

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) - February 13, 2020

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))

Securities registered pursuant to Section 12(b) of the Act:

Title of each class	Trading symbol	Name of each exchange on which registered
Common Stock, without par value	ALE	New York Stock Exchange

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 7 – REGULATION FD

Item 7.01 Regulation FD Disclosure

ALLETE, Inc. (NYSE:ALE) today initiated its 2020 earnings guidance range of \$3.40 to \$3.70 per share on net income of \$180 million to \$190 million. This guidance range is comprised of our Regulated Operations segment earnings within a range of \$2.75 to \$2.95 per share, and ALLETE Clean Energy and Corporate and Other operations earnings within a range of \$0.65 to \$0.75 per share. We reaffirm our long-term objective of achieving average annual earnings per share growth of 5 to 7 percent.

Key factors, expectations, considerations and assumptions impacting 2020 guidance are summarized below.

Regulated Operations

- Interim rate revenue, subject to refund, of approximately \$36 million beginning January 1, 2020.
- 2020 industrial sales of approximately 7.0 million to 7.5 million megawatt-hours (MWh), which reflects anticipated production from our taconite customers of approximately 39 million tons in 2020.
- Lower revenue due to an expiring power sales agreement in April 2020, and a municipal customer contract that expired in mid-2019.
- Higher operating and maintenance expense as compared to 2019.
- Higher depreciation and property tax expenses due to additional plant in-service.
- Additional investments in the American Transmission Company LLC of approximately \$3 million.
- An effective income tax benefit of approximately 15 percent for our Regulated Operations primarily due to production tax credits (PTCs).
- 2020 guidance assumes that we will achieve reasonable outcomes in regulatory proceedings.

ALLETE Clean Energy

- ALLETE Clean Energy expects approximately 2.3 million MWh (1.1 million MWh in 2019) in total wind generation.
- Expectation of the return to normal wind patterns.
- Glen Ullin in-service full year and South Peak in the first quarter of 2020.
- Diamond Spring wind project commercial operation date anticipated in late 2020.
- PTCs are estimated to be approximately \$20 million in 2020.
- Higher depreciation expense due to additional plant in-service.
- Higher operating expenses compared to 2019 due to investments in growth initiatives.
- Guidance does not include the impact, if any, of possible acquisitions of renewable energy facilities, additional construction and sale projects, and requalification projects other than those previously disclosed.

Corporate and Other

- Similar results at BNI Energy, Inc. and ALLETE Properties, LLC.
- Nobles 2 Power Partners, LLC wind energy facility commercial operation date anticipated in late 2020.

A consolidated effective income tax benefit of approximately 20 percent in 2020 primarily due to PTCs as a result of wind generation from our Bison Wind Energy Center and requalification of wind turbine generators at ALLETE Clean Energy.

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

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.

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 (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, bank financing and other financing sources;
- 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;
- 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 businesses 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; and
- the success of efforts to realize value from, invest in, and develop new opportunities.

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, 2019. 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 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 13, 2020

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 13, 2020

/s/ Steven W. Morris

Steven W. Morris

Vice President, Controller and Chief Accounting Officer

ALLETE, Inc. Form 8-K dated February 13, 2020