Superior Water, Light and Power Company

Exhibit 2 Schedules

S&P Articles relating to the sale of ALLETE:

Schedule 1 – "GIP, Canada Pension Plan to take Allete private in $6.2B deal"

Schedule 2 – "BlackRock to buy GIP in $12.55B deal for energy infrastructure giant"

Schedule 3 – "Allete files petititons in Minn. And Wis. Seeking approval of private buyout"

5820-UR-117
Ex.-PSC-Adams-2r
August 5, 2024
Schedule 1

GIP, Canada Pension Plan to take Allete private in $6.2B deal

Monday, May 6, 2024 9:54 AM ET

By Selene Balasta
Commodity Insights

The Canada Pension Plan Investment Board and Global Infrastructure Partners agreed to acquire Allete Inc. for $67 per share in cash, taking the Duluth, Minn.-headquartered company private in a deal with a total enterprise value of approximately $6.2 billion, including debt.

Once the deal is completed, Allete will no longer trade on the New York Stock Exchange, it said in a May 6 announcement.

The deal amount represents a premium of approximately 19.1% to Allete's closing share price Dec. 4, 2023, before reports emerged of Allete exploring a sale.

Allete regulated utility subsidiaries Minnesota Power Inc. and Superior Water, Light and Power Co. will continue to be independently operated and will still be regulated by the Minnesota Public Utilities Commission, the Public Service Commission of Wisconsin and the Federal Energy Regulatory Commission. The acquisition is not expected to impact retail or municipal rates for utility customers, according to the deal announcement.

Chair, President and CEO Bethany Owen will remain as CEO, and the current management team will continue to lead Allete. The company will remain headquartered in Duluth, Minn.

The deal was unanimously approved by Allete's board of directors and is expected to close in mid-2025. The transaction is subject to customary closing conditions and regulatory approvals.

J.P. Morgan Securities LLC is lead financial adviser and along with Houlihan Lokey Capital Inc. provided a fairness opinion to Allete. Skadden Arps Slate Meagher & Flom LLP is legal adviser to Allete.

Allete plans to release first-quarter results May 9 but canceled its scheduled earnings conference call.

Global Infrastructure Partners, known legally as Global Infrastructure Management LLC, in January was acquired by BlackRock Inc. In February, it announced the acquisition of a 50% interest in each of two offshore wind farm developments in the US from Eversource Energy.

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BlackRock to buy GIP in $12.55B deal for energy infrastructure giant

Friday, January 12, 2024 12:36 PM ET

By Alex Blackburne
Commodity Insights

BlackRock Inc. agreed to acquire Global Infrastructure Partners in an approximately $12.55 billion deal that will bring together two of the world's largest investors in energy infrastructure, the companies said Jan. 12.

The transaction, which includes a $3 billion cash consideration and about 12 million BlackRock shares, will create a $150 billion combined business that is the second-largest infrastructure manager globally, behind Macquarie Group Ltd.

Global Infrastructure Partners (GIP) brings with it more than $100 billion of client assets across equity and debt, including an energy business valued at $33 billion. Legally known as Global Infrastructure Management LLC, its portfolio spans renewables, gas pipelines and LNG investments.

That includes a significant stake in Abu Dhabi National Oil Co.'s gas pipeline assets, as well as Eolian LP, a renewable energy developer in the US, and Atlas Renewable Energy USA LLC, the largest independently owned renewable power producer in Latin America.

GIP is also an investor in US renewables developer Clearway Energy Inc. In 2022, GIP sold part of its stake in Clearway to French oil major TotalEnergies SE for $1.6 billion in cash plus a stake in residential solar installer SunPower Corp.

In Europe, GIP's energy portfolio includes a 20.6% stake in Spanish utility Naturgy Energy Group SA and interests in several major offshore wind farms, such as the 1.2-GW Hornsea 1 project in the UK and the 450-MW Borkum Riffgrund 2 project in Germany.

The group is now eyeing the US offshore wind market via Bluepoint Wind, the 50/50 joint venture with Ocean Winds SL that is developing a 1.7-GW project off New York and New Jersey.

Separately, Guggenheim analysts on Jan. 12 referenced a report by industry news service *PeakLoad* that named GIP as being in negotiations to acquire Eversource Energy's US offshore wind portfolio.

BlackRock said the acquisition of GIP "creates [a] leading multi-asset class, whole portfolio infra investments platform," combining BlackRock's own infrastructure debt and third-party solutions offerings with GIP's infrastructure equity and debt franchises.

GIP's acumen in the transport and digital infrastructure sectors will also complement BlackRock's own activities in energy and renewables, the US asset manager said.

BlackRock intends to fund the deal's cash consideration with additional debt, adding that it expects the acquisition to be "modestly accretive" to its as-adjusted EPS and operating margin in the first full year post-close. Closing is expected in the third quarter of 2024 subject to customary approvals.

Perella Weinberg Partners served as lead financial adviser to BlackRock on the deal, with Skadden Arps Slate Meagher & Flom LLP and Fried Frank Harris Shriver & Jacobson LLP acting as legal counsel.

Evercore served as lead financial adviser to GIP, with Kirkland & Ellis LLP and Debevoise & Plimpton LLP acting as legal counsel.

This article was published by S&P Global Market Intelligence and not by S&P Global Ratings, which is a separately managed division of S&P Global.

RRA REGULATORY FOCUS

Allete files petitions in Minn. and Wis. seeking approval of private buyout

Tuesday, July 23, 2024 1:34 PM ET

By Dan Lowrey
Market Intelligence

Allete Inc. tendered its formal request for approval by the Minnesota Public Utilities Commission and the Public Service Commission of Wisconsin of a transaction in which the Canada Pension Plan Investment Board and Global Infrastructure Management LLC will acquire Allete for $67 per share in cash, taking the Duluth, Minn.-headquartered company private in a deal valued at about $6.2 billion, including debt.

The Take

➤ While other approvals are necessary before the proposed transaction can close, the one that will likely receive the most scrutiny is approval by the Minnesota Public Utilities Commission (PUC). Allete's regulated utility service territory extends into Wisconsin, but its largest footprint is in Minnesota. The PUC has discretion over utility mergers, and the commission's merger review standard is not particularly restrictive. Pursuant to state statutes, when reviewing proposed mergers and acquisitions, the PUC must consider whether the transaction is "consistent with the public interest."

➤ Neither Wisconsin nor Minnesota has evaluated a utility merger of this size in at least five years, but Regulatory Research Associates does not anticipate the proposed transaction is likely to face onerous regulatory hurdles based on each state's merger evaluation criteria and the outcomes of prior merger-related proceedings.

➤ The commitments outlined in the July 19 application by Allete appear to be largely consistent with those agreed upon in past mergers that have come before utility commissions, including management retention and protections for utility employees.

➤ RRA considers the utility regulatory framework in Minnesota to be balanced and stable from an investor viewpoint, as recently authorized equity returns typically have approximated industry averages. Wisconsin regulation remains constructive from an investor perspective, in RRA's view. Energy utilities are regulated under a traditional framework, and the most recently authorized equity returns have been above the prevailing national averages when established.

In addition to approval by Minnesota and Wisconsin regulators, the company will also need approval from the Federal Energy Regulatory Commission. The company is requesting public hearings be scheduled in October and November and is targeting a deal closing date of mid-2025, subject to, among other things, the aforementioned state and federal approvals and approval from Allete shareholders.

Transaction overview

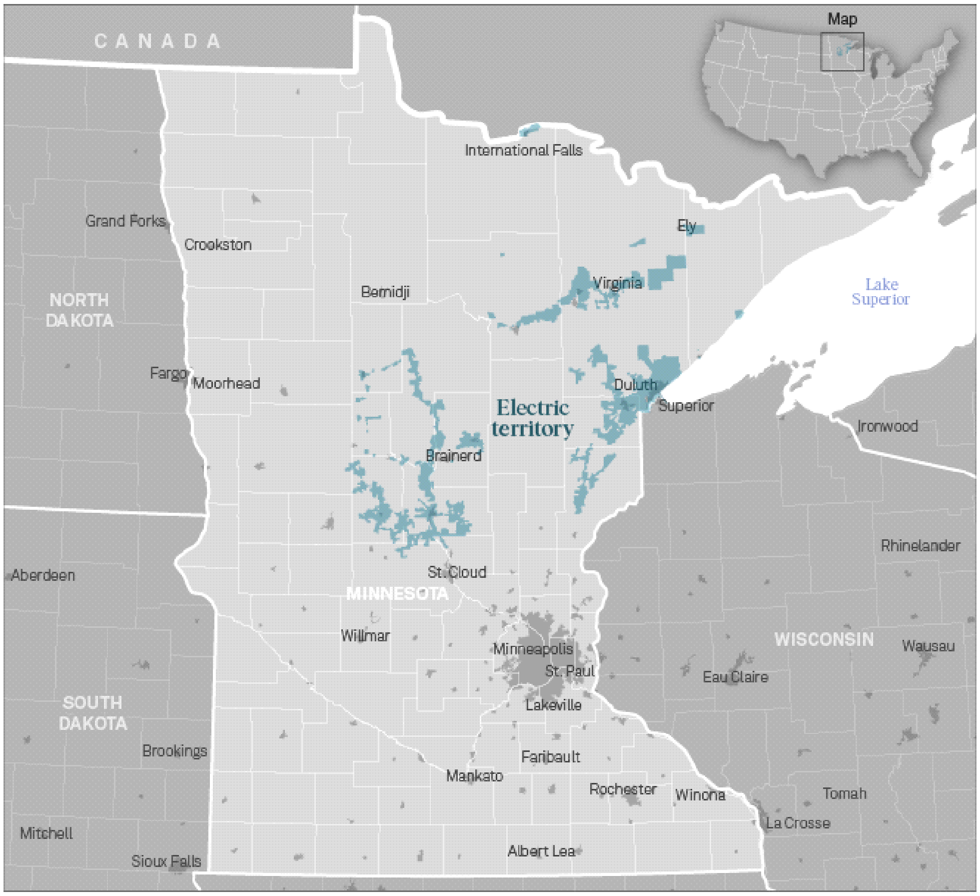
On May 6, Canada Pension Plan Investment Board (CPP) and Global Infrastructure Management (GIP) agreed to acquire Allete for $67 per share in cash. Allete indicated that through the transaction, it will have access to the capital needed to invest in the clean-energy transition and ensure it has access to the significant capital needed for planned investments over the long term.

Allete provides regulated utility electric services in northwestern Wisconsin to approximately 15,000 electric customers, 13,000 natural gas customers and 10,000 water customers, as well as regulated utility electric services in northeastern Minnesota to approximately 150,000 retail customers and 14 non-affiliated municipal customers. Regulated operations include regulated utilities, Minnesota Power Inc. (MP) and Superior Water Light and Power Co. (SWL&P), as well as an investment in American Transmission Co. LLC (ATC), a Wisconsin-based regulated utility that owns and maintains electric transmission assets in portions of Wisconsin, Michigan, Minnesota and Illinois.

Through the acquisition, Allete will transition to a private company wholly owned by a new partner-created company known as Alloy Parent LLC, providing Allete with improved access to capital and partner resources that can support Allete's investment in the clean energy transition while continuing the safe, reliable, and affordable electric service to Minnesota Power's customers. Except for a new tax-sharing agreement between the partners, Allete, and MP, commission approval of which will be sought in a separate proceeding after consummation of the acquisition, there will be no changes to the affiliated interest relationships between the Allete entities as a result of the acquisition. Allete will remain a standalone company and will have the same relationship with MP and the PUC that it has now.

Allete will continue to have its own board of directors with fiduciary obligations and oversight responsibilities. Further, at least one member of the Allete Board of Directors must be from Minnesota, one member must be from Wisconsin, and the board must have at least two independent directors.

Minnesota Power electric operating territory in Minnesota



As of May 6, 2024.
Map credit: Joe Felizadio.
Source: S&P Global Market Intelligence.

Petition focuses on need to fund company's future investments

"The primary goal of transitioning to a private company is to enable Minnesota Power to obtain the significant additional capital it needs to continue and expand its investment in clean energy technology and systems, including changing transmission and generation needs, and to further its commitment to provide safe, reliable, and affordable energy to its customers," Allete indicated in its July 19 petition with the PUC.

According to its latest annual report, Allete is the largest investor in renewable energy, relative to market capitalization, of all publicly traded utilities in the US.

As a private company, Allete explained that the partners can exercise more patience with respect to quarterly earnings and dividends due to a focus on long-term investments. In another example, well-financed private investors can provide more readily available capital than can be accessed reliably in the public markets. "To these ends, the Company made its own choice to seek out private infrastructure investors, particularly those with expertise in the energy industry, and chose CPP Investments and GIP specifically. The Partners are highly regarded infrastructure investors with deep industry expertise, resources, and strong long-term outlooks," the company indicated.

Allete argued that the acquisition is consistent with the public interest, readily meets the PUC's corresponding public interest standard and will not adversely impact customers, service cost or quality, employees, or communities. The partners do not seek to change the operation of the MP or the regulatory construct in Minnesota. Nor is this a transaction about cutting costs or fundamentally changing cost structures or long-term plans for the MP utility; rather, it is about finding a better way to support the company's ongoing sustainability efforts and achievement of state policy goals, Allete said.

Conditions upon approval

The filing also outlines a list of commitments to ensure that these assertions are met. These are summarized below.

* Company Employees: For the two-year period following the acquisition, each Allete nonunion employee who continues employment with Allete as of the effective time of the acquisition will retain extensive protections, including the same or better employment position in the same location and wages, incentive, benefits, and employee protections no less favorable than those available to the employee immediately prior to the acquisition.

* Unions: Allete will also continue to honor its union contracts. This includes terms of compensation, benefits, and work conditions, among other portions of any

applicable union contract. Allete will satisfy all notice, information, consultation, bargaining or consent obligations owed to any labor union, labor organization or employee representative of any union employee in connection with the transactions contemplated by the acquisition.

* Maintaining Current Management: The company will maintain the current senior management team, subject to changes to account for voluntary departures or terminations in the ordinary course. The company and the partners expect that the current Allete management team (including the managing team of MP) will continue to operate the utility in the normal course, consistent with current management functions.

* Headquarters: Allete will continue to maintain the MP headquarters in Duluth, Minn. SWP&L will continue to be headquartered in Superior, Wis.

* Community Commitments: After the closing, Allete will maintain certain historic levels of economic development and charitable contributions in service territories of Allete and subsidiaries, including MP and the State of Minnesota.

* Ring-fencing: Allete will maintain certain corporate separateness (i.e., 'ring-fencing') commitments with respect to Parent and other upstream entities, including Allete and Parent will maintain separate books and records, agree to prohibitions against loans or pledges of assets of Allete without regulatory approval, and generally hold Allete harmless from any business and financial risk exposures.

* No Acquisition Premium: MP will not attempt to recover the acquisition premium of the transactions contemplated by the acquisition from its utility customers.

* Transaction Costs: MP will not attempt to recover from its utility customers the costs of executing the transactions contemplated by the acquisition. This includes, among other things, legal fees, goodwill, regulatory filing costs, and other costs historically recognized as transaction costs.

Minnesota PUC has approved similar conditions in past utility mergers

The PUC has authority over utility M&A in the state, and the commission's merger review standard is not particularly restrictive. Pursuant to state statutes, when reviewing proposed mergers and acquisitions, the PUC must consider whether the transaction is "consistent with the public interest." The commission has ruled that this public interest standard does not require an affirmative finding of public benefit, simply that the transaction is compatible with the public interest. There is no statutory timeframe for the PUC to act on a merger application.

The most recent major merger of an investor-owned utility in Minnesota occurred in 2019, when the PUC approved a stipulation necessitated by the merger of CenterPoint Energy Inc. and Vectren Corp. Centerpoint Energy Minnesota Gas, a subsidiary of CenterPoint Energy, agreed to refrain from seeking recovery from Minnesota ratepayers of certain transaction costs including costs incurred to structure, negotiate and execute the transaction. The company also agreed to forgo recovery of other costs, including reorganization costs, bonuses paid as a result of the transaction, and the cost of moving employees unless it could demonstrate the costs were prudent and reasonable. The transaction was expected to result in net cost savings over time, with a goal of net cost savings of 2% or more in non-fuel operations and maintenance and corporate costs allocated to Minnesota within five years after the close of the transaction.

Minnesota Public Utilities Commission

Commissioners	Political party	Date began	Term expires	Method of commissioner selection	Commissioner confirmation	Commissioner term	Chairman selection	Chairman term	Minority party rep. required
Katie Sieben*	Democrat	January 2017	January 2029	Governor appointment[2,3]	Senate	6-year staggered terms [4,5]	Designated by governor	Concurrent with governor's term	Yes
Joseph Sullivan**	Democrat	April 2020	January 2026						
John Tuma	Republican	February 2015	January 2027						
Valerie Means	Democrat	April 2019	January 2025						
Hwikwon Ham[1]	Independent	January 2024	January 2028						

As of July 22, 2024.
* Chair; ** vice chairman.
[1] On Oct. 12, 2023, Commissioner Matthew Schuerger announced he would resign from the commission at the end of 2023. Gov. Tim Walz (D), on Jan. 3, 2024, announced the appointment of Hwikwon Ham to serve the remainder of Schuerger's term. Ham's appointment is subject to Senate confirmation.
[2] At least one commissioner must be from outside the Minneapolis/St. Paul area.
[3] According to state statute, the governor is to consider potential commissioners who have experience in law, engineering, public accounting, property and utility valuation, finance, physical or natural sciences, production agriculture or natural resources.
[4] A commissioner may continue to serve beyond the end of this term until a successor is appointed and confirmed.
[5] Any vacancy shall be filled by appointment for the unexpired portion of the term.

Wisconsin merger authority

The PSC has authority over mergers involving Wisconsin utilities and must determine that the merger is in the "best interests" of shareholders, ratepayers and the public, that ratepayers are not rendered worse off in any way by the merger and that the transaction does not diminish the commission's authority over the utility.

Under Wisconsin law, no person may take, hold or acquire, directly or indirectly, more than 10% of the outstanding voting securities of a public utility holding company, with the unconditional power to vote those securities, unless the PSC has determined, after investigation and an opportunity for hearing, that the taking, holding or acquiring is in the best interests of utility consumers, investors and the public. This, however, does not apply to the taking, holding or acquiring of the voting securities of any holding company existing before Nov. 28, 1985, if such a holding company provides public utility service.

Wisconsin Energy's acquisition of Integrys Energy Group an instructive comparison

In 2015, the Minnesota PUC and Wisconsin PSC conditionally approved Wisconsin Energy's acquisition of Integrys Energy Group. Regulators in Illinois and Michigan also reviewed and approved the transaction. The $9.1 billion transaction was completed in June 2015, and WEC Energy Group Inc. (WEC) was formed.

Wisconsin Energy was the parent of electric and natural gas utilities Wisconsin Electric Power Co. (WEPCO) and Wisconsin Gas LLC (WG). Integrys was the parent of electric and gas utilities Wisconsin Public Service and the gas utility Minnesota Energy Resources (MER). It also owned the gas distribution utilities Peoples Gas Light and Coke and North Shore Gas, which the Illinois Commerce Commission regulated, and electric utility Upper Peninsula Power (UPP) and Michigan Gas Utilities, which the Michigan PSC regulated.

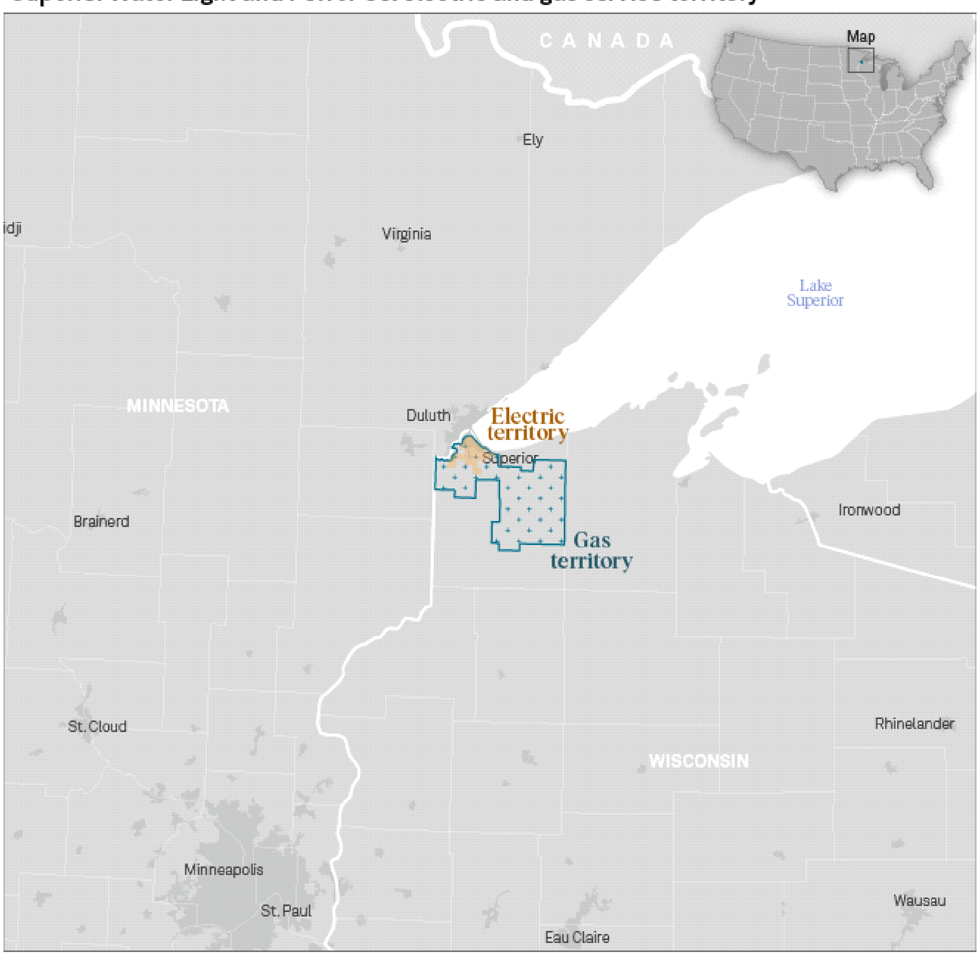
For further details pertaining to that acquisition, please refer to the Financial Focus Company Report entitled Wisconsin Energy/Integrys Energy Group: Acquisition Proposal.

Pending rate case proceedings

MP currently has a rate case proceeding before the Minnesota Public Utilities Commission. On May 3, it announced it had reached a settlement with parties to the proceeding that would accord the company an $89.2 million permanent increase in base rates, or a net increase of about $34 million after excluding rolling certain riders into base rates. The proposed rate increase is premised upon a 9.78% return on equity (53.00% of capital structure) and a 7.25% overall return on an average rate base of about $2.37 billion and a test year ending Dec. 31, 2024. The 9.78% ROE in the settlement exceeds national averages tracked by RRA.

SWP&L currently has a rate case proceeding before the Public Service Commission of Wisconsin. However, the requested rate increases fall below RRA coverage criteria. SWP&L seeks a $2.0 million electric rate increase, a $3.4 million gas rate increase and a $1.8 million water rate increase. The company proposes maintaining the current authorized return on equity of 10.0%.

Superior Water Light and Power Co. electric and gas service territory



As of May 8, 2024.
Map credit: Joe Felizadio.
Source: S&P Global Market Intelligence.

Minnesota regulatory environment

RRA accords Minnesota regulation an Average/2 ranking, indicating it remains balanced from an investor perspective.

As permitted by statute, significant interim rate increases are usually requested and authorized and, as a result, rate case test years are effectively fully forecast. In addition, adjustment clauses or riders permit the timely recovery of electric fuel, gas commodity, transmission, certain environmental and reliability projects and certain gas infrastructure costs. Utilities are permitted to file rate requests that annually adjust rates for up to five years, and the PUC may authorize two-step interim increases.

In the gas utility industry, large-use customers have been permitted to purchase gas from competitive suppliers for several years, but there is no movement to extend choice to small-volume customers. Legislation has established aggressive renewable portfolio standards and greenhouse gas reduction requirements, but the related compliance costs recovery does not appear to be in question. Also, the PUC has adopted revenue-decoupling mechanisms for several of the state's utilities, and the commission's merger review standard is not particularly restrictive. For more, refer to the commission profile.

Wisconsin regulatory environment

RRA considers Wisconsin regulation to be constructive from an investor perspective. Energy utilities are regulated under a traditional framework, and the most recently authorized equity returns have been above the prevailing national averages when established. The use of forecast test periods and other constructive financial practices, such as the reliance on comparatively equity-rich capital structures for rate-setting purposes and authorization of a cash return on 50% of construction work in progress, have provided the state's investor-owned utilities a reasonable opportunity to maintain solid credit quality metrics and to earn their authorized equity returns.

The PSC also allows periodic adjustments to reflect expected changes in electric fuel costs that are outside a variance range. The commission has taken an active role in integrated resource planning; thus, before constructing a generating facility, a utility must obtain a determination of need from the PSC, which includes an estimate of the facility's costs. While certain impediments to the construction of new nuclear facilities have been removed, none of the state's electric utilities have plans to develop nuclear generation.

Recent mergers involving the state's major energy utilities have been approved without onerous conditions being imposed. In the gas industry, gas-cost recovery mechanisms are currently in place for local distribution companies, and gas retail choice is effectively available for large-volume customers only. State statutes support the use of settlements between parties in rate cases to expedite the conclusion of such proceedings.

RRA accords Wisconsin energy regulation an Above Average/2 ranking, indicating it is constructive from an investor standpoint. For more information, visit the Wisconsin commission profile page.

For additional detail concerning RRA's energy rankings, refer to the latest RRA "Quarterly State Regulatory Evaluations" report.

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For a full listing of past and pending rate cases, rate case statistics and upcoming events, visit the S&P Capital IQ Pro Energy Research Home Page.

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