parties wish to memorialize their agreement: (1) with respect to the manner in which an Annual GNTL Revenue Credit shall be applied by GRE or MP to offset the

amount of compensation either GRE or MP is required to pay to the other Party under a Revenue Sharing Agreement; and (2) that each Party (and its Affiliates) is precluded from recovering any portion of its investment in GNTL from the other Party except and only to the extent that this Agreement provides for an Annual GNTL Revenue Credit to offset payments otherwise owed under a Revenue Sharing Agreement; and

WHEREAS, on May 6, 2016, the FERC issued an order accepting this Agreement and the other Zonal Agreements to be effective May 8, 2016 but allowed the parties to compensate each other as stated herein and the other Zonal Agreements for the period beginning on August 1, 2013.[1]

NOW, THEREFORE, in consideration of the mutual covenants set forth herein, the sufficiency of which is hereby acknowledged, the Parties hereto agree as follows with respect to the GNTL:

ARTICLE I. DEFINITIONS

Capitalized terms used in this Agreement, except as otherwise defined in this Agreement, will have the meanings set forth below or, if not set forth below, as defined in the MISO Tariff:

Agreement: This Revenue Credit Agreement for the Great Northern Transmission Line Project, including any attachments hereto, or amendments thereof.

Affiliate: Any person or entity that directly or indirectly controls, is under the control of, or is under common control with, an entity with the power to direct or cause the direction of the management of the policies of named entity, whether through ownership interest, by contract or otherwise. For the purpose of this definition, the term "control" means (a) the ownership of more than 50% of the voting securities or other voting interests of the named person or entity; or (b) the possession, directly or indirectly, of the power to direct or cause the direction of the management and policies of such named person or entity, whether through the ownership of voting shares, by contract or otherwise.

Annual GNTL Revenue Credit: The Annual GNTL Revenue Credit refers to either the MP Annual GNTL Revenue Credit or the GRE Annual GNTL Revenue Credit, as applicable.

Annual GNTL Revenue Requirement: A Party's annual transmission revenue requirements associated with the Party's investment in the GNTL as determined and calculated in accordance with Article 2.4 of this Agreement. Annual GNTL Revenue Requirement may refer to both or either of the GRE Annual GNTL Revenue Requirement or the MP Annual GNTL Revenue Requirement, as applicable.

Annual Net Payment Obligation: The annual compensation either MP or GRE is required to pay the other Party pursuant to a Revenue Sharing Agreement that will be subject to the Annual GNTL Revenue Credit described in this Agreement.

[1] *See Order on Zonal Agreements and Notice of Cancellation*, 155 FERC ¶ 61, 146 at P 53-58 (2016).

Applicable Law: Any and all constitutions, charters, acts, statutes, laws (including, but not limited to, all environmental laws), decrees, ordinances, rules, codes, regulations, orders, conditions, standards, tariffs and/or objective criteria applicable to this Agreement or to any Party's obligations, performance, or rights under this Agreement.

FERC or Commission: The Federal Energy Regulatory Commission or its successor.

FERC Interest Rate: The interest rate determined pursuant to FERC's regulations at 18 C.F.R. § 35.19a, as may be amended from time to time.

Final Order: An order issued by FERC that is final and non-appealable. An order shall be deemed final as of the date FERC issues an order on rehearing or, in the absence of a request for rehearing, the date on which the right to request rehearing expires.

Former MP Control Area: The Former MP Control Area is the control area that MP operated before joining MISO. For purposes of this Agreement, the Parties agree that the Former MP Control Area includes (1) the transmission facilities used for purposes of calculating MP's and GRE's Attachment O (or successor provision) revenue requirement for the MP Pricing Zone if MP and GRE are members of MISO and (2) the GRE Network Load, MP Network Load, and Third Party Network Load used to calculate the network transmission service rate for the MP Pricing Zone. The Former MP Control Area includes the loads identified in Attachment C if either MP or GRE are a longer member of MISO. The Parties have agreed to work together to identify the facilities located in the Former MP Control Area if either MP or GRE are no longer a member of MISO during the Term of this Agreement.

FPA: The Federal Power Act, 16 U.S.C. §§ 791a-825r, as amended by Pub. L. No. 109-58, 119 Stat. 594 (2005).

GNTL: Refers to the Great Northern Transmission Line Project in whatever form ultimately approved by the applicable Governmental Authority (if necessary) and placed into service, including any subsequent capital additions to, or replacement of, GNTL facilities. At the Effective Date, it is anticipated that the Great Northern Transmission Line Project will consist of single circuit 500 kV transmission line approximately 220 miles in length from the Minnesota-Manitoba border to the Blackberry 500 kV Substation near Grand Rapids, Minnesota and additional 500/230 kV equipment necessary to expand the Blackberry Substation.

Governmental Authority: Any court, tribunal, agency, commission, or similar governing entity having jurisdiction over the applicable Party or subject matter.

GRE Annual GNTL Revenue Credit: The Annual GNTL Revenue Credit calculated pursuant to Article 2.5 of this Agreement and applied by GRE to offset the Annual Net Payment Obligation of GRE, if any, as required to be paid to MP under a Revenue Sharing Agreement.

GRE Annual GNTL Revenue Requirement: The annual transmission revenue requirements associated with GRE's investment in the GNTL as determined and calculated in accordance with Article 2.4 of this Agreement.

GRE Load Ratio Share ("GRE LRS"): The load ratio share of GRE Network Load in the Former MP Control Area. GRE LRS shall be determined by dividing the GRE Network Load by the Total Network Load in the Former MP Control Area.

GRE Network Load: The GRE Network Load shall be the load used by GRE in its Attachment O (or successor provision) for the MP Pricing Zone if GRE and MP are members of MISO. The GRE Network Load shall be the GRE load identified in Attachment C if GRE or MP is no longer a member of MISO.

JPZ Agreement: The currently effective Joint Pricing Zone Revenue Allocation Agreement dated January 28, 2016 and executed by GRE and MP pursuant to the MISO Tariff and MISO TOA.

MISO: The Midcontinent Independent System Operator, Inc. or its successor.

MISO Tariff: The MISO Open Access Transmission, Energy and Operating Reserve Markets Tariff, including all schedules, attachments, and business practice manuals, as it may be amended from time to time.

MISO TOA: The Transmission Owners Agreement entered into by and among the transmission owning members of MISO for the purpose of organizing the MISO, as it may be amended from time to time. At the Effective Date, the TOA is designated as Rate Schedule 1 to MISO's Tariff.

MP: Minnesota Power, a division of ALLETE, Inc.

MP Annual GNTL Revenue Credit: The Annual GNTL Revenue Credit calculated pursuant to Article 2.5 of this Agreement and applied by MP to offset the Annual Net Payment Obligation of MP as required to be paid to GRE under a Revenue Sharing Agreement.

MP Annual GNTL Revenue Requirement: The annual transmission revenue requirements associated with MP's investment in the GNTL as determined and calculated in accordance with Article 2.4 of this Agreement.

MP Load Ratio Share ("MP LRS"): The load ratio share of MP Network Load in the Former MP Control Area. MP LRS shall be determined by dividing the MP Network Load by the Total Network Load in the Former MP Control Area.

MP Network Load: The MP Network Load shall be the load used by MP in its Attachment O (or successor provision) for the MP Pricing Zone if MP and GRE are members of MISO. The MP Network Load shall be the MP load identified in Attachment C if MP or GRE is no longer a member of MISO.

MP Pricing Zone: Zone 14 of the MISO Tariff, or its successor designation.

Revenue Sharing Agreement: Revenue Sharing Agreement are and may include (1) the JPZ Agreement; (2) any successor agreement to the JPZ Agreement under the MISO Tariff

and/or MISO TOA; (3) any revenue sharing agreement executed by MP and GRE pursuant to any other regional transmission tariff in the event that either MP or GRE are no longer members of MISO; or (4) any other future agreement between MP and GRE governing revenue sharing, charges for network transmission services between the Parties, or charges between the Parties for use of each other's transmission facilities physically located in the Former MP Control Area.

Term: Has the meaning set forth in Article 3.1 of this Agreement.

Third Party Network Load: Any load receiving network transmission service in the Former MP Control Area that is not GRE Network Load or MP Network Load.

Total Network Load: The sum of the GRE Network Load, the MP Network Load and Third Party Network Load.

Transmission Revenue Credit: Revenue credits that the Parties agree to apply against the GRE Annual GNTL Revenue Requirement and MP Annual GNTL Revenue Requirement. Transmission Revenue Credits for a Party could include, but are not limited to, third-party funding of the GNTL, all forms of participant funding, direct assignment, facilities charges, contribution in aid of construction or other cost recovery mechanisms that result in funding of one Party's Annual GNTL Revenue Requirement by a third party.

Zonal Agreements: In addition to this Agreement, the following agreements executed between ALLETE and GRE: (1) the January 28, 2016 Coordinated Local Planning Agreement; (2) the January 28, 2016 Joint Pricing Zone Revenue Allocation Agreement; (3) the January 28, 2016 Wholesale Distribution Service Agreement.

ARTICLE II. ANNUAL GNTL REVENUE CREDIT

2.1. Annual GNTL Revenue Credit Generally: The Parties acknowledge and agree that the Annual GNTL Revenue Credit described in this Article II only applies if: (a) either MP (collectively with any MP Affiliates) or GRE (collectively with any GRE Affiliates) maintains at least a five percent (5%) ownership interest in the GNTL; (b) an Annual Net Payment Obligation is triggered between MP and GRE pursuant to a Revenue Sharing Agreement; and (c) the Former MP Control Area includes GRE Network Load and MP Network Load. A Party's Annual GNTL Revenue Credit can only be used to offset any Annual Net Payment Obligations.

The Parties agree that neither Party shall be responsible for any of the costs of the other Party's investment in GNTL throughout the Term of this Agreement, except for the Annual GNTL Revenue Credit applied by GRE or MP.

2.2. Application of Annual GNTL Revenue Credit through 2020: Notwithstanding anything to the contrary in this Agreement, each Party's Annual GNTL Revenue Credit, if any, shall be zero dollars ($0) for the period beginning on the Effective Date and continuing through December 31, 2020.

2.3. Application of Annual GNTL Revenue Credit After January 1, 2021: This Article 2.3 shall govern the manner in which the Annual GNTL Revenue Credit may be applied to offset a Party's Annual Net Payment Obligation beginning January 1, 2021 through the Term of this Agreement. The Parties agree to apply any applicable Annual GNTL Revenue Credit as follows:

(a) The MP Annual GNTL Revenue Credit calculated in accordance with Article 2.5 below will be applied as follows if MP has an Annual Net Payment Obligation under a Revenue Sharing Agreement:

The MP Annual GNTL Revenue Credit will be compared to the Annual Net Payment Obligation of MP. If the Annual Net Payment Obligation of MP is greater than the MP Annual GNTL Revenue Credit, the MP Annual GNTL Revenue Credit shall be used on a dollar-for-dollar basis to offset a portion of the Annual Net Payment Obligation of MP. If the Annual Net Payment Obligation of MP is less than the MP Annual GNTL Revenue Credit, the MP Annual GNTL Revenue Credit will be capped at the amount of the Annual Net Payment Obligation of MP, thereby resulting in zero dollars ($0) being paid by MP to GRE.

(b) The GRE Annual GNTL Revenue Credit calculated in accordance with Article 2.5 below will be applied as follows if GRE has an Annual Net Payment Obligation under a Revenue Sharing Agreement:

The GRE Annual GNTL Revenue Credit will be compared to the Annual Net Payment Obligation of GRE. If the Annual Net Payment Obligation of GRE is greater than the GRE Annual GNTL Revenue Credit, the GRE Annual GNTL Revenue Credit shall be used on a dollar-for-dollar basis to offset a portion of the Annual Net Payment Obligation of GRE. If the Annual Net Payment Obligation of GRE is less than the GRE Annual GNTL Revenue Credit, the GRE Annual GNTL Revenue Credit will be capped at the amount of the Annual Net Payment Obligation of GRE, thereby resulting in zero dollars ($0) being paid by GRE to MP.

2.4. Calculation of each Party's Annual GNTL Revenue Requirement: Effective January 1, 2021, each Party shall calculate its respective Annual GNTL Revenue Requirement for each year in which there is a revenue requirement associated with the Party's investment in GNTL. With the exception of the provision for a load true-up, each Party's Annual GNTL Revenue Requirement shall be determined and calculated in accordance with Attachment O and Attachment MM to the MISO Tariff or any successor provisions as long as the Parties are members of MISO as illustrated in Attachment B-1. To the extent that the relevant Party's Annual GNTL Revenue Credit is based on a forecasted revenue requirement, the Parties agree that a "true-up" will be implemented to reflect the deviation between (1) the Party's actual Annual GNTL Revenue Requirement to the Party's forecasted Annual GNTL Revenue Requirement, and (2) the Party's actual network load versus the Party's forecasted network load. Each Party will perform its true-up consistent with the true-up timelines and procedures included in its Attachment O and Attachment MM to the MISO Tariff while the Parties are members of MISO.

The Annual GNTL Revenue Requirement shall be determined and calculated based on the formulas identified for MP and GRE included in Attachment B-2 using the loads identified in Attachment C as inputs in the event that either Party is no longer a member of MISO. To the extent a Party is no longer a member of MISO, the Parties will mutually agree upon true-up timelines and procedures, including calculation of interest on any over- or under-recovery, that achieves the intent and objectives of this Article 2.4.

2.5. Calculation of the Annual GNTL Revenue Credit: Each Party's Annual GNTL Revenue Credit shall be calculated as follows:

(a) The MP Annual GNTL Revenue Credit shall be calculated as the product of the MP Annual GNTL Revenue Requirement and the GRE Load Ratio Share:

MP Annual GNTL Revenue Requirement x GRE Load Ratio Share

(b) The GRE Annual GNTL Revenue Credit shall be calculated as the product of the GRE Annual GNTL Revenue Requirement and the MP Load Ratio Share:

GRE Annual GNTL Revenue Requirement x MP Load Ratio Share

Within thirty (30) days of the end of each calendar year, the Parties shall undertake a review to ensure that each Party's Annual GNTL Revenue Credit was calculated and applied in accordance with the provisions of this Article II. Upon completion of this review, the Parties shall make any adjustments as agreed upon resulting from this review. In the event the Parties are unable to agree on any adjustment, either Party may avail itself of the dispute resolution process set forth in Article 5.1 of this Agreement.

2.6. Application of Credit or Payment: The Parties agree that the form of credit (including any true-ups) of any Annual GNTL Revenue Credit will be established in the relevant Revenue Sharing Agreement. The Annual GNTL Revenue Credit may be credited or paid in a single one-time, lump payment or in twelve (12) equal monthly installments for any calendar year in which an Annual Net Payment Obligation is established. The Parties may also elect to establish a forecasted monthly net payment obligation and a forecasted monthly credit derived from the forecasted Annual GNTL Revenue Credit.

2.7. Agreement Binding on MP Affiliates and GRE Affiliates: MP and GRE agree that this Agreement shall govern all revenue-related obligations between MP and GRE for any GNTL investment in the event that a MP Affiliate or GRE Affiliate holds ownership interests in the GNTL, rather than or in addition to MP and GRE. Other than the application of the Annual GNTL Revenue Credit to offset an Annual Net Payment Obligation, neither Party shall be responsible for any of the costs of the other Party's investment in GNTL throughout the Term of this Agreement regardless of (1) whether the investment in GNTL is made by a Party or any of its Affiliates; and (2) what form the investment vehicle used by the Party or any of its Affiliates to hold ownership interests in GNTL takes.

2.9. Billing Errors: The Parties shall be obligated to disclose to each other any known, identified billing errors. The Parties agree that any such billing error, once validated, shall be settled retroactively to the start of the error or twelve (12) calendar months from the date the relevant Party is notified in writing of the error, whichever is shorter. Interest shall be calculated in accordance with the FERC Interest Rate and shall be applicable to the retroactive payments for billing errors that are settled per the terms of this provision.

2.10. Addition or Removal of Load: The Parties may amend Attachment C by mutual agreement in writing. Each Party, however, reserves its rights to make a unilateral filing with FERC (under any law or policy) to revise Attachment C in the event the Parties are unable to agree on the addition of or removal of load to Attachment C. The Parties agree to revise this Agreement based on the determination of any Final Order resolving a dispute between the Parties concerning any revision to Attachment C. Notwithstanding any provisions to the contrary in this Agreement, the Parties agree that the "just and reasonable" standard or review, and not the "public interest" standard of review, will apply to FERC's review of any proposed revisions to Attachment C pursuant to this Article 2.10 and/or any Party's attempt to enforce a Final Order related thereto.

ARTICLE III. TERM

3.1. Term: On May 6, 2016, the FERC issued an order accepting this Agreement and the other Zonal Agreements to be effective as of May 8, 2016 but allowed the parties to compensate each other as stated herein and the other Zonal Agreements for the period beginning on August 1, 2013. This Agreement shall remain in effect through December 31, 2060, absent mutual agreement by the Parties in writing ("Term").

ARTICLE IV. AMENDMENT AND CHANGE IN LAW

4.1. **Amendment:** This Agreement may be amended only by a written instrument duly executed by the Parties. No modification to any of the provisions herein will be binding on either Party unless approved in writing by both Parties.

ARTICLE V. DISPUTE RESOLUTION

5.1. **Dispute Resolution Process:** Any dispute or controversy relating to this Agreement shall be referred to one or more designated representative(s) of each affected Party for resolution on an informal basis as promptly as practicable. Any Party may initiate this process by providing written notice of the dispute to the other Party. In the event that the Parties are unable to resolve the dispute within sixty (60) days, the dispute may be referred to formal alternative dispute resolution processes if mutually agreeable to the Parties. If no satisfactory resolution is reached or a Party does not agree to formal alternative dispute resolution, the processes set forth in this Article 5.1 will terminate. Thereafter, such dispute or controversy may be submitted to any Governmental Authority having jurisdiction under applicable law.

5.2. **Reimbursement:** Any amounts owed by any Party upon the resolution of a dispute shall be paid within ten (10) days following resolution of that dispute, including interest from the original due date at a rate equal to the FERC Interest Rate, unless otherwise agreed upon by the Parties.

ARTICLE VI. MISCELLANEOUS PROVISIONS

6.1. **Assignment:** Neither Party shall have the right to assign or transfer this Agreement without the written consent of the other Party, which shall not be unreasonably withheld. Where consent is granted, the assigning Party shall cause any assignee of this Agreement to expressly assume the obligations of the assigning Party hereunder.

6.2. **Representations by Parties:** The Parties, as of the date of this Agreement, make the following representations and warranties, as the basis for the undertakings on the other Party's part herein contained:

(a) Each Party has the necessary power and authority to execute and deliver this Agreement and perform its obligations hereunder.

(b) The execution and delivery of this Agreement by each Party and the performance of their respective obligations hereunder have been duly authorized by all necessary corporate action on the part of the Party and will not contravene any Applicable Law binding upon the Party and will not contravene or result in a breach of or default under any indenture, mortgage, deed of trust, loan or credit agreement, operating agreement or other agreement or instrument to which it or its Affiliates are a party or by which they or their property are bound.

(c) This Agreement constitutes the legal, valid and binding obligation of the Parties, enforceable against it in accordance with its terms.

6.3. Governing Law and Venue: This Agreement shall be interpreted and enforced according to the laws of the State of Minnesota, except to the extent preempted by the laws of the United States of America. Any action arising hereunder that involves questions of state law shall be instituted and litigated in the courts of Minnesota.

6.4. Successors and Assigns: This Agreement shall inure to the benefit of, and be binding upon, the Parties' successors and assigns.

6.5. Delivery of Notices: Notices required under this Agreement shall be provided to the parties identified in Attachment A to this Agreement. Any notice required under this Agreement will be deemed to have been given either: (i) upon delivery, if sent by certified mail/return receipt requested or overnight courier; or (ii) upon confirmation, if given by other reliable means.

6.6. Entire Agreement: This Agreement, including any attachments hereto, constitutes the entire agreement among the Parties and supersedes all prior agreements or understandings with respect to the subject matter of this Agreement, and its interpretation shall not be affected by previous or contemporary oral or written representations made by any Party unless such representations are contained in this Agreement.

6.7. Counterparts: This Agreement may be executed in counterparts, all of which will constitute one (1) agreement and will have the same force and effect as an original instrument.

6.8. Section 205 and 206 Rights: During the term of this Agreement, the provisions hereof will not be subject to any changes pursuant to the provisions of Section 205 or 206 of the Federal Power Act, absent the mutual agreement of all Parties. To the maximum extent permitted by Applicable Law, the standard of review for any changes other than those expressly provided for herein, whether proposed by a Party, a non-party, or FERC acting *sua sponte,* will be the "public interest" standard of review set forth in *United Gas Pipe Line Co. v. Mobile Gas Service Corp*., 350 U.S. 332 (1956) and *Federal Power Commission v. Sierra Pacific Power Co*., 350 U.S. 348 (1956) as interpreted and applied by the Supreme Court of the United States in subsequent cases.

6.9. Audits: The Parties will maintain and retain for five (5) years the books and records needed to substantiate the calculations performed pursuant to Article II, and all data substantiating allocation of revenues or costs under this Agreement, unless FERC record retention requirements establish a retention requirement longer than five (5) years for a Party; if so, the FERC retention requirements shall apply. Any Party may conduct, at its own expense, audits of any other Party's books and records that relate to the implementation of this Agreement. Such audits will be conducted at reasonable, mutually agreed-upon times, and the Parties will cooperate in good faith to effectuate such audits.

6.10. Regulatory Approvals:

6.10.1. Termination of the NITSA: Pursuant to section 4 of the NITSA, on August 1, 2011, GRE submitted a written notice of termination to ALLETE to

terminate the NITSA effective August 1, 2013. The Parties agree that the "black box" settlement reflected in this Agreement and the other Zonal Agreements includes mutual understanding that the NITSA should be deemed terminated as a matter of contract effective August 1, 2013, so to allow the NITSA to be superseded by this Agreement and the other Zonal Agreements, as applicable. ALLETE agrees to make the necessary filings at the Commission to effectuate termination of the NITSA as a rate schedule on file with the Commission and as Service Agreement No. 28 of the MISO Tariff effective August 1, 2013.

6.10.2. Regulatory Approval for this Agreement and Impact on Other Zonal Agreements: The Parties agree that this Agreement was negotiated as part of a comprehensive resolution and "black box" settlement of disputed issues between the Parties, in large part, concerning replacing the NITSA that have been resolved in the Zonal Agreements. Therefore, in the event that FERC or any Governmental Authority disapproves or refuses to accept this Agreement's rates, terms and conditions to be implemented as of August 1, 2013 as requested by the Parties, or disapproves or refuses to accept this Agreement in whole or in part, this Agreement and the other Zonal Agreements will cease to be effective, except that the Parties will be obligated to attempt to expeditiously and in good faith to negotiate substitute agreements that address the reasons for such refusal or disapproval. In negotiation of substitute agreements, no Party will be required to accept any change that would reasonably be expected to reduce such Party's economic benefit underlying the Zonal Agreements as originally filed with FERC.

6.11. Limitations: Nothing contained herein shall be construed to create an association, joint venture, trust, or partnership.

6.12. Survival of Rights: Termination or expiration of this Agreement shall not relieve any Party of any of its liabilities and obligations arising hereunder prior to the date termination becomes effective, and each Party may take whatever judicial or administrative actions as appear necessary or desirable to enforce its rights hereunder. The applicable provisions of this Agreement will continue in effect after expiration, or early termination hereof to the extent necessary to provide for final billings, billing adjustments and other billing procedures set forth in this Agreement.

IN WITNESS WHEREOF, the Parties have caused this Agreement to be executed by their duly authorized representatives to be effective as agreed upon herein.

ALLETE, Inc. d/b/a Minnesota Power

By: _____

Name: Alan R. Hodnik

Title: Chairman, President & CEO

Date: May 30, 2016

Great River Energy

By: _____

Name: WILLIAM R KAUL

Title: VP TRANSMISSION

Date: 5/31/16

ATTACHMENT A

Addresses for Delivery of Notices and Billings

Notices:

Great River Energy:
Vice President, Transmission
12300 Elm Creek Blvd.
Maple Grove, MN 55369

Minnesota Power:
Vice President, Transmission
30 West Superior Street
Duluth, MN 55802

With Copy To:
Legal Department
30 West Superior Street
Duluth, MN 55802

Billings and Payments:
Great River Energy:
Payments to Great River Energy:
Attn: Mail Stop 200
12300 Elm Creek Blvd.
Maple Grove, MN 55369

Charges to be paid by Great River Energy:
apinvoices@grenergy.com

Minnesota Power:
Attn: Accounts Payable
30 West Superior Street
Duluth, MN 55803

Alternative Forms of Delivery of Notices (telephone, facsimile, or email)

Great River Energy:
Vice President, Transmission
12300 Elm Creek Blvd.
Maple Grove, MN 55369
Direct: 763-445-5901

Minnesota Power:
General Counsel
30 W. Superior St.
Duluth, MN 55802
Direct: 218-723-3960

ATTACHMENT B-1

Page 1 of 6

Line No.												
	Formula Rate - Non-Levelized		Rate Formula Template Utilizing FERC Form 1 Data								For the 12 months ended 12/31/14	
			Allete, Inc. dba Minnesota Power					**AC Allocator**	**AC System**		**DC Allocator**	**DC System**
						Allocated Amount						
1	GROSS REVENUE REQUIREMENT (page 3, line 31)					$ -			$ -			$ -
	REVENUE CREDITS	(Note T)	Total		Allocator							
2	Account No. 454	(page 5, line 18)	-	TP	0.00000	-		DA	-		DA	-
3	Account No. 456.1	(page 5, line 21)	-	TP	0.00000	-		DA	-		DA	
4	Revenues from Grandfathered Interzonal Transactions		-	TP	0.00000	-		DA	-		DA	-
5	Revenues from service provided by the ISO at a discount		-	TP	0.00000	-		DA	-		DA	-
6	TOTAL REVENUE CREDITS (sum lines 2-5)					-			-			-
6a	Historic Year Actual Revenue Requirements											
6b	Historic Year Projected Revenue Requirements											
6c	Historic Year True Up	(Line 6a-Line 6b)				-			-			-
6d	Historic Year Actual Divisor											
6e	Historic Year Projected Divisor											
6f	Difference in Divisor	(Line 6e-Line 6d)							-			-
6g	Historic Year Projected Annual Cost ($/KW/Yr)											
6h	Historic Year Divisor True Up	(Line 6f * Line 6g)				-			-			-
6i	Interest on Historic Year True Up					-						
7	NET REVENUE REQUIREMENT	(line 1- line 6 + Line 6c+ line 6h+ line 6i)				-			-			-
7a	Revenue Requirements from Projects Resulting from Requests for Transmission Service					-		DA	-		DA	
7b	Adjusted NET REVENUE REQUIREMENTS (line 7 minus line 7a)					-			-			-
7c	MP Adjusted Annual GNTL Revenue Requirement [Attachment B-1, page 2, line 2, column 17] (Note AL)							DA	-		DA	
7d	MP Annual Revenue Requirement for JPZ Revenue Allocation Agreement (line 7b minus line 7c)								-			
	DIVISOR											
8	Average of 12 coincident system peaks for requirements (RQ) service				(Note A)	-		DA			DA	-
9	Plus 12 CP of firm bundled sales over one year not in line 8				(Note B)	-		DA	-		DA	-
10	Plus 12 CP of Network Load not in line 8				(Note C)	-		DA	-		DA	-
11	Less 12 CP of firm P-T-P over one year (enter negative)				(Note D)	-		DA	-		DA	-
12	Plus Contract Demand of firm P-T-P over one year					-		DA			DA	
13	Less Contract Demand from Grandfathered Interzonal Transactions over one year (enter negative) (Note S)					-		DA	-		DA	-
14	Less Contract Demands from service over one year provided by ISO at a discount (enter negative)					-		DA	-		DA	-
15	Divisor (sum lines 8-14)					-			-			-
16	Annual Cost ($/kW/Yr)	(line 7b / line 15)							$ -			$ -
17	Network & P-to-P Rate ($/kW/Mo)	(line 16 /12)							$ -			$ -
18	Point-To-Point Rate ($/kW/Wk)	(line 16 /52)							$0.000			$0.000
									Peak Rate			Peak Rate
19	Point-To-Point Rate ($/kW/Day)	(line 16 / 260)		Capped at weekly rate					$0.000			$0.000
20	Point-To-Point Rate ($/MWh)	(line 16/4160*1000)		Capped at weekly					$0.000			$0.000
				and daily rates								
									Off-Peak Rate			Off-Peak Rate
21	Point-To-Point Rate ($/kW/Day)	(line 16/365) (Note AA)		Capped at weekly rate					$0.000			$0.000
22	Point-To-Point Rate ($/MWh)	(line 16 / 8760		Capped at weekly					$0.000			$0.000
		times 1,000) (Note AA)		and daily rates								
23	FERC Annual Charge($/MWh)	(Note E)	$0.000	Short Term		$0.000	Short Term					
24			$0.000	Long Term		$0.000	Long Term					

	Formula Rate - Non-Levelized		Rate Formula Template							Page 2 of 6
			Utilizing FERC Form 1 Data							For the 12 months ended 12/31/14
			Allete, Inc. dba Minnesota Power							
	(1)	(2)	(3)	(4)		(5)	(6)	(7)	(8)	(9)
		Form No. 1				Transmission	AC	AC System	DC	DC System
Line		Page, Line, Col.	Company Total	Allocator		(Col 3 times Col 4)	Allocator	(Col 5 times Col 6)	Allocator	(Col 5 times Col 8)
No.	**RATE BASE:**									
	GROSS PLANT IN SERVICE (Note AG)									
1	Production	205.46.g (Note AB)		NA						
2	Transmission	207.58.g (Note Y) (Note AB)		TP	0.00000	-	DA	-	DA	
3	Distribution	207.75.g (Note AB)		NA						
4	General & Intangible	205.5.g & 207.99.g (Note AB)		W/S	0.00000	-	GrPlt AC	-	GrPlt DC	-
5	Common	356.1 (Note AB)	-	CE	0.00000	-	GrPlt AC	-	GrPlt DC	-
6	TOTAL GROSS PLANT (sum lines 1-5)		-	GP=	0.00000	-		-		-
	ACCUMULATED DEPRECIATION (Note AG)									
7	Production	219.20-24.c (Note AB)		NA						
8	Transmission	219.25.c (Note Y) (Note AB)		TP	0.00000	-	DA	-	DA	
9	Distribution	219.26.c (Note AB)		NA						
10	General & Intangible	219.28.c & 200.21.c (Note AB)		W/S	0.00000	-	GrPlt AC	-	GrPlt DC	-
11	Common	356.1 (Note AB)		CE	0.00000	-	GrPlt AC	-	GrPlt DC	-
12	TOTAL ACCUM. DEPRECIATION (sum lines 7-11)		-			-		-		-
	NET PLANT IN SERVICE									
13	Production	(line 1- line 7)	-							
14	Transmission	(line 2- line 8)	-			-		-		-
15	Distribution	(line 3 - line 9)	-							
16	General & Intangible	(line 4 - line 10)	-			-		-		-
17	Common	(line 5 - line 11)	-			-		-		-
18	TOTAL NET PLANT (sum lines 13-17)		-	NP=	0.000%	-		-		-
18a	100% CWIP Recovery for Commission Approved Order									
	No. 679 Transmission Projects	(Note AB)			1.00000	-	DA	-	DA	-
	ADJUSTMENTS TO RATE BASE (Note F)									
19	Account No. 281 (enter negative)	273.8.k (Note AC)		NA	zero	-		-		-
20	Account No. 282 (enter negative)	275.2.k (Note AC)		NP	0.00000	-	NPlt AC	-	NPlt DC	-
21	Account No. 283 (enter negative)	277.9.k (Note AC)		NP	0.00000	-	NPlt AC	-	NPlt DC	-
22	Account No. 190	234.8.c (Note AC)		NP	0.00000	-	NPlt AC	-	NPlt DC	-
23	Account No. 255 (enter negative)	267.8.h (Note AC)		NP	0.00000	-	NPlt AC	-	NPlt DC	-
23a	Pre-Funded AFUDC on CWIP (Account 254) (Notes AB and AD)				1.00000	-	DA	-	DA	-
23b	Unamortized Balance of Abandoned Plant (Notes AB and AD)				1.00000	-	DA	-	DA	-
24	TOTAL ADJUSTMENTS (sum lines 19- 23b)		-			-		-		-
25	LAND HELD FOR FUTURE USE	214.x.d (Notes G ,Y and AC)		TP	0.00000	-	DA	-	DA	-
	WORKING CAPITAL (Note H)									
26	CWC	calculated	-			-		-		-
27	Materials & Supplies (Note G)	227.8.c & .16.c (Note AC)		TE	0.00000	-	GrPlt AC	-	GrPlt DC	-
28	Prepayments (Account 165)	111.57.c (Note AC)		GP	0.00000	-	GrPlt AC	-	GrPlt DC	-
29	TOTAL WORKING CAPITAL (sum lines 26 - 28)		-			-		-		-
30	RATE BASE (sum lines 18, 18a 24, 25, & 29)		0			0		0		0

Formula Rate - Non-Levelized | Rate Formula Template Utilizing FERC Form 1 Data | For the 12 months ended 12/31/14

Allete, Inc. dba Minnesota Power

Line No.	(1)	(2) Form No. 1 Page, Line, Col.	(3) Company Total	(4) Allocator		(5) Transmission (Col 3 times Col 4)	(6) AC Allocator	(7) AC System (Col 5 times Col 6)	(8) DC Allocator	(9) DC System (Col 5 times Col 8)
	O&M (Note AH)									
1	Transmission	321.112.b (Note Y)		TE	0.00000	-	DA	-	DA	
1a	Less LSE Expenses included in Transmission O&M Accounts (Notes V and Y)				1.00000	-	DA	-	DA	-
2	Less Account 565	321.96.b (Note Y)		TE	0.00000	-	DA	-	DA	
3	A&G	323.197.b		W/S	0.00000	-	GrPlt AC	-	GrPlt DC	-
4	Less FERC Annual Fees			W/S	0.00000	-	GrPlt AC	-	GrPlt DC	-
5	Less EPRI & Reg. Comm. Exp. & Non-safety Ad. (Note I)			W/S	0.00000	-	GrPlt AC	-	GrPlt DC	-
5a	Plus Transmission Related Reg. Comm. Exp. (Notes I and Y)			TE	0.00000	-	DA	-	DA	-
6	Common	356.1 (Note Y)		CE	0.00000	-	DA	-	DA	-
7	Transmission Lease Payments (Note Y, Note AI)				1.00000	-	DA	-	DA	-
8	TOTAL O&M (sum lines 1, 3, 5a, 6, 7 less lines 1a, 2, 4, 5)		-			-		-		-
	DEPRECIATION AND AMORTIZATION EXPENSE (Note AG)									
9	Transmission	336.7.b (Note Y and Z)		TP	0.0000	-	DA	-	DA	
9a	Pre-Funded AFUDC Amortization	(Note AD)			1.0000	-	DA	-	DA	-
9b	Abandoned Plant Amortization	(Note AD)			1.0000	-	DA	-	DA	-
10	General & Intangible	336.10.f & 336.1.f (Note Z)		W/S	0.00000	-	GrPlt AC	-	GrPlt DC	-
11	Common	336.11.b		CE	0.00000	-	GrPlt AC	-	GrPlt DC	-
12	TOTAL DEPRECIATION (Sum lines 9 - 11)		-			-		-		-
	TAXES OTHER THAN INCOME TAXES (Note J)									
	LABOR RELATED									
13	Payroll	263.i		W/S	0.00000	-	GrPlt AC	-	GrPlt DC	-
14	Highway and vehicle	263.i		W/S	0.00000	-				
15	PLANT RELATED									
16	Property	263.i (Note Y)		GP	0.00000	-	DA	-	DA	
17	Gross Receipts	263.i		NA	zero	-				
18	Other	263.i		GP	0.00000	-	GrPlt AC	-	GrPlt DC	-
19	Payments in lieu of taxes			GP	0.00000	-	GrPlt AC	-	GrPlt DC	-
20	TOTAL OTHER TAXES (sum lines 13 - 19)		-			-		-		-
	INCOME TAXES	(Note K)								
21	T=1 - {[(1 - SIT) * (1 - FIT)] / (1 - SIT * FIT * p)} =		41.37%							
22	CIT=(T/1-T) * (1-(WCLTD/R)) =		0.00%							
	where WCLTD=(page 5 , line 11) and R= (page 5, line 14)									
	and FIT, SIT & p are as given in footnote K.									
23	1 / (1 - T) = (from line 21)		1.7056							
24	Amortized Investment Tax Credit (266.8f) (enter negative)									
25	Income Tax Calculation = line 22 * line 28		-	NA		-		-		-
26	ITC adjustment (line 23 * line 24)	(Note Y)	-	NP	0.00000	-	DA	-		-
27	Total Income Taxes	(line 25 plus line 26)	-			-		-		-
28	RETURN		-	NA		-		-		-
	[Rate Base (page 2, line 30) * Rate of Return (page 5, line 14)]									
29	REV. REQUIREMENT (sum lines 8, 12, 20, 27, 28)		-			-		-		-
30	LESS GNTL ADJUSTMENT [GNTL, page 2, lines 2, column 17] (Note W)									
	[Revenue Requirement for facilities included on page 2, line 2, and also									
	included in GNTL]		$ -			-	DA	-	DA	-
30a	LESS ADJUSTMENT FOR MISO COST SHARED PROJECTS (Note AE)		-			-	DA	-	DA	-
31	REV. REQUIREMENT TO BE COLLECTED UNDER ATTACHMENT B		-			-		-		-
	(line 29 - line 30 - line30a)									

	Formula Rate - Non-Levelized		Rate Formula Template										Page 4 of 6
			Utilizing FERC Form 1 Data										For the 12 months ended 12/31/14
			Allete, Inc. dba Minnesota Power										
	SUPPORTING CALCULATIONS AND NOTES												
Line No.	TRANSMISSION PLANT INCLUDED IN ISO RATES												
1	Total transmission plant (page 2, line 2, column 3)							-					
2	Less transmission plant excluded from ISO rates (Note M)												
3	Less transmission plant included in OATT Ancillary Services (Note N)												
4	Transmission plant included in ISO rates (line 1 less lines 2 & 3)							-					
5	Percentage of transmission plant included in ISO Rates (line 4 divided by line 1)						TP=	0.00000					
6	Total Allocated Transmission Plant (page 2, line 2, Column 5)		0										
7	Amount Directly Assigned to the MP AC System (page 2, line 2, Column 7)		0				GrPlt AC =	0.00000					
8	Amount Directly Assigned to the MP DC System (page 2, line 2, Column 9)		0				GrPlt DC=	0.00000					
9	Total Allocated Net Transmission Plant (page 2, line 18, Column 5)		0										
10	Amount Directly Assigned to the MP AC System (page 2, line 18, Column 7)		0				NPlt AC =	0.00000					
11	Amount Directly Assigned to the MP DC System (page 2, line 18 Column 9)		0				NPlt DC=	0.00000					
	TRANSMISSION EXPENSES												
12	Total transmission expenses (page 3, line 1, column 3)							-					
13	Less transmission expenses included in OATT Ancillary Services (Note L)												
14	Included transmission expenses (line 12 less line 13)							-					
15	Percentage of transmission expenses after adjustment (line 14 divided by line 12)							0.00000					
16	Percentage of transmission plant included in ISO Rates (line 5)						TP	0.00000					
17	Percentage of transmission expenses included in ISO Rates (line 15 times line 16)						TE=	0.00000					
	WAGES & SALARY ALLOCATOR (W&S)												
		Form 1 Reference	$	TP		Allocation							
18	Production	354.20.b		0.00		-							
19	Transmission	354.21.b		0.00		-							
20	Distribution	354.23.b		0.00		-		W&S Allocator					
21	Other	354.24,25,26.b		0.00		-		($ / Allocation)					
22	Total (sum lines 18-21)		-			-	=	0.00000	=WS				

	Formula Rate - Non-Levelized		Rate Formula Template								Page 5 of 6
			Utilizing FERC Form 1 Data								For the 12 months ended 12/31/14
			Allete, Inc. dba Minnesota Power								
Line					% Electric		W&S Allocator				
No.	COMMON PLANT ALLOCATOR (CE) (Note O)		$		(line 1 / line 4)		(Page 4, line 22)		CE		
1	Electric	200.3.c	-		0.00000	*	0.00000	=	0.00000		
2	Gas	201.3.d	-								
3	Water	201.3.e	-								
4	Total (sum lines 1-3)		-								
	RETURN (R)						$				
5		Long Term Interest (117, sum of 62.c through 67.c)									
6		Preferred Dividends (118.29c) (positive number)					-				
	Development of Common Stock:										
7		Proprietary Capital (112.16.c)									
8		Less Preferred Stock (line 12)					-				
9		Less Account 216.1 (112.12.c) (enter negative)									
10		Common Stock	(sum lines 7-9)				-		=WCLTD		
					Cost						
			$	%	(Note P)		Weighted				
11	Long Term Debt (112, sum of 18.c through 21.c)			0%	0.0000		0.0000				
12	Preferred Stock (112.3.c)		-	0%	0.0000		0.0000				
13	Common Stock (line 10)		-	0%	0.1238		0.0000				
14	Total (sum lines 11-13)		-				0.0000	=R			
	REVENUE CREDITS										
							Load				
	ACCOUNT 447 (SALES FOR RESALE)		(310-311)	(Note Q)							
15	a. Bundled Non-RQ Sales for Resale (311.x.h)						-				
16	b. Bundled Sales for Resale included in Divisor on page 1						-				
17	Total of (a)-(b)						-				
18	ACCOUNT 454 (RENT FROM ELECTRIC PROPERTY) (Note R)										
	ACCOUNT 456.1 (OTHER ELECTRIC REVENUES) (Note U)		(330.x.n)								
19	a. Transmission charges for all transmission transactions										
20	b. Transmission charges for all transmission transactions included in Divisor on Page 1										
20a	c. Transmission charges from Schedules associated with GNTL (Note X)										
21	Total (a-b-c)						-				

			Rate Formula Template	
	Formula Rate - Non-Levelized		Utilizing FERC Form 1 Data	Page 6 of 6
			Allete, Inc. dba Minnesota Power	For the 12 months ended 12/31/14
	General Note: References to pages in this formulary rate are indicated as: (page#, line#, col.#)			
	References to data from FERC Form 1 are indicated as: #.y.x (page, line, column)			
Note Letter				
A	Peak as would be reported on page 401, column d of Form 1 at the time of the applicable Former MP Control Area coincident monthly peaks.			
B	Labeled LF, LU, IF, IU on pages 310-311 of Form 1 at the time of the Former MP Control Area coincident monthly peaks.			
C	Labeled LF on page 328 of Form 1 at the time of the Former MP Control Area coincident monthly peaks.			
D	Labeled LF on page 328 of Form 1 at the time of the Former MP Control Area coincident monthly peaks.			
E	The FERC's annual charges for the year assessed the Transmission Owner for service under this tariff.			
F	The balances in Accounts 190, 281, 282 and 283, as adjusted by any amounts in contra accounts identified as regulatory assets or liabilities related to FASB 106 or 109. Balance of Account 255 is reduced by prior flow throughs and excluded if the utility chose to utilize amortization of tax credits against taxable income as discussed in Note K. Account 281 is not allocated.			
G	Identified in Form 1 as being only transmission related.			
H	Cash Working Capital assigned to transmission is one-eighth of O&M allocated to transmission at page 3, line 8, column 5. Prepayments are the electric related prepayments booked to Account No. 165 and reported on Page 111 line 57 in the Form 1.			
I	Line 5 - EPRI Annual Membership Dues listed in Form 1 at 353.f, all Regulatory Commission Expenses itemized at 351.h, and non-safety related advertising included in Account 930.1. Line 5a - Regulatory Commission Expenses directly related to transmission service, ISO filings, or transmission siting itemized at 351.h.			
J	Includes only FICA, unemployment, highway, property, gross receipts, and other assessments charged in the current year. Taxes related to income are excluded. Gross receipts taxes are not included in transmission revenue requirement in the Rate Formula Template, since they are recovered elsewhere.			
K	The currently effective income tax rate, where FIT is the Federal income tax rate; SIT is the State income tax rate, and p = "the percentage of federal income tax deductible for state income taxes". If the utility is taxed in more than one state it must attach a work paper showing the name of each state and how the blended or composite SIT was developed. Furthermore, a utility that elected to utilize amortization of tax credits against taxable income, rather than book tax credits to Account No. 255 and reduce rate base, must reduce its income tax expense by the amount of the Amortized Investment Tax Credit (Form 1, 266.8.f)			
	multiplied by (1/1-T) (page 3, line 26).	FIT =	35.00%	
	Inputs Required:	SIT=	9.80%	(State Income Tax Rate or Composite SIT)
		p =	0.00%	(percent of federal income tax deductible for state purposes)
L	Removes dollar amount of transmission expenses included in the OATT ancillary services rates, including Account Nos. 561.1, 561.2, 561.3, and 561.BA.			
M	Removes transmission plant determined by Commission order to be state-jurisdictional according to the seven-factor test (until Form 1 balances are adjusted to reflect application of seven-factor test).			
N	Removes dollar amount of transmission plant included in the development of OATT ancillary services rates and generation step-up facilities, which are deemed to included in OATT ancillary services. For these purposes, generation step-up facilities are those facilities at a generator substation on which there is no through-flow when the generator is shut down.			
O	Enter dollar amounts			
P	Debt cost rate = long-term interest (line 21) / long term debt (line 27). Preferred cost rate = preferred dividends (line 22) / preferred outstanding (line 28). ROE will be supported in the original filing and no change in ROE may be made absent a filing with FERC.			
Q	Line 33 must equal zero since all short-term power sales must be unbundled and the transmission component reflected in Account No. 456.1 and all other uses are to be included in the divisor.			
R	Includes income related only to transmission facilities, such as pole attachments, rentals and special use.			
S	Grandfathered agreements whose rates have been changed to eliminate or mitigate pancaking - the revenues are included in line 4 page 1 and the loads are included in line 13, page 1. Grandfathered agreements whose rates have not been changed to eliminate or mitigate pancaking - the revenues are not included in line 4, page 1 nor are the loads included in line 13, page 1.			
T	The revenues credited on page 1 lines 2-5 shall include only the amounts received directly (in the case of grandfathered agreements) or from the ISO (for service under this tariff) reflecting the Transmission Owner's integrated transmission facilities. They do not include revenues associated with FERC annual charges, gross receipts taxes, ancillary services, facilities not included in this template (e.g., direct assignment facilities and GSUs) which are not recovered under this Rate Formula Template. MP will report separately revenue derived from the AC system from revenue derived from the DC system thus allowing for Direct Assigment of those revenue credits.			
U	Account 456.1 entry shall be the annual total of the quarterly values reported at Form 1, 330.x.n.			
V	Account Nos. 561.4 and 561.8 consist of RTO expenses billed to load-serving entities and are not included in Transmission Owner revenue requirements.			
W	Removes dollar amount of revenue requirements calculated pursuant to GNTL.			
X	Removes from revenue credits revenues that are distributed pursuant to Schedules associated with GNTL, since MP's revenue requirements have already been reduced by GNTL revenue requirements.			
Y	Minnesota Power will provide supporting calculations and work papers for all DA (Direct Assignment) DC Amounts			
Z	Minnesota Power Transmission and General Plant Depreciation Rates are shown in an attached schedule.			
AA	The transmission charge for Non-Firm Point to Point Transmission Service over ALLETE's HVDC Facilities of the Tariff will be $1/MWh.			
AB	Identifies lines items which rate base balances are using a 13 month average balance reconiling to FERC From No.1 by page, line and column			
AC	Identifies which rate base balances are using average of the beginning of year and end of year balances reconiling to FERC From No.1 by page, line and column			
AD	Page 2, Line 23a includes the net prefunded AFUDC on CWIP included in rate base and page 3 line 9a includes the annual amortization of the prefunded AFUDC amounts included in Account No. 407.4 as required by Commission Order 129 FERC ¶ 61,287 (2009). Page 2 line 23b includes any unamortized balances related to the recovery of abandoned plant costs approved by FERC under a separate docket. Page 3 line 9b includes the Amortization expense of abandonment costs included in transmission depreciation expense. These are shown in the workpapers required pursuant to the Annual Rate Calculation and True-Up Procedures.			
AE	Removes dollar amount of payments made by GRE to MISO for the revenue requirements of ALLETE transmission facilities whose revenue requirements were recovered under Schedules 26 or 26-A, or their successors, of the MISO Tariff. This provision is exclusively used to prevent the double payment of the same transmission facilities, once via MISO schedules and once via a revenue sharing agreement (in the case both GRE and ALLETE are no longer MISO members).			
AG	Plant in Service, Accumulated Depreciation, and Depreciation Expense amounts exclude Asset Retirement Obligation amounts unless authorized by FERC.			
AH	Schedule 10-FERC charges should not be included in O&M recovered under this Attachment B.			
AI	ALLETE records transmission lease payments to Account 567 - Rents, which are included in Transmission O&M, Page 3, Line 1. ALLETE removes those payments from Transmission O&M, Page 3, Line 1 and reclassifies them to Transmission Lease Payments, Page 3, Line 7.			
AL	Pursuant to Attachment B, removes dollar amount of revenue requirements calculated pursuant to Attachment B associated with ALLETE's investment share in the Great Northern Transmission Line.			

Attachment B-GRE
page 1 of 5

	Formula Rate - Non-Levelized		Rate Formula Template				For budgeted 12 months ended 12/31/__		
			Utilizing Great River Energy Annual Operating Report						
			Great River Energy						
Line No.							Allocated Amount		
1	GROSS REVENUE REQUIREMENT (page 3, line 31)						$ -		
	REVENUE CREDITS	(Note T)	Total		Allocator				
2	Account No. 454	(page 4, line 34)	0	TP	0.00000		0		
3	Account No. 456	(page 4, line 37)	0	TP	0.00000		0		
4	Revenues from Grandfathered Interzonal Transactions		0	TP	0.00000		0		
5	Revenues from service provided by the ISO at a discount		0	TP	0.00000		0		
6	TOTAL REVENUE CREDITS (sum lines 2-5)						0		
6a	Historic Year Actual ATRR						0		
6b	Historic Year Projected ATRR						0		
6c	Historic Year ATRR True-Up	(line 6a - line 6b)					0		
6d	Historic Year Actual Divisor						0		
6e	Historic Year Projected Divisor						0		
6f	Difference in Divisor	(line 6e - line 6d)					0		
6g	Historic Year Projected Annual Cost ($/kW/Yr)						0.000		
6h	Historic Year Divisor True-Up	(line 6f * line 6g)					0		
6i	Interest on Historic Year True-Up						0		
7	NET REVENUE REQUIREMENT	(ln 1 - ln 6 + ln 6c + ln 6h + ln 6i)					0		
7d	GRE Annual Revenue Requirement for MP Pricing Zone (line 7a * cell S97)						$ -		
7e	GRE Adjusted Annual GNTL Revenue Requirement [Attachment B-1, page 2, line 2, column 17 * Attachment B, cell S97]								
7f	GRE Annual Revenue Requirement for JPZ Revenue Allocation Agreement (line 7d - line 7e)						$ -		
	DIVISOR								
8	Average of 12 coincident system peaks for requirements (RQ) service					(Note A)	0		
9	Plus 12 CP of firm bundled sales over one year not in line 8					(Note B)	0		
10	Plus 12 CP of Network Load not in line 8					(Note C)	0		
11	Less 12 CP of firm P-T-P over one year (enter negative)					(Note D)	0		
12	Plus Contract Demand of firm P-T-P over one year						0		
13	Less Contract Demand from Grandfathered Interzonal transactions over one year (enter negative)					(Note S)	0		
14	Less 12 CP or Contract Demands from service over one year provided by ISO at a discount (enter negative)						0		
15	Divisor (sum lines 8-14)						0		
16	Annual Cost ($/kW/Yr)	(line 7/ line 15)	0.000						
17	Network & P-to-P Rate ($/kW/Mo) (line 16/ 12)		0.000						
			Peak Rate				Off-Peak Rate		
18	Point-To-Point Rate ($/kW/Wk)	(line 16 / 52; line 16/ 52)	0.000				$0.000		
19	Point-To-Point Rate ($/kW/Day)	(line 16/260; line 16/365)	0.000	Capped at weekly rate			$0.000		
20	Point-To-Point Rate ($/MWh)	(line 16/4,160; line 16/8,760)	0.000	Capped at weekly			$0.000		
		times 1,000)		and daily rates					
21	FERC Annual Charge($/MWh)	(Note E)	$0.0	Short Term			$0.000	Short Term	
22			$0.00	Long Term			$0.000	Long Term	

Attachment B-GRE
page 2 of 5

Formula Rate - Non-Levelized | Rate Formula Template | For budgeted 12 months ended 12/31/

Utilizing Great River Energy Annual Operating Report

Great River Energy

Line No.	(1)	(2) RUS Form 12 Reference	(3) Company Total	(4) Allocator		(5) Transmission (Col 3 times Col 4)
	RATE BASE:					
	GROSS PLANT IN SERVICE	(Note U)				
1	Production	12h.A.6.e	0	NA		
2	Transmission	12h.A.11.e	0	TP	0.00000	0
3	Distribution	12h.A.16.e	0	NA		
4	General & Intangible	12h.A.1&17.e	0	W/S	0.00000	0
5	Common		0	CE	0.00000	0
6	TOTAL GROSS PLANT (sum lines 1-5)		0	GP=	0.000%	0
	ACCUMULATED DEPRECIATION	(Note U)				
7	Production	12h.B.1-4.f	0	NA		
8	Transmission	12h.B.5.f	0	TP	0.00000	0
9	Distribution	12h.B.6.f	0	NA		
10	General & Intangible	12h.B.7.f	0	W/S	0.00000	0
11	Common		0	CE	0.00000	0
12	TOTAL ACCUM. DEPRECIATION (sum lines 7-11)		0			0
	NET PLANT IN SERVICE	(Note U)				
13	Production	(line 1- line 7)	0			
14	Transmission	(line 2- line 8)	0			0
15	Distribution	(line 3 - line 9)	0			
16	General & Intangible	(line 4 - line 10)	0			0
17	Common	(line 5 - line 11)	0			0
18	TOTAL NET PLANT (sum lines 13-17)		0	NP=	0.000%	0
18a	100% CWIP Recovery for Incentive Rate Transmission Projects (Note U)	12h.A.27.e	0	N/A	1.00000	0
	ADJUSTMENTS TO RATE BASE	(Note F, Note V)				
19	Account No. 281 (enter negative)		0		zero	0
20	Account No. 282 (enter negative)		0	NP	0.00000	0
21	Account No. 283 (enter negative)		0	NP	0.00000	0
22	Account No. 190		0	NP	0.00000	0
23	Account No. 255 (enter negative)		0	NP	0.00000	0
23a	Prefunded AFUDC on CWIP in Rate Base	(Note U, Note Y)	0	N/A	1.00000	0
23b	Unamortized Balance of Abandoned Plant	(Note U, Note Y)	0	N/A	1.00000	0
24	TOTAL ADJUSTMENTS (sum lines 19 - 23b)		0			0
25	LAND HELD FOR FUTURE USE	(Note G, Note V)	0	TP	0.00000	0
	WORKING CAPITAL (Note H)					
26	CWC	calculated	0			0
27	Materials & Supplies (Note G, Note V)	12h.G.4.d & 5.d	0	TE	0.00000	0
28	Prepayments (Note V)	12a.B.24	0	GP	0.00000	0
29	TOTAL WORKING CAPITAL (sum lines 26 - 28)		0			0
30	RATE BASE (sum lines 18, 18a, 24, 25 and 29)		0			0

Attachment B-GRE
page 3 of 5

Formula Rate - Non-Levelized — Rate Formula Template — For budgeted 12 months ended 12/31/__
Utilizing Great River Energy Annual Operating Report

Great River Energy

Line No.	(1)	(2) RUS Form 12 Reference	(3) Company Total	(4) Allocator		(5) Transmission (Col 3 times Col 4)
	O&M (Note EE)					
1	Transmission	12a.A.8.b+ A.16.b	0	TE	0.00000	0
2	Less Account 565	12i.A.8.a	0	TE	0.00000	0
3	A&G	12a.A.13.b + A.18.b	0	W/S	0.00000	0
4	Less FERC Annual Fees		0	W/S	0.00000	0
5	Less EPRI & Reg. Comm. Exp. & Non-safety Ad (Note I)		0	W/S	0.00000	0
5a	Plus Transmission Related Reg. Comm. Exp (Note I)		0	TE	0.00000	0
6	Common		0	CE	0.00000	0
7	Transmission Lease Payments		0	NA	1.00000	0
8	TOTAL O&M (sum lines 1, 3, 5a, 6, 7 less lines 2, 4, 5)		0			0
	DEPRECIATION EXPENSE					
9	Transmission	12h.B.5.c	0	TP	0.00000	0
9a	Prefunded AFUDC Amortization	(Note Y)	0	N/A	1.00000	0
9b	Abandoned Plant Amortization	(Note Y)	0	N/A	1.00000	0
10	General	12h.B.7.c	0	W/S	0.00000	0
11	Common		0	CE	0.00000	0
12	TOTAL DEPRECIATION (Sum lines 9 - 11)		0			0
	TAXES OTHER THAN INCOME TAXES (Note J)					
	LABOR RELATED					
13	Payroll		0	W/S	0.00000	0
14	Highway and vehicle		0	W/S	0.00000	0
15	PLANT RELATED					
16	Property		0	GP	0.00000	0
17	Gross Receipts		0		zero	0
18	Other		0	GP	0.00000	0
19	Payments in lieu of taxes		0	GP	0.00000	0
20	TOTAL OTHER TAXES (sum lines 13 - 19)		0			0
	INCOME TAXES	(Note K)		NA		
21	T=1 - {[(1 - SIT) * (1 - FIT)] / (1 - SIT * FIT * p)} =		0.00%			
22	CIT=(T/1-T) * (1-(WCLTD/R)) =		0.00%			
	where WCLTD=(page 4, line 22) and R= (page 4, line 24)					
	and FIT, SIT & p are as given in footnote K.					
23	1 / (1 - T) = (from line 21)		0.0000			
24	Amortized Investment Tax Credit (enter negative)		0			
25	Income Tax Calculation = line 22 * line 28		0	NA		0
26	ITC adjustment (line 23 * line 24)		0	NP	0.00000	0
27	Total Income Taxes	(line 25 plus line 26)	0			0
28	RETURN		0	NA		0
	[Rate Base (page 2, line 30) * Rate of Return (page 4, line 24)]					
29	REV. REQUIREMENT (sum lines 8, 12,20,27,28)		0			0
30	LESS GNTL ADJUSTMENT [GNTL, page 2, line 2, column 17]					
	(Note W)					
	[Revenue requirement for facilities included on page 2, line 2, and also included					
	in GNTL]		0			0
30a	LESS ADJUSTMENT FOR MISO COST SHARED PROJECTS (Note CC)		0			0
31	REV. REQUIREMENT TO BE COLLECTED UNDER		0			0
	ATTACHMENT O (line 29 - line 30 - line 30a)					

Attachment B-GRE
page 4 of 5

Line No.										
	Formula Rate - Non-Levelized		Rate Formula Template Utilizing Great River Energy Annual Operating Report				For budgeted 12 months ended 12/31/__			
			Great River Energy							
	SUPPORTING CALCULATIONS AND NOTES									
	TRANSMISSION PLANT INCLUDED IN ISO RATES									
1	Total transmission plant (page 2, line 2, column 3)						0			
2	Less transmission plant excluded from ISO rates (Note M)						0			
3	Less transmission plant included in OATT Ancillary Services (Note N)						0			
4	Transmission plant included in ISO rates (line 1 less lines 2 & 3)						0			
5	Percentage of transmission plant included in ISO Rates (line 4 divided by line 1)					TP=	0.00000			
	TRANSMISSION EXPENSES									
6	Total transmission expenses (page 3, line 1, column 3)						0			
7	Less transmission expenses included in OATT Ancillary Services (Note L)						0			
8	Included transmission expenses (line 7 less line 6)						0			
9	Percentage of transmission expenses after adjustment (line 8 divided by line 6)						0.00000			
10	Percentage of transmission plant included in ISO Rates (line 5)					TP	0.00000			
11	Percentage of transmission expenses included in ISO Rates (line 9 times line 10)					TE=	0.00000			
	WAGES & SALARY ALLOCATOR (W&S)									
			$	TP	Allocation					
12	Production		0	0.00	0					
13	Transmission		0	0.00	0					
14	Distribution		0	0.00	0		W&S Allocator			
15	Other		0	0.00	0		($ / Allocation)			
16	Total (sum lines 12-15)		0		0	=	0.00000			
	COMMON PLANT ALLOCATOR (CE) (Note O)									
			$		% Electric		Labor Ratio			
17	Electric		0		(line 17 / line 20)		(line 16)		CE	
18	Gas		0		0.00000	*	0.00000	=	0.00000	
19	Water		0							
20	Total (sum lines 17-19)		0							
	RETURN (R)		$							
21	Long Term Interest 12a.A.22.b		$0							
					Cost					
			$	%	(Note P)		Weighted			
22	Long Term Debt (Note V)	12a.B.45 + B.46 + B.51+ B.52	0	0%	0.0000		0.0000	=WCLTD		
23	Proprietary Capital (Note V)	12a.B.38	0	0%	0.1238		0.0000			
24	Total (sum lines 22-23)		0	0%			0.0000	=R		
25					Proprietary Capital Cost Rate =		12.38%			
26						TIER =	0.00			
	HYPOTHETICAL CAPITAL STRUCTURE RETURN (HCSR) (Note Z)				Cost					
				%	(Note P)		Weighted			
27	Long Term Debt (Note V)			80%	0.0000		0.0000	=WCLTD		
28	Proprietary Capital			20%	0.1238		0.0248			
29	Total (sum lines 27-28)						0.0248	=R		
30	Annual Allocation Factor for Incentive Return (line 29 minus line 24)						2.476%			
	REVENUE CREDITS									
							Load			
	ACCOUNT 447 (SALES FOR RESALE)									
31	a. Bundled Non-RQ Sales for Resale			(Note Q)			0			
32	b. Bundled Sales for Resale included in Divisor on page 1						0			
33	Total of (a)-(b)						0			
34	ACCOUNT 454 (RENT FROM ELECTRIC PROPERTY) (Note R)						$0			
	ACCOUNT 456 (OTHER ELECTRIC REVENUES)									
35	a. Transmission charges for all transmission transactions (Note X)						$0			
36	b. Transmission charges for all transmission transactions included in Divisor on page 1						$0			
36a	c. Transmission charges from Schedules associated with GNTL (Note DD)						$0			
37	Total of (a)-(b)-(c)-(d)						$0			

Attachment B-GRE
page 5 of 5

Formula Rate - Non-Levelized — Rate Formula Template
Utilizing Great River Energy Annual Operating Report — For budgeted 12 months ended 12/31/

Great River Energy

General Note: References to pages in this formulary rate are indicated as: (page#, line#, col.#)
References to data from RUS Form 12 are indicated as: #.x.y.z (page, section, line, column)

Note Letter	
	To the extent the page references to RUS Form 12 are missing, the entity will include a "Notes" section in the RUS 12 to provide this data.
A	The utility's maximum monthly megawatt load (60-minute integration) for RQ service at time of applicable pricing zone coincident monthly peaks. RQ service is service which the supplier plans to provide on an on-going basis (i.e., the supplier includes projected load for this service in its system resource planning).
B	Includes LF, IF, LU, IU service. LF means "firm service" (cannot be interrupted for economic reasons and is intended to remain reliable even under adverse conditions), and long-term (duration of at least five years); does not meet definition of RQ service. IF is "firm service" for a term longer than one but less than five years. LU is service from a designated generating unit, of a term no less than five years. LI is service from a designated generating unit for a term between one and five years. Measured at time of applicable pricing zone coincident monthly peaks.
C	LF as defined above at time of applicable pricing zone coincident monthly peaks.
D	LF as defined above at time of applicable pricing zone coincident monthly peaks.
E	The FERC's annual charges for the year assessed the Transmission Owner for service under this tariff, if any
F	The balances in Accounts 190, 281, 282 and 283, as adjusted by any amounts in contra accounts identified as regulatory assets or liabilities related to FASB 106 or 109. Balance of Account 255 is reduced by prior flow through and excluded if the utility chose to utilize amortization of tax credits against taxable income as discussed in Note K. Account 281 is not allocated.
G	Transmission related only.
H	Cash Working Capital assigned to transmission is one-eighth of O&M allocated to transmission at page 3, line 8, column 5.
	Prepayments are the electric related prepayments booked to Account No. 165 and reported on Section B, line 24 in the Great River Energy Annual Operating Report.
I	Line 5 - EPRI Annual Membership Dues, all Regulatory Commission Expenses, and non-safety related advertising. Line 5a - Regulatory Commission Expenses directly related to transmission service, ISO filings, or transmission siting.
J	Includes only FICA, unemployment, highway, property, gross receipts, and other assessments charged in the current year. Taxes related to income are excluded. Gross receipts taxes are not included in transmission revenue requirement in the Rate Formula Template, since they are recovered elsewhere.
K	The currently effective income tax rate, where FIT is the Federal income tax rate; SIT is the State income tax rate, and p = "the percentage of federal income tax deductible for state income taxes". If the utility is taxed in more than one state it must attach a work paper showing the name of each state and how the blended or composite SIT was developed. Furthermore, a utility that elected to utilize amortization of tax credits against taxable income, rather than book tax credits to Account No. 255 and reduce rate base, must reduce its income tax expense by the amount of the Amortized Investment Tax Credit multiplied by (1/1-T) (page 3, line 26).

Inputs Required:

FIT =	0.00%	
SIT=	0.00%	(State Income Tax Rate or Composite SIT)
p =	0.00%	(percent of federal income tax deductible for state purposes)

L	Removes dollar amount of transmission expenses included in the OATT ancillary services rates, including Acct No. 561.
M	Removes transmission plant determined by Commission order to be state-jurisdictional according to the seven-factor test (until Great River Energy Annual Operating Report balances are adjusted to reflect application of seven-factor test).
N	Removes dollar amount of transmission plant included in the development of OATT ancillary services rates and generation step-up facilities, which are deemed included in OATT ancillary services. For these purposes, generation step-up facilities are those facilities at a generator substation on which there is no through-flow when the generator is shut down.
O	Enter dollar amounts
P	Debt cost rate = long-term interest (line 21) / long term debt (line 22). The Proprietary Capital Cost rate is implicit, a residual calculation after TIER is determined. TIER will be supported in the filing and no change in TIER may be made absent a filing with the ISO and the FERC, if the entity is under FERC's jurisdiction.
Q	Line 33 must equal zero since all short-term power sales must be unbundled and the transmission component reflected in Account No. 456 and all other uses are to be included in the divisor.
R	Includes income related only to transmission facilities, such as pole attachments, rentals and special use.
S	Grandfathered agreements whose rates have been changed to eliminate or mitigate pancaking - the revenues are included in line 4 page 1 and the loads are included in line 13, page 1. Grandfathered agreements whose rates have not been changed to eliminate or mitigate pancaking - the revenues are not included in line 4, page 1 nor are the loads included in line 13, page 1.
T	The revenues credited on page 1 lines 2-5 shall include only the amounts received directly (in the case of grandfathered agreements) or from the ISO (for service under this tariff) reflecting the Transmission Owner's integrated transmission facilities. They do not include revenues associated with FERC annual charges, gross receipts taxes, ancillary services, facilities not included in this template (e.g., direct assignment facilities and GSUs) which are not recovered under this Rate Formula Template.
U	Calculate using 13 month average balance.
V	Calculate using average of beginning of year and end of year balance.
W	Removes dollar amount of GNTL revenue requirements calculated pursuant to Attachment B-1
	Annual Incentive Return Charge revenues for FERC-accepted projects utilizing a hypothetical capital structure are not included on page 3, line 30.
X	Removes from revenue credits revenues that are distributed pursuant to Schedules associated with GNTL, since GRE's revenue requirements have already been reduced by GNTL revenue requirements.
	Annual Incentive Return Charge revenues for FERC-accepted projects utilizing a hypothetical capital structure are not included on page 4, line 35 and 36a.
Y	Page 2, line 23a is the prefunded AFUDC amount associated with CWIP for Incentive Rate Transmission Projects included in rate base. The prefunded AFUDC amount is a reduction to rate base. Page 3, line 9a is the annual amortization expense of the prefunded AFUDC amount and is a reduction to depreciation.
	Page 2, Line 23b includes any unamortized balances related to the recovery of abandoned plant costs approved by FERC.
	Page 3, Line 9b is the annual amortization expense of abandoned plant costs approved by FERC.
Z	The Hypothetical Capital Structure Return (HCSR) calculation is only applicable to the FERC-accepted projects that will use a hypothetical capital structure of 80% long term debt and 20% proprietary capital for years 2010 through 2020.
AA	Great River Energy Annual Operating Report Data is in all relevant respects identical to RUS Form 12 Data.
CC	Removes dollar amount of payments made by MP to MISO for the revenue requirements of GRE transmission facilities whose revenue requirements were recovered under Schedule 26 or 26-A, or their successors, of the MISO Tariff. This provision is exclusively used to prevent the double payment of the same transmission facilities, once via MISO schedules and once via a revenue share agreement (in the case both GRE and ALLETE are no longer MISO members).
DD	Removes from revenue credits revenues that are distributed pursuant to Schedules associated with GNTL, since GRE's revenue requirements have already been reduced by the GNTL revenue requirements.
EE	Schedule 10-FERC Charges should not be included in O&M recovered under this Attachment O.

ATTACHMENT B-2

	Formula Rate calculation		Rate Formula Template		For the 12 months ended 12/31/20_
			Utilizing Attachment B-MP Data		
					Page 1 of 2
			Allete, Inc. dba		
			Minnesota Power		
	To be completed in conjunction with Attachment B-MP.				
	(inputs from Attachment B-MP are rounded to whole dollars)				
	(1)	(2)	(3)	(4)	
		Attachment B-MP			
Line		**Page, Line, Col.**	**AC System Transmission**	**Allocator**	
No.					
1	Gross Transmission Plant - Total	Attach B-MP, p 2, line 2 col 7 (Note A)	0		
1a	Transmission Accumulated Depreciation	Attach B-MP, p 2, line 8 col 7	0		
2	Net Transmission Plant - Total	Line 1 minus Line 1a (Note B)	-		
	O&M TRANSMISSION EXPENSE				
3	Total O&M Allocated to Transmission	Attach B-MP, p 3, line 8 col 7	0		
3a	Transmission O&M	Attach B-MP, p 3, line 1 col 7	0		
3b	Less: LSE Expenses included in above, if any	Attach B-MP, p 3, line 1a col 7	0		
3c	Less: Account 565 included in above, if any	Attach B-MP, p 3, line 2 col 7	0		
3d	Adjusted Transmission O&M	Line 3a minus Line 3b minus Line 3c	-		
4	Annual Allocation Factor for Transmission O&M	(line 3d divided by line 1a col 3)	0.00%	0.00%	
	OTHER O&M EXPENSES				
4a	Other O&M Allocated to Transmission	Line 3 minus Line 3d	-		
4b	Annual Allocation Factor for Other O&M	Line 4a divided by Line 1, col 3	0.00%	0.00%	
	GENERAL AND COMMON DEPRECIATION EXPENSE				
5	Total G&C Depreciation Expense	Attach B-MP, p 3, lines 10 & 11, col 7 (Note F)	0		
6	Annual Allocation Factor for G&C Depreciation Expense	(line 5 divided by line 1 col 3)	0.00%	0.00%	
	TAXES OTHER THAN INCOME TAXES				
7	Total Other Taxes	Attach B-MP, p 3, line 20 col 7	0		
8	Annual Allocation Factor for Other Taxes	(line 7 divided by line 1 col 3)	0.00%	0.00%	
9	**Annual Allocation Factor for Other Expense**	**Sum of lines 4b, 6 and 8**		**0.00%**	
	INCOME TAXES				
10	Total Income Taxes	Attach B-MP, p 3, line 27 col 7	0		
11	Annual Allocation Factor for Income Taxes	(line 10 divided by line 2 col 3)	0.00%	0.00%	
	RETURN				
12	Return on Rate Base	Attach B-MP, p 3, line 28 col 7	0		
13	Annual Allocation Factor for Return on Rate Base	(line 12 divided by line 2 col 3)	0.00%	0.00%	
14	**Annual Allocation Factor for Return**	**Sum of lines 11 and 13**		**0.00%**	
15a	GNTL Historic Year Actual ATRR		-		
15b	GNTL Historic Year Projected ATRR		-		
15c	GNTL Historic Year ATRR True-Up	(line 15a - line 15b)	-		
15d	Historic Year Actual Divisor (Note G)		-		
15e	Historic Year Projected Divisor (Note G)		-		
15f	Difference in Divisor	(line 15e- line 15d)	-		
15g	GNTL Historic Year Projected Annual Cost ($/kW/Yr) (Note H)		0.000		
15h	Historic Year Divisor True-Up	(line 15f * line 15g)	-		
15i	Interest on HistoricYear True-Up		-		
15j	Minnesota Power GNTL True-Up Adjustment	(line 15c + line 15h + Line 15i)	-		

Formula Rate calculation

Rate Formula Template
Utilizing Attachment O-MVP Data

For the 12 months ended 12/31/20

Page 2 of 2

Allete, Inc. dba
Minnesota Power

Great Northern Transmission Line Project (GNTL) Revenue Requirement Calculation

Line No.	(1) Project Name	(2) MTEP Project Number	(3) Project Gross Plant	(4) Project Accumulated Depreciation	(5) Transmission O&M Annual Allocation Factor	(6) Annual Allocation for Transmission O&M Expense	(7) Other Expense Annual Allocation Factor	(8) Annual Allocation Factor for Other Expense	(9) Annual Expense Charge	(10) Project Net Plant	(11) Annual Allocation Factor for Return	(12) Annual Return Charge	(13) Project Depreciation Expense	(14) Annual Revenue Requirement	(15) Must Take Fee	(16) GNTL True-Up Adjustment	(17) Adjusted Annual Revenue Requirement
			(Note C)		Page 1 line 4	(Col 4 * Col 5)	Page 1 line 9	(Col 3 * Col 7)	(Col 6 + Col 8)	(Col 3 - Col 4)	Page 1 line 14	(Col 10 * Col 11)	(Note E)	(Sum Col 9 12 & 13)		Page 1 line 19)	(Sum Col 14, 15, & 16)
1a	GNTL with Minnesota pg				100.0% $ -	-	0.00%	$0	$0	$ -	0.00%	$0	$0	$0.00		$0.00	$0
2	Minnesota Power Adjusted Annual GNTL Revenue Requirement																$0.00

Note

Letter

A Gross Transmission Plant is the end of the period amount on page 2 line 2 of Attachment O-MVP and includes any plant in service during CWIP and Prefunded AFUDC on CWIP included in rate base when authorized by FERC or net less any prefunded AFUDC if applicable.

B Net Transmission Plant is the end of the period amount on page 2 line 14 of Attachment O-MVP and includes any plant in service during CWIP or Prefunded AFUDC on CWIP and Unamortized Balance of Abandoned Plant included in rate base when authorized by FERC or net less Prefunded AFUDC

C Project Gross Plant is the total capital investment for the project calculated on the same method as the gross plant value in line 1 and is included in CWIP and Prefunded AFUDC on CWIP in rate base when authorized by FERC or net less any prefunded AFUDC if applicable and when authorized by FERC

D Note left reserved for future.

E Project Depreciation Expense is the actual value booked for the project and included in the Depreciation Expense on Attachment O-MVP page 3 line 12 column 7

F The Total General and Common Depreciation Expense includes any depreciation expense directly associated with a project and is calculated the same way included in page 2 column 1:3

G Divisor from page 1 line 15 of Attachment O-MVP

H The GNTL Historic Year Projected Annual Cost ($/kW/Yr) is calculated by using the GNTL Historic Year Projected ATRR divided by the 3 year from page 1 line 15 of the Historic Year Attachment O-MVP

Formula Rate calculation			Rate Formula Template								For the 12 months ended 12/31/20
			Utilizing Attachment B-GRE Data								
											Page 1 of 2
			Great River Energy								
To be completed in conjunction with Attachment B-GRE.											
(inputs from Attachment B-GRE are rounded to whole dollars)											
(1)	(2)		(3)		(4)						
	Attachment B-GRE										
	Page, Line, Col.		**Transmission**		**Allocator**						
Gross Transmission Plant - Total	Attach B-GRE, p 2, line 2 col 5 (Note A)		0								
Transmission Accumulated Depreciation	Attach B-GRE, p 2, line 8 col 5		0								
Net Transmission Plant - Total	Line 1 minus Line 1a (Note B)		-								
O&M TRANSMISSION EXPENSE											
Total O&M Allocated to Transmission	Attach B-GRE, p 3, line 8 col 5		0								
Transmission O&M	Attach B-GRE, p 3, line 1 col 5		0								
Less: Account 565 included in above, if any	Attach B-GRE, p 3, line 2 col 5		0								
Adjusted Transmission O&M	Line 3a minus Line 3b		-								
Annual Allocation Factor for Transmission O&M	(line 3c divided by line 1a col 3)		0.00%		0.00%						
OTHER O&M EXPENSES											
Other O&M Allocated to Transmission	Line 3 minus Line 3c		-								
Annual Allocation Factor for Other O&M	Line 4a divided by Line 1, col 3		0.00%		0.00%						
GENERAL AND COMMON DEPRECIATION EXPENSE											
Total G&C Depreciation Expense	Attach B-GRE, p 3, lines 10 & 11, col 5 (Note F)		0								
Annual Allocation Factor for G&C Depreciation Expense	(line 5 divided by line 1 col 3)		0.00%		0.00%						
TAXES OTHER THAN INCOME TAXES											
Total Other Taxes	Attach B-GRE, p 3, line 20 col 5		0								
Annual Allocation Factor for Other Taxes	(line 7 divided by line 1 col 3)		0.00%		0.00%						
Annual Allocation Factor for Other Expense	**Sum of lines 4b, 6 and 8**				**0.00%**						
INCOME TAXES											
Total Income Taxes	Attach B-GRE, p 3, line 27 col 5		0								
Annual Allocation Factor for Income Taxes	(line 10 divided by line 2 col 3)		0.00%		0.00%						
RETURN											
Return on Rate Base	Attach B-GRE, p 3, line 28 col 5		0								
Annual Allocation Factor for Return on Rate Base	(line 12 divided by line 2 col 3)		0.00%		0.00%						
Annual Allocation Factor for Return	**Sum of lines 11 and 13**				**0.00%**						
GNTL Historic Year Actual ATRR			-								
GNTL Historic Year Projected ATRR			-								
GNTL Historic Year ATRR True-Up	(line 15a - line 15b)		-								
Historic Year Actual Divisor (Note G)			-								
Historic Year Projected Divisor (Note G)			-								
Difference in Divisor	(line 15e- line 15d)		-								
GNTL Historic Year Projected Annual Cost ($/kW/Yr) (Note H)			0.000								
Historic Year Divisor True-Up	(line 15f * line 15g)		-								
Interest on HistoricYear True-Up			-								
GRE GNTL True-Up Adjustment	(line 15c + line 15h + Line 15i)		-								

Effective On: May 8, 2016

ATTACHMENT C

Minnesota Power Existing Load: As of the date of this Agreement, all MP load reported to MISO is considered Network Load and subject to the terms of this Agreement. In the event MP leaves MISO and joins a different regional transmission organization, all MP load reported to that transmission provider and used to determine the zonal transmission rate will be considered Network Load. If MP is not part of a regional transmission organization, the load that MP uses to determine the zonal rate in the former MP Control Area will be considered Network Load and subject to the terms of this Agreement.

GRE Existing Load:

1 AITKIN-115KV
2 ALDRICH
3 BABBITT
4 BAXTER BANK 2
5 BAXTER TAP
6 BERGEN LAKE
7 BUCKMAN
8 CARLTON
9 CEDAR VALLEY-115 kV
10 CLEAR LAKE
11 CLOVER VALLEY
12 COHASSET-115KV
13 COMPTON
14 COTTON-115KV
15 CRYSTAL LAKE
16 DAIRYLAND
17 DEWING TAP-115KV
18 EAGLE BEND
19 FINLAND-115KV
20 FLENSBURG
21 HARTFORD
22 HEWITT
23 HILL CITY
24 IONA
25 IRON-115KV
26 ISLAND LAKE
27 KEEWATIN-115KV
28 KIMBERLY
29 LAKELAND 2
30 LAKELAND-115KV
31 LANGOLA
32 LASTRUP

33 LEAF RIVER
34 LITTLE FALLS
35 LONG LAKE D
36 MAGNETATION
37 MANTRAP
38 MCGREGOR
39 MENAHGA
40 MERRIFIELD-115KV
41 MOTLEY
42 NEVIS
43 NOKAY
44 NORTH PARKER
45 ONIGUM TAP
46 ORTON
47 OSAGE
48 PALMER LAKE
49 PEARY-115KV
50 PILLSBURY
51 PINE LAKE
52 PINE POINT
53 PINE RIVER
54 POKEGAMA
55 POTATO LAKE
56 RDO DIST SUB
57 SEBEKA
58 SHELL LAKE
59 SHINGOBEE
60 SHOAL LAKE
61 SOBIESKI
62 SOUTHDALE
63 SOUTHDALE BANK 2
64 STAPLES
65 THOMASTOWN
66 TWIN LAKES
67 VERMILION
68 WALDO BANK #1-115KV
69 WALDO BANK #2-115KV
70 WARD
71 WARD_CW
72 WASCOTT
73 WINTON
74 WINTON BANK 2