

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
Estimated average burden hours per response:	0.5

1. Name and Address of Reporting Person* <u>McMillan David J</u> (Last) (First) (Middle) <u>30 WEST SUPERIOR STREET</u> (Street) <u>DULUTH MN 55802</u> (City) (State) (Zip)	2. Issuer Name and Ticker or Trading Symbol <u>ALLETE INC [ALE]</u>	5. Relationship of Reporting Person(s) to Issuer (Check all applicable) Director 10% Owner <input checked="" type="checkbox"/> Officer (give title below) Other (specify below) <u>SVP External Affairs</u>
	3. Date of Earliest Transaction (Month/Day/Year) <u>08/15/2012</u>	
	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 <input type="checkbox"/> 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	08/15/2012		M		1,931	A	\$23.79	12,509.69 ⁽¹⁾	D	
Common Stock	08/15/2012		S		1,331	D	\$41.1	11,178.69	D	
Common Stock	08/15/2012		S		200	D	\$41.11	10,978.69	D	
Common Stock	08/15/2012		S		300	D	\$41.12	10,678.69	D	
Common Stock	08/15/2012		S		100	D	\$41.15	10,578.69	D	
Common Stock								8,275.35 ⁽²⁾	I	By RSOP Trust

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	(A)	(D)	Date Exercisable	Expiration Date						Title
Employee Stock Option - Right to Buy	\$23.79	08/15/2012		M			1,931	(3)	02/03/2013	Common Stock	1,931	\$0	0	D	

Explanation of Responses:

- Includes shares acquired in exempt transactions under ALLETE's employee stock purchase plan, the dividend reinvestment features of ALLETE's stock purchase and dividend reinvestment plan, and the dividend equivalent feature of restricted stock grants under ALLETE's executive long-term incentive compensation plan, all based on plan information available as of July 31, 2012.
- Includes shares acquired in exempt transactions under ALLETE's retirement savings and stock ownership plan (RSOP) and is based on RSOP plan information available as of July 31, 2012.
- The option vested in equal installments on February 3, 2004 and February 3, 2005.

Remarks:

Ingrid K. Johnson for David J. McMillan 08/16/2012

** 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.