

SECURITIES AND EXCHANGE COMMISSION
WASHINGTON, DC 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) – December 7, 2007

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 8 – OTHER EVENTS

Item 8.01 Other Events

On December 7, 2007, ALLETE, Inc. (the “Company”) issued a press release reiterating earnings guidance for 2007 and announcing 2008 earnings guidance within the range of \$2.70 to \$2.90 per share. A copy of the press release, which the Company is filing with the Securities and Exchange Commission, is attached as Exhibit 99 and incorporated by reference herein.

SECTION 9 – FINANCIAL STATEMENTS AND EXHIBITS

Item 9.01 Financial Statements and Exhibits

- (a) Financial Statements of Business Acquired – Not applicable
- (b) Pro Forma Financial Information – Not applicable
- (c) Shell Company Transactions – Not applicable
- (d) Exhibits

Exhibit Number

99 -ALLETE News Release dated December 7, 2007 reiterating earnings guidance for 2007 and announcing 2008 earnings guidance.

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 3 of this Form 8-K.

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

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 in forward-looking statements (as such term is defined in the Private Securities Litigation Reform Act of 1995) made by or on behalf of ALLETE in this Current Report on Form 8-K, in presentations, in response to questions or otherwise. Any statements that express, or involve discussions as to expectations, beliefs, plans, objectives, assumptions, or future events or performance (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 similar expressions) are not statements of historical facts and may be forward-looking.

Forward-looking statements involve estimates, assumptions, risks and uncertainties, which are beyond our control and may cause actual results or outcomes to differ materially from those that may be projected. 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:

- 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 and capital investments, present or prospective wholesale and retail competition (including but not limited to transmission costs), zoning and permitting of land held for resale and environmental regulation;
- effects of restructuring initiatives in the electric industry;
- economic and geographic factors, including political and economic risks;
- changes in and compliance with laws and policies;
- 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;
- unanticipated project delays or changes in project costs;
- availability of construction materials and skilled construction labor for capital projects;
- unanticipated changes in operating expenses and capital expenditures;
- global and domestic economic conditions;
- 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” in Part I of our 2006 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.

December 7, 2007

/s/ Mark A. Schober

Mark A. Schober
Senior Vice President and Chief Financial Officer

ALLETE, Inc. 8-K Dated Decmeber 7, 2007

Dec. 7, 2007

For Release:

Contact:

Investor

Contact:

Tim Thorp

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ALLETE provides 2008 earnings outlook and reiterates 2007 guidance

DULUTH, Minn.—ALLETE, Inc. (NYSE:ALE) today announced it expects 2008 earnings to be within a range of \$2.70 to \$2.90 per share. The company's expectation for 2007 remains unchanged at \$3.00 to \$3.05 per share.

"Our outlook for 2008 assumes electric rate case filings, rate base asset growth from a significant capital expenditure program, and continuation of the very difficult Florida real estate market," said Don Shippar, ALLETE Chairman, President and CEO.

Several factors affect the 2008 outlook for ALLETE's Energy business, including:

- § Minnesota Power's expected filing of a wholesale rate case with the Federal Energy Regulatory Commission in late December, 2007, with interim electric rates in effect in 2008.
- § Minnesota Power's intention to file a retail rate case with the Minnesota Public Utilities Commission in mid-2008, with interim rates in effect 60 days later.
- § ALLETE's expectation that electricity sales to Minnesota Power's industrial customers will continue at the current high levels.
- § Increased revenue from current cost recovery riders related to the company's investments in environmental and renewable energy initiatives.
- § Increases in operation and maintenance expenses, including labor and benefit costs.
- § Increased financing costs associated with the 2008 capital expenditure program.
- § Anticipation of approximately \$275 million in capital expenditures in 2008, about half of which will be invested in environmental and renewable energy initiatives.
- § The expectation of ALLETE investing an additional \$5 to \$7 million in the American Transmission Company.

Regarding the 2008 outlook for ALLETE's Real Estate business, Shippar said the company sees no sign of improvement in the Florida real estate market. "We expect earnings from this business will be less in 2008 than the \$16 to \$18 million we foresee in 2007," he said. Lower real estate income is the primary reason for the anticipated change in total company earnings in 2008 compared to 2007, Shippar noted.

Shippar emphasized that the long-term outlook for ALLETE's core businesses remains sound. He said Minnesota Power intends to maintain a low-cost position as rate-base assets more than double by 2011. Several potential new industrial energy customers are in various stages of planning and permitting and new final electric rates are expected to be in place in 2009.

ALLETE Properties will continue to be an important contributor to the company's earnings stream. This business has about 10 years worth of already entitled, mixed-use land inventory in a region of Florida where demographic growth indicators remain strong. ALLETE's Florida land inventory has a very low book basis and ALLETE Properties has very little debt, Shippar said.

"ALLETE's long-term earnings growth potential is solid. Our goal is to earn a financial return that will allow us to provide dividend increases while funding our capital expenditure program," said Shippar.

ALLETE's corporate headquarters are located in Duluth, Minnesota. ALLETE provides energy services in the upper Midwest and has significant real estate holdings in Florida. More information about the company is available on ALLETE'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.

