

SECURITIES AND EXCHANGE COMMISSION
WASHINGTON, DC 20549

FORM 8-K
CURRENT REPORT

Pursuant to Section 13 or 15(d) of the Securities Exchange Act of 1934

DATE OF REPORT (DATE OF EARLIEST EVENT REPORTED) - JANUARY 24, 2003

ALLETE, INC.

A Minnesota Corporation
Commission File No. 1-3548
IRS Employer Identification No. 41-0418150
30 West Superior Street
Duluth, Minnesota 55802-2093
Telephone - (218) 279-5000

ITEM 7. FINANCIAL STATEMENTS, PRO FORMA FINANCIAL INFORMATION AND EXHIBITS.

The following exhibit of ALLETE, Inc. is filed herewith in accordance with Item 601 of Regulation S-K:

Exhibit
Number
- - - - -

99 - ALLETE News Release dated January 24, 2003 announcing 2002 earnings.

SAFE HARBOR STATEMENT
UNDER THE PRIVATE SECURITIES LITIGATION REFORM ACT OF 1995

In connection with the safe harbor provisions of the Private Securities Litigation Reform Act of 1995, 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 such term is defined in the Private Securities Litigation Reform Act of 1995) made by or on behalf of ALLETE in this Form 8-K, in presentations, in response to questions or otherwise. Any statements that express, or involve discussions as to, expectations, beliefs, plans, objectives, assumptions or future events or performance (often, but not always, through the use of words or phrases such as "anticipates," "believes," "estimates," "expects," "intends," "plans," "projects," "will likely result," "will continue" or similar expressions) are not statements of historical facts and may be forward-looking.

Forward-looking statements involve estimates, assumptions, risks and uncertainties and are qualified in their entirety by reference to, and are accompanied by, the following important factors, which are difficult to predict, contain uncertainties, are beyond the control of ALLETE and may cause actual results or outcomes to differ materially from those contained in forward-looking statements:

- war and acts of terrorism;
- prevailing governmental policies and regulatory actions, including those of the United States Congress, state legislatures, the Federal Energy Regulatory Commission, the Minnesota Public Utilities Commission, the Florida Public Service Commission, the North Carolina Utilities Commission, the Public Service Commission of Wisconsin and various county regulators, about allowed rates of return, financings, industry and rate structure, acquisition and disposal of assets and facilities, operation and construction of plant facilities, recovery of purchased power and capital investments, and present or prospective wholesale and retail competition (including but not limited to transmission costs) as well as general vehicle-related laws, including vehicle brokerage and auction laws;
- unanticipated impacts of restructuring initiatives in the electric industry;
- economic and geographic factors, including political and economic risks;
- changes in and compliance with environmental and safety laws and policies;
- weather conditions;
- market factors affecting supply and demand for used vehicles;
- wholesale power market conditions;
- population growth rates and demographic patterns;
- the effects of competition, including the competition for retail and wholesale customers, as well as suppliers and purchasers of vehicles;
- pricing and transportation of commodities;
- changes in tax rates or policies or in rates of inflation;
- unanticipated project delays or changes in project costs;
- unanticipated changes in operating expenses and capital expenditures;
- capital market conditions;
- competition for economic expansion or development opportunities;
- ALLETE's ability to manage expansion and integrate recent acquisitions; and
- the outcome of legal and administrative proceedings (whether civil or criminal) and settlements that affect the business and profitability of ALLETE.

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.

SIGNATURES

Pursuant to the requirements of the Securities Exchange Act of 1934, the registrant has duly caused this report to be signed on its behalf by the undersigned thereunto duly authorized.

ALLETE, Inc.

January 24, 2003

James K. Vizanko

James K. Vizanko
Vice President, Chief Financial Officer
and Treasurer

EXHIBIT INDEX

EXHIBIT
NUMBER

99 - ALLETE News Release dated January 24, 2003 announcing 2002 earnings.

ALLETE Form 8-K dated January 24, 2003

[GRAPHIC OMITTED]

For Release: January 24, 2003
 CONTACT: Eric Olson
 218-723-3947
 eolson@allete.com

INVESTOR Tim Thorp
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 tthorp@allete.com

NEWS

ALLETE REPORTS 2002 EARNINGS, 2003 EXPECTATIONS

(Duluth, Minn.)-ALLETE, Inc. (NYSE: ALE) today reported 2002 earnings of \$1.68 per share, compared with earnings of \$1.81 in 2001. Excluding one-time events, earnings were \$1.80 per share in 2002 and \$1.87 in 2001. Net income was \$137.2 million in 2002 on revenue of \$1.507 billion, compared with \$138.7 million net income on revenue of \$1.526 billion in 2001.

"We navigated through a challenging year while accomplishing several important goals," said Dave Gartzke, ALLETE's chairman, president and CEO. "We simplified our company by exiting non-strategic businesses. This strengthened our balance sheet and allowed us to focus on our two core businesses. We continued our efforts to communicate this new focus to investors."

One-time events in 2002 include final exit charges related to the automotive transport and Electric Odyssey retail businesses, as well as a charge related to the indefinite delay of an electric generation project in Superior, Wis. In 2001, ALLETE recognized a portion of the exit charge from the automotive transport business.

AUTOMOTIVE SERVICES grew net income by 24% in 2002 despite relatively flat auction vehicle sales. At ADESA, growth was due to mandated goodwill accounting changes, lower interest expense and increased auction efficiency. Automotive Finance Corporation financed 42,000 more vehicles - an increase of 5%.

At ENERGY SERVICES, total kilowatt-hour sales were up 11% for the year in part due to sales from nonregulated generation that began in 2002. Low wholesale prices, however, resulted in net income declining by 8%, excluding the Superior generation project.

INVESTMENTS AND CORPORATE CHARGES declined by \$19.5 million from 2001, mainly due to the liquidation of the company's securities portfolio during the year and the largest real estate sale in the company's history which improved earnings in 2001.

Net income from DISCONTINUED OPERATIONS increased by \$9.8 million in 2002, largely from the suspension of depreciation expense at the company's Water Services businesses. The pending sale of Florida Water Services for \$492.5 million is expected to close in mid-February.

(MORE)

"The proceeds from the sale will give us the ability to reduce debt, which will further strengthen our balance sheet and keep us financially well-positioned," Gartzke said. "Our two core businesses remain strong and are poised for earnings growth in their respective markets as economic conditions improve."

Gartzke expects earnings at Automotive Services to grow by about 15% in 2003. Earnings at Energy Services are expected to decrease slightly from 2002 levels. "If wholesale power prices improve, so too will our profitability at Energy Services," he added.

ALLETE's corporate headquarters are located in Duluth, Minnesota. ALLETE's holdings include ADESA, the second largest wholesale vehicle auction network in North America; AFC, the leading provider of independent auto dealer financing; Minnesota Power, a low-cost electric utility that serves some of the largest industrial customers in the United States; and significant real estate holdings in Florida. For more information about ALLETE, visit the company's Web site at www.allete.com.

THE STATEMENTS CONTAINED IN THIS RELEASE AND STATEMENTS THAT ALLETE MAY MAKE ORALLY IN CONNECTION WITH THIS RELEASE THAT ARE NOT HISTORICAL FACTS, ARE FORWARD-LOOKING STATEMENTS. ACTUAL RESULTS MAY DIFFER MATERIALLY FROM THOSE PROJECTED IN THE FORWARD-LOOKING STATEMENTS. THESE FORWARD-LOOKING STATEMENTS INVOLVE RISKS AND UNCERTAINTIES AND INVESTORS ARE DIRECTED TO THE RISKS DISCUSSED IN DOCUMENTS FILED BY ALLETE WITH THE SECURITIES AND EXCHANGE COMMISSION.

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[GRAPHIC OMITTED] RECYCLED PAPER
ALLETE - 30 WEST SUPERIOR STREET, DULUTH, MINNESOTA 55802
WWW.ALLETE.COM

ALLETE, INC.
 CONSOLIDATED STATEMENT OF INCOME
 FOR THE PERIODS ENDED DECEMBER 31, 2002 AND 2001
 Millions Except Per Share Amounts

	QUARTER ENDED		YEAR TO DATE	
	2002	2001	2002	2001
OPERATING REVENUE				
Energy Services	\$ 162.1	\$ 144.4	\$ 630.3	\$ 618.7
Automotive Services	200.9	205.9	844.1	832.1
Investments	3.3	10.2	32.5	74.8
Total Operating Revenue	366.3	360.5	1,506.9	1,525.6
OPERATING EXPENSES				
Fuel and Purchased Power	64.4	53.7	239.1	233.1
Operations	266.2	252.4	1,008.0	1,007.3
Interest	14.3	16.9	62.2	74.7
Total Operating Expenses	344.9	323.0	1,309.3	1,315.1
OPERATING INCOME FROM CONTINUING OPERATIONS	21.4	37.5	197.6	210.5
DISTRIBUTIONS ON REDEEMABLE PREFERRED SECURITIES OF ALLETE CAPITAL I	1.5	1.5	6.0	6.0
INCOME TAX EXPENSE	6.6	11.2	72.6	74.2
INCOME FROM CONTINUING OPERATIONS	13.3	24.8	119.0	130.3
INCOME FROM DISCONTINUED OPERATIONS	4.8	0.7	18.2	8.4
NET INCOME	\$ 18.1	\$ 25.5	\$ 137.2	\$ 138.7
AVERAGE SHARES OF COMMON STOCK				
Basic	81.8	79.6	81.1	75.8
Diluted	82.3	80.4	81.7	76.5
EARNINGS PER SHARE OF COMMON STOCK				
Basic - Continuing Operations	\$0.16	\$0.30	\$1.47	\$1.72
Discontinued Operations	0.06	0.01	0.22	0.11
	\$0.22	\$0.31	\$1.69	\$1.83
Diluted - Continuing Operations	\$0.16	\$0.30	\$1.46	\$1.70
Discontinued Operations	0.06	0.01	0.22	0.11
	\$0.22	\$0.31	\$1.68	\$1.81
DIVIDENDS PER SHARE OF COMMON STOCK	\$0.275	\$0.2675	\$1.10	\$1.07

ALLETE, INC.
 CONSOLIDATED BALANCE SHEET
 FOR THE PERIODS ENDED DECEMBER 31, 2002 AND 2001
 Millions

	2002	2001
ASSETS		
Current Assets	\$ 658.4	\$ 895.5
Property, Plant and Equipment	1,364.9	1,323.3
Investments	170.9	155.4
Goodwill	499.8	494.4
Other	107.3	103.6
Discontinued Operations	345.9	310.3
TOTAL ASSETS	\$3,147.2	\$3,282.5

2002 2001

LIABILITIES AND SHAREHOLDERS' EQUITY

Current Liabilities	\$ 738.2	\$ 704.5
Long-Term Debt	661.3	933.8
Other Liabilities	277.4	270.5
Discontinued Operations	162.9	154.9
Mandatorily Redeemable Preferred Securities of ALLETE Capital I	75.0	75.0
Shareholders' Equity	1,232.4	1,143.8

TOTAL LIABILITIES AND SHAREHOLDERS' EQUITY \$3,147.2 \$3,282.5

ALLETE, INC.	QUARTER ENDED DECEMBER 31,		YEAR TO DATE DECEMBER 31,	
	2002	2001	2002	2001
NET INCOME Millions				
Energy Services	\$ 5.5	\$11.5	\$ 41.8	\$ 51.7
Automotive Services	14.1	15.6	92.9	74.8
Investments and Corporate Charges	(6.3)	(2.3)	(15.7)	3.8
Income from Continuing Operations	13.3	24.8	119.0	130.3
Income from Discontinued Operations	4.8	0.7	18.2	8.4
Net Income	\$18.1	\$25.5	\$137.2	\$138.7

DILUTED EARNINGS PER SHARE

Continuing Operations	\$0.16	\$0.30	\$1.46	\$1.70
Discontinued Operations	0.06	0.01	0.22	0.11
	\$0.22	\$0.31	\$1.68	\$1.81

During the fourth quarter of 2002 ALLETE included a \$5.5 million, or \$0.07 per share, one-time non-cash charge related to the indefinite delay of a generation project in Superior, Wisconsin.

Discontinued operations included the operating results of ALLETE's Water Services businesses, the auto transport business and the retail store. During the first six months of 2002 ALLETE included \$3.9 million, or \$0.05 per share, in charges to complete the exit from the auto transport business and the retail business. During the fourth quarter of 2001 ALLETE recognized a \$4.4 million, or \$0.06 per share, estimated charge to exit the auto transport business.

ALLETE, INC.	QUARTER ENDED DECEMBER 31,		YEAR TO DATE DECEMBER 31,	
	2002	2001	2002	2001
STATISTICAL DATA				
CORPORATE				
Common Stock				
High	\$23.80	\$25.85	\$31.10	\$26.89
Low	\$18.65	\$21.14	\$18.50	\$20.19
Close	\$22.68	\$25.20	\$22.68	\$25.20
Book Value	\$14.39	\$13.63	\$14.39	\$13.63
ENERGY SERVICES Millions of Kilowatthours Sold				
Utility				
Retail				
Residential	285.7	254.3	1,044.4	997.5
Commercial	319.9	301.1	1,257.0	1,233.9
Industrial	1,795.4	1,627.0	6,946.2	6,549.3
Other	20.9	18.6	77.4	75.3
Resale	395.4	462.6	1,806.7	2,085.8
Nonregulated	2,817.3	2,663.6	11,131.7	10,941.8
	321.3	38.5	1,149.2	140.4
	3,138.6	2,702.1	12,280.9	11,082.2
AUTOMOTIVE SERVICES				
Vehicles Sold				
Wholesale	393,000	408,000	1,741,000	1,761,000
Total Loss	44,000	45,000	175,000	148,000
	437,000	453,000	1,916,000	1,909,000
Conversion Rate - Wholesale Vehicles	55.1%	54.5%	59.0%	58.1%
Vehicles Financed	231,000	228,000	946,000	904,000
EBITDAL (Millions)	\$43.2	\$47.7	\$229.8	\$221.2

Earnings Before Interest, Taxes, Depreciation, Amortization and Lease Expense