

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) – **October 30, 2009**

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))
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SECTION 2 – FINANCIAL INFORMATION

Item 2.02 Results of Operations and Financial Condition

On October 30, 2009, ALLETE, Inc. (ALLETE) issued a press release announcing earnings for the third quarter of 2009, which is attached to this Current Report on Form 8-K and furnished as Exhibit 99.

SECTION 9 – FINANCIAL STATEMENTS AND EXHIBITS

Item 9.01 Financial Statements and Exhibits

(d) Exhibits

Exhibit Number

99 ALLETE News Release dated October 30, 2009, announcing 2009 third quarter earnings. **(This exhibit has been furnished and shall not be deemed “filed” for purposes of Section 18 of the Securities Exchange Act of 1934, nor shall it be deemed incorporated by reference in any filing under the Securities Act of 1933, except as shall be expressly set forth by specific reference in such filing.)**

Readers are cautioned that forward-looking statements should be read in conjunction with ALLETE's disclosures under the heading: “SAFE HARBOR STATEMENT UNDER THE PRIVATE SECURITIES LITIGATION REFORM ACT OF 1995” located on page 2 of this Form 8-K.

**Safe Harbor Statement
Under the Private Securities Litigation Reform Act of 1995**

Statements in this report that are not statements of historical facts may be 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 is 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,” “will likely result,” “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 hereby filing cautionary statements identifying important factors that could cause our actual results to differ materially from those projected, or expectations suggested, in forward-looking statements made by or on behalf of ALLETE in this Current Report on 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:

- our ability to successfully implement our strategic objectives;
- our ability to manage expansion and integrate acquisitions;
- prevailing governmental policies, regulatory actions, and legislation including those of the United States Congress, state legislatures, the FERC, the MPUC, the PSCW, and various local and county regulators, and city administrators, about allowed rates of return, financings, industry and rate structure, acquisition and disposal of assets and facilities, real estate development, operation and construction of plant facilities, recovery of purchased power, capital investments and other expenses, present or prospective wholesale and retail competition (including but not limited to transmission costs), zoning and permitting of land held for resale and environmental matters;
- the potential impacts of climate change and future regulation to restrict the emissions of GHG on our Regulated Operations;
- effects of restructuring initiatives in the electric industry;
- economic and geographic factors, including political and economic risks;
- changes in and compliance with laws and regulations;
- weather conditions;
- natural disasters and pandemic diseases;
- war and acts of terrorism;
- wholesale power market conditions;
- population growth rates and demographic patterns;
- effects of competition, including competition for retail and wholesale customers;
- changes in the real estate market;
- pricing and transportation of commodities;
- changes in tax rates or policies or in rates of inflation;
- project delays or changes in project costs;
- availability and management of construction materials and skilled construction labor for capital projects;
- changes in operating expenses, capital and land development expenditures;
- global and domestic economic conditions affecting us or our customers;
- our ability to access capital markets and bank financing;
- changes in interest rates and the performance of the financial markets;
- our ability to replace a mature workforce and retain qualified, skilled and experienced personnel; and
- the outcome of legal and administrative proceedings (whether civil or criminal) and settlements that affect the business and profitability of ALLETE.

Additional disclosures regarding factors that could cause our results and performance to differ from results or performance anticipated by this report are discussed in Item 1A under the heading “Risk Factors” beginning on page 20 of our 2008 Form 10-K. 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 us in this Form 8-K and in our other reports filed with the SEC that attempt to advise interested parties of the factors that may affect our business.

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.

October 30, 2009

/s/ Steven Q. DeVinck

Steven Q. DeVinck
Controller



For Release: October 30, 2009
Investor
Contact: Tim Thorp
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218-348-2961
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ALLETE reports third quarter 2009 earnings

DULUTH, Minn. – ALLETE (NYSE: ALE) today reported third quarter 2009 earnings of 49 cents per share, compared with 85 cents in the same period a year ago.

Net income in the third quarter of 2009 was \$16.0 million on operating revenue of \$178.8 million, compared with net income of \$24.7 million and revenue of \$201.7 million in the third quarter of 2008. Last year's results were boosted by a \$4.9 million, or 15 cents per share, non-recurring item.

Net income from ALLETE's Regulated Operations segment was \$16.6 million compared to \$19.2 million in the third quarter 2008. Total kilowatt-hour sales declined approximately 10 percent from year-ago levels due to economic conditions that impacted all classes of retail electric customers. The lower retail sales were partially offset by sales to other power suppliers. In addition, currently authorized interim electric rates are lower compared with the third quarter of 2008, resulting in reduced revenue year-over-year.

"The first eight months of the year have been difficult for our taconite customers," said Chairman and CEO Don Shipp. "However, we are encouraged that they have begun to increase their production."

ALLETE's Investments and Other segment reported a loss of \$600,000 in the third quarter of 2009, compared to net income of \$5.5 million in the comparable period a year ago. The difference is mainly due to the aforementioned non-recurring item: a positive resolution of two outstanding tax issues in the third quarter of 2008. Also included this quarter was a \$1.5 million net loss at ALLETE Properties. The company now anticipates recording a net loss for ALLETE Properties for the entire year.

Also affecting the quarterly comparison from 2008 to 2009 was the 6 cents per share dilutive impact of a higher common share balance than a year ago. ALLETE has issued equity over the past year to fund significant capital investments in its regulated operations.

Because of lowered expectations for ALLETE Properties, the company now expects its 2009 earnings will fall within a range of \$1.95 to \$2.05, excluding rate refunds related to 2008 that were recorded earlier this year.

ALLETE provides regulated energy services in Minnesota and Wisconsin, owns BNI Coal in North Dakota and maintains investments in the American Transmission Company and Florida real estate. More information about the company is available 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.

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ALLETE, Inc.

Consolidated Statement of Income
For the Periods Ended September 30, 2009 and 2008
Millions Except Per Share Amounts – Unaudited

	Quarter Ended		Year to Date	
	2009	2008	2009	2008
Operating Revenue				
Operating Revenue	\$178.8	\$201.7	\$550.7	\$604.9
Prior Year Rate Refunds	–	–	(7.6)	–
Total Operating Revenue	178.8	201.7	543.1	604.9
Operating Expenses				
Fuel and Purchased Power	69.8	81.0	199.4	242.3
Operating and Maintenance	67.5	74.0	224.7	241.5
Depreciation	16.1	13.5	46.8	39.1
Total Operating Expenses	153.4	168.5	470.9	522.9
Operating Income	25.4	33.2	72.2	82.0
Other Income (Expense)				
Interest Expense	(8.3)	(6.9)	(25.4)	(19.5)
Equity Earnings in ATC	4.4	4.2	12.9	11.2
Other	0.8	2.8	3.8	13.9
Total Other Income (Expense)	(3.1)	0.1	(8.7)	5.6
Income Before Non-Controlling Interest and Income Taxes	22.3	33.3	63.5	87.6
Income Tax Expense	6.5	8.4	21.5	28.3
Net Income	15.8	24.9	42.0	59.3
Less: Non-Controlling Interest in Subsidiaries	(0.2)	0.2	(0.3)	0.3
Net Income Attributable to ALLETE	\$16.0	\$24.7	\$42.3	\$59.0
Average Shares of Common Stock				
Basic	32.8	29.1	31.8	28.9
Diluted	32.9	29.3	31.9	29.0
Basic and Diluted Earnings Per Share of Common Stock	\$0.49	\$0.85	\$1.33	\$2.04
Dividends Per Share of Common Stock	\$0.44	\$0.43	\$1.32	\$1.29

Consolidated Balance Sheet
Millions – Unaudited

	Sep. 30, 2009	Dec. 31, 2008		Sep. 30, 2009	Dec. 31, 2008
Assets			Liabilities and Equity		
Cash and Short-Term Investments	\$54.3	\$102.0	Current Liabilities	\$142.1	\$150.7
Other Current Assets	158.2	150.3	Long-Term Debt	628.4	588.3
Property, Plant and Equipment	1,530.5	1,387.3	Other Liabilities	352.0	389.3
Investment in ATC	85.1	76.9	Deferred Income Taxes & Investment Tax Credits	217.5	169.6
Investments	138.8	136.9	Equity	915.1	836.9
Other	288.2	281.4			
Total Assets	\$2,255.1	\$2,134.8	Total Liabilities and Equity	\$2,255.1	\$2,134.8

	Quarter Ended		Year to Date	
	September 30,		September 30,	
ALLETE, Inc.	2009	2008	2009	2008
Income (Loss)				
Millions				
Regulated Operations	\$16.6	\$19.2	\$45.0	\$46.5
Investments and Other	(0.6)	5.5	(2.7)	12.5
Net Income Attributable to ALLETE	\$16.0	\$24.7	\$42.3	\$59.0
Diluted Earnings Per Share	\$0.49	\$0.85	\$1.33	\$2.04
Statistical Data				
Corporate				
Common Stock				
High	\$34.57	\$49.00	\$34.57	\$49.00
Low	\$27.75	\$38.05	\$23.35	\$33.76
Close	\$33.57	\$44.50	\$33.57	\$44.50
Book Value	\$25.95	\$25.32	\$25.95	\$25.32
Kilowatt-hours Sold				
Millions				
Regulated Utility				
Retail and Municipals				
Residential	240	252	857	854
Commercial	352	381	1,061	1,090
Municipals	243	243	729	742
Industrial	984	1,854	3,182	5,466
Total Retail and Municipal	1,819	2,730	5,829	8,152
Other Power Suppliers	1,051	465	3,075	1,244
Total Regulated Utility	2,870	3,195	8,904	9,396
Non-regulated Energy Operations	56	61	162	169
Total Kilowatt-hours Sold	2,926	3,256	9,066	9,565

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