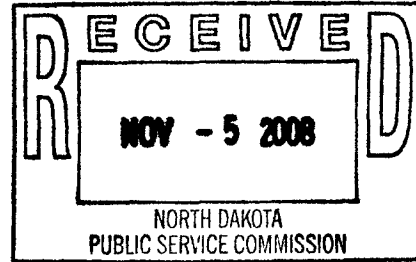


November 3, 2008



VIA E-MAIL AND U.S. MAIL

Mr. Jerry Lein
North Dakota Public Service Commission
600 E. Boulevard Ave., Dept. 408
Bismarck, North Dakota 58505-0480

RE: Case Nos. PU-08-847 and PU-08-848
Supplement to Letter of Intent

Dear Mr. Lein,

You requested that Minnesota Power, an operating division of ALLETE, Inc., provide an updated budget estimate for Minnesota Power's entire 125 MW wind project and a separate budget for the associated 230 kV transmission line in order that the North Dakota Public Service Commission ("Commission") could assess the correct application fees. Previously, Minnesota Power had provided the Commission a budget estimate of \$170 million for the 75 MW project and associated transmission line. At this time, Minnesota Power believes the transmission line budget will not exceed \$10 million. Minnesota Power has not yet developed full budget estimate for the entire 125 MW project, but on a pro-rata basis of \$160 million for 75 MW, Minnesota Power believes the total budget for the 125 MW project will be at least \$270 million.

This supplement to Minnesota Power's Letter of Intent is being filed electronically to facilitate docketing prior to the Commission's hearing on November 5, 2008. The original and ten copies will be mailed.

Sincerely,



David R. Moeller

DRM:sr
Enc.

3 **PU-08-848** Filed: 11/5/2008 Pages: 1 3
**Letter Supplement to Letter of Intent - Project
Budget Estimates**

Allete, Inc.
Attorney, David Moeller

PU-08-847 Filed: 11/5/2008 Pages: 1
**Letter Supplement to Letter of Intent - Project
Budget Estimates**

Allete, Inc.
Attorney, David Moeller