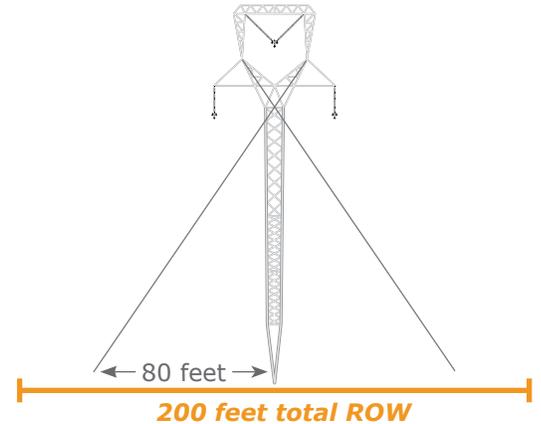


▶ What is right-of-way?

The term right-of-way or ROW is typically a strip of land used for a specific purpose such as the construction, operation, and maintenance of a road or transmission line.

The typical ROW width for this project is 200 feet (100 feet on each side of the structures). Additional ROW may be required surrounding each structure and around a turn structure. If additional ROW around structure or turn structure is required on your property, we will provide information on the additional width once design is finalized.

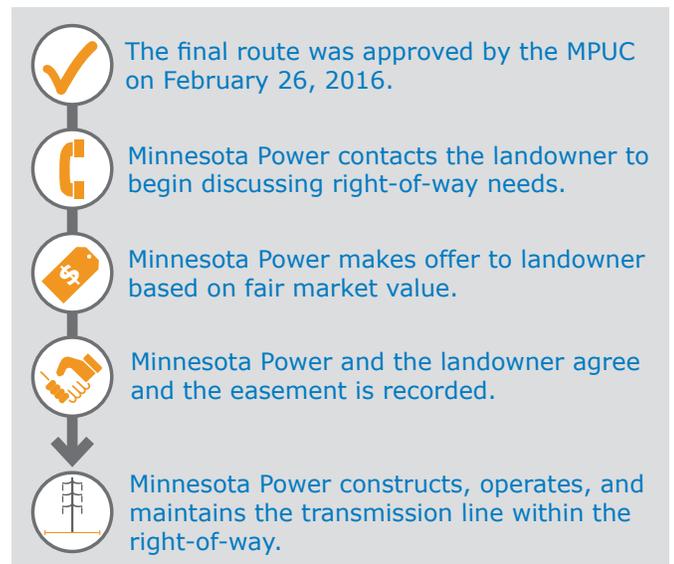


▶ How will Minnesota Power acquire ROW for this Project?

The Minnesota Public Utilities Commission approved the Administrative Law Judge's recommended route on February 26, 2016. A final written order was published on April 8, 2016.

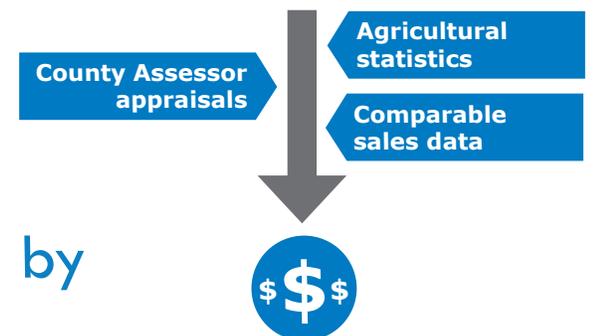
Minnesota Power will start acquiring easements for the ROW to construct and maintain the transmission line. ROW agents will contact individual landowners along the route to start discussing the Project's ROW needs. Land values will be researched and fair market value offers will be made to the landowners.

After the landowner and Minnesota Power agree, the easement is signed and then recorded at the respective County Courthouse. The landowner continues to own the property subject to Minnesota Power's right to construct, operate, and maintain the transmission line facilities.



▶ What do affected landowners get in the form of compensation?

Landowner compensation is determined by a variety of factors: County Assessor appraisals, agricultural statistics (where applicable), and comparable sales data. A market study was finalized in January 2016.



▶ How are property taxes affected by the ROW?

The landowner continues to pay property tax on the land as the owner of the property. Minnesota Power pays the property taxes on the transmission line facilities.

▶ Will eminent domain be used on this Project?

Minnesota Power will exercise eminent domain only after all other options have been explored. To complete this Project on time and continue to provide our customers with low-cost energy while meeting future service demands, Minnesota Power will make a fair offer to landowners and allow reasonable time for conversations and negotiations.

▶ Who controls access to the ROW?

The landowner continues to control access to the ROW subject to the terms of the easement. The ROW will not be available for public use as the land will remain private property. The landowner may fence across the ROW provided that a gate is included to allow Minnesota Power access to the ROW. Minnesota Power will work with landowners if a gate is required.

▶ What activities are allowed within the ROW?

The landowner retains the right to use the property subject to the terms of the easement. Agricultural lands can continue to be farmed. Recreational uses of the property continue to be permissible.

- Buildings and other structures are not permitted within the ROW.
- Modification to the existing land grade are not permitted within the ROW.
- Storage of flammable materials is not permitted within the ROW.

In general, the land can continue to be used as before, provided that the use does not interfere with the construction, operation, and maintenance of the transmission line. Minnesota Power encourages landowners to contact a land agent to discuss activities permitted in the ROW.

▶ Will Minnesota Power clear trees within the ROW?

Tall trees may interfere with transmission lines. Typically, tall trees and vegetation will be removed from the ROW during construction. Tree removal is required to comply with National Electrical Safety Code (NESC) and North American Electric Reliability Corporation (NERC) standards and for the safe operation and maintenance of the line. Some low-growing vegetation may be allowed to grow within the ROW following construction.

▶ How will Minnesota Power handle construction damage on my property?

Minnesota Power will be responsible for the restoration of properties damaged by the construction and maintenance of the transmission line. The ROW will be restored as reasonably practical to re-grade and re-establish vegetative cover in the disturbed areas. Minnesota Power will compensate landowners for the value of any crops or timber destroyed during construction and/or maintenance.

▶ When is construction scheduled to begin?

Construction activities are scheduled to begin in 2017 and take over three years to complete.