

SCHOBBER MARK A
Form 4
November 16, 2004

FORM 4

**UNITED STATES SECURITIES AND EXCHANGE COMMISSION
Washington, D.C. 20549**

OMB APPROVAL

OMB Number: 3235-0287
Expires: January 31, 2005
Estimated average burden hours per response... 0.5

Check this box if no longer subject to Section 16. Form 4 or Form 5 obligations may continue. See Instruction 1(b).

STATEMENT OF CHANGES IN BENEFICIAL OWNERSHIP OF SECURITIES

Filed pursuant to Section 16(a) of the Securities Exchange Act of 1934, Section 17(a) of the Public Utility Holding Company Act of 1935 or Section 30(h) of the Investment Company Act of 1940

(Print or Type Responses)

1. Name and Address of Reporting Person *
SCHOBBER MARK A

(Last) (First) (Middle)
30 WEST SUPERIOR STREET
(Street)

DULUTH, MN 55802

(City) (State) (Zip)

2. Issuer Name and Ticker or Trading Symbol
ALLETE INC [ALE]

3. Date of Earliest Transaction
(Month/Day/Year)
11/15/2004

4. If Amendment, Date Original Filed(Month/Day/Year)

5. Relationship of Reporting Person(s) to Issuer

(Check all applicable)

____ Director _____ 10% Owner
 Officer (give title below) _____ Other (specify below)
Sen.VP & Corporate Controller

6. Individual or Joint/Group Filing(Check Applicable Line)
 Form filed by One Reporting Person
 Form filed by More than One Reporting Person

Table I - Non-Derivative Securities Acquired, Disposed of, or Beneficially Owned

1. Title of Security (Instr. 3)	2. Transaction Date (Month/Day/Year)	2A. Deemed Execution Date, if any (Month/Day/Year)	3. Transaction Code (Instr. 8)	4. Securities Acquired (A) or Disposed of (D) (Instr. 3, 4 and 5)	5. Amount of Securities Beneficially Owned Following Reported Transaction(s) (Instr. 3 and 4)	6. Ownership Form: Direct (D) or Indirect (I) (Instr. 4)	7. Nature of Indirect Beneficial Ownership (Instr. 4)	
			Code	V	Amount	Price		
Common Stock	11/15/2004		M		2,914	\$ 25.08	9,309.76 ⁽¹⁾ ₍₂₎	D
Common Stock	11/15/2004		M		5,359	\$ 25.45	14,668.76	D
Common Stock	11/15/2004		M		3,865	\$ 27.4	18,533.76	D
Common Stock	11/15/2004		M		2,206	\$ 23.79	20,739.76	D
Common Stock	11/15/2004		S		14,344	\$ 36.77	6,395.76	D

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Common Stock 3,270.37 ⁽¹⁾₍₃₎ I By RSOP Trust

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

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SEC 1474 (9-02)

Table II - Derivative Securities Acquired, Disposed of, or Beneficially Owned
(e.g., puts, calls, warrants, options, convertible securities)

1. Title of Derivative Security (Instr. 3)	2. Conversion or Exercise Price of Derivative Security	3. Transaction Date (Month/Day/Year)	3A. Deemed Execution Date, if any (Month/Day/Year)	4. Transaction Code (Instr. 8)	5. Number of Derivative Securities Acquired (A) or Disposed of (D) (Instr. 3, 4, and 5)	6. Date Exercisable and Expiration Date (Month/Day/Year)	7. Title and Amount of Underlying Securities (Instr. 3 and 4)	Amount or Number of Shares	
				Code	V (A) (D)	Date Exercisable	Expiration Date	Title	Amount or Number of Shares
Employee Stk Opt (right to buy)	\$ 25.08	11/15/2004		M	2,914 ⁽⁴⁾	⁽⁵⁾ 01/02/2008	Common Stock	2,914	
Employee Stk Opt (right to buy)	\$ 25.45	11/15/2004		M	5,359 ⁽⁶⁾	⁽⁷⁾ 01/04/2009	Common Stock	5,359	
Employee Stk Opt (right to buy)	\$ 27.4	11/15/2004		M	3,865 ⁽⁸⁾	⁽⁹⁾ 01/02/2011	Common Stock	3,865	
Employee Stk Opt (right to buy)	\$ 23.79	11/15/2004		M	2,206 ⁽¹⁰⁾	02/03/2004 02/03/2014	Common Stock	2,206	

Reporting Owners

Reporting Owner Name / Address	Relationships			
	Director	10% Owner	Officer	Other

SCHOBER MARK A
30 WEST SUPERIOR STREET
DULUTH, MN 55802

Sen.VP &
Corporate
Controller

Signatures

Ingrid K. Johnson for Mark A.
Schober

11/16/2004

__Signature of Reporting Person

Date

Explanation of Responses:

- * If the form is filed by more than one reporting person, *see* Instruction 4(b)(v).
- ** Intentional misstatements or omissions of facts constitute Federal Criminal Violations. *See* 18 U.S.C. 1001 and 15 U.S.C. 78ff(a).
- (1) Total shown reflects the one-for-three reverse stock split effective at 12:00 noon EDT on September 20, 2004.
- (2) Includes shares acquired in exempt transactions under the dividend reinvestment features of ALLETE's stock purchase and dividend reinvestment plan and ALLETE's employee stock purchase plan and is based on plan information available as of November 1, 2004.
- (3) Includes shares acquired in exempt transactions under ALLETE's retirement savings and stock ownership plan, and is based on plan information available as of November 1, 2004.
- (4) This option was previously reported as covering 3,380 shares at an exercise price of \$21.63 per share, but was adjusted to reflect the reverse stock split and the spin off of ALLETE's subsidiary, ADESA, Inc., on September 20, 2004.
- (5) 50% vested on January 1, 1999, and the remaining 50% will vest on January 1, 2000.
- (6) This option was previously reported as covering 6,216 shares at an exercise price of \$21.94 per share, but was adjusted to reflect the reverse stock split and the spin off of ALLETE's subsidiary, ADESA, Inc., on September 20, 2004.
- (7) 50% vested on January 4, 2000, and the remaining 50% will vest on January 4, 2001.
- (8) This option was previously reported as covering 4,483 shares at an exercise price of \$23.63 per share, but was adjusted to reflect the reverse stock split and the spin off of ALLETE's subsidiary, ADESA, Inc., on September 20, 2004.
- (9) 50% vested on January 2, 2002, and the remaining 50% will vest on January 2, 2003.
- (10) This option was previously reported as covering 5,119 shares at an exercise price of \$20.51 per share, but was adjusted to reflect the reverse stock split and the spin off of ALLETE's subsidiary, ADESA, Inc., on September 20, 2004.

Note: File three copies of this Form, one of which must be manually signed. If space is insufficient, *see* Instruction 6 for procedure. Potential persons who are to respond to the collection of information contained in this form are not required to respond unless the form displays a currently valid OMB number.