

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
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1. Name and Address of Reporting Person* SMITH NICK			2. Issuer Name and Ticker or Trading Symbol ALLETE INC [ALE]			5. Relationship of Reporting Person(s) to Issuer (Check all applicable) <input checked="" type="checkbox"/> Director 10% Owner Officer (give title below) Other (specify below)		
(Last)	(First)	(Middle)	3. Date of Earliest Transaction (Month/Day/Year) 05/25/2005			6. Individual or Joint/Group Filing (Check Applicable Line) <input checked="" type="checkbox"/> Form filed by One Reporting Person Form filed by More than One Reporting Person		
747 SELLWOOD BUILDING 202 WEST SUPERIOR STREET			4. If Amendment, Date of Original Filed (Month/Day/Year)					
(Street) DULUTH MN 55802								
(City) (State) (Zip)								

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	05/25/2005		M		483	A	\$25.08	3,819.3 ⁽¹⁾	D	
Common Stock	05/25/2005		M		500	A	\$25.45	4,319.3	D	
Common Stock	05/25/2005		M		500	A	\$27.4	4,819.3	D	
Common Stock	05/25/2005		M		833	A	\$29.79	5,652.3	D	
Common Stock	05/25/2005		M		292	A	\$35.04	5,944.3	D	
Common Stock	05/25/2005		M		1,000	A	\$26.91	6,944.3	D	
Common Stock	05/25/2005		S		3,608	D	\$46.9	3,336.3	D	
Common Stock								16.67	I	By Spouse
Common Stock								666.67	I	By IRA Trust
Common Stock								1,815 ⁽¹⁾	I	Keogh Plan

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	Amount or Number of Shares				
Stock Option - Right to Buy	\$25.08 ⁽²⁾	05/25/2005		M		483 ⁽²⁾		(3)	01/02/2008	Common Stock	483	\$0	0	D	
Stock Option - Right to Buy	\$25.45 ⁽⁴⁾	05/25/2005		M		500 ⁽⁴⁾		(5)	01/04/2009	Common Stock	500	\$0	0	D	
Stock Option - Right to Buy	\$27.4 ⁽⁶⁾	05/25/2005		M		500 ⁽⁶⁾		(7)	01/02/2011	Common Stock	500	\$0	0	D	
Stock Option - Right to Buy	\$29.79 ⁽⁸⁾	05/25/2005		M		833 ⁽⁸⁾		(9)	01/02/2012	Common Stock	833	\$0	0	D	
Stock Option - Right to Buy	\$35.04 ⁽¹⁰⁾	05/25/2005		M		292 ⁽¹⁰⁾		(9)	05/14/2012	Common Stock	292	\$0	0	D	

**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	Amount or Number of Shares				
Stock Option - Right to Buy	\$26.91 ⁽¹¹⁾	05/25/2005		M			1,000 ⁽¹¹⁾	(12)	01/02/2013	Common Stock	1,000	\$0	0	D	

Explanation of Responses:

- Reflects 825 shares transferred by reporting person from an investment account to a Keogh Plan for the benefit of reporting person.
- This option was previously reported as covering 1,450 shares at an exercise price of \$21.63 per share, but was adjusted to reflect the spin off of ALLETE's subsidiary, ADESA, Inc., and the reverse stock split on September 20, 2004.
- The option will vest 50% on January 2, 2009 and 50% on January 2, 2010.
- This option was previously reported as covering 1,500 shares at an exercise price of \$21.94 per share, but was adjusted to reflect the spin off of ALLETE's subsidiary, ADESA, Inc., and the reverse stock split on September 20, 2004.
- The option vested 50% on January 2, 2000 and 50% on January 2, 2001.
- This option was previously reported as covering 1,500 shares at an exercise price of \$23.63 per share, but was adjusted to reflect the spin off of ALLETE's subsidiary, ADESA, Inc., and the reverse stock split on September 20, 2004.
- The option vested 50% on January 3, 2002 and 50% on January 3, 2003.
- This option was previously reported as covering 2,500 shares at an exercise price of \$25.68 per share, but was adjusted to reflect the spin off of ALLETE's subsidiary, ADESA, Inc., and the reverse stock split on September 20, 2004.
- This option vested 50% on January 2, 2003 and 50% on January 2, 2004.
- This option was previously reported as covering 875 shares at an exercise price of \$30.21 per share, but was adjusted to reflect the spin off of ALLETE's subsidiary, ADESA, Inc., and the reverse stock split on September 20, 2004.
- This option was previously reported as covering 3,000 shares at an exercise price of \$23.20 per share, but was adjusted to reflect the spin off of ALLETE's subsidiary, ADESA, Inc., and the reverse stock split on September 20, 2004.
- This option vested 50% on January 2, 2004 and 50% on January 2, 2005.

Remarks:

Ingrid K. Johnson for Nick Smith

05/27/2005

** 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.

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