



November 18, 2016

ALLETE Subsidiary Strengthens Presence in Southwestern U.S. Water Market with Acquisition

DULUTH, Minn.--(BUSINESS WIRE)-- ALLETE Inc. (NYSE: ALE) announced today that its wholly owned subsidiary U.S. Water Services has purchased Water & Energy Systems Technology (WEST) Inc.

WEST, based in Southern California, provides specialty chemicals and engineering services for water treatment in commercial and institutional facilities, light industry, oil extraction and refining, and central heating/cooling plants. The company has been helping customers reduce operating costs related to water and energy use for nearly 20 years and is dedicated to partnering with customers to provide exceptional results.

"This strategic tuck-in acquisition expands U.S. Water's footprint in the California market, where sustainable solutions for water conservation are in increasing demand," said ALLETE President, Chairman and CEO Alan R. Hodnik. "The purchase of WEST demonstrates ALLETE's strategy of supporting the continued growth of U.S. Water both organically and through acquisitions as the company expands in the U.S. and Canada. It also exemplifies ALLETE's focus on the water-energy nexus and the company's strategy to deliver a sustainable future for our industries, our customers, our shareholders and our nation."

Based in St. Michael, Minnesota, U.S. Water has a national footprint and serves a growing and diverse mix of more than 4,000 industrial customers, including a significant number of Fortune 500 companies. U.S. Water provides integrated water management for industry by combining chemicals, equipment, engineering and service for customized solutions to reduce water and energy use and improve efficiency. U.S. Water has a deep commitment to addressing the water issues in California and the southwestern United States, and the acquisition of WEST will support efforts in this region.

"The addition of WEST to the U.S. Water family broadens our national footprint by adding a production facility in this part of the country and also strengthens our reach in several key industries," said Allan Bly, U.S. Water CEO. "We are very excited to have WEST join the U.S. Water family. Their experienced and customer-focused engineers will be a great addition to our team."

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

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

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Source: ALLETE Inc.

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