

STATEMENT OF CHANGES IN BENEFICIAL OWNERSHIP

Check this box if no longer subject to Section 16. Form 4 or Form 5 obligations may continue. See Instruction 1(b).

Filed pursuant to Section 16(a) of the Securities Exchange Act of 1934 or Section 30(h) of the Investment Company Act of 1940

OMB APPROVAL	
OMB Number:	3235-0287
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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]			5. Relationship of Reporting Person(s) to Issuer (Check all applicable) <input checked="" type="checkbox"/> Director 10% Owner Officer (give title below) Other (specify below)		
			3. Date of Earliest Transaction (Month/Day/Year) 02/24/2005					
			4. If Amendment, Date of Original Filed (Month/Day/Year)					
			6. Individual or Joint/Group Filing (Check Applicable Line) <input checked="" type="checkbox"/> 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 Indirect Beneficial 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
Common Stock								666.67	I	By IRA Trust
Common Stock								990	I	Keogh Plan

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 Securities Underlying Derivative Security (Instr. 3 and 4)	8. Price of Derivative Security (Instr. 5)	9. Number of derivative Securities Beneficially Owned Following Reported Transaction(s) (Instr. 4)	10. Ownership Form: Direct (D) or Indirect (I) (Instr. 4)	11. Nature of Indirect Beneficial Ownership (Instr. 4)	
				Code	V		Date Exercisable	Expiration Date						Amount or Number of Shares
Stock Option - Right to Buy	\$16.6 ⁽¹⁾	02/24/2005		M		483 ⁽¹⁾	(2)	01/02/2006	Common Stock	483	\$0	0	D	
Stock Option - Right to Buy	\$15.88 ⁽³⁾	02/24/2005		M		483 ⁽³⁾	(4)	01/02/2007	Common Stock	483	\$0	0	D	
Stock Option - Right to Buy	\$18.85 ⁽⁵⁾	02/24/2005		M		500 ⁽⁵⁾	(6)	01/03/2010	Common Stock	500	\$0	0	D	

Explanation of Responses:

- 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.
- The option vested 50% on January 2, 2007 and 50% on January 2, 2008.
- 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.
- The option vested 50% on January 2, 2008 and 50% on January 2, 2009.
- 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.
- The option vested 50% on January 3, 2001 and 50% on January 3, 2002.

Remarks:

Ingrid K. Johnson for Nick
Smith

02/25/2005

** Signature of Reporting Person Date

Reminder: Report on a separate line for each class of securities beneficially owned directly or indirectly.

* 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).

Note: File three copies of this Form, one of which must be manually signed. If space is insufficient, see Instruction 6 for procedure.

Persons who respond to the collection of information contained in this form are not required to respond unless the form displays a currently valid OMB Number.