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ALLETE Subsidiary U.S. Water Acquires Tonka Water, a Minnesota-Based Supplier of Water Treatment Systems

DULUTH, Minn.--(BUSINESS WIRE)-- ALLETE Inc. (NYSE: ALE) announced today that its wholly owned subsidiary U.S. Water Services has purchased Tonka Water, a major supplier of municipal and industrial water treatment systems.

The addition of Tonka Water, based in Plymouth, Minnesota, expands U.S. Water's integrated water treatment equipment offerings while adding new customers in the municipal and industrial sectors. Tonka Water, founded in 1956, has a long and successful history of delivering high-quality water treatment systems for customers throughout North America, with more than 2,300 system installations in 49 states and four Canadian provinces.

"This strategic acquisition, like the earlier additions of Water & Energy Systems Technologies and A and W Technologies, expands U.S. Water's geographic and customer markets, its equipment portfolio and its field service offerings," said ALLETE Chairman, President and CEO Alan R. Hodnik. "ALLETE continues to execute its strategy of supporting U.S. Water's growth both organically and through tuck-in acquisitions as the company expands in the U.S. and Canada. Societal expectations, regulation and resource scarcity increasingly require sustainable solutions, and ALLETE is well-positioned in the emerging energy-water nexus."

Based in St. Michael, Minnesota, U.S. Water has a national footprint and serves a growing and diverse mix of more than 4,800 industrial customers, including a significant number of Fortune 500 companies. U.S. Water provides integrated water solutions for industry by combining chemicals, equipment, engineering and service to optimize system performance, reduce water and energy use, and improve efficiency.

"The addition of Tonka Water to the U.S. Water family expands our integrated capabilities in the industrial market and broadens our overall equipment offerings into the municipal market," said LaMarr Barnes, U.S. Water CEO. "Their experienced employees will strengthen our engineering capabilities, and allow us to further leverage our chemical and service offerings to provide our customers more options. We are very excited to welcome Tonka Water to the U.S. Water family."

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 Bismarck, 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. 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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