

UNITED STATES
SECURITIES AND EXCHANGE COMMISSION
WASHINGTON, D.C. 20549

FORM 8-K

CURRENT REPORT

Pursuant to Section 13 or 15(d) of the Securities Exchange Act of 1934

Date of Report - February 8, 2019

ALLETE, Inc.

(Exact name of registrant as specified in its charter)

Minnesota

(State or other jurisdiction of
incorporation or organization)

1-3548

(Commission File Number)

41-0418150

(IRS Employer
Identification No.)

**30 West Superior Street
Duluth, Minnesota 55802-2093**

(Address of principal executive offices, including zip code)

(218) 279-5000

(Registrant's telephone number, including area code)

Check the appropriate box below if the Form 8-K filing is intended to simultaneously satisfy the filing obligation of the registrant under any of the following provisions:

- Written communications pursuant to Rule 425 under the Securities Act (17 CFR 230.425)
- Soliciting material pursuant to Rule 14a-12 under the Exchange Act (17 CFR 240.14a-12)
- Pre-commencement communications pursuant to Rule 14d-2(b) under the Exchange Act (17 CFR 240.14d-2(b))
- Pre-commencement communications pursuant to Rule 13e-4(c) under the Exchange Act (17 CFR 240.13e-4(c))

Indicate by check mark whether the registrant is an emerging growth company as defined in Rule 405 of the Securities Act of 1933 (§230.405 of this chapter) or Rule 12b-2 of the Securities Exchange Act of 1934 (§240.12b-2 of this chapter)

Emerging growth company

If an emerging growth company, indicate by check mark if the registrant has elected not to use the extended transition period for complying with any new or revised financial accounting standards provided pursuant to Section 13(a) of the Exchange Act.

SECTION 1 - REGISTRANT'S BUSINESS AND OPERATIONS

Item 1.01 Entry into a Material Definitive Agreement.

On February 8, 2019, ALLETE, Inc. (ALLETE) announced that its subsidiary, ALLETE Enterprises, Inc. (Seller) and Global Water Services Holding Company, Inc. (Company), the parent company of U.S. Water Services, Inc., have entered into a stock purchase agreement, dated February 8, 2019 (Agreement), which provides for the sale of all of the common stock of the Company to Kurita America Holdings Inc. (Purchaser), a subsidiary of Kurita Water Industries Ltd., a leading international water management company headquartered in Tokyo, Japan, for a cash purchase price of \$270 million, subject to adjustment at closing, such as for changes in working capital.

The Agreement contains customary representations, warranties and covenants of the Company and the Purchaser. These covenants include, among others, an obligation of the Company to cause U.S. Water Services, Inc. to operate its business in the ordinary course until the sale is consummated and an obligation for each of the parties to use reasonable best efforts to obtain necessary regulatory approval described below.

The completion of the sale is subject to the satisfaction of certain closing conditions, including the expiration or termination of the waiting period under the Hart-Scott-Rodino Antitrust Improvements Act.

The transaction is expected to close by the end of the first quarter of 2019.

SECTION 7 – REGULATION FD

Item 7.01 Regulation FD Disclosure

ALLETE today issued a press release announcing the Agreement. A copy of the press release is furnished as Exhibit 99 to this Current Report on Form 8-K and is incorporated herein by reference.

ALLETE will issue 2019 earnings guidance on its fourth quarter earnings call on February 14, 2019. ALLETE expects to affirm its long-term objective of achieving average annual earnings per share growth of 5 percent to 7 percent at that time.

SECTION 9 – FINANCIAL STATEMENTS AND EXHIBITS

Item 9.01 Financial Statements and Exhibits.

(d) Exhibits

Exhibit Number

[ALLETE, Inc.'s press release dated February 8, 2019.](#)

Readers are cautioned that forward-looking statements should be read in conjunction with ALLETE's disclosures under the heading: "Forward-Looking Statements" located on page 2 of this Form 8-K.

Forward-Looking Statements

Statements in this report that are not statements of historical facts are considered “forward-looking” and, accordingly, involve risks and uncertainties that could cause actual results to differ materially from those discussed. Although such forward-looking statements have been made in good faith and are based on reasonable assumptions, there can be no assurance that the expected results will be achieved. Any statements that express, or involve discussions as to, future expectations, risks, beliefs, plans, objectives, assumptions, events, uncertainties, financial performance, or growth strategies (often, but not always, through the use of words or phrases such as “anticipates,” “believes,” “estimates,” “expects,” “intends,” “plans,” “projects,” “likely,” “will continue,” “could,” “may,” “potential,” “target,” “outlook” or words of similar meaning) are not statements of historical facts and may be forward-looking.

In connection with the safe harbor provisions of the Private Securities Litigation Reform Act of 1995, we are providing this cautionary statement to identify important factors that could cause our actual results to differ materially from those indicated in forward-looking statements made by or on behalf of ALLETE in this Current Report on Form 8-K, in presentations, on our website, in response to questions or otherwise. These statements are qualified in their entirety by reference to, and are accompanied by, the following important factors, in addition to any assumptions and other factors referred to specifically in connection with such forward-looking statements that could cause our actual results to differ materially from those indicated in the forward-looking statements:

- our ability to successfully implement our strategic objectives;
- global and domestic economic conditions affecting us or our customers;
- changes in and compliance with laws and regulations;
- changes in tax rates or policies, or in rates of inflation;
- the outcome of legal and administrative proceedings (whether civil or criminal) and settlements;
- weather conditions, natural disasters and pandemic diseases;
- our ability to access capital markets and bank financing;
- changes in interest rates and the performance of the financial markets;
- project delays or changes in project costs;
- changes in operating expenses and capital expenditures, and our ability to raise revenues from our customers in regulated rates or sales price increases at our Energy Infrastructure and Related Services businesses;
- the impacts of commodity prices on ALLETE and our customers;
- our ability to attract and retain qualified, skilled and experienced personnel;
- effects of emerging technology;
- war, acts of terrorism and cybersecurity attacks;
- our ability to manage expansion and integrate acquisitions;
- population growth rates and demographic patterns;
- wholesale power market conditions;
- federal and state regulatory and legislative actions that impact regulated utility economics, including our allowed rates of return, capital structure, ability to secure financing, industry and rate structure, acquisition and disposal of assets and facilities, operation and construction of plant facilities and utility infrastructure, recovery of purchased power, capital investments and other expenses, including present or prospective environmental matters;
- effects of competition, including competition for retail and wholesale customers;
- effects of restructuring initiatives in the electric industry;
- the impacts on our Regulated Operations segment of climate change and future regulation to restrict the emissions of GHG;
- effects of increased deployment of distributed low-carbon electricity generation resources;
- the impacts of laws and regulations related to renewable and distributed generation;
- pricing, availability and transportation of fuel and other commodities, and the ability to recover the costs of such commodities;
- our current and potential industrial and municipal customers’ ability to execute announced expansion plans;
- real estate market conditions where our legacy Florida real estate investment is located may not improve;
- the success of efforts to realize value from, invest in, and develop new opportunities in, our Energy Infrastructure and Related Services businesses;
- factors affecting our Energy Infrastructure and Related Services businesses, including fluctuations in the volume of customer orders, unanticipated cost increases, changes in legislation and regulations impacting the industries in which the customers served operate, the effects of weather, creditworthiness of customers, ability to obtain materials required to perform services, and changing market conditions; and
- our ability to successfully close the announced sale of U.S. Water Services, Inc., including the satisfaction of certain closing conditions, which cannot be assured to be completed.

Forward-Looking Statements (Continued)

Additional disclosures regarding factors that could cause our results or performance to differ from those anticipated by this report are discussed in Part I, Item 1A. Risk Factors of ALLETE's Annual Report on Form 10-K for the year ended December 31, 2017, and in Part II, Item 1A. Risk Factors of ALLETE's Quarterly Report on Form 10-Q for the quarterly period ended September 30, 2018. Any forward-looking statement speaks only as of the date on which such statement is made, and we undertake no obligation to update any forward-looking statement to reflect events or circumstances after the date on which that statement is made or to reflect the occurrence of unanticipated events. New factors emerge from time to time, and it is not possible for management to predict all of these factors, nor can it assess the impact of each of these factors on the businesses of ALLETE or the extent to which any factor, or combination of factors, may cause actual results to differ materially from those contained in any forward-looking statement. Readers are urged to carefully review and consider the various disclosures made by ALLETE in this Current Report on Form 8-K and in other reports filed with the SEC that attempt to identify the risks and uncertainties that may affect ALLETE's business.

ALLETE, Inc. Form 8-K dated February 8, 2019

SIGNATURES

Pursuant to the requirements of the Securities Exchange Act of 1934, the registrant has duly caused this report to be signed on its behalf by the undersigned thereunto duly authorized.

ALLETE, Inc.

February 8, 2019

/s/ Steven W. Morris

Steven W. Morris

Vice President, Controller and Chief Accounting Officer

ALLETE, Inc. Form 8-K dated February 8, 2019



NEWS

For Release: Feb. 8, 2019

Investor Contact: Vince Meyer
218-723-3952
vmeyer@allete.com

**ALLETE Inc. announces sale of U.S. Water Services, Inc.
to global water management company**
Sale proceeds to be reinvested in clean energy opportunities

DULUTH, Minn. -ALLETE, Inc. (NYSE: ALE) today announced it has entered into a stock purchase agreement providing for the sale of U.S. Water Services, Inc. to Kurita Water Industries Ltd., a leading international water management company headquartered in Tokyo, Japan, for \$270 million. The purchase price is subject to adjustment at closing, such as for changes in working capital. The transaction is expected to close by the end of the first quarter 2019 upon receipt of regulatory approval.

Based in St. Michael, Minnesota, U.S. Water Services, an integrated water solutions company serves a diverse mix of approximately 5,000 customers to optimize system performance, reduce water and energy use, and improve efficiency. It was acquired by ALLETE in 2015. Today's announcement supports ALLETE's long-term diversification strategy that includes expanding investments in clean energy opportunities with an average annual earnings growth objective of five to seven percent.

"This sale exemplifies our disciplined approach to providing shareholder value while executing on our multi-faceted strategy," said ALLETE Chief Financial Officer Bob Adams. "Our go-forward business mix provides attractive opportunities to meet and potentially exceed our stated average annual earnings growth target of five to seven percent while supporting our strong credit ratings. Indeed, proceeds from the sale will be primarily reinvested in growth initiatives at both our Regulated Operations and ALLETE Clean Energy, reducing the need for equity issuances that may otherwise arise. In addition, we will consider using a portion of the proceeds to implement a common stock repurchase program."

Under ALLETE's four year ownership and continued investment, U.S. Water Services has grown significantly, becoming a world-class industrial water service provider in North America through an aggressive expansion in geography, end markets and service offerings. Enabling investments included the acquisition of three water services companies over the past 36 months.

"Kurita is a well-respected global enterprise, and this agreement is a win-win for ALLETE and U.S. Water Services," Adams said. "This action will provide new opportunities for U.S. Water Services to expand and grow the business, while enabling ALLETE to allocate capital resources focused on growth initiatives within ALLETE and ALLETE Clean Energy, which has become ALLETE's second largest net income contributor."

"LaMarr Barnes, his talented senior leadership team and committed U.S. Water employees have been an important part of ALLETE's corporate history and family of companies delivering on our commitment to answer the call to transform the nation's energy and water landscape," said Al Hodnik, ALLETE Chairman and CEO. "We believe we have positioned U.S. Water Services for future success, as well as ALLETE, as we expect continued growth through pursuing additional opportunities in the clean energy space."

ALLETE, Inc. 30 West Superior Street, Duluth, Minnesota 55802
www.allete.com

“We at U.S. Water Services are grateful for the opportunities provided by ALLETE and look forward to working closely with Kurita’s team to further enhance the services and integrated offerings we provide to our customers, while expanding our U.S. market reach.” said U.S. Water Services CEO LaMarr Barnes.

A conference call to discuss additional details regarding the transaction will be held on Feb. 8, 2019 beginning at 10a.m. Eastern time. ALLETE Chairman and CEO Al Hodnik will be joined on the call by President Bethany Owen, Senior Vice President and Chief Financial Officer Robert Adams and Vice President, Controller and Chief Accounting Officer Steve Morris. Interested parties may listen to the conference call by calling 877-303-5852, passcode 2992429 or by listening to a webcast on ALLETE’s web site at www.allete.com. A replay of the call will be available through Feb. 12, 2019 by calling 855-859-2056, passcode, 2992429. The webcast will be accessible for thirty days at allete.com.

ALLETE, Inc. will announce its financial results for 2018 in a press release before the stock markets open on Thursday, Feb. 14, 2019. Following the release, ALLETE, Inc. will discuss 2018 results and 2019 earnings guidance during a conference call beginning at 10 a.m. Eastern time.

ALLETE is an energy company headquartered in Duluth, Minn. In addition to its electric utilities, Minnesota Power and Superior Water, Light and Power of Wisconsin, ALLETE owns ALLETE Clean Energy, based in Duluth, BNI Energy in Bismarck, N.D., U.S. Water Services headquartered in St. Michael, Minn., and has an eight percent equity interest in the American Transmission Co. More information about ALLETE is available at www.allete.com. *ALE-CORP*

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.