

SECURITIES AND EXCHANGE COMMISSION
Washington, D.C. 20549

Form S-3

REGISTRATION STATEMENT UNDER THE SECURITIES ACT OF 1933

ALLETE, Inc.

(Exact name of registrant as specified in its charter)

Minnesota
(State of incorporation or organization)

41-0418150
(I.R.S. Employer Identification No.)

30 West Superior Street
Duluth, Minnesota 55802-2093
(218) 279-5000
(Address, including zip code, and telephone number, including area code,
of registrant's principal executive offices)

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Chief Financial Officer
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Duluth, Minnesota 55802-2093
(218) 279-5000

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(Names and addresses, including zip codes, and telephone numbers, including area codes, of agents for service)

Approximate date of commencement of proposed sale to the public: From time to time after the effective date of this registration statement as determined by market conditions and other factors.

If the only securities being registered on this Form are being offered pursuant to dividend or interest reinvestment plans, please check the following box.

If any of the securities being registered on this Form are to be offered on a delayed or continuous basis pursuant to Rule 415 under the Securities Act of 1933, other than securities offered only in connection with dividend or interest reinvestment plans, check the following box.

If this Form is filed to register additional securities for an offering pursuant to Rule 462(b) under the Securities Act of 1933, please check the following box and list the Securities Act registration statement number of the earlier effective registration statement for the same offering.

If this Form is a post-effective amendment filed pursuant to Rule 462(c) under the Securities Act of 1933, check the following box and list the Securities Act registration statement number of the earlier effective registration statement for the same offering.

If this Form is a registration statement pursuant to General Instruction I.D. or a post-effective amendment thereto that shall become effective upon filing with the Commission pursuant to Rule 462(e) under the Securities Act of 1933, check the following box.

If this Form is a post-effective amendment to a registration statement filed pursuant to General Instruction I.D. filed to register additional securities or additional classes of securities pursuant to Rule 413(b) under the Securities Act of 1933, check the following box.

CALCULATION OF REGISTRATION FEE

Title of Each Class of Securities to be Registered	Proposed Maximum Aggregate Offering Price (1)	Amount of Registration Fee
Common Stock, without par value		
Preferred Share Purchase Rights (2)		
First Mortgage Bonds		
Total		\$0

- (1) An unspecified aggregate initial offering of the securities of each identified class is being registered as may from time to time be offered by ALLETE, Inc. at unspecified prices, along with an indeterminate number of securities that may be issued upon exercise, settlement, exchange or conversion of securities offered hereunder. Separate consideration may or may not be received for securities that are issuable upon exercise, settlement, conversion or exchange of other securities or that are issued in units. In connection with the securities offered hereby, except as specified in this paragraph, ALLETE, Inc. will pay "pay-as-you-go registration fees" in accordance with Rule 456(b).
- (2) The preferred share purchase rights are attached to and will trade with the common stock. The value attributable to the preferred share purchase rights, if any, is reflected in the market price of the common stock.

ALLETE, Inc.

Common Stock and First Mortgage Bonds

ALLETE, Inc. may offer any combination of the securities described in this prospectus in one or more offerings from time to time in amounts authorized from time to time.

ALLETE will provide specific terms of the securities, including the offering prices, in supplements to this prospectus. The supplements may also add, update or change information contained in this prospectus. You should read this prospectus and any supplements carefully before you invest.

ALLETE's common stock is listed on the New York Stock Exchange and trades under the symbol "ALE."

ALLETE's principal executive offices are located at 30 West Superior Street, Duluth, Minnesota 55802-2093, telephone number (218) 279-5000.

See the discussion of risk factors, if any, contained in ALLETE's annual, quarterly and current reports filed with the Securities and Exchange Commission under the Securities Exchange Act of 1934, which are incorporated by reference into this prospectus, to read about certain factors you should consider before purchasing any of the securities being offered.

ALLETE may offer the securities to or through underwriters or dealers, directly to purchasers or through agents designated from time to time. The supplements to this prospectus will describe the terms of any particular plan of distribution, including any underwriting arrangements. The "Plan of Distribution" section beginning on page 15 of this prospectus also provides more information on this topic.

Neither the Securities and Exchange Commission nor any state securities commission has approved or disapproved of these securities or determined if this prospectus is truthful or complete. Any representation to the contrary is a criminal offense.

December 10, 2007

ALLETE, Inc. Form S-3 2007

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ABOUT THIS PROSPECTUS

This prospectus is part of a registration statement that ALLETE, Inc. filed under the Securities Act of 1933 with the Securities and Exchange Commission, or SEC, using a “shelf” registration process. ALLETE, Inc. is referred to in this prospectus as “ALLETE.” Under this shelf registration process, ALLETE may issue and sell any combination of the securities described in this prospectus in one or more offerings from time to time.

This prospectus provides you with a general description of the securities ALLETE may offer. Each time ALLETE sells securities, ALLETE will provide a prospectus supplement that will contain specific information about the terms of that offering. Material United States federal income tax considerations applicable to the offered securities will be discussed in the applicable prospectus supplement, if necessary. The prospectus supplement may also add, update or change information contained in this prospectus. You should read both this prospectus and any prospectus supplement together with additional information described under the headings “Where You Can Find More Information” and “Incorporation by Reference.”

For more detailed information about the securities, you can read the exhibits to the registration statement. Those exhibits have been either filed with the registration statement or incorporated by reference to earlier SEC filings listed in the registration statement.

WHERE YOU CAN FIND MORE INFORMATION

ALLETE files annual, quarterly and other reports and other information with the SEC. You can read and copy any information filed by ALLETE with the SEC at the SEC’s Public Reference Room at 100 F Street, N.E., Washington, D.C. 20549. You can obtain additional information about the Public Reference Room by calling the SEC at 1-800-SEC-0330.

In addition, the SEC maintains an Internet site (www.sec.gov) that contains reports, proxy and information statements, and other information regarding issuers that file electronically with the SEC, including ALLETE. ALLETE also maintains an Internet site (www.allete.com). Information contained on ALLETE’s Internet site does not constitute part of this prospectus.

INCORPORATION BY REFERENCE

The SEC allows ALLETE to “incorporate by reference” the information that ALLETE files with the SEC, which means that ALLETE may, in this prospectus, disclose important information to you by referring you to those documents. The information incorporated by reference is an important part of this prospectus. Information that ALLETE files in the future with the SEC will automatically update and supersede this information. ALLETE is incorporating by reference the documents listed below and any future filings ALLETE makes with the SEC under Sections 13(a), 13(c), 14 or 15(d) of the Securities Exchange Act of 1934 after the date of this prospectus until ALLETE sells all of these securities:

- ALLETE’s Annual Report on Form 10-K for the year ended December 31, 2006;
- ALLETE’s Quarterly Reports on Form 10-Q for the quarters ended March 31, 2007, June 30, 2007 and September 30, 2007; and
- ALLETE’s Current Reports on Form 8-K filed with the SEC on June 7, 2007, July 23, 2007 and December 7, 2007.

You may request a copy of these documents, at no cost to you, by writing or calling:

Shareholder Services
ALLETE
30 West Superior Street
Duluth, Minnesota 55802-2093
telephone: (218) 723-3974
e-mail: shareholder@allete.com

ALLETE will provide to each person, including any beneficial owner, to whom this prospectus is delivered, a copy of any or all of the information that has been incorporated by reference in this prospectus but not delivered with this prospectus.

FORWARD-LOOKING STATEMENTS

In connection with the safe harbor provisions of the Private Securities Litigation Reform Act of 1995, ALLETE is hereby filing cautionary statements identifying important factors that could cause ALLETE's actual results to differ materially from those projected in forward-looking statements (as that term is defined in the Private Securities Litigation Reform Act of 1995) made by or on behalf of ALLETE which are made in this prospectus or any prospectus supplement, 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 and uncertainties, which are beyond ALLETE's 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:

- ALLETE's ability to successfully implement its strategic objectives;
- ALLETE's ability to manage expansion and integrate acquisitions;
- prevailing governmental policies, regulatory actions and legislation, including those of the United States Congress, state legislatures, the Federal Energy Regulatory Commission, the Minnesota Public Utilities Commission, the Public Service Commission of Wisconsin 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;
- ALLETE's ability to access capital markets and bank financing;
- changes in interest rates and the performance of the financial markets;
- ALLETE's 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 factors that could cause ALLETE's results and performance to differ from those projected in forward-looking statements are set forth in the discussion of risk factors, if any, contained in ALLETE's annual, quarterly and current reports filed with the SEC under the Securities Exchange Act of 1934, which are incorporated by reference into this prospectus and in any prospectus supplement. Any forward-looking statement speaks only as of the date on which that statement is made, and ALLETE undertakes 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 those factors, nor can it assess the impact of each of those 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. You should also refer to ALLETE's reports and other information incorporated by reference herein for any additional factors.

ALLETE, INC.

ALLETE is a diversified company that has provided fundamental products and services since 1906. These include our former operations in the water, paper, telecommunications and automotive industries and the core **Energy** and **Real Estate** businesses we operate today.

Energy is comprised of Regulated Utility, Nonregulated Energy Operations and Investment in ATC.

- **Regulated Utility** includes retail and wholesale rate regulated electric, natural gas and water services in northeastern Minnesota and northwestern Wisconsin under the jurisdiction of state and federal regulatory authorities.
- **Nonregulated Energy Operations** includes coal mining activities in North Dakota, approximately 50 megawatts of nonregulated generation and Minnesota land sales.
- **Investment in ATC** includes an equity ownership interest in American Transmission Company LLC.

Real Estate includes Florida real estate operations.

Other includes investments in emerging technologies, and earnings on cash and short-term investments.

USE OF PROCEEDS

Unless otherwise stated in the prospectus supplement, ALLETE will add the net proceeds from the sale of the securities to its general funds. ALLETE will use its general funds for corporate purposes, including, without limitation, capital investments in its existing business, acquisitions made by or on behalf of it or its subsidiaries, to repay short-term borrowings and to repay, redeem or repurchase outstanding long-term debt obligations. ALLETE will temporarily invest any proceeds that it does not immediately need to use in short-term instruments.

CONSOLIDATED RATIO OF EARNINGS TO FIXED CHARGES

ALLETE's consolidated ratio of earnings to fixed charges for each of its last five fiscal years is as follows:

Years Ended December 31,				
2006	2005	2004	2003	2002
5.16	1.66	1.74	1.51	1.35

ALLETE's consolidated ratio of earnings to fixed charges for the nine months ended September 30, 2007 was 5.65.

DESCRIPTION OF COMMON STOCK

General. The following statements describing ALLETE's common stock are not intended to be a complete description. For additional information, please see ALLETE's Articles of Incorporation and Bylaws. Each of these documents has been previously filed with the SEC and they are exhibits to the registration statement filed with the SEC of which this prospectus is a part. Reference is also made to the laws of the State of Minnesota.

ALLETE has the following capital stock authorized by its Articles of Incorporation: 43,333,333 shares of common stock, without par value, and 3,616,000 shares of preferred stock. As of the date of this prospectus, 30,825,618 shares of common stock were issued and outstanding and no shares of preferred stock were issued and outstanding.

Dividend Rights. ALLETE's common stock is entitled to dividends only after ALLETE has provided for dividends and any sinking fund requirements on any issued and outstanding preferred stock. ALLETE's Articles of Incorporation contain provisions which would restrict net income available for the payment of cash dividends on outstanding common stock in the event that shares of ALLETE's preferred stock were outstanding and certain common stock equity capitalization ratios were not met.

Voting Rights (Non-Cumulative Voting). Holders of ALLETE's common stock are entitled to receive notice of and to vote at any meeting of shareholders. Each share of ALLETE's common stock, as well as each share of any of ALLETE's issued and outstanding preferred stock, is entitled to one vote. Since the holders of these shares do not have cumulative voting rights, the holders of more than 50 percent of the shares voting can elect all directors. If that happens, the holders of the remaining shares voting (less than 50 percent) cannot elect any directors. In addition, whenever dividends on any of ALLETE's preferred stock are in default in the amount of four full quarterly payments or more, and until all the dividends in default are paid, the holders of ALLETE's preferred stock are entitled, as one class, to elect a majority of the directors. ALLETE's common stock, as one class, would then elect the minority.

The Articles of Incorporation include detailed procedures and other provisions relating to these rights and their termination, including:

- quorums;
- terms of directors elected;
- vacancies;
- class voting;
- meetings; and
- adjournments.

The Articles of Incorporation contain provisions that make it difficult to obtain control of ALLETE through transactions not having the approval of the Board of Directors. These provisions include:

- a provision requiring the affirmative vote of 75 percent of the outstanding shares of all classes of ALLETE's capital stock, present and entitled to vote, in order to authorize certain mergers or consolidations, or sales or leases of a significant amount of assets, of ALLETE, and other significant transactions that may have an effect on the control of ALLETE. Any of those transactions are required to meet certain "fair price" and procedural requirements. Neither a 75 percent shareholder vote nor a "fair price" is required for any of those transactions that have been approved by a majority of the "Disinterested Directors," as that term is defined in the Articles of Incorporation;
- a provision permitting a majority of the Disinterested Directors to determine whether the above requirements have been satisfied; and
- a provision providing that some parts of the Articles of Incorporation cannot be altered unless approved by 75 percent of the outstanding shares of all classes of ALLETE's capital stock, present and entitled to vote, unless the alteration is recommended to the shareholders by a majority of the Disinterested Directors. The parts of the Articles of Incorporation that cannot be altered except as stated above include some parts relating to:
 - mergers or consolidations, or sales or leases of a significant amount of assets, of ALLETE, and other significant transactions that may have an effect on the control of ALLETE; and
 - the number, election, terms of office and removal of directors of ALLETE and the way in which vacancies on the Board of Directors are filled.

Liquidation Rights. After ALLETE has satisfied creditors and the preferential liquidation rights of any of its outstanding preferred stock, the holders of its common stock are entitled to share ratably in the distribution of all remaining assets.

Miscellaneous. Holders of ALLETE's common stock have no preemptive or conversion rights. ALLETE's common stock is listed on the New York Stock Exchange. The transfer agents and registrars for ALLETE's common stock are Wells Fargo Bank, N.A. and ALLETE.

Description of Preferred Share Purchase Rights. The following statements describing ALLETE's preferred share purchase rights, each a "Right," are not intended to be a complete description. For additional information, please see the Amended and Restated Rights Agreement, dated as of July 12, 2006, or the Rights Plan, between ALLETE and the Corporate Secretary of ALLETE, as Rights Agent, which sets forth the terms of the Rights. The Rights Plan has been previously filed with the SEC and is an exhibit to the registration statement filed with the SEC of which this prospectus is a part. Reference is also made to the laws of the State of Minnesota.

On July 12, 2006, the Board of Directors of ALLETE amended the terms of the Rights Agreement, dated July 14, 1996 between ALLETE and the Corporate Secretary of ALLETE. Pursuant to the Rights Plan, ALLETE will issue rights certificates, or "Right Certificates," to the record holders of its common stock when certain events occur, as discussed below. Each record holder of ALLETE's common stock will receive a Right Certificate, evidencing one Right for each share of common stock so held, subject to adjustment. Except as described below, each Right, when exercisable, currently entitles the registered holder to purchase from ALLETE one and one-half one-hundredths (three two-hundredths) of a share of Junior Serial Preferred Stock A, without par value, or Serial Preferred. The purchase price is \$90 per one one-hundredth of a share of Serial Preferred, or the Purchase Price. The Purchase Price is subject to adjustment.

Initially, no separate Right Certificates were distributed. Until the Distribution Date, ALLETE's common stock certificates together with a copy of a summary of the Rights Plan are proof of the Rights. The "Distribution Date" is the earlier to occur of:

- 10 days following a public announcement that a person or group of affiliated or associated persons (an "Acquiring Person") has acquired, or obtained the right to acquire, beneficial ownership of 15 percent or more of the outstanding shares of ALLETE's common stock, or the "Stock Acquisition Date;" or
- 15 business days following the commencement of (or a public announcement of an intention to make) a tender or exchange offer where a person or group would become the beneficial owner of 15 percent or more of ALLETE's outstanding shares of common stock. At any time before a person becomes an Acquiring Person, the Board of Directors may extend the 15-business day time period.

Until the Distribution Date (or the earlier redemption, expiration or termination of the Rights), the Rights will be transferred only with ALLETE's common stock. The transfer of any certificates for ALLETE's common stock, with or without a copy of the summary of Rights Plan, will also constitute the transfer of the Rights associated with those common stock certificates. As soon as practicable following the Distribution Date, ALLETE will mail separate certificates evidencing the Rights to holders of record of ALLETE's common stock as of the close of business on the Distribution Date. After the Distribution Date, separate certificates for the Rights alone will be given as proof of the Rights.

Each whole share of ALLETE's Serial Preferred will have a minimum preferential quarterly dividend rate equal to the greater of \$51 per share or, subject to adjustment, 100 times the aggregate per share amount of all cash dividends and 100 times the aggregate per share amount (payable in kind) of all non-cash dividends or other distributions other than a dividend payable in shares of common stock or a subdivision of the outstanding shares of common stock. If ALLETE liquidates, no distribution will be made to the holders of shares of ALLETE's stock ranking junior to the Serial Preferred until the holders of ALLETE's Serial Preferred have received a liquidation preference of \$100 per share, plus accrued and unpaid dividends and distributions. Holders of ALLETE's Serial Preferred will be entitled to receive notice of and to vote at any meeting of ALLETE's shareholders. Each whole share of ALLETE's Serial Preferred is entitled to one vote. These shares do not have cumulative voting rights.

ALLETE's Articles of Incorporation provide that whenever dividends on any of ALLETE's preferred stock are in default in the amount of four quarterly payments, and until all the dividends in default are paid, the holders of ALLETE's Serial Preferred and other preferred stock will be entitled, together as one class, to elect a majority of directors. Holders of ALLETE's common stock would then elect the minority. If, in any merger or other transaction, shares of ALLETE's common stock are exchanged for or converted into stock or other securities, cash and/or any other property, each whole share of ALLETE's Serial Preferred will be entitled to receive, subject to adjustment, 100 times the aggregate amount of stock, securities, cash and/or other property (payable in kind), as the case may be, for or into which each share of ALLETE's common stock is exchanged or converted. ALLETE cannot redeem the shares of Serial Preferred.

The Rights are not exercisable until the Distribution Date and will expire at the earliest of:

- July 11, 2009 (“Final Expiration Date”);
- the redemption of the Rights as described below; or
- the exchange of all Rights for ALLETE’s common stock as described below.

If any person (other than ALLETE, its affiliates or any person receiving newly-issued shares of common stock directly from ALLETE) becomes the beneficial owner of 15 percent or more of the then outstanding shares of common stock, each holder of a Right will have a right to receive, upon exercise at the then current exercise price of the Right, common stock (or, in the discretion of the Board of Directors, cash, property or other securities of ALLETE) with a value equal to two times the exercise price of the Right. The Rights Plan contains an exemption for any common stock ALLETE issues directly to any person. This exemption applies even if the person would become the beneficial owner of 15 percent or more of ALLETE’s common stock, provided that such person does not acquire any additional shares of ALLETE’s common stock. Examples of situations where ALLETE might issue common stock directly include private placements or acquisitions where ALLETE’s common stock is used as consideration.

If, following the Stock Acquisition Date, ALLETE is acquired in a merger or other business combination transaction or 50 percent or more of its assets or earning power are sold, ALLETE will make proper provision so that each holder of a Right will, after the transaction, have the right to receive, upon exercise at the then current exercise price of the Right, common stock of the acquiring or surviving company with a value equal to two times the exercise price of the Right.

If the events described in the preceding two paragraphs happen, otherwise called “Triggering Events,” any Rights that an Acquiring Person beneficially owns, or transferred to certain persons, will immediately become null and void.

The Purchase Price payable and the number of shares of ALLETE’s Serial Preferred or other securities or property issuable if the Rights are exercised, are subject to adjustment. An adjustment would be made to prevent dilution, if there was a stock dividend on, or a subdivision, split, combination, consolidation or reclassification of, ALLETE’s Serial Preferred or its common stock, or a reverse split of its outstanding shares of Serial Preferred or common stock.

ALLETE’s Board of Directors may exchange the Rights at an exchange ratio of one share of common stock per Right, subject to adjustment, at any time that is:

- after the acquisition by a person or group of affiliated or associated persons of beneficial ownership of 15 percent or more of the outstanding common stock; and
- before the acquisition by that person or group of 50 percent or more of the outstanding common stock.

This exchange ratio is subject to adjustment and does not include Rights that have become null and void.

With certain exceptions, no adjustment in the Purchase Price will be required until cumulative adjustments require an adjustment of at least one percent in the Purchase Price. ALLETE will not be required to issue fractional shares of Serial Preferred or common stock (other than fractions in multiples of one one-hundredths of a share of Serial Preferred). Instead, ALLETE may make an adjustment in cash based on the market price of the Serial Preferred or common stock on the last trading date before the date of exercise.

ALLETE’s Board of Directors may redeem the Rights in whole, but not in part, at a price of \$.005 per Right, or the “Redemption Price,” any time before a person becomes an Acquiring Person. At its option, ALLETE may pay the Redemption Price in cash, shares of its common stock or other consideration that its Board of Directors deems appropriate. If ALLETE redeems the Rights, the Rights will terminate and the only right of the holders of Rights will be to receive the Redemption Price.

The Rights Plan contains several provisions related to the occurrence of Triggering Events. ALLETE is prohibited from consolidating, merging, or selling a majority of its assets or earning power if doing so would be counter to the intended benefits of the Rights or would result in the distribution of Rights to the shareholders of the other parties to the transaction. The Rights Plan also provides that once the Rights become exercisable, the Board of Directors is not permitted to take any action that could reasonably be foreseen to diminish substantially or otherwise eliminate the intended benefits of the Rights, provided that this provision does not prevent the Board of Directors from exercising its existing authority, under certain circumstances, to redeem or exchange the Rights, or to further amend the Plan. Finally, the Rights Plan includes a requirement that certain provisions to which a counterparty to a proposed consolidation, merger, sale or transfer is subject and which would disrupt the intended effects of the Rights Plan be cancelled, waived, or amended.

If the Rights are exercised, issuance of Serial Preferred or common stock will be subject to any necessary regulatory approvals. Until a Right is exercised, the holder of the Right will have no rights as ALLETE's shareholder, including, without limitation, the right to vote or to receive dividends. One million shares of Serial Preferred were reserved for issuance if the Rights are exercised.

ALLETE may amend the provisions of the Rights Plan. However, any amendment adopted after the time that a person becomes an Acquiring Person may not adversely affect the interests of holders of Rights.

Pursuant to the Rights Plan, a special committee of the Board of Directors known as the IDE Committee, comprising all of the independent directors of ALLETE, is required to conduct an annual review of the terms and conditions of the Rights Plan, including whether termination or modification of the Rights Plan is in the best interests of ALLETE and its shareholders. The IDE Committee will annually make recommendations to the Board of Directors based on such review.

The Rights have anti-takeover effects. The Rights will cause substantial dilution to a person or group that attempts to acquire ALLETE without conditioning the offer on the redemption of the Rights or on the acquisition of a substantial number of Rights. The Rights beneficially owned by that person or group may become null and void. The Rights should not interfere with any merger or other business combination approved by ALLETE's Board of Directors. This is because, at any time before a person becomes an Acquiring Person, ALLETE's Board of Directors may redeem all of the then outstanding Rights at the Redemption Price.

DESCRIPTION OF FIRST MORTGAGE BONDS

General. The following description sets forth certain general terms and provisions of ALLETE's first mortgage bonds that ALLETE may offer by this prospectus. ALLETE will describe the particular terms of the first mortgage bonds, and provisions that vary from those described below, in one or more prospectus supplements.

ALLETE may issue the first mortgage bonds from time to time in one or more series. ALLETE will issue the first mortgage bonds under its Mortgage and Deed of Trust, dated as of September 1, 1945, with Irving Trust Company (now The Bank of New York) and Richard H. West (Douglas J. MacInnes, successor), as mortgage trustees ("mortgage trustee" or "mortgage trustees"), which has been amended and supplemented in the past, may be supplemented prior to the issuance of these first mortgage bonds and which will be supplemented again by one or more supplemental indentures relating to these first mortgage bonds. The Mortgage and Deed of Trust, as so amended and supplemented, is referred to in this prospectus as the "mortgage."

This section briefly summarizes some of the terms of the first mortgage bonds and some of the provisions of the mortgage and uses some terms that are not defined in this prospectus but that are defined in the mortgage. This summary is not complete. You should read this summary together with the mortgage and the supplemental indenture establishing the first mortgage bonds for a complete understanding of all the provisions. References to certain sections of the mortgage are included in parentheses. The mortgage and the form of supplemental indenture have been previously filed with the SEC, and are exhibits to the registration statement filed with the SEC of which this prospectus is a part. In addition, the mortgage is qualified as an indenture under the Trust Indenture Act of 1939 and is therefore subject to the provisions of the Trust Indenture Act of 1939. You should read the Trust Indenture Act of 1939 for a complete understanding of its provisions. All first mortgage bonds issued or to be issued under the mortgage, including the first mortgage bonds offered by this prospectus, are referred to herein as “first mortgage bonds.”

All first mortgage bonds of one series need not be issued at the same time, and a series may be re-opened for issuances of additional first mortgage bonds of such series. This means that ALLETE may from time to time, without notice to, or the consent of the existing holders of the first mortgage bonds of a particular series, create and issue additional first mortgage bonds of such series. Such additional first mortgage bonds will have the same terms as the first mortgage bonds of such series in all respects (except for the payment of interest accruing prior to the issue date of the additional first mortgage bonds or except for the first payments of interest following the issue date of the additional first mortgage bonds) so that the additional first mortgage bonds may be consolidated and form a single series with the first mortgage bonds of such series.

Reference is made to a prospectus supplement relating to each series of first mortgage bonds offered by this prospectus for the following specific terms of that series, among others:

- the designation of the series of first mortgage bonds and aggregate principal amount of the first mortgage bonds,
- the percentage or percentages of their principal amount at which the series will be issued,
- the offering price of the series,
- the place where the principal of and interest on the series will be payable, if other than at The Bank of New York in The City of New York,
- the date or dates on which the series will mature,
- the rate or rates at which the series will bear interest, or how the interest rate(s) will be determined,
- the times at which such interest will be payable,
- whether all or a portion of the series will be in global form, and
- redemption terms or any other terms or provisions relating to the series that are not inconsistent with the provisions of the mortgage.

The first mortgage bonds may be sold at a discount below their principal amount. Some of the important United States federal income tax considerations applicable to first mortgage bonds sold at a discount below their principal amount may be described in the prospectus supplement. In addition, some of the important United States federal income tax or other considerations applicable to any first mortgage bonds which are denominated or payable in a currency or currency unit other than United States dollars may be described in the prospectus supplement.

Except as may otherwise be described in the prospectus supplement, the covenants contained in the mortgage will not afford holders of the first mortgage bonds protection in the event of a highly-leveraged or similar transaction involving ALLETE or in the event of a change in control.

Form and Exchanges. The first mortgage bonds offered by this prospectus will be issued in fully registered form without coupons, unless otherwise stated in a prospectus supplement. The first mortgage bonds will be issued in denominations of \$1,000 and multiples thereof, or in other authorized denominations, and will be transferable and exchangeable without charge (except for stamp taxes, if any, or other governmental charges) at The Bank of New York, in The City of New York.

A holder of first mortgage bonds may exchange those first mortgage bonds, without charge, for an equal aggregate principal amount of first mortgage bonds of the same series, having the same issue date and with identical terms and provisions, unless otherwise stated in a prospectus supplement. A holder of first mortgage bonds may transfer those first mortgage bonds without cost to the holder, other than for applicable stamp taxes or other governmental charges, unless otherwise stated in a prospectus supplement. ALLETE may issue all or some of the first mortgage bonds in "book-entry" form, which means that they will be represented by global notes, instead of certificates. If ALLETE issues global notes representing any first mortgage bonds, then a depository selected by ALLETE will keep a record of the beneficial interests in those global notes and record any transfers of those beneficial interests and the depository, or its custodian, will hold those global notes. Any additional requirements as to the form and method of exchange of first mortgage bonds will be described in a prospectus supplement.

Redemption and Purchase of First Mortgage Bonds. The first mortgage bonds may be redeemable mandatorily or at the option of ALLETE upon 30 days notice at predetermined prices. If the first mortgage bonds are redeemable, ALLETE may use certain deposited cash and/or proceeds of released property to effect the redemption. Reference is made to the prospectus supplement for the redemption terms of the first mortgage bonds offered by this prospectus.

If at the time notice of redemption is given the redemption moneys are not on deposit with The Bank of New York, as mortgage trustee, the redemption may be made subject to their receipt before the date fixed for redemption.

Cash deposited under any provisions of the mortgage (with certain exceptions) may generally be applied to the purchase of first mortgage bonds of any series. (See Mortgage, Article X.)

Subject to applicable law, including United States federal securities law, ALLETE may purchase outstanding first mortgage bonds by tender, in the open market or by private agreement.

Sinking or Improvement Fund. Reference is made to the prospectus supplement concerning whether or not the first mortgage bonds offered by this prospectus are entitled to the benefit of a sinking or improvement fund or other provision for amortization prior to maturity. None of the currently outstanding first mortgage bonds has sinking fund or improvement fund provisions.

Replacement Fund. The first mortgage bonds offered by this prospectus are not entitled to the benefit of any replacement fund.

Special Provisions for Retirement of First Mortgage Bonds. If, during any 12 month period, mortgaged property is disposed of by order of or to any governmental authority resulting in the receipt by ALLETE of \$5 million or more as proceeds, ALLETE (subject to certain conditions) must apply such proceeds, less certain deductions, to the retirement of first mortgage bonds. If this occurs, ALLETE may redeem first mortgage bonds of any series that are redeemable for such reason at the redemption prices applicable to those first mortgage bonds. (See Mortgage, Section 64.) Reference is made to the prospectus supplement for information concerning whether the first mortgage bonds offered by this prospectus are redeemable for this purpose and, if so, at what redemption prices.

Security. The first mortgage bonds offered by this prospectus and any other first mortgage bonds now or hereafter issued under the mortgage will be secured by the mortgage, which constitutes a first lien on all of the electric generating plants and other materially important physical properties of ALLETE and substantially all other properties described in the mortgage as owned by ALLETE, other than those expressly excepted. The lien of the mortgage is or may be subject to the following:

- excepted encumbrances, including defects which ALLETE has the right to cure and which do not impair the use of such properties by ALLETE;
- possible defects in title to reservoir lands, easements or rights of way, any property not costing in excess of \$25,000, or lands or rights held for flowage, flooding or seepage purposes, or riparian rights;
- vendors' liens, purchase money mortgages and liens on property that already exist at the time ALLETE acquires that property;
- liens for labor, materials, supplies or other objects given priority by law; and
- liens for taxes, assessments or other governmental charges given priority by law.

The mortgage does not create a lien on the following "excepted property":

- cash and securities;
- merchandise, equipment, materials or supplies held for sale or other disposition;
- fuel, oil and similar materials used in the operation of the properties of ALLETE;
- aircraft, automobiles and other vehicles, and materials and supplies for repairing and replacing the same;
- timber, minerals, mineral rights and royalties;
- receivables, contracts, leases and operating agreements; and
- materials or products, including electric energy, that ALLETE generates, produces or purchases for sale or use by ALLETE.

The mortgage contains provisions that impose the lien of the mortgage on property acquired by ALLETE after the date of the mortgage, other than "excepted property." However, if ALLETE consolidates or merges with, or conveys or transfers all or substantially all of ALLETE's mortgaged property to another corporation, the lien created by the mortgage will generally not cover the property of the successor company, other than the property it acquires from ALLETE and improvements, replacements and additions to that property. (See Mortgage, Section 87.)

The mortgage provides that the mortgage trustees shall have a lien upon the mortgaged property for the payment of their reasonable compensation, expenses and disbursements and for indemnity against certain liabilities. This lien takes priority over the lien securing the first mortgage bonds. (See Mortgage, Section 96.)

No stock, properties or other assets of ALLETE's subsidiaries are subject to the mortgage.

Issuance of Additional First Mortgage Bonds. The maximum principal amount of first mortgage bonds which may be issued under the mortgage is not limited so long as it meets the issuance tests set forth in the mortgage, which are generally described below. First mortgage bonds of any series may be issued from time to time on the basis of:

- (1) 60 percent of property additions after adjustments to offset retirements;
- (2) retirement of first mortgage bonds or qualified lien bonds; and
- (3) deposit of cash.

With certain exceptions in the case of (2) above, ALLETE may not issue first mortgage bonds unless it meets the "net earnings" test set forth in the mortgage, which requires adjusted net earnings before income taxes for 12 out of the preceding 15 months of at least twice the annual interest requirements on all first mortgage bonds at the time outstanding, including the additional issue, and on all indebtedness of prior rank. Such adjusted net earnings are computed after provision for retirement and depreciation of property equal to \$750,000 plus, for each of the 12 calendar months selected for the net earnings test, 1/12th of two percent of the net additions to depreciable mortgaged property made after June 30, 1945 and prior to the beginning of the calendar year within which that calendar month is included. It is expected that the first mortgage bonds offered by this prospectus will be issued upon the basis of the retirement of first mortgage bonds or property additions.

Property additions generally include electric, gas, steam or hot water property acquired after June 30, 1945. Securities, fuel, aircraft, automobiles or other vehicles, or property used principally for the production of gathering of natural gas will not qualify as property additions.

ALLETE has the right to amend the mortgage without any consent or other action by holders of any series of first mortgage bonds, including the holders of first mortgage bonds offered by this prospectus, so as to include nuclear fuel as well as similar or analogous devices or substances as property additions.

The mortgage contains certain restrictions upon the issuance of first mortgage bonds against property subject to liens and upon the increase of the amount of such liens. (See Mortgage, Sections 4-8, 20-30, and 46; Fifth Supplemental, Section 2.)

Release and Substitution of Property. Property may be released upon the basis of:

- (1) deposit with the mortgage trustee of cash or, to a limited extent, purchase money mortgages;
- (2) property additions acquired by ALLETE in the last five years, after adjustments in certain cases to offset retirement and after making adjustments for qualified lien bonds outstanding against property additions; and/or
- (3) waiver of the right to issue first mortgage bonds,

in each case without applying any earnings test. Cash may be withdrawn upon the bases stated in (2) and (3) above.

When property released is not funded property, property additions used to effect the release may again, in certain cases, become available as credits under the mortgage, and the waiver of the right to issue first mortgage bonds to effect the release may, in certain cases, cease to be effective as such a waiver. Similar provisions are in effect as to cash proceeds of such property. The mortgage contains special provisions with respect to qualified lien bonds pledged, and disposition of moneys received on pledged prior lien bonds. (See Mortgage, Sections 5, 31, 32, 37, 46-50, 59-63, 100 and 118.)

Modification of the Mortgage. The rights of bondholders may be modified with the consent of the holders of 66-2/3 percent of the first mortgage bonds and, if less than all series of first mortgage bonds are affected, the consent also of the holders of 66-2/3 percent of the first mortgage bonds of each series affected. In general, no modification of the terms of payment of principal and interest and no modification affecting the lien or reducing the percentage required for modification, is effective against any bondholder without his consent. (See Mortgage, Article XIX; Twenty-first Supplemental, Section 3.)

Defaults and Notice Thereof. Defaults are defined as being:

- failure to pay principal of any first mortgage bond;
- failure to pay interest on any first mortgage bond for 60 days after that interest is due;
- failure to pay any installments of funds for retirement of first mortgage bonds for 60 days after that installment is due;
- failure to pay principal of or interest on any qualified lien bond beyond any applicable grace period for the payment of that principal or interest;
- certain events in bankruptcy, insolvency or reorganization; and
- the expiration of 90 days following notice by the mortgage trustee or holders of 15 percent of the first mortgage bonds relating to other covenants. (See Mortgage, Section 65.)

The mortgage trustees may withhold notice of default, except in payment of principal, interest or funds for retirement of first mortgage bonds, if they think it is in the interest of the bondholders. (See Mortgage, Section 66.) Under the Trust Indenture Act of 1939, ALLETE is required to provide to the mortgage trustees an annual statement by an appropriate officer as to ALLETE's compliance with all conditions and covenants under the mortgage.

The Bank of New York, as mortgage trustee, or the holders of 25 percent of the first mortgage bonds may declare the principal and interest due on default, but a majority may annul such declaration if the default has been cured. (See Mortgage, Section 67.) No holder of first mortgage bonds may enforce the lien of the mortgage without giving the mortgage trustees written notice of a default and unless holders of 25 percent of the first mortgage bonds have requested the mortgage trustees to act and offered them reasonable opportunity to act and indemnity satisfactory to the mortgage trustees and they shall have failed to act. (See Mortgage, Section 80.) The holders of a majority of the first mortgage bonds may direct the time, method and place of conducting any proceedings for any remedy available to the mortgage trustees, or exercising any trust or power conferred upon the mortgage trustees, but the mortgage trustees are not required to follow such direction if not sufficiently indemnified for expenditures. (See Mortgage, Section 71.)

Information about the Mortgage Trustees. The Bank of New York is the corporate mortgage trustee and Douglas J. MacInnes is the individual mortgage trustee. In addition to acting as mortgage trustee, The Bank of New York may also act as trustee under other indentures, trusts and guarantees of ALLETE and its affiliates from time to time.

Satisfaction and Discharge of Mortgage. The mortgage may be satisfied and discharged if and when ALLETE provides for the payment of all of the first mortgage bonds and all other sums due under the mortgage. (See Mortgage, Section 106.)

Evidence to be Furnished to the Mortgage Trustee. ALLETE will provide to the mortgage trustee an annual statement by an appropriate officer as to ALLETE's compliance with all conditions and covenants under the mortgage. (See Trust Indenture Act of 1939, Section 314(a)(4).)

PLAN OF DISTRIBUTION

ALLETE may sell the securities offered pursuant to this prospectus:

- through underwriters or dealers;
- through agents; or
- directly to one or more purchasers.

Through Underwriters or Dealers. If ALLETE uses underwriters in the sale of the securities, the underwriters will acquire the securities for their own account. The underwriters may resell the securities in one or more transactions, including negotiated transactions, at a fixed public offering price or at varying prices determined at the time of sale. The underwriters may sell the securities directly or through underwriting syndicates represented by managing underwriters. Unless otherwise stated in the prospectus supplement relating to any of the securities, the obligations of the underwriters to purchase the securities will be subject to certain conditions, and the underwriters will be obligated to purchase all of the securities if they purchase any of them. If ALLETE uses a dealer in the sale, ALLETE will sell the securities to the dealer as principal. The dealer may then resell those securities at varying prices determined at the time of resale.

Any initial public offering price and any discounts or concessions allowed or reallocated or paid to dealers may be changed from time to time.

Through Agents. ALLETE may designate one or more agents to sell the securities. Unless stated in a prospectus supplement, the agents will agree to use their best efforts to solicit purchases for the period of their appointment.

Directly. ALLETE may sell the securities directly to one or more purchasers. In this case, no underwriters, dealers or agents would be involved.

General Information. A prospectus supplement will state the name of any underwriter, dealer or agent and the amount of any compensation, underwriting discounts or concessions paid, allowed or reallocated to them. A prospectus supplement will also state the proceeds to ALLETE from the sale of the securities, any initial public offering price and other terms of the offering of the securities.

ALLETE may authorize agents, underwriters or dealers to solicit offers by certain institutions to purchase the securities at the public offering price and on terms described in the related prospectus supplement pursuant to delayed delivery contracts providing for payment and delivery on a specified date in the future.

The securities may also be offered and sold, if so indicated in the applicable prospectus supplement, in connection with a remarketing upon their purchase, in accordance with a redemption or repayment pursuant to their terms, or otherwise, by one or more firms, which are referred to herein as the “remarketing firms,” acting as principals for their own accounts or as ALLETE’s agent. Any remarketing firm will be identified and the terms of its agreement, if any, with ALLETE and its compensation will be described in the applicable prospectus supplement. Remarketing firms may be deemed to be underwriters, as that term is defined in the Securities Act of 1933, in connection with the securities remarketed thereby.

ALLETE may enter into derivative transactions with third parties, or sell securities not covered by this prospectus to third parties in privately-negotiated transactions. If the applicable prospectus supplement indicates, in connection with those derivatives, the third parties may sell securities covered by this prospectus and the applicable prospectus supplement, including in short sale transactions. If so, the third party may use securities pledged by ALLETE or borrowed from ALLETE or others to settle those sales or to close out any related open borrowings of securities, and may use securities received from ALLETE in settlement of those derivatives to close out any related open borrowings of securities. The third party in such sale transactions will be an underwriter and, if not identified in this prospectus, will be identified in the applicable prospectus supplement.

ALLETE may make sales of its common stock to or through one or more underwriters, dealers or agents in “at-the-market” offerings, and, if ALLETE engages in such transactions, it will do so pursuant to the terms of an agreement between ALLETE and the underwriters, dealers or agents. If ALLETE engages in at-the-market sales pursuant to a distribution agreement, ALLETE will issue and sell shares of its common stock to or through one or more underwriters or agents, which may act on an agency basis or on a principal basis.

ALLETE may have agreements to indemnify agents, underwriters and dealers against, or to contribute to payments which the underwriters, dealers and agents may be required to make in respect of, certain civil liabilities, including liabilities under the Securities Act of 1933.

LEGAL OPINIONS

The legality of the common stock and first mortgage bonds will be passed upon for ALLETE by Deborah A. Amberg, Esq., Senior Vice President, General Counsel and Secretary, and by Thelen Reid Brown Raysman & Steiner LLP, New York, New York, counsel to ALLETE. Thelen Reid Brown Raysman & Steiner LLP may rely as to all matters of Minnesota law upon the opinion of Ms. Amberg. Ms. Amberg may rely as to all matters of New York law upon the opinion of Thelen Reid Brown Raysman & Steiner LLP.

EXPERTS

The consolidated financial statements and management’s assessment of the effectiveness of internal control over financial reporting (which is included in Management’s Report on Internal Control over Financial Reporting) incorporated in this Prospectus by reference to the Annual Report on Form 10-K for the year ended December 31, 2006, have been so incorporated in reliance on the reports of PricewaterhouseCoopers LLP, an independent registered public accounting firm, given on the authority of said firm as experts in auditing and accounting.

As of December 1, 2007, Ms. Amberg owned 5,813 shares of common stock of ALLETE. Ms. Amberg is acquiring additional shares of ALLETE common stock at regular intervals as a participant in the Minnesota Power and Affiliated Companies Retirement Savings and Stock Ownership Plan. Under the Executive Long-Term Incentive Compensation Plan, Ms. Amberg has:

- outstanding options to purchase 24,755 shares of ALLETE common stock, of which 14,038 options are fully vested, the remainder of which shall vest between February 1, 2008 and February 1, 2010, and all of which will expire ten years from the date of grant; and
- an award opportunity for up to 5,918 additional performance shares contingent upon the attainment of certain performance goals of ALLETE for the periods January 1, 2005 through December 31, 2007, January 1, 2006 through December 31, 2008, and January 1, 2007 through December 31, 2009.

You should rely only on the information incorporated by reference or provided in this prospectus or any prospectus supplement or in any written communication from ALLETE specifying the final terms of a particular offering of securities. ALLETE has not authorized anyone else to provide you with additional or different information. ALLETE is not making an offer of these securities in any jurisdiction where the offer is not permitted. You should not assume that the information in this prospectus or any prospectus supplement is accurate as of any date other than the date on the front of those documents or that the information incorporated by reference is accurate as of any date other than the date of the document incorporated by reference.

PART II. INFORMATION NOT REQUIRED IN PROSPECTUS

Item 14. Other Expenses of Issuance and Distribution.

The expenses in connection with the issuance and distribution of the securities being registered, other than underwriting and/or agents compensation, are:

Filing fee for registration statement	\$ *
Minnesota mortgage registration tax	345,000**
Legal and accounting fees	400,000**
Printing (Form S-3, prospectus, prospectus supplement, etc.)	50,000**
Listing Fee	***
Fees of the trustees	25,000**
Rating agencies' fees	125,000**
Miscellaneous	25,000**
Total	<u><u>\$970,000</u></u>

* Under Rules 456(b) and 457(r) under the Securities Act of 1933, the SEC registration fee will be paid at the time of any particular offering of securities under this registration statement, and is therefore not currently determinable.

** Because an indeterminate amount of securities is covered by this registration statement, the expenses in connection with the issuance and distribution of the securities are therefore not currently determinable. The amounts shown are estimates of expenses for the amount of securities which ALLETE is currently authorized to issue, but does not limit the amount of securities that may be offered.

*** The listing fee is based upon the principal amount of securities listed, if any, and is therefore not currently determinable.

Item 15. Indemnification of Directors and Officers.

Section 302A.521 of the Minnesota Business Corporation Act generally provides for the indemnification of directors, officers or employees of a corporation made or threatened to be made a party to a proceeding by reason of the former or present official capacity of the person against judgments, penalties and fines (including attorneys' fees and disbursements) where such person, among other things, has not been indemnified by another organization, acted in good faith, received no improper personal benefit and with respect to any criminal proceeding, had no reasonable cause to believe his conduct was unlawful.

Article IX of the Articles of Incorporation of ALLETE contains the following provision:

"No director of this Corporation shall be personally liable to this Corporation or its stockholders for monetary damages for breach of fiduciary duty by that director as a director; provided, however, that this Article IX shall not eliminate or limit the liability of a director: (a) for any breach of the director's duty of loyalty to this Corporation or its stockholders; (b) for acts or omissions not in good faith or that involve intentional misconduct or a knowing violation of law; (c) under Minnesota Statutes Section 302A.559 or 80A.23; (d) for any transaction from which the director derived an improper personal benefit; or (e) for any act or omission occurring prior to the date when this Article IX becomes effective. If, after the stockholders approve this provision, the Minnesota Business Corporation Act, Minnesota Statutes Chapter 302A, is amended to authorize corporate action further eliminating or limiting the personal liability of directors, then the liability of a director of this Corporation shall be deemed eliminated or limited to the fullest extent permitted by the Minnesota Business Corporation Act, as so amended. No amendment to or repeal of this Article IX shall apply to or have any effect on the liability or alleged liability of any director of this Corporation for or with respect to any acts or omissions of such director occurring prior to that amendment or repeal."

Section 13 of the Bylaws of ALLETE contains the following provisions relative to indemnification of directors and officers:

“The Corporation shall reimburse or indemnify each present and future Director and officer of the Corporation (and his or her heirs, executors and administrators) for or against all expenses reasonably incurred by such Director or officer in connection with or arising out of any action, suit or proceeding in which such Director or officer may be involved by reason of being or having been a Director or officer of the Corporation. Such indemnification for reasonable expenses is to be to the fullest extent permitted by the Minnesota Business Corporation Act, Minnesota Statutes Chapter 302A. By affirmative vote of the Board of Directors or with written approval of the Chairman and Chief Executive Officer, such indemnification may be extended to include agents and employees who are not Directors or officers of the Corporation, but who would otherwise be indemnified for acts and omissions under Chapter 302A of the Minnesota Business Corporation Act, if such agent or employee were an officer of the Corporation.”

“Reasonable expenses may include reimbursement of attorneys’ fees and disbursements, including those incurred by a person in connection with an appearance as a witness.”

“Upon written request to the Corporation and approval by the Chairman and Chief Executive Officer, an agent or employee for whom indemnification has been extended, or an officer or Director may receive an advance for reasonable expenses if such agent, employee, officer or Director is made or threatened to be made a party to a proceeding involving a matter for which indemnification is believed to be available under Minnesota Statutes Chapter 302A.”

“The foregoing rights shall not be exclusive of other rights to which any Director or officer may otherwise be entitled and shall be available whether or not the Director or officer continues to be a Director or officer at the time of incurring such expenses and liabilities.”

ALLETE has insurance covering its expenditures which might arise in connection with the lawful indemnification of its directors and officers for their liabilities and expenses, and insuring officers and directors of ALLETE against certain other liabilities and expenses.

Item 16.Exhibits.

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*4(a)(1)	- Articles of Incorporation, amended and restated as of May 8, 2001 (filed as Exhibit 3(b) to the March 31, 2001, Form 10-Q, File No. 1-3548).																																																																																																												
*4(a)(2)	- Amendment to Articles of Incorporation, effective 12:00 p.m. Eastern Time on September 20, 2004 (filed as Exhibit 3 to the September 21, 2004, Form 8-K, File No. 1-3548).																																																																																																												
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*4(c)1	- Mortgage and Deed of Trust, dated as of September 1, 1945, between Minnesota Power & Light Company (now ALLETE) and The Bank of New York (formerly Irving Trust Company) and Douglas J. MacInnes (successor to Richard H. West), Trustees (filed as Exhibit 7(c), File No. 2-5865).																																																																																																												
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Twelfth	April 1, 1987	33-30224	4(a)3																																																																																																										
Thirteenth	March 1, 1992	33-47438	4(b)																																																																																																										
Fourteenth	June 1, 1992	33-55240	4(b)																																																																																																										
Fifteenth	July 1, 1992	33-55240	4(c)																																																																																																										
Sixteenth	July 1, 1992	33-55240	4(d)																																																																																																										
Seventeenth	February 1, 1993	33-50143	4(b)																																																																																																										
Eighteenth	July 1, 1993	33-50143	4(c)																																																																																																										
Nineteenth	February 1, 1997	1-3548 (1996 Form 10-K)	4(a)3																																																																																																										
Twentieth	November 1, 1997	1-3548 (1997 Form 10-K)	4(a)3																																																																																																										
Twenty-first	October 1, 2000	333-54330	4(c)3																																																																																																										
Twenty-second	July 1, 2003	1-3548 (June 30, 2003 Form 10-Q)	4																																																																																																										
Twenty-third	August 1, 2004	1-3548 (Sept. 30, 2004 Form 10-Q)	4(a)																																																																																																										
Twenty-fourth	March 1, 2005	1-3548 (March 31, 2005 Form 10-Q)	4																																																																																																										
Twenty-fifth	December 1, 2005	1-3548 (March 31, 2006 Form 10-Q)	4																																																																																																										
Twenty-sixth	October 1, 2006	1-3548 (Dec. 31, 2006 Form 10-K)	4(a)3																																																																																																										
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*	Incorporated herein by reference as indicated.																																																																																																												
+	To be filed by amendment or pursuant to a report to be filed pursuant to Section 13 or 15(d) of the Securities Exchange Act of 1934 if applicable.																																																																																																												

Item 17.Undertakings.

The undersigned registrant hereby undertakes:

- (1) To file, during any period in which offers or sales are being made, a post-effective amendment to this registration statement:
 - (i) to include any prospectus required by Section 10(a)(3) of the Securities Act of 1933;
 - (ii) to reflect in the prospectus any facts or events arising after the effective date of the registration statement (or the most recent post-effective amendment thereof) which, individually or in the aggregate, represent a fundamental change in the information set forth in the registration statement; and
 - (iii) to include any material information with respect to the plan of distribution not previously disclosed in the registration statement or any material change to such information in the registration statement,

provided, however, that subsections (i), (ii) and (iii) above do not apply if the information required to be included in a post-effective amendment by those subsections is contained in reports filed with or furnished to the SEC by the registrant pursuant to Section 13 or Section 15(d) of the Securities Exchange Act of 1934 that are incorporated by reference in the registration statement, or is contained in a form of prospectus filed pursuant to Rule 424(b) that is part of the registration statement.

- (2) That, for the purpose of determining any liability under the Securities Act of 1933, each such post-effective amendment shall be deemed to be a new registration statement relating to the securities offered therein, and the offering of such securities at that time shall be deemed to be the initial bona fide offering thereof.
- (3) To remove from registration by means of a post-effective amendment any of the securities being registered which remain unsold at the termination of the offering.
- (4) That, for the purpose of determining liability under the Securities Act of 1933 to any purchaser:
 - (i) each prospectus filed by the registrant pursuant to Rule 424(b)(3) shall be deemed to be part of the registration statement as of the date the filed prospectus was deemed part of and included in the registration statement; and

- (ii) each prospectus required to be filed pursuant to Rule 424(b)(2), (b)(5), or (b)(7) as part of a registration statement in reliance on Rule 430B relating to an offering made pursuant to Rule 415(a)(1)(x) for the purpose of providing the information required by Section 10(a) of the Securities Act of 1933 shall be deemed to be part of and included in the registration statement as of the earlier of the date such form of prospectus is first used after effectiveness or the date of the first contract of sale of securities in the offering described in the prospectus. As provided in Rule 430B, for liability purposes of the issuer and any person that is at that date an underwriter, such date shall be deemed to be a new effective date of the registration statement relating to the securities in the registration statement to which that prospectus relates, and the offering of such securities at that time shall be deemed to be the initial bona fide offering thereof,

provided, however, that no statement made in a registration statement or prospectus that is part of the registration statement or made in a document incorporated or deemed incorporated by reference into the registration statement or prospectus that is part of the registration statement will, as to a purchaser with a time of contract of sale prior to such effective date, supersede or modify any statement that was made in the registration statement or prospectus that was part of the registration statement or made in any such document immediately prior to such effective date.

- (5) That, for the purpose of determining liability of the registrant under the Securities Act of 1933 to any purchaser in the initial distribution of the securities, the undersigned registrant undertakes that in a primary offering of securities of the undersigned registrant pursuant to this registration statement, regardless of the underwriting method used to sell the securities to the purchaser, if the securities are offered or sold to such purchaser by means of any of the following communications, the undersigned registrant will be a seller to the purchaser and will be considered to offer or sell such securities to such purchaser:
- (i) Any preliminary prospectus or prospectus of the undersigned registrant relating to the offering required to be filed pursuant to Rule 424;
 - (ii) Any free writing prospectus relating to the offering prepared by or on behalf of the undersigned registrant or used or referred to by the undersigned registrant;
 - (iii) The portion of any other free writing prospectus relating to the offering containing material information about the undersigned registrant or its securities provided by or on behalf of the undersigned registrant; and
 - (iv) Any other communication that is an offer in the offering made by the undersigned registrant to the purchaser.
- (6) To file, if applicable, an application for the purpose of determining the eligibility of the trustee to act under subsection (a) of Section 310 of the Trust Indenture Act of 1939 in accordance with the rules and regulations prescribed by the SEC under Section 305(b)(2) of the Trust Indenture Act of 1939.
- (7) That, for purposes of determining any liability under the Securities Act of 1933, each filing of the registrant's Annual Report pursuant to Section 13(a) or Section 15(d) of the Securities Exchange Act of 1934 that is incorporated by reference in the registration statement shall be deemed to be a new registration statement relating to the securities offered herein, and the offering of such securities at that time shall be deemed to be the initial *bona fide* offering thereof.

Insofar as indemnification for liabilities arising under the Securities Act of 1933 may be permitted to directors, officers and controlling persons of the registrant pursuant to the provisions described under Item 15 of this registration statement, or otherwise, the registrant has been advised that in the opinion of the SEC such indemnification is against public policy as expressed in the Securities Act of 1933 and is, therefore, unenforceable. In the event that a claim for indemnification against such liabilities (other than the payment by any registrant of expenses incurred or paid by a director, officer or controlling person of such registrant in the successful defense of any action, suit or proceeding) is asserted by such director, officer or controlling person in connection with the securities being registered, the registrant will, unless in the opinion of its counsel the matter has been settled by controlling precedent, submit to a court of appropriate jurisdiction the question whether such indemnification by it is against public policy as expressed in the Securities Act of 1933 and will be governed by the final adjudication of such issue.

POWER OF ATTORNEY

Each person whose signature appears below hereby authorizes any agent for service named in this registration statement to execute in the name of each such person, and to file with the Securities and Exchange Commission, any and all amendments, including post-effective amendments, to this registration statement, and appoints any such agent for service as attorney-in-fact to sign in each such person's behalf individually and in each capacity stated below and file any such amendments to this registration statement and ALLETE, Inc. hereby also appoints each such agent for service as its attorney-in-fact with like authority to sign and file any such amendments in its name and behalf.

SIGNATURES

Pursuant to the requirements of the Securities Act of 1933, ALLETE, Inc. certifies that it has reasonable grounds to believe that it meets all of the requirements for filing on Form S-3 and has duly caused this registration statement to be signed on its behalf by the undersigned, thereunto duly authorized, in the City of Duluth, State of Minnesota, on the 10th day of December, 2007.

ALLETE, Inc.

By _____ /s/ Donald J. Shippar
Donald J. Shippar
Chairman, President and
Chief Executive Officer

Pursuant to the requirements of the Securities Act of 1933, this registration statement has been signed by the following persons in the capacities and on the dates indicated.

Signature	Title	Date
<u>/s/ Donald J. Shippar</u> Donald J. Shippar	Chairman, President, Chief Executive Officer and Director (Principal Executive Officer)	December 10, 2007
<u>/s/ Mark A. Schober</u> Mark A. Schober	Senior Vice President and Chief Financial Officer (Principal Financial Officer)	December 10, 2007
<u>/s/ Steven Q. DeVinck</u> Steven Q. DeVinck	Controller (Principal Accounting Officer)	December 10, 2007

<u>/s/ Kathleen A. Brekken</u> Kathleen A. Brekken	Director	December 10, 2007
<u>/s/ Heidi J. Eddins</u> Heidi J. Eddins	Director	December 10, 2007
<u>/s/ Sidney W. Emery, Jr.</u> Sidney W. Emery, Jr	Director	December 10, 2007
<u>/s/ James J. Hoolihan</u> James J. Hoolihan	Director	December 10, 2007
<u>/s/ Madeleine W. Ludlow</u> Madeleine W. Ludlow	Director	December 10, 2007
<u>/s/ George L. Mayer</u> George L. Mayer	Director	December 10, 2007
<u>/s/ Douglas C. Neve</u> Douglas C. Neve	Director	December 10, 2007
<u>/s/ Roger D. Peirce</u> Roger D. Peirce	Director	December 10, 2007
<u>/s/ Jack I. Rajala</u> Jack I. Rajala	Director	December 10, 2007
<u>/s/ Bruce W. Stender</u> Bruce W. Stender	Director	December 10, 2007

Exhibit Index

4(c)3	Form of Supplemental Indenture relating to the first mortgage bonds.
5(a)	Opinion and Consent, dated December 10, 2007, of Deborah A. Amberg, Esq., Senior Vice President, General Counsel and Secretary of ALLETE.
5(b)	Opinion and Consent, dated December 10, 2007, of Thelen Reid Brown Raysman & Steiner LLP.
12	Computation of Ratio of Earnings to Fixed Charges.
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25(a)	Statement of Eligibility on Form T-1 of The Bank of New York with respect to the Mortgage.
25(b)	Statement of Eligibility on Form T-2 of Douglas J. MacInnes with respect to the Mortgage

ALLETE, Inc.
(formerly Minnesota Power & Light Company
and formerly Minnesota Power, Inc.)

TO

THE BANK OF NEW YORK
(formerly Irving Trust Company)

AND

DOUGLAS J. MacINNES

(successor to Richard H. West, J. A. Austin,
E. J. McCabe, D. W. May, J. A. Vaughan and W. T. Cunningham)
As Trustees under ALLETE, Inc.'s Mortgage and Deed of Trust dated as of September 1, 1945

_____ **Supplemental Indenture**

Providing among other things for

First Mortgage Bonds, ___ % Series due _____
(_____ Series)

Dated as of _____

_____ **SUPPLEMENTAL INDENTURE**

THIS INDENTURE, dated as of _____, by and between ALLETE, Inc. (formerly Minnesota Power & Light Company and formerly Minnesota Power, Inc.), a corporation of the State of Minnesota, whose post office address is 30 West Superior Street, Duluth, Minnesota 55802 (hereinafter sometimes called the "Company"), and The Bank of New York (formerly Irving Trust Company), a corporation of the State of New York, whose post office address is 101 Barclay Street, New York, New York 10286 (hereinafter sometimes called the "Corporate Trustee"), and Douglas J. MacInnes (successor to Richard H. West, J. A. Austin, E. J. McCabe, D. W. May, J. A. Vaughan and W. T. Cunningham), whose post office address is 1784 W. McGalliard Avenue, Hamilton, New Jersey 08610 (said Douglas J. MacInnes being hereinafter sometimes called the "Co-Trustee" and the Corporate Trustee and the Co-Trustee being hereinafter together sometimes called the "Trustees"), as Trustees under the Mortgage and Deed of Trust, dated as of September 1, 1945, between the Company and Irving Trust Company and Richard H. West, as Trustees, securing bonds issued and to be issued as provided therein (hereinafter sometimes called the "Mortgage"), reference to which mortgage is hereby made, this indenture (hereinafter sometimes called the "_____ Supplemental Indenture") being supplemental thereto:

Whereas, the Mortgage was filed and recorded in various official records in the State of Minnesota; and

Whereas, an instrument, dated as of October 16, 1957, was executed and delivered under which J. A. Austin succeeded Richard H. West as Co-Trustee under the Mortgage, and such instrument was filed and recorded in various official records in the State of Minnesota; and

Whereas, an instrument, dated as of April 4, 1967, was executed and delivered under which E. J. McCabe in turn succeeded J. A. Austin as Co-Trustee under the Mortgage, and such instrument was filed and recorded in various official records in the State of Minnesota; and

Whereas, under the Sixth Supplemental Indenture, dated as of August 1, 1975, to which reference is hereinafter made, D. W. May in turn succeeded E. J. McCabe as Co-Trustee under the Mortgage; and

Whereas, an instrument, dated as of June 25, 1984, was executed and delivered under which J. A. Vaughan in turn succeeded D. W. May as Co-Trustee under the Mortgage, and such instrument was filed and recorded in various official records in the State of Minnesota; and

Whereas, an instrument, dated as of July 27, 1988, was executed and delivered under which W. T. Cunningham in turn succeeded J. A. Vaughan as Co-Trustee under the Mortgage, and such instrument was filed and recorded in various official records in the State of Minnesota; and

Whereas, on May 12, 1998, the Company filed Amended and Restated Articles of Incorporation with the Secretary of State of the State of Minnesota changing its name from Minnesota Power & Light Company to Minnesota Power, Inc. effective May 27, 1998; and

Whereas, an instrument, dated as of April 15, 1999, was executed and delivered under which Douglas J. MacInnes in turn succeeded W. T. Cunningham as Co-Trustee under the Mortgage, and such instrument was filed and recorded in various official records in the State of Minnesota; and

Whereas, on May 8, 2001, the Company filed Amended and Restated Articles of Incorporation with the Secretary of State of the State of Minnesota changing its name from Minnesota Power, Inc. to ALLETE, Inc.; and

Whereas, by the Mortgage the Company covenanted, among other things, that it would execute and deliver such supplemental indenture or indentures and such further instruments and do such further acts as might be necessary or proper to carry out more effectually the purposes of the Mortgage and to make subject to the lien of the Mortgage any property thereafter acquired and intended to be subject to the lien thereof; and

Whereas, for said purposes, among others, the Company executed and delivered the following indentures supplemental to the Mortgage:

Designation	Dated as of
First Supplemental Indenture	March 1, 1949
Second Supplemental Indenture	July 1, 1951
Third Supplemental Indenture	March 1, 1957
Fourth Supplemental Indenture	January 1, 1968
Fifth Supplemental Indenture	April 1, 1971
Sixth Supplemental Indenture	August 1, 1975
Seventh Supplemental Indenture	September 1, 1976
Eighth Supplemental Indenture	September 1, 1977
Ninth Supplemental Indenture	April 1, 1978
Tenth Supplemental Indenture	August 1, 1978
Eleventh Supplemental Indenture	December 1, 1982
Twelfth Supplemental Indenture	April 1, 1987
Thirteenth Supplemental Indenture	March 1, 1992
Fourteenth Supplemental Indenture	June 1, 1992
Fifteenth Supplemental Indenture	July 1, 1992
Sixteenth Supplemental Indenture	July 1, 1992
Seventeenth Supplemental Indenture	February 1, 1993
Eighteenth Supplemental Indenture	July 1, 1993
Nineteenth Supplemental Indenture	February 1, 1997
Twentieth Supplemental Indenture	November 1, 1997
Twenty-first Supplemental Indenture	October 1, 2000
Twenty-second Supplemental Indenture	July 1, 2003
Twenty-third Supplemental Indenture	August 1, 2004
Twenty-fourth Supplemental Indenture	March 1, 2005
Twenty-fifth Supplemental Indenture	December 1, 2005
Twenty-sixth Supplemental Indenture	October 1, 2006

which supplemental indentures were filed and recorded in various official records in the State of Minnesota; and

Whereas, the Company has heretofore issued, in accordance with the provisions of the Mortgage, as heretofore supplemented, the following series of First Mortgage Bonds:

Series	Principal Amount Issued	Principal Amount Outstanding
3-1/8% Series due 1975	\$26,000,000	None
3-1/8% Series due 1979	4,000,000	None
3-5/8% Series due 1981	10,000,000	None
4-3/4% Series due 1987	12,000,000	None
6-1/2% Series due 1998	18,000,000	None
8-1/8% Series due 2001	23,000,000	None
10-1/2% Series due 2005	35,000,000	None
8.70% Series due 2006	35,000,000	None
8.35% Series due 2007	50,000,000	None
9-1/4% Series due 2008	50,000,000	None
Pollution Control Series A	111,000,000	None
Industrial Development Series A	2,500,000	None
Industrial Development Series B	1,800,000	None
Industrial Development Series C	1,150,000	None
Pollution Control Series B	13,500,000	None
Pollution Control Series C	2,000,000	None
Pollution Control Series D	3,600,000	None
7-3/4% Series due 1994	55,000,000	None
7-3/8% Series due March 1, 1997	60,000,000	None
7-3/4% Series due June 1, 2007	55,000,000	None
7-1/2% Series due August 1, 2007	35,000,000	None
Pollution Control Series E	111,000,000	None
7% Series due March 1, 2008	50,000,000	None
6-1/4% Series due July 1, 2003	25,000,000	None
7% Series due February 15, 2007	60,000,000	None
6.68% Series due November 15, 2007	20,000,000	None
Floating Rate Series due October 20, 2003	250,000,000	None
Collateral Series A	255,000,000	None
Pollution Control Series F	111,000,000	\$111,000,000
5.28% Series due August 1, 2020	35,000,000	35,000,000
5.69% Series due March 1, 2036	50,000,000	50,000,000
5.99% Series due February 1, 2027	60,000,000	60,000,000

*-which bonds are also hereinafter sometimes called bonds of the First through _____** Series, respectively; and

Whereas, Section 8 of the Mortgage provides that the form of each series of bonds (other than the First Series) issued thereunder and of coupons to be attached to coupon bonds of such series shall be established by Resolution of the Board of Directors of the Company and that the form of such series, as established by said Board of Directors, shall specify the descriptive title of the bonds and various other terms thereof, and may also contain such provisions not inconsistent with the provisions of the Mortgage as the Board of Directors may, in its discretion, cause to be inserted therein expressing or referring to the terms and conditions upon which such bonds are to be issued and/or secured under the Mortgage; and

Whereas, Section 120 of the Mortgage provides, among other things, that any power, privilege or right expressly or impliedly reserved to or in any way conferred upon the Company by any provision of the Mortgage, whether such power, privilege or right is in any way restricted or is unrestricted, may (to the extent permitted by law) be in whole or in part waived or surrendered or subjected to any restriction if at the time unrestricted or to additional restriction if already restricted, and the Company may enter into any further covenants, limitations or restrictions for the benefit of any one or more series of bonds issued thereunder, or the Company may cure any ambiguity contained therein, or in any supplemental indenture, or may establish the terms and provisions of any series of bonds (other than said First Series) by an instrument in writing executed and acknowledged by the Company in such manner as would be necessary to entitle a conveyance of real estate to record in all of the states in which any property at the time subject to the lien of the Mortgage shall be situated; and

Whereas, the Company now desires to create ____ new series of bonds and (pursuant to the provisions of Section 120 of the Mortgage) to add to its covenants and agreements contained in the Mortgage, as heretofore supplemented, certain other covenants and agreements to be observed by it and to alter and amend in certain respects the covenants and provisions contained in the Mortgage, as heretofore supplemented; and

Whereas, the execution and delivery by the Company of this _____ Supplemental Indenture, and the terms of the bonds of the _____ Series, hereinafter referred to, have been duly authorized by the Board of Directors of the Company by appropriate resolutions of said Board of Directors;

* Here will be inserted additional outstanding series.

** Here will be inserted the most recent outstanding series.

Now, Therefore, This Indenture Witnesseth:

That the Company, in consideration of the premises and of One Dollar to it duly paid by the Trustees at or before the ensembling and delivery of these presents, the receipt whereof is hereby acknowledged, and in further evidence of assurance of the estate, title and rights of the Trustees and in order further to secure the payment of both the principal of and interest and premium, if any, on the bonds from time to time issued under the Mortgage, as heretofore supplemented, according to their tenor and effect and the performance of all the provisions of the Mortgage (including any instruments supplemental thereto and any modification made as in the Mortgage provided) and of said bonds, hereby grants, bargains, sells, releases, conveys, assigns, transfers, mortgages, pledges, sets over and confirms (subject, however, to Excepted Encumbrances) unto The Bank of New York and Douglas J. MacInnes, as Trustees under the Mortgage, and to their successor or successors in said trust, and to said Trustees and their successors and assigns forever, all property, real, personal and mixed, of the kind or nature specifically mentioned in the Mortgage, as heretofore supplemented, or of any other kind or nature acquired by the Company after the date of the execution and delivery of the Mortgage, as heretofore supplemented (except any herein or in the Mortgage, as heretofore supplemented, expressly excepted), now owned or, subject to the provisions of subsection (I) of Section 87 of the Mortgage, hereafter acquired by the Company (by purchase, consolidation, merger, donation, construction, erection or in any other way) and wheresoever situated, including (without in anywise limiting or impairing by the enumeration of the same the scope and intent of the foregoing or of any general description contained in this _____ Supplemental Indenture) all lands, power sites, flowage rights, water rights, water locations, water appropriations, ditches, flumes, reservoirs, reservoir sites, canals, raceways, dams, dam sites, aqueducts, and all other rights or means for appropriating, conveying, storing and supplying water; all rights of way and roads; all plants for the generation of electricity by steam, water and/or other power; all power houses, gas plants, street lighting systems, standards and other equipment incidental thereto, telephone, radio and television systems, air-conditioning systems and equipment incidental thereto, water works, water systems, steam heat and hot water plants, substations, lines, service and supply systems, bridges, culverts, tracks, ice or refrigeration plants and equipment, offices, buildings and other structures and the equipment thereof; all machinery, engines, boilers, dynamos, electric, gas and other machines, regulators, meters, transformers, generators, motors, electrical, gas and mechanical appliances, conduits, cables, water, steam heat, gas or other pipes, gas mains and pipes, service pipes, fittings, valves and connections, pole and transmission lines, wires, cables, tools, implements, apparatus, furniture and chattels; all municipal and other franchises, consents or permits; all lines for the transmission and distribution of electric current, gas, steam heat or water for any purpose including towers, poles, wires, cables, pipes, conduits, ducts and all apparatus for use in connection therewith; all real estate, lands, easements, servitudes, licenses, permits, franchises, privileges, rights of way and other rights in or relating to real estate or the occupancy of the same and (except as herein or in the Mortgage, as heretofore supplemented, expressly excepted) all the right, title and interest of the Company in and to all other property of any kind or nature appertaining to and/or used and/or occupied and/or enjoyed in connection with any property hereinbefore or in the Mortgage, as heretofore supplemented, described.

Together with all and singular the tenements, hereditaments, prescriptions, servitudes and appurtenances belonging or in anywise appertaining to the aforesaid property or any part thereof, with the reversion and reversions, remainder and remainders and (subject to the provisions of Section 57 of the Mortgage) the tolls, rents, revenues, issues, earnings, income, product and profits thereof, and all the estate, right, title and interest and claim whatsoever, at law as well as in equity, which the Company now has or may hereafter acquire in and to the aforesaid property and franchises and every part and parcel thereof.

It is hereby agreed by the Company that, subject to the provisions of subsection (I) of Section 87 of the Mortgage, all the property, rights, and franchises acquired by the Company (by purchase, consolidation, merger, donation, construction, erection or in any other way) after the date hereof, except any herein or in the Mortgage, as heretofore supplemented, expressly excepted, shall be and are as fully granted and conveyed hereby and by the Mortgage and as fully embraced within the lien hereof and the lien of the Mortgage as if such property, rights and franchises were now owned by the Company and were specifically described herein or in the Mortgage and conveyed hereby or thereby.

Provided that the following are not and are not intended to be now or hereafter granted, bargained, sold, released, conveyed, assigned, transferred, mortgaged, hypothecated, affected, pledged, set over or confirmed hereunder and are hereby expressly excepted from the lien and operation of this _____ Supplemental Indenture and from the lien and operation of the Mortgage, namely: (1) cash, shares of stock, bonds, notes and other obligations and other securities not hereafter specifically pledged, paid, deposited, delivered or held under the Mortgage or covenanted so to be; (2) merchandise, equipment, apparatus, materials or supplies held for the purpose of sale or other disposition in the usual course of business; fuel, oil and similar materials and supplies consumable in the operation of any of the properties of the Company; all aircraft, rolling stock, trolley coaches, buses, motor coaches, automobiles and other vehicles and materials and supplies held for the purpose of repairing or replacing (in whole or part) any of the same; all timber, minerals, mineral rights and royalties; (3) bills, notes and accounts receivable, judgments, demands and choses in action, and all contracts, leases and operating agreements not specifically pledged under the Mortgage or covenanted so to be; the Company's contractual rights or other interest in or with respect to tires not owned by the Company; (4) the last day of the term of any lease or leasehold which may hereafter become subject to the lien of the Mortgage; (5) electric energy, gas, steam, ice, and other materials or products generated, manufactured, produced or purchased by the Company for sale, distribution or use in the ordinary course of its business; and (6) the Company's franchise to be a corporation; provided, however, that the property and rights expressly excepted from the lien and operation of this _____ Supplemental Indenture and from the lien and operation of the Mortgage in the above subdivisions (2) and (3) shall (to the extent permitted by law) cease to be so excepted in the event and as of the date that either or both of the Trustees or a receiver or trustee shall enter upon and take possession of the Mortgaged and Pledged Property in the manner provided in Article XIII of the Mortgage by reason of the occurrence of a Default as defined in Section 65 thereof.

To have and to hold all such properties, real, personal and mixed, granted, bargained, sold, released, conveyed, assigned, transferred, mortgaged, pledged, set over or confirmed by the Company as aforesaid, or intended so to be, unto the Trustees and their successors and assigns forever.

In trust nevertheless, for the same purposes and upon the same terms, trusts and conditions and subject to and with the same provisos and covenants as are set forth in the Mortgage, as supplemented, this _____ Supplemental Indenture being supplemental thereto.

And it is hereby covenanted by the Company that all the terms, conditions, provisos, covenants and provisions contained in the Mortgage, as heretofore supplemented, shall affect and apply to the property hereinbefore described and conveyed and to the estate, rights, obligations and duties of the Company and Trustees and the beneficiaries of the trust with respect to said property, and to the Trustees and their successors in the trust in the same manner and with the same effect as if said property had been owned by the Company at the time of the execution of the Mortgage, and had been specifically and at length described in and conveyed to said Trustees by the Mortgage as a part of the property therein stated to be conveyed.

The Company further covenants and agrees to and with the Trustees and their successors in said trust under the Mortgage as follows:

ARTICLE I

_____ Series of Bonds

Section 1. There shall be a series of bonds designated “ _____ % Series due _____ ” (herein sometimes referred to as the “ _____ Series”), each of which shall also bear the descriptive title “First Mortgage Bond”, and the form thereof, which shall be established by Resolution of the Board of Directors of the Company, shall contain suitable provisions with respect to the matters hereinafter in this Section specified. Bonds of the _____ Series shall be dated as in Section 10 of the Mortgage provided, mature on _____, be issued as fully registered bonds in denominations of One Thousand Dollars and, at the option of the Company, in any multiple or multiples of One Thousand Dollars (the exercise of such option to be evidenced by the execution and delivery thereof) and bear interest [at the rate of _____ % per annum, payable semi-annually on _____ and _____ of each year]*, commencing _____, the principal of and interest on each said bond to be payable at the office or agency of the Company in the Borough of Manhattan, The City of New York, in such coin or currency of the United States of America as at the time of payment is legal tender for public and private debts.

[Redemption provisions, if any, will be inserted here.]

* Bracketed material to be changed if bonds of the Series to which this Supplemental Indenture shall relate shall bear interest at a rate which may be changed during the life of such bonds or if such bonds shall bear interest payable other than semi-annually.

(I) At the option of the registered owner, any bonds of the _____ Series, upon surrender thereof for cancellation at the office or agency of the Company in the Borough of Manhattan, The City of New York, together with a written instrument of transfer wherever required by the Company duly executed by the registered owner or by his duly authorized attorney, shall (subject to the provisions of Section 12 of the Mortgage) be exchangeable for a like aggregate principal amount of bonds of the same series of other authorized denominations.

Bonds of the _____ Series shall be transferable (subject to the provisions of Section 12 of the Mortgage) at the office or agency of the Company in the Borough of Manhattan, The City of New York. The Company shall not be required to make transfers or exchanges of bonds of the _____ Series for a period of ten (10) days next preceding any designation of bonds of said series to be prepaid, and the Company shall not be required to make transfers or exchanges of bonds of said series designated in whole or in part for prepayment.

Upon any exchange or transfer of bonds of the _____ Series, the Company may make a charge therefor sufficient to reimburse it for any tax or taxes or other governmental charge, as provided in Section 12 of the Mortgage, but the Company hereby waives any right to make a charge in addition thereto for any exchange or transfer of bonds of the _____ Series.

After the delivery of this _____ Supplemental Indenture and upon compliance with the applicable provisions of the Mortgage and receipt of consideration therefor by the Company, there shall be an initial issue of bonds of the _____ Series for the aggregate principal amount of \$_____.

**[ARTICLE II
Amendment to the Mortgage
Nuclear Fuel**

Section 1. Pursuant to the reservation of right in Section 2 of the Fifth Supplemental Indenture dated as of April 1, 1971 and there being no Outstanding bonds of any series created prior to the Sixth Series, the Company hereby amends the Mortgage, as supplemented, as set forth in paragraphs (A), (B) and (C) of Section 2 of such Fifth Supplemental Indenture (relating to Nuclear Fuel).¹

¹ The Company may insert the bracketed language in any one Supplemental Indenture executed after all bonds of the Fifth Series have been retired.

[ARTICLE III]
Reservation of Right to Amend the Mortgage

Section 1. The Company reserves the right, without any vote, consent or other action by the holders of Bonds of the _____ Series or any subsequent series, to amend the Mortgage, as herein or heretofore supplemented as follows:

(A) By deleting the words “having its principal office and place of business in the Borough of Manhattan, The City of New York” from Section 35(a).

(B) By adding the following at the end of the first sentence of Section 101:

“; provided however, that if all of the bonds at the time Outstanding are registered as to principal and interest or as to principal only, such notice shall be sufficiently given if mailed, postage prepaid to each such registered owner of bonds at his/her last address appearing on the registry books, on or before the date of on which the first publication of such notice would otherwise have been required.”^{*}

ARTICLE [IV]
Miscellaneous Provisions

Section [1]. Section 126 of the Mortgage, as heretofore amended, is hereby further amended by adding the words “and _____,”^{**} after the words “and _____.”^{***}

Section [2]. Subject to the amendments provided for in this _____ Supplemental Indenture, the terms defined in the Mortgage, as heretofore supplemented, shall, for all purposes of this _____ Supplemental Indenture, have the meanings specified in the Mortgage, as heretofore supplemented.

^{*} The Company may insert the bracketed language in this or in any subsequent Supplemental Indenture.

^{**} Here will be inserted the maturity date of the most recent series of bonds.

^{***} Here will be inserted the maturity date of the series of bonds issued immediately before the most recent series of bonds.

Section [3]. The holders of bonds of the _____ Series consent that the Company may, but shall not be obligated to, fix a record date for the purpose of determining the holders of bonds of the _____ Series entitled to consent to any amendment, supplement or waiver. If a record date is fixed, those persons who were holders at such record date (or their duly designated proxies), and only those persons, shall be entitled to consent to such amendment, supplement or waiver or to revoke any consent previously given, whether or not such persons continue to be holders after such record date. No such consent shall be valid or effective for more than 90 days after such record date.

Section [4]. The Trustees hereby accept the trusts herein declared, provided, created or supplemented and agree to perform the same upon the terms and conditions herein and in the Mortgage set forth and upon the following terms and conditions:

The Trustees shall not be responsible in any manner whatsoever for or in respect of the validity or sufficiency of this _____ Supplemental Indenture or for or in respect of the recitals contained herein, all of which recitals are made by the Company solely. In general, each and every term and condition contained in Article XVII of the Mortgage shall apply to and form part of this _____ Supplemental Indenture with the same force and effect as if the same were herein set forth in full with such omissions, variations and insertions, if any, as may be appropriate to make the same conform to the provisions of this _____ Supplemental Indenture.

Section [5]. Whenever in this _____ Supplemental Indenture any party hereto is named or referred to, this shall, subject to the provisions of Articles XVI and XVII of the Mortgage, as heretofore supplemented, be deemed to include the successors or assigns of such party, and all the covenants and agreements in this _____ Supplemental Indenture contained by or on behalf of the Company, or by or on behalf of the Trustees shall, subject as aforesaid, bind and inure to the benefit of the respective successors and assigns of such party whether so expressed or not.

Section [6]. Nothing in this _____ Supplemental Indenture, expressed or implied, is intended, or shall be construed, to confer upon, or give to, any person, firm or corporation, other than the parties hereto and the holders of the bonds and coupons Outstanding under the Mortgage, any right, remedy, or claim under or by reason of this _____ Supplemental Indenture or any covenant, condition, stipulation, promise or agreement hereof, and all the covenants, conditions, stipulations, promises and agreements in this _____ Supplemental Indenture contained by and on behalf of the Company shall be for the sole and exclusive benefit of the parties hereto, and of the holders of the bonds and of the coupons Outstanding under the Mortgage.

Section [7]. This _____ Supplemental Indenture shall be executed in several counterparts, each of which shall be an original and all of which shall constitute but one and the same instrument.

Section [8]. The Company, the mortgagor named herein, by its execution hereof acknowledges receipt of a full, true and complete copy of this _____ Supplemental Indenture.

In witness whereof, ALLETE, Inc. has caused its corporate name to be hereunto affixed, and this instrument to be signed and sealed by its President or one of its Vice Presidents, and its corporate seal to be attested by its Secretary or one of its Assistant Secretaries for and in its behalf, all in the City of Duluth, Minnesota, and The Bank of New York has caused its corporate name to be hereunto affixed, and this instrument to be signed and sealed by one of its Vice Presidents or one of its Assistant Vice Presidents and its corporate seal to be attested by one of its Assistant Treasurers, one of its Vice Presidents or one of its Assistant Vice Presidents, and Douglas J. MacInnes has hereunto set his hand and affixed his seal, all in The City of New York, as of the day and year first above written.

ALLETE, Inc.

By _____
[Name]
[Title]

Attest:

[Name]
[Title]

Executed, sealed and delivered by ALLETE, Inc.
in the presence of:

The Bank of New York
as Trustee

By _____
[Name]
[Title]

Attest:

[Name]
[Title]

Douglas J. MacInnes L.S.

Executed, sealed and delivered by The Bank of New
York and Douglas J. MacInnes in the presence of:

State of Minnesota)
) ss.:
County of St. Louis)

On this ____ day of _____, before me, a Notary Public within and for said County, personally appeared _____ and _____, to me personally known, who, being each by me duly sworn, did say that they are respectively the _____ and the _____ of ALLETE, Inc. of the State of Minnesota, the corporation named in the foregoing instrument; that the seal affixed to the foregoing instrument is the corporate seal of said corporation; that said instrument was signed and sealed in behalf of said corporation by authority of its Board of Directors; and said _____ and _____ acknowledged said instrument to be the free act and deed of said corporation.

Personally came before me on this ____ day of _____, _____, to me known to be the _____, and _____, to me known to be the _____, of the above named ALLETE, Inc., the corporation described in and which executed the foregoing instrument, and to me personally known to be the persons who as such officers executed the foregoing instrument in the name and behalf of said corporation, who, being by me duly sworn did depose and say and acknowledge that they are respectively the _____ and the _____ of said corporation; that the seal affixed to said instrument is the corporate seal of said corporation; and that they signed, sealed and delivered said instrument in the name and on behalf of said corporation by authority of its Board of Directors and stockholders, and said _____ and _____ then and there acknowledged said instrument to be the free act and deed of said corporation and that such corporation executed the same.

On the ____ day of _____, before me personally came _____ and _____, to me known, who, being by me duly sworn, did depose and say that they respectively reside at _____, and _____; that they are respectively the _____ and the _____ of ALLETE, Inc., one of the corporations described in and which executed the above instrument; that they know the seal of said corporation; that the seal affixed to said instrument is such corporate seal; that it was so affixed by order of the Board of Directors of said corporation, and that they signed their names thereto by like order.

Given under my hand and notarial seal this ____ day of _____.

Notary Public

State of New York)
) ss:
County of New York)

On this ____ day of _____, before me, a Notary Public within and for said County, personally appeared _____ and _____, to me personally known, who, being each by me duly sworn, did say that they are respectively a _____ and an _____ of The Bank of New York of the State of New York, the corporation named in the foregoing instrument; that the seal affixed to the foregoing instrument is the corporate seal of said corporation; that said instrument was signed and sealed in behalf of said corporation by authority of its Board of Directors; and said _____ and _____ acknowledged said instrument to be the free act and deed of said corporation.

Personally came before me on this ____ day of _____, _____, to me known to be a _____, and _____, known to me to be an _____, of the above named The Bank of New York, the corporation described in and which executed the foregoing instrument, and to me personally known to be the persons who as such officers executed the foregoing instrument in the name and behalf of said corporation, who, being by me duly sworn did depose and say and acknowledge that they are respectively a _____ and an _____ of said corporation; that the seal affixed to said instrument is the corporate seal of said corporation; and that they signed, sealed and delivered said instrument in the name and on behalf of said corporation by authority of its Board of Directors, and said _____ and _____ then and there acknowledged said instrument to be the free act and deed of said corporation and that such corporation executed the same.

On the ____ day of _____, before me personally came _____ and _____, to me known, who, being by me duly sworn, did depose and say that they respectively reside at _____, and _____; that they are respectively a _____ and an _____ of The Bank of New York, one of the corporations described in and which executed the above instrument; that they know the seal of said corporation; that the seal affixed to said instrument is such corporate seal; that it was so affixed by order of the Board of Directors of said corporation, and that they signed their names thereto by like order.

Given under my hand and notarial seal this ____ day of _____.

Notary Public, State of New York

State of New York)
) ss:
County of New York)

On this ____ day of _____, before me personally appeared Douglas J. MacInnes, to me known to be the person described in and who executed the foregoing instrument, and acknowledged that he executed the same as his free act and deed.

Personally came before me this ____ day of _____, the above named Douglas J. MacInnes, to me known to be the person who executed the foregoing instrument, and acknowledged the same.

On the ____ day of _____, before me personally came Douglas J. MacInnes, to me known to be the person described in and who executed the foregoing instrument, and acknowledged that he executed the same.

Given under my hand and notarial seal this ____ day of _____.

Notary Public, State of New York

[Letterhead of Deborah A. Amberg]

December 10, 2007

ALLETE, Inc.
30 West Superior Street
Duluth, Minnesota 55802

Ladies and Gentlemen:

Reference is made to the Registration Statement on Form S-3 (the "Registration Statement") to be filed by ALLETE, Inc. (the "Company") on or about the date hereof, with the Securities and Exchange Commission ("Commission") under the Securities Act of 1933, as amended ("Securities Act"), for the registration of an unspecified amount of (a) shares of the Company's Common Stock, without par value ("Common Stock"), and the Preferred Share Purchase Rights attached thereto ("Rights") (the Common Stock and the Rights being collectively referred to as the "Shares") and (b) one or more proposed new series of the Company's first mortgage bonds ("Bonds") to be issued under the Company's Mortgage and Deed of Trust, dated as of September 1, 1945, with Irving Trust Company (now The Bank of New York) and Richard H. West (Douglas J. MacInnes, successor), as mortgage trustees (the "Mortgage").

In connection therewith, I have reviewed such documents and records as I have deemed necessary to enable me to express an opinion on the matters covered hereby.

Based upon the foregoing, I am of the opinion that:

1. All action necessary to make the Common Stock validly issued, fully paid and non-assessable and the Rights validly issued and binding obligations of the Company, except as to the Rights as limited or affected by bankruptcy, insolvency, reorganization, receivership, moratorium or other laws affecting creditors' rights and remedies generally and general principles of equity, will have been taken when:

- (a) The Shares are issued and sold in compliance with authority contained in an order or orders of the Minnesota Public Utilities Commission ("MPUC");
 - (b) At a meeting or meetings of the Company's Board of Directors, or a duly authorized committee thereof, favorable action shall have been taken to approve and authorize the issuance and sale of the Shares and any other action necessary to the consummation of the proposed issuance and sale of the Shares;
-

- (c) The Common Stock shall have been issued and sold for the consideration contemplated by such resolutions, and as otherwise contemplated by the Registration Statement; and
- (d) The Rights shall have been issued in accordance with the terms of the Amended and Restated Rights Agreement dated as of July 12, 2006 between the Company and the Corporate Secretary of the Company, as Rights Agent.

2. With respect to those Bonds which are to be issued at any one time ("Offered Bonds"), all action necessary to make the Offered Bonds valid, legal and binding obligations of the Company, except as limited or affected by bankruptcy, insolvency, reorganization, receivership, moratorium or other laws affecting mortgagees' and other creditors' rights and remedies generally and general principles of equity, will have been taken when:

- (a) The Offered Bonds are issued and sold in compliance with authority contained in an order or orders of the MPUC;
- (b) At a meeting or meetings of the Company's Board of Directors, or a duly authorized committee thereof, favorable action shall have been taken to approve and authorize the issuance and sale of the Offered Bonds and any other action necessary to the consummation of the proposed issuance and sale of the Offered Bonds;
- (c) The terms and provisions of the Offered Bonds are approved and established in accordance with the Mortgage and within the authority granted by the then current resolutions of the Board of Directors, or a duly authorized committee thereof; and
- (d) The Offered Bonds shall have been issued and sold in accordance with their respective terms and provisions and as contemplated by the Registration Statement.

I am a member of the Minnesota Bar and this opinion is limited to the laws of the State of Minnesota and the federal laws of the United States insofar as they bear on the matters covered hereby. As to all matters of New York law, I have relied, with your consent, upon the opinion of even date herewith rendered to you by Thelen Reid Brown Raysman & Steiner LLP, New York, New York. As to all matters of Minnesota law, Thelen Reid Brown Raysman & Steiner LLP is hereby authorized to rely upon this opinion to the same extent as if this opinion had been addressed to them.

I hereby consent to the filing of this opinion as an exhibit to the Registration Statement. I also consent to the reference to me in the Prospectus included in the Registration Statement under the caption "Legal Opinions." In giving the foregoing consent, I do not thereby admit that I come within the category of persons whose consent is required under Section 7 of the Securities Act or the rules and regulations of the Commission thereunder.

Sincerely,

/s/ Deborah A. Amberg

Deborah A. Amberg

[Letterhead of Thelen Reid Brown Raysman & Steiner LLP]

December 10, 2007

ALLETE, Inc.
30 West Superior Street
Duluth, Minnesota 55802

Ladies and Gentlemen:

Reference is made to the Registration Statement on Form S-3 (the "Registration Statement") to be filed by ALLETE, Inc. (the "Company") on or about the date hereof, with the Securities and Exchange Commission ("Commission") under the Securities Act of 1933, as amended ("Securities Act"), for the registration of an unspecified amount of (a) shares of the Company's Common Stock, without par value ("Common Stock"), and the Preferred Share Purchase Rights attached thereto ("Rights") (the Common Stock and the Rights being collectively referred to as the "Shares") and (b) one or more proposed new series of the Company's first mortgage bonds ("Bonds") to be issued under the Company's Mortgage and Deed of Trust, dated as of September 1, 1945, with Irving Trust Company (now The Bank of New York) and Richard H. West (Douglas J. MacInnes, successor), as mortgage trustees (the "Mortgage").

In connection therewith, we have reviewed such documents and records as we have deemed necessary to enable us to express an opinion on the matters covered hereby.

Based upon the foregoing, we are of the opinion that:

1. All action necessary to make the Common Stock validly issued, fully paid and non-assessable and the Rights validly issued and binding obligations of the Company, except as to the Rights as limited or affected by bankruptcy, insolvency, reorganization, receivership, moratorium or other laws affecting creditors' rights and remedies generally and general principles of equity, will have been taken when:

- (a) The Shares are issued and sold in compliance with authority contained in an order or orders of the Minnesota Public Utilities Commission ("MPUC");
 - (b) At a meeting or meetings of the Company's Board of Directors, or a duly authorized committee thereof, favorable action shall have been taken to approve and authorize the issuance and sale of the Shares and any other action necessary to the consummation of the proposed issuance and sale of the Shares;
-

- (c) The Common Stock shall have been issued and sold for the consideration contemplated by such resolutions, and as otherwise contemplated by the Registration Statement; and
- (d) The Rights shall have been issued in accordance with the terms of the Amended and Restated Rights Agreement dated as of July 12, 2006 between the Company and the Corporate Secretary of the Company, as Rights Agent.

2. With respect to those Bonds which are to be issued at any one time ("Offered Bonds"), all action necessary to make the Offered Bonds valid, legal and binding obligations of the Company, except as limited or affected by bankruptcy, insolvency, reorganization, receivership, moratorium or other laws affecting mortgagees' and other creditors' rights and remedies generally and general principles of equity, will have been taken when:

- (a) The Offered Bonds are issued and sold in compliance with authority contained in an order or orders of the MPUC;
- (b) At a meeting or meetings of the Company's Board of Directors, or a duly authorized committee thereof, favorable action shall have been taken to approve and authorize the issuance and sale of the Offered Bonds and any other action necessary to the consummation of the proposed issuance and sale of the Offered Bonds;
- (c) The terms and provisions of the Offered Bonds are approved and established in accordance with the Mortgage and within the authority granted by the then current resolutions of the Board of Directors, or a duly authorized committee thereof; and
- (d) The Offered Bonds shall have been issued and sold in accordance with their respective terms and provisions and as contemplated by the Registration Statement.

This opinion is limited to the laws of the States of Minnesota and New York and the federal laws of the United States insofar as they bear on the matters covered hereby. As to all matters of Minnesota law, we have relied, with your consent, upon the opinion of even date herewith rendered to you by Deborah A. Amberg, Esq., Senior Vice President, General Counsel and Secretary of the Company. As to all matters of New York law, Deborah A. Amberg, Esq. is hereby authorized to rely upon this opinion to the same extent as if this opinion had been addressed to her.

We hereby consent to the filing of this opinion as an exhibit to the Registration Statement. We also consent to the reference to us in the Prospectus included in the Registration Statement under the caption "Legal Opinions." In giving the foregoing consent, we do not thereby admit that we come within the category of persons whose consent is required under Section 7 of the Securities Act or the rules and regulations of the Commission thereunder.

Very truly yours,

/s/ Thelen Reid Brown Raysman & Steiner LLP

THELEN REID BROWN RAYSMAN & STEINER LLP

ALLETE

Computation of Ratios of Earnings to Fixed Charges

For the Year Ended December 31	YTD 9/30/2007	2006	2005	2004	2003	2002
Millions Except Ratios						
Income from Continuing Operations						
Before Minority Interest and Income Taxes	\$102.4	\$128.2	\$19.8	\$57.0	\$49.5	\$37.9
Less: Minority Interest (a)	-	-	-	2.1	2.6	1.0
Undistributed Income from Less than 50% Owned Equity Investment	2.6	2.3	-	-	2.9	4.7
	99.8	125.9	19.8	54.9	44.0	32.2
Fixed Charges						
Interest on Long-Term Debt	17.2	22.2	23.1	60.3	70.0	73.9
Capitalized Interest	0.2	0.6	0.3	0.7	1.2	0.8
Other Interest Charges (b)	2.6	5.3	3.5	8.7	4.3	5.3
Interest Component of All Rentals (c)	1.4	2.0	2.8	3.5	8.0	9.9
Total Fixed Charges	21.4	30.1	29.7	73.2	83.5	89.9
Earnings Before Income Taxes and Fixed Charges (Excluding Capitalized Interest)	\$121.0	\$155.4	\$49.2	\$127.4	\$126.3	\$121.3
Ratio of Earnings to Fixed Charges	5.65	5.16	1.66	1.74	1.51	1.35
(a) Pre-tax income of subsidiaries that have not incurred fixed charges. (b) Includes interest expense relating to the adoption of FIN 48 – “Accounting for Uncertainty in Income Taxes” (c) Represents interest portion of rents estimated at 33 1/3%.						

CONSENT OF INDEPENDENT REGISTERED ACCOUNTING FIRM

We hereby consent to the incorporation by reference in this Registration Statements on Form S-3 of our report dated February 12, 2007, except as to Note 7 for which the date is February 15, 2007, relating to the consolidated financial statements, financial statement schedule, management's assessment of the effectiveness of internal control over financial reporting and the effectiveness of internal control over financial reporting, which appears in ALLETE Inc.'s Annual Report on Form 10-K for the year ended December 31, 2006. We also consent to the reference to us under the heading "Experts" in such Registration Statement.

/s/ PricewaterhouseCoopers LLP

PricewaterhouseCoopers LLP
Minneapolis, Minnesota
December 10, 2007

FORM T-1

SECURITIES AND EXCHANGE COMMISSION

Washington, D.C. 20549

STATEMENT OF ELIGIBILITY

UNDER THE TRUST INDENTURE ACT OF 1939 OF A
CORPORATION DESIGNATED TO ACT AS TRUSTEE

CHECK IF AN APPLICATION TO DETERMINE
ELIGIBILITY OF A TRUSTEE PURSUANT TO
SECTION 305(b)(2)

THE BANK OF NEW YORK
(Exact name of trustee as specified in its charter)

New York
(State of incorporation
if not a U.S. national bank)

13-5160382
(I.R.S. employer
identification no.)

One Wall Street, New York, N.Y.
(Address of principal executive offices)

10286
(Zip code)

ALLETE, Inc.
(Exact name of obligor as specified in its charter)

Minnesota
(State or other jurisdiction of
incorporation or organization)

41-0418150
(I.R.S. employer
identification no.)

30 West Superior Street
Duluth, Minnesota
(Address of principal executive offices)

55802-2093
(Zip code)

First Mortgage Bonds
(Title of the indenture securities)

1. General information. Furnish the following information as to the Trustee:

(a) Name and address of each examining or supervising authority to which it is subject.

Name	Address
Superintendent of Banks of the State of New York	One State Street, New York, N.Y. 10004-1417, and Albany, N.Y. 12223
Federal Reserve Bank of New York	33 Liberty Street, New York, N.Y. 10045
Federal Deposit Insurance Corporation	Washington, D.C. 20429
New York Clearing House Association	New York, New York 10005

(b) Whether it is authorized to exercise corporate trust powers.

Yes.

2. Affiliations with Obligor.

If the obligor is an affiliate of the trustee, describe each such affiliation.

None.

16. List of Exhibits.

Exhibits identified in parentheses below, on file with the Commission, are incorporated herein by reference as an exhibit hereto, pursuant to Rule 7a-29 under the Trust Indenture Act of 1939 (the "Act") and 17 C.F.R. 229.10(d).

1. A copy of the Organization Certificate of The Bank of New York (formerly Irving Trust Company) as now in effect, which contains the authority to commence business and a grant of powers to exercise corporate trust powers. (Exhibit 1 to Amendment No. 1 to Form T-1 filed with Registration Statement No. 33-6215, Exhibits 1a and 1b to Form T-1 filed with Registration Statement No. 33-21672, Exhibit 1 to Form T-1 filed with Registration Statement No. 33-29637 and Exhibit 1 to Form T-1 filed with Registration Statement No. 333-121195.)
 4. A copy of the existing By-laws of the Trustee. (Exhibit 4 to Form T-1 filed with Registration Statement No. 333-121195.)
 6. The consent of the Trustee required by Section 321(b) of the Act. (Exhibit 6 to Form T-1 filed with Registration Statement No. 333-106702.)
 7. A copy of the latest report of condition of the Trustee published pursuant to law or to the requirements of its supervising or examining authority.
-

SIGNATURE

Pursuant to the requirements of the Act, the Trustee, The Bank of New York, a corporation organized and existing under the laws of the State of New York, has duly caused this statement of eligibility to be signed on its behalf by the undersigned, thereunto duly authorized, all in The City of New York, and State of New York, on the 7th day of December, 2007.

THE BANK OF NEW YORK

By: /S/ ROBERT A. MASSIMILLO

Name: ROBERT A. MASSIMILLO

Title: VICE PRESIDENT

Consolidated Report of Condition of

THE BANK OF NEW YORK

of One Wall Street, New York, N.Y. 10286

And Foreign and Domestic Subsidiaries,

a member of the Federal Reserve System, at the close of business September 30, 2007, published in accordance with a call made by the Federal Reserve Bank of this District pursuant to the provisions of the Federal Reserve Act.

	Dollar Amounts In Thousands
ASSETS	
Cash and balances due from depository institutions:	
Noninterest-bearing balances and currency and coin	3,182,000
Interest-bearing balances	20,644,000
Securities:	
Held-to-maturity securities	1,820,000
Available-for-sale securities	25,826,000
Federal funds sold and securities purchased under agreements to resell:	
Federal funds sold in domestic offices	7,089,000
Securities purchased under agreements to resell	163,000
Loans and lease financing receivables:	
Loans and leases held for sale	0
Loans and leases, net of unearned income	36,256,000
LESS: Allowance for loan and lease losses	253,000
Loans and leases, net of unearned income and allowance	36,003,000
Trading assets	4,581,000
Premises and fixed assets (including capitalized leases)	913,000
Other real estate owned	2,000
Investments in unconsolidated subsidiaries and associated companies	294,000
Not applicable	
Intangible assets:	
Goodwill	2,503,000
Other intangible assets	1,020,000
Other assets	8,484,000
Total assets	<u>112,524,000</u>
LIABILITIES	
Deposits:	
In domestic offices	29,462,000
Noninterest-bearing	16,865,000
Interest-bearing	12,597,000
In foreign offices, Edge and Agreement subsidiaries, and IBFs	54,612,000
Noninterest-bearing	3,956,000
Interest-bearing	50,656,000
Federal funds purchased and securities sold under agreements to repurchase:	
Federal funds purchased in domestic offices	1,890,000
Securities sold under agreements to repurchase	87,000
Trading liabilities	3,807,000
Other borrowed money: (includes mortgage indebtedness and obligations under capitalized leases)	2,473,000
Not applicable	
Not applicable	
Subordinated notes and debentures	2,255,000
Other liabilities	9,442,000
Total liabilities	<u>104,028,000</u>
Minority interest in consolidated subsidiaries	<u>158,000</u>
EQUITY CAPITAL	
Perpetual preferred stock and related surplus	0
Common stock	1,135,000
Surplus (exclude all surplus related to preferred stock)	2,156,000
Retained earnings	5,575,000
Accumulated other comprehensive income	-528,000
Other equity capital components	0
Total equity capital	<u>8,338,000</u>
Total liabilities, minority interest, and equity capital	<u>112,524,000</u>

I, Bruce W. Van Saun, Chief Financial Officer of the above-named bank do hereby declare that this Report of Condition is true and correct to the best of my knowledge and belief.

Bruce W. Van Saun,
Chief Financial Officer

We, the undersigned directors, attest to the correctness of this statement of resources and liabilities. We declare that it has been examined by us, and to the best of our knowledge and belief has been prepared in conformance with the instructions and is true and correct.

Gerald L. Hassell, Director
Steven G. Elliott, Director
Robert P. Kelly, Director

FORM T-2

SECURITIES AND EXCHANGE COMMISSION
Washington, D.C. 20549STATEMENT OF ELIGIBILITY
UNDER THE TRUST INDENTURE ACT OF 1939 OF AN
INDIVIDUAL DESIGNATED TO ACT AS TRUSTEECHECK IF AN APPLICATION TO DETERMINE
ELIGIBILITY OF A TRUSTEE PURSUANT TO
SECTION 305(b)(2) _____
DOUGLAS J. MACINNES
(Name of trustee)N/A
(I.R.S. employer
identification no.)101 Barclay Street
Floor 21W
New York, NY 10286
(Business address: street,
city state and zip code)_____
ALLETE, Inc.
(Exact name of obligor as specified in its charter)Minnesota
(State or other jurisdiction of
incorporation or organization)41-0418150
(I.R.S. employer
identification no.)30 West Superior Street
Duluth, Minnesota
(Address of principal executive offices)55802-2093
(Zip code)_____
First Mortgage Bonds
(Title of the indenture securities)

1. **Affiliations with Obligor.**

If the obligor is an affiliate of the trustee, describe each such affiliation.

None. (see Note on page 3.)

2. **Trusteeships under other indentures.**

If the trustee is trustee under another indenture under which any other securities, or certificates of interest or participation in any other securities, of the obligor are outstanding, file a copy of each such indenture as an exhibit and furnish the following information:

(a) Title of the securities outstanding under each such other indenture.

Not applicable.

(b) A brief statement of the facts relied upon by the trustee as a basis for the claim that no conflicting interest within the meaning of Section 310(b)(1) of the Act arises as a result of the trusteeship under such other indenture, including a statement as to how the indenture securities will rank as compared with the securities issued under such other indenture.

Not applicable.

11. **List of Exhibits.**

None.

NOTE

Inasmuch as this Form T-2 is filed prior to the ascertainment by the Trustee of all facts on which to base a responsive answer to Item 1, the answer to said Item is based on incomplete information.

Item 1 may, however, be considered as correct unless amended by an amendment to this Form T-2.

SIGNATURE

Pursuant to the requirements of the Trust Indenture Act of 1939, I, Douglas MacInnes have signed this statement of eligibility in The City of New York and State of New York, on the 7th day of December, 2007.

/S/ DOUGLAS J. MACINNES
Name: DOUGLAS J. MACINNES
