



***Wisconsin Energy
Corporation***

December 2014

Cautionary Statement Regarding Forward-Looking Information

This presentation contains certain forward-looking statements with respect to the financial condition, results of operations and business of Wisconsin Energy and Integrys and the combined businesses of Integrys and Wisconsin Energy and certain plans and objectives of Wisconsin Energy and Integrys with respect thereto, including the expected benefits of the proposed merger transaction. These forward-looking statements can be identified by the fact that they do not relate only to historical or current facts. Forward-looking statements often use words such as “anticipate”, “target”, “expect”, “estimate”, “intend”, “plan”, “goal”, “believe”, “hope”, “aim”, “continue”, “will”, “may”, “would”, “could” or “should” or other words of similar meaning or the negative thereof. There are several factors which could cause actual plans and results to differ materially from those expressed or implied in forward-looking statements. Such factors include, but are not limited to, the expected closing date of the proposed merger; the possibility that the expected value creation from the proposed merger will not be realized, or will not be realized within the expected time period; the risk that the businesses of Wisconsin Energy and Integrys will not be integrated successfully; disruption from the proposed merger making it more difficult to maintain business and operational relationships; the risk that unexpected costs will be incurred; changes in economic conditions, political conditions, trade protection measures, licensing requirements and tax matters; the possibility that the proposed merger does not close, including, but not limited to, due to the failure to satisfy the closing conditions; and the risk that financing for the proposed merger may not be available on favorable terms. These forward-looking statements are based on numerous assumptions and assessments made by Wisconsin Energy and/or Integrys in light of their experience and perception of historical trends, current conditions, business strategies, operating environment, future developments and other factors that each party believes appropriate. By their nature, forward-looking statements involve known and unknown risks and uncertainties because they relate to events and depend on circumstances that will occur in the future. The factors described in the context of such forward-looking statements in this presentation could cause actual results, performance or achievements, industry results and developments to differ materially from those expressed in or implied by such forward-looking statements. Although it is believed that the expectations reflected in such forward-looking statements are reasonable, no assurance can be given that such expectations will prove to have been correct and persons reading this presentation are therefore cautioned not to place undue reliance on these forward-looking statements which speak only as of the date of this presentation. Neither Wisconsin Energy nor Integrys assumes any obligation to update the information contained in this presentation (whether as a result of new information, future events or otherwise), except as required by applicable law. A further list and description of risks and uncertainties at Wisconsin Energy can be found in Wisconsin Energy’s Annual Report on Form 10-K for the fiscal year ended December 31, 2013 and in its reports filed on Form 10-Q and Form 8-K. A further list and description of risks and uncertainties at Integrys can be found in Integrys’ Annual Report on Form 10-K for the fiscal year ended December 31, 2013 and in its reports filed on Form 10-Q and Form 8-K.

Additional Information And Where to Find It

*In connection with the proposed merger, Wisconsin Energy filed with the Securities and Exchange Commission (“SEC”) a registration statement on Form S-4 that includes a joint proxy statement/prospectus for the shareholders of Wisconsin Energy and Integrys. The registration statement was declared effective by the SEC on October 6, 2014. Each of Wisconsin Energy and Integrys mailed the joint proxy statement/prospectus to their respective shareholders and will file other documents regarding the proposed merger with the SEC. **Wisconsin Energy and Integrys urge investors and shareholders to read the joint proxy statement/prospectus as well as other documents filed with the SEC when they become available, because they will contain important information.** Investors and security holders will be able to receive the registration statement containing the joint proxy statement/prospectus and other documents free of charge at the SEC’s web site, <http://www.sec.gov>, from Wisconsin Energy at Wisconsin Energy Corporation Corporate Secretary, 231 W. Michigan St., P.O. Box 1331, Milwaukee, WI 53201, or from Integrys at 200 East Randolph Street, Chicago, IL 60601.*

Non-solicitation

This presentation shall not constitute an offer to sell or the solicitation of an offer to sell or the solicitation of an offer to buy any securities, nor shall there be any sale of securities in any jurisdiction in which such offer, solicitation or sale would be unlawful prior to registration or qualification under the securities laws of any such jurisdiction. No offer of securities shall be made except by means of a prospectus meeting the requirements of Section 10 of the Securities Act of 1933, as amended.

Current Investment Thesis

An “Earn and Return” Company with a Low Risk Profile

- Positive free cash flow
- Targeted EPS growth of 4%-6%
- Best in class dividend growth - targeting a dividend payout ratio of 65%-70% of earnings in 2017
 - In December, Board announced plans to increase the annual dividend by 8.3%
- Proven management team that has delivered strong financial results and operational excellence
- Balanced regulatory climate

Future Investment Thesis

An “Earn and Return” Company with a Low Risk Profile

- Remain positive free cash flow
- Targeted EPS growth of 5%-7%
- Accelerated dividend growth
 - Implies 14%-15% dividend growth from 2014 to merger close*
 - Targeting a dividend payout ratio of 65%-70%
- Same proven management team that has delivered strong financial results and operational excellence
- Balanced regulatory climate with additional regulatory diversity

* from the perspective of a Wisconsin Energy shareholder

A Track Record of Performance

Leading Reliability and Customer Satisfaction



- Named the most reliable utility in the Midwest for the fourth year in a row and seven of the past 10 years
- During 2013, achieved highest customer satisfaction ratings in past decade ... likely best ever

Track Record of Performance

Business Customer Satisfaction

- Survey* responses from approximately 17,000 commercial customers across 48 utility systems nationwide

- We Energies ranked:
 - Number 1 in Wisconsin
 - Number 1 in the Midwest for power quality and reliability
 - Number 1 in the Midwest for customer service

* 2014 J.D. Power and Associates Electric Business Customer Satisfaction Study/Large Utilities

Dramatic Change in Environmental Performance

- From 2000 to 2014...

- Power plant capacity

up 50%



- Emissions of

nitrogen oxide

sulfur dioxide

mercury

particulate matter

down 80%



Consistent Earnings and Dividend Growth

Wisconsin Energy is the only company in the

- S&P Electric Index
- S&P Utilities Index
- Philadelphia Utility Index
- Dow Jones Utilities Average

that has grown earnings per share and dividends per share every year since 2003

A Track Record of Performance

Industry Leading Total Shareholder Returns

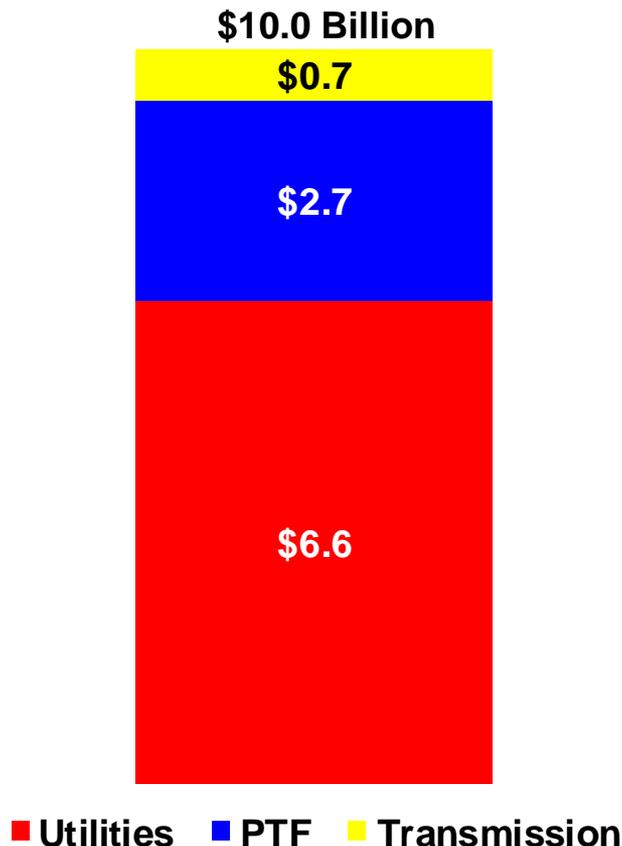
	One Year	Three Year	Five Year	Ten Year
Wisconsin Energy	16.1%	55.5%	131.8%	227.1%
S&P Utilities Index	13.2%	37.5%	62.3%	141.8%
S&P Electric Index	7.8%	29.7%	38.7%	132.4%
Philadelphia Utility Index	11.0%	31.6%	53.0%	137.1%
Dow Jones Utilities Average	12.7%	37.1%	64.2%	170.5%

Annualized returns for periods ending 12/31/2013

Source: Bloomberg data, assumes all dividends were reinvested and returns were compounded daily

Summary of Wisconsin Energy's Core Business

Rate Base and Power the Future Investment at 12/31/13



- **Retail Electric and Gas Utilities**
 - Wisconsin, Michigan, and FERC jurisdictions
 - 48.5% to 53.5% equity for Wisconsin Electric
 - 10.4% allowed ROE
 - 45% to 50% equity for Wisconsin Gas
 - 10.5% allowed ROE
- **Power the Future**
 - 53% to 55% equity levels in lease agreements
 - 12.7% ROE fixed in lease agreements
- **Wholesale Electric Transmission**
 - FERC jurisdictional
 - 50% equity level for rates
 - 12.2% ROE with true-up

Note: Value for retail electric and gas utilities represents rate base.
Power the Future value is book value of investment.
Wholesale electric transmission is 26.2% of ATC's rate base.

Where We Go From Here

Delivering the Future

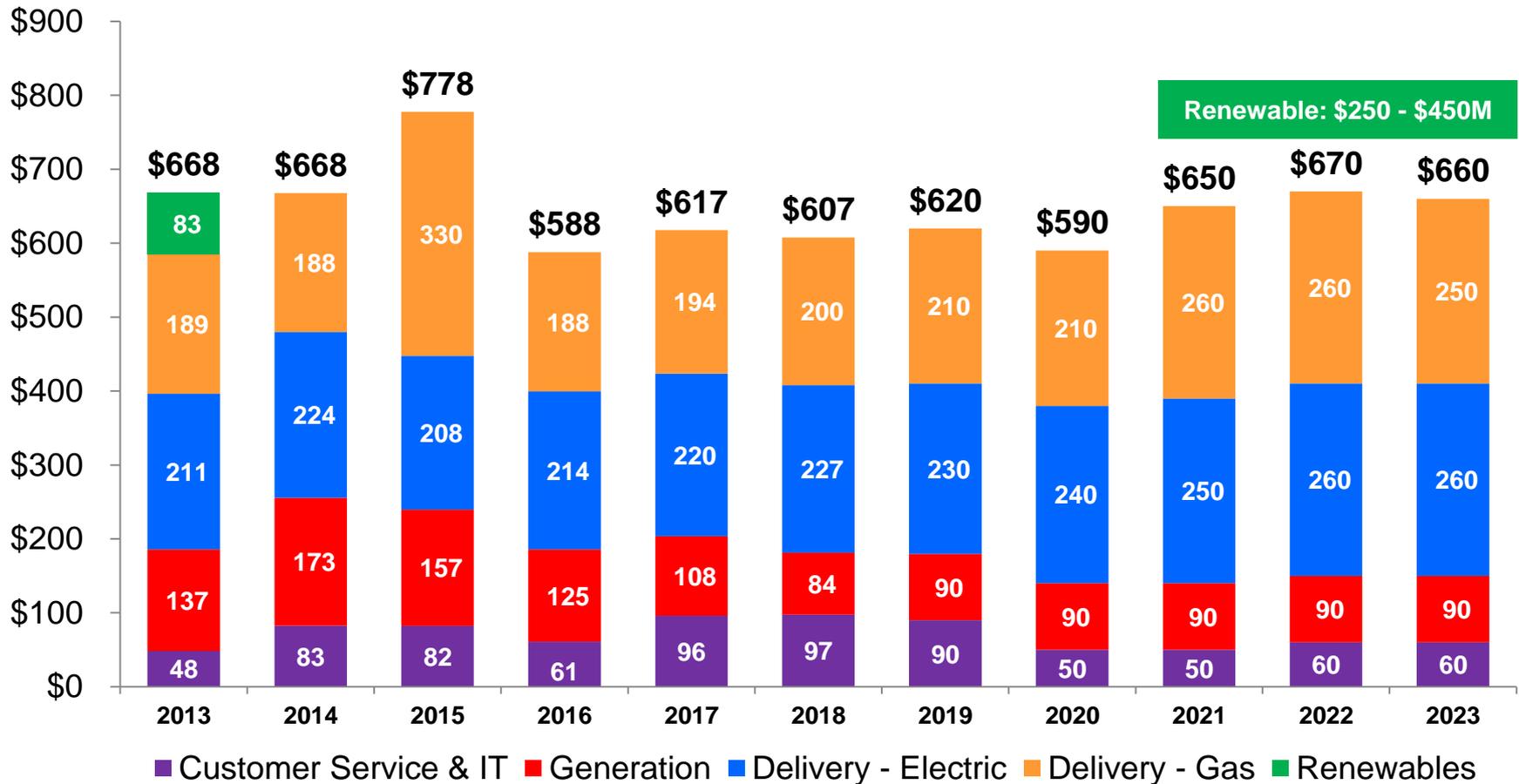
- From 2014 through 2023, our plan is to invest \$6.5 to \$7.1 billion in needed infrastructure projects that will:
 - Renew and modernize our grid
 - Meet new environmental standards
 - Reduce our operating costs for customers



Where We Go From Here

Ten-Year Capital Investment in our Retail Utilities

(Projected Investment, In millions)



Depreciation expected to average \$425 million annually over the ten-year period

Delivering the Future – Overview

Between 2014 and 2018, we plan to:

- Rebuild 2,000 miles of electric distribution lines that are more than 50 years old
- Upgrade our electric infrastructure by replacing:
 - 18,500 power poles
 - 20,000 transformers
 - Hundreds of substation components
- Improve our gas distribution network by replacing:
 - 1,100 miles of vintage plastic and steel gas mains
 - 83,000 individual gas distribution lines
 - 233,000 meter sets

Where We Go From Here

Major Construction Projects

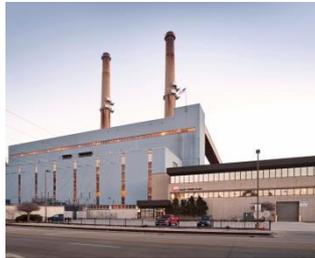


Western Wisconsin gas distribution expansion

- \$175-\$185 million investment
- Projected in-service date: fourth quarter, 2015

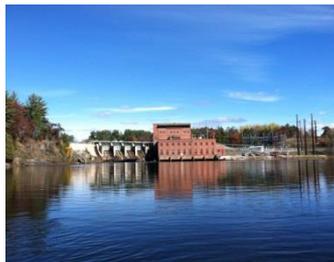
Projects at our new Oak Creek units

- Seeking Wisconsin Commission approvals for:
 - \$21 million investment for plant modifications
 - \$58 million investment for storage, fuel handling
- Significant reduction in fuel cost for our customers



Valley Power Plant: converting from coal to gas

- \$65-\$75 million investment
- Projected completion in late 2015

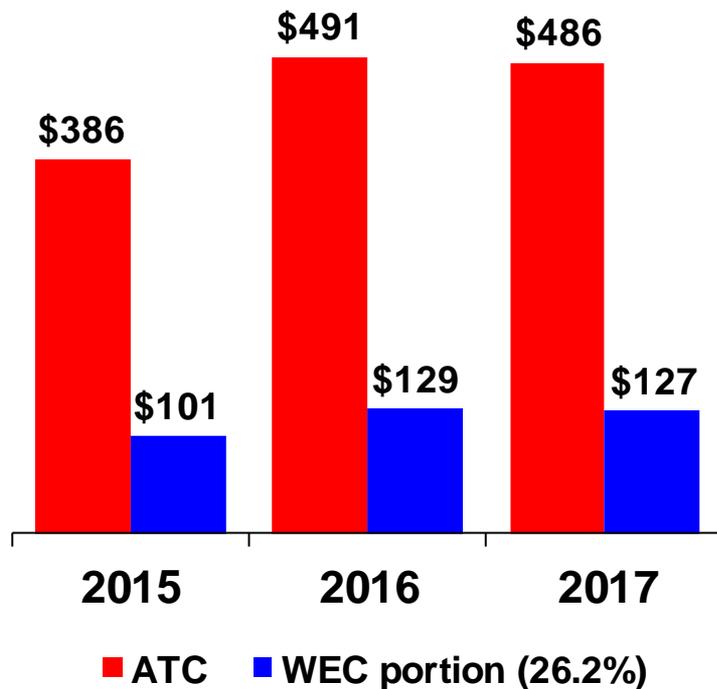


Twin Falls: building a new powerhouse

- \$60-\$65 million projected investment
- Projected completion in 2016

Growth at American Transmission Company

Projected Capital Expenditures (Millions of Dollars)



Key Assumptions

- ATC rate base at year end 2015 is projected to be about \$3.1 billion
- ATC projects a need for \$3.3-\$3.9 billion of transmission improvements in its footprint from 2014 to 2023
- Implies average \$72 million effective annual rate base growth for WEC from 2015 to 2017
- Excludes potential transmission projects outside ATC's traditional footprint

Transaction Overview

- Wisconsin Energy is planning to acquire Integrys for a total consideration of \$71.47 per share based on June 20 closing price



Transaction Overview

- Acquisition will create the leading electric and natural gas utility in the Midwest
- Combination will offer significant benefits to customers and shareholders of both companies
- Meets or exceeds WEC's acquisition criteria
 - Accretive to earnings per share starting in first full calendar year of combined operations
 - Largely credit neutral
 - Long-term growth prospects of combined entity equal to or greater than standalone company
- Combined company's long term EPS growth rate expected to be 5-7%

Operational and Financial Fit

■ Operational

- Strong geographic fit and complementary operations
- Majority ownership of ATC
- Regulatory diversification

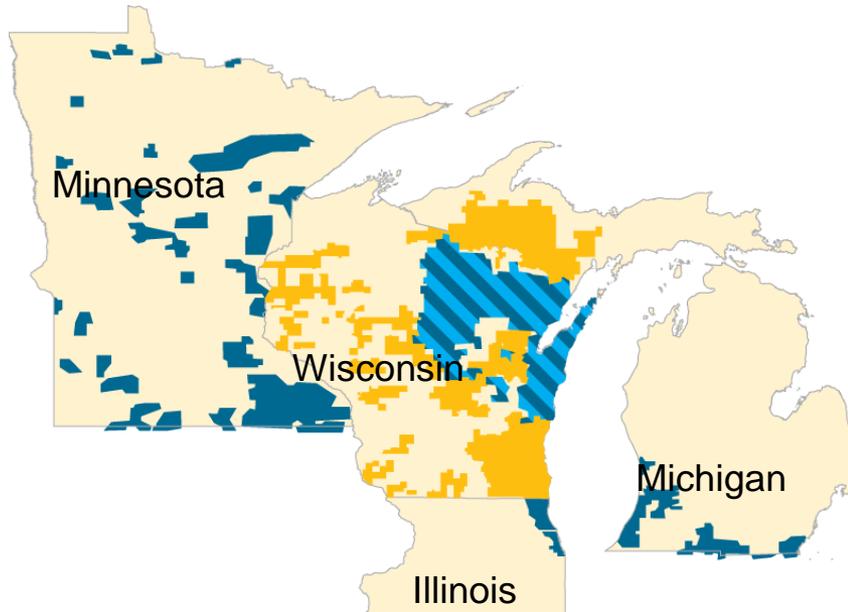
■ Financial

- Double the annual capital spending and increase regulated rate base by 70%
- EPS growth rate of 5-7%, more than 99% from regulated operations
- Charitable contributions and community involvement to be maintained at historic levels
- Continued strong balance sheet and cash flow
- Still expect to be cash flow positive on an annual basis

Strategic Rationale

Pro Forma Company Overview

Combined Service Territory



- Integrys Gas
- Integrys Combo Service
- Wisconsin Energy

Company Statistics

- \$15 billion market cap
- 1.5 million electric customers
- 2.8 million gas customers
- 60% ownership of ATC (1)
- 71,000 miles electric distribution
- 44,000 miles gas distribution
- \$16.7 billion of rate base in 2015

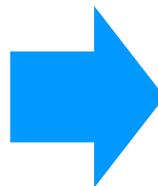
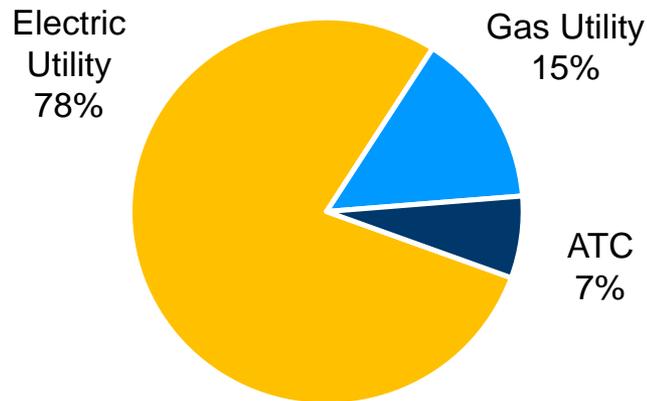
1. Calculated as % ownership of total ATC transmission lines. WEC and TEG own 26.2% and 34.07% of ATC, respectively.

Strategic Rationale

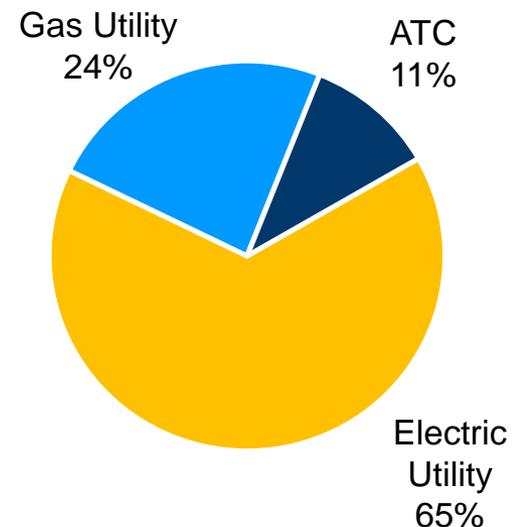
Current and Pro Forma Business Mix

Regulated Business Mix

Current WEC₍₁₎



Pro Forma WEC₍₁₎



(1) Based on 2013 regulated earnings

Key Transaction Components

Headquarters	<ul style="list-style-type: none">• Corporate headquarters in metropolitan Milwaukee• Continued operating headquarters in Green Bay, Chicago, and Milwaukee
Leadership	<ul style="list-style-type: none">• Chairman and CEO: Gale Klappa• Other senior leadership roles in combined company to be filled by current WEC senior officers• WEC board to add three members from TEG board
Name	<ul style="list-style-type: none">• Upon closing, new company name will be WEC Energy Group, Inc.• Ticker remains WEC
Ownership	<ul style="list-style-type: none">• 72% current WEC shareholders, 28% current TEG shareholders

Summary of Financial Terms

- Overall Integrys transaction value: \$9.1 billion
(based on June 20, 2014 closing price)
 - \$5.8 billion for Integrys shares
 - \$3.3 billion of assumed Integrys debt
- 74% equity, 26% cash
 - Fixed exchange ratio of 1.128 WEC shares per TEG share
 - \$18.58 per share cash consideration
 - Funded by issuing approximately \$1.5 billion of acquisition debt

Dividend Policy

- Integrys shareholders neutral initially
- Current dividend policy for WEC shareholders until closing
- WEC shareholders to receive dividend increase at time of close
- Expected to be accretive to both sets of shareholders in future years

Approval Timeline

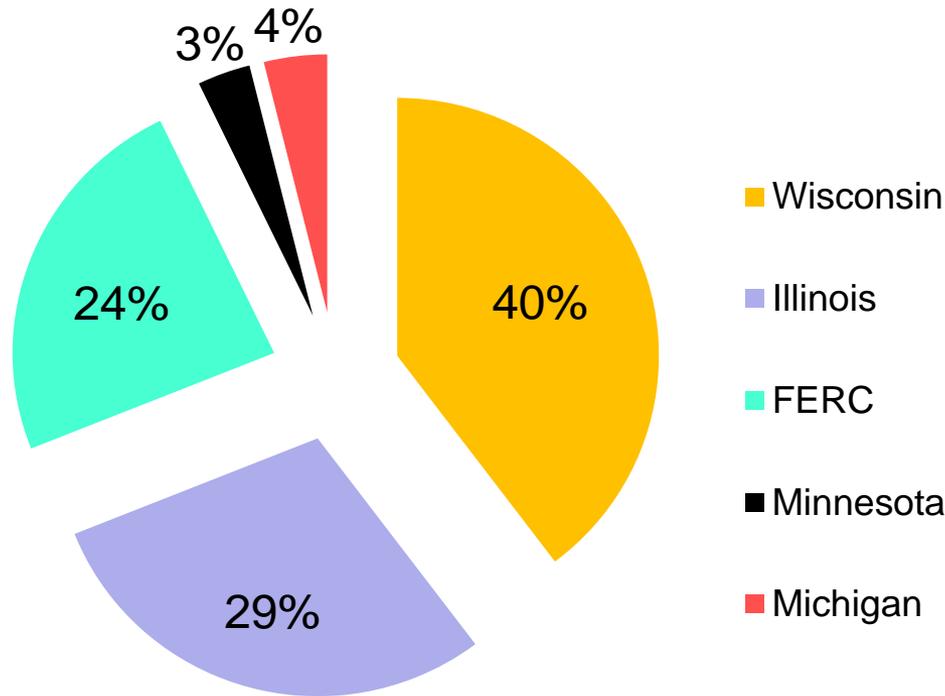
- Regulatory approval decision dates:

Illinois	July 6, 2015
Michigan	June 15, 2015
Minnesota	Comments from state agencies filed October, 2014 advising state PUC to assert jurisdiction
Wisconsin	March 20, 2015 targeted for oral decision by Wisconsin Commission
U.S. Department of Justice	Complete. Termination of “waiting period” occurred October 24
Federal Energy Regulatory Commission (FERC)	Public comment period closed October 17

- WEC and TEG shareholder’s approved merger on November 21
- Expect transaction to close second half of 2015

Integrys Earnings Breakdown

2013 Net Income By Jurisdiction



■ More than 99% of earnings from regulated businesses*

■ Almost 2/3 of earnings from Wisconsin and FERC

■ Wisconsin Jurisdiction:

- \$2.3 billion rate base
- 10.2% ROE
- Electric and Gas

■ FERC Jurisdiction (ATC)

- 34% ATC ownership
- 12.2% ROE

■ Illinois Jurisdiction:

- \$1.7 billion rate base
- 9.28% ROE
- Gas

* Assumes sale of IES

Regulated Investment Opportunities

Up to \$3.5 billion investment from 2014 through 2018

Selected Projects by Company	2014	2015	2016	2017	2018
Regulated Electric					
Columbia environmental upgrade	[Green bar spanning 2014-2015]				
Weston 3 environmental upgrade	[Green bar spanning 2014-2017]				
System Modernization and Reliability Project	[Green bar spanning 2014-2018]				
Other generation and distribution investment	[Green bar spanning 2014-2018]				
Potential opportunities to add generation capacity	[Green bar spanning 2016-2018]				
Regulated Gas					
Chicago pipeline infrastructure	[Blue bar spanning 2014-2018]				
Other gas distribution and transmission investment	[Blue bar spanning 2014-2018]				

Notes:

- (1) Columbia environmental upgrade total investment \$225 million from 2012 to 2014
- (2) Expected average annual spending at WPS of \$285 million, Peoples Gas of \$370 million, and the other gas utilities of \$45 million
- (3) Does not include ATC investment

Chicago Gas Infrastructure Investment

- Twenty-year program to replace gas infrastructure in the City of Chicago
 - Average annual investment over next five years expected to be \$350 million
- Investment recovery covered under Qualified Infrastructure Plant Rider (QIP)
 - Immediate earnings as infrastructure investments are made (return on and of capital costs)
 - Monthly filings (one-month delay on cash flow)
 - In effect from 2014 – 2023
- Over 1,000 jobs created since the program began

Wisconsin Public Service Investment

- Weston 3 plant environmental upgrade
 - Approved by Wisconsin Commission
 - \$345 million of total investment expected from 2013-2016
- System Modernization and Reliability Project
 - Approved by Wisconsin Commission
 - \$220 million of total investment expected from 2014-2018
 - Project activities:
 - Convert over 1,000 miles of overhead distribution power lines to underground
 - Add distribution automation equipment on 400 miles of lines

Key Takeaways of Transaction

- Combination creates the leading electric and natural gas utility in the Midwest and a top ten gas distribution company
- EPS growth of 5-7% coupled with strong dividend growth
- Larger ownership in ATC brings opportunity for additional transmission investment
- Positioned to deliver among the best risk-adjusted returns in the industry
 - Positive free cash flow