

STENDER BRUCE W
Form 4
January 18, 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 *
STENDER BRUCE W

(Last) (First) (Middle)

227 WEST FIRST STREET, SUITE 880

(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)
01/14/2005

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 Price (D)		
Common Stock	01/14/2005		M		1,250 A \$ 16.6	8,643.55 (1)	D
Common Stock	01/14/2005		M		1,250 A \$ 15.88	9,893.55	D
Common Stock	01/14/2005		M		1,293 A \$ 18.85	11,186.55	D
Common Stock	01/14/2005		F		1,588 D \$ 40.91	9,598.55	D

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	\$ 16.6 ⁽²⁾	01/14/2005		M	1,250 ⁽²⁾	⁽³⁾ 01/02/2006	Common Stock	1,250
Stock Option - Right to Buy	\$ 15.88 ⁽⁴⁾	01/14/2005		M	1,250 ⁽⁴⁾	⁽⁵⁾ 01/02/2007	Common Stock	1,250
Stock Option - Right to Buy	\$ 18.85 ⁽⁶⁾	01/14/2005		M	1,293 ⁽⁶⁾	⁽⁷⁾ 01/03/2010	Common Stock	1,293

Reporting Owners

Reporting Owner Name / Address	Relationships			
	Director	10% Owner	Officer	Other
STENDER BRUCE W 227 WEST FIRST STREET, SUITE 880 DULUTH, MN 55802	X			

Signatures

Ingrid K. Johnson for Bruce W. Stender 01/17/2005

**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) Total shown reflects the one-for-three reverse stock split effective at 12:00 noon EDT on September 20, 2004.

(2) 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 reverse stock split and the spin off of ALLETE's subsidiary, ADESA, Inc., on September 20, 2004.

(3) 50% vested January 2, 1997 and 50% vested January 2, 1998.

(4) This option was previously reported as covering 1,450 shares at an exercise price of \$13.69 per share, but was adjusted to reflect the reverse stock split and the spin off of ALLETE's subsidiary, ADESA, Inc., on September 20, 2004.

(5) 50% vested January 2, 1998 and 50% vested January 2, 1999.

(6) 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 reverse stock split and the spin off of ALLETE's subsidiary, ADESA, Inc., on September 20, 2004.

(7) 50% vested January 3, 2001 and 50% vested 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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