

ALLETE INC
 Form 424B2
 February 25, 2015

CALCULATION OF REGISTRATION FEE

Title of each class of securities to be registered	Amount to be registered (1)(2)	Maximum offering price per share (3)	Maximum aggregate offering price	Amount of registration fee
Common Stock, without par value	4,000,000 Shares	\$53.515	\$214,060,000	\$24,874 (4)

(1) In addition, pursuant to Rule 416(a) of the Securities Act of 1933, this prospectus supplement being filed under Registration Statement No. 333-190335 also covers an indeterminable number of additional shares of common stock as may become deliverable as a result of stock splits, stock dividends, split-ups, recapitalizations or similar transaction that increases the number of shares of ALLETE, Inc. common stock.

(2) In addition to the 4,000,000 shares of ALLETE, Inc. common stock being registered by means of the filing of this prospectus supplement under Registration Statement No. 333-190335, we have also registered 757,753 shares of unsold common stock and paid a registration fee of \$3,586 with respect to such shares in connection with the filing with the SEC of a prospectus supplement dated August 3, 2012. The 757,753 registered but unsold shares of common stock are included for offer and sale in this prospectus supplement.

(3) Estimated solely for the purpose of calculating the registration fee pursuant to Rule 457(c) under the Securities Act of 1933 on the basis of the average of the high and low prices for our common stock as reported on the New York Stock Exchange composite tape on February 18, 2015.

(4) Calculated in accordance with Rule 457(c) and Rule 457(r). This "Calculation of Registration Fee" table shall be deemed to update the "Calculation of Registration Fee" table in Registration Statement No. 333 190335.

Filed Pursuant to Rule 424(b)(2)

Registration No. 333-190335

Prospectus Supplement

(To prospectus dated August 2, 2013)

Up to 4,757,753 Shares

ALLETE, Inc.

Common Stock

We have entered into an amended equity distribution agreement with Lampert Capital Markets, Inc. (“Lampert”) relating to shares of our common stock, without par value (“common stock”), offered hereby. In accordance with the terms of the amended equity distribution agreement, we may offer and sell up to 4,757,753 shares of our common stock from time to time through Lampert as our sales agent. The equity distribution agreement relates to 13,556,200 shares, of which 8,798,447 shares have previously been sold. Lampert will receive from us a commission of up to 1% of the gross sales price for any shares sold through it as agent under the amended equity distribution agreement. The sales, if any, of the shares of common stock under this amended equity distribution agreement will be made in “at-the-market” offerings as defined in Rule 415 of the Securities Act of 1933, including sales made directly on the New York Stock Exchange (“NYSE”), the principal existing trading market for our common stock, or on any other exchange on which the common stock is then listed or admitted to trading and sales made to or through a market maker or through an electronic communications network.

Our common stock is listed on the NYSE and trades under the symbol “ALE.” On February 20, 2015, the last reported sales price of our common stock on the NYSE was \$55.24 per share.

See the discussion of risk factors, if any, contained in our annual, quarterly and current reports filed with the Securities and Exchange Commission under the Securities Exchange Act of 1934, which are incorporated by reference into this prospectus supplement and the accompanying prospectus, to read about certain factors you should consider before purchasing any of the securities being offered.

Neither the Securities and Exchange Commission nor any state securities commission has approved or disapproved of our common stock or determined if this prospectus supplement or the accompanying prospectus is truthful or complete. Any representation to the contrary is a criminal offense.

The date of this prospectus supplement is February 25, 2015.

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ABOUT THIS PROSPECTUS SUPPLEMENT

You should rely on the information contained in or incorporated by reference into this prospectus supplement, the accompanying prospectus and any “free writing prospectus” we may authorize to be delivered to you. We have not, and Lampert has not, authorized any other person to provide you with additional or different information. We are not, and Lampert is not, making an offer to sell these securities in any jurisdiction where such offer or sale is not permitted. The information contained in this prospectus supplement, the accompanying prospectus, any free writing prospectus, and the documents incorporated by reference herein and therein are accurate only as of the dates such information is or was presented, regardless of the time of delivery of this prospectus supplement or of any sale of our common stock. Our business, financial condition, results of operations and prospects may have changed since those dates.

This document is in two parts. The first part is this prospectus supplement, which adds to and updates information contained in the accompanying prospectus and the documents incorporated by reference into the accompanying prospectus. The second part is the accompanying prospectus, which gives more general information, some of which may not apply to this offering. If the information in this prospectus supplement (or any free writing prospectus) is inconsistent with the accompanying prospectus, the information in this prospectus supplement (or any free writing prospectus) will apply and supersede the information in the accompanying prospectus. You should read this entire prospectus supplement, the accompanying prospectus and any free writing prospectuses carefully, including the consolidated financial statements incorporated by reference herein and therein, before making an investment decision.

Unless otherwise indicated or unless the context otherwise requires, all references in this prospectus supplement, the accompanying prospectus and any free writing prospectus to “ALLETE,” “we,” “our” and “us” refer to ALLETE, Inc. and its consolidated subsidiaries.

FORWARD-LOOKING STATEMENTS

Statements in this report that are not statements of historical facts are considered “forward-looking” and, accordingly, involve risks and uncertainties that could cause actual results to differ materially from those discussed. Although such forward looking statements have been made in good faith and are based on reasonable assumptions, there can be no assurance that the expected results will be achieved. Any statements that express, or involve discussions as to, future expectations, risks, beliefs, plans, objectives, assumptions, events, uncertainties, financial performance, or growth strategies (often, but not always, through the use of words or phrases such as “anticipates,” “believes,” “estimates,” “expects,” “intends,” “plans,” “projects,” “likely,” “will continue,” “could,” “may,” “potential,” “target,” “outlook” or words of similar meaning) are forward-looking statements and not statements of historical facts and may be forward-looking.

In connection with the safe harbor provisions of the Private Securities Litigation Reform Act of 1995, we are providing this cautionary statement to identify important factors that could cause our actual results to differ materially from those indicated in forward-looking statements made by or on behalf of ALLETE in this Form 8-K, in presentations, on our website, in response to questions or otherwise. These statements are qualified in their entirety by reference to, and are accompanied by, the following important factors, in addition to any assumptions and other factors referred to specifically in connection with such forward-looking statements that could cause our actual results to differ materially from those indicated in the forward-looking statements:

- our ability to successfully implement our strategic objectives;
- global and domestic economic conditions affecting us or our customers;
- wholesale power market conditions;
- federal and state regulatory and legislative actions that impact regulated utility economics, including our allowed rates of return, capital structure, ability to secure financing, industry and rate structure, acquisition and disposal of assets and facilities, operation and construction of plant facilities and utility infrastructure, recovery of purchased power,

capital investments and other expenses, including present or prospective environmental matters;
• changes in and compliance with laws and regulations;
• effects of competition, including competition for retail and wholesale customers;
• effects of restructuring initiatives in the electric industry;
• changes in tax rates or policies or in rates of inflation;
• the impacts on our Regulated Operations segment of climate change and future regulation to restrict the emissions of greenhouse gases;
• the impacts of laws and regulations related to renewable and distributed generation;
• the outcome of legal and administrative proceedings (whether civil or criminal) and settlements;
• weather conditions, natural disasters and pandemic diseases;

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- our ability to access capital markets and bank financing;
- changes in interest rates and the performance of the financial markets;
- project delays or changes in project costs;
- availability and management of construction materials and skilled construction labor for capital projects;
- changes in operating expenses and capital expenditures and our ability to recover these costs;
- pricing, availability and transportation of fuel and other commodities and the ability to recover the costs of such commodities;
- our ability to replace a mature workforce and retain qualified, skilled and experienced personnel;
- effects of emerging technology;
- war, acts of terrorism and cyber attacks;
- our ability to manage expansion and integrate acquisitions;
- our current and potential industrial and municipal customers' ability to execute announced expansion plans;
- population growth rates and demographic patterns; and
- zoning and permitting of land held for resale, real estate development or changes in the real estate market.

Additional disclosures regarding factors that could cause our results or performance to differ from those anticipated by this prospectus supplement, the accompanying prospectus and the documents incorporated by reference herein and therein are discussed in Item 1A under the heading "Risk Factors" beginning on page 29 of ALLETE's Annual Report on Form 10-K for the year ended December 31, 2014 (the "Form 10-K"). Any forward-looking statement speaks only as of the date on which such statement is made, and we undertake no obligation to update any forward-looking statement to reflect events or circumstances after the date on which that statement is made or to reflect the occurrence of unanticipated events. New factors emerge from time to time, and it is not possible for management to predict all of these factors, nor can it assess the impact of each of these factors on the businesses of ALLETE or the extent to which any factor, or combination of factors, may cause actual results to differ materially from those contained in any forward-looking statement. Readers are urged to carefully review and consider the various disclosures made by us in this prospectus supplement, the accompanying prospectus and the documents incorporated by reference herein and therein, including the Form 10-K, that attempt to identify the risks and uncertainties that may affect our business.

ALLETE, INC.

Headquartered in Duluth, Minnesota, ALLETE is a diversified company that operates in two core business segments: Regulated Operations and Investments and Other.

Regulated Operations includes our regulated utilities, Minnesota Power and Superior Water, Light and Power Company ("SWL&P"), as well as our investment in American Transmission Company LLC, a Wisconsin-based regulated utility that owns and maintains electric transmission assets in parts of Wisconsin, Michigan, Minnesota and Illinois. Minnesota Power provides regulated utility electric service in northeastern Minnesota to approximately 44,000 retail customers. Minnesota Power also has 16 non-affiliated municipal customers in Minnesota. SWL&P is a Wisconsin utility and a customer of Minnesota Power. SWL&P provides regulated electric, natural gas and water service in northwestern Wisconsin to approximately 15,000 electric customers, 12,000 natural gas customers and 10,000 water customers. Our regulated utility operations include retail and wholesale activities under the jurisdiction of state and federal regulatory authorities.

- Investments and Other is comprised primarily of our Energy Infrastructure and Related Services businesses; ALLETE Clean Energy, Inc., our business which acquired four wind energy facilities in 2014 and is developing a wind facility to be sold in 2015, and BNI Coal, Ltd., our coal mining operations in North Dakota. Investments and Other also includes ALLETE Properties, LLC, our Florida real estate investment, and other business development and corporate expenditures, unallocated interest expense, a small amount of non-rate base generation, approximately 5,000 acres of land in Minnesota, and earnings on cash and investments. Our

Energy Infrastructure and Related Services businesses will also include U.S. Water Services, Inc., which we acquired in February 2015.

We maintain a website at www.allete.com where general information about us is available. We are not incorporating the contents of the website into this prospectus supplement or the accompanying prospectus.

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PLAN OF DISTRIBUTION

We have entered into an amended equity distribution agreement with Lampert under which we may offer and sell up to 13,556,200 shares of our common stock from time to time through Lampert, as our agent for the offer and sale of the shares. As of the date of this prospectus supplement, the Company has issued and sold 8,798,447 shares of common stock pursuant to the amended equity distribution agreement, which means that we may sell up to an additional 4,757,753 shares of our common stock pursuant to the amended equity distribution agreement. The sales, if any, of the shares of common stock under this amended equity distribution agreement will be made in “at-the-market” offerings as defined in Rule 415 of the Securities Act of 1933, including sales made directly on the NYSE, the principal existing trading market for our common stock, or on any other exchange on which the common stock is then listed or admitted to trading and sales made to or through a market maker or through an electronic communications network.

The number and purchase price (less a commission of up to 1% of the gross sales price) of the shares we sell through Lampert will be mutually agreed upon on the relevant trading day. The common stock sold under the amended equity distribution agreement will be sold at the prevailing market price for such securities, and information regarding the number of shares sold and the proceeds raised from such sales will be disclosed at least quarterly in our Securities and Exchange Commission filings.

Settlement between us and Lampert for sales of common stock will occur on the third trading day immediately following the sale of any shares pursuant to the amended equity distribution agreement. There is no arrangement for funds to be received in an escrow, trust or similar arrangement. The obligation of Lampert under the amended equity distribution agreement to settle such purchases with us pursuant to any issuance notice is subject to a number of conditions, which Lampert reserves the right to waive in its sole discretion.

In connection with the sale of the common stock hereunder, Lampert may be deemed to be an “underwriter” within the meaning of the Securities Act of 1933, and the compensation paid to Lampert may be deemed to be underwriting commissions or discounts. We have agreed to indemnify Lampert against certain civil liabilities, including liabilities under the Securities Act of 1933.

The offering of common stock pursuant to the amended equity distribution agreement will terminate upon the earlier of (1) the sale of all shares of common stock subject to the amended equity distribution agreement or (2) the termination of the amended equity distribution agreement by either Lampert or us. The amended equity distribution agreement may be terminated at the sole discretion of either party at any time upon ten business days prior notice.

Lampert and its affiliates have engaged, and in the future may engage, in transactions with, or perform other services for, us or our affiliates in the ordinary course of business. We expect to pay a customary fee to Lampert or its affiliates in connection with such services.

EXPERTS

The consolidated financial statements and management's assessment of the effectiveness of internal control over financial reporting (which is included in Management's Report on Internal Control over Financial Reporting) incorporated in this Prospectus by reference to the Annual Report on Form 10-K for the year ended December 31, 2014 have been so incorporated in reliance on the report of PricewaterhouseCoopers LLP, an independent registered public accounting firm, given on the authority of said firm as experts in auditing and accounting.

PROSPECTUS
ALLETE, Inc.

Common Stock
and
First Mortgage Bonds

ALLETE, Inc. may offer any combination of the securities described in this prospectus in one or more offerings from time to time in amounts authorized from time to time. This prospectus may also be used by a selling securityholder of the securities described herein.

ALLETE will provide specific terms of the securities, including the offering prices, in supplements to this prospectus. The supplements may also add, update or change information contained in this prospectus. You should read this prospectus and any supplements carefully before you invest.

ALLETE's common stock is listed on the New York Stock Exchange and trades under the symbol "ALE."

ALLETE's principal executive offices are located at 30 West Superior Street, Duluth, Minnesota 55802-2093, telephone number (218) 279-5000.

See the discussion of risk factors, if any, contained in ALLETE's annual, quarterly and current reports filed with the Securities and Exchange Commission under the Securities Exchange Act of 1934, which are incorporated by reference into this prospectus, to read about certain factors you should consider before purchasing any of the securities being offered.

ALLETE may offer the securities to or through underwriters or dealers, directly to purchasers or through agents designated from time to time. This prospectus may be used in connection with any offering of securities through any of these methods or other methods described in supplements to this prospectus. The supplements to this prospectus will describe the terms of any particular plan of distribution, including any underwriting arrangements. The "Plan of Distribution" section beginning on page 12 of this prospectus also provides more information on this topic.

Neither the Securities and Exchange Commission nor any state securities commission has approved or disapproved of these securities or determined if this prospectus is truthful or complete. Any representation to the contrary is a criminal offense.

The date of this prospectus is August 2, 2013.

ABOUT THIS PROSPECTUS

This prospectus is part of a registration statement that ALLETE, Inc. filed under the Securities Act of 1933 with the Securities and Exchange Commission, or SEC, using a “shelf” registration process. ALLETE, Inc. is referred to in this prospectus as “ALLETE.” Under this shelf registration process, ALLETE may issue and sell any combination of the securities described in this prospectus in one or more offerings from time to time in amounts authorized by the board of directors of ALLETE.

This prospectus provides you with a general description of the securities ALLETE may offer. Each time ALLETE sells securities, ALLETE will provide a prospectus supplement that will contain specific information about the terms of that offering. Material United States federal income tax considerations applicable to the offered securities will be discussed in the applicable prospectus supplement, if necessary. The applicable prospectus supplement may also add, update or change information contained in this prospectus. You should read both this prospectus and any applicable prospectus supplement together with additional information described under the headings “Where You Can Find More Information” and “Incorporation by Reference.”

For more detailed information about the securities, you can read the exhibits to the registration statement. Those exhibits have been either filed with the registration statement or incorporated by reference to earlier SEC filings listed in the registration statement.

WHERE YOU CAN FIND MORE INFORMATION

ALLETE files annual, quarterly and other reports and other information with the SEC. You can read and copy any information filed by ALLETE with the SEC at the SEC's Public Reference Room at 100 F Street, N.E., Washington, D.C. 20549. You can obtain additional information about the Public Reference Room by calling the SEC at 1-800-SEC-0330.

In addition, the SEC maintains a website (www.sec.gov) that contains reports, proxy and information statements, and other information regarding issuers that file electronically with the SEC, including ALLETE. ALLETE also maintains a website (www.allete.com). Information contained on ALLETE's website does not constitute part of this prospectus.

INCORPORATION BY REFERENCE

The SEC allows ALLETE to “incorporate by reference” the information that ALLETE files with the SEC, which means that ALLETE may, in this prospectus, disclose important information to you by referring you to those documents. The information incorporated by reference is an important part of this prospectus. Information that ALLETE files in the future with the SEC will automatically update and supersede this information. ALLETE is incorporating by reference the documents listed below and any future filings ALLETE makes with the SEC under Sections 13(a), 13(c), 14 or 15(d) of the Securities Exchange Act of 1934 after the date of this prospectus (other than any documents, or portions of documents, not deemed to be filed) until ALLETE sells all of the securities covered by this registration statement:

- ALLETE's Annual Report on Form 10-K for the year ended December 31, 2012;
- ALLETE's Quarterly Reports on Form 10-Q for the quarters ended March 31, 2013 and June 30, 2013; and
- ALLETE's Current Reports on Form 8-K filed with the SEC on January 25, 2013, March 1, 2013, April 2, 2013, May 16, 2013, and August 1, 2013 (other than any documents or portions of documents not deemed to be filed).

You may request a copy of these documents, at no cost to you, by writing or calling:

Shareholder Services

ALLETE, Inc.

30 West Superior Street

Duluth, Minnesota 55802-2093

Telephone: (218) 355-5974 or (800) 535-3056

Facsimile: (218) 355-3802

e-mail: shareholder@allete.com

Upon request, ALLETE will provide to each person, including any beneficial owner, to whom this prospectus is delivered, a copy of any or all of the information that has been incorporated by reference in this prospectus but not delivered with this prospectus.

FORWARD-LOOKING STATEMENTS

Statements in this prospectus that are not statements of historical facts are considered “forward-looking” and, accordingly, involve risks and uncertainties that could cause actual results to differ materially from those discussed. Although such forward looking statements have been made in good faith and are based on reasonable assumptions, there can be no assurance that the expected results will be achieved. Any statements that express, or involve discussions as to, future expectations, risks, beliefs, plans, objectives, assumptions, events, uncertainties, financial performance, or growth strategies (often, but not always, through the use of words or phrases such as “anticipates,” “believes,” “estimates,” “expects,” “intends,” “plans,” “projects,” “likely,” “will continue,” “could,” “may,” “potential,” “target,” or words of similar meaning) are not statements of historical facts and may be forward-looking.

In connection with the safe harbor provisions of the Private Securities Litigation Reform Act of 1995, ALLETE is providing this cautionary statement to identify important factors that could cause ALLETE's actual results to differ materially from those indicated in forward-looking statements made by or on behalf of ALLETE in this prospectus or any supplement to this prospectus, in presentations, on ALLETE's website, in response to questions or otherwise. These statements are qualified in their entirety by reference to, and are accompanied by, the following important factors, in addition to any assumptions and other factors referred to specifically in connection with such forward-looking statements, that could cause ALLETE's actual results to differ materially from those indicated in the forward-looking statements:

- ALLETE's ability to successfully implement its strategic objectives;
- regulatory or legislative actions, including those of the United States Congress, state legislatures, the Federal Energy Regulatory Commission, the Minnesota Public Utilities Commission, the Public Service Commission of Wisconsin, the North Dakota Public Service Commission, the Environmental Protection Agency and various state, local and county regulators, and city administrators, that impact ALLETE's allowed rates of return, capital structure, ability to secure financing, industry and rate structure, acquisition and disposal of assets and facilities, operation and construction of plant facilities, recovery of purchased power, capital investments and other expenses, including present or prospective wholesale and retail competition and environmental matters;
- ALLETE's ability to manage expansion and integrate acquisitions;
- ALLETE's current and potential industrial and municipal customers' ability to execute announced expansion plans;
- the impacts on ALLETE's Regulated Operations of climate change and future regulation to restrict the emissions of greenhouse gases;
- effects of restructuring initiatives in the electric industry;
- economic and geographic factors, including political and economic risks;
- changes in and compliance with laws and regulations;
- weather conditions, natural disasters and pandemic diseases;
- war, acts of terrorism and cyber attacks;
- wholesale power market conditions;
- population growth rates and demographic patterns;
- effects of competition, including competition for retail and wholesale customers;
- zoning and permitting of land held for resale, real estate development or changes in the real estate market;
- pricing, availability and transportation of fuel and other commodities and the ability to recover the costs of such commodities;
- changes in tax rates or policies or in rates of inflation;

- project delays or changes in project costs;
- availability and management of construction materials and skilled construction labor for capital projects;
- changes in operating expenses and capital expenditures;
- global and domestic economic conditions affecting ALLETE or its customers;
- ALLETE's ability to access capital markets and bank financing;
- changes in interest rates and the performance of the financial markets;
- ALLETE's ability to replace a mature workforce and retain qualified, skilled and experienced personnel; and
- the outcome of legal and administrative proceedings (whether civil or criminal) and settlements.

Additional disclosures regarding factors that could cause ALLETE's results or performance to differ from those anticipated by this prospectus and any prospectus supplement are set forth in the discussion of risk factors, if any, contained in ALLETE's annual, quarterly and current reports filed with the SEC under the Securities Exchange Act of 1934, which are incorporated by reference into this prospectus and in any prospectus supplement. Any forward-looking statement speaks only as of the date on which such statement is made, and ALLETE undertakes no obligation to update any forward-looking statement to reflect events or circumstances after the date on which that statement is made or to reflect the occurrence of unanticipated events. New factors emerge from time to time, and it is not possible for management to predict all of these factors, nor can ALLETE assess the impact of each of these factors on ALLETE's businesses or the extent to which any factor, or combination of factors, may cause actual results to differ materially from those contained in any forward-looking statement. Readers are urged to carefully review and consider the various disclosures in ALLETE's reports and other information incorporated by reference herein and made by ALLETE in this prospectus or any prospectus supplement that attempt to identify the risks and uncertainties that may affect ALLETE's business.

ALLETE, INC.

ALLETE is comprised of two business segments:

Regulated Operations includes ALLETE's regulated utilities, Minnesota Power and Superior Water, Light and Power Company ("SWL&P"), as well as its investment in American Transmission Company LLC, a Wisconsin-based regulated utility that owns and maintains electric transmission assets in parts of Wisconsin, Michigan, Minnesota and Illinois. Minnesota Power provides regulated utility electric service in northeastern Minnesota to approximately 143,000 retail customers. Minnesota Power's non-affiliated municipal customers consist of 16 municipalities in Minnesota and 1 private utility in Wisconsin. SWL&P is also a private utility in Wisconsin and a customer of Minnesota Power. SWL&P provides regulated electric, natural gas and water service in northwestern Wisconsin to approximately 15,000 electric customers, 12,000 natural gas customers and 10,000 water customers. ALLETE's regulated utility operations include retail and wholesale activities under the jurisdiction of state and federal regulatory authorities .

Investments and Other is comprised primarily of BNI Coal, Ltd., ALLETE's coal mining operations in North Dakota, ALLETE Properties, LLC, ALLETE's Florida real estate investment, and ALLETE Clean Energy, Inc., ALLETE's business aimed at developing or acquiring capital projects that create energy solutions via wind, solar, biomass, midstream gas and oil infrastructure, among other energy-related projects. This segment also includes other business development and corporate expenditures, a small amount of non-rate base generation, approximately 6,000 acres of land in Minnesota, and earnings on cash and investments.

USE OF PROCEEDS

Unless otherwise stated in a prospectus supplement, ALLETE will add the net proceeds from the sale of the securities to its general funds. ALLETE uses its general funds for corporate purposes, including, without limitation, capital investments in its existing business, acquisitions made by or on behalf of it or its subsidiaries, to repay short-term borrowings or to repay, redeem or repurchase outstanding debt. ALLETE may temporarily invest any proceeds that it does not immediately need.

CONSOLIDATED RATIO OF EARNINGS TO FIXED CHARGES

ALLETE's consolidated ratio of earnings to fixed charges for each of its last five fiscal years is as follows:

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Years Ended December 31,	2011	2010	2009	2008
2012	3.63	3.67	3.29	5.05

ALLETE's consolidated ratio of earnings to fixed charges for the six months ended June 30, 2013, was 3.01.

DESCRIPTION OF COMMON STOCK

General . The following statements describing ALLETE's common stock are not intended to be a complete description. For additional information, please see ALLETE's Articles of Incorporation and Bylaws. Each of these documents has been previously filed with the SEC and they are exhibits to the registration statement filed with the SEC of which this prospectus is a part. Reference is also made to the laws of the State of Minnesota.

ALLETE has the following capital stock authorized by its Articles of Incorporation: 80,000,000 shares of common stock, without par value, and 3,616,000 shares of preferred stock. As of July 31, 2013, 40,153,653 shares of common stock were issued and outstanding and no shares of preferred stock were issued and outstanding.

Dividend Rights . ALLETE's common stock is entitled to dividends only after ALLETE has provided for dividends and any sinking fund requirements on any issued and outstanding preferred stock. ALLETE's Articles of Incorporation contain provisions which would restrict net income available for the payment of cash dividends on outstanding common stock in the event that shares of ALLETE's preferred stock were outstanding and certain common stock equity capitalization ratios were not met.

Voting Rights (Non-Cumulative Voting). Holders of ALLETE's common stock are entitled to receive notice of and to vote at any meeting of shareholders. Each share of ALLETE's common stock, as well as each share of any of ALLETE's issued and outstanding preferred stock, is entitled to one vote. Holders of ALLETE's common stock do not have cumulative voting rights. Each director shall be elected by the vote of a majority of the votes cast with respect to the director at a meeting of shareholders called for such purpose at which a quorum is present. At any such meeting for which the number of nominees (other than nominees withdrawn on or before the sixtieth (60th) day before the first anniversary of the preceding year's annual shareholder meeting) exceeds the number of directors to be elected, directors shall be elected by a plurality of the votes present and entitled to vote on the election of directors. In addition, whenever dividends on any of ALLETE's preferred stock are in default in the amount of four full quarterly payments or more, and until all the dividends in default are paid, the holders of ALLETE's preferred stock are entitled, as one class, to elect a majority of the directors. ALLETE's common stock, as one class, would then elect the minority.

The Articles of Incorporation include detailed procedures and other provisions relating to these rights and their termination, including:

- quorums;
- terms of directors elected;
- vacancies;
- class voting;
- meetings; and
- adjournments.

The Articles of Incorporation contain provisions that make it difficult to obtain control of ALLETE through transactions not having the approval of the board of directors of ALLETE. These provisions include:

- a provision requiring the affirmative vote of 75 percent of the outstanding shares of all classes of ALLETE's capital stock, present and entitled to vote, in order to authorize certain mergers or consolidations, or sales or leases of a significant amount of assets, of ALLETE, and other significant transactions that may have an effect on the control of ALLETE. Any of those transactions are required to meet certain "fair price" and procedural requirements. Neither a 75 percent shareholder vote nor a "fair price" is required for any of those transactions that have been approved by a majority of the "Disinterested Directors," as that term is defined in the Articles of Incorporation;

a provision permitting a majority of the Disinterested Directors to determine whether the above requirements have been satisfied; and

a provision providing that some parts of the Articles of Incorporation cannot be altered unless approved by 75 percent of the outstanding shares of all classes of ALLETE's capital stock, present and entitled to vote, unless the alteration is recommended to the shareholders by a majority of the Disinterested Directors. The parts of the Articles of Incorporation that cannot be altered except as stated above include some parts relating to:

mergers or consolidations, or sales or leases of a significant amount of assets, of ALLETE, and other significant transactions that may have an effect on the control of ALLETE; and

the number, election, terms of office and removal of directors of ALLETE and the way in which vacancies on the board of directors are filled.

Liquidation Rights . After ALLETE has satisfied creditors and the preferential liquidation rights of any of its outstanding preferred stock, the holders of its common stock are entitled to share ratably in the distribution of all remaining assets.

Miscellaneous . Holders of ALLETE's common stock have no preemptive or conversion rights. ALLETE's common stock is listed on the New York Stock Exchange. The transfer agents and registrars for ALLETE's common stock are Wells Fargo Bank, N.A. and ALLETE.

DESCRIPTION OF FIRST MORTGAGE BONDS

General. The following description sets forth certain general terms and provisions of ALLETE's first mortgage bonds that ALLETE may offer by this prospectus. ALLETE will describe the particular terms of the first mortgage bonds, and provisions that vary from those described below, in one or more prospectus supplements.

ALLETE may issue the first mortgage bonds from time to time in one or more series. ALLETE will issue the first mortgage bonds under its Mortgage and Deed of Trust, dated as of September 1, 1945, with Irving Trust Company (now The Bank of New York Mellon), as corporate mortgage trustee, and Richard H. West (Philip L. Watson, successor), as individual mortgage trustee (together, the “mortgage trustees”), which has been amended and supplemented in the past, may be supplemented prior to the issuance of these first mortgage bonds and which will be supplemented again by one or more supplemental indentures relating to these first mortgage bonds. The Mortgage and Deed of Trust, as so amended and supplemented, is referred to in this prospectus as the “mortgage.”

This section briefly summarizes some of the terms of the first mortgage bonds and some of the provisions of the mortgage and uses some terms that are not defined in this prospectus but that are defined in the mortgage. This summary is not complete. You should read this summary together with the mortgage and the supplemental indenture establishing the first mortgage bonds for a complete understanding of all the provisions. References to certain sections of the mortgage and particular supplemental indentures are included in parentheses. The mortgage and the form of supplemental indenture have been previously filed with the SEC, and are exhibits to the registration statement filed with the SEC of which this prospectus is a part. In addition, the mortgage is qualified as an indenture under the Trust Indenture Act of 1939 and is therefore subject to the provisions of the Trust Indenture Act of 1939. You should read the Trust Indenture Act of 1939 for a complete understanding of its provisions. All first mortgage bonds issued or to be issued under the mortgage, including the first mortgage bonds offered by this prospectus, are referred to herein as “first mortgage bonds.”

All first mortgage bonds of one series need not be issued at the same time, and a series may be re-opened for issuances of additional first mortgage bonds of such particular series. This means that ALLETE may from time to time, without notice to, or the consent of the existing holders of previously-issued first mortgage bonds of a particular series, create and issue additional first mortgage bonds of such series. Such additional first mortgage bonds will have the same terms as the first mortgage bonds of such series in all respects (except for the payment of interest accruing prior to the issue date of the additional first mortgage bonds or except for the first payments of interest following the issue date of the additional first mortgage bonds) so that the additional first mortgage bonds may be consolidated and form a single series with the first mortgage bonds of such series.

Reference is made to a prospectus supplement relating to each series of first mortgage bonds offered by this prospectus for the following specific terms of that series, among others:

- the designation of the series of first mortgage bonds and aggregate principal amount of the first mortgage bonds,
- the offering price of the series,

the place where the principal of and interest on the series will initially be payable, if other than at The Bank of New York Mellon in New York, New York,
the date or dates on which the series will mature,
the rate or rates at which the series will bear interest, or method for determining the interest rate(s),