

Social Performance



We Energies connects with customers at Energy Park, the company's permanent exhibit space at the Wisconsin State Fair. Energy Park features energy-related performances, exhibits and demonstrations, staffed by employees.

Customer engagement



We Energies is committed to creating an excellent experience for every customer by offering truly personal care — every customer, every transaction, every time.

2014 goals and results

In 2014, We Energies exceeded its goal of having more than 88.7 percent of customers rate their overall satisfaction with their transaction an 8, 9 or 10 (on a 10-point scale).

A pattern of progress

Persistent focus on customer service excellence has resulted in improved customer satisfaction over time. Customer ratings on specific transactions have increased from 81.7 percent of customers rating the company an 8, 9 or 10 in 2006 to 88.73 percent in 2014. Since 2006, customers' overall satisfaction with the company also has improved, from 70.3 percent of customers giving a score of 8, 9 or 10 in 2006 to 75.99 percent in 2014.

In addition to great service, customers expect great reliability. The company is proud to have earned PA Consulting's ReliabilityOne™ award for the Midwest region in 10 of the past 13 years. In two of those years, 2003 and 2013, PA Consulting also named We Energies the most reliable utility in America.

External customer satisfaction measures

We Energies continues to strive for positive results in national customer satisfaction surveys conducted by external organizations. These surveys provide a broader perspective, since they typically include the general customer population, not just those who have had a recent transaction with their utility.

J.D. Power's four segment surveys (business electric, business gas, residential electric and residential gas) and the TQS Research survey of large business customers are reviewed each time they are published to help benchmark performance compared to other companies in the industry. This information also is used to guide the development of strategies and tactics to improve customer satisfaction. In 2014, the company earned regional top quartile rankings in three of the five surveys and placed nationally in the top quartile in two surveys.

Listening to customers

Understanding what customers want is key to success in achieving the utility's vision. This means listening and incorporating the voice of the customer in all the company does. Customer contact is easy by phone, email or social media, 24 hours a day, seven days a week. A variety of feedback mechanisms are in place to help the company understand and address customer concerns quickly.

Company surveys. The company seeks daily feedback from customers by giving them the option to complete a survey whenever they interact with the website or Customer Care Center. Approximately 2,000 customers take advantage of this opportunity every month. Another 1,000 customers are surveyed proactively each month about their interactions with the company. Results of these surveys are reviewed daily and followed up on whenever there is a problem.

We Energies customer satisfaction surveys. Monthly customer satisfaction surveys measure performance on nine key transactions to determine satisfaction with We Energies as a result of interactions with the company:

1. Residential customer contacts
2. Residential move orders
3. Business customer contacts
4. Billing
5. Outage management
6. Gas emergencies
7. New service installations
8. Appointments
9. Forestry work

Results from these customer surveys help measure progress in moving toward consistent excellence in customer service, a key company goal. The results also help leadership prioritize projects and make resource decisions based on what customers identify as having the greatest value and importance.

National surveys. The company also monitors national customer satisfaction surveys, such as the J.D. Power Gas and Electric Utility surveys and the TQS Research large customer satisfaction survey to understand how well it performs compared to other utilities and other industries.

Pump It Up program. Employees are expected to listen closely to customers to ensure that their experiences with the company are positive. This includes referring customers who might benefit from a follow-up contact to the Pump It Up program. Pump it Up is an internal online tracking and elevation system intended to ensure prompt response to customers who are dissatisfied or who have a concern; it also is used to share customers' suggestions for program and service enhancements and to pass along compliments and positive feedback. Customers who have been referred are contacted to address any concerns and give the company the opportunity to make it right. Information gathered from each of these calls is captured and used to improve all customers' future interactions with the company.

We Care calls. The company wants every interaction with a customer to be a positive experience. In many cases, employees follow up with a phone call to confirm that the customer who recently had a service call was completely satisfied with the service received.

In 2014, more than 353,000 We Care calls were made to residential and business customers for any of the following reasons:

- Power outage
- New service installation
- Appointment with the company
- Energy-saving information
- Budget Billing participation
- Changed residence

Customers who express concerns receive additional follow-up to ensure that their concerns are addressed.

Social media. The company uses social media to connect with customers and respond to their concerns. Various social media channels are monitored, and customers receive personal responses to specific questions and concerns. Knowing what's "top of mind" for customers helps the company quickly recognize common concerns, address issues when they occur and identify opportunities for service enhancements.



Understanding customer concerns and preferences

The company continues to invest in research to understand the needs, concerns and preferences of its customers. This has helped pinpoint the key characteristics customers expect the company to demonstrate. These include being reliable, efficient, accessible, informative, proactive, flexible and personalized.

Research results also have identified the interactions that are most important to customers. That information has helped to focus efforts on improving customers' experiences during critical transactions.

The information gathered through these and other feedback mechanisms is used to guide the development of process improvements, new options and service enhancements.

Through all of these sources, the company continues to hear that customers are concerned about energy prices and the impact of price increases on their budgets. To address this concern, the company works closely with customers to help them manage their energy use. The company also maintains tight cost controls on its business and continues to look for ways to reduce operating costs.

Customer feedback also has indicated a desire for more communication on specific topics. Current topics of greatest interest to customers include safety, energy efficiency and company involvement in, and support for, the communities the company serves. Providing customers with as much information as possible when a power outage occurs is also key to customer satisfaction. As a result, the company has focused more of its communications efforts in these areas.

Continuously improving

We Energies strives to build a culture of continuous improvement that supports efforts to increase customer satisfaction and reduce operating costs. Feedback received from customers helps focus improvement efforts on the processes that are most important to customers.

Offering options

Having choices is important to customers, and customers have different needs and preferences. That is why We Energies offers many billing and payment options.

Billing

Customers can choose from a variety of billing options:

- Receiving bills online at we-energies.com or through participating bank websites
- Spreading energy charges more evenly over 12 months
- Choosing a convenient due date (upon request with certain limitations)
- Paying a fixed amount for residential natural gas for 12 months regardless of weather or natural gas market price variations
- Participating in a renewable energy program
- Receiving a group bill that aggregates multiple accounts

Payment

Customers also can choose how to pay their bills:

- Online at we-energies.com or through participating bank websites
- Automatic bank account deductions
- Credit or debit card
- U.S. mail
- In person at local payment centers

Managing energy use

We Energies customers have options to help manage their energy use:

Money-saving kits. Throughout the heating season, more than 20,000 money-saving kits were distributed to Wisconsin customers concerned about their energy usage. Kits include information about typical home energy use; ways to reduce energy costs; information about the Wisconsin state energy efficiency program, Focus on Energy; and information about payment assistance programs. To help customers start saving, the kits also included window film, light switch and outlet sealers, and an LED nightlight.

My Account. This online tool helps customers understand the reasons for bill changes from month to month and provides customized money- and energy-saving tips. Residential My Account customers also receive a quarterly email newsletter, which provides information on energy efficiency, safety and company environmental and community activities. More than 380,000 email newsletters are sent each quarter.

Time-of-Use. Residential and small commercial customers may select this pricing option instead of the standard electric rate. Under Time-of-Use, energy costs are less than the standard kilowatt-hour rate during low-demand periods (evenings and weekends) and more than the standard rate during periods of high demand. Nearly 29,000 customers on the plan are paying less than they would on the standard rate.

Special services

Payment arrangements. We Energies understands that difficult circumstances can arise that prevent customers from paying their bills in full. Customers having problems paying their bills are encouraged to contact and work with the company to keep their service connected. Prior to the end of the annual moratorium on utility shut-offs in Wisconsin on April 15, an outreach campaign that includes press releases, bill messages, letters and outbound calls reminds customers to make payment arrangements and to apply for energy assistance, if qualified. Flexible payment arrangements based on each customer's individual situation are offered. Flexibility may be reflected in timelines, amount required for a down payment and length of payment plan. Customers are encouraged to apply for energy assistance and home weatherization, consider billing options and implement cost-saving and energy efficiency tactics to reduce monthly costs. The company's goal is to work with customers and come to agreements that will keep their energy services connected.

Options for low-income customers. The company recognizes the challenges faced by low-income customers in paying their energy bills and works collaboratively with government agencies and community-based organizations throughout the service area to address their needs. Through participation in initiatives such as local resource fairs, customers in selected areas of need are offered the opportunity to work with the company face-to-face to address energy and bill payment concerns. We Energies also is a long-time member of the Low Income Energy Assistance Committee, which advises the state on low income issues.

A number of years ago, the company worked with representatives from state and local government, community-based organizations and energy groups to launch a low-income program to complement the company's existing low-income services. The program remains in place today, providing low-income customers behind in payments with special services to help keep their energy services connected. In return, participants are required to:

- Make on-time, affordable bill payments
- Apply for and receive energy assistance
- Accept available weatherization services, if offered

Through partnerships such as these, the company continues to strengthen its connections to its customers and the community as it finds creative ways to address challenges and meet customer needs.

Leveraging technology

We Energies uses technology in a variety of ways to enhance the customer experience and make it easier for customers to manage their energy services. Examples include:

- Using mobile technologies to help customers easily find and use the We Energies website
- Providing online access to account information, company services, billing and payment options, and outage map
- Automating inbound and outbound call and email management to reduce response times and efficiently route work
- Employing voice response technology to efficiently route calls, provide customers with account information and give them the ability to make payment arrangements without speaking to a customer consultant
- Using automated meter reading technologies to ensure timely and accurate billing
- Applying data analytics to improve business processes, increase efficiency and reduce costs

The company also is taking advantage of business process automation tools to streamline payment plans, start and stop service orders, and to manage bill quality.

In the future, the company's investment in automated metering infrastructure will make it possible to provide customers with more usage- and demand-based billing and energy management options.

Efforts also are underway to expand web and mobile capabilities to provide customers with additional self-service options and enhanced access to company services and account information.



Customer privacy

Customer privacy is important to We Energies. The company strives to deliver excellent customer service every day, and information provided to the company and maintained for customer accounts helps meet that expectation. The company keeps customer information protected. Here is the company's promise to customers:

Personal information that you provide to us and information about your account will be kept secure, using established and monitored security systems.

Information the company obtains is limited to what is necessary to provide the service you request. This information varies depending on the products and services you are using, and could include data such as your name, email address, utility service address, telephone number, bank account, passwords, social security/tax ID information, etc. The company uses information you provide in the following ways: a) Your email address enables us to communicate with you. Examples of this communication include notification that a new bill is ready (Online Billing), tailored newsletters, general email communication and more. b) Your name, the address where you receive the company's utility services, and telephone number allow us to match the information to the correct utility service account, providing you with necessary data for the services you are using. c) Your bank account information is used to provide billing and payment services. d) Your Social Security or tax ID information is necessary to establish utility service.

Only authorized We Energies employees, and other organizations hired to provide support services, will have access to your personal and account information you provide. Those employees and organizations have signed a policy statement or confidentiality agreement regarding the use of your personal and account information.

Whenever the company hires outside firms to provide services, the company requires that they conform to the company's customer information confidentiality standards and requirements.

Your personal and account information will not be shared with any organization or individual that does not provide utility services unless the company has authorization from you, or the company is required to provide the information by law. The company does not sell customer information.

The company may record some details when you visit the website for statistical and administrative purposes. Information the company may gather could include your server address, top level domain name (for example .com, .gov, etc.), the date and time of your visit to the site, the pages accessed and documents downloaded, and the type of browser used.

If you need to correct the information the company has on file for you or your account, you may contact us via email, or by phone at 800-242-9137.

We Energies takes your privacy seriously. If you have any comments or concerns with the company's privacy policy, contact us via email, or by phone at 800-242-9137 to discuss your concerns.

Customer events



Cookie Book

For 86 years, the Cookie Book has been a holiday season tradition passed down from generation to generation. The first Cookie Book was published in 1928. Company home economists started the practice as a goodwill gesture; now customers, stockholders and employees are invited to share their cookie recipes for a chance to be part of this enduring holiday tradition at We Energies.

Free copies of the book are made available to customers throughout the company's service area at distribution events, some of which feature live reindeer, hot cocoa and cookies. All of the recipes from past cookie books are available online, and employees on field appointments give a cookie to customers during the holiday season.



Energy Park at Wisconsin State Fair

Each August, We Energies connects with customers at Energy Park, the company's permanent exhibit space at the Wisconsin State Fair. Energy Park features energy-related performances, exhibits and demonstrations, staffed by employees. During the fair's 11-day run, visitors can:

- Watch safety demonstrations and meet electric, natural gas and forestry workers while learning how to stay safe around electricity and natural gas.
- See interactive exhibits that show how energy is generated and delivered to homes and businesses.
- Visit the Energy Park garden and listen to a horticulture expert discuss environmentally friendly landscaping options.
- Attend a safe cooking demonstration and receive a complimentary recipe book.
- Learn about peregrine falcons and the company's nest boxes on power plant chimneys.
- Get answers to questions about We Energies and pick up program and service information.

Neighbors and friends serving neighbors and friends

A dead battery, health emergency, floating minivan, wandering child and stray kitten all are examples of challenges and emergencies when neighbors and friends help each other.

They're also situations We Energies employees encountered in the course of their workdays. In these situations, company employees were the neighbors and friends who helped. For example:

- When a large industrial customer experienced an issue with an internal battery power supply that threatened to shut down operations, We Energies employees quickly stepped in to help diagnose the problem. Although the problem turned out to be with the customer's equipment, the employees brought in company battery chargers to quickly get the customer's equipment up and running again.
- An employee's routine follow-up call to a customer led to a call to 911 on her behalf when it became clear that the customer was in the midst of an asthma attack. After lending an immediate helping hand, the employee called back the next day to ensure that the customer was all right.
- A We Energies service technician was in the right place at the right time when he came upon a minivan floating in flood waters caused by a sudden downpour. After noticing a frantic woman and three children inside, he pulled over and called 911, while a second passerby helped carry the children to safety. He then placed the cold, wet and scared family inside his vehicle to keep them warm until the fire department arrived.
- Another employee unexpectedly became a lifesaver when a distracted mother he was standing near failed to notice that her toddler had climbed out of his stroller and was headed into traffic. The employee quickly reached the child and prevented him from wandering onto the busy street.
- A field crew came to the rescue when they noticed a kitten wandering through a construction site. When the kitten ran through a pipe and jumped into an 8-foot-deep construction trench filled with several feet of water, the workers immediately jumped into action and pulled the little guy out. They then contacted a local animal rescue organization, which was able to care for the kitten until healthy and ready for adoption.

Whether it's a dramatic rescue, a simple helping hand, or just a kind word, employees are encouraged to think of themselves as "neighbors and friends serving neighbors and friends."

Business customers

Businesses represent approximately 10 percent of We Energies' customer base and about 57 percent of its revenue. The business care center is a one-stop shop designed to partner with and serve the unique needs of these customers. Business consultants answer approximately 12,000 calls each month, responding to questions on billing and credit issues and providing recommendations on energy efficiency, online tools and services targeted to business customer needs.

The company's largest customers are served by account managers, who work proactively as the primary point of contact to help manage customers' energy-related needs. On an annual basis, account managers meet with customers to develop a joint plan that outlines energy-related goals, expectations and initiatives for the year. In addition, account managers:

- Identify strategic initiatives that benefit customers
- Work with customers to achieve their energy-related goals
- Provide rate and usage analyses and assist with transitions to new rates
- Provide personalized notification of rate filings and rate changes
- Drive analysis and resolution of reliability/power quality issues
- Introduce emerging technologies and processes
- Issue targeted communications related to training and program offerings
- Facilitate solutions related to energy efficiency and sustainability
- Provide carbon footprint analyses
- Facilitate and/or participate in energy site assessments and customer energy teams
- Provide assistance with business expansions and serve as liaison with local economic development agencies

Other services available to business customers include:

Outage alerts

Alerts provide business customers with proactive, real-time communication regarding outages. Customers can select their preferred communication channel(s) to receive status updates and other outage information.

Online tools and services

Account Monitor provides mid-size business electric customers in Wisconsin estimates of the cost impact of shifting demand and energy use, as well as hourly demand data to identify usage trends and patterns. More than 700 customers are registered.

Business Account Online provides business customers access to historical use and cost data, and to forecasting for forward-looking energy budgets. More than 10,100 customers have registered 70,000 accounts.

Business Energy Advisor is an online library of energy-related topics that business customers can access to increase energy efficiency of their operations.

Energy Analysis provides large business customers with online access to energy consumption information. Because Energy Analysis offers direct access to the electric meter, customers can make critical operating decisions in real time to help control costs. As of 2014, more than 5,700 electric and natural gas accounts are registered.

Energy Consultations provide ways to save energy for business customers.

Energy Insights is a free online newsletter that features articles on energy efficiency, shares benchmarking data and provides facility assessment and cost calculators.

Reaching out to business customers

To ensure that We Energies continues to meet the changing needs of its business customers, the company's Customer Experience team began crafting a new approach to working with small and mid-size businesses in 2013; the program continued in 2014. J.D. Power studies highlighted the desire of business customers for ongoing proactive and personalized communications, so the company found ways to connect and engage these customers on their topics of interest.

The company called approximately 65,000 business customers, representing about 140,000 accounts, and provided them with information on Focus on Energy, the Wisconsin state energy efficiency program, and offered the opportunity to receive the We Energies Energy Insights newsletter.

The company also established the Business Opinion Community, an online business customer forum, to obtain feedback on energy-related topics. Today, there are approximately 200 community members, ranging from manufacturers to nonprofits.

Business customers who participate in the Business Opinion Community receive a monthly e-newsletter and short surveys every other month. The surveys are used to engage customers on a wide range of topics, including:

- Energy billing and payment options
- Online energy management tool usage
- Communication channel preferences
- Solar energy attitudes and usage
- Natural gas safety education and concerns
- Automated voice response messaging options

Feedback from the Business Opinion Community has resulted in changes to on-hold messaging on the Business Center phone lines and improvements to the corporate website. Community feedback on communication channel preferences has been used in the design of business customer outreach programs.

Customer response to these outreach efforts has been positive, and the company plans to continue to look for creative ways to expand its communications with business customers.

Demand-side management programs

Commercial and industrial load management

As of May 2014, We Energies had 130 commercial and industrial customers taking service under curtailable or interruptible rate options with a potential curtailable load of 145 megawatts (MW). (These rates, available on we-energies.com, have been closed to new customers since Jan. 1, 2010.)

Voluntary load reduction programs

Dollars for Power (voluntary load reduction rate)

Under this rate option, We Energies pays customers for voluntarily reducing electric load when prices on the wholesale power spot market spike. The program is most beneficial when electricity represents a large portion of a customer's production costs.

Note: *We Energies has never used the Dollars for Power program. The price points under which this program could be implemented have not been experienced since the program was created in the late 1990s. Since the advent of the MISO market in 2005, usefulness of this program has decreased significantly.*

Power Market Incentives

We Energies pays large commercial and industrial customers for voluntarily reducing electric load when the wholesale spot market spikes. The program is open to customers who can reduce at least 500 kilowatts (kW) of load quickly in response to market conditions. Under a special year-long contract, customers agree to reduce electric load for a mutually agreeable price, with these conditions:

- Energy buy-back offers can be made at any time during the year.
- Customers commit to a minimum of 500 kW.
- Customers decide how much load to drop on a case-by-case basis.
- Customers are subject to penalty only if the customer does not drop what was promised.

Even with a contract in place, business customers do not have to accept any buy-back offers during the year. The contract terms cover actual transactions during bid periods. If customers do not meet the load reduction commitment, customers pay the actual cost of replacement power for the difference between actual kilowatt-hour (kWh) reduction and committed kWh.

Note: *Both voluntary load reduction programs that remain open were developed in the late 1990s. Approximately 45 customers participate in these rates, but, while they remain open as options, attrition is occurring as customers explore other options, such as real-time pricing rates. The last time a voluntary load reduction program was used was fall 2005.*

Real-time market pricing (RTMP)

RTMP presents an opportunity for new and existing general primary rate customers to increase electric load while being charged market prices. Customers on this rider can expand operations and, therefore, usage, with the risks and rewards of managing operations in a market environment. Using day-ahead prices, customers can strategically plan operations while maximizing the benefit of a market rate.

Customers signing up for this rider have daily usage and monthly demand baselines. The contract term is a maximum of four years, with the ability to exit the rider on an annual basis. The baseline for new customers is based on a percentage of projected load. For existing customers, the prior year's usage and demand is used. Customers are charged their normal tariff rates on usage and demand, up to their historical baseline. Incremental usage above the baseline is charged at day-ahead market rates, with only minimal mark-up for incremental costs.

Depending on a customer's usage patterns and market price variations, the RTMP rider can deliver discounts on incremental growth above their baselines.

The RTMP rider initially was limited to 100 MW of existing or pre-growth demand; however, due to customer interest, the cap was increased to 150 MW in 2012 and again in 2013 to 300 MW. It remained at 300 MW in 2014.

Public safety practices

Committed to keeping the public safe

We Energies builds and operates its network of power lines and facilities with the safety of its employees and the public as its top priority.

The company developed and implemented an integrity management program for its natural gas transmission mains. High-consequence areas were identified, an initial risk analysis was completed, and assessment plans were created. The company performs a physical assessment of transmission mains and provides remediation as necessary.

Education and outreach

Our utility subsidiaries are committed to educating the public about the potential hazards of its energy systems and products. They value energy education and offer school programs, classroom resources and lesson plans to teach safety and help teachers, schools and civic organizations achieve science curriculum goals. Classroom materials such as brochures, posters and other teacher workshop materials are provided free upon request to educators in the We Energies service area.

We Energies' staff performs safety demonstrations for fire departments, schools and other organizations upon request, throughout Wisconsin and the Upper Peninsula of Michigan. In addition, power plants and hydro facilities offer emergency response plan awareness training to local areas upon request.

The company invites local contractors to attend meetings to teach them how to identify and work safely around utility facilities. Each year, the company actively plans and delivers training to various public safety agencies, police and fire departments, rescue services, emergency government representatives, and public officials. In addition, We Energies provides resources on its website, we-energies.com, to help educate contractors and the general public about safety issues.

The company collaborates with the Wisconsin State Fair to feature electric and natural gas safety education for adults and children through a venue called Energy Park during the annual 11-day run of the fair.



Agriculture services and safety

We Energies has a well-established Agriculture Services program. Employees work closely with farm customers on issues of wiring safety, efficiency and reliability. Livestock confinement facilities often receive additional attention because of the possibility of stray voltage from farm and/or utility sources. Stray voltage is a general term used to describe low-level voltages found on metal surfaces with which livestock may come into contact. Trained technicians perform cost-free stray voltage investigations and have helped hundreds of agricultural customers identify farm wiring deficiencies and eliminate unacceptable stray voltage sources. This effort has resulted in safer and more efficient farm wiring throughout the We Energies service area. Additionally, company representatives participate on several committees related to stray voltage, including the Wisconsin Utilities Association Stray Voltage and Electrical Exposure Committee, Midwest Rural Energy Council, Institute of Electrical and Electronics Engineers Working Group on Stray and Contact Voltage, and University of Wisconsin Stray Voltage Investigator Training Series.

Political Activities

WEC advocates on behalf of its utility customers, stockholders and employees for safe, reliable and affordable energy before local, state and federal elected officials and government agencies. WEC maintains governmental and regulatory relations offices in Madison, Wisconsin and Lansing, Michigan, as well as Washington, D.C. The company hires contract lobbyists and works with trade organizations to assist in advocacy activities. WEC's lobbyists are lawfully registered in each jurisdiction.

WEC has several political action committees (PACs). WEC PACs are registered with their regulating governments (state or federal) and authorized by elections laws to collect voluntary contributions from employees who choose to participate. The money, in turn, is used to support candidates running for federal, state and local offices.

Contribution amounts are limited by law. All WEC PACs are administered by a committee that combines appointed and elected members. Oversight committees make decisions on how and where dollars are spent. WEC has a corporate policy on political contributions and reporting, and periodically conducts training on compliance with lobbying laws.

Corporate political donations

WEC's Political Contributions Policy governs contributions to organizations operating under Section 527 of the Internal Revenue Code and organizations that qualify as national political committees. No corporate donations of this nature were made during 2014.

Political action disbursements

Organization	2014	2013	2012	2011	2010
Wisconsin Energy Corporation Political Action Committee (WEPAC – a federal PAC)	\$ 28,000	\$ 28,750	\$ 36,250	\$ 32,250	\$ 36,250
Better Government Committee (BGC – a state PAC)	45,100	26,000	23,100	26,950	29,250
Michigan Political Action Committee (MIPAC – a state PAC)	18,000	3,275	6,950	150	9,000
Personal Contribution Account (PCA Conduit – a state PAC)	64,998	19,189	90,891	40,914	74,401
Total	\$ 156,098	\$ 77,214	\$ 157,191	\$ 100,264	\$ 148,901

For an up to date list of WEPAC Wisconsin contributions, search on "WI Energy PAC" at: <http://cfis.wi.gov/Public/Registration.aspx?page=FiledReports>.

For an up to date list of WEC conduits, search on "WI Energy PCA" at: <http://cfis.wi.gov/Public/Registration.aspx?page=ViewConduitContributions>.

For a list of WEPAC federal contributions, search for "Wisconsin Energy Political Action Committee" at: www.fec.gov/finance/disclosure/norcomsea.shtml.

WEC lobbying activities and expenditures

State and federal lobbying	2014	2013	2012	2011	2010
Hours	2,142	2,510	2,352	2,664	2,767
Expenditures	\$ 885,023	\$ 1,041,311	\$ 1,021,971	\$ 1,035,392	\$ 917,234

Wisconsin Energy Corporation files federal quarterly lobbying reports and semiannual contribution reports with the Clerk of the U.S. House of Representatives and the secretary of the U.S. Senate. These reports can be located at: house.gov and senate.gov.

Reports for WEC's Wisconsin and Michigan political lobbying activities are available at: Wisconsin Government Accountability Board and Michigan Department of State.

Trade organization memberships

Organization	Membership dues	Portion of dues used by
	Jan. 1, 2014 through Dec. 31, 2014	organization for political purposes
American Gas Association	\$ 372,257	\$ 18,612
American Gas Association – Gas Distributors Exchange	1,200	1,200
Edison Electric Institute	872,059	173,412
Metropolitan Milwaukee Association of Commerce	166,028	3,321
Michigan Electric and Gas Association	24,370	de minimus
Michigan Manufacturers Association	4,930	4,930
Wisconsin Manufacturers and Commerce	30,182	7,545
Wisconsin Utilities Association	174,614	26,192
Wisconsin Utility Investors	75,000	2,250

Wisconsin Energy belongs to trade organizations that engage in political activities. Such organizations are required to report the portion of company dues used for political purposes.

Public policy positions

✓ Support ✗ Oppose → Concerns/working to improve

Bill Reference (Federal)	Position
Cyber Security – Information Sharing Proposes a model for sharing cyber threat information between the federal government and private industry.	✓
Coal Ash Legislation (H.R.2218) Establishes national standards for state programs to manage coal combustion products and preserves beneficial reuse programs.	✓
Dividend Tax Rate Extension Maintains the low tax rate on dividend income and parity with the capital gains tax rate.	✓
Low Income Home Energy Assistance Program Maintains appropriate funding level for the Low Income Home Energy Assistance Program.	✓
POWER Act (H.R.5722, S.2929) Attempts to change balancing authority process and cost allocations under system support agreements.	→
Rail Shipper / Railroad Antitrust (S. 638) Repeals the railroad industry’s antitrust exemption.	✓
Legislative Bills/Resolutions (state – Wisconsin)	Position
Assembly Bill 1 Regulation of ferrous metallic mining and related activities; procedures for obtaining approvals from the department of natural resources for the construction of utility facilities; making an appropriation and providing penalties.	✓
Assembly Bill 39 Permit application and notification procedures required to obtain a certificate of public convenience and necessity for the construction of a large electric generating facility or high-voltage transmission line; revisions to powers and duties of an electric transmission company.	✓
Assembly Bill 106 Restrictions on a municipal utility’s release of customer information.	✓
Assembly Bill 194 Authority to hunt certain animals with a crossbow, establishing open seasons for hunting with a crossbow, and information required to be included on certain hunting license applications and certain hunting tags.	→
Assembly Bill 214 Exception to the prohibition of ex parte communications in contested cases before the Public Service Commission of Wisconsin.	✓
Assembly Bill 231 Wisconsin Department of Natural Resources; electronic methods for reporting natural resource and environmental law violations; citation procedure applicable to wetland discharge violations; sturgeon spearing license issuance age minimum; air dispersion modeling requirements under certain agreements; Dry Cleaner Environmental Response Council representation requirements.	✓
Assembly Bill 257 Exemption from certain civil liability for electric service providers for damages caused by the transmission, distribution or sale of electric energy by that provider.	✓
Assembly Bill 345 Restrictions on the installation of smart meters by certain public utilities and cooperative associations in circumstances where the customer objects.	✗
Assembly Bill 463 Exemption from nitrogen oxide emission standards for certain simple-cycle combustion turbines.	✓
Assembly Bill 506 Professional land surveyors; the practice of professional land surveying; surveying land abutting navigable waters; various changes regarding platting, surveying and certified survey maps; and granting rule-making authority.	→
Assembly Bill 594 Exception to renewable energy portfolio standards.	✓

Legislative Bills/Resolutions (state – Wisconsin)	Position
Assembly Bill 595 Public Service Commission of Wisconsin certificates required for certain activities; availability of public utility rate schedules; telecommunications regulations, including exemption of accident reporting by telecommunications utilities, repeal of obsolete definition of transmission facility, and regulation of pay telephone service providers and cable television telecommunications service providers; modification of rule-making procedures; and tampering with telecommunications or electric wires.	✓
Assembly Bill 596 Allowance of renewable resource credits; exceptions to natural gas public utility service in municipalities; removal of certain natural gas service laterals; and granting of rule-making authority.	✓
Assembly Bill 680 Authorize use of adaptive management plans for reducing discharges of phosphorus and total suspended solids to the waters of the state and a statewide variance to the water quality standard for phosphorus for certain dischargers.	✓
Assembly Bill 774 Procedural changes and exemptions for certain utility facilities and projects from requirements to obtain permits from the department of natural resources and from certain shoreland zoning ordinances.	✗
Assembly Bill 803 Substance abuse prevention program for employees performing work on public utility projects located in public rights-of-way; modification to “move over or slow down” law to include public utility vehicles that are displaying flashing warning lights.	✓
Senate Bill 35 Permit application and notification procedures required to obtain a certificate of public convenience and necessity (CPCN) for the construction of a large electric generating facility or high-voltage transmission line; revisions to powers and duties of an electric transmission company.	✓
Senate Bill 103 Restrictions on the release of certain municipal utility customer information.	✓
Senate Bill 167 Recovery remedies for certain damages caused by wind energy systems.	✗
Senate Bill 371 Exemption from nitrogen oxide emission standards for certain simple-cycle combustion turbines.	✓
Senate Bill 394 Professional land surveyors; the practice of professional land surveying; surveying land abutting navigable waters; various changes regarding platting, surveying and certified survey maps; and granting rule-making authority.	→
Senate Bill 470 Public service commission certificates for certain activities; tampering with telecommunications or electric wires; regulation of pay telephone service providers and cable television telecommunications service providers; accident reporting by telecommunications utilities; definition of transmission facility, availability of public utility rate schedules, and rule-making procedures.	✓
Senate Bill 473 Renewable resource credits, removal of certain natural gas service laterals, natural gas public utility service in municipalities, and granting rule-making authority.	✓
Senate Bill 474 Exception to renewable energy portfolio standards.	✓
Senate Bill 547 Adaptive management plans for reducing discharges of phosphorus and total suspended solids to the waters of the state and a statewide variance to the water quality standard for phosphorus for certain dischargers.	✓
Senate Bill 625 Procedures for utility projects that require a permit from the department of natural resources.	✗
Senate Bill 629 Substance abuse by employees performing work on public utility projects located in public rights-of-way and passing emergency or roadside service vehicles stopped on or near the highway.	✓

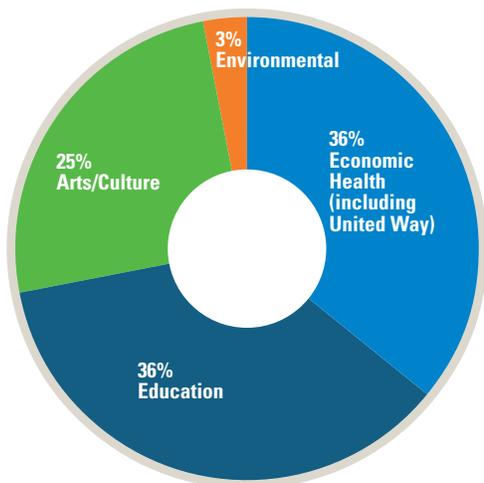
Wisconsin Government Accountability Board: <https://lobbying.wi.gov/Who/PrincipallInformation/2013REG/Information/5250?tab=Profile>
 Federal quarterly lobbying reports: <http://lobbyingdisclosure.house.gov/>

We Energies Foundation

Since 1982, the We Energies Foundation (formerly Wisconsin Energy Corporation Foundation) has contributed financial support for the activities of nonprofit, tax-exempt organizations in communities served by our subsidiaries. The foundation is funded by Wisconsin Energy stockholders.

The foundation supports initiatives promoting economic health, arts and culture, education and the environment. As an extension of the foundation’s outreach, our employees and those of our subsidiaries serve on a number of nonprofit boards. The foundation also conducts annual workplace giving campaigns for the arts and United Way. Local giving panels made up of employees throughout the service area meet quarterly to review applications and make funding recommendations.

2014 allocation of charitable dollars



Foundation contributions

- The foundation is a separate, nonprofit, tax-exempt corporation that has invested more than \$143 million in communities in Wisconsin and Michigan.
- Funding for initiatives supported by the foundation is derived from the stockholder portion of earnings and dividends we pay. Grants do not affect our profitability nor are they reflected in the prices customers pay for services from our utility subsidiaries.
- In 2014, the foundation issued grants to 789 organizations.
- In addition to the foundation grants, our employee matching gift program directed more than \$1.1 million to nonprofit arts/cultural organizations and educational institutions.
- The foundation asset base as of Dec. 31, 2014, was \$47.1 million.

Chairman and Chief Executive Officer’s foundation message

“Our employees strive every day to help WEC Energy Group become the industry leader in customer satisfaction. Complementing those efforts, the We Energies Foundation helps to improve the quality of life throughout our service area. We support arts and culture, economic health, education and the environment in communities, large and small, across Wisconsin and Michigan’s Upper Peninsula.

In addition to providing financial support, we’re pleased to take an active role with other community leaders and nonprofit organizations in shaping a brighter future for the region we call home.”

Gale E. Klappa
Chairman and Chief Executive Officer

Mission

The foundation’s mission is to create brighter futures for the communities where We Energies does business, enhancing our growth and success.

Vision

The foundation strives to achieve positive community benefit and business value per dollar invested.

Goals

- To pursue a sustained, consistent approach to funding within the focus areas, better enabling the organizations to achieve lasting results.
- To foster mutually beneficial relationships between our subsidiaries and community organizations.
- To fully leverage company resources.