

THORP TIMOTHY J
Form 4
October 29, 2004

FORM 4

**UNITED STATES SECURITIES AND EXCHANGE COMMISSION
Washington, D.C. 20549**

OMB APPROVAL

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STATEMENT OF CHANGES IN BENEFICIAL OWNERSHIP OF SECURITIES

Filed pursuant to Section 16(a) of the Securities Exchange Act of 1934, Section 17(a) of the Public Utility Holding Company Act of 1935 or Section 30(h) of the Investment Company Act of 1940

(Print or Type Responses)

1. Name and Address of Reporting Person *
THORP TIMOTHY J

(Last) (First) (Middle)
30 WEST SUPERIOR STREET
(Street)

DULUTH, MN 55802

(City) (State) (Zip)

2. Issuer Name and Ticker or Trading Symbol
ALLETE INC [ALE]

3. Date of Earliest Transaction
(Month/Day/Year)
10/27/2004

4. If Amendment, Date Original Filed(Month/Day/Year)

5. Relationship of Reporting Person(s) to Issuer

(Check all applicable)

____ Director _____ 10% Owner
 Officer (give title below) _____ Other (specify below)
VP Invest. Rel./Corp. Comm.

6. Individual or Joint/Group Filing(Check Applicable Line)
 Form filed by One Reporting Person
____ 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 Ownership (Instr. 4) |
|---------------------------------|--------------------------------------|--|--------------------------------|---|---|--|-----------------------------------|
| | | | Code | V | Amount | (A) or (D) | Price |
| Common Stock | 10/27/2004 | | M | | 2,112 | A | \$ 25.08 |
| Common Stock | 10/27/2004 | | M | | 2,095 | A | \$ 25.45 |
| Common Stock | 10/27/2004 | | M | | 1,668 | A | \$ 23.79 |
| Common Stock | 10/27/2004 | | S | | 5,875 | D | \$ 33.81 |
| Common Stock | | | | | | | 69.26 ⁽¹⁾ |

By Children

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Common Stock 2,772.14 ⁽²⁾ I By RSOP Trust

Reminder: Report on a separate line for each class of securities beneficially owned directly or indirectly.

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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 Underlying Securities (Instr. 3 and 4) | Amount or Number of Shares |
|--|--|--------------------------------------|--|--------------------------------|---|--|---|----------------------------|
| Employee Stock Option - Right to Buy | \$ 25.08 ⁽³⁾ | 10/27/2004 | | M | 2,112 ⁽³⁾ | ⁽⁴⁾ 01/02/2008 | Common Stock | 2,112 |
| Employee Stock Option - Right to Buy | \$ 25.45 ⁽⁵⁾ | 10/27/2004 | | M | 2,095 ⁽⁵⁾ | ⁽⁶⁾ 01/04/2009 | Common Stock | 2,095 |
| Employee Stock Option - Right to Buy | \$ 23.79 ⁽⁷⁾ | 10/27/2004 | | M | 1,668 ⁽⁷⁾ | 02/03/2004 02/03/2013 | Common Stock | 1,668 |

Reporting Owners

| Reporting Owner Name / Address | Relationships | | | |
|--|---------------|-----------|-----------------------------------|-------|
| | Director | 10% Owner | Officer | Other |
| THORP TIMOTHY J 30 WEST SUPERIOR STREET DULUTH, MN 55802 | | | VP Invest. Rel./Corp. Comm. | |

Signatures

Ingrid K. Johnson for Timothy J.
Thorp

10/29/2004

__Signature of Reporting Person

Date

Explanation of Responses:

- * 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).
- (1) Total shown reflects a one-for-three reverse stock split on September 20, 2004 and includes shares acquired in exempt transactions under the dividend reinvestment feature of ALLETE's stock purchase and dividend reinvestment plan. Based on plan information available as of September 30, 2004.
 - (2) Total shown reflects a one-for-three reverse stock split on September 20, 2004 and includes shares acquired in exempt transactions under ALLETE's retirement savings and stock ownership plan. Based on plan information available as of September 30, 2004.
 - (3) This option was previously reported as covering 2,450 shares at an exercise price of \$21.65 per share, but was adjusted to reflect the reverse stock split and the spin off of ALLETE's subsidiary, ADESA, Inc. on September 20, 2004.
 - (4) 50% vested January 2, 1999 and 50% vested January 2, 2000.
 - (5) This option was previously reported as covering 2,430 shares at an exercise price of \$21.94 per share, but was adjusted to reflect the reverse stock split and the spin off of ALLETE's subsidiary, ADESA, Inc. on September 20, 2004.
 - (6) 50% vested January 4, 2000 and 50% vested January 4, 2001.
 - (7) This option was previously reported as covering 3,869 shares at an exercise price of \$20.51 per share, but was adjusted to reflect the reverse stock split and the spin off of ALLETE's subsidiary, ADESA, Inc. on September 20, 2004.

Note: File three copies of this Form, one of which must be manually signed. If space is insufficient, *see* Instruction 6 for procedure.

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