



Poised for Growth

Investor Update: **December 2017**



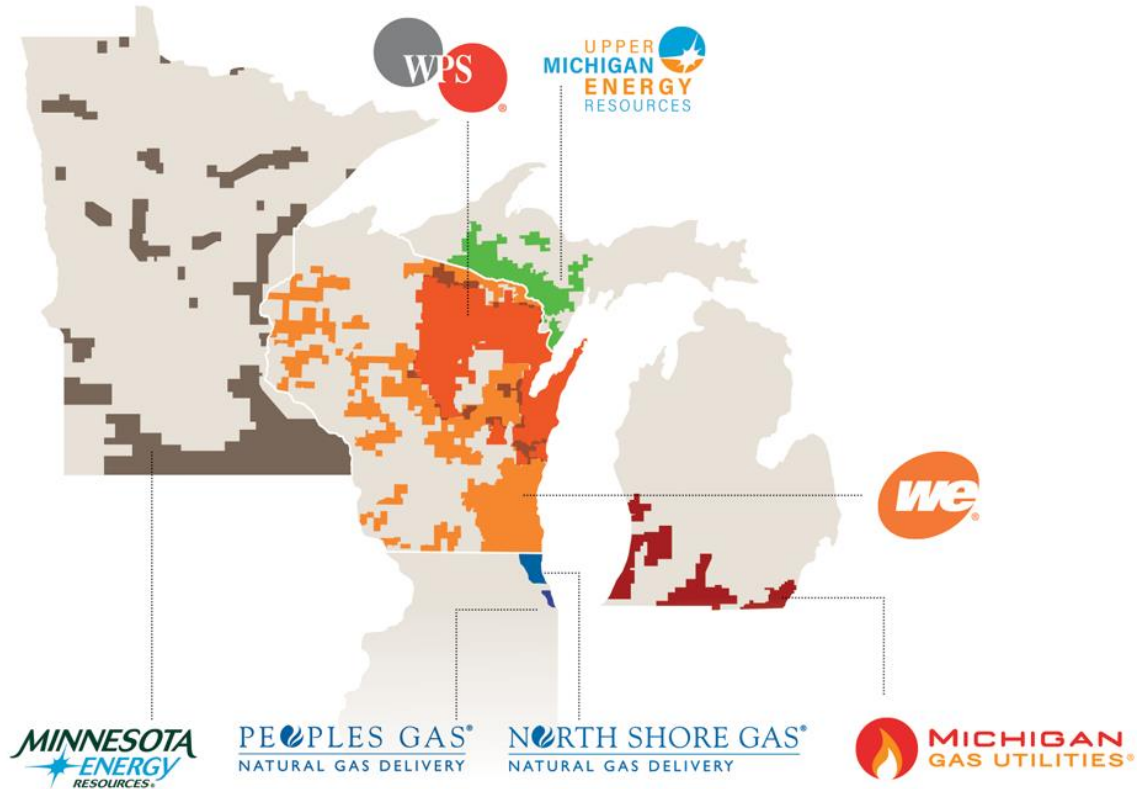
Cautionary Statement Regarding Forward-Looking Information

Much of the information contained in this presentation is forward-looking information based upon management's current expectations and projections that involve risks and uncertainties. Forward-looking information includes, among other things, information concerning earnings per share, rate case activity, earnings per share growth, cash flow, dividend growth and dividend payout ratios, capital plans, construction costs, generating unit retirements, investment opportunities, corporate initiatives (including any generation restructuring plan), rate base, and environmental matters (including emission reductions). Readers are cautioned not to place undue reliance on this forward-looking information. Forward-looking information is not a guarantee of future performance and actual results may differ materially from those set forth in the forward-looking information.

In addition to the assumptions and other factors referred to in connection with the forward-looking information, factors that could cause WEC Energy Group's actual results to differ materially from those contemplated in any forward-looking information or otherwise affect our future results of operations and financial condition include, among others, the following: general economic conditions, including business and competitive conditions in the company's service territories; timing, resolution and impact of future rate cases and other regulatory decisions; the company's ability to continue to successfully integrate the operations of its subsidiaries; availability of the company's generating facilities and/or distribution systems; unanticipated changes in fuel and purchased power costs; key personnel changes; varying weather conditions; continued industry consolidation; cyber-security threats; the value of goodwill and its possible impairment; construction risks; equity and bond market fluctuations; the impact of any legislative and regulatory changes, including changes to existing and/or anticipated environmental standards and tax laws; current and future litigation and regulatory investigations; changes in accounting standards; and other factors described under the heading "Factors Affecting Results, Liquidity, and Capital Resources" in Management's Discussion and Analysis of Financial Condition and Results of Operations and under the headings "Cautionary Statement Regarding Forward-Looking Information" and "Risk Factors" contained in WEC Energy Group's Form 10-K for the year ended December 31, 2016 and in subsequent reports filed with the Securities and Exchange Commission. WEC Energy Group expressly disclaims any obligation to publicly update or revise any forward-looking information.

Company Statistics

- \$21.9 billion market cap ⁽¹⁾
- 1.6 million electric customers
- 2.8 million gas customers
- 60% ownership of ATC
- 69,000 miles electric distribution
- 46,000 miles gas distribution
- \$17.7 billion of rate base ⁽²⁾
- 99+% regulated ⁽³⁾



- (1) As of 11/30/17
- (2) 2016 average rate base
- (3) Based on earnings from operations

Focused on the Fundamentals

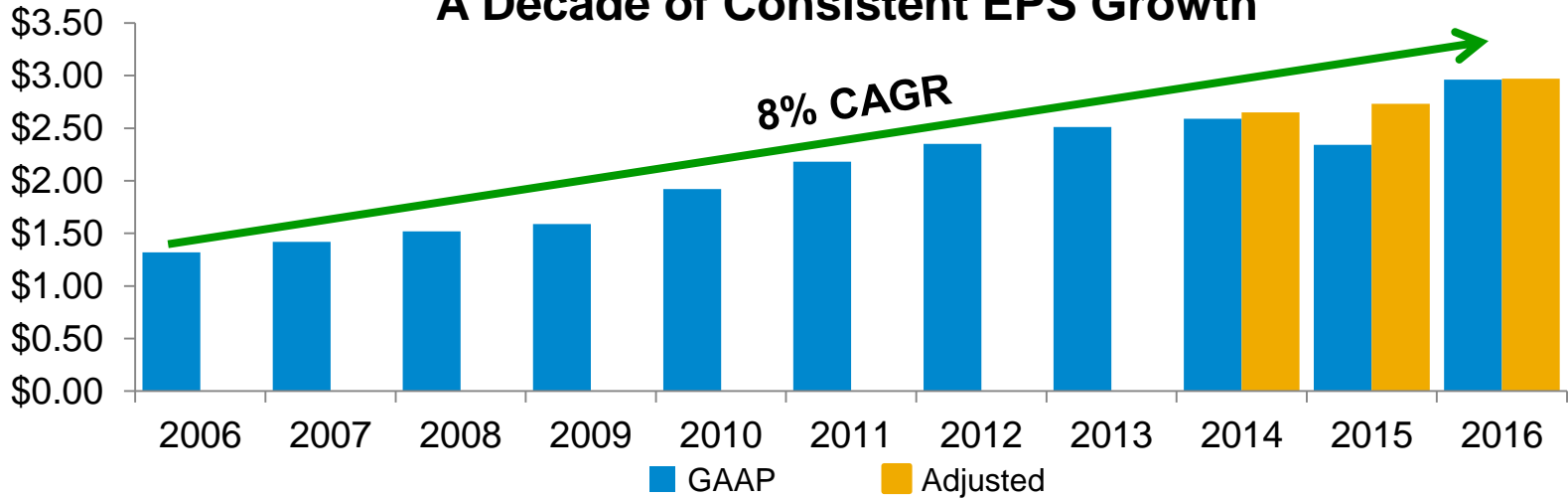
“Across the corporation, our employees are focused on the fundamentals – safety, efficiency, reliability, financial discipline and customer care. These fundamentals provide a strong platform for sustainable business. As we look toward the future, we commit to serving our customers and supporting our communities as a responsible corporate citizen.”

- Allen Leverett, WEC Energy Group President



Focused on the Fundamentals

A Decade of Consistent EPS Growth



Ranked #2 in our sector

Best in America - 2017



Best in Midwest 7 years in a row

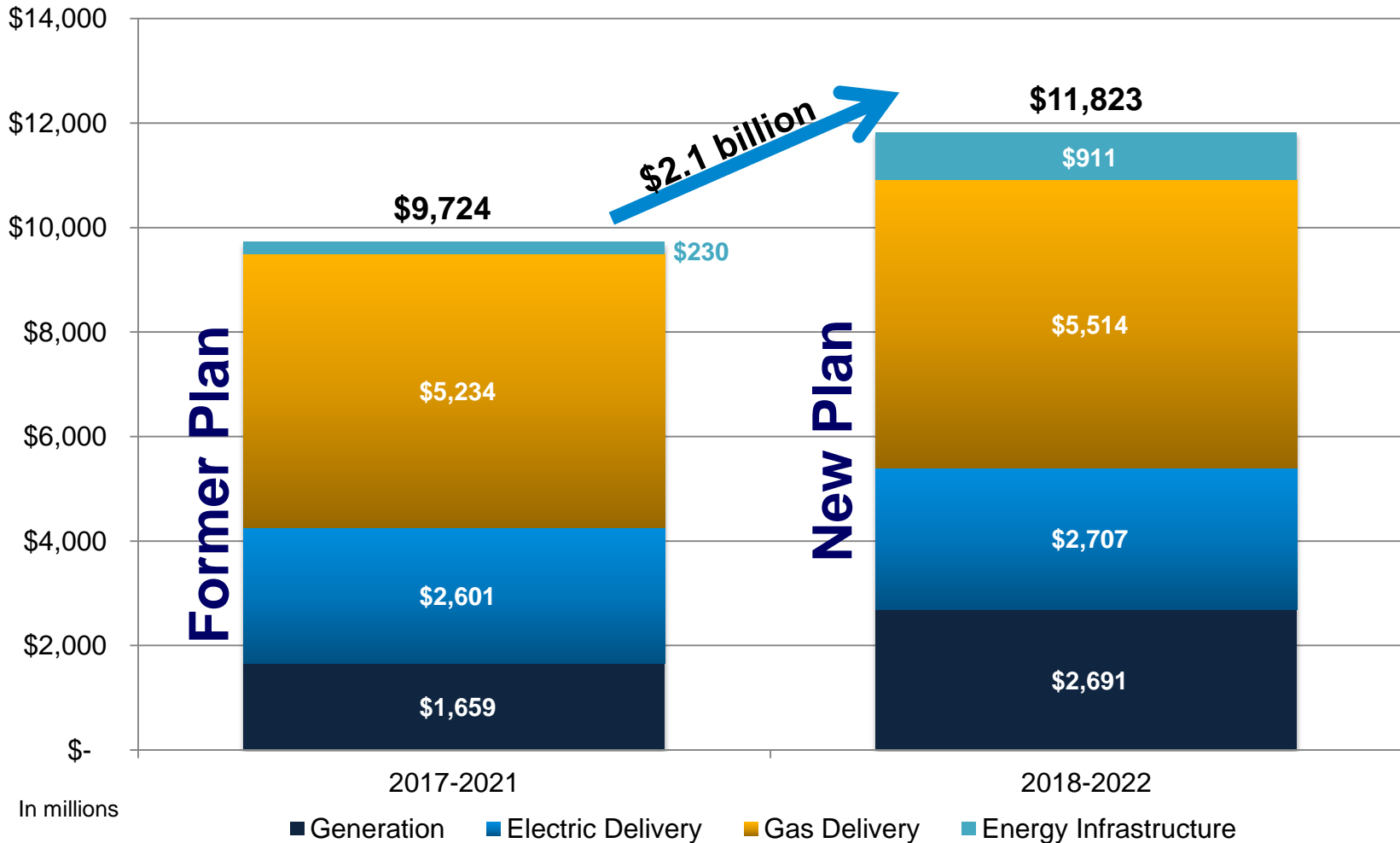
Proven Track Record of Performance

*The only regulated utility to beat guidance 10 years in a row**

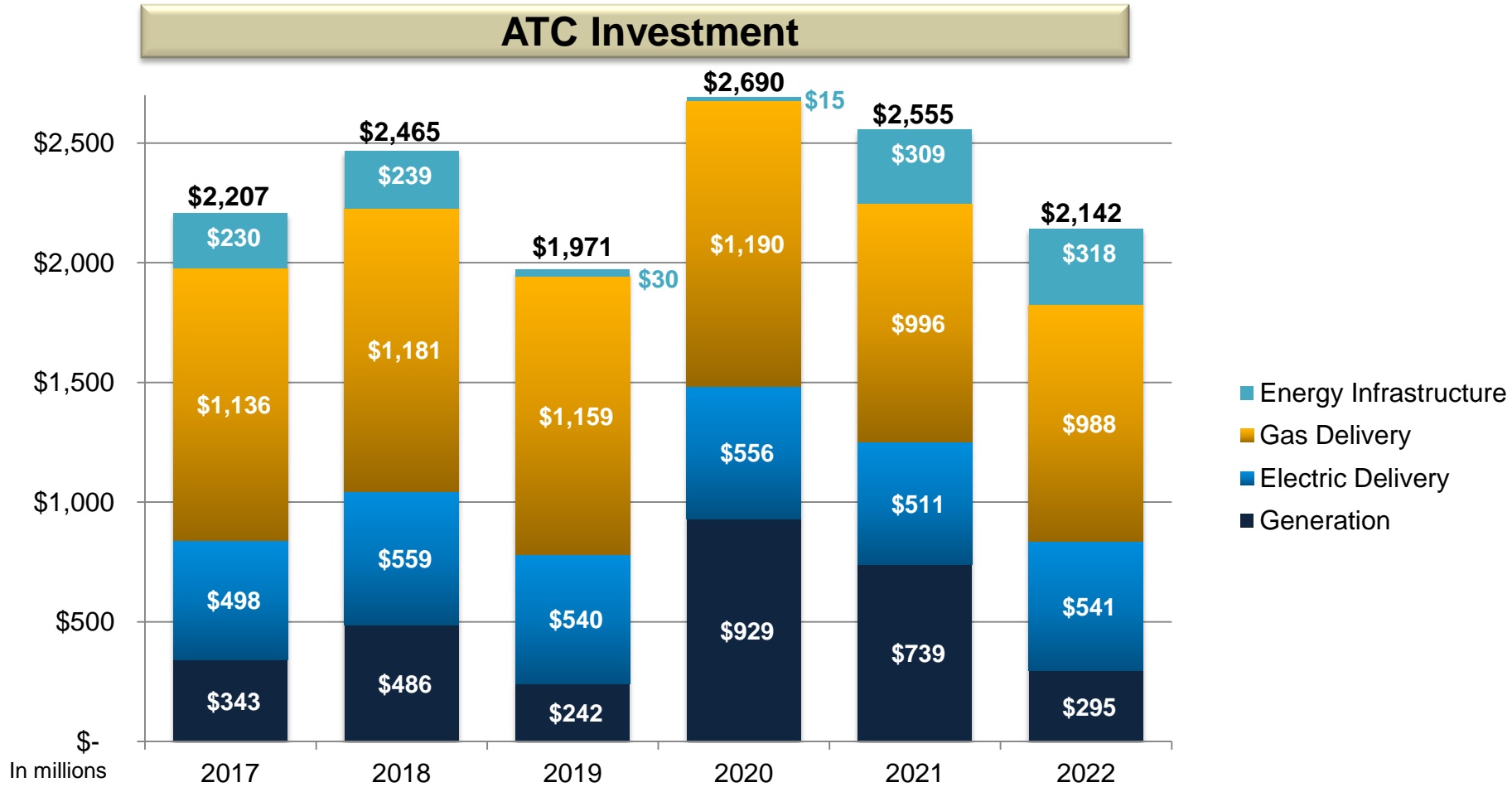
EPS Guidance		
2016	<i>Exceeded</i>	✓
2015	<i>Exceeded</i>	✓
2014	<i>Exceeded</i>	✓
2013	<i>Exceeded</i>	✓
2012	<i>Exceeded</i>	✓
2011	<i>Exceeded</i>	✓
2010	<i>Exceeded</i>	✓
2009	<i>Exceeded</i>	✓
2008	<i>Exceeded</i>	✓
2007	<i>Exceeded</i>	✓
2006	<i>Exceeded</i>	✓
2005	<i>Exceeded</i>	✓

* As reported by Thomson, Barclays Research

Increasing 5-Year Capital Plan by \$2.1 billion

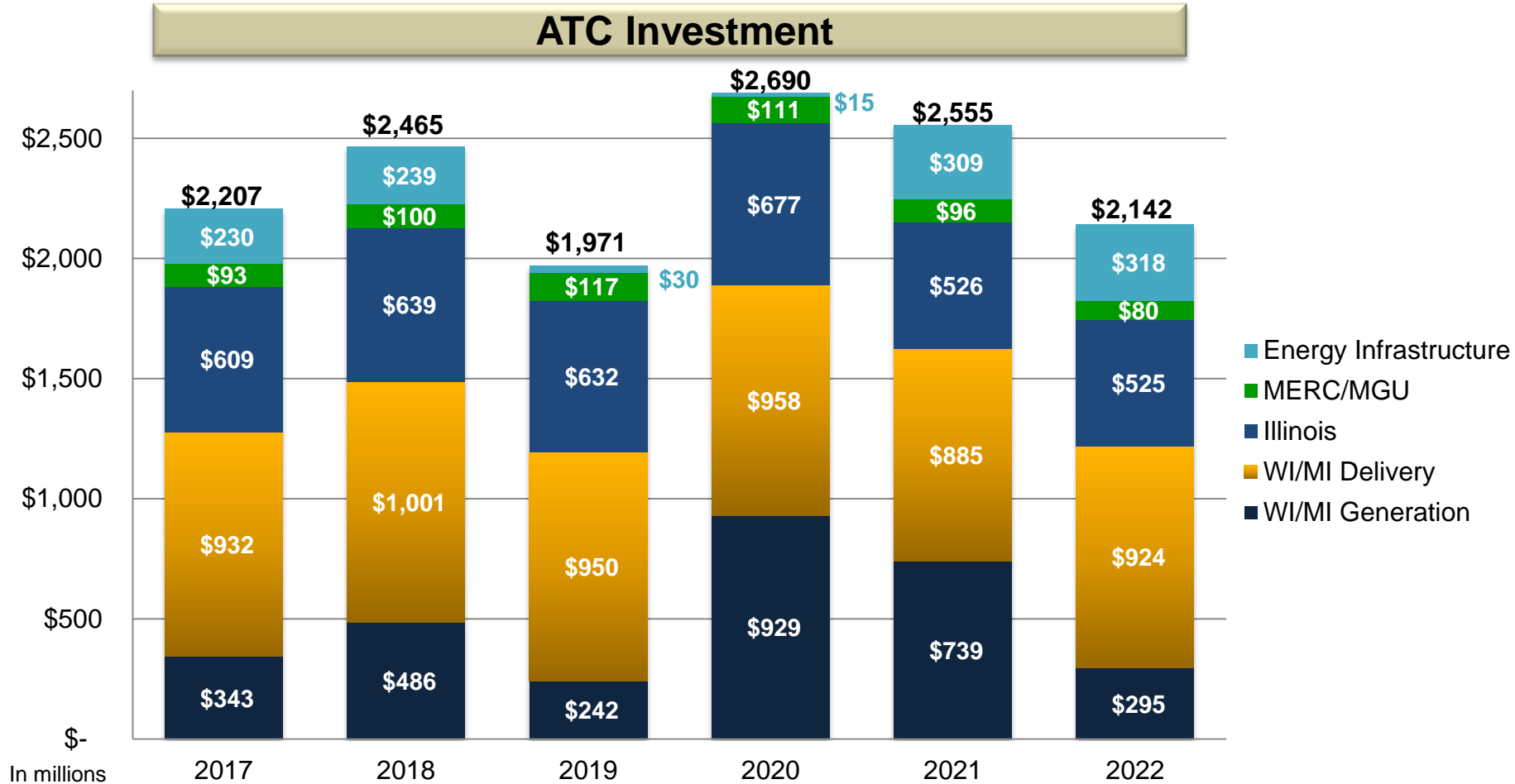


Capital Plan Drives 5% to 7% EPS Growth



Approximately \$12 billion projected capital spend from 2018-2022 plus ATC investment

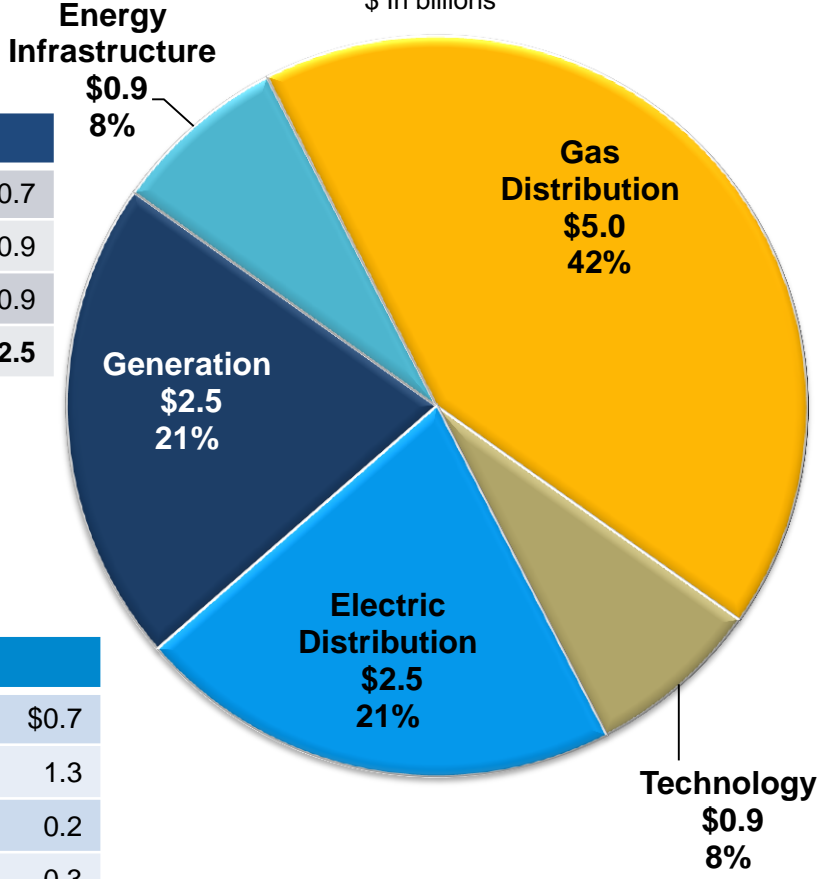
Robust Capital Projection 2017-2022



Depreciation at the utilities expected to average \$910 million annually over the 2018-2022 period

2018-2022 Capital Plan by Category

\$ In billions



Generation	
New Gas	\$0.7
New Renewables	0.9
Maintenance Capital	0.9
Total	\$2.5

Electric Distribution	
Growth	\$0.7
System Renewal	1.3
Required Relocation	0.2
SMRP	0.3
Total	\$2.5

Gas Distribution	
SMP	\$1.5
Growth	0.7
System Renewal	1.4
Required Relocation	1.0
Manlove Storage	0.4
Total	\$5.0

Technology	
Automated Meters	\$0.4
Systems and Equipment	0.5
Total	\$0.9

Total of \$11.8 billion

American Transmission Company

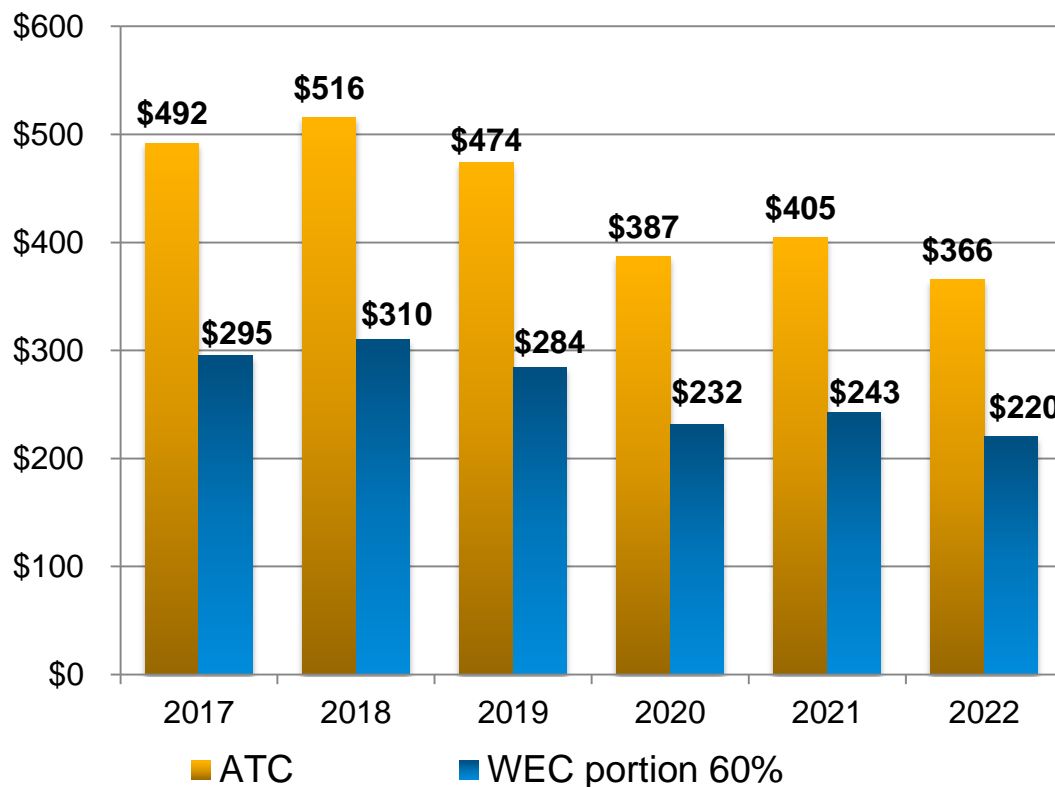
WEC portion of investment from 2018-2022 projected at \$1.6 billion

Key Assumptions

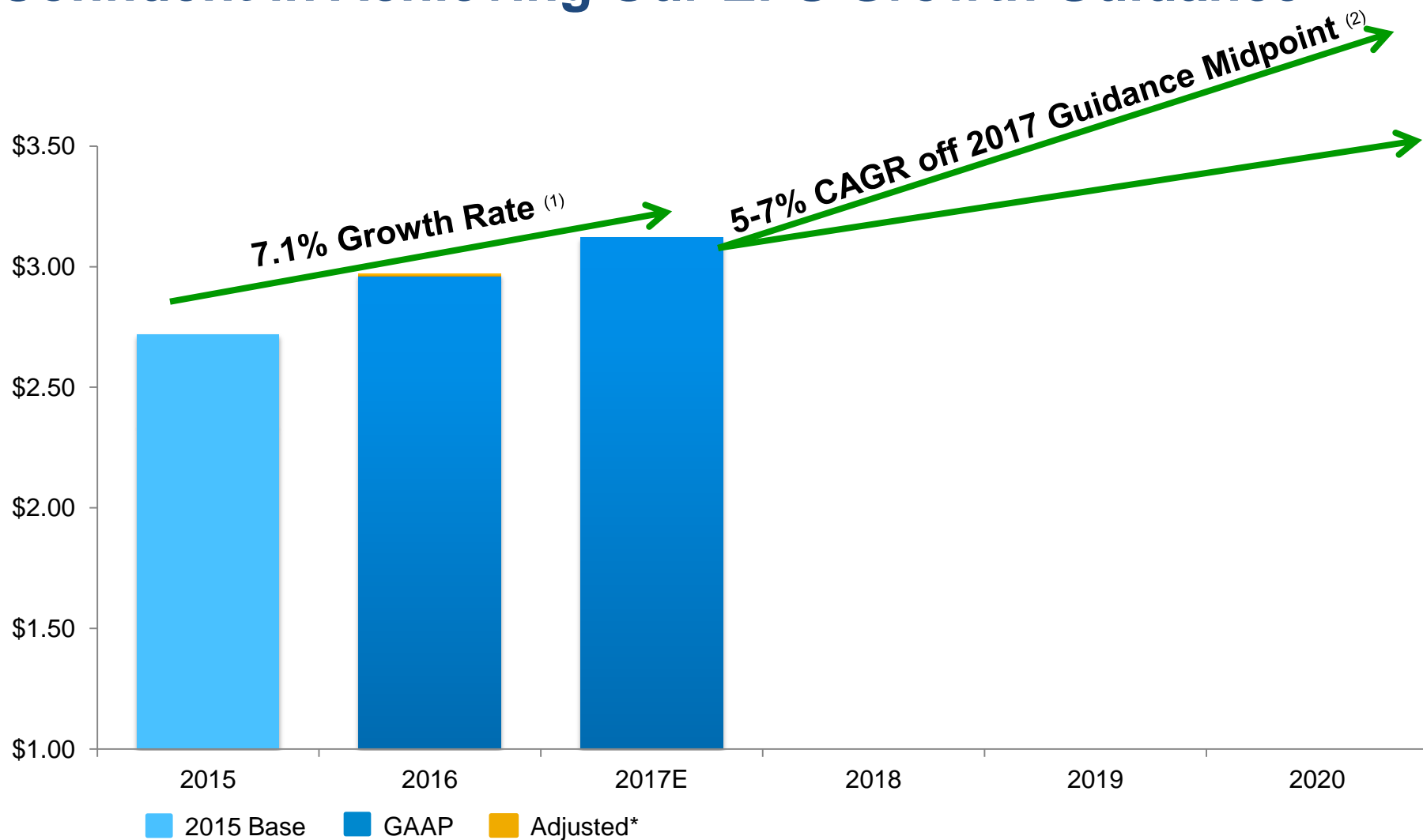
- Average rate base: \$3.3 billion (2016)
- Implies average \$153 million rate base growth
- ROE currently under FERC review
- 5-year WEC projected capital investment:
 - Inside footprint: \$1.3 billion
 - Outside footprint: \$300 million

Projected Capital Expenditures

(Inside Traditional Footprint)
(in millions)



Confident in Achieving Our EPS Growth Guidance



* Excludes charges related to Integrys acquisition

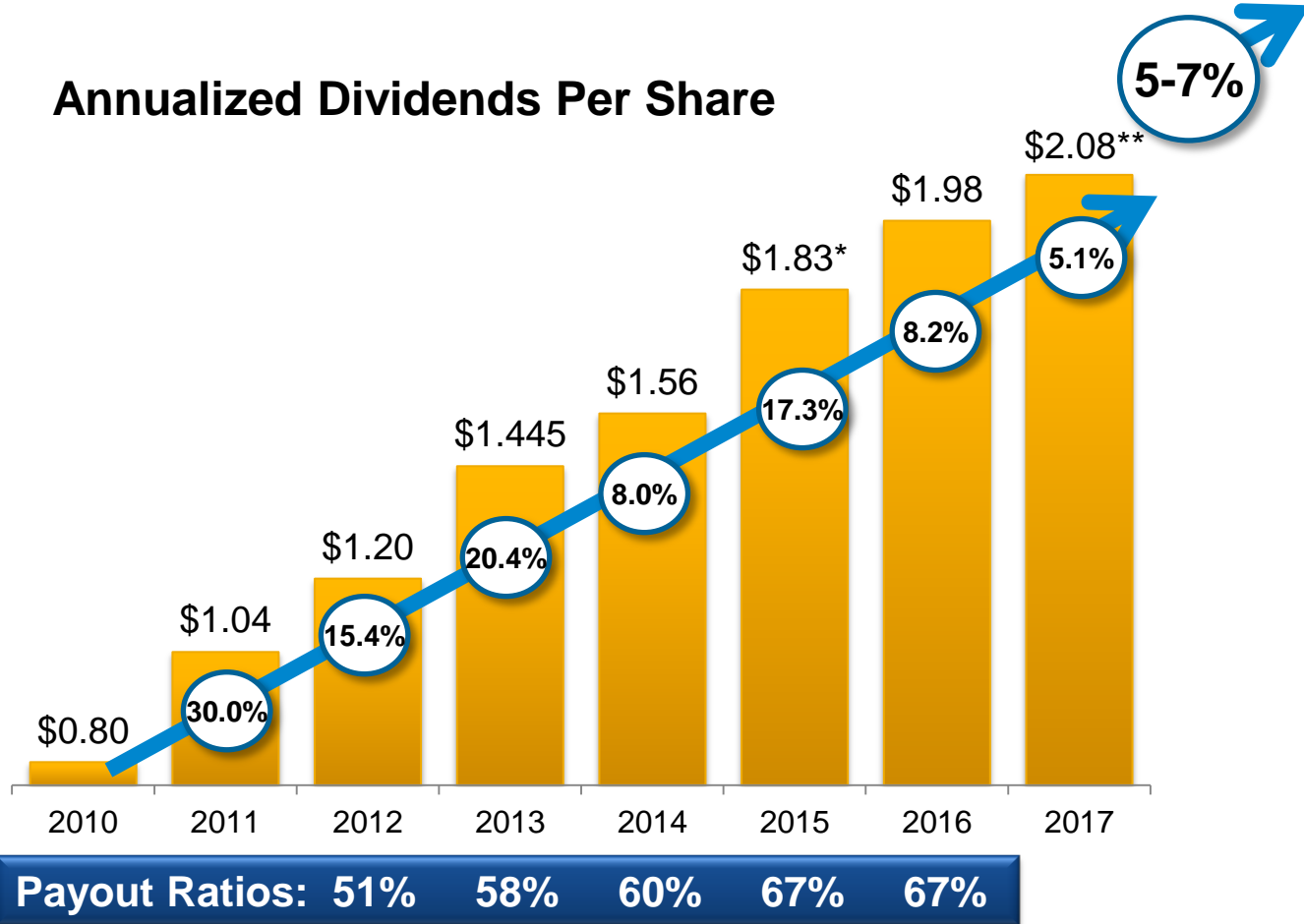
(1) Growth rate off 2015 base of \$2.72 per share, and an estimated EPS of \$3.12 for 2017

(2) Guidance based on 2017 midpoint of \$3.09

Solid Dividend Growth Continues

- 14.6% compound annual growth rate off 2010 base
- Continuing to target dividend payout of 65-70% of earnings
- Projecting dividend growth in line with earnings growth

Annualized Dividends Per Share

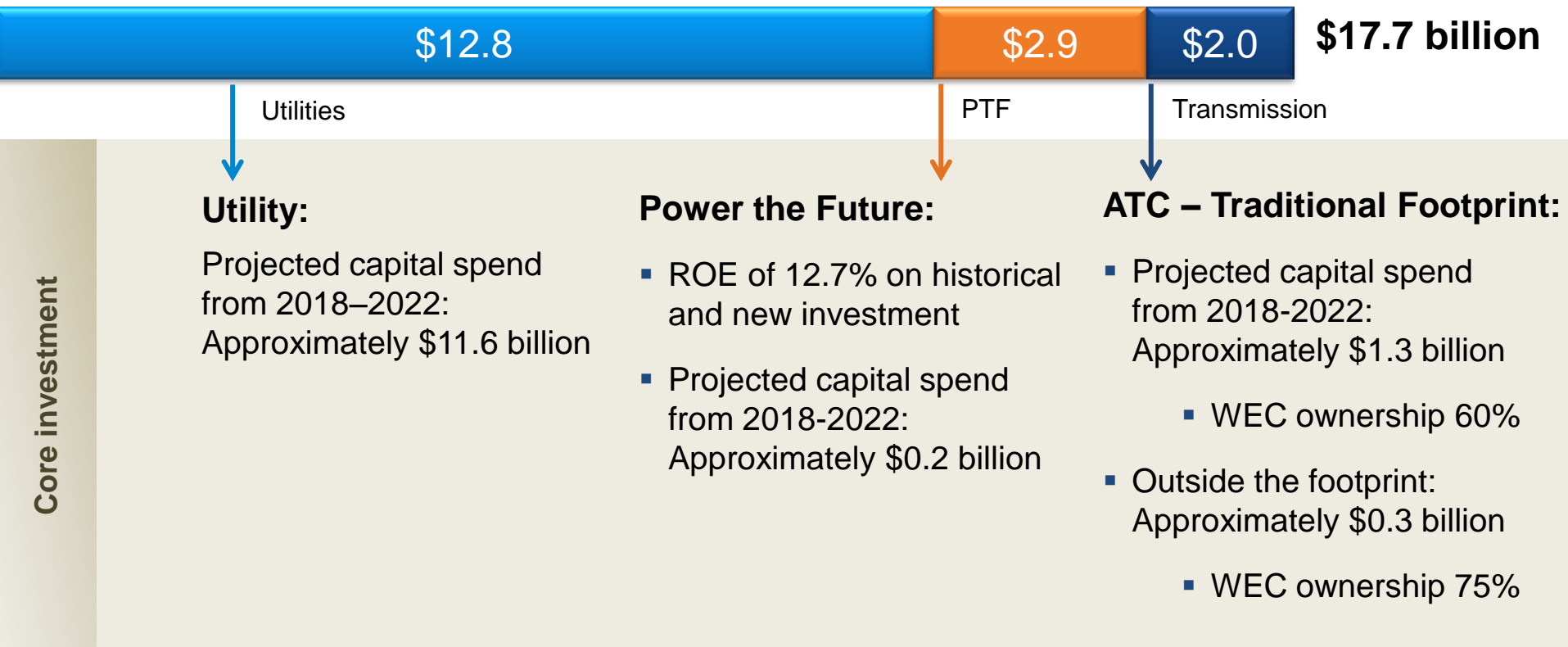


*Annualized based on fourth quarter 2015 dividend of \$0.4575

**Annualized based on first quarter 2017 dividend of \$0.520

Earnings Growth Drivers

2016 average rate base (\$ billions)



Note: Power the Future value represents investment book value

Focus on efficiency

Reshaping our Generation Fleet for a Clean, Reliable Future

Balancing reliability and customer cost with environmental stewardship

Our goal is to work with industry partners, environmental groups and the state of Wisconsin with a goal of reducing CO₂ emissions by approximately 40 percent below 2005 levels by 2030.

- Taken as a whole, changes to our generation fleet should reduce costs to customers, preserve fuel diversity and reduce carbon emissions.
- Reshaping our generation includes:
 - Retiring older, fossil-fueled generating units
 - Building state-of-the-art, natural gas generation
 - Investing in cost-effective, zero-carbon generation

**Achieving targeted CO₂
reductions by 2022**

Retiring Coal-Fueled Generation

- Our plan includes retiring more than 1,800 megawatts (MW) of coal generation by 2020
 - Pulliam Power Plant
 - 200 MW
 - Expected fall 2018 or later
 - Edgewater 4
 - WPS share – 100 MW
 - Expected end of third quarter 2018
 - Presque Isle Power Plant
 - 350 MW
 - Expected mid-2019
 - Pleasant Prairie Power Plant
 - 1,190 MW
 - Expected second quarter 2018



Building Natural Gas-Fueled Generation

400+ MW of natural gas-fueled generation

Reciprocating Internal Combustion Engines (RICE) are modular, run on natural gas and allow for reliable and flexible operations.

- U.P. of Michigan (UMERC)
 - RICE generation
 - 180 MW
 - Expected in-service – by mid-2019
- West Marinette (WPS)
 - RICE generation
 - 50 MW
 - Anticipated need – 2021
- Option to invest in West Riverside Energy Center
 - Combined cycle
 - 200 MW
 - 2020-2022
- Additional projects being actively developed



Investing in Zero-Carbon Generation

350+ MW of zero-carbon generation in Wisconsin by 2020

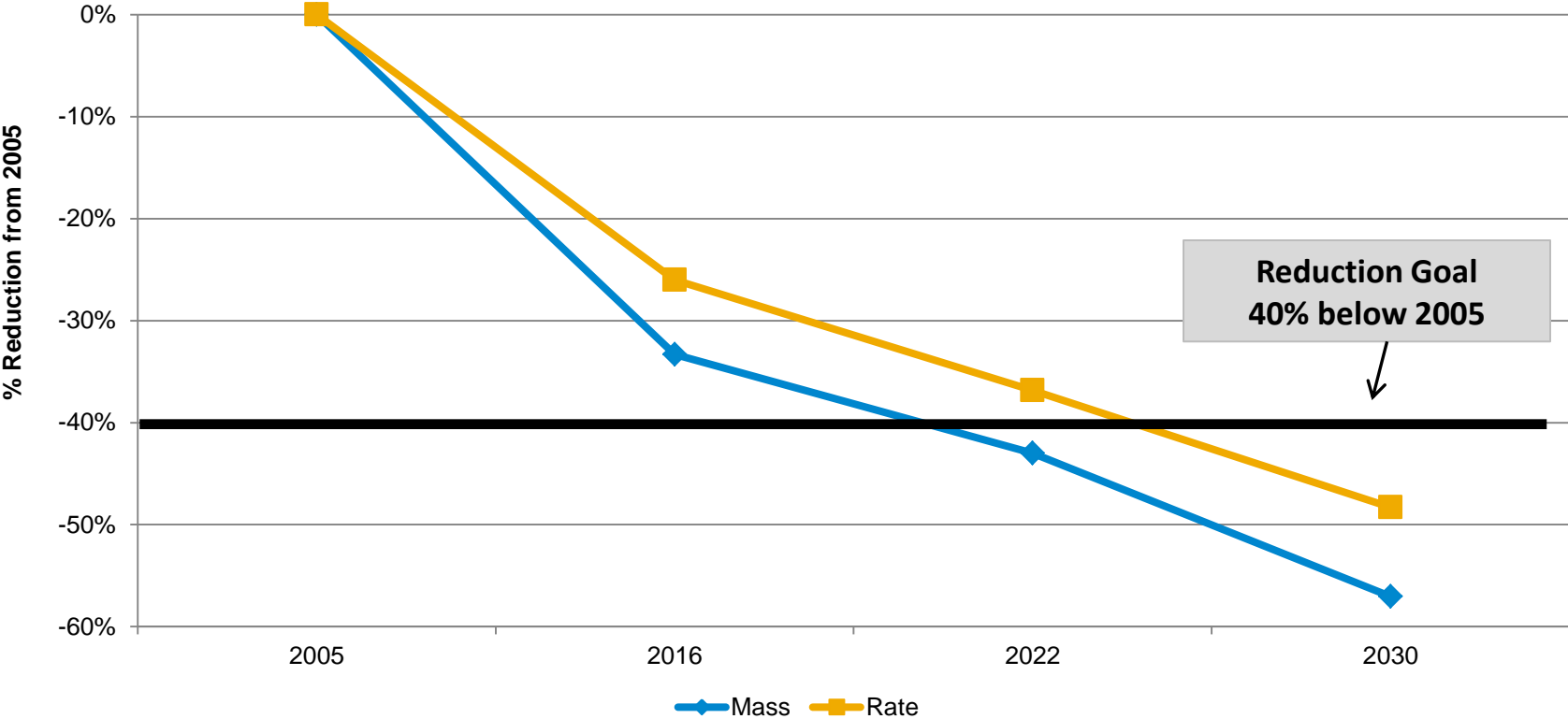
Solar generation technology has greatly improved, become more cost-effective and complements our summer demand curve.

- Solar
 - WPS – purchase 200 MW from developer
 - We Energies – purchase 150 MW from developer
 - Qualifies for Investment Tax Credit (ITC)
- Battery storage
 - Option to add as part of solar developments, if cost effective
 - Qualifies for Investment Tax Credit (ITC)
- Additional projects being actively developed

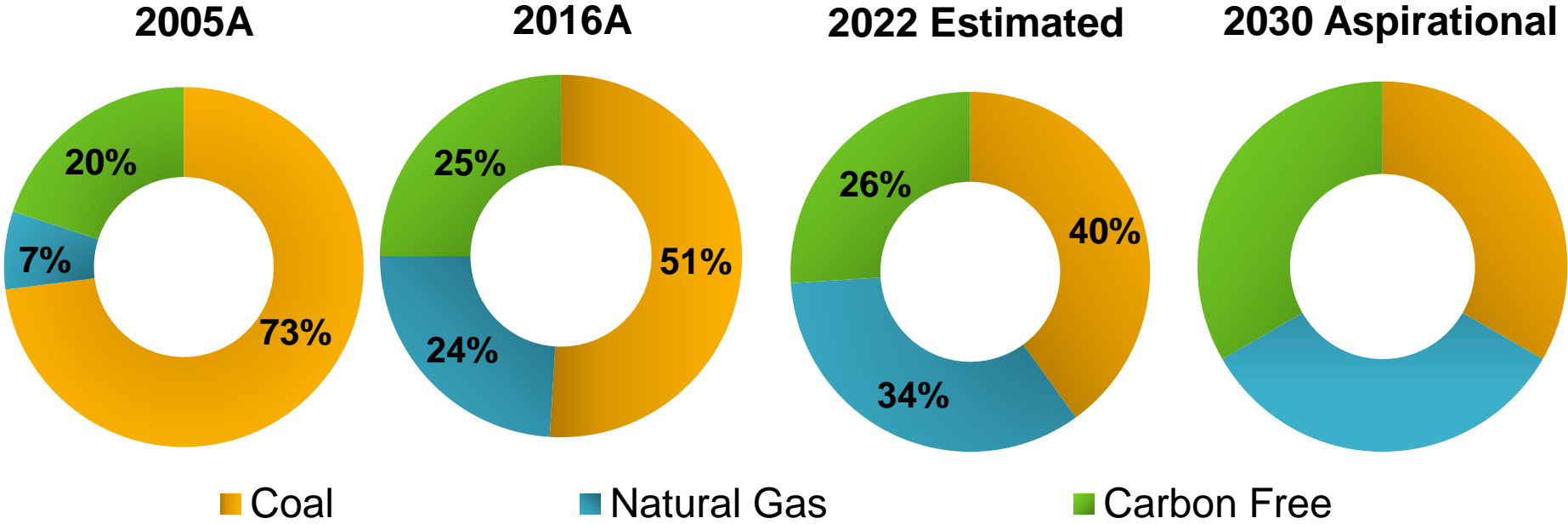


Achieving Our Carbon Goal

Anticipated CO₂ Reductions

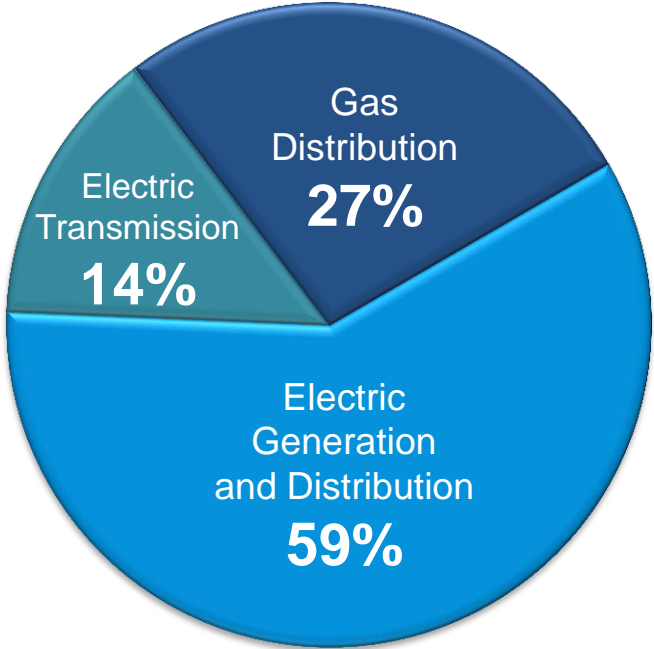


Sources of Electric Energy Supply by Fuel Type

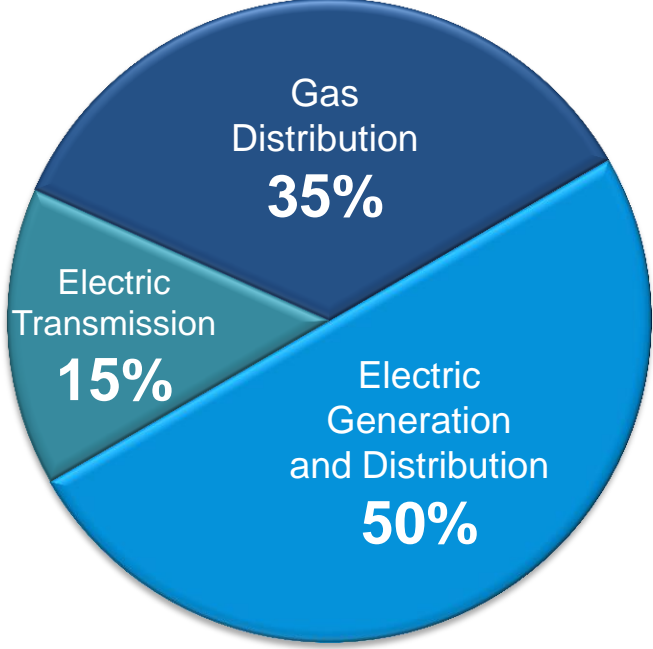


Increasing Natural Gas Distribution Investment

**Average Rate Base
at 12/31/2016**



**Estimated Rate Base
at 12/31/2022**



Delivering the Future

Infrastructure Resilience



- Converting 2,200 miles of overhead lines and adding distribution automation equipment through our System Modernization and Reliability Project at WPS
- Phase 1 of project is 88% complete
- Phase 2 of project is underway

Infrastructure Redesign



- Major investments planned to address aging infrastructure
- Expect to spend \$2.7 billion over the next 5 years on electric delivery
- Committed to delivering the future with infrastructure that will reduce operating costs and meet new environmental standards

Technology Enhancements



- Advanced metering program that uses integrated system of smart meters to enable two-way communication between utilities and customers
- Upgrading the customer information system at We Energies

System Modernization and Reliability Project

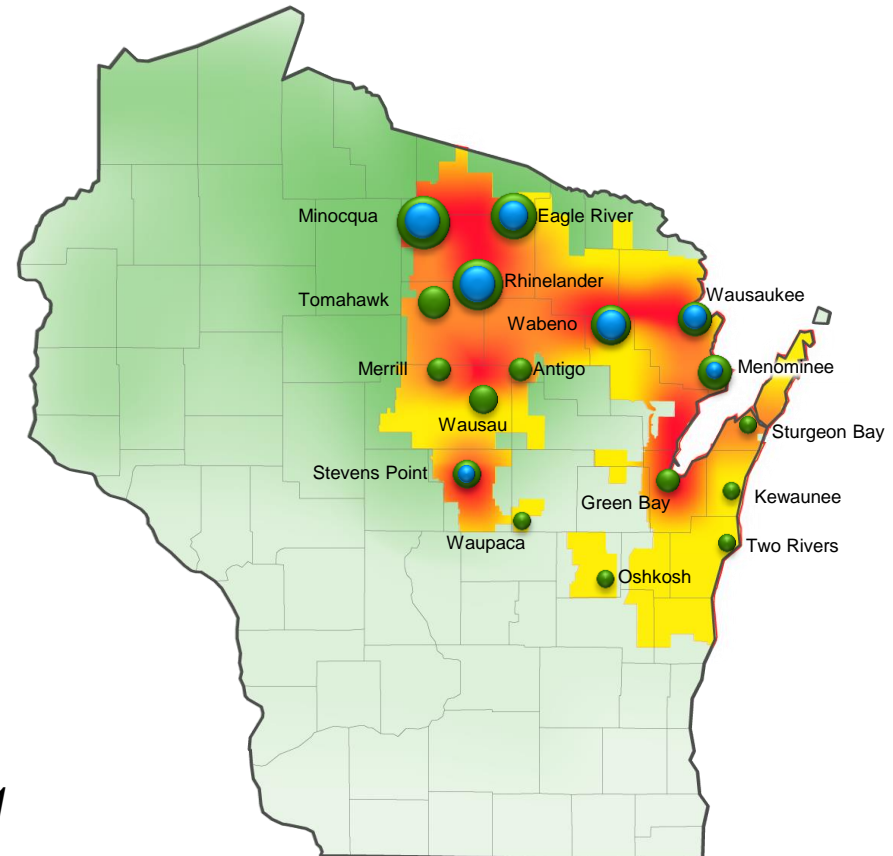
Phase 1 – convert 1,200 miles of overhead lines to underground and add distribution automation equipment on 400 miles

- Project \$220 million investment

Phase 2 – underground an additional 1,000 miles

- Project \$210 million investment

Expect both phases to be complete by 2021

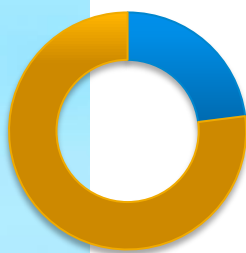


● 2014-2016 completed

● 2017-2021 planned

Natural Gas System Modernization Program

Extensive effort to modernize natural gas infrastructure in city of Chicago



- Ultimately replace 2,000 miles
- 23% complete*

Investment recovery under a monthly rider

- Project \$280-\$300 million average annual investment
- Enabling legislation in effect from 2014-2023

*Total program completion percentage is based on the weighted average of program categories that comprise the major scope components of the SMP project

Advanced Metering Infrastructure (AMI) Program

- AMI is an integrated system of smart meters, communication networks and data management systems that enable two-way communication between utilities and customers
- Replaces aging meter-reading equipment on both our network and customer property
- Reduces manual effort for disconnects and reconnects
- Enhances outage management capabilities
- Improves revenue protection and theft detection
- Project to spend approximately \$200 million over the next four years





Underground natural gas storage facilities in Michigan that will provide one-third of the storage needs for our natural gas distribution companies in Wisconsin



Well Positioned for the Future

Acquisition of Bluewater Natural Gas Holding

- Bluewater entered into long-term service agreements with the three Wisconsin gas utilities
- Total acquisition price: \$230 million
- Working gas capacity of 23.2 Bcf
- Expected to provide a utility return on capital
- Public Service Commission of Wisconsin granted declaratory ruling and approval on June 15, 2017
- Closed acquisition on June 30, 2017



~180 MW of clean, natural gas-fired *Reciprocating Internal Combustion Engine (RICE)* generation

Commercial operation targeted for 2019



Major Construction Projects

New Generation in Upper Peninsula

- Provides a long-term generation solution for electric reliability in Upper Peninsula
- Estimated \$266 million (\$277 million including AFUDC) investment to be made by new Michigan utility – UMERC
 - Half of investment recovered in retail rates
 - Half of investment recovered by 20-year agreement with Cliffs Natural Resources
- Allows for retirement of Presque Isle Power Plant
- Received approval and final written order on October 25, 2017



Foxconn announced July 26, 2017, Wisconsin's largest economic development project and largest corporate attraction project in U.S. history, as measured by jobs.

Foxconn in Wisconsin

- Capital investment by Foxconn of **\$10 billion** dollars
- Goal of creating **13,000 jobs**, with an average salary of **\$53,875**, plus benefits
- Estimated **22,000 indirect jobs** created throughout Wisconsin
- Largest greenfield investment by a foreign-based company in U.S. history as measured by jobs
- One of the largest manufacturing campuses in the world
- Project expected to support **10,000 construction jobs** over the next four years and **6,000 indirect jobs from construction**
- Estimated **\$7 billion** annual economic impact on the state
- Plans to be operational in 2020

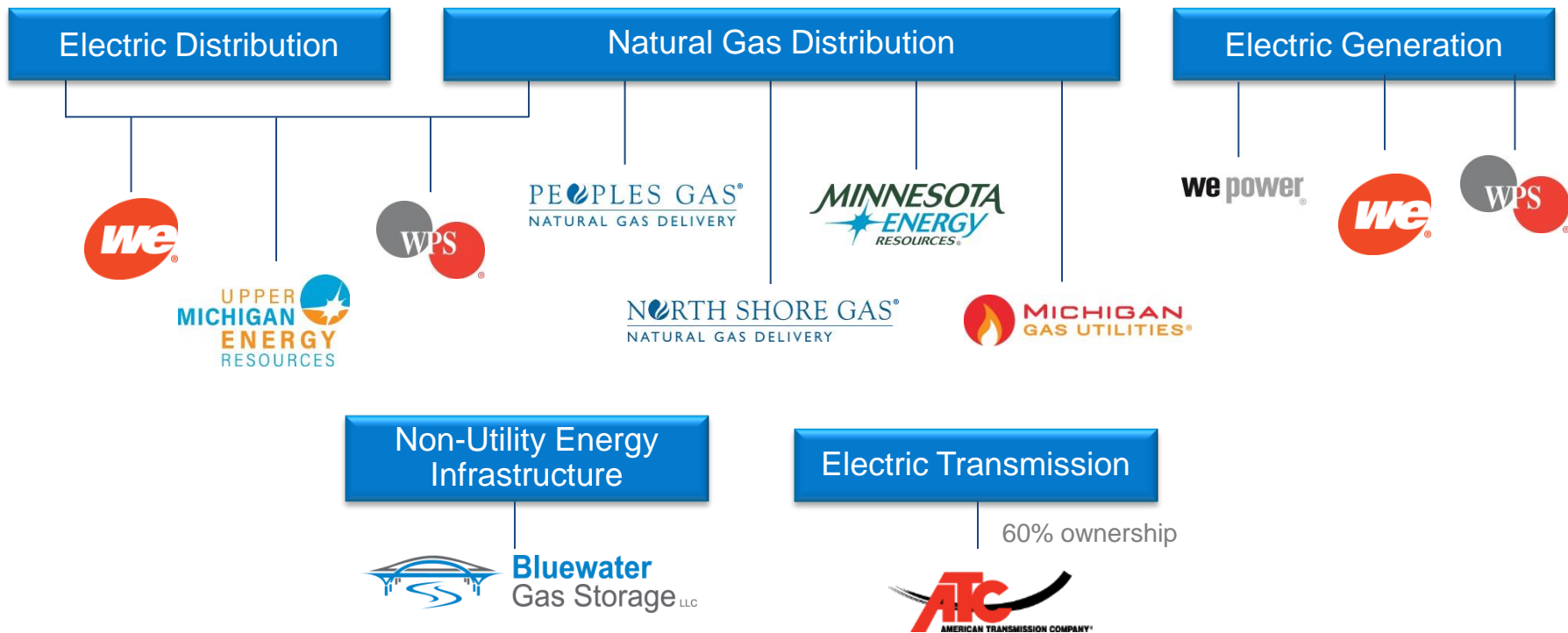
Source: *inWisconsin.com*

Key Takeaways for WEC Energy Group

- Track record of exceptional performance
- Portfolio of premium businesses with investment opportunities that can support 5-7 percent EPS growth with minimal rate impact
- Dividend growth projected to be in line with earnings growth
- Poised to deliver among the best risk-adjusted returns in the industry

Appendix

WEC Energy Group



Still Recognizing Benefits from Acquisition

- WEC Energy Group formed in 2015 when Wisconsin Energy acquired Integrys in a transaction valued at \$9 billion
- Acquisition created the leading electric and natural gas utility in the Midwest
 - WEC Energy Group's subsidiaries combined are the eighth-largest natural gas distributor in the U.S.
- Met or exceeded 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 stand-alone company

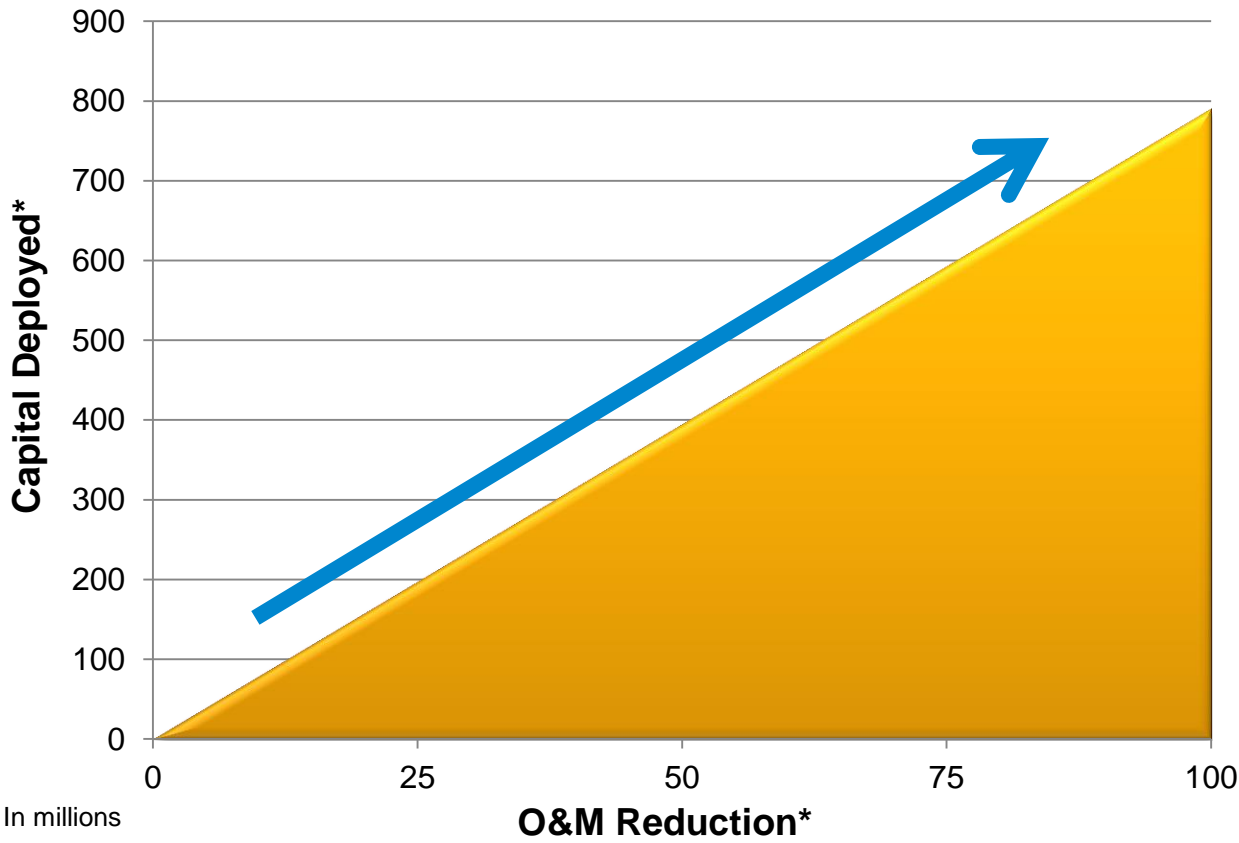
Sample Acquisition-Driven Initiatives

Category	Activity
Supply Chain	<ul style="list-style-type: none"> ✓ Achieving savings in consolidated vendor and supplier contracts, negotiating most favorable terms
Information Technology	<ul style="list-style-type: none"> ✓ Consolidating IT infrastructure ✓ Implementing uniform processes and consolidating to a single Enterprise Resource Planning (ERP) system
Customer Care	<ul style="list-style-type: none"> ✓ Established consistent measurements of customer satisfaction across all six utilities ✓ Rolling out advanced metering functionality ✓ Expanding mobile options for our customers ✓ Deployed the Improved Customer Experience (ICE) project to improve customer experience and streamline processes and costs
Operations	<ul style="list-style-type: none"> ✓ Implementing improved, standard order dispatch ✓ Upgrading work management capabilities across the Wisconsin fleet

Saving for Growth

Reduced O&M leads to incremental capital investment opportunities

Every dollar in O&M savings results in approximately \$8 of capital investment opportunities, with no expected impact to customer rates



* Based on a 30-year utility project at Wisconsin Electric

Power the Future Investments

	Natural Gas	Coal
Capacity	1,090 MW	1,030 MW ¹
Investment	\$664 million	\$2 billion ¹
ROE	12.7%	12.7%
Equity	53%	55%
In Service Dates	Unit 1 – July 2005 Unit 2 – May 2008	Unit 1 – February 2010 Unit 2 – January 2011
Lease Terms	25 years	30 years
Cost Per Unit of Capacity	\$609/kW	\$1,950/kW

- Port Washington Generating Station ranks seventh in nation for natural gas combined-cycle heat rate²
- Elm Road Generating Station ranks fourth in nation for coal heat rate²

1. All capacity and investment amounts reflect WEC ownership only.

Demonstrated capacity for the coal units is 1,056 MW – value shown in table is amount guaranteed in lease agreement.

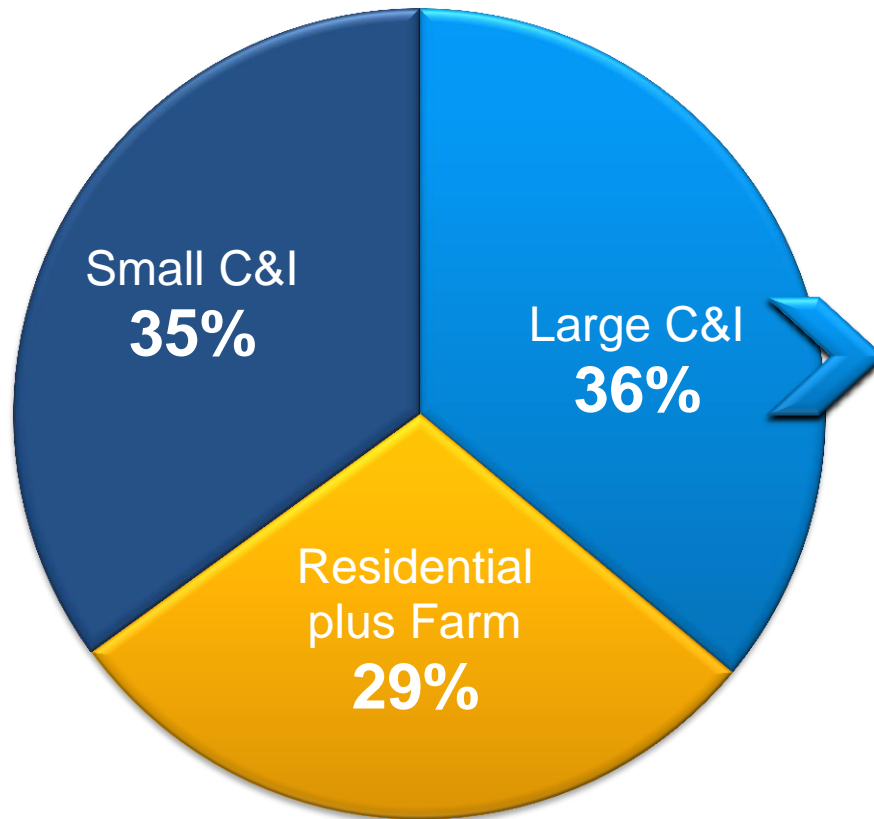
2. Source: Power Engineering

American Transmission Company – Outside the Traditional Footprint

- Joint venture between Duke Energy and ATC (DATC)
 - Ownership split 50/50 between Duke and ATC
 - WEC current ownership interest is 30%, potentially growing to 34%
 - Owns California's Path 15 transmission line
 - Zephyr Power Transmission project
- ATC-only outside the footprint
 - WEC interest: 75%
 - Joint venture between Arizona Electric Power Cooperative and ATC (ATC Southwest)
 - Other transmission projects throughout the U.S.
 - Alaska

Balanced Sales Mix

2016 Retail MWh Deliveries Mix*



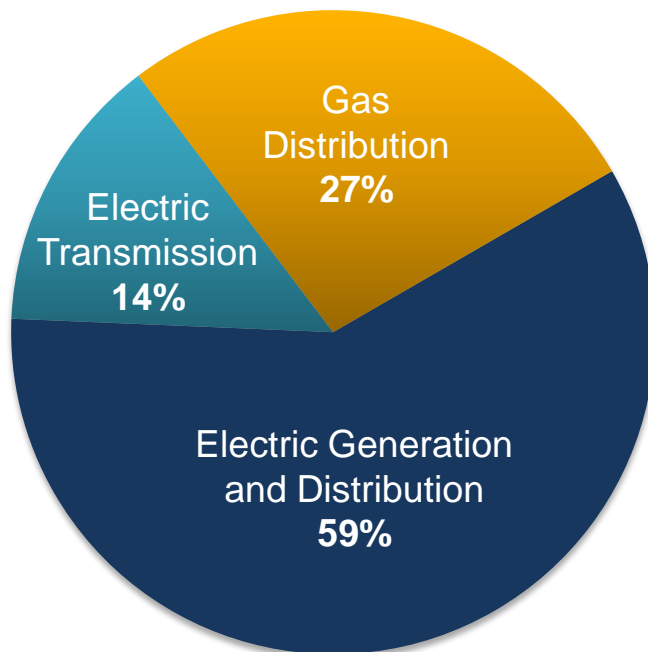
36% Large C&I by Segment

Paper	22%
Mining/Minerals	14%
Foundry (SIC 33)	11%
Other Manufacturing	8%
Food/Agriculture	8%
Metal (SIC 34,35,37)	6%
Medical	6%
Office	4%
Education	4%
Chemical	3%
Printing	3%
Other	11%

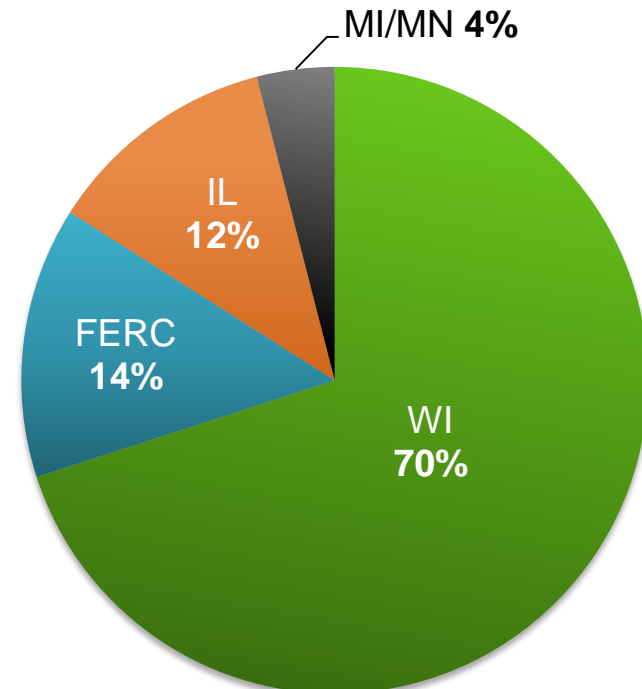
*Wisconsin segment includes Michigan electric and retail choice customers in the Upper Peninsula

Diverse Portfolio of Regulated Businesses

By Business



By Jurisdiction

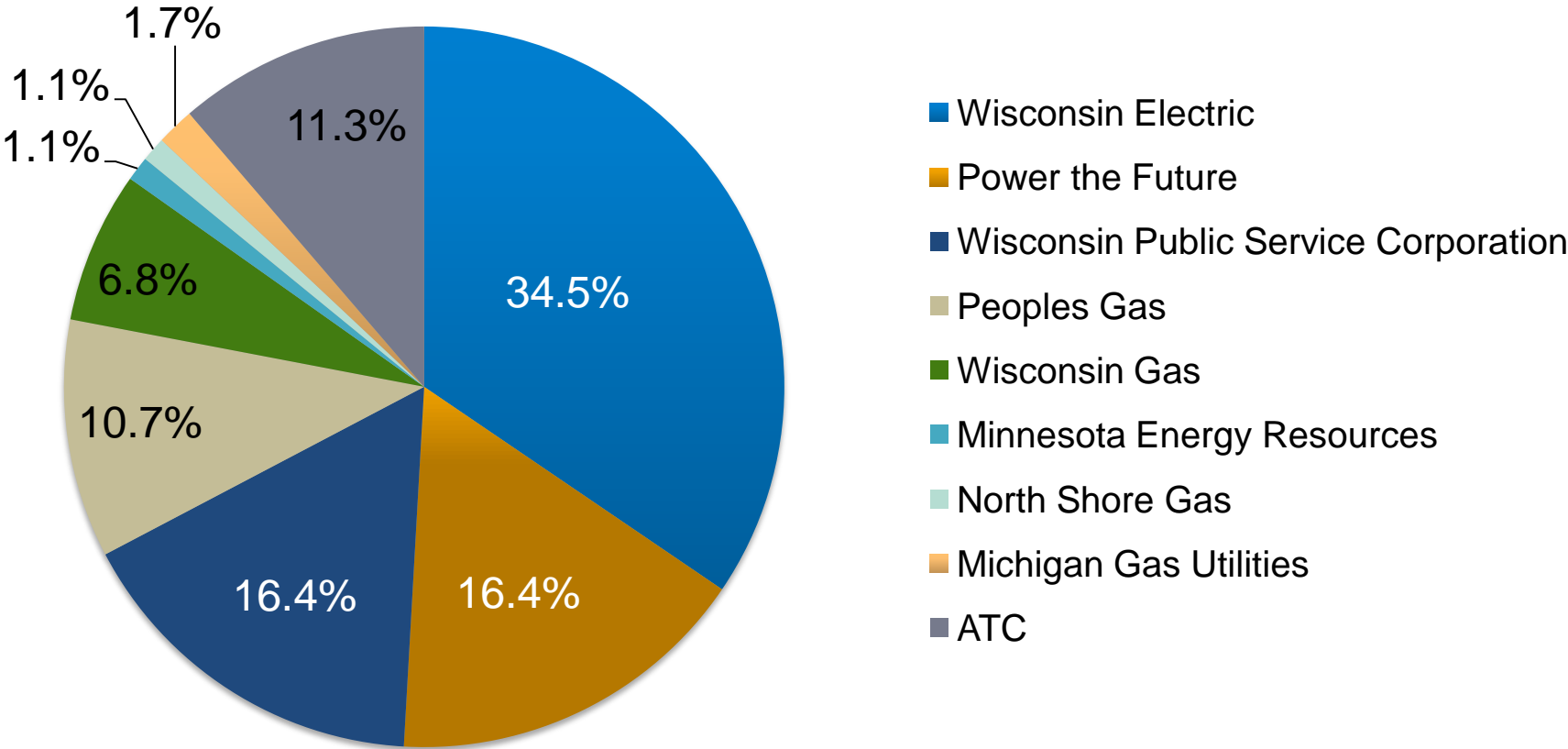


Based on 2016 average rate base

Note: Wisconsin jurisdiction includes UMERCA

Composition of Rate Base

Total 2016 Rate Base of \$17.7 billion

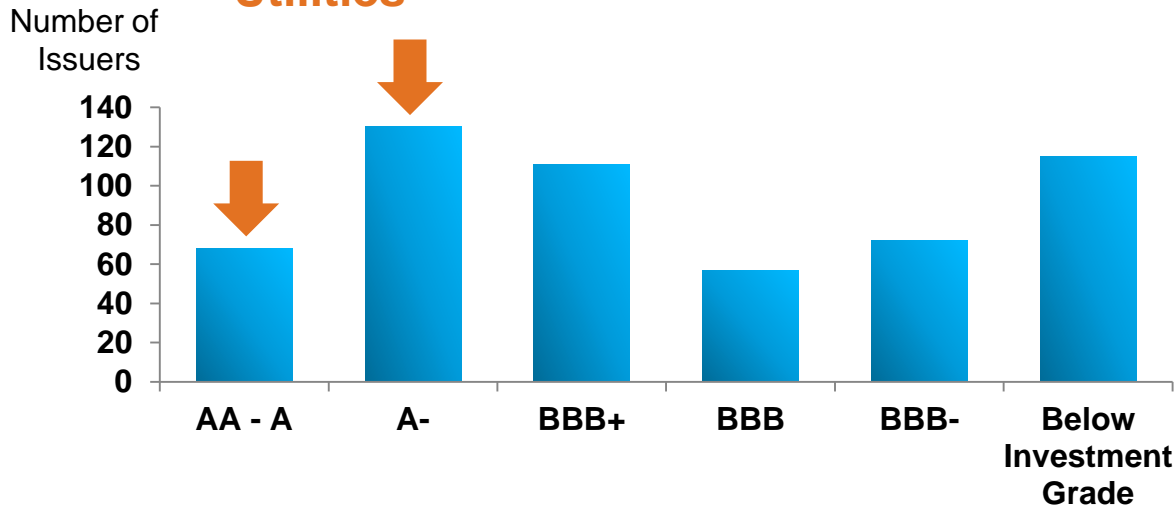


Strong Financial Condition

Electric and Gas Utilities Credit Ratings Distribution*



Utilities

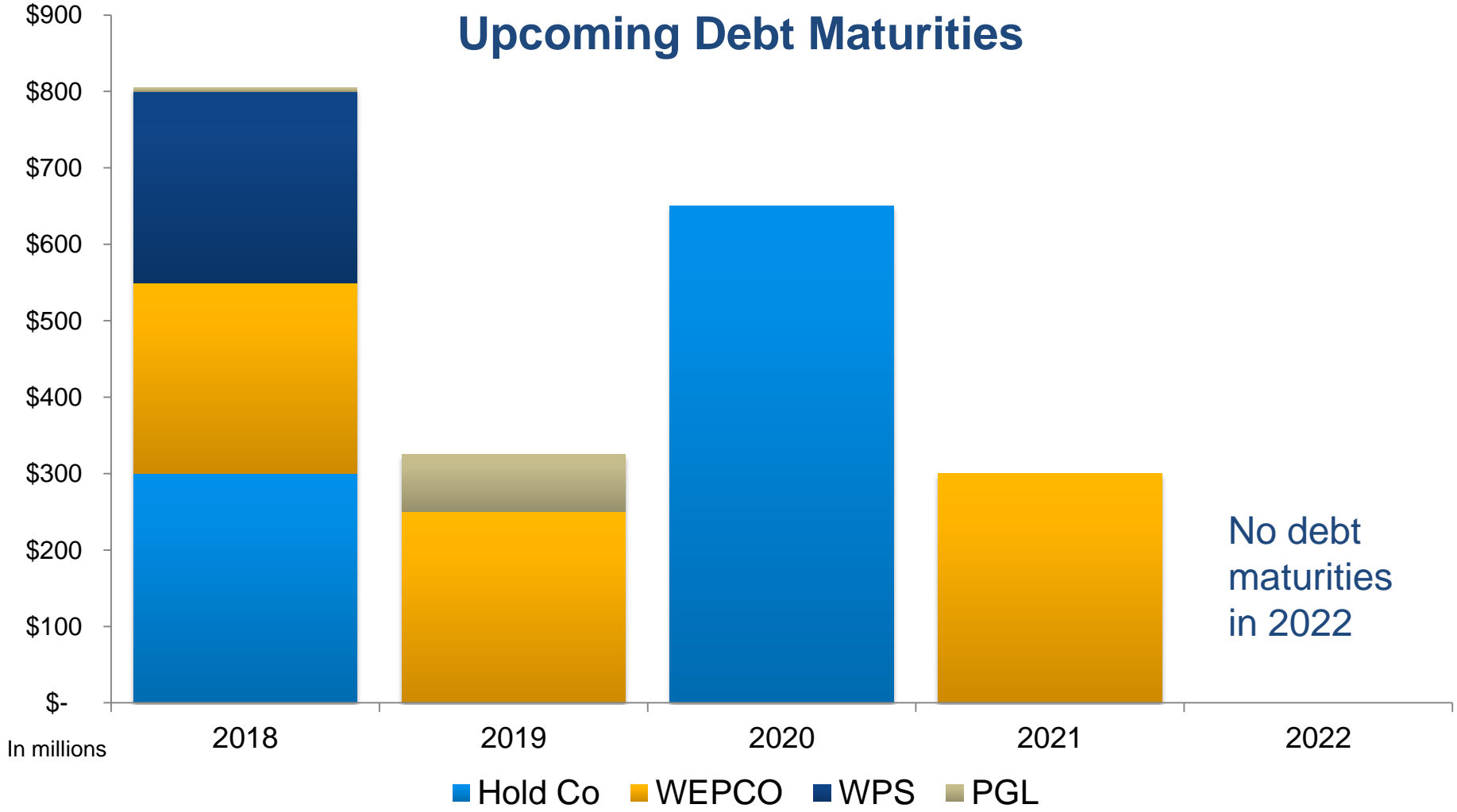


Utility	Rating
Wisconsin Electric	A-
Wisconsin Gas	A
Wisconsin Public Service	A-
Peoples Gas	A-
North Shore Gas	A-

*Source: Standard & Poor's Financial Services LLC (January 31, 2017)

Manageable Levels of Refinancing

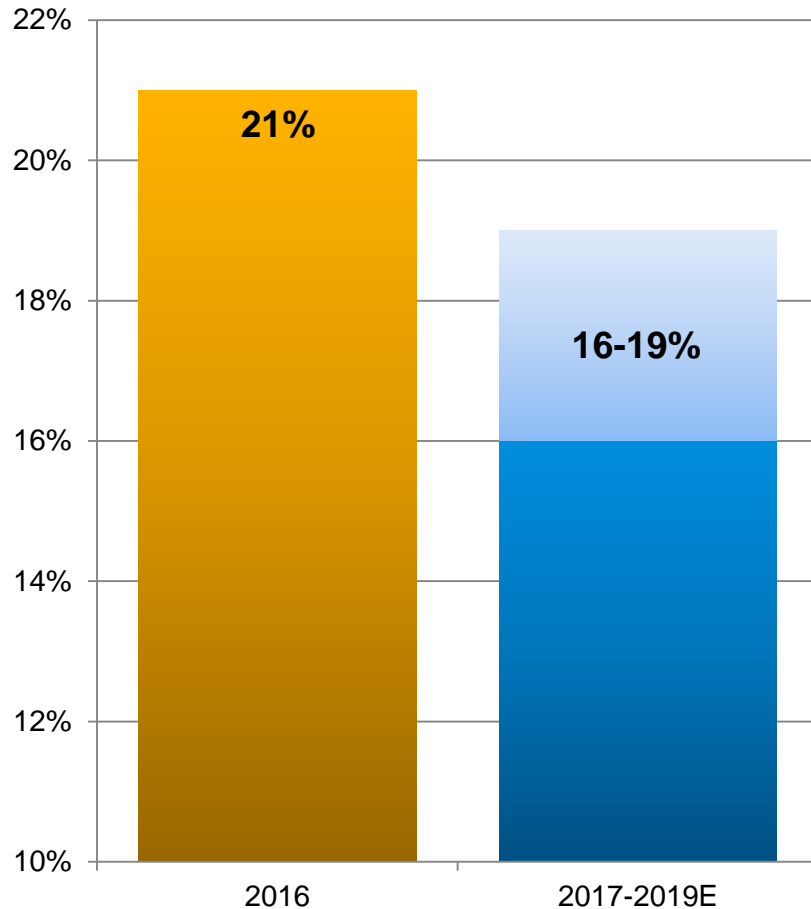
Upcoming Debt Maturities



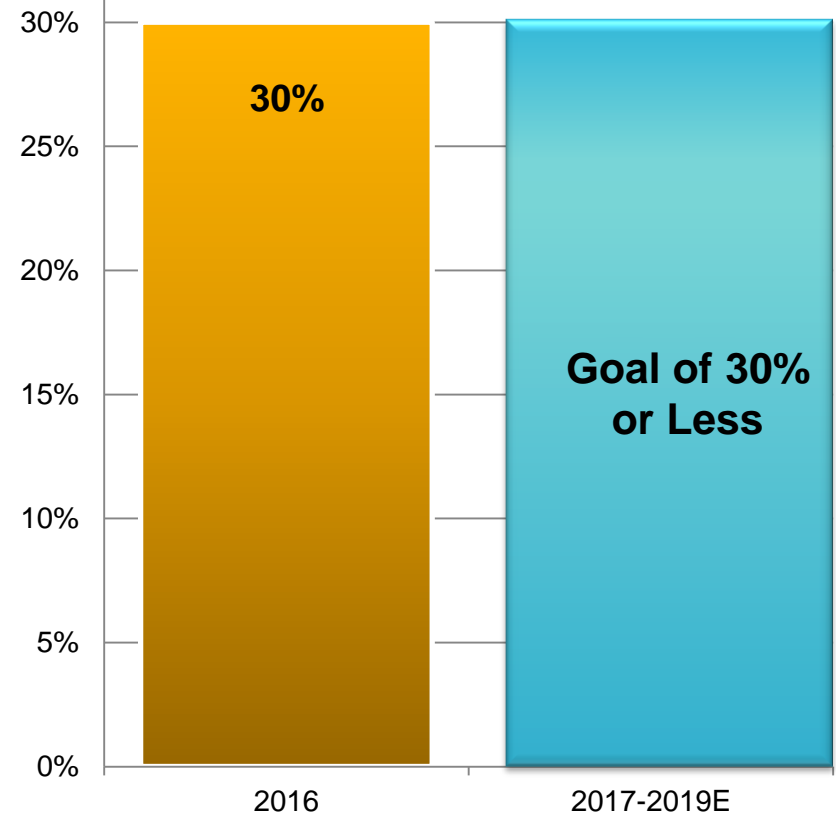
Balance Sheet Remains Strong

No Equity Issuances Anticipated

Funds from Operations/Debt

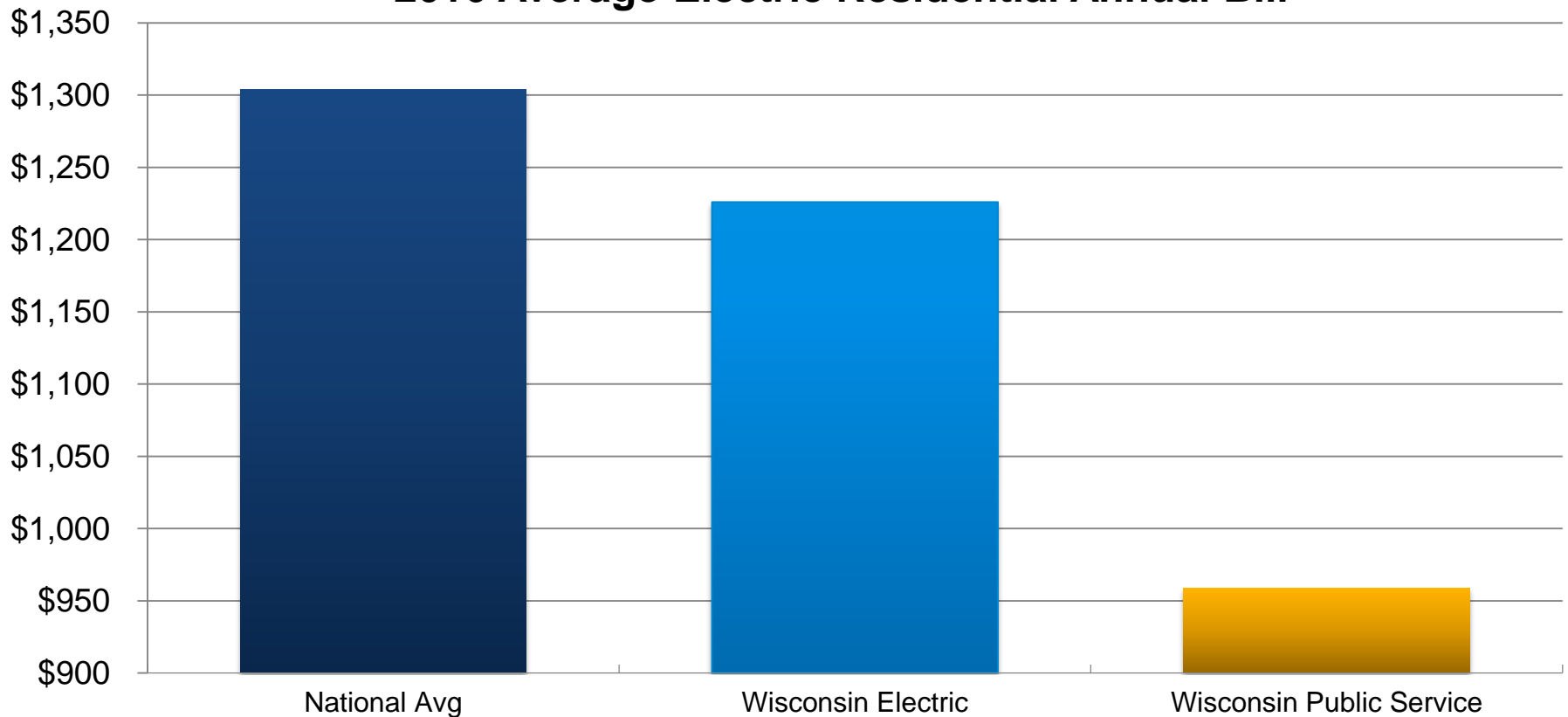


Holding Company Debt to Total Debt



Electric Residential Bills below National Average

2016 Average Electric Residential Annual Bill



Source: S&P Global Financial Focus Topical Special Report Issued May 31, 2017

Rate-Making Parameters by Company

Utility	Equity Layer ⁽¹⁾	Authorized ROE
Wisconsin Electric	48.5%-53.5%	10.2%
Wisconsin Public Service	49.0%-54.0%	10.0%
Wisconsin Gas	47.0%-52.0%	10.3%
Peoples Gas	50.33%	9.05%
North Shore Gas	50.48%	9.05%
Minnesota Energy Resources	50.32%	9.11%
Michigan Gas Utilities	52%	9.9%

- Constructive regulatory environments
- Earnings sharing mechanism at all Wisconsin utilities ⁽²⁾

1. Represents equity layer in rates

2. Wisconsin Electric and Wisconsin Gas earnings cap applies 2016-2019, Wisconsin Public Service cap applies 2018 – 2019

Constructive Rate Making Components

Area	Illinois – Gas	Minnesota – Gas	Michigan– Electric & Gas	Wisconsin – Gas	Wisconsin – Electric
Gas Pipeline Replacement Rider	PGL				
Bad Debt Rider	X				
Bad Debt Escrow Accounting				WE / WG	WE
Decoupling	X	X			
Fuel Cost Recovery	1 for 1 recovery of prudent fuel costs				+/- 2% band
Manufactured Gas Plant Site Clean Up Recovery	X	X	X	X	N/A
Tax Rider	Investment Capital Tax				
Forward-looking test years	X	X	X	2 years	2 years
Earnings cap/sharing				50/50 first 50 bp above allowed ROE, 100% to customers beyond 50 bp*	

*Wisconsin Electric and Wisconsin Gas earnings cap applies 2016-2019, Wisconsin Public Service cap applies 2018-2019

Regulatory and Open Docket Update

Estimated Key Dates



Wisconsin (apps.psc.wi.gov)

- Decision regarding proposed rate case settlement for all Wisconsin utilities (Dockets: We Energies – 5-UR-108 and WPS – 6690-UR-125) ✓
- Receive approval on acquisition of Bluewater Natural Gas Holding Co. ✓



Illinois (icc.illinois.gov)

- Final written order on System Modernization Project (Docket 16-0376) Q1 2018
- No rate case filing expected for 2018



Michigan (michigan.gov/mpsc)

- Receive approval on proposed new generation of natural-gas-fired Reciprocating Internal Combustion Engines (RICE) in the Upper Peninsula (Docket U-18224) ✓



Minnesota (mn.gov/puc)

- Interim rates of \$9.5 million or 3.8% effective January 1, 2018
- Decision on proposed base rate increase of \$12.6 million or 5.0% Q1 2019 ✓



FERC (ferc.gov)

- Decision on second MISO/ATC ROE Complaint (Docket EL15-45) Q2 2018

Regulatory Environment

Wisconsin

- Governor Scott Walker (R)
- Commission
 - Gubernatorial appointment, Senate confirmation
 - Chairman: Gubernatorial appointment
 - 6-year staggered terms

Wisconsin Commissioners			
Name	Party	Began Serving	Term Ends
Ellen Nowak <i>Chair</i>	R	07/2011	03/2019
Mike Huebsch	R	03/2015	03/2021
Lon Roberts	R	03/2017	03/2023

Michigan

- Governor Rick Snyder (R)
- Commission
 - Gubernatorial appointment, Senate confirmation
 - Chairman: Gubernatorial appointment
 - 6-year staggered terms

Michigan Commissioners			
Name	Party	Began Serving	Term Ends
Sally Talberg <i>Chair</i>	I	07/2013	07/2021
Norm Saari	R	08/2015	07/2019
Rachael Eubanks	I	08/2016	07/2023

Regulatory Environment

Illinois

- Governor Bruce Rauner (R)
- Commission
 - Gubernatorial appointment, Senate confirmation
 - Chairman: Gubernatorial appointment
 - 5-year staggered terms

Illinois Commissioners			
Name	Party	Began Serving	Term Ends
Brien Sheahan <i>Chair</i>	R	01/2015	01/2020
Miguel del Valle	D	02/2013	01/2018
John Rosales	D	03/2015	01/2019
Sadzi Martha Olivia	R	01/2017	01/2022
Open			

Minnesota

- Governor Mark Dayton (D)
- Commission
 - Gubernatorial appointment, Senate confirmation
 - Chairman: Gubernatorial appointment
 - 6-year staggered terms

Minnesota Commissioners			
Name	Party	Began Serving	Term Ends
Nancy Lange <i>Chair</i>	D	02/2013	01/2019
John Tuma	R	02/2015	01/2021
Dan Lipschultz	D	01/2014	01/2020
Matt Schuerger	R	01/2016	02/2022
Katie Sieben	D	01/2017	01/2023

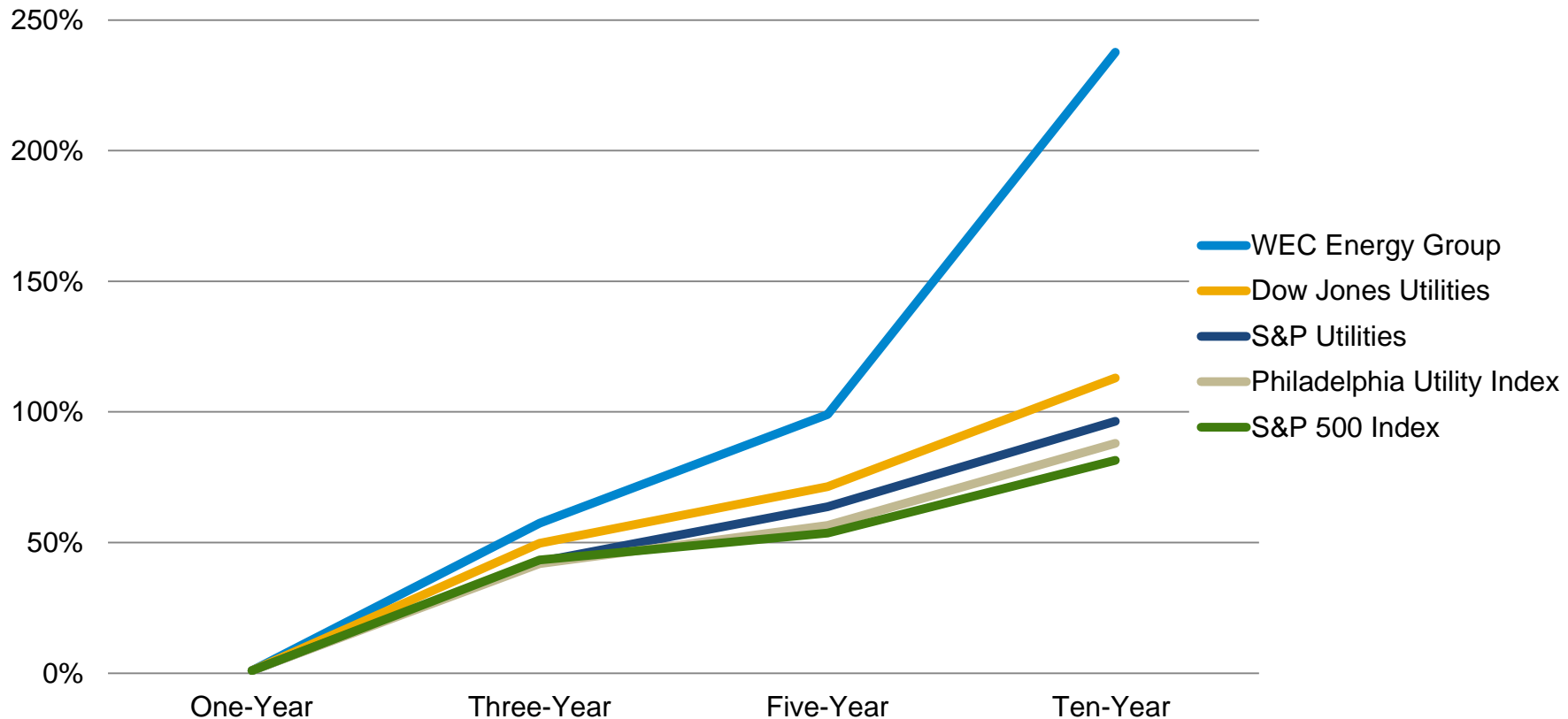
Regulatory Environment

- FERC
 - Presidential appointment, Senate confirmation
 - 5-year term

FERC Commissioners			
Name	Party	Began Serving	Term Ends
Neil Chatterjee <i>Chairman</i>	R	08/2017	06/2021
Cheryl LaFleur	D	07/2014	06/2019
Robert Powelson	R	08/2017	06/2020
Richard Glick	D	11/2017	06/2022
Kevin McIntyre	R	11/2017	06/2023

Industry Leading Total Shareholder Returns*

Over the past decade, WEC Energy Group has consistently delivered among the best total returns in the industry



* Total return including reinvested dividends for the 10 years ended December 31, 2016

Meeting and Exceeding Commitments

Commitments		Results
Deliver among the best risk-adjusted returns in the industry	✓	8% EPS 10-Year CAGR and 14.6% dividend growth off the 2010 base
Reduce 2017 O&M by 3% off 2016 base	✓	O&M reduction of more than 7% as of September 30, 2017
Maintain strong financial condition	✓	All utilities achieved “A” credit ratings
Deliver world-class reliability	✓	We Energies named most reliable utility in America in 2017 and best in the Midwest for seven years running*
Provide exceptional customer and community support	✓	Named one of the TOP 50 Best Corporate Citizens by Corporate Responsibility magazine, and ranked #2 in our sector
Grow and leverage our gas distribution and transmission businesses	✓	Diversified across four state jurisdictions and FERC

* As reported by PA Consulting Group on November 30, 2017

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