

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 (Date of Earliest Event Reported) - January 28, 2015 (January 27, 2015)

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))

SECTION 8 – OTHER EVENTS

Item 8.01 Other Events.

On January 27, 2015, ALLETE, Inc. issued a press release announcing its acquisition of U.S. Water Services, Inc., an integrated industrial water management company. A copy of the press release is filed as Exhibit 99 to this Current Report on Form 8-K and is incorporated herein by reference.

SECTION 9 – FINANCIAL STATEMENTS AND EXHIBITS

Item 9.01 Financial Statements and Exhibits.

(d) Exhibits

Exhibit Number

99 ALLETE, Inc.'s press release dated January 27, 2015.

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.

ALLETE Form 8-K dated January 28, 2015

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 is 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;
- 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;
- changes in and compliance with laws and regulations;
- effects of competition, including competition for retail and wholesale customers;
- effects of restructuring initiatives in the electric industry;
- changes in tax rates or policies or in rates of inflation;
- the impacts on our Regulated Operations segment of climate change and future regulation to restrict the emissions of greenhouse gases;
- the impacts of laws and regulations related to renewable and distributed generation;
- 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;
- availability and management of construction materials and skilled construction labor for capital projects;
- changes in operating expenses and capital expenditures and our ability to recover these costs;
- pricing, availability and transportation of fuel and other commodities and the ability to recover the costs of such commodities;
- our ability to replace a mature workforce and retain qualified, skilled and experienced personnel;
- effects of emerging technology;
- war, acts of terrorism and cyber attacks;
- our ability to manage expansion and integrate acquisitions;
- our current and potential industrial and municipal customers’ ability to execute announced expansion plans;
- population growth rates and demographic patterns; and
- zoning and permitting of land held for resale, real estate development or changes in the real estate market.

Additional disclosures regarding factors that could cause our results or performance to differ from those anticipated by this report are discussed in Item 1A under the heading “Risk Factors” beginning on page 28 of ALLETE’s Annual Report on Form 10-K for the year ended December 31, 2013. 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 we assess the impact of each of these factors on our businesses 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 our other reports filed with the SEC that attempt to identify the risks and uncertainties that may affect ALLETE’s business.

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.

January 28, 2015

/s/ Steven W. Morris

Steven W. Morris

Controller

ALLETE Form 8-K dated January 28, 2015



NEWS

For Release: January 27, 2015
 Investor Contact: Tim Thorp
 218-723-3953
 tthorp@allete.com
 Media Contact: Amy Rutledge
 218-723-7400
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**ALLETE to acquire U.S. Water Services, Inc.,
 an integrated water management company**

DULUTH, Minn. - ALLETE, Inc. (NYSE:ALE) today announced that it has signed a definitive agreement to purchase U.S. Water Services, Inc., an integrated industrial water management company. ALLETE will initially purchase 87 percent of U.S. Water for \$168 million, based on a total implied enterprise value of \$194 million. Current employees and management of U.S. Water will continue to own the remaining 13 percent. ALLETE will purchase the remaining 13 percent interest in the future for a contingent amount based on U.S. Water's future earnings. The transaction is expected to close upon satisfaction of customary closing conditions, including compliance with Hart-Scott-Rodino antitrust clearing requirements.

Headquartered in St. Michael, Minn., U.S. Water has a national footprint and serves a growing and diverse mix of over 3,600 industrial customers, including a significant number of Fortune 500 companies. U.S. Water provides integrated water management for industry, combining chemical, equipment, engineering and service for customized solutions to reduce water and energy usage and improve efficiency.

U.S. Water helps customers achieve efficient and sustainable use of their energy systems, is a leading provider to the biofuels industry, and has a growing presence in the power generation and midstream oil and gas industries.

"Water and energy are intricately linked, and attention to that nexus is increasing," said Al Hodnik, chairman, president and CEO of ALLETE. "Just as with energy, regulation and social expectations will increasingly drive water conservation, especially as water scarcity becomes a growing challenge. We believe the demand for sustainable water management solutions will increase over time as large users seek ways to enhance efficiency and improve their bottom line."

The acquisition of U.S. Water is consistent with ALLETE's stated strategy of investing in energy infrastructure and related services to complement its core regulated utility, balance exposure to business cycles and changing demand, and provide long-term earnings growth. Hodnik said that with this acquisition, ALLETE will now focus its infrastructure and related service efforts on growing ALLETE Clean Energy and U.S. Water.

"U.S. Water is an attractive size for ALLETE, has demonstrated consistent growth, and will provide supportive cash flows with minimal capital requirements," Hodnik said. "It's important to us that U.S. Water's integrated approach to finding customized solutions for its customers has resulted in exceptional customer retention that exceeds 90 percent and produces consistent recurring revenues."

"We are excited about joining the ALLETE team, and believe U.S. Water will be a great fit," said Allan Bly, U.S. Water Founder and CEO. "This combination will provide a platform for long-term success and growth for our company and employees." U.S. Water's management team is expected to remain in place, as will the company's St. Michael, Minn. headquarters.

U.S. Water generated revenue of approximately \$120 million during 2014, and ALLETE projects future revenue growth of 10 percent to 15 percent annually. ALLETE expects the acquisition to provide long-term earnings growth and diversity, and have no material impact on 2015 earnings per share. ALLETE's previously stated 2015 earnings guidance is unchanged, and excludes transaction costs. The transaction will be financed with a combination of cash, equity raised from existing programs and temporary short-term debt.

"We are focused on providing sustainable solutions to our customers," said Hodnik, "and our EnergyForward and Power of One initiatives at Minnesota Power, renewable energy investments at ALLETE Clean Energy, and investment in U.S. Water are great examples."

ALLETE remains predominantly a regulated utility through Minnesota Power, Superior Water, Light & Power and an investment in the American Transmission Company. Minnesota Power is well positioned for the future as it executes on its EnergyForward initiative and serves a potentially growing industrial customer base. ATC is poised for future growth both organically and through its partnership with Duke Energy. ALLETE's infrastructure and related services businesses include ALLETE Clean Energy, BNI, and U.S. Water Services. ALLETE Clean Energy has a growing portfolio of wind generating facilities, and U.S. Water provides integrated water management to a growing base of industrial and commercial customers. ALLETE is committed to earning a financial return that rewards its shareholders, allows for reinvestment in its business and sustains growth. The company has a long-term objective of achieving minimum average earnings growth of 5 percent annually and maintaining a competitive dividend payout.

Financial advisory services for this transaction were provided by Piper Jaffray and J. P. Morgan. More information about U.S. Water Services, Inc. can be found at its website: www.uswaterservices.com. ALLETE's corporate website is www.allete.com.

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 Coal in Center, N.D., and has an eight percent equity interest in the American Transmission Co. More information about ALLETE is available 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.

ALLETE's press releases and other communications may include certain non-Generally Accepted Accounting Principles (GAAP) financial measures. A non-GAAP financial measure is defined as a numerical measure of a company's financial performance, financial position or cash flows that excludes (or includes) amounts that are included in (or excluded from) the most directly comparable measure calculated and presented in accordance with GAAP in the company's financial statements.

Non-GAAP financial measures utilized by the Company include presentations of earnings (loss) per share. ALLETE's management believes that these non-GAAP financial measures provide useful information to investors by removing the effect of variances in GAAP reported results of operations that are not indicative of changes in the fundamental earnings power of the Company's operations. Management believes that the presentation of the non-GAAP financial measures is appropriate and enables investors and analysts to more accurately compare the company's ongoing financial performance over the periods presented.