



Exclusivity Agreement Extended Between Florida Water Services & Florida Governmental Utility Authority

Duluth, MN (December 21, 2001) - ALLETE, Inc. (NYSE: ALE) announced today that its subsidiary, Florida Water Services (FWS), will continue exclusive talks with the Florida Governmental Utility Authority (FGUA) to clarify and finalize terms of the sale of Florida Water's assets.

During the extended period, which expires on Jan. 11, 2002, Florida Water Services has agreed that it will not explore other sale options or begin discussions with other companies concerning the sale of the company's assets.

Florida Water Services is the largest investor-owned water and wastewater utility in Florida. It provides service to more than 120 communities in 27 counties across the state. FGUA is an innovative home-rule mechanism available under Florida law enacted in 1999 permitting local governmental entities to join together to acquire, finance, own and operate water or wastewater utilities.

ALLETE's corporate headquarters are located in Duluth, Minnesota. ALLETE's holdings include the second largest wholesale automobile auction network in North America; the leading provider of independent auto dealer inventory financing; the largest investor-owned water utilities in Florida and North Carolina; significant real estate holdings in Florida and a low-cost electric utility that serves some of the largest industrial customers in the United States. For more information about ALLETE, visit the company's web site 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.