

SMITH NICK
Form 4
February 25, 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)
02/24/2005

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	02/24/2005		M		483 A \$ 16.6	4,644.3	D
Common Stock	02/24/2005		M		483 A \$ 15.88	5,127.3	D
Common Stock	02/24/2005		M		500 A \$ 18.85	5,627.3	D
Common Stock	02/24/2005		S		1,466 D \$ 39.69	4,161.3	D
Common Stock						16.67	I By Spouse

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Common Stock	666.67	I	By IRA Trust
Common Stock	990	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. Price or Amount of Underlying Securities (Instr. 3 and 4)	
						Date Exercisable	Expiration Date	Title	Amount or Number of Shares
						Code	V	(A)	(D)
Stock Option - Right to Buy	\$ 16.6 ⁽¹⁾	02/24/2005		M	483 ⁽¹⁾	⁽²⁾ 01/02/2006	Common Stock	483	\$
Stock Option - Right to Buy	\$ 15.88 ⁽³⁾	02/24/2005		M	483 ⁽³⁾	⁽⁴⁾ 01/02/2007	Common Stock	483	\$
Stock Option - Right to Buy	\$ 18.85 ⁽⁵⁾	02/24/2005		M	500 ⁽⁵⁾	⁽⁶⁾ 01/03/2010	Common Stock	500	\$

Reporting Owners

Reporting Owner Name / Address	Relationships			
	Director	10% Owner	Officer	Other
SMITH NICK 747 SELLWOOD BUILDING			X	

202 WEST SUPERIOR STREET
DULUTH, MN 55802

Signatures

Ingrid K. Johnson for Nick
Smith

02/25/2005

__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) This option was previously reported as covering 1,450 shares at an exercise price of \$14.31 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.
- (2) The option vested 50% on January 2, 2007 and 50% on January 2, 2008.
- (3) This option was previously reported as covering 1,450 shares at an exercise price of \$13.68 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.
- (4) The option vested 50% on January 2, 2008 and 50% on January 2, 2009.
- (5) This option was previously reported as covering 1,500 shares at an exercise price of \$16.25 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.
- (6) The option vested 50% on January 3, 2001 and 50% on January 3, 2002.

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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