

Social Performance



Michelle Rindt of Peoples Gas educates a student about home energy savings.

Customer engagement



Our energy companies are committed to creating an excellent experience for every customer by offering truly personal care — every customer, every transaction, every time.

Our companies invest in systems and processes to enhance their ability to deliver energy to customers safely, cost effectively and dependably. This also includes ensuring the security of data and systems to protect customer information, and providing information customers need to make smart decisions about their energy use and service options.

Finally, our companies continue efforts to help their customers who may have difficulty paying their bills get back on track.

Listening to customers

Understanding what customers want is a key to success. Our companies want to know how customers feel about the energy products and services provided, resources offered and interactions with company employees. Our companies work to provide an entire experience that is positive. This includes making it easy to do business with our companies.

A variety of feedback mechanisms are in place to help get a complete picture of customers' experience with our companies. The feedback we obtain:

- Confirms what was done right
- Provides understanding where improvements can be made
- Helps leadership prioritize projects and make resource decisions based on what's most important to customers
- Provides opportunity to follow up and make it right when a customer is not completely satisfied
- Helps keep the mission on track to provide an excellent experience for every customer, every transaction, every time

Customer satisfaction surveys. In 2015, we worked to align customer satisfaction measurement across all of the WEC Energy Group companies. Monthly customer satisfaction surveys are now used at all of our companies to measure performance on key transactions and gauge overall satisfaction with each of our energy companies. Approximately 3,500 customers are surveyed each month about their experiences on the following transactions:

- Residential customer contacts
- Residential move orders
- Business customer contacts
- Billing
- Outage management
- Gas emergencies
- New service installations
- Appointments
- Forestry work

Post-interaction surveys. Many customers have the option to complete a survey whenever they interact with company websites or customer care centers. Approximately 30,000 customers took advantage of this opportunity in 2015. Results of these surveys are reviewed daily and followed up on whenever there is an issue or concern.

Pump It Up program. Employees are expected to listen closely to customers to ensure their complete satisfaction. 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 issues or concerns and give the company the opportunity to make it right.

SOCIAL PERFORMANCE

The year 2015 marked the 10-year anniversary of the Pump It Up program at We Energies. During the 10 years that the program has been in place, the company received important, actionable feedback from both satisfied and dissatisfied customers. This feedback has been used to enhance processes and improve all customers' future interactions. Also in 2015, the program was expanded to include all WEC Energy Group companies.

We Care calls. Our companies want every customer interaction to be a positive experience. In many cases, employees follow up with a phone call to confirm that customers who recently had a service call were completely satisfied with the service they received. Customers who express concerns receive additional follow up to ensure that their concerns are addressed.

The We Care call program, which has been in place at We Energies for more than 10 years, was expanded in 2015 to include Wisconsin Public Service, Peoples Gas and North Shore Gas customers. Expansion to customers of Minnesota Energy Resources and Michigan Gas Utilities is planned for 2016.

In 2015, nearly 460,000 residential and business customers were contacted with either personal or automated We Care calls concerning their:

- Power outage/gas emergency
- New service installation
- Appointment with the company
- Energy-saving information
- Budget billing participation
- Changed residence/activation of service



Social media. Many of our companies use social media to communicate with customers and respond to their issues, concerns and enhance their customer experience. Social media channels are monitored, and customers receive personal responses to specific questions and concerns. Knowing what's "top of mind" for customers helps identify common concerns, address issues when they occur and identify opportunities for service enhancements. Our companies continue to expand their social media capability.



Understanding customer concerns and preferences

Information obtained through all channels helps our employees understand customer needs, concerns and preferences. Customers expect us to be reliable, efficient, accessible, informative, proactive and flexible. They also expect to receive personalized service.

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

Customers continue to express concerns about energy prices and the impact of price increases on their budgets. To address this concern, our companies work closely with customers to help them manage their energy use. Our companies also maintain tight cost controls on their business and continue to look for ways to improve efficiency and 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 we serve. As a result, communication has been increased in these areas.

2015 customer satisfaction results

External customer satisfaction measures

Our companies continue to strive for positive results in national customer satisfaction studies conducted by external organizations. These studies provide a broader perspective because they typically include the general customer population, not just those who have had a recent transaction with their energy company. Study results are reviewed each time they are published to help benchmark our performance and guide the development of strategies and tactics to improve customer satisfaction and enable customer retention and expansion.

2015 customer satisfaction survey highlights

- Peoples Gas made large gains with business customers across all factors over the past year in a national study and was identified as a top national brand on eBill use and in-person customer service.
- We Energies ranked in the first quartile in the Midwest and second nationally in a major study.
- We Energies was identified in a national study as a top brand in "helpfulness of gas utility to prepare your business for a safety issue."
- We Energies ranked third in the nation in a TQS survey, up from fourth place in 2014. A total of 89.7 percent of customers were highly satisfied, up from 87.5 percent in 2014. Top-ranked, major factors impacting overall satisfaction of We Energies customers included reliability, efficiency, price and contact handling.
- Wisconsin Public Service improved across all factors in two national studies with their business customers.
- Wisconsin Public Service ranked fourth in the nation in a TQS survey, up from 10th place in 2014. A total of 88 percent of customers were highly satisfied, up from 79 percent in 2014. Top-ranked factors impacting overall satisfaction of Wisconsin Public Service customers included account manager performance and reliability.

The chart below shows quartile rankings for all of our participating companies in the most recent J.D. Power & Associates, TQS and E-Source Large Business Customer (industry consortium) studies.

2015 Quartile ranking by utility

Company	J.D. Power & Associates Studies								2015 TQS	2015 E-Source Large Business
	2016 Business*				2015 Residential					
	Electric		Natural gas		Electric		Natural gas			
	U.S.	Region	U.S.	Region	U.S.	Region	U.S.	Region		
Michigan Gas Utilities							3	3		
Minnesota Energy Resources							3	2		
North Shore Gas							4	4		2
Peoples Gas			3	3			4	4		
We Energies	3	3	2	1	3	3	4	3	1	
Wisconsin Public Service	2	2	2	1	3	3	3	3	1	1

*Data from 2016 studies was collected in 2015, but reported in early 2016.

Internal customer satisfaction measures

Customers' satisfaction is measured with both their utility overall and the specific transaction. Scores below represent the percentage of customers rating their satisfaction an 8, 9 or 10 on a 10-point scale.

Q4 2015 results

Company	Satisfaction with utility	Satisfaction with transaction
Michigan Gas Utilities	80.0%	83.7%
Minnesota Energy Resources	78.8%	84.6%
North Shore Gas	78.8%	86.6%
Peoples Gas	59.9%	72.3%
We Energies	81.4%*	90.1%*
Wisconsin Public Service	79.2%	85.5%

* Highest-ever score

Offering options

Customers have different needs and preferences, and having choices is important to them, which is why many billing and payment options are offered.

Billing

Customers can choose from a variety of billing options, which vary by energy company. Examples of options include:

- Receiving bills online at company websites or through participating bank websites
- Spreading energy charges more evenly over 12 months
- Choosing a convenient due date
- Seasonal billing
- Large-print billing
- Braille billing
- Paying a fixed amount for residential natural gas for 12 months regardless of weather or market price variations
- Participating in a renewable energy program
- Consolidating multiple accounts into one statement
- Naming a third party to be notified if an account becomes past due

Payment

Customers also can choose how to pay their bills:

- Online at our company websites or through participating bank websites
- Automatic bank account deductions
- Credit or debit card
- U.S. mail
- In person at authorized local payment centers

Managing energy use

Our energy companies focus on providing tools and assistance that help customers understand and manage their energy use. Company representatives always are available to consult with customers and provide energy-saving tips and suggestions over the phone. In addition, customers may be able to take advantage of other options. Programs vary from state to state and by customer class; however, examples of other resources available to customers include:

- Money-saving kits that include energy-saving products (e.g., LED nightlights, window film, faucet aerators) and tips on ways to reduce energy costs
- Online tools that help customers analyze their energy use and identify savings opportunities
- Videos on installing home weather-stripping, window insulation and more
- Time-of-Use rates that offer customers lower prices for electricity used during off-peak periods
- In-person home energy assessments

Our companies also work to connect customers with the energy-conservation resources, rebates, incentives and programs available in the states they serve.

Special services

Payment arrangements. Difficult circumstances can arise that may prevent customers from paying their bills in full. Customers having problems paying their bills are encouraged to contact and work with our companies to keep their service connected.

Flexible payment arrangements based on each customer's individual situation are offered. Flexibility may be reflected in timelines, required down payment amounts and payment plan timeframes. Customers also 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 goal is to work with customers and come to agreements that will keep their energy services connected.

Options for low-income customers. Low-income customers often face challenges in paying their energy bills, and our companies work collaboratively with government agencies and community-based organizations throughout their service areas to address needs of low-income customers. Our companies also make regular contributions to nonprofit organizations to help provide financial assistance to customers who need help paying their energy bills.

Leveraging technology

Our companies use technology in a variety of ways to enhance the customer experience, make it easier for customers to manage their energy services and reduce company costs. Examples include:

- Expanding web and mobile capabilities to help customers easily access company and account information, report outages, understand their energy use and take advantage of self-service options
- Automating inbound and outbound call and email management to reduce response times and efficiently route work
- Employing voice response technology to route calls efficiently and provide customers with self-service options
- Using automated meter-reading technologies to ensure timely and accurate billing
- Investing in automated metering infrastructure to provide customers with more usage- and demand-based billing and energy management options in the future
- Taking advantage of business process automation tools to streamline work and manage bill quality
- Applying data analytics to improve business processes, increase efficiency and reduce costs



SOCIAL PERFORMANCE

A large project is underway to leverage both technology and process design to improve the customer experience and streamline costs. In 2016, a common customer information system, new phone and dispatch systems, and standardized processes are being implemented at Wisconsin Public Service, Minnesota Energy Resources and Michigan Gas Utilities. Implementation at Peoples Gas and North Shore Gas is scheduled for 2017, with implementation at We Energies to follow. Using common systems and processes across our companies reduces costs, provides greater flexibility and helps with design and consistent delivery of great service to customers.

Customer privacy

Our companies take privacy and protection of customer information seriously and have rigorous controls in place to ensure that customer information is protected and used appropriately.

- Information collected from customers is limited to only what is necessary to provide the service requested.
- Only authorized employees and organizations hired to provide services have access to customer information.
- Customer information housed in our systems is monitored.
- All employees with access to customer information are required to complete annual information protection training and certification.
- Contractors performing work on our companies' behalf must ensure that they understand and abide by their obligations to protect customer information.
- Customer information protection policies are strictly enforced.
- Customers' online account information is protected by secure sign-in features to prevent unauthorized access.
- Customer information is never shared without permission, unless required by law.

Business customers

Business customers rely on safe, reliable energy to keep their businesses running. While specific programs and services may vary across WEC Energy Group companies, one thing that holds true for all is a commitment to working closely with business customers to meet their unique needs.

The largest customers are served by account managers/executives, who work proactively as the primary point of contact to help manage their customers' energy-related needs. Annually, the account management staff works collaboratively with key customers to develop joint plans that outline energy-related goals, expectations and initiatives. In addition, they may:

- 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

- Coordinate service installations and upgrades
- Drive analysis and resolution of reliability/power quality issues
- Introduce emerging technologies and processes
- Issue targeted communication 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 business customers are served through our companies' customer care centers, where they can get assistance with billing and credit questions, access services targeted to business customers, and receive recommendations on energy efficiency.

Additional services available to business customers vary by company. Some examples include:

Outage alerts

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

Online tools

Online tools make it possible for business customers to analyze and manage their energy use. Where available, customers can:

- Receive monthly alerts of energy usage changes
- Access historical use and cost data and forecast forward-looking energy budgets
- Identify usage trends and patterns, and estimate cost impact of shifting electric demand and energy use
- Access an online library of energy-related topics to increase the energy efficiency of their operations

Energy consultations and incentives

Energy consultations and incentives are available for some business customers to help them reduce energy use, shrink their carbon footprint and make their workplace more comfortable.

Reliability



Natural gas reliability

Natural gas service is delivered reliably to residential and business customers through a network of underground pipes. Our natural gas distribution companies regularly monitor the pipes to ensure their integrity and follow a plan to upgrade aging equipment to ensure reliable service.

The prices our companies pay for natural gas are the prices passed along to their customers. To reduce the impact of natural gas price spikes, our companies buy natural gas when prices are low – usually in summer – and place it in storage. This stored gas is then blended with the natural gas that is price locked through contracts and with gas that is purchased on the spot market. This strategy ensures reliable service and less volatile prices throughout the year.

In addition to the steps taken to purchase and store gas at the lowest prices, our companies also help customers save money on their heating bills by providing efficiency tips on our websites. Our companies also provide information for customers who qualify for assistance through federal and state funding, such as the Wisconsin Home Energy Assistance Program, Illinois Low Income Home Energy Assistance Program, Minnesota Energy Assistance Program and Michigan Energy Assistance Program.

Electric reliability

In addition to great service, customers expect great reliability. Keeping the lights on and providing customers with as much information as possible during electric power outages are important to customer satisfaction.

That's why, when bad weather threatens, our electric energy companies mobilize to provide customers with proactive, accurate and consistent information about potential impacts on their electric service. Our companies want customers to know that the forecast is being monitored, taking into account available employees and contractors, and checking inventories for poles, wires and other equipment that may be needed.

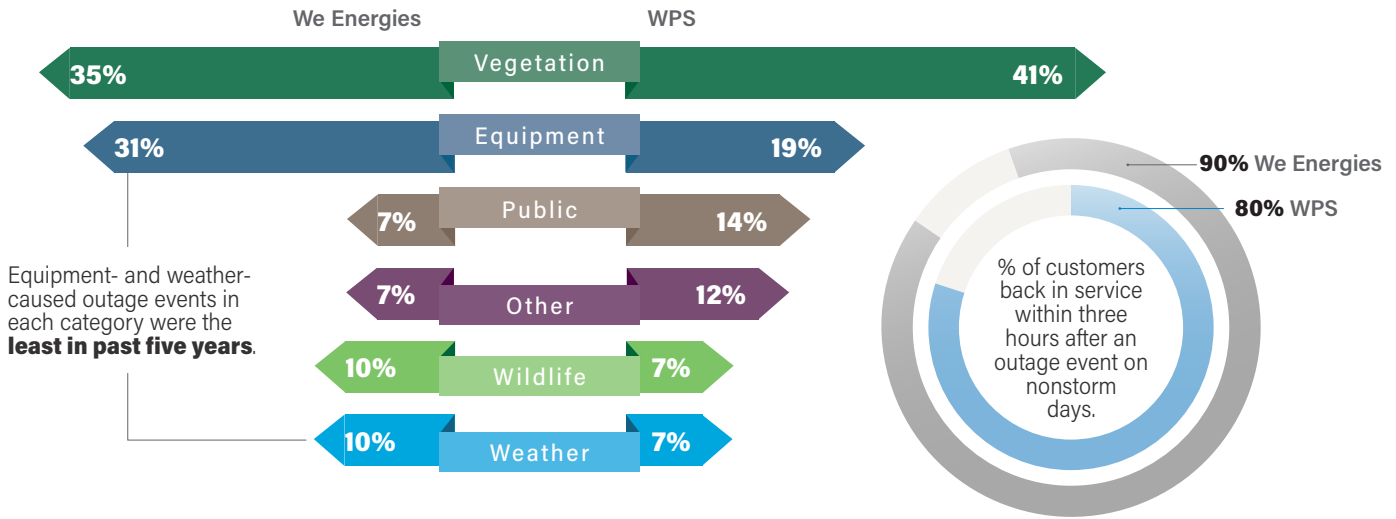
When outages occur, customers are provided regular updates on both their specific outage and the overall damage to our system. We also keep them up to date on our progress in restoring service. Messages are shared with customers through online outage maps, automated call handling equipment, care center agents, account managers and public and social media. Outbound calls also let customers know the reason for and status of their outage and confirm that their service has been restored.



Power outages

At WEC Energy Group companies, a key annual goal is to deliver world-class reliability to their customers. This includes achieving stretch targets for outage frequency and restoration times. The objective is to achieve indexes that are better than the target numbers.

2015 power outages by cause



Power outage statistics*

We Energies

Power outage frequency

SAIFI¹ – 0.68 interruptions

Average power outage duration

SAIDI² – 87 minutes

CAIDI³ – 128 minutes

WPS

Power outage frequency

SAIFI¹ – 1.04 interruptions

Average power outage duration

SAIDI² – 120 minutes

CAIDI³ – 115 minutes

* SAIFI, SAIDI and CAIDI values exclude extraordinary storms and transmission-related outages.

¹ SAIFI: System Average Interruption Frequency Index – A SAIFI of 1.0 means that, on average, a customer would experience one interruption in a year, while a SAIFI of 0.5 would equate to one interruption every two years.

² SAIDI: System Average Interruption Duration Index – A SAIDI of 50 minutes means that, on average, a customer would experience 50 minutes of interruption in a year.

³ CAIDI: Customer Average Interruption Duration Index – A CAIDI of 100 minutes means that if a customer experiences an interruption, the average duration would be 100 minutes.

Customer events

Our energy companies are part of the fabric of the communities they serve. The communities also are where their employees work and live.

Here are a few examples of their community partnerships:



WPS Farm Show is a three-day event that Wisconsin Public Service has sponsored for more than five decades. The show provides an opportunity for the agricultural community to check out the latest farming equipment, machinery, tools and services. The event includes more than 500 exhibitors; seminars on farm management, including use of energy; and an auction to benefit the Future Farmers of America youth organization. This free event attracted more than 20,000 people in 2015.

WPS Garden of Lights is a winter holiday event that transforms the Green Bay Botanical Garden into a winter landscape featuring botanical light displays inspired by its natural features. The event in 2015 attracted more than 66,000 visitors of all ages from Wisconsin and beyond. More than 330 volunteers donated 2,465 hours to make the event a success. WPS sponsors this event in Green Bay through the NatureWise renewable energy program.

Blue Flame Lodge at the Minnesota State Fair showcases the latest in natural gas technologies and disseminates safety and energy efficiency information to thousands of fairgoers from all over the state and beyond. As a member of the Minnesota Blue Flame Gas Association, Minnesota Energy Resources sponsors the lodge as an opportunity to share educational displays and materials that educate the public on the benefits and savings of using natural gas and new natural gas technologies, including natural gas vehicles, fireplaces, grills, furnaces and more. Safety and heating assistance information also are available at the lodge.

Resource fairs organized by Peoples Gas and North Shore Gas in Illinois help customers who need assistance paying their heating bills. The Government and Community Relations team at Peoples Gas works with the Community Economic and Development Association (CEDA), human services agencies and other utilities to provide residents with a one-stop-shopping opportunity to get information on energy assistance and other resources. CEDA has taken hundreds of applications for energy assistance through the

Low Income Home Energy Assistance Program (LIHEAP) and Share the Warmth program as a result of these events. In 2015, the companies teamed with congressional members to host five events throughout Chicago.

We Energies' Cookie Book has been a holiday season tradition for 87 years. The first Cookie Book was published in 1928, when company home economists initiated the practice as a goodwill gesture. Today, customers, stockholders and employees are invited to share their cookie recipes for a chance to be part of this tradition. Free copies of the books are made available at distribution events for customers throughout the company's service area. All of the recipes from past cookie books are available online. During the holiday season, employees on field appointments offer a wrapped cookie to customers.



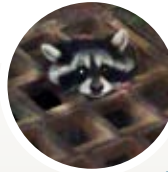
Energy Park at Wisconsin State Fair is an opportunity each August for We Energies employees to connect with customers in the company's permanent exhibit on the fairgrounds. Energy Park features energy-related performances, exhibits and demonstrations, staffed by employees. During the 11-day run of the fair, 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 how energy is generated and delivered to homes and businesses through interactive exhibits
- Visit the Energy Park garden and listen to a horticulturist as she presents tips on environmentally friendly landscaping options
- Watch 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 the company and pick up program and service information

Neighbors and friends serving neighbors and friends

Employees at our companies often demonstrate their care and concern in serving others as their friends and neighbors. A few examples:

» Packaging Corp. (PCA) of America Tomahawk Mill had a power failure on a mill power cable, leaving the entire mill complex without power. When the mill couldn't reach its regular electrical contractor to remedy the situation, it called the local Wisconsin Public Service (WPS) manager of customer service. Even though this was customer-owned equipment, WPS quickly mustered resources and the team worked throughout the night to restore power. **"This work was beyond the call of duty and sincerely appreciated by PCA and all the employees at PCA Tomahawk,"** noted the customer.



Two We Energies field employees came across an unusual sight in Milwaukee – a raccoon stuck in a sewer grate. They alerted their supervisor, who contacted the Wisconsin Humane Society. The Humane Society sent someone to rescue the little guy, nicknamed **"Walter the We Energies raccoon"** by the workers who found him.

» A gas lead utility employee in the We Energies Wautoma office was driving to work when he smelled something he is trained to recognize – mercaptan, an odorant added to natural gas. He was surprised the smell was so strong as he was traveling on a busy four-lane highway with his windows rolled up. He stopped his vehicle at the nearest property and began to investigate. **His sensor alerted him right away that there was a problem at the property.** He was able to determine that the home was vacant. He contacted his supervisor as well as the local authorities right away to report the home was filled with natural gas at dangerous levels. The employee and his coworkers were able to shut off the natural gas to the home quickly, while authorities vented the interior of the property.

» A We Energies troubleshooter and troubleshooter-in-training were returning to the Racine Service Center after a routine job, when they noticed something that wasn't quite routine. Black smoke was billowing in the air nearby. They headed toward the smoke and discovered a house fire. The home was just a half-mile from the Racine Service Center. Springing into action, they used garden hoses from neighboring houses to subdue the flames. The employee said the fire was attacking the fence and making its way up to the house. **"The quick thinking of the We Energies employees slowed the fire and prevented it from spreading to the attic,"** said the South Shore Fire Department division chief.

Demand-side management and energy efficiency programs



Many customers, including residential and business, want to take an active part in managing their use of energy, and our energy companies provide them with the tools and programs to achieve that goal.

Our electric energy companies offer a variety of time-of-use options through which customers can reduce their monthly bills by shifting some of their energy use to off-peak hours, the times of the day and night when energy demand and rates are less.

While these programs benefit residential customers, they also are attractive to small-business customers who have the flexibility to avoid energy use during the critical peak periods.

Through the Cool Credits program, Wisconsin Public Service (WPS) customers receive credits on their electric bills for allowing their air conditioning and/or electric water heater to be occasionally shut down for short periods. A small, remote-controlled switch is installed free-of-charge on the central air conditioner or electric water heater, or both. At times of extreme power demand, the air conditioner and/or water heater can be shut off or cycled on and off automatically by WPS to manage the demand on the system. This action does not interfere with the rest of the customer's electrical appliances.

Market based rates

Real-time market pricing (RTMP) and New Load Market Pricing (NLMP) present opportunities for new and existing We Energies and WPS general primary rate (commercial and industrial) customers to purchase a portion of their load at market prices. Customers on these rates/riders can increase their energy 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.

The parameters of these programs vary by company and participation is limited.

Energy efficiency: Customers take control of their energy use

Through a variety of energy efficiency programs, customers are taking control of their energy usage. In Illinois, our energy companies manage the Peoples Gas Natural Gas Saving Program and the North Shore Gas Natural Gas Saving Program. In Wisconsin and Michigan, Focus on Energy and Efficiency United, respectively, provide customers with rebates and incentives to reduce their energy usage. In Minnesota, our customers actively engage in the Minnesota Energy Resources Conservation Improvement Program, taking advantage of energy audits and analysis, new construction design assistance and rebates.

The energy-saving discounts and rebates vary by company and include rebates for furnaces, boilers, insulation or air sealing, and discounts for Energy Star-rated appliances and LED lighting.

Some customers also can participate in online energy audits to determine how they can make their home more energy efficient through no-cost or low-cost upgrades.

Our energy companies communicate these opportunities to use energy more efficiently via a number of vehicles. Some use bill messages and newsletters; others use those tools as well as social media.

These programs make an impact. Here are the numbers:

Aggregate of all WEC Energy Group utilities*

Participating customers	340,241
First-year kWh savings **	373,484,976
First-year therm savings **	45,232,193
Rebates value earned by customers	\$51,432,402

* We Energies, Wisconsin Public Service, Minnesota Energy Resources, Michigan Gas Utilities, Peoples Gas, North Shore Gas.

** First-year refers to the first, full-year savings achieved by the customer.

Note: Not all programs run on the same calendar year.

» **\$51,432,402**
 Saved by customers through energy efficiency rebates.



Public safety practices

Committed to keeping the public safe

WEC Energy Group's companies build and operate their networks of power lines and facilities with the safety of their employees and the public as their top priority.

An integrity-management program for natural gas transmission mains has been developed and implemented in accordance with local, state and federal regulations. High-consequence areas are identified, risk analysis completed annually, and assessment plans created. Physical assessment of transmission mains is done along with remediation as necessary.

Likewise, electric distribution lines are monitored for integrity through routine patrols, and a dedicated tree-trimming plan maintains adequate clearance around electric distribution wires and poles. Electric distribution infrastructure upgrades replace aging equipment according to a plan that ensures system safety and reliability.



Education and outreach

Our companies proactively share energy and safety information with a variety of audiences including children and teachers, contractors and first-responders.

Education programs for school children include classroom materials such as brochures, posters and other teacher workshop materials provided free to educators upon request.

For example, WPS offers the award-winning Path-to-Ground Electric Safety and Natural Gas Safety modules for middle school students. WPS also collaborates with the Einstein Science Expo in Green Bay, Wisconsin, to feature electric and natural gas safety at this annual family event. The company also partners with various agencies to promote Dam Safety Awareness Week in spring.

During the 11-day run of the annual Wisconsin State Fair, We Energies features electric and natural gas safety education for adults and children through a venue called Energy Park.



Contractors – those engaged in construction – are a key audience. Annually, our companies reach out to this audience to ensure they know how to work safely around energy facilities.

First-responders – public safety agencies, police and fire departments, rescue services, emergency government representatives and public officials – are another key audience. They need to know how to reach our companies and work with them during emergencies to ensure safety. The Wisconsin Public Service Foundation funds a grant for local emergency response organizations through which dollars are used for equipment, projects or professional development as part of a public safety initiative.

State laws mandate the use of a one call system in which customers and contractors must call to have underground facilities marked before they dig. This ensures their safety as well as the integrity of energy distribution systems.

During storms and other events, our companies use traditional channels and social media to warn customers about the dangers associated with downed wires or ruptured natural gas mains.

Agriculture services and safety

We Energies and WPS have well-established Agriculture Services programs. 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 company 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.

Additionally, We Energies and WPS representatives participate on the Midwest Rural Energy Council. We Energies also participates in the Wisconsin Utilities Association Stray Voltage and Electrical Exposure Committee, Institute of Electrical and Electronics Engineers Working Group on Stray and Contact Voltage, and University of Wisconsin Stray Voltage Investigator Training Series.

Supporting communities served by our companies

Our companies provide financial support for nonprofit, tax-exempt organizations in the communities we serve. Our focus areas are: arts and culture, community and neighborhood development, education, environmental, and human services and health. Company employees also take an active role in their communities, serving on nonprofit boards and volunteering their time.

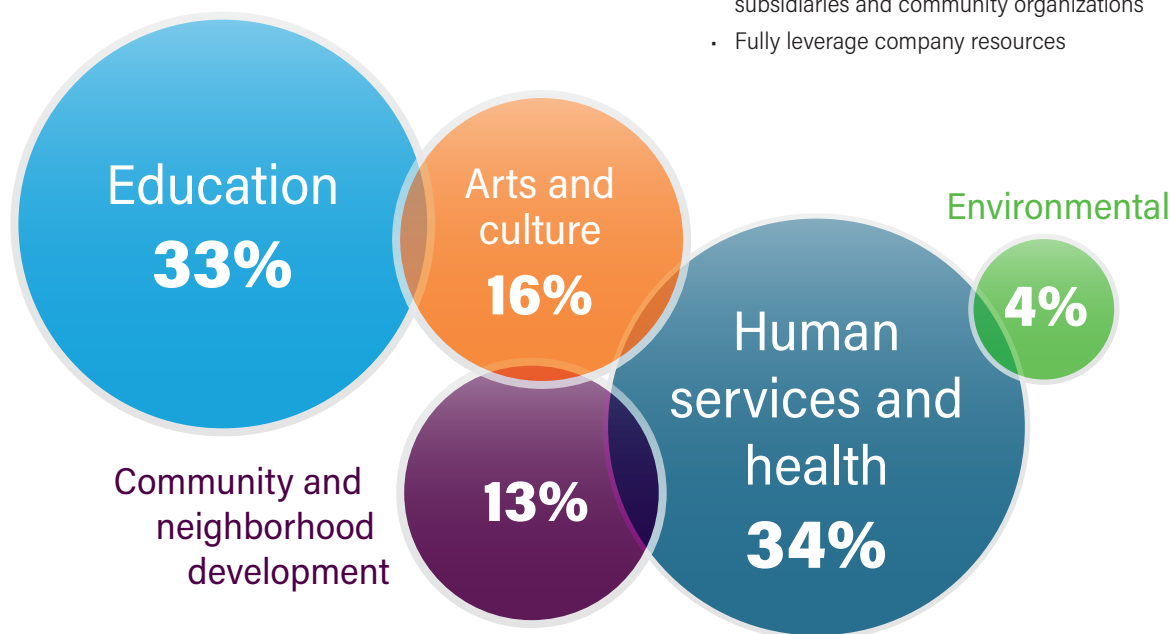
Workplace giving campaigns in our subsidiary companies also support the arts and numerous United Ways where we operate.

Funding through foundations, operations

We Energies and Wisconsin Public Service each operate foundations. The Wisconsin Public Service Foundation supports Wisconsin Public Service, Minnesota Energy Resources and Michigan Gas Utilities. Peoples Gas and North Shore Gas have a corporate contributions program which supports nonprofits in the same manner.

The goals of charitable outreach are to:

- Pursue a sustained, consistent approach to funding within the focus areas, better enabling the organizations to achieve lasting results
- Foster mutually beneficial relationships between our subsidiaries and community organizations
- Fully leverage company resources



2015 charitable contributions

	Michigan Gas Utilities	Minnesota Energy Resources	North Shore Gas	Peoples Gas	We Energies	Wisconsin Public Service
Arts and culture	3%	9%	—	4%	22%	8%
Community and neighborhood development	45%	62%	18%	22%	36%	25%
Education	23%	9%	11%	26%	39%	22%
Environmental	1%	—	14%	4%	3%	5%
Human services and health	28%	20%	57%	44%	—	40%

2015 support examples

Supporting veterans – Helping U.S. military veterans has been a focus of the We Energies Foundation since 2008 when it sponsored the inaugural Wisconsin Stars and Stripes Honor Flight of 70 veterans. Since that time, the foundation has supported this veterans' organization through multiple activities. In 2015, it sponsored the Sept. 15 Operation Parallel Honor Flight, which transported Korean War veterans to Washington, D.C.

Helping scouts – We Energies hosted its 62nd annual Boy Scout Electricity Merit Badge Clinic. The company has hosted the clinics for more than six decades, dating to 1954. More than 60 scouts attended the clinic, completing 11 requirements, from building electromagnets to wiring a basic circuit, to earn their electricity merit badges. Scouts also had to pass a written test covering basic electrical principles and safety. Nearly two dozen We Energies employees volunteered their time to help the scouts.

Assisting Habitat for Humanity – We Energies sponsored construction and employees rolled up their sleeves to help build a home for a Milwaukee family.

Creating beauty – The Robert W. Monk Gardens are northern Wisconsin's first public botanical gardens. Wisconsin Public Service employees and retirees teamed with Coca-Cola employees to clean up the gardens and prepare them for fall. The Wisconsin Public Service Foundation also supported the effort with a financial gift for the 20-acre property.

Supporting higher education – Michigan Gas Utilities (MGU) and the Wisconsin Public Service Foundation awarded \$10,500 to Lake Michigan Community College for the college's capital campaign to construct a new building. The college will name a room in the new building in recognition of MGU's support.

Supporting first responders – Minnesota Energy Resources, through the Wisconsin Public Service Foundation, awarded \$10,000 to first responders in its service area as part of the foundation's "Safety: It's Worth the Energy" grant opportunity. More than 60 area first-response agencies applied for funding, which must be used to purchase equipment and provide professional development for a public safety initiative. The 2015 recipient organizations included Eagan Fire Department, Zumbrota Volunteer Fire Department, Canby Fire Department, Detroit Lakes Fire Department, Grand Rapids Police Department and Willow River Fire Department.

Participating in Arbor Day – Minnesota Energy Resources partners with Rochester Public Utilities and other community organizations to promote Arbor Day with the schools in Rochester. Backpacks, provided by Minnesota Energy Resources, are distributed during the event.

Helping students save energy – Teachers, students and parents in Illinois participate in SuperSavers, an energy education program offered by Peoples Gas and North Shore Gas in K-8 schools. More than 10,500 students have participated to date. The program provides classroom materials and take-home kits, including a DVD and hands-on activities to involve family members.

In addition, the 2015 Peoples Gas Youth Ambassador program, an After School Matters summer science and community outreach effort, helped 50 high school teens learn about natural gas, infrastructure improvements and energy efficiency. These students also acted as ambassadors at community outreach events in two construction areas.



Lending a hand at Boys & Girls Clubs of Chicago – Peoples Gas and North Shore Gas employees and students from Chicago Public Schools volunteered at the Boys & Girls Clubs of Chicago's Louis L. Valentine Club, to give back to the Bridgeport community as part of the company's 18th annual "Commitment to Community" day in April. Infrastructure and engineering experts from Peoples Gas provided expertise in refurbishing the club's interior spaces, which provide a safe and welcoming place for 1,200 members to make new friends, develop new interests and participate in activities. Volunteers also built coat racks and cubbies in the hallway, assembled heavy-duty shelving in the gym, built and installed new vanities in locker rooms, and painted doors and walls.

Supporting YWCA and Women's Business – North Shore Gas supports the YWCA Lake County and the Women's Business Development Center's "Plan for Profit," an extensive entrepreneurial training workshop for women, veterans and minority small businesses. Three workshops are presented in English and Spanish. This unique collaboration assists entrepreneurs in establishing and growing sustainable small businesses that create jobs, fuel economic growth and build strong communities.

Political activities

WEC Energy Group (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 Chicago, Illinois; Madison, Wisconsin; Lansing, Michigan; and Washington, D.C. The company also hires contract lobbyists and works with trade organizations to assist in advocacy activities. WEC's lobbyists are lawfully registered in each jurisdiction where they perform services for us.

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 2015.

Political action disbursements

Organization	2015	2014	2013	2012	2011
WEC Political Action Committee (WEPAC – a federal PAC)	\$ 27,500	\$ 28,000	\$ 28,750	\$ 36,250	\$ 32,250
WEC PAC Better Government Committee (BGC – a state PAC)	30,500	45,100	26,000	23,100	26,950
WEC PAC Personal Contribution Account (PCA Conduit – a state PAC)	35,037	64,998	19,189	90,891	40,914
Michigan Political Action Committee (MIPAC – a state PAC)	-	18,000	3,275	6,950	150
Peoples Gas Political Action Committee (Peoples Gas PAC – a state PAC)	44,500	47,150	57,989	51,720	38,525
Total	\$ 137,537	\$ 156,098	\$ 77,214	\$ 157,191	\$ 100,264

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 WEC PAC 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	2015*	2014	2013	2012	2011
Hours	3,122	2,349	2,679	2,529	2,824
Expenditures	\$ 1,548,054	\$ 953,690	\$ 1,097,561	\$ 1,080,724	\$ 1,088,225

*2015 includes amounts for Wisconsin, Michigan, Illinois, Minnesota and federal.

WEC Energy Group 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 Energy Group'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, 2015 through Dec. 31, 2015	organization for political purposes
American Gas Association	\$ 372,257	\$ 18,612
American Gas Association – Gas Distributors Exchange	1,200	1,200
Chicago Chamber of Commerce	19,965	1,815
Edison Electric Institute	872,059	173,412
Illinois Chamber of Commerce/Energy Council	12,500	1,875
Illinois Energy Association	35,000	5,250
Illinois Manufacturers' Association	12,500	1,875
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	28,536	2,854
Wisconsin Utilities Association	253,690	38,053
Wisconsin Utility Investors	106,567	5,328

WEC Energy Group 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
 ◆ Monitor/no legislative action taken to date

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.1734) Establishes national standards for state programs to manage coal combustion products and preserves beneficial reuse programs.	✔
Comprehensive Energy Bill (H.R.8, S.2012) The legislation addresses a range of energy issues including grid reliability, energy infrastructure, grid security, hydropower relicensing, workforce development, strategic transformer reserve, and the Department of Energy (DOE) furnace rule.	➔
Environmental and Grid Reliability (H.R.1558, S.848) Clarifies that electric generators required to operate to comply with DOE emergency orders are not liable for environmental violations resulting from those emergency operations.	✔
Low Income Home Energy Assistance Program (LIHEAP) Maintains appropriate funding level for LIHEAP.	✔
Rail Shipper Fairness Act (S.853) / STB Reform Implements changes to the STB to address rail shipper concerns.	✔

SOCIAL PERFORMANCE

Legislative Bills/Resolutions (Wisconsin)	Position
Assembly Bill 122 Exempting certain vehicles of utilities from class B highway weight limitations and certain special or seasonal weight limitations.	✓
Assembly Bill 204 Repealing an air pollution rule promulgated by the Department of Natural Resources.	✓
Assembly Bill 251 Various changes regarding administrative rules and rule-making procedures; time limits for emergency rules; and making an appropriation.	✓
Assembly Bill 319 Conveying interests in local government land for construction of natural gas lines.	✓
Assembly Bill 335 Utility aid payments for decommissioned or closed production plants.	✓
Assembly Bill 384 Requirements for approval of construction of nuclear power plants and changes to the state's energy priorities policy.	✓
Assembly Bill 405 Exemptions from certain taxes and other requirements for work performed by persons from outside the state during a state of emergency declared by the governor.	✓
Assembly Bill 547 Trespass and damage to property owned or used by an energy provider and providing a criminal penalty.	✓
Assembly Bill 560 Disconnection devices for distributed generation facilities.	✓
Assembly Bill 582 Government actions affecting rights to real property; regulation of shoreland zoning; substitution of hearing examiners in contested cases; and property tax treatment of unoccupied property.	✓
Assembly Bill 600 The regulation of navigable waters and wetlands.	✓
Assembly Bill 701 Action required to be taken in response to a discharge of hazardous substances, exemption from liability for certain hazardous substance discharges, providing an exemption from emergency rule procedures, and granting rule-making authority.	✓
Assembly Bill 804 One-call system violations; sulfur dioxide compliance plans; assessment authority of the Public Service Commission of Wisconsin; funding for statewide energy efficiency and renewable resource programs; public utility contracts with affiliated interests; local access and transport areas for telephone service; railroad telecommunications service; Department of Natural Resources permit application procedures related to the construction of a high-voltage transmission line; navigable water general permits and individual permits related to utility facilities; granting rule-making authority; and making an appropriation.	✓
Senate Bill 80 Exempting certain vehicles of utilities from class B highway weight limitations and certain special or seasonal weight limitations.	✓
Senate Bill 135 The use of a cellular or other wireless telephone while driving a moving vehicle in a construction zone and providing a penalty.	✓
Senate Bill 144 Repealing an air pollution rule promulgated by the Department of Natural Resources.	✓
Senate Bill 231 Conveying interests in local government land for construction of natural gas lines.	✓
Senate Bill 252 Utility aid payments for decommissioned or closed production plants.	✓
Senate Bill 288 Requirements for approval of construction of nuclear power plants and changes to the state's energy priorities policy.	✓

SOCIAL PERFORMANCE

Senate Bill 459 The regulation of navigable waters and wetlands.	✓
Senate Bill 464 Government actions affecting rights to real property; the regulation of shoreland zoning; the substitution of hearing examiners in contested cases; and the property tax treatment of unoccupied property.	✓
Senate Bill 545 Action required to be taken in response to a discharge of hazardous substances, exemption from liability for certain hazardous substance discharges, providing an exemption from emergency rule procedures, and granting rule-making authority.	✓
Senate Bill 654 One-call system violations; sulfur dioxide compliance plans; assessment authority of the Public Service Commission of Wisconsin; funding for statewide energy efficiency and renewable resource programs; public utility contracts with affiliated interests; local access and transport areas for telephone service; railroad telecommunications service; Department of Natural Resources permit application procedures related to the construction of a high-voltage transmission line; navigable water general permits and individual permits related to utility facilities; granting rule-making authority; and making an appropriation.	✓
Legislative Bills/Resolutions (Illinois)	Position
House Bill 2607 Proposed by the Clean Jobs Coalition, legislation increases the current renewable portfolio standard (RPS), increased energy efficiency goals, and created a cap and invest or cap and trade program.	◆
House Bill 3293 Proposed by Exelon, legislation seeks to create a new clean carbon portfolio standard that would require utilities to purchase a certain amount of clean carbon energy such as nuclear, clean coal and renewables.	◆
House Bill 3328 ComEd's proposed "Smart Plan for Illinois' Energy Future" would modernize electric utility regulations in the state to enhance opportunities for energy efficiency, solar energy, electric cars and demand response programs.	◆
Senate Bill 547 Allows the City of Chicago to enforce Digger/Chicago Utility Alert Network requirements and to levy fines for violations.	◆
Senate Bill 1485 Proposed by the Clean Jobs Coalition, legislation increases the current renewable portfolio standard (RPS), increased energy efficiency goals, and created a cap and invest or cap and trade program.	◆
Senate Bill 1585 Proposed by Exelon, legislation seeks to create a new clean carbon portfolio standard that would require utilities to purchase a certain amount of clean carbon energy such as nuclear, clean coal and renewables.	◆
Senate Bill 1645 Requires that Illinois utility companies waive, for 60 days, all deposits or credit requirements for a residential customer or applicant who is the victim of domestic violence.	◆
Senate Bill 1879 ComEd's proposed "Smart Plan for Illinois' Energy Future" would modernize electric utility regulations in the state to enhance opportunities for energy efficiency, solar energy, electric cars and demand response programs.	◆
Senate Bill 2039 Gives the Illinois Department of Commerce and Economic Opportunity (DCEO) appropriation authority to spend Illinois State Supplemental LIHEAP funds.	✓
Senate Bill 2042 Gives the Illinois Department of Commerce and Economic Opportunity (DCEO) appropriation authority to spend federal LIHEAP money.	✓

* WEC did not have public policy positions in Michigan or Minnesota.