

SHIPPAR DONALD J
Form 4
February 23, 2006

FORM 4

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

OMB APPROVAL

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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 *
SHIPPAR DONALD J

(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)
02/21/2006

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)
Chairman, President & CEO

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 or Price		
Common Stock	02/21/2006		M		1,614 A \$ 25.45	13,759.42	D
Common Stock	02/21/2006		M		5,290 A \$ 27.4	19,049.42	D
Common Stock	02/21/2006		M		3,609 A \$ 23.79	22,658.42	D
Common Stock	02/21/2006		S		10,513 D \$ 45.44	12,145.42	D
Common Stock						6,812.52	I By RSOP Trust

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

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(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)	8. Amount or Number of Shares
Employee Stock Option - Right to Buy	\$ 25.45 ⁽¹⁾	02/21/2006		M	1,614 ⁽¹⁾	⁽²⁾ 01/04/2009	Common Stock	1,614
Employee Stock Option - Right to Buy	\$ 27.4 ⁽³⁾	02/21/2006		M	5,290 ⁽³⁾	⁽⁴⁾ 01/02/2011	Common Stock	5,290
Employee Stock Option - Right to Buy	\$ 23.79 ⁽⁵⁾	02/21/2006		M	3,609 ⁽⁵⁾	⁽⁶⁾ 02/03/2013	Common Stock	3,609

Reporting Owners

Reporting Owner Name / Address	Relationships			
	Director	10% Owner	Officer	Other
SHIPPAR DONALD J 30 WEST SUPERIOR STREET DULUTH, MN 55802	X		Chairman, President & CEO	

Signatures

Ingrid K. Johnson for Donald J.
Shippar

02/23/2006

__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) This option was previously reported as covering 6,660 shares at an exercise price of \$21.94 per share, but was adjusted to reflect the spin off of ALLETE's subsidiary, ADESA, Inc., and the reverse stock split on September 20, 2004.
- (2) This option vested in two equal installments, 50% on January 4, 2000 and 50% on January 4, 2001.
- (3) This option was previously reported as covering 6,136 shares at an exercise price of \$23.63 per share, but was adjusted to reflect the spin off of ALLETE's subsidiary, ADESA, Inc., and the reverse stock split on September 20, 2004.
- (4) This option vested in two equal installments, 50% on January 2, 2002 and 50% on January 2, 2003.
- (5) This option was previously reported as covering 8,371 shares at an exercise price of \$25.68 per share, but was adjusted to reflect the spin off of ALLETE's subsidiary, ADESA, Inc., and the reverse stock split on September 20, 2004.
- (6) This option vested in two equal installments, 50% on February 3, 2004 and 50% on February 3, 2005.

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

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