

Edgar Filing: ALLETE INC - Form DEF 14A

ALLETE INC
Form DEF 14A
March 26, 2002

SCHEDULE 14A INFORMATION

PROXY STATEMENT PURSUANT TO SECTION 14(a) OF THE SECURITIES EXCHANGE ACT OF 1934
(AMENDMENT NO.)

Filed by the Registrant /X/
Filed by a Party other than the Registrant / /
Check the appropriate box:
/ / Preliminary Proxy Statement
/ / CONFIDENTIAL, FOR USE OF THE COMMISSION ONLY (AS PERMITTED BY RULE
14a-6(e)(2))
/X/ Definitive Proxy Statement
/ / Definitive Additional Materials
/ / Soliciting Material Pursuant to Section 240.14a-12

ALLETE, Inc.

(Name of Registrant as Specified in its Charter)

(Name of Person(s) Filing Proxy Statement, if other than the Registrant)

Payment of Filing Fee (Check the appropriate box):

/X/ No fee required.
/ / Fee computed on table below per Exchange Act Rules 14a-6(i)(1) and 0-11

(1) Title of each class of securities to which transaction applies:

(2) Aggregate number of securities to which transaction applies:

(3) Per unit price or other underlying value of transaction computed pursuant to Exchange Act Rule 0-11 (set forth the amount on which the filing fee is calculated and state how it was determined):

(4) Proposed maximum aggregate value of transaction:

(5) Total fee paid:

/ / Fee paid previously with preliminary materials.
/ / Check box if any part of the fee is offset as provided by Exchange Act Rule 0-11(a)(2) and identify the filing for which the offsetting fee was paid previously. Identify the previous filing by registration statement number, or the Form or Schedule and the date of its filing.

(1) Amount Previously Paid:

Edgar Filing: ALLETE INC - Form DEF 14A

(2) Form, Schedule or Registration Statement No.:

(3) Filing Party:

(4) Date Filed:

[ALLETE LOGO]

NOTICE AND PROXY STATEMENT

[GRAPHIC OMITTED]

ANNUAL MEETING OF SHAREHOLDERS

Tuesday, May 14, 2002
Duluth, Minnesota

[ALLETE LOGO]

March 26, 2002

Dear Shareholder:

We cordially invite you to our 2002 Annual Meeting of Shareholders to be held Tuesday, May 14, 2002 at 10:00 a.m. in the auditorium of the Duluth Entertainment Convention Center (DECC). The DECC is located on the waterfront at 350 Harbor Drive in Duluth. Free parking is available in the adjoining lot. On behalf of the Board of Directors, I encourage you to attend.

At this year's meeting you will be asked to elect eleven Directors, approve the appointment of PricewaterhouseCoopers as independent auditors, and approve reservation of an additional three million shares of common stock for issuance under our long-term incentive compensation plan. The accompanying Notice of Meeting and Proxy Statement describe these proposals.

After our Annual Meeting, we invite you to visit with our directors, officers and employees over lunch in the Lake Superior Ballroom located within the DECC. If you plan to join us for lunch, please return the enclosed reservation card.

It is important that your shares be represented and voted whether or not you plan to attend our Annual Meeting. You can vote your shares by Internet, toll-free telephone call, or by returning the enclosed Proxy Card. Please see your Proxy Card for specific instructions on how to vote.

Edgar Filing: ALLETE INC - Form DEF 14A

Thank you for your investment in ALLETE.

Sincerely,

David G. Gartzke

David G. Gartzke
Chairman, President and
Chief Executive Officer

ALLETE, INC.

NOTICE OF ANNUAL MEETING OF SHAREHOLDERS - MAY 14, 2002

The Annual Meeting of Shareholders of ALLETE, Inc. will be held in the auditorium at the Duluth Entertainment Convention Center, 350 Harbor Drive, Duluth, Minnesota, on Tuesday, May 14, 2002 at 10:00 a.m. for the following purposes:

1. To elect a Board of 11 directors to serve for the ensuing year;
2. To approve the appointment of PricewaterhouseCoopers LLP as ALLETE's independent auditors for 2002;
3. To approve the reservation of an additional three million shares of ALLETE Common Stock for issuance under the Executive Long-Term Incentive Compensation Plan; and
4. To transact such other business as may properly come before the meeting or any adjournments thereof.

Shareholders of record on the books of ALLETE at the close of business on March 15, 2002 are entitled to notice of and to vote at the Annual Meeting.

All shareholders are cordially invited and encouraged to attend the meeting in person. The holders of a majority of the shares entitled to vote at the meeting must be present in person or by proxy to constitute a quorum.

Your early response will facilitate an efficient tally of your votes. If voting by mail, please sign, date and return the enclosed Proxy Card in the envelope provided. Alternatively, follow the enclosed instructions to vote by phone or the Internet.

By order of the Board of Directors,

Philip R. Halverson

Philip R. Halverson
Vice President, General Counsel and Secretary

Dated at Duluth, Minnesota
March 26, 2002

IF YOU HAVE NOT RECEIVED THE ALLETE 2001 ANNUAL REPORT, WHICH INCLUDES FINANCIAL STATEMENTS, KINDLY NOTIFY ALLETE SHAREHOLDER SERVICES, 30 WEST SUPERIOR STREET, DULUTH, MN 55802-2093, TELEPHONE NUMBER 1-800-535-3056 OR 1-218-723-3974, AND A COPY WILL BE SENT TO YOU.

Edgar Filing: ALLETE INC - Form DEF 14A

ALLETE, INC.
30 WEST SUPERIOR STREET
DULUTH, MINNESOTA 55802

PROXY STATEMENT

SOLICITATION

The Proxy accompanying this Proxy Statement is solicited on behalf of the Board of Directors of ALLETE, Inc. (ALLETE) for use at the Annual Meeting of Shareholders to be held on May 14, 2002 and any adjournments thereof. The purpose of the meeting is to elect a Board of 11 directors to serve for the ensuing year, to approve the appointment of PricewaterhouseCoopers LLP as ALLETE's independent auditors for 2002, to approve the reservation of an additional three million shares of ALLETE Common Stock (Common Stock) for issuance under the Executive Long-Term Incentive Compensation Plan and to transact such other business as may properly come before the meeting. All properly submitted proxies received at or before the meeting and entitled to vote will be voted at the meeting.

This Proxy Statement and the enclosed Proxy Card were first mailed on or about March 26, 2002. Each Proxy delivered pursuant to this solicitation is revocable any time before it is voted by written notice delivered to the Secretary of ALLETE.

ALLETE expects to solicit proxies primarily by mail. Proxies also may be solicited in person and by telephone at a nominal cost by employees or retirees of ALLETE. The expenses of such solicitation are the ordinary ones in connection with preparing, assembling and mailing the material, and also include charges and expenses of brokerage houses and other custodians, nominees or other fiduciaries for communicating with shareholders. Additional solicitation of proxies will be made by mail, telephone and in person by Georgeson Shareholder, a firm specializing in the solicitation of proxies, at a cost to ALLETE of approximately \$5,500 plus expenses. The total amount of such costs will be borne by ALLETE.

OUTSTANDING SHARES AND VOTING PROCEDURES

The outstanding shares of capital stock of ALLETE as of March 15, 2002 were 84,663,447 shares of Common Stock (without par value).

Each share of the Common Stock of record on the books of ALLETE at the close of business on March 15, 2002 is entitled to notice of the Annual Meeting and to one vote.

The affirmative vote of a majority of the shares of stock entitled to vote at the Annual Meeting is required for election of each director, and the affirmative vote of a majority of the shares of stock present and entitled to vote is required for approval of the other items described in this Proxy Statement to be acted upon by shareholders. An automated system administered by Wells Fargo Bank Minnesota, N.A. tabulates the votes. Abstentions are included in determining the number of shares present and voting, and are treated as votes against the particular proposal. Broker non-votes are not counted for or against any proposal.

Unless contrary instructions are indicated on the Proxy, all shares represented by valid proxies will be voted "FOR" the election of all nominees for director named herein, "FOR" approval of PricewaterhouseCoopers LLP as ALLETE's independent auditors for 2002 and "FOR" approval of the reservation

Edgar Filing: ALLETE INC - Form DEF 14A

of an additional three million shares of Common Stock for issuance under the Executive Long-Term Incentive Compensation Plan. If any other business is transacted at the meeting, all shares represented by valid proxies will be voted in accordance with the best judgment of the appointed Proxies.

1

SECURITY OWNERSHIP OF CERTAIN BENEFICIAL OWNERS AND MANAGEMENT

The only person known to ALLETE who as of March 15, 2002 owned beneficially more than 5 percent of any class of ALLETE's voting securities is American Express Trust Company, 50765 AXP Financial Center, Minneapolis, MN 55474. As of March 15, 2002 American Express Trust Company held 8,723,670 shares, or 10.3 percent, of ALLETE's Common Stock in its capacity as Trustee of the Minnesota Power and Affiliated Companies Retirement Savings and Stock Ownership Plan (RSOP). Generally, these shares will be voted in accordance with instructions received by American Express Trust Company from participants in the RSOP.

The following table presents the shares of Common Stock beneficially owned by directors, nominees for director, executive officers and former executive officers named in the Summary Compensation Table which appears subsequently in this Proxy Statement, and all directors and executive officers of ALLETE as a group, as of March 15, 2002. Unless otherwise indicated, the persons shown have sole voting and investment power over the shares listed.

Name of Beneficial Owner	Number of Shares Beneficially Owned	Options Exercisable within 60 days	Name of	Number Bene
-----------------------------	---	--	---------	----------------