



Florida Water Services Expands Sale Discussions

DULUTH, Minn.-- ALLETE, Inc. (NYSE: ALE) announced today that its subsidiary, Florida Water Services, will begin discussions with additional parties interested in purchasing Florida Water's assets.

Florida Water Services had been under an agreement to negotiate exclusively with the Florida Governmental Utility Authority. The two parties were unable to come to mutually acceptable terms when the exclusivity agreement expired on Jan. 11, 2002.

Florida Water Services is the largest investor-owned water and wastewater utility in Florida. It provides service to more than 120 communities in 27 counties across the state.

ALLETE's corporate headquarters are located in Duluth, Minnesota. ALLETE's holdings include the second largest wholesale automobile auction network in North America; the leading provider of independent auto dealer inventory financing; the largest investor-owned water utilities in Florida and North Carolina; significant real estate holdings in Florida and a low-cost electric utility that serves some of the largest industrial customers in the United States. For more information about ALLETE, visit the company's web site at www.allete.com.

The statements contained in this release and statements that ALLETE may make orally in connection with this release that are not historical facts, are forward-looking statements. Actual results may differ materially from those projected in the forward-looking statements. These forward-looking statements involve risks and uncertainties and investors are directed to the risks discussed in documents filed by ALLETE with the Securities and Exchange Commission.