

Hodnik Alan R
 Form 4
 February 22, 2013

FORM 4

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

OMB APPROVAL

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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 *
 Hodnik Alan R

(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)
 02/21/2013

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 Ownership (Instr. 4)
			Code	V	Amount	(A) or (D)	Price
Common Stock	02/21/2013		M ⁽¹⁾		1,366	D	\$ 37.76
Common Stock	02/21/2013		M ⁽¹⁾		1,655	A	\$ 41.35
Common Stock	02/21/2013		M ⁽¹⁾		2,165	A	\$ 44.15
Common Stock	02/21/2013		M ⁽¹⁾		6,643	A	\$ 39.1
Common Stock	02/21/2013		F ⁽¹⁾		9,868	D	\$ 46.62

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Common Stock 5,551.03 I By RSOP Trust

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

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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 (Rt. to buy)	\$ 37.76	02/21/2013		M	1,366	<u>(2)</u> 02/02/2014	Common Stock	1,366
Employee Stock Option (Rt. to buy)	\$ 41.35	02/21/2013		M	1,655	<u>(3)</u> 02/01/2015	Common Stock	1,655
Employee Stock Option (Rt. to buy)	\$ 44.15	02/21/2013		M	2,165	<u>(4)</u> 02/01/2016	Common Stock	2,165
Employee Stock Option (Rt. to buy)	\$ 39.1	02/21/2013		M	6,643	<u>(5)</u> 02/01/2018	Common Stock	6,643

Reporting Owners

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

Signatures

Ingrid K. Johnson for Alan R.
Hodnik

02/22/2013

__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).

The reporting person exercised stock options, funding the transaction, in part, by the surrender to the company of shares of Common

- (1) Stock already owned by the reporting person. The reporting person continues to hold the shares gained on exercise (i.e., net of the surrendered shares).
- (2) The option vested in three equal installments; one-third vested on February 2, 2005, one-third vested on February 2, 2006, and one-third vested on February 2, 2007.
- (3) The option vested in three equal installments; one-third vested on February 1, 2006, one-third vested on February 1, 2007, and one-third vested on February 1, 2008.
- (4) The option vested in three equal installments; one-third vested on February 1, 2007, one-third vested on February 1, 2008, and one-third vested on February 1, 2009.
- (5) The option vested in three equal installments; one-third vested on February 1, 2009, one-third vested on February 1, 2010, and one-third vested on February 1, 2011.

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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