

SECURITIES AND EXCHANGE COMMISSION  
 Washington, D.C. 20549

FORM S-3

REGISTRATION STATEMENT  
 UNDER  
 THE SECURITIES ACT OF 1933

ALLETE  
 (LEGALLY INCORPORATED AS MINNESOTA POWER, INC.)  
 (Exact name of registrant 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 55802-2093  
 (218) 279-5000  
 (Address, including zip code, and telephone number, including area code, of registrant's principal executive offices)

David G. Gartzke Senior Vice President-Finance and Chief Financial Officer 30 West Superior Street Duluth, Minnesota 55802-2093 (218) 279-5000	Philip R. Halverson, Esq. Vice President, General Counsel and Secretary 30 West Superior Street Duluth, Minnesota 55802-2093 (218) 279-5000	Robert J. Reger, Jr., Esq. Thelen Reid & Priest LLP 40 West 57th Street New York, New York 10019-4097 (212) 603-2000
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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. [X]

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

If delivery of the prospectus is expected to be made pursuant to Rule 434, please check the following box. [ ]

CALCULATION OF REGISTRATION FEE

TITLE OF EACH CLASS OF SECURITIES TO BE REGISTERED	AMOUNT TO BE REGISTERED	PROPOSED MAXIMUM OFFERING PRICE PER UNIT (1)	PROPOSED MAXIMUM AGGREGATE OFFERING PRICE (1)	AMOUNT OF REGISTRATION FEE
Common Stock, without par value	591,292 Shares	\$20.84375	\$12,324,743	\$3,082

- (1) Estimated solely for purposes of calculating the registration fee pursuant to Rule 457(c) under the Securities Act of 1933 on the basis of the average of the high and low prices of the registrant's common stock on the New York Stock Exchange composite tape on January 18, 2001.
- (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.
- (3) Since no separate consideration is paid for the preferred share purchase rights, the registration fee for such securities is included in the fee for the common stock.

THE REGISTRANT HEREBY AMENDS THIS REGISTRATION STATEMENT ON SUCH DATE OR DATES AS MAY BE NECESSARY TO DELAY ITS EFFECTIVE DATE UNTIL THE REGISTRANT SHALL FILE A FURTHER AMENDMENT WHICH SPECIFICALLY STATES THAT THIS REGISTRATION STATEMENT SHALL THEREAFTER BECOME EFFECTIVE IN ACCORDANCE WITH SECTION 8(A) OF THE SECURITIES ACT OR UNTIL THIS REGISTRATION STATEMENT SHALL BECOME EFFECTIVE ON SUCH DATE AS THE COMMISSION, ACTING PURSUANT TO SAID SECTION 8(A), MAY DETERMINE.

SUBJECT TO COMPLETION, DATED JANUARY 25, 2001

PROSPECTUS

ALLETE  
591,292 SHARES OF COMMON STOCK  
(WITHOUT PAR VALUE)

The shares of common stock, together with attached preferred share purchase rights (collectively, "common stock"), of ALLETE offered hereby will be sold from time to time by the selling shareholders identified in this prospectus in brokers' transactions at prices prevailing at the time of sale or as otherwise described in "Plan of Distribution." ALLETE will not receive any of the proceeds from the sale of these shares of common stock. Expenses in connection with the registration of these shares of common stock under the Securities Act of 1933, including legal and accounting fees of ALLETE, will be paid by ALLETE.

These shares of common stock were acquired by the selling shareholders from ALLETE in a private placement transaction. This prospectus has been prepared for the purpose of registering these shares of common stock under the Securities Act of 1933 to allow future sales by the selling shareholders to the public without restriction. To the knowledge of ALLETE, the selling shareholders have made no arrangement with any brokerage firm for the sale of these shares of common stock. The selling shareholders may be deemed to be "underwriters" within the meaning of the Securities Act of 1933. Any commissions received by a broker or dealer in connection with resales of these shares of common stock may be deemed to be underwriting commissions or discounts under the Securities Act of 1933.

ALLETE's common stock is listed on the New York Stock Exchange and trades under the symbol "ALE." The last reported sale price on the New York Stock Exchange on January 24, 2001 was \$21-7/8.

These shares of common stock have not been registered for sale under the securities laws of any state or jurisdiction as of the date of this prospectus. Brokers or dealers effecting transactions in these shares of common stock should confirm the registration thereof under the securities laws of the states or jurisdictions in which such transactions occur, or the existence of any exemption from registration.

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

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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.

, 2001  
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The information in this prospectus is not complete and may be changed. The  
selling shareholders may not sell these securities until the registration  
statement filed with the Securities and Exchange Commission is effective. This  
prospectus is not an offer to sell these securities and it is not soliciting an  
offer to buy these securities in any jurisdiction where the offer or sale is not  
permitted.

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#### WHERE YOU CAN FIND MORE INFORMATION

ALLETE files annual, quarterly and other reports and other information with the Securities and Exchange Commission ("SEC"). You can read and copy any information filed by ALLETE with the SEC at the SEC's Public Reference Room at 450 Fifth Street, N.W., 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 (<http://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 (<http://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. 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, until this offering is terminated. Information that ALLETE files in the future with the SEC will automatically update and supersede this information.

- (1) ALLETE's Annual Report on Form 10-K for the year ended December 31, 1999.
- (2) ALLETE's Quarterly Report on Form 10-Q for the quarters ended March 31, 2000, June 30, 2000 and September 30, 2000.
- (3) ALLETE's Current Reports on Form 8-K filed with the SEC on June 20, 2000, June 28, 2000, July 19, 2000, August 8, 2000, October 10, 2000, October 18, 2000 and January 19, 2001.

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 number (218) 723-3974 or (800) 535-3056.

You should rely only on the information contained in, or incorporated by reference in, this prospectus and any prospectus supplement. ALLETE has not, and any underwriters, agents or dealers have not, authorized anyone else to provide you with different information. You should not assume that the information contained in this prospectus and any prospectus supplement is accurate as of any date other than the date on the front of those documents.

#### 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 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 supplement to this prospectus, 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 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 to differ materially from those contained in those forward-looking statements:

- o 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 and the Public Service Commission of Wisconsin and various county regulators, with respect to allowed rates of return, industry and rate structure, acquisition and disposal of assets and facilities, operation and construction of plant facilities, recovery of purchased power, and present or prospective wholesale and retail competition (including but not limited to retail wheeling and transmission costs);
- o economic and geographic factors, including political and economic risks;
- o changes in and compliance with environmental and safety laws and policies;
- o weather conditions;
- o population growth rates and demographic patterns;
- o competition for retail and wholesale customers;
- o pricing and transportation of commodities;
- o market demand, including structural market changes;
- o changes in tax rates or policies or in rates of inflation;
- o changes in project costs;
- o unanticipated changes in operating expenses and capital expenditures;
- o capital market conditions;
- o competition for new energy development opportunities; and
- o legal and administrative proceedings (whether civil or criminal) and settlements that influence 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.

## ALLETE

ALLETE has been incorporated under the laws of the State of Minnesota since 1906. Before September 1, 2000 ALLETE did business under the name Minnesota Power, Inc. ALLETE is a multi-services company with four business segments:

- (1) Energy Services, which include electric and gas services, coal mining and telecommunications;
- (2) Automotive Services, which include a network of wholesale and salvage vehicle auctions, a finance company and several subsidiaries that are integral parts of the vehicle redistribution business;
- (3) Water Services, which include water and wastewater services; and
- (4) Investments, which include real estate operations, investments in emerging technologies related to the electric utility industry and a securities portfolio.

	YEAR ENDED DECEMBER 31,		
	1998	1999	2000
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<b>DILUTED EARNINGS PER SHARE OF COMMON STOCK</b>			
Before Capital Re and ACE Transactions.....	\$ 1.35	\$ 1.49	\$ 1.67
Capital Re and ACE Transactions (a).....	-	(0.52)	0.44
	-----	-----	-----
Total.....	\$ 1.35	\$ 0.97	\$ 2.11
	=====	=====	=====
<b>NET INCOME</b>			
Energy Services.....	\$ 47.4	\$ 45.0	\$ 43.1
Automotive Services.....	25.5	39.9	48.5
Water Services.....	7.5	12.2	13.1
Investments.....	29.6	26.8	29.3
Corporate Charges.....	(21.5)	(19.7)	(15.8)
	-----	-----	-----
Net Income before Capital Re and ACE Transactions.....	88.5	104.2	118.2
Capital Re and ACE Transactions (a).....	-	(36.2)	30.4
	-----	-----	-----
	\$ 88.5	\$ 68.0	\$ 148.6
	=====	=====	=====

- (a) In May 2000 ALLETE sold its investment in ACE Limited (ACE) common stock, which resulted in an after-tax gain of \$30.4 million, or \$0.44 per share. The ACE shares were received in December 1999 upon completion of ACE's merger with Capital Re Corporation (Capital Re). During 1999 ALLETE recorded an aggregate \$36.2 million, or \$0.52 per share, after-tax non-cash charge in connection with the valuation and exchange of its investment in Capital Re stock for the ACE shares.

### ENERGY SERVICES

The Energy Services segment, which includes Minnesota Power, primarily generates, transmits, distributes and markets electricity. In addition, Energy Services include coal mining and telecommunications in and near Minnesota Power's electric utility service area. As of December 31, 2000, Minnesota Power supplied retail electric service to 130,000 customers in northeastern Minnesota. Superior Water, Light and Power Company, a wholly owned subsidiary, provided electric, natural gas, and water services to 14,000 electric customers, 11,000 natural gas customers and 10,000 water customers in northwestern Wisconsin as of December 31, 2000. Split Rock Energy LLC, formed as an alliance between Minnesota Power and Great River Energy, combines power supply capabilities and customer loads to share market and supply risks and to optimize power trading opportunities. Split Rock contracts for exclusive services from MPEX, Minnesota Power's power marketing division.

BNI Coal, Ltd., another wholly owned subsidiary, owns and operates a lignite mine in North Dakota. Two electric generating cooperatives, Minnkota Power Cooperative, Inc. and Square Butte Electric Cooperative, presently consume virtually all of BNI Coal's production of lignite coal under cost-plus coal supply agreements extending to 2027. Under an agreement with Square Butte, Minnesota Power purchases approximately 71 percent of the output from the Square

Butte unit which is capable of generating up to 455 megawatts. Minnkota Power has an option to extend its coal supply agreement to 2042.

Other subsidiaries within the Energy Services business segment include:

- o Electric Outlet, Inc., doing business as Electric Odyssey, which is a retail, catalog and e-commerce merchandiser that sells unique products for the home, office and travel;
- o Minnesota Power Telecom, Inc., which provides high reliability fiber optic based communication services to businesses and communities across Minnesota and in Wisconsin; and
- o Rainy River Energy Corporation, which holds a power purchase position in wholesale merchant generation and is developing a wholesale merchant generation facility.

Minnesota Power has large power contracts to sell power to 12 industrial customers, each requiring 10 megawatts or more of generating capacity. These contracts require the payment of minimum monthly demand charges that cover the fixed costs associated with having capacity available to serve each of these customers, including a return on common equity. Each contract continues past the contract termination date unless the required four-year advance notice of cancellation has been given.

#### AUTOMOTIVE SERVICES

Automotive Services include several subsidiaries which are integral parts of the vehicle redistribution business.

ADESA Corporation, a wholly owned subsidiary, is the second largest vehicle auction network in North America. Headquartered in Indianapolis, Indiana, ADESA owns, or leases, and operates 54 vehicle auction facilities in the United States and Canada through which used cars and other vehicles are sold to franchised automobile dealers and licensed used car dealers. Sellers at ADESA's auctions include domestic and foreign auto manufacturers, car dealers, automobile fleet/lease companies, banks and finance companies. ADESA also owns 21 vehicle auctions in the United States and Canada that provide "total loss" vehicle recovery services to insurance companies.

Automotive Finance Corporation, another wholly owned subsidiary, provides inventory financing for wholesale and retail automobile dealers who purchase vehicles from ADESA auctions, independent auctions, other auction chains and other outside sources.

Other subsidiaries within the Automotive Services business segment include:

- o Great Rigs Incorporated, which is one of the nation's largest independent used automobile transport carriers with over 140 automotive carriers, the majority of which are leased;
- o PAR, Inc., doing business as PAR North America, which provides customized vehicle remarketing services to various fleet operations;
- o AutoVIN, Inc., 90 percent owned, which provides professional field information service to the automotive industry and the industry's secured lenders. Services provided include vehicle condition reporting, inventory verification auditing, program compliance auditing and facility inspection; and
- o ADESA Importation Services, Inc., which is the nation's second largest registered, independent commercial importer of vehicles.

#### WATER SERVICES

Water Services include Florida Water Services Corporation, Heater Utilities, Inc., Instrumentation Services, Inc., Americas' Water Service Corporation and Georgia Water Services Corporation, each a wholly owned subsidiary. Florida Water, the largest investor owned water supplier in Florida, owns and operates water and wastewater treatment facilities within that state. As of December 31, 2000, Florida Water served 152,000 water customers and 73,000 wastewater customers, and maintained 157 water and wastewater facilities

throughout Florida. As of December 31, 2000, Heater Utilities, which provides water and wastewater treatment services in North Carolina, served 44,000 water customers and 5,000 wastewater treatment customers. Instrumentation Services provides predictive maintenance and instrumentation consulting services to water and wastewater utilities in the southeastern United States as well as Texas and Minnesota. Americas' Water Services offers contract management, operations and maintenance services for water and wastewater treatment facilities to governments and industries.

#### INVESTMENTS

Investments consist of real estate operations, investments in emerging technologies related to the electric utility industry and an actively traded securities portfolio. Through subsidiaries, ALLETE owns Florida real estate operations at Cape Coral and Lehigh Acres adjacent to Ft. Myers, at Palm Coast in northeast Florida and at Sugarmill Woods in Citrus County. Since 1985, ALLETE has invested \$38.6 million in start-up companies that are developing technologies that may be used by the electric utility industry. As of December 31, 2000, ALLETE had approximately \$103 million invested in a trading and available-for-sale securities portfolio.

#### SELLING SHAREHOLDERS

The following table lists the selling shareholders, the number of shares of common stock of ALLETE beneficially owned by the selling shareholders as of the date of this prospectus, the number of shares of common stock to be offered and the number of outstanding shares of common stock to be owned after the sale. The shares were issued by ALLETE and delivered to the selling shareholders in connection with the merger of ComSearch, Inc. ("ComSearch") and AA Salvage Company, a wholly-owned subsidiary of ALLETE, pursuant to an Agreement and Plan of Merger, dated as January 10, 2001 (the "Merger Agreement"), by and among ALLETE, AA Salvage Company, ComSearch and the shareholders of ComSearch.

Selling Shareholders (1)	Shares Owned Prior to Offering (2)	Shares to be Offered Hereby (3)	Shares to be Owned After Offering (4)
Robert P. Lyons	258,729 (5)	258,729 (5)	0
Joseph W. Lyons	76,401 (6)	76,401 (6)	0
John E. Lyons	35,884 (7)	35,884 (7)	0
S. Dennis Lyons	30,820 (8)	30,820 (8)	0
Mary McLaughlin	30,820 (9)	30,820 (9)	0
James A. DelBonis	76,401 (10)	76,401 (10)	0
Auto Placement Rhode Island Associates, LLC	82,237 (11)	82,237 (11)	0

- (1) Robert P. Lyons is the President, Chief Executive Officer and a Director of ComSearch, John E. Lyons is the Vice President - Operations of ComSearch, and James A. DelBonis is the Chief Operating Officer of ComSearch. Robert P. Lyons and John E. Lyons are the equal owners of Auto Placement Rhode Island Associates, LLC.
- (2) As of January 18, 2001, the selling shareholders held less than one percent of the Company's then outstanding Common Stock.
- (3) As of January 18, 2001 the selling shareholders represented to ALLETE that they were acquiring these shares of common stock for their own account for investment and not with a view toward resale or distribution.
- (4) Assumes the sale of all of these shares of common stock covered by this prospectus and that no additional shares are acquired by the selling shareholders.
- (5) Includes 25,830 shares of common stock registered in the name of Bank One Trust Company, N.A., as escrow agent ("Escrow Agent"), pursuant to an escrow agreement ("Escrow Agreement") executed in connection with the Merger Agreement.
- (6) Includes 7,597 shares of common stock registered in the name of the Escrow Agent, pursuant to the Escrow Agreement.

- (7) Includes 3,545 shares of common stock registered in the name of the Escrow Agent, pursuant to the Escrow Agreement.
- (8) Includes 3,039 shares of common stock registered in the name of the Escrow Agent, pursuant to the Escrow Agreement.
- (9) Includes 3,039 shares of common stock registered in the name of the Escrow Agent, pursuant to the Escrow Agreement.
- (10) Includes 7,597 shares of common stock registered in the name of the Escrow Agent, pursuant to the Escrow Agreement.
- (11) Includes 8,224 shares of common stock registered in the name of the Escrow Agent, pursuant to the Escrow Agreement.

The escrowed shares of common stock described above will be held by the Escrow Agent until certain conditions in the Escrow Agreement are satisfied. To the extent that the Escrow Agent is directed to sell some or all of these shares, the sale proceeds will be held by the Escrow Agent until the escrow release conditions are satisfied.

#### DESCRIPTION OF COMMON STOCK

General. The following statements describing our common stock are not intended to be a complete description. They are qualified in their entirety by reference to our Articles of Incorporation and Mortgage and Deed of Trust. We also refer you to the laws of the State of Minnesota.

We have the following authorized capital stock by our Articles of Incorporation: 130,000,000 shares of common stock, without par value, and 3,616,000 shares of preferred stock. As of the date of this prospectus, 75,335,983 shares of common stock were issued and outstanding and no shares of preferred stock were issued and outstanding.

Dividend Rights. Our common stock is entitled to dividends only after we have provided for dividends and any sinking fund requirements on any issued and outstanding preferred stock.

Our 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 our common stock are entitled to receive notice of and to vote at any meeting of our shareholders. Each share of our common stock, as well as each share of any of our 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 our 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 our preferred stock are in default in the amount of four quarterly payments, and until all the dividends in default are paid, the holders of our preferred stock are entitled, as one class, to elect a majority of the directors. Our common stock, as one class, would then elect the minority.

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

- o Quorums;
- o Terms of directors elected;
- o Vacancies;
- o Class voting;
- o Meetings; and

o Adjournments.

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

- o a provision requiring the affirmative vote of 75 percent of the outstanding shares of all classes of our 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 "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 our Articles of Incorporation;
- o a provision permitting a majority of the Disinterested Directors to determine whether the above requirements have been satisfied; and
- o a provision providing that some parts of our Articles of Incorporation cannot be altered unless approved by 75 percent of the outstanding shares of all classes of our 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 our 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 we have satisfied creditors and the preferential liquidation rights of any of our outstanding preferred stock, the holders of our common stock are entitled to share ratably in the distribution of all remaining assets.

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

Description of Preferred Share Purchase Rights. The following statements describing our Preferred Share Purchase Rights (each a "Right") are not intended to be a complete description. They are qualified in their entirety by reference to the Rights Agreement, dated as of July 24, 1996 ("Rights Plan"), between ALLETE and ALLETE's Corporate Secretary, as Rights Agent. We also refer you to the laws of the State of Minnesota.

In July 1996 our Board of Directors declared a dividend distribution of one Right for each outstanding share of our common stock to shareholders of record at the close of business on July 24, 1996 ("Record Date"). Our Board of Directors also authorized the issuance of one Right for each share of our common stock that becomes outstanding between the Record Date and July 23, 2006, or an earlier date on which the Rights are redeemed. Except as described below, each Right, when exercisable, entitles the registered holder to purchase from us one two-hundredth of a share of Junior Serial Preferred Stock A, without par value ("Serial Preferred"), at a price of \$45 per one two-hundredth of a share (the "Purchase Price"). The Purchase Price is subject to adjustment.

Initially no separate Right Certificates will be distributed. Until the Distribution Date, our common stock certificates together with a copy of the Summary of Rights Plan are proof of the Rights. The Distribution Date is the earlier to occur of:

- o 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 our common stock (the "Stock Acquisition Date"); or

- o 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 our outstanding shares of common stock. At any time before a person becomes an Acquiring Person, our 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 our common stock. The transfer of any certificates for our 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, we will mail separate certificates for the Rights to holders of record of our common stock as of the close of business on the Distribution Date. After the Distribution Date, separate certificates for the Rights will be given as proof of the Rights.

Each whole share of our Serial Preferred will have a minimum preferential quarterly dividend rate equal to the greater of \$51 per share or, subject to anti-dilution adjustment, 200 times the dividend declared on our common stock. If ALLETE liquidates, no distribution will be made to the holders of our common stock until the holders of our Serial Preferred have received a liquidation preference of \$100 per share, plus accrued and unpaid dividends. Holders of our Serial Preferred will be entitled to receive notice of and to vote at any meeting of our shareholders. Each whole share of our Serial Preferred is entitled to one vote. These shares do not have cumulative voting rights.

Whenever dividends on any of our preferred stock are in default in the amount of four quarterly payments, and until all the dividends in default are paid, the holders of our Serial Preferred and other preferred stock will be entitled, together as one class, to elect a majority of directors. Our common stock would then elect the minority. If, in any merger or other transaction, shares of our common stock are exchanged for or converted into other securities and/or property, each whole share of our Serial Preferred will be entitled to receive, subject to anti-dilution adjustment, 200 times the amount for or into which each share of our common stock is exchanged or converted. We cannot redeem the shares of Serial Preferred.

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

- o July 23, 2006 ("Final Expiration Date");
- o the redemption of the Rights by ALLETE as described below; or
- o the exchange of all Rights for our common stock as described below.

If any person (other than ALLETE, our 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 common stock we issue directly to any person. This exemption applies even if the person would become the beneficial owner of 15 percent or more of our common stock, provided that the person does not acquire any additional shares of our common stock. Examples of situations where we might issue common stock directly include private placements or acquisitions we make using our common stock as consideration.

If following the Stock Acquisition Date we are acquired in a merger or other business combination transaction, or 50 percent or more of our assets or earning power are sold, we 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 (the "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 our 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, our Serial Preferred or our common stock, or a reverse split of our outstanding shares of Serial Preferred or common stock.

Our Board of Directors may exchange the Rights at an exchange ratio of one share of common stock per Right at any time that is:

- o 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
- o 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. We 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, we 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.

Our Board of Directors may redeem the Rights in whole, but not in part, at a price of \$.005 per Right ("Redemption Price") anytime before a person becomes an Acquiring Person. At our option, we may pay the Redemption Price in cash, shares of our common stock or other consideration that our Board of Directors deems appropriate. If we redeem the Rights, the Rights will terminate and the only right of the holders of Rights will be to receive the Redemption Price.

If the Rights are exercised, issuance of our Serial Preferred or our 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 a shareholder of ALLETE, including, without limitation, the right to vote or to receive dividends. One million shares of our Serial Preferred were reserved for issuance if the Rights are exercised.

We 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.

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 our Board of Directors. This is because, at any time before a person becomes an Acquiring Person, our Board of Directors may redeem all of the outstanding Rights at the Redemption Price.

#### USE OF PROCEEDS

ALLETE will not receive any of the proceeds from sales of these shares of common stock.

#### PLAN OF DISTRIBUTION

The selling shareholders may sell or distribute some or all of these shares of common stock from time to time through underwriters or dealers or brokers or other agents or directly through one or more purchasers, including pledgees, in transactions (which may involve crosses and block transactions) on the New York Stock Exchange or in privately negotiated transactions (including sales pursuant to pledges) or in a combination of such transactions. Such transactions may be effected by the selling shareholders at market prices prevailing at the time of sale, at prices related to prevailing market prices, at negotiated prices, or at fixed prices, which may be changed. Brokers, dealers, agents or underwriters

participating in such transactions as agent may receive compensation in the form of discounts, concessions or commissions from the selling shareholders (and, if they act as agent for the purchaser of such shares, from such purchaser). Such discounts, concessions or commissions as to a particular broker, dealer, agent or underwriter might be in excess of those customary in the type of transaction involved. This prospectus also may be used, with ALLETE's consent, by donees of the selling shareholders, or by other persons acquiring shares and who wish to offer and sell such shares under circumstances requiring or making desirable its use.

When required, this prospectus will be supplemented to set forth the number of shares offered for sale and, if such offering is to be made by or through underwriters, dealers, brokers or other agents, the names of such persons and the principal terms of the arrangements between such persons and the selling shareholders.

The selling shareholders and any underwriters, brokers, dealers or agents acting in connection with the sale or distribution of these shares of common stock hereunder may be deemed to be "underwriters" within the meaning of Section 2(11) of the Securities Act of 1933, and any commissions received by them and any profit realized by them on the resale of shares as principals may be deemed underwriting compensation under the Securities Act of 1933. To the extent that the selling shareholders are deemed to be "underwriters," the selling shareholders will be subject to the prospectus delivery requirements of the Securities Act of 1933. In addition, any shares of common stock covered by this prospectus which qualify for sale pursuant to Rule 144 promulgated under the Securities Act of 1933 may be sold under Rule 144 rather than pursuant to this prospectus. Furthermore, the selling shareholders may transfer shares of common stock in other ways not involving market makers or established trading markets, including directly by gift, distribution, or other transfer.

The selling shareholders may enter into hedging transactions with broker-dealers in connection with distributions of shares of our common stock or otherwise. In such transactions, broker-dealers may engage in short sales of the shares of our common stock in the course of hedging the positions they assume with selling shareholders. The selling shareholders also may sell shares short and redeliver shares of our common stock to close out such short positions. The selling shareholders may enter into option or other transactions with broker-dealers which require the delivery to the broker-dealer of shares of our common stock. The broker-dealer may then resell or otherwise transfer such shares pursuant to this prospectus. The selling shareholders may also loan or pledge the shares of our common stock to a broker-dealer. The broker-dealer may sell the common stock so loaned, or upon a default the broker-dealer may sell the pledged shares pursuant to this prospectus.

Expenses in connection with the registration of these shares of common stock under the Securities Act of 1933, including legal and accounting fees of ALLETE, will be paid by ALLETE. The selling shareholders may agree to indemnify any broker-dealer or agent against certain liabilities related to the selling of the shares of our common stock, including liabilities arising under the Securities Act of 1933.

#### EXPERTS

The consolidated financial statements incorporated in this prospectus by reference to our Annual Report on Form 10-K for the year ended December 31, 1999 have been so incorporated in reliance on the report of PricewaterhouseCoopers LLP, independent accountants, given on the authority of said firm as experts in auditing and accounting.

The statements as to matters of law and legal conclusions under "Description of the Common Stock" in this prospectus and in the documents incorporated in this prospectus by reference, have been reviewed by Philip R. Halverson, Esq., Duluth, Minnesota, Vice President, General Counsel and Secretary of ALLETE. All of such statements and conclusions are presented or incorporated by reference in this prospectus in reliance upon the opinions of such individual and firms, respectively as experts.

As of January 15, 2001, Mr. Halverson owned 22,743 shares of common stock of ALLETE. Mr. Halverson is acquiring additional shares of ALLETE common stock at regular intervals as a participant in the Employee Stock Ownership Plan and Supplemental Retirement Plan. Under the Executive Long-Term Incentive Compensation Plan, Mr. Halverson has:

- o been granted options to purchase 45,342 shares of ALLETE common stock, of which 33,684 options are fully vested, the remainder of which shall vest over the next two years, and all of which will expire ten years from the date of grant;
- o earned approximately 874 performance shares that have not yet been paid out under the terms of this plan; and
- o an award opportunity for up to 7,538 additional performance shares contingent upon the attainment of certain performance goals of ALLETE for the period January 1, 2000 through December 31, 2001.

#### LEGAL OPINIONS

The legality of these shares of common stock offered hereby will be passed upon for ALLETE by Mr. Halverson and by Thelen Reid & Priest LLP, New York, New York, counsel for ALLETE. Thelen Reid & Priest LLP may rely as to all matters of Minnesota law upon the opinion of Mr. Halverson.

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YOU SHOULD RELY ONLY ON THE INFORMATION CONTAINED OR INCORPORATED BY REFERENCE IN THIS PROSPECTUS OR ANY PROSPECTUS SUPPLEMENT. ALLETE HAS NOT AUTHORIZED ANYONE ELSE TO PROVIDE YOU WITH 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.

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 are:

Filing Fee for Registration Statement.....	\$	3,082
Stock Exchange Listing Fee.....		3,000*
Legal and Accounting Fees.....		9,000*
Miscellaneous.....		1,918*
		-----
Total.....	\$	17,000*
		=====

\* Estimated

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 the 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 affect 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.

Exhibit  
Number Description of Exhibit  
- - - - -

- \*4(a)(1)- Articles of Incorporation, amended and restated as of May 27, 1998 (filed as Exhibit 4(a) to the June 3, 1998 Form 8-K, File No. 1-3548).
- \*4(a)(2)- Amendment to Certificate of Assumed Name, filed with the Minnesota Secretary of State on August 29, 2000 (filed as Exhibit 4 to the October 10, 2000 Form 8-K, File No. 1-3548).
- \*4(b) - Bylaws, as amended effective May 27, 1998 (filed as Exhibit 4(b), to the June 3, 1998 Form 8-K, File No. 1-3548).
- \*4(c)1 - Mortgage and Deed of Trust, dated as of September 1, 1945, between Minnesota Power & Light Company (now Minnesota Power, Inc., doing business as ALLETE) and Irving Trust Company (now The Bank of New York) and Richard H. West (Douglas J. MacInnes, successor), as Trustees (filed as Exhibit 7(c), File No. 2-5865).
- \*4(c)2 - Supplemental Indentures to Minnesota Power, Inc.'s (doing business as ALLETE) Mortgage and Deed of Trust:

Number	Dated as of	Reference File	Exhibit
-----	-----	-----	-----
First	March 1, 1949	2-7826	7(b)
Second	July 1, 1951	2-9036	7(c)
Third	March 1, 1957	2-13075	2(c)
Fourth	January 1, 1968	2-27794	2(c)
Fifth	April 1, 1971	2-39537	2(c)
Sixth	August 1, 1975	2-54116	2(c)
Seventh	September 1, 1976	2-57014	2(c)
Eighth	September 1, 1977	2-59690	2(c)
Ninth	April 1, 1978	2-60866	2(c)
Tenth	August 1, 1978	2-62852	2(d)2
Eleventh	December 1, 1982	2-56649	4(a)3
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)

Number	Dated as of	Reference File	Exhibit
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

4(c)3 - Twenty-first Supplemental Indenture, dated as of October 1, 2000, between Minnesota Power, Inc. (doing business as ALLETE) and The Bank of New York (formerly Irving Trust Company) and Douglas J. MacInnes (successor to Richard H. West), Trustees.

\*4(d)1 - Mortgage and Deed of Trust, dated as of March 1, 1943, between Superior Water, Light and Power Company and Chemical Bank & Trust Company and Howard B. Smith, as Trustees, both succeeded by U. S. Bank Trust N.A., as Trustee (filed as Exhibit 7(c), File No. 2-8668).

\*4(d)2 - Supplemental Indentures to Superior Water, Light and Power Company's Mortgage and Deed of Trust:

Number	Dated as of	Reference File	Exhibit
First	March 1, 1951	2-59690	2(d)(1)
Second	March 1, 1962	2-27794	2(d)1
Third	July 1, 1976	2-57478	2(e)1
Fourth	March 1, 1985	2-78641	4(b)
Fifth	December 1, 1992	1-3548 (1992 Form 10-K)	4(b)1
Sixth	March 24, 1994	1-3548 (1996 Form 10-K)	4(b)1
Seventh	November 1, 1994	1-3548 (1996 Form 10-K)	4(b)2
Eighth	January 1, 1997	1-3548 (1996 Form 10-K)	4(b)3

\*4(e)1 - Indenture, dated as of March 1, 1993, between Southern States Utilities, Inc. (now Florida Water Services Corporation) and Nationsbank of Georgia, National Association (now SunTrust Bank, Central Florida, N.A.), as Trustee (filed as Exhibit 4(d) to the 1992 Form 10-K, File No. 1-3548).

\*4(e)2 - Supplemental Indentures to Florida Water Services Corporation's Indenture:

Number	Dated as of	Reference File	Exhibit
First	March 1, 1993	1-3548 (1996 Form 10-K)	4(c)1
Second	March 31, 1997	1-3548 (March 31, 1997 Form 10-Q)	4
Third	May 28, 1997	1-3548 (June 30, 1997 Form 10-Q)	4

\*4(f)1 - Amended and Restated Trust Agreement, dated as of March 1, 1996, relating to MP&L Capital I's (now ALLETE Capital I) 8.05% Cumulative Quarterly Income Preferred Securities, between Minnesota Power & Light Company (now Minnesota Power, Inc., doing business as ALLETE), as Depositor, and The Bank of New York, The Bank of New York (Delaware), Philip R. Halverson, David G. Gartzke and James K. Vizanko, as Trustees (filed as Exhibit 4(a) to the March 31, 1996 Form 10-Q, File No. 1-3548), as modified by Amendment No. 1, dated April 11, 1996 (filed as Exhibit 4(b) to the March 31, 1996 Form 10-Q, File No. 1-3548).

4(f)2 - First Amendment [2000], dated August 23, 2000, to Amended and Restated Trust Agreement, dated as of March 1, 1996, between Minnesota Power, Inc. (doing business as ALLETE), as Depositor, and The Bank of New York, The Bank of New York (Delaware), Philip R. Halverson, David G. Gartzke and James K. Vizanko, as Trustees.

- \*4(g) - Indenture, dated as of March 1, 1996, relating to ALLETE's 8.05% Junior Subordinated Debentures, Series A, Due 2015, between Minnesota Power & Light Company (now Minnesota Power, Inc., doing business as ALLETE) and The Bank of New York, as Trustee (filed as Exhibit 4(c) to the March 31, 1996 Form 10-Q, File No. 1-3548).
- \*4(h) - Guarantee Agreement, dated as of March 1, 1996, relating to MP&L Capital I's (now ALLETE Capital I) 8.05% Cumulative Quarterly Income Preferred Securities, between Minnesota Power & Light Company (now Minnesota Power, Inc., doing business as ALLETE), as Guarantor, and The Bank of New York, as Trustee (filed as Exhibit 4(d) to the March 31, 1996 Form 10-Q, File No. 1-3548).
- \*4(i) - Agreement as to Expenses and Liabilities, dated as of March 20, 1996, relating to MP&L Capital I's (now ALLETE Capital I) 8.05% Cumulative Quarterly Income Preferred Securities, between Minnesota Power & Light Company (now Minnesota Power, Inc., doing business as ALLETE) and MP&L Capital I (now ALLETE Capital I) (filed as Exhibit 4(e) to the March 31, 1996 Form 10-Q, File No. 1-3548).
- \*4(j) - Officer's Certificate, dated March 20, 1996, establishing the terms of the 8.05% Junior Subordinated Debentures, Series A, Due 2015 issued in connection with the 8.05% Cumulative Quarterly Income Preferred Securities of MP&L Capital I (now ALLETE Capital I) (filed as Exhibit 4(i) to the 1996 Form 10-K, File No. 1-3548).
- \*4(k) - Rights Agreement dated as of July 24, 1996, between Minnesota Power & Light Company (now Minnesota Power, Inc., doing business as ALLETE) and the Corporate Secretary of Minnesota Power & Light Company (now Minnesota Power, Inc., doing business as ALLETE), as Rights Agent (filed as Exhibit 4 to the August 2, 1996 Form 8-K, File No. 1-3548).
- \*4(l) - Indenture (for Unsecured Debt Securities), dated as of May 15, 1996, between ADESA Corporation and The Bank of New York, as Trustee relating to the ADESA Corporation's 7.70% Senior Notes, Series A, Due 2006, and its 8.10% Senior Notes, Series B, Due 2010 (filed as Exhibit 4(k) to the 1996 Form 10-K, File No. 1-3548).
- \*4(m) - Guarantee of Minnesota Power & Light Company (now Minnesota Power, Inc., doing business as ALLETE), dated as of May 30, 1996, relating to the ADESA Corporation's 7.70% Senior Notes, Series A, Due 2006 (filed as Exhibit 4(l) to the 1996 Form 10-K, File No. 1-3548).
- \*4(n) - ADESA Corporation Officer's Certificate 1-D-1, dated May 30, 1996, relating to the ADESA Corporation's 7.70% Senior Notes, Series A, Due 2006 (filed as Exhibit 4(m) to the 1996 Form 10-K, File No. 1-3548).
- \*4(o) - Guarantee of Minnesota Power, Inc. (doing business as ALLETE), dated as of March 30, 2000, relating to ADESA Corporation's 8.10% Senior Notes, Series B, Due 2010 (filed as Exhibit 4(a) to the March 31, 2000 Form 10-Q, File No. 1-3548).
- \*4(p) - ADESA Corporation Officer's Certificate 2-D-2, dated as of March 30, 2000, relating to ADESA Corporation's 8.10% Senior Notes, Series B, Due 2010 (filed as Exhibit 4(b) to the March 31, 2000 Form 10-Q, File No. 1-3548).
- 5(a) - Opinion and Consent of Philip R. Halverson, Esq., Vice President, General Counsel and Secretary of ALLETE.
- 5(b) - Opinion and Consent of Thelen Reid & Priest LLP.
- 23(a) - Independent Auditors' Consent of PricewaterhouseCoopers LLP.

- 23(b) - Consent of Philip R. Halverson, Esq. (included in opinion, attached hereto as Exhibit 5(a)).
- 23(c) - Consent of Thelen Reid & Priest LLP (included in opinion, attached hereto as Exhibit 5(b)).
- 24 - Powers of Attorney (included on the signature page of this registration statement).

\* Incorporated herein by reference as indicated.

ITEM 17. UNDERTAKINGS.

a. 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. Notwithstanding the foregoing, any increase or decrease in volume of securities offered (if the total dollar value of securities offered would not exceed that which was registered) and any deviation from the low or high end of the estimated maximum offering range may be reflected in the form of prospectus filed with the SEC pursuant to Rule 424(b) if, in the aggregate, the changes in volume and price represent no more than 20 percent change in the maximum aggregate offering price set forth in the "Calculation of Registration Fee" table in the effective 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 paragraphs (a)(1)(i) and (a)(1)(ii) do not apply if the information required to be included in a post-effective amendment by those paragraphs is contained in periodic 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.

- (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 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.

b. 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 above, 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 the registrant of expenses incurred or paid by a director, officer or controlling person of the 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 SEC, 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 the registrant 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, the registrant 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 January 25, 2001.

ALLETE  
(LEGALLY INCORPORATED AS MINNESOTA POWER, INC.)

By /s/ Edwin L. Russell  
-----  
Edwin L. Russell  
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 ----
/s/ Edwin L. Russell ----- Edwin L. Russell	Chairman, President, Chief Executive Officer and Director (Principal Executive Officer)	January 25, 2001
/s/ David G. Gartzke ----- David G. Gartzke	Senior Vice President-- Finance and Chief Financial Officer (Principal Financial Officer)	January 25, 2001
/s/ Mark A. Schober ----- Mark A. Schober	Controller (Principal Accounting Officer)	January 25, 2001

## SIGNATURE

## TITLE

## DATE

-----

-----

-----

/s/ Kathleen A. Brekken

Director

January 25, 2001

-----  
Kathleen A. Brekken

/s/ Merrill K. Cragun

Director

January 25, 2001

-----  
Merrill K. Cragun

/s/ Dennis E. Evans

Director

January 25, 2001

-----  
Dennis E. Evans

/s/ Glenda E. Hood

Director

January 25, 2001

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Glenda E. Hood

/s/ Peter J. Johnson

Director

January 25, 2001

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Peter J. Johnson

/s/ George L. Mayer

Director

January 25, 2001

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George L. Mayer

/s/ Jack I. Rajala

Director

January 25, 2001

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Jack I. Rajala

/s/ Arend J. Sandbulte

Director

January 25, 2001

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Arend J. Sandbulte

/s/ Nick Smith

Director

January 25, 2001

-----  
Nick Smith

/s/ Bruce W. Stender

Director

January 25, 2001

-----  
Bruce W. Stender

/s/ Donald C. Wegmiller

Director

January 25, 2001

-----  
Donald C. Wegmiller

EXHIBIT INDEX

- 4(c)3 Twenty-first Supplemental Indenture, dated as of October 1, 2000, between Minnesota Power, Inc. (doing business as ALLETE) and The Bank of New York (formerly Irving Trust Company) and Douglas J. MacInnes (successor to Richard H. West), Trustees.
- 4(f)2 First Amendment [2000], dated August 23, 2000, to Amended and Restated Trust Agreement, dated as of March 1, 1996, between Minnesota Power, Inc. (doing business as ALLETE), as Depositor, and The Bank of New York, The Bank of New York (Delaware), Philip R. Halverson, David G. Gartzke and James K. Vizanko, as Trustees.
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- 23(c) Consent of Thelen Reid & Priest LLP (included in opinion, attached hereto as Exhibit 5(b)).
- 24 Powers of Attorney (included on the signature pages of this registration statement).

-----  
MINNESOTA POWER, INC.  
(DOING BUSINESS AS ALLETE)

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 MINNESOTA  
POWER, INC.'S MORTGAGE AND  
DEED OF TRUST DATED AS OF  
SEPTEMBER 1, 1945

-----  
TWENTY-FIRST SUPPLEMENTAL INDENTURE

PROVIDING AMONG OTHER THINGS FOR

FLOATING RATE FIRST MORTGAGE BONDS DUE OCTOBER 20, 2003

(TWENTY-SEVENTH SERIES)

DATED AS OF OCTOBER 1, 2000  
-----

TWENTY-FIRST SUPPLEMENTAL INDENTURE

THIS INDENTURE, dated as of October 1, 2000, by and between MINNESOTA POWER, INC. (doing business AS ALLETE), 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 (formerly Minnesota Power & Light 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 "Twenty-first 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, 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, 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

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

SERIES -----	PRINCIPAL AMOUNT ISSUED -----	PRINCIPAL AMOUNT OUTSTANDING -----
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	\$55,000,000
7-1/2% Series due August 1, 2007.....	35,000,000	35,000,000
Pollution Control Series E.....	111,000,000	111,000,000
7% Series due March 1, 2008.....	50,000,000	50,000,000
6-1/4% Series due July 1, 2003.....	25,000,000	25,000,000
7% Series due February 15, 2007.....	60,000,000	60,000,000
6.68% Series due November 15, 2007.....	20,000,000	20,000,000

which bonds are also hereinafter sometimes called bonds of the First through Twenty-Sixth 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 one 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 Twenty-first Supplemental Indenture, and the terms of the bonds of the Twenty-seventh Series, hereinafter referred to, have been duly authorized by the Board of Directors of the Company by appropriate resolutions of said Board of Directors;

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 Twenty-first 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 Twenty-first 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 Twenty-First 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 Twenty-first 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  
TWENTY-SEVENTH SERIES OF BONDS

SECTION 1. There shall be a series of bonds designated "Floating Rate First Mortgage Bonds due October 20, 2003" (herein sometimes referred to as the "Twenty-seventh Series"), and the form thereof, 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 Twenty-seventh Series shall be dated as in Section 10 of the Mortgage provided, mature on October 20, 2003, 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 on the interest payment dates, as provided in the form of bond of the Twenty-seventh Series; 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.

The Company shall appoint ABN AMRO Bank, N.V., Chicago Branch as the Calculation Agent for the bonds of the Twenty-seventh Series pursuant to a Calculation Agency Agreement between the Company and the Calculation Agent. Upon receipt by the Company of notice of termination by the Calculation Agent or upon the Company giving written notice of termination to the Calculation Agent, the Company shall promptly appoint a successor Calculation Agent and enter into a new Calculation Agency Agreement.

(I) Bonds of the Twenty-seventh Series shall be in substantially the following form, with such insertions, omissions and variations as the officer of the Company executing such bond may determine, such determination to be conclusively evidenced by such officer's execution of such bond:

(legend at the end of this  
bond for restrictions on transferability  
and change of form)

[TEMPORARY] REGISTERED BOND

ALLETE (LEGALLY INCORPORATED AS  
MINNESOTA POWER, INC.)

Floating Rate First Mortgage Bond,  
Due October 20, 2003

No. TR - 1

CUSIP 018522 AB 8

\$

ALLETE (legally incorporated as MINNESOTA POWER, INC.), a corporation  
of the State of Minnesota (hereinafter called the Company), for value received,  
hereby promises to pay to \_\_\_\_\_, or registered assigns, on October

20, 2003, 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, and to pay to the  
registered owner hereof interest thereon from October 20, 2000, if the date of  
this bond is prior to January 20, 2001, or if the date of this bond is on or  
after January 20, 2001, from the April 20, July 20, October 20 or January 20  
immediately preceding the date of this bond to which interest has been paid  
(unless the date hereof is an interest payment date to which interest has been  
paid, in which case from the date hereof) in like coin or currency at such  
office or agency on January 20, April, 20, July 20 and October 20 in each year,  
until the Company's obligation with respect to the payment of such principal  
shall have been discharged.

This bond is [a temporary bond and] one of an issue of bonds of the  
Company issuable in series and is one of a series known as its Floating Rate  
First Mortgage Bonds due October 20, 2003, all bonds of all series issued and to  
be issued under and equally secured (except in so far as any sinking or other  
fund, established in accordance with the provisions of the Mortgage hereinafter  
mentioned, may afford additional security for the bonds of any particular  
series) by a Mortgage and Deed of Trust (herein, together with any indenture  
supplemental thereto, including the Twenty-first Supplemental Indenture dated as  
of October 1, 2000, called the Mortgage), dated as of September 1, 1945,  
executed by the Company to Irving Trust Company (now The Bank of New York) and  
Richard H. West (Douglas J. MacInnes successor), as Trustees.

The bonds of this series will bear interest for each Interest Period  
(defined below) at a per annum interest rate determined by ABN AMRO Bank, N.V.,

Chicago Branch, or its successor appointed by the Company as permitted by the Mortgage, acting as Calculation Agent. The interest rate for each Interest Period will be equal to LIBOR on the Interest Determination Date for that Interest Period plus .85%; provided, however, that in certain circumstances described below, the interest rate will be determined in an alternative manner without reference to LIBOR. Promptly upon determination, the Calculation Agent will notify the Corporate Trustee of the interest rate for the new Interest Period. The interest rate determined by the Calculation Agent, absent willful default, bad faith or manifest error, will be binding and conclusive upon the beneficial owners and holders of the bonds of this series, the Company and the Corporate Trustee.

"Interest Period" means the period commencing on an interest payment date and ending on the day preceding the next succeeding interest payment date provided that the initial Interest Period will commence on the date of initial issuance. The "Interest Determination Date" for an Interest Period is the second London Business Day immediately preceding the first day of that Interest Period.

For purposes of this calculation, "London Business Day" means a day on which dealings in deposits in U.S. dollars are transacted, or with respect to any future date, are expected to be transacted, in the London interbank market.

"LIBOR" for any Interest Determination Date will be the offered rate for deposits in U.S. dollars having an index maturity of three months for a period commencing on the second London Business Day immediately following the Interest Determination Date (the "Three Month Deposits") in amounts of not less than \$1,000,000, as that rate appears on Telerate Page 3750, or a successor reporter of such rates selected by the Calculation Agent and acceptable to the Company, at approximately 11:00 a.m., London time, on the Interest Determination Date (the "Reported Rate").

"Telerate Page 3750" means the display designated on page "3750" on Dow Jones Markets Limited (or such other page as may replace the 3750 page on that service or such other service or services as may be nominated by the British Bankers' Association for the purpose of displaying London interbank offered rates for U.S. dollar deposits).

If the following circumstances exist on any Interest Determination Date, the Calculation Agent will determine the interest rate for the bonds of this series as follows:

(1) In the event no Reported Rate appears on Telerate Page 3750 as of approximately 11:00 a.m., London time, on an Interest Determination Date, the Calculation Agent will request the principal London offices of each of four major banks in the London interbank market selected by the Calculation Agent (after consultation with the Company) to provide a quotation of the rate at which Three Month Deposits in amounts of not less than \$1,000,000 are offered by it to prime banks in the London interbank market, as of approximately 11:00 a.m., London time, on that Interest Determination Date, that is representative of single transactions at that time (the "Representative Amounts"). If at least two rate quotations are provided, the interest rate will be the arithmetic mean of the rate quotations obtained by the Calculation Agent, plus .85%.

In the event no Reported Rate appears on Telerate Page 3750 and the Calculation Agent obtains fewer than two rate quotations, the interest rate will be the arithmetic mean of the rates quoted at approximately 11:00 a.m., New York City time, on that Interest Determination Date, by three major banks in New York

City, selected by the Calculation Agent (after consultation with the Company), for loans in Representative Amounts in U.S. dollars to leading European banks, having an index maturity of three months for a period commencing on the second London Business Day immediately following that Interest Determination Date, plus .85%; provided, however, that if fewer than three banks selected by the Calculation Agent are quoting those rates, the interest rate for the applicable Interest Period will be the same as the interest rate in effect for the immediately preceding interest period.

Upon the request of the holder of any of the bonds, the Calculation Agent will provide to that holder the interest rate in effect on the date of the request and, if determined, the interest rate for the next Interest Period.

The interest will be paid to the persons in whose names the bonds of this series are registered at the close of business (1) on the business day prior to each interest payment date if the bonds of this series remain in book-entry only form or (2) on the 15th calendar day before each interest payment date if the bonds of this series do not remain in book-entry only form.

The bonds of this series shall not be redeemable prior to October 20, 2001. On or after October 20, 2001, the Company may redeem the bonds of this series, at its option, in whole or in part from time to time, on any interest payment date prior to their maturity (each a "Redemption Date"). The Company will give notice of its intent to redeem any of the bonds of this series 30 days prior to a Redemption Date. If the Company redeems all or any part of the bonds of this series, it will pay a redemption price equal to 100% of the principal amount of the bonds of this series being redeemed plus accrued and unpaid interest thereon, if any, to the Redemption Date.

Reference is made to the Mortgage for a description of the property mortgaged and pledged, the nature and extent of the security, the rights of the holders of the bonds and of the Trustees in respect thereof, the duties and immunities of the Trustees and the terms and conditions upon which the bonds are and are to be secured and the circumstances under which additional bonds may be issued. With the consent of the Company and to the extent permitted by and as provided in the Mortgage, the rights and obligations of the Company and/or the rights of the holders of the bonds and/or coupons and/or the terms and provisions of the Mortgage may be modified or altered by affirmative vote of the holders of at least 66 2/3% principal amount of the bonds then outstanding under the Mortgage and, if the rights of the holders of one or more, but less than all, series of bonds then outstanding are to be affected, then also by affirmative vote of the holders of at least 66 2/3% in principal amount of the bonds then outstanding of each series of bonds so to be affected (excluding in any case bonds disqualified from voting by reason of the Company's interest therein as provided in the Mortgage); provided that, without the consent of the holder hereof, no such modification or alteration shall, among other things, impair or affect the right of the holder to receive payment of the principal of (and premium, if any) and interest on this bond, on or after the respective due dates expressed herein, or permit the creation of any lien equal or prior to the lien of the Mortgage or deprive the holder of the benefit of a lien on the mortgaged and pledged property.

The principal hereof may be declared or may become due prior to the maturity date hereinbefore named on the conditions, in the manner and at the time set forth in the Mortgage, upon the occurrence of a default as in the Mortgage provided.

This bond is transferable as prescribed in the Mortgage by the registered owner hereof in person, or by his duly authorized attorney, at the office or agency of the Company in the Borough of Manhattan, The City of New York, upon surrender and cancellation of this bond, and thereupon, a new fully registered bond of the same series for a like principal amount will be issued to the transferee in exchange herefor as provided in the Mortgage. The Company and the Trustees may deem and treat the person in whose name this bond is registered as the absolute owner hereof for the purpose of receiving payment and for all other purposes and neither the Company nor the Trustees shall be affected by any notice to the contrary.

In the manner prescribed in the Mortgage, bonds of this series, upon surrender thereof for cancellation at the office or agency of the Company in the Borough of Manhattan, The City of New York, are exchangeable for a like aggregate principal amount of bonds of the same series of other authorized denominations.

As provided in the Mortgage, the Company shall not be required to make transfers or exchanges of bonds of any series for a period of ten (10) days next preceding any interest payment date for bonds of said series.

No recourse shall be had for the payment of the principal of or interest on this bond against any incorporator or any past, present or future subscriber to the capital stock, stockholder, officer, or director of the Company or of any predecessor or successor corporation, as such, either directly or through the Company or any predecessor or successor corporation, under any rule of law, statute or constitution or by the enforcement of any assessment or otherwise, all such liability of incorporators, subscribers, stockholders, officers, and directors being released by the holder or owner hereof by the acceptance of this bond and being likewise waived and released by the terms of the Mortgage.

This bond shall not become obligatory until The Bank of New York, the Corporate Trustee under the Mortgage, or its successor thereunder, shall have signed the form of authentication certificate endorsed hereon.

IN WITNESS WHEREOF, ALLETE (legally incorporated as Minnesota Power, Inc.) has caused this bond to be signed in its corporate name by its President or one of its Vice Presidents by his signature or a facsimile thereof, and its corporate seal to be impressed or imprinted hereon and attested by its Secretary or one of its Assistant Secretaries by his signature or a facsimile thereof.

Dated: October , 2000

ALLETE (legally incorporated as  
Minnesota Power, Inc.)

By

-----  
Senior Vice President - Finance

ATTEST:

-----  
Secretary

Corporate Trustee's Authentication Certificate

This bond is one of the bonds, of the series herein designated, described or provided for in the within-mentioned Mortgage.

THE BANK OF NEW YORK,  
as Corporate Trustee,

By

-----  
Authorized Signatory

#### LEGEND

[Unless and until this bond is exchanged in whole or in part for certificated bonds registered in the names of the various beneficial holders hereof as then certified to the Trustee by the Depository Trust Company or its successor (the "Depository"), this bond may not be transferred except as a whole by the Depository to a nominee of the Depository or by a nominee of the Depository to the Depository or another nominee of the Depository or by the Depository or any such nominee to a successor Depository or a nominee of such successor Depository.

Unless this certificate is presented by an authorized representative of the Depository to the Company or its agent for registration of transfer, exchange or payment, and any certificate to be issued is registered in the name of Cede & Co., or in such other name as is requested by an authorized representative of the Depository and any amount payable thereunder is made payable to Cede & Co., or such other name, ANY TRANSFER, PLEDGE OR OTHER USE HEREOF FOR VALUE OR OTHERWISE BY OR TO ANY PERSON IS WRONGFUL since the registered owner hereof, Cede & Co., has an interest herein.

This bond may be exchanged for certificated bonds registered in the names of the various beneficial owners hereof if (a) the Depository is at any time unwilling or unable to continue as depository and a successor depository is not appointed by the Company within 90 days, or (b) the Company elects to issue certificated bonds to beneficial owners (as certified to the Company by the Depository)].

[End of Bond Form]

(II) The Company has initially designated The Depository Trust Company as the Depository (the "Depository") for the bonds of the Twenty-seventh series. For as long as the bonds of the Twenty-seventh series are registered in the name of the Depository or its nominee, all payments of interest, principal and other amounts in respect of such bonds may be made to the Depository or its nominee in accordance with the Depository's applicable procedures. Notwithstanding any provision hereof or in the Indenture, none of the Company, or the Trustees, nor any agent of any such person, shall have any responsibility with respect to the Depository's procedures or for any payments, transfers or other transactions, or any notices or other communications, among the Depository, any of its direct or indirect participants and any beneficial owners of such bonds. Each of the Company, the Trustees and any agent for any such person may treat the registered holder as the sole and exclusive owner of the bonds of the Twenty-seventh series for all purposes under the Indenture, including for making payments on such bonds and for providing notices and obtaining consents under the Indenture.

(III) Upon the occurrence of a Change of Control, the Company will be required to offer to redeem the bonds of the Twenty-seventh series, in whole or in part, on the next business day after such Change of Control at a redemption price equal to 101% of the principal amount of the bonds of the Twenty-seventh Series being redeemed plus accrued and unpaid interest thereon, if any, to the

redemption date. The holders of the bonds of the Twenty-seventh Series will be permitted twenty business days after the offer in which to accept the offer by written notice to the Company. The Company will tender the redemption price to the accepting holders in exchange for their bonds of the Twenty-seventh Series within twenty business days after receipt of timely written notice of acceptance from those holders. A "Change of Control" shall be deemed to have occurred if at any time that any of the bonds of the Twenty-seventh Series are outstanding the following events shall occur:

- (1) Any "person" (as defined in Section 13(d) and 14(d)(2) of the Securities Exchange Act of 1934, as amended (the "Exchange Act")), excluding for this purpose the Company or any subsidiary of the Company or any Intermediate Holding Company, or any employee benefit plan of the Company or any subsidiary of the Company, or any person or entity organized, appointed or established by the Company for or pursuant to the terms of such plan which acquires beneficial ownership of voting securities of the Company, is or becomes the "beneficial owner" (as defined in Rule 13d-3 under the Exchange Act) directly or indirectly of securities of the Company representing fifty percent (50%) or more of the combined voting power (not depending on the happening of a contingency) for the election of a majority of the members of the board of directors or any other governing body of the Company; provided, however, that no Change in Control shall be deemed to have occurred as the result of an acquisition of securities of the Company by the Company which, by reducing the number of voting securities outstanding, increases the direct or indirect beneficial ownership interest of any person to fifty percent (50%) or more of the combined voting power of the Company's then outstanding securities, but any subsequent increase in the direct or indirect beneficial ownership interest of such a person in the Company shall be deemed a Change in Control; and provided further that if the Board of Directors of the Company determines in good faith that a person who has become the beneficial owner directly or indirectly of securities of the Company representing fifty percent (50%) or more of the combined voting power of the Company's then outstanding securities has inadvertently reached that level of ownership interest, and if such person divests within 45 days after notice to the Company a sufficient amount of securities of the Company so that the person no longer has a direct or indirect beneficial ownership interest in fifty percent (50%) or more of the combined voting power of the Company's then outstanding securities, then no Change in Control shall be deemed to have occurred; or
- (2) Consummation of (a) an agreement for the sale or disposition of the Company or all or substantially all of the Company's assets, (b) a plan of merger or consolidation of the Company with any other company, or (c) a similar transaction or series of transactions involving the Company (any transaction described in parts (a) through (c) of this subparagraph being referred to as a "Business Combination"), in each case unless after such a Business Combination the shareholders of the Company immediately prior to the Business Combination continue to own, directly or indirectly, more than fifty (50%) of the combined voting power of the then outstanding voting securities entitled to vote generally in the election of directors of the new (or continued) entity.

"Intermediate Holding Company" means any entity organized or established by or with the consent of the Company which acquires, directly or indirectly, voting securities of the Company in exchange for voting securities of such entity.

(IV) So long as the bonds of the Twenty-seventh Series remain outstanding, the Company will not merge its regulated electric utility business with its auto auction business in the same legal entity.

(V) At the option of the registered owner, any bonds of the Twenty-seventh 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 Twenty-seventh 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.

Upon any exchange or transfer of bonds of the Twenty-seventh 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 Twenty-seventh Series.

Upon the delivery of this Twenty-first Supplemental Indenture and upon compliance with the applicable provisions of the Mortgage, there shall be an initial issue of bonds of the Twenty-seventh Series for the aggregate principal amount of \$250,000,000.

## ARTICLE II DIVIDEND COVENANT

SECTION 2. The Company covenants and agrees that the provisions of subdivision (III) of Section 39 of the Mortgage, which are to remain in effect so long as any of the bonds of the First Series shall remain Outstanding, shall remain in full force and effect so long as any bonds of the First through Twenty-seventh Series shall remain Outstanding.

## ARTICLE III

### AMENDMENT TO THE MORTGAGE - MEETINGS AND CONSENTS OF BONDHOLDERS

SECTION 3. Pursuant to the reservation of right in Section 3 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, by substituting for Article XIX (relating to Meetings and Consents of Bondholders) a new Article XIX to read as set forth in Section 3 of such Fifth Supplemental Indenture.

ARTICLE IV  
MISCELLANEOUS PROVISIONS

SECTION 4. Subject to the amendments provided for in this Twenty-first Supplemental Indenture, the terms defined in the Mortgage, as heretofore supplemented, shall, for all purposes of this Twenty-first Supplemental Indenture, have the meanings specified in the Mortgage, as heretofore supplemented.

SECTION 5. The holders of bonds of the Twenty-seventh 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 Twenty-seventh 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 6. 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 Twenty-first 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 Twenty-first 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 Twenty-first Supplemental Indenture.

SECTION 7. Whenever in this Twenty-first 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 Twenty-first 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 8. Nothing in this Twenty-first 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 Twenty-first Supplemental Indenture or any

covenant, condition, stipulation, promise or agreement hereof, and all the covenants, conditions, stipulations, promises and agreements in this Twenty-first 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 9. This Twenty-first 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 10. The Company, the mortgagor named herein, by its execution hereof acknowledges receipt of a full, true and complete copy of this Twenty-first Supplemental Indenture.

IN WITNESS WHEREOF, Minnesota Power, Inc. (doing business as ALLETE) 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, 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 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.

MINNESOTA POWER, INC. (DOING BUSINESS AS ALLETE)

By /s/ D. G. Gartzke

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David G. Gartzke  
Senior Vice President - Finance  
and Chief Financial Officer

Attest:

/s/ Philip R. Halverson

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Philip R. Halverson  
Vice President, General Counsel  
and Corporate Secretary

Executed, sealed and delivered by ALLETE (Legally incorporated as MINNESOTA POWER, INC.)  
in the presence of:

/s/ Mary Kay Warren

/s/ Jan A. Berguson

THE BANK OF NEW YORK,  
as Corporate Trustee

By /s/ Stephen J. Giurlando

-----  
Stephen J. Giurlando  
Vice President

Attest:

/s/ Terence Rawlins

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Terence Rawlins  
Assistant Vice President

/s/ Douglas J. MacInnes

-----  
DOUGLAS J. MACINNES

Executed, sealed and delivered by THE BANK OF NEW  
YORK and DOUGLAS J. MACINNES in the presence of:

/s/ Suzanne Young

-----  
/s/ Ada L. Li  
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STATE OF MINNESOTA            )  
                                  )    SS.:  
COUNTY OF ST. LOUIS         )

On this 19th day of October, 2000, before me, a Notary Public within and for said County, personally appeared DAVID G. GARTZKE and PHILIP R. HALVERSON, to me personally known, who, being each by me duly sworn, did say that they are respectively the Senior Vice President - Finance and Chief Financial Officer and the Vice President, General Counsel and Corporate Secretary of MINNESOTA POWER, INC. (DOING BUSINESS AS ALLETE) 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 DAVID G. GARTZKE and PHILIP R. HALVERSON acknowledged said instrument to be the free act and deed of said corporation.

Personally came before me on this 19th day of October 2000, DAVID G. GARTZKE, to me known to be the Senior Vice President - Finance and Chief Financial Officer, and PHILIP R. HALVERSON, to me known to be the Vice President, General Counsel and Corporate Secretary, of the above named MINNESOTA POWER, INC. (DOING BUSINESS AS ALLETE), 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 Senior Vice President - Finance and Chief Financial Officer and the Vice President, General Counsel and Corporate Secretary 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 DAVID G. GARTZKE and PHILIP R. HALVERSON 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 19th day of October, 2000, before me personally came DAVID G. GARTZKE and PHILIP R. HALVERSON, to me known, who, being by me duly sworn, did depose and say that they respectively reside at 2609 East 5th Street, Duluth, Minnesota, and 3364 West Tischer Road, Duluth, Minnesota; that they are respectively the Senior Vice President - Finance and Chief Financial Officer and the Vice President, General Counsel and Corporate Secretary of MINNESOTA POWER, INC. (DOING BUSINESS AS ALLETE), 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 19th day of October, 2000.

[Seal of the                    JAN A. BERGUSON                                    /s/ Jan A. Berguson  
State of                        NOTARY PUBLIC-MINNESOTA                                -----  
Minnesota] My Commission Expires Jan. 31, 2005

STATE OF NEW YORK            )  
                                  )     SS:  
COUNTY OF NEW YORK         )

On this 19th day of October, 2000, before me, a Notary Public within and for said County, personally appeared STEPHEN J. GIURLANDO and TERENCE RAWLINS, to me personally known, who, being each by me duly sworn, did say that they are respectively a Vice President and an Assistant Vice President 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 STEPHEN J. GIURLANDO and TERENCE RAWLINS acknowledged said instrument to be the free act and deed of said corporation.

Personally came before me on this 19th day of October, 2000, STEPHEN J. GIURLANDO, to me known to be a Vice President, and TERENCE RAWLINS, known to me to be an Assistant Vice President, 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 Vice President and an Assistant Vice President 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 STEPHEN J. GIURLANDO and TERENCE RAWLINS 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 19th day of October, 2000, before me personally came STEPHEN J. GIURLANDO and TERENCE RAWLINS, to me known, who, being by me duly sworn, did depose and say that they respectively reside at 63 Euclid Avenue, Massapequa, New York, and 8 Karwatt Court, Sayreville, New Jersey; that they are respectively a Vice President and an Assistant President 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 19th day of October, 2000.

/s/ William J. Cassels

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William J. Cassels  
Notary Public, State of New York

WILLIAM J. CASSELS  
Notary Public, State of New York  
No. 01CA5027729  
Qualified in Bronx County  
Commission Expires May 16, 2002

STATE OF NEW YORK            )  
                                  )    SS:  
COUNTY OF NEW YORK         )

On this 18th day of October, 2000, 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 18th day of October, 2000, the above named DOUGLAS J. MACINNES, to me known to be the person who executed the foregoing instrument, and acknowledged the same.

On the 18th day of October, 2000, 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 18th day of October, 2000.

/s/ William J. Cassels

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William J. Cassels  
Notary Public, State of New York

WILLIAM J. CASSELS  
Notary Public, State of New York  
No. 01CA5027729  
Qualified in Bronx County  
Commission Expires May 16, 2002

FIRST AMENDMENT  
TO  
AMENDED AND RESTATED TRUST AGREEMENT  
OF  
MP&L CAPITAL I

This First Amendment, dated as of August 23, 2000 (this "Amendment"), to the Trust Agreement (as defined below) of MP&L Capital I (the "Trust"), is made and entered into by and among Minnesota Power, Inc. (formerly known as Minnesota Power & Light Company), a Minnesota corporation, as Depositor (the "Depositor"), David G. Gartzke, Philip R. Halverson and James K. Vizanko (each an "Administrative Trustee," and collectively, the "Administrative Trustees"), and The Bank of New York, as Property Trustee.

W I T N E S S E T H  
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WHEREAS, the Trust is a Delaware business trust that was created under Chapter 38 of Title 12 of the Delaware Code, 12 Del. C. ss. 3801, et seq. (the "Act") pursuant to (i) the Trust Agreement of the Trust, dated as of February 15, 1996 (the "Original Trust Agreement"), which Original Trust Agreement was amended and restated by the Amended and Restated Trust Agreement, dated as of March 1, 1996 (the "Trust Agreement"), and (ii) the Certificate of the Trust of the Trust, dated February 15, 1996, as filed with the office of the Secretary of State of the State of Delaware (the "Secretary of State") on February 15, 1996 (the "Certificate of Trust");

WHEREAS, the Depositor has heretofore changed its name from "Minnesota Power & Light Company" to "Minnesota Power, Inc.";

WHEREAS, the Depositor has adopted a trade name effective September 1, 2000 and will do business under the name of "ALLETE";

WHEREAS, in accordance with the Trust Agreement, the Depositor and the Administrative Trustees desire to (i) change the name of the Trust from "MP&L Capital I" to "ALLETE Capital I" and (ii) reflect in the Trust Agreement the change in the name of the Depositor from "Minnesota Power & Light Company" to "Minnesota Power, Inc., doing business as ALLETE";

WHEREAS, the Trust Agreement may be amended (on approval of a majority of the Administrative Trustees) in accordance with the terms of Section 10.03(a) of the Trust Agreement, to reflect the terms set forth below; and

WHEREAS, the Depositor has requested and hereby requests that the Property Trustee join in the execution and delivery of this Amendment.

NOW, THEREFORE, in consideration of the mutual promises and obligations contained herein, the parties, intending to be legally bound, hereby agree as follows:

I. AMENDMENTS.  
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A. All references in the Trust Agreement to "MP&L Capital I" are hereby amended by changing such references to "ALLETE Capital I".

B. All references in the Trust Agreement to "Minnesota Power & Light Company" are hereby amended by changing such references to "Minnesota Power, Inc., doing business as ALLETE".

II. MISCELLANEOUS.  
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A. Successors and Assigns. This Amendment shall be binding upon, and shall enure to the benefit of, the parties hereto and their respective successors and assigns.

B. Full Force and Effect. Except to the extent modified hereby, the Trust Agreement shall remain in full force and effect.

C. Counterparts. This Amendment may be executed in counterparts, all of

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which together shall constitute one agreement binding on all parties hereto, notwithstanding that all such parties are not signatories to the original or same counterpart.

D. Recitals. The recitals contained in this Amendment shall be taken as

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the statements of the Depositor and the Administrative Trustees, and the Property Trustee assumes no responsibility for their correctness.

E. Governing Law. This Amendment shall be interpreted in accordance with

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the laws of the State of Delaware (without regard to conflict of laws principles), all rights and remedies being governed by such laws.

F. Effectiveness of Amendment. This Amendment shall be effective upon

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mailing of a notice of this Amendment to the Securityholders, in accordance with Section 10.08 of the Trust Agreement.

G. Certificate of Amendment. Any Administrative Trustee, acting

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singly, is hereby authorized to execute and file with the Secretary of State a Certificate of Amendment to the Certificate of Trust to effect the substance of this Amendment.

H. Status of Outstanding Trust Securities. Any Trust Securities that

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are validly issued and Outstanding on the date hereof shall continue to be (i) represented by the Trust Securities Certificates executed and delivered in connection with the original issuance of the Trust Securities, and (ii) Trust Securities validly issued, fully paid, nonassessable and entitled to the benefits of the Trust Agreement, notwithstanding that the Trust Securities are designated in such Trust Securities Certificates as Trust Securities of "MP&L Capital I" rather than of "ALLETE Capital I".

I. Capitalized Terms. Capitalized terms used herein and not otherwise

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defined herein are used as defined in the Trust Agreement.

IN WITNESS WHEREOF, the undersigned have executed this Amendment as of the date first set forth above.

MINNESOTA POWER, INC.,  
as Depositor

By: /s/ David G. Gartzke

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Name: David G. Gartzke  
Title: Senior Vice President - Finance and  
Chief Financial Officer

PHILIP R. HALVERSON, not in his individual  
capacity, but solely as Administrative  
Trustee of the Trust

/s/ Philip R. Halverson

-----  
DAVID G. GARTZKE, not in his individual  
capacity, but solely as Administrative  
Trustee of the Trust

/s/ David G. Gartzke

-----  
JAMES K. VIZANKO, not in his individual  
capacity, but solely as Administrative  
Trustee of the Trust

/s/ James K. Vizanko

-----  
THE BANK OF NEW YORK,  
as Property Trustee of the Trust

/s/ Stephen J. Giurfando

-----  
Stephen J. Giurfando  
Vice President

ALLETE  
PHILIP R. HALVERSON  
Vice President,  
General Counsel and Secretary

January 25, 2001

ALLETE  
(legally incorporated as Minnesota Power, Inc.)  
30 West Superior Street  
Duluth, Minnesota 55802

Ladies and Gentlemen:

With reference to the Registration Statement on Form S-3 to be filed by ALLETE (legally incorporated as Minnesota Power, Inc.) (the "Company") on or about the date hereof with the Securities and Exchange Commission under the Securities Act of 1933, as amended, with respect to 591,292 shares of the Company's Common Stock, without par value ("Stock") and the Preferred Share Purchase Rights attached thereto ("Rights") (the Stock and the Rights being collectively referred to as the "Shares"), which are to be issued in connection with the Agreement and Plan of Merger, dated as of January 10, 2001, by and among the Company, AA Salvage Company, ComSearch, Inc. and the shareholders of ComSearch, Inc., I am of the opinion that:

1. The Company is a corporation validly organized and existing under the laws of the State of Minnesota.

2. All action necessary to make the Stock validly issued, fully paid and non-assessable and the Rights validly issued will have been taken when:

a) At a meeting or meetings of the Company's Board of Directors (or the Executive Committee of the Board of Directors) 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;

b) The Minnesota Public Utilities Commission shall have authorized the issuance and sale of the Shares;

c) The Stock shall have been issued and delivered for the consideration contemplated in the Registration Statement; and

January 25, 2001  
Page 2

d) The Rights shall have been issued in accordance with the terms of the Rights Agreement dated as of July 24, 1996 between the Company and the Corporate Secretary of the Company, as Rights Agent.

I am a member of the Minnesota Bar and do not hold myself out as an expert on the laws of any other jurisdiction. As to all of Minnesota law, Thelen Reid & Priest 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 captions "Experts" and "Legal Opinions."

Sincerely,

/s/ Philip R. Halverson

Philip R. Halverson



NEW YORK  
SAN FRANCISCO  
WASHINGTON, D.C.  
LOS ANGELES  
SILICON VALLEY  
MORRISTOWN, N.J.

THELEN REID & PRIEST LLP  
ATTORNEYS AT LAW  
40 WEST 57TH STREET  
NEW YORK, N.Y. 10019-4097  
TEL (212) 603-2000 FAX (212) 603-2001  
www. thelenreid.com

January 25, 2001

ALLETE  
(legally incorporated as Minnesota Power, Inc.)  
30 West Superior Street  
Duluth, Minnesota 55802

Ladies and Gentlemen:

With reference to the Registration Statement on Form S-3 to be filed by ALLETE (legally incorporated as Minnesota Power, Inc.) (the "Company") on or about the date hereof with the Securities and Exchange Commission under the Securities Act of 1933, as amended, with respect to 591,292 shares of the Company's Common Stock, without par value ("Stock") and the Preferred Share Purchase Rights attached thereto ("Rights") (the Stock and the Rights being collectively referred to as the "Shares"), which are to be issued in connection with the Agreement and Plan of Merger, dated as of January 10, 2001, by and among the Company, AA Salvage Company, ComSearch, Inc. and the shareholders of ComSearch, Inc., we are of the opinion that:

1. The Company is a corporation validly organized and existing under the laws of the State of Minnesota.

2. All action necessary to make the Stock validly issued, fully paid and non-assessable and the Rights validly issued will have been taken when:

a) At a meeting or meetings of the Company's Board of Directors (or the Executive Committee of the Board of Directors) 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;

b) The Minnesota Public Utilities Commission shall have authorized the issuance and sale of the Shares;

c) The Stock shall have been issued and delivered for the consideration contemplated in the Registration Statement; and

THELEN REID & PRIEST LLP

January 25, 2001  
Page 2

d) The Rights shall have been issued in accordance with the terms of the Rights Agreement dated as of July 24, 1996 between the Company and the Corporate Secretary of the Company, as Rights Agent.

We are members of the New York Bar and do not hold ourselves out as experts on the laws of the State of Minnesota. As to all matters governed by the laws of the State of Minnesota, we have relied upon an opinion of even date herewith addressed to you by Philip R. Halverson, Esq., Vice President, General Counsel and Secretary of the Company.

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 consents, we do not hereby admit that we belong to the class of persons whose consent is required under Section 7 of the Securities Act, or the rules and regulations promulgated thereunder.

Very truly yours,

/s/ ThelenReid & Priest LLP

THELEN REID & PRIEST LLP

CONSENT OF INDEPENDENT ACCOUNTANTS

We hereby consent to the incorporation by reference in this Registration Statement on Form S-3 of our report dated January 17, 2000, relating to the financial statements and financial statement schedule, which appear in ALLETE's (legally incorporated as Minnesota Power, Inc.) Annual Report on Form 10-K for the year ended December 31, 1999. We also consent to the reference to us under the heading "Experts" in such Registration Statement.

/s/ PricewaterhouseCoopers LLP

PricewaterhouseCoopers LLP  
Minneapolis, Minnesota  
January 25, 2001