

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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**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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**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



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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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