

ALLETE INC  
Form 4  
May 27, 2005

**FORM 4**

**UNITED STATES SECURITIES AND EXCHANGE COMMISSION  
Washington, D.C. 20549**

OMB APPROVAL

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Check this box if no longer subject to Section 16. Form 4 or Form 5 obligations may continue. See Instruction 1(b).

**STATEMENT OF CHANGES IN BENEFICIAL OWNERSHIP OF SECURITIES**

Filed pursuant to Section 16(a) of the Securities Exchange Act of 1934, Section 17(a) of the Public Utility Holding Company Act of 1935 or Section 30(h) of the Investment Company Act of 1940

(Print or Type Responses)

1. Name and Address of Reporting Person \*  
SMITH NICK

(Last) (First) (Middle)

747 SELLWOOD BUILDING, 202  
WEST SUPERIOR STREET

(Street)

DULUTH, MN 55802

(City) (State) (Zip)

2. Issuer Name and Ticker or Trading Symbol  
ALLETE INC [ALE]

3. Date of Earliest Transaction  
(Month/Day/Year)  
05/25/2005

4. If Amendment, Date Original Filed(Month/Day/Year)

5. Relationship of Reporting Person(s) to Issuer

(Check all applicable)

Director  10% Owner  
 Officer (give title below)  Other (specify below)

6. Individual or Joint/Group Filing(Check Applicable Line)  
 Form filed by One Reporting Person  
 Form filed by More than One Reporting Person

**Table I - Non-Derivative Securities Acquired, Disposed of, or Beneficially Owned**

1. Title of Security (Instr. 3)	2. Transaction Date (Month/Day/Year)	2A. Deemed Execution Date, if any (Month/Day/Year)	3. Transaction Code (Instr. 8)	4. Securities Acquired (A) or Disposed of (D) (Instr. 3, 4 and 5)	5. Amount of Securities Beneficially Owned Following Reported Transaction(s) (Instr. 3 and 4)	6. Ownership Form: Direct (D) or Indirect (I) (Instr. 4)	7. Nature of Ownership (Instr. 4)
			Code	V Amount (A) or (D) Price			
Common Stock	05/25/2005		M	483 A \$ 25.08	3,819.3 <sup>(1)</sup>	D	
Common Stock	05/25/2005		M	500 A \$ 25.45	4,319.3	D	
Common Stock	05/25/2005		M	500 A \$ 27.4	4,819.3	D	
Common Stock	05/25/2005		M	833 A \$ 29.79	5,652.3	D	
Common Stock	05/25/2005		M	292 A \$ 35.04	5,944.3	D	

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Common Stock	05/25/2005	M	1,000	A	\$ 26.91	6,944.3	D	
Common Stock	05/25/2005	S	3,608	D	\$ 46.9	3,336.3	D	
Common Stock						16.67	I	By Spouse
Common Stock						666.67	I	By IRA Trust
Common Stock						1,815 <sup>(1)</sup>	I	Keogh Plan

Reminder: Report on a separate line for each class of securities beneficially owned directly or indirectly.

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(9-02)

**Table II - Derivative Securities Acquired, Disposed of, or Beneficially Owned**  
(e.g., puts, calls, warrants, options, convertible securities)

1. Title of Derivative Security (Instr. 3)	2. Conversion or Exercise Price of Derivative Security	3. Transaction Date (Month/Day/Year)	3A. Deemed Execution Date, if any (Month/Day/Year)	4. Transaction Code (Instr. 8)	5. Number of Derivative Securities Acquired (A) or Disposed of (D) (Instr. 3, 4, and 5)	6. Date Exercisable and Expiration Date (Month/Day/Year)	7. Title and Amount of Underlying Securities (Instr. 3 and 4)	8. Amount or Number of Shares
Stock Option - Right to Buy	\$ 25.08 <sup>(2)</sup>	05/25/2005		M	483 <sup>(2)</sup>	<sup>(3)</sup> 01/02/2008	Common Stock	483
Stock Option - Right to Buy	\$ 25.45 <sup>(4)</sup>	05/25/2005		M	500 <sup>(4)</sup>	<sup>(5)</sup> 01/04/2009	Common Stock	500
Stock Option - Right to Buy	\$ 27.4 <sup>(6)</sup>	05/25/2005		M	500 <sup>(6)</sup>	<sup>(7)</sup> 01/02/2011	Common Stock	500
Stock Option -	\$ 29.79 <sup>(8)</sup>	05/25/2005		M	833 <sup>(8)</sup>	<sup>(9)</sup> 01/02/2012	Common Stock	833

Right to  
Buy

Stock

Option - Right to Buy	\$ 35.04 (10)	05/25/2005	M	292 (10)	(9)	05/14/2012	Common Stock	292
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Stock

Option - Right to Buy	\$ 26.91 (11)	05/25/2005	M	1,000 (11)	(12)	01/02/2013	Common Stock	1,000
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## Reporting Owners

Reporting Owner Name / Address	Relationships			
	Director	10% Owner	Officer	Other
SMITH NICK 747 SELLWOOD BUILDING 202 WEST SUPERIOR STREET DULUTH, MN 55802	X			

## Signatures

Ingrid K. Johnson for Nick Smith	05/27/2005
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\*\*Signature of Reporting Person

Date

## Explanation of Responses:

- \* If the form is filed by more than one reporting person, *see* Instruction 4(b)(v).
- \*\* Intentional misstatements or omissions of facts constitute Federal Criminal Violations. *See* 18 U.S.C. 1001 and 15 U.S.C. 78ff(a).
- (1) Reflects 825 shares transferred by reporting person from an investment account to a Keogh Plan for the benefit of reporting person.
- (2) This option was previously reported as covering 1,450 shares at an exercise price of \$21.63 per share, but was adjusted to reflect the spin off of ALLETE's subsidiary, ADESA, Inc., and the reverse stock split on September 20, 2004.
- (3) The option will vest 50% on January 2, 2009 and 50% on January 2, 2010.
- (4) This option was previously reported as covering 1,500 shares at an exercise price of \$21.94 per share, but was adjusted to reflect the spin off of ALLETE's subsidiary, ADESA, Inc., and the reverse stock split on September 20, 2004.
- (5) The option vested 50% on January 2, 2000 and 50% on January 2, 2001.
- (6) This option was previously reported as covering 1,500 shares at an exercise price of \$23.63 per share, but was adjusted to reflect the spin off of ALLETE's subsidiary, ADESA, Inc., and the reverse stock split on September 20, 2004.
- (7) The option vested 50% on January 3, 2002 and 50% on January 3, 2003.
- (8) This option was previously reported as covering 2,500 shares at an exercise price of \$25.68 per share, but was adjusted to reflect the spin off of ALLETE's subsidiary, ADESA, Inc., and the reverse stock split on September 20, 2004.
- (9) This option vested 50% on January 2, 2003 and 50% on January 2, 2004.
- (10) This option was previously reported as covering 875 shares at an exercise price of \$30.21 per share, but was adjusted to reflect the spin off of ALLETE's subsidiary, ADESA, Inc., and the reverse stock split on September 20, 2004.
- (11) This option was previously reported as covering 3,000 shares at an exercise price of \$23.20 per share, but was adjusted to reflect the spin off of ALLETE's subsidiary, ADESA, Inc., and the reverse stock split on September 20, 2004.

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(12) This option vested 50% on January 2, 2004 and 50% on January 2, 2005.

Note: File three copies of this Form, one of which must be manually signed. If space is insufficient, *see* Instruction 6 for procedure.

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