

INITIAL STATEMENT OF BENEFICIAL OWNERSHIP OF SECURITIES

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:	3235-0104
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. Date of Event Requiring Statement (Month/Day/Year) <u>09/20/2004</u>	3. Issuer Name and Ticker or Trading Symbol <u>ALLETE INC [ALE]</u>	
		4. 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>Sr. VP Mrktg/Public Affairs</u>	5. 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 Beneficially Owned

1. Title of Security (Instr. 4)	2. Amount of Securities Beneficially Owned (Instr. 4)	3. Ownership Form: Direct (D) or Indirect (I) (Instr. 5)	4. Nature of Indirect Beneficial Ownership (Instr. 5)
Common Stock	344.46 ⁽¹⁾	D	
Common Stock	640.69 ⁽¹⁾	I	By RSOP Trust

Table II - Derivative Securities Beneficially Owned (e.g., puts, calls, warrants, options, convertible securities)

1. Title of Derivative Security (Instr. 4)	2. Date Exercisable and Expiration Date (Month/Day/Year)		3. Title and Amount of Securities Underlying Derivative Security (Instr. 4)	4. Conversion or Exercise Price of Derivative Security	5. Ownership Form: Direct (D) or Indirect (I) (Instr. 5)	6. Nature of Indirect Beneficial Ownership (Instr. 5)
	Date Exercisable	Expiration Date				
Employee Stock Option (right to buy)	⁽²⁾	01/02/2012	Common Stock	3,861	29.79	D
Employee Stock Option (right to buy)	02/03/2005	02/03/2013	Common Stock	1,931	23.79	D
Employee Stock Option (right to buy)	⁽³⁾	02/02/2014	Common Stock	3,409	37.76	D

Explanation of Responses:

- Total shown reflects the one-for-three reverse stock split effective at 12:00 noon EDT on September 20, 2004.
- 50% vested January 2, 2003 and 50% vested January 2, 2004.
- The option will vest in three equal installments on February 2, 2005, February 2, 2006 and February 2, 2007.

Remarks:

Ingrid K. Johnson for David J. McMillan 09/30/2004
 ** 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 5 (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.

POWER OF ATTORNEY

Know all by these presents, that the undersigned hereby constitutes and appoints each of Deborah A. Amberg, Ingrid K. Johnson, Christopher D. Anderson, Lyssa S. Sup:

(1) execute for and on behalf of the undersigned, in the undersigned's capacity as an officer and/or director of ALLETE, Inc. (Company), Forms 3, 4, and 5 in accord:

(2) do and perform any and all acts for and on behalf of the undersigned which may be necessary or desirable to complete and execute any such Forms 3, 4, or 5, comp:

(3) take any other action of any type whatsoever in connection with the foregoing which, in the opinion of such attorney-in-fact, may be of benefit to, in the best i:

The undersigned hereby grants to each such attorney-in-fact full power and authority to do and perform any and every act and thing whatsoever requisite, necessary, c

The undersigned acknowledges that the foregoing attorneys-in-fact, in serving in such capacity at the request of the undersigned, are not assuming, nor is the Compar

This Power of Attorney shall remain in full force and effect until the undersigned is no longer required to file Forms 3, 4, and 5 with respect to the undersigned's

IN WITNESS WHEREOF, the undersigned has caused this Power of Attorney to be executed as of this _____ day _____, 2004.

David J. McMillan