

**INITIAL STATEMENT OF BENEFICIAL OWNERSHIP OF SECURITIES**

| OMB APPROVAL                                 |           |
|--|-----------|
| OMB Number:                                  | 3235-0104 |
| Estimated average burden hours per response: | 0.5       |

Filed pursuant to Section 16(a) of the Securities Exchange Act of 1934 or Section 30(h) of the Investment Company Act of 1940

|   |         |          |  |  |  |  |  |
|---|---------|----------|--|--|--|--|--|
| 1. Name and Address of Reporting Person*<br><u>McMillan David J</u> |         |          | 2. Date of Event Requiring Statement (Month/Day/Year)<br>10/19/2010  |  | 3. Issuer Name and Ticker or Trading Symbol<br><u>ALLETE INC [ ALE ]</u> |  |  |
| (Last)  | (First) | (Middle) | 4. Relationship of Reporting Person(s) to Issuer (Check all applicable)<br>Director _____ 10% Owner _____<br><input checked="" type="checkbox"/> Officer (give title below) _____ Other (specify below) _____<br><u>Sr VP Mktg. Reg. &amp; Pub Affairs</u> |  |  | 5. If Amendment, Date of Original Filed (Month/Day/Year)   |  |
| 30 WEST SUPERIOR STREET   |         |          |  |  |  | 6. Individual or Joint/Group Filing (Check Applicable Line)<br><input checked="" type="checkbox"/> Form filed by One Reporting Person<br><input type="checkbox"/> Form filed by More than One Reporting Person |  |
| (Street)  | (City)  | (State)  | (Zip)  |  |  |  |  |
| DULUTH  | MN      | 55802    |  |  |  |  |  |

**Table I - Non-Derivative Securities Beneficially Owned**

| 1. Title of Security (Instr. 4) | 2. Amount of Securities Beneficially Owned (Instr. 4) | 3. Ownership Form: Direct (D) or Indirect (I) (Instr. 5) | 4. Nature of Indirect Beneficial Ownership (Instr. 5) |
|---------------------------------|---|--|---|
| Common Stock                    | 5,893.29  | D  |   |
| Common Stock                    | 5,827.89  | I  | By RSOP Trust   |

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

| 1. Title of Derivative Security (Instr. 4) | 2. Date Exercisable and Expiration Date (Month/Day/Year) |                 | 3. Title and Amount of Securities Underlying Derivative Security (Instr. 4) | 4. Conversion or Exercise Price of Derivative Security | 5. Ownership Form: Direct (D) or Indirect (I) (Instr. 5) | 6. Nature of Indirect Beneficial Ownership (Instr. 5) |
|--|--|-----------------|---|--|--|---|
|  | Date Exercisable   | Expiration Date |   |  |  |   |
| Employee Stock Option (Right to Buy)       | (1)  | 01/02/2012      | Common Stock  | 3,861  | 29.79  | D   |
| Employee Stock Option (Right to Buy)       | (2)  | 02/03/2013      | Common Stock  | 1,931  | 23.79  | D   |
| Employee Stock Option (Right to Buy)       | (3)  | 02/03/2014      | Common Stock  | 3,409  | 37.76  | D   |
| Employee Stock Option (Right to Buy)       | (4)  | 02/01/2015      | Common Stock  | 4,109  | 41.36  | D   |
| Employee Stock Option (Right to Buy)       | (5)  | 02/01/2016      | Common Stock  | 4,365  | 44.15  | D   |
| Employee Stock Option (Right to Buy)       | (6)  | 02/01/2017      | Common Stock  | 4,019  | 48.65  | D   |
| Employee Stock Option (Right to Buy)       | (7)  | 02/01/2018      | Common Stock  | 7,383  | 39.1   | D   |

**Explanation of Responses:**

- The option vested in three equal installments; one-third vested on January 2, 2003, one-third vested on January 12, 2004, and the remainder vested on January 2, 2005.
- The option vested in three equal installments; one-third vested on February 3, 2004, one-third vested on February 3, 2005, and the remainder vested on February 3, 2006.
- The option vested in three equal installments; one-third vested on February 2, 2005, one-third vested on February 2, 2006, and the remainder vested on February 2, 2007.
- The option vested in three equal installments; one-third vested on February 1, 2006, one-third vested on February 1, 2007, and the remainder vested on February 1, 2008.
- The option vested in three equal installments; one-third vested on February 1, 2007, one-third vested on February 1, 2008, and the remainder vested on February 1, 2009.
- The option vested in three equal installments; one-third vested on February 1, 2008, one-third vested on February 1, 2009, and the remainder vested on February 1, 2010.
- The option vests in three equal installments; one-third vested on February 1, 2009, one-third vested on February 1, 2010, and the remainder will vest on February 1, 2011.

**Remarks:**

David J. McMillan

\*\* Signature of Reporting Person

10/27/2010

Date

Reminder: Report on a separate line for each class of securities beneficially owned directly or indirectly.

\* If the form is filed by more than one reporting person, see Instruction 5 (b)(v).

\*\* Intentional misstatements or omissions of facts constitute Federal Criminal Violations See 18 U.S.C. 1001 and 15 U.S.C. 78ff(a).

Note: File three copies of this Form, one of which must be manually signed. If space is insufficient, see Instruction 6 for procedure.

Persons who respond to the collection of information contained in this form are not required to respond unless the form displays a currently valid OMB Number.

POWER OF ATTORNEY

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

- (1) execute for and on behalf of the undersigned, in the undersigned's capacity as an officer and/or director of ALLETE, Inc. (Company), Forms 3, 4, and 5 in accordance with the instructions of the undersigned;
- (2) do and perform any and all acts for and on behalf of the undersigned which may be necessary or desirable to complete and execute any such Forms 3, 4, or 5, complete and file the same with the appropriate authorities;
- (3) take any other action of any type whatsoever in connection with the foregoing which, in the opinion of such attorney-in-fact, may be of benefit to, in the best interest of the undersigned.

The undersigned hereby grants to each such attorney-in-fact full power and authority to do and perform any and every act and thing whatsoever requisite, necessary, and proper to carry out the powers hereinbefore conferred, and to execute and file the same with the appropriate authorities, and to do and perform any and all other acts and things which such attorney-in-fact may deem necessary or desirable to carry out the powers hereinbefore conferred.

The undersigned acknowledges that the foregoing attorneys-in-fact, in serving in such capacity at the request of the undersigned, are not assuming, nor is the Company assuming, any liability for the acts or omissions of such attorneys-in-fact.

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

IN WITNESS WHEREOF, the undersigned has caused this Power of Attorney to be executed as of this 19th day October, 2010.

/s/ David J. McMillan  
David J. McMillan