



July 2016

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, construction costs and capital expenditures, investment opportunities, corporate initiatives, and rate base. 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 successfully integrate the operations of the Integrys companies with its own operations; 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; 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, 2015 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.

Well Positioned for the Future

WEC Energy Group

- Focused on the fundamentals:
 - World-class reliability
 - Operating efficiency
 - Financial discipline
 - Exceptional customer care

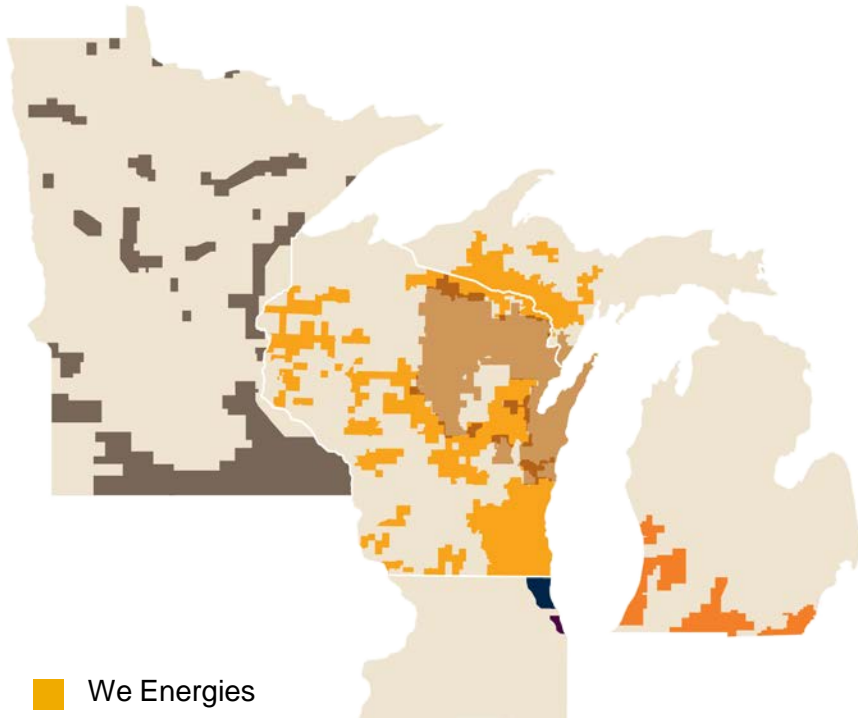
A Compelling Value Proposition

- For 2016, targeting earnings per share growth of 6-8 percent
- Beyond 2016, earnings per share expected to grow at 5-7 percent annually
- More than 99 percent of earnings from regulated operations
- Projecting dividend growth in line with earnings growth

Well Positioned for the Future

WEC Energy Group

Service Territory



- We Energies
- Michigan Gas Utilities Corporation
- Minnesota Energy Resources Corporation
- North Shore Gas Company
- The Peoples Gas Light and Coke Company
- Wisconsin Public Service Corporation

Company Statistics

- \$21 billion market cap ⁽¹⁾
- 1.6 million electric customers
- 2.8 million gas customers
- 60% ownership of ATC
- 70,000 miles electric distribution
- 44,000 miles gas distribution
- \$17 billion of rate base ⁽²⁾
- 99+% of earnings from regulated operations

(1) As of 6/30/16

(2) Actual year-end 2015

Earnings Growth Drivers

Year-end 2015 rate base

(\$ billions)

\$17 billion



■ Utilities ■ PTF ■ Transmission

Core Investment

- Rate Base: \$8 - \$8.5 billion of projected rate base investment from 2016-2020
- ATC – Traditional Footprint
 - \$3.7 to \$4.5 billion 10 year capital plan
 - WEC Ownership 60%
- Power the Future: ROE of 12.7% on historical and new investment

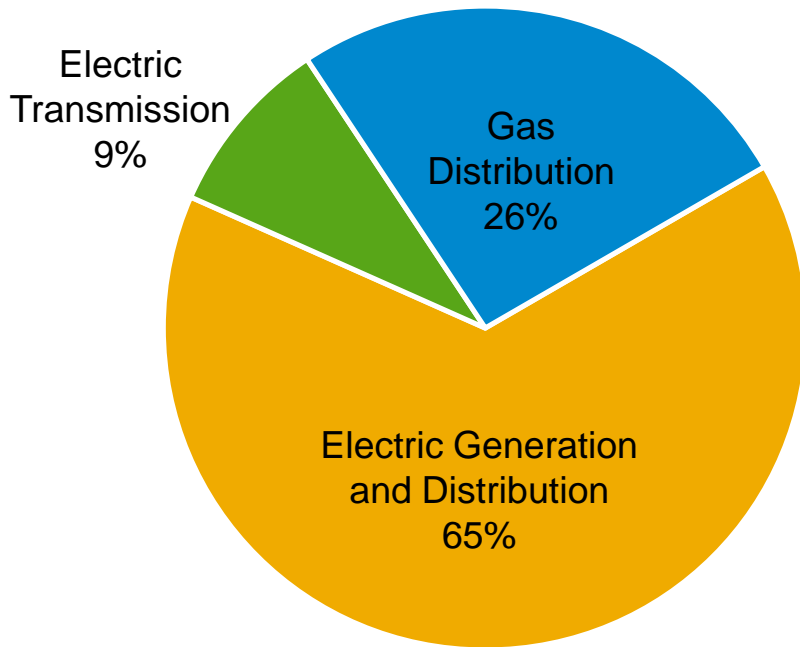
Plus Additional Growth Opportunities

- Outside ATC Traditional Footprint
- Clean Power Plan investment

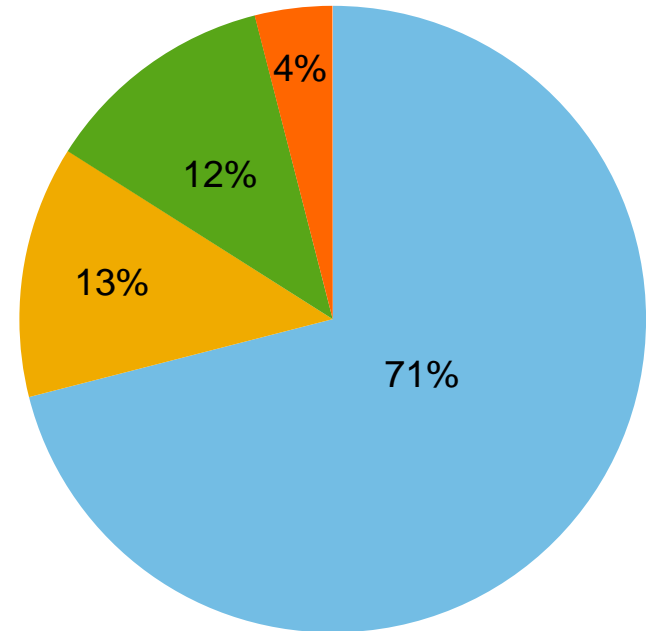
Note: Power the Future value represents investment book value

Our Portfolio of Regulated Businesses

By Business



By Jurisdiction



■ WI ■ FERC ■ IL ■ MI/MN

Rate-Making Parameters By Company

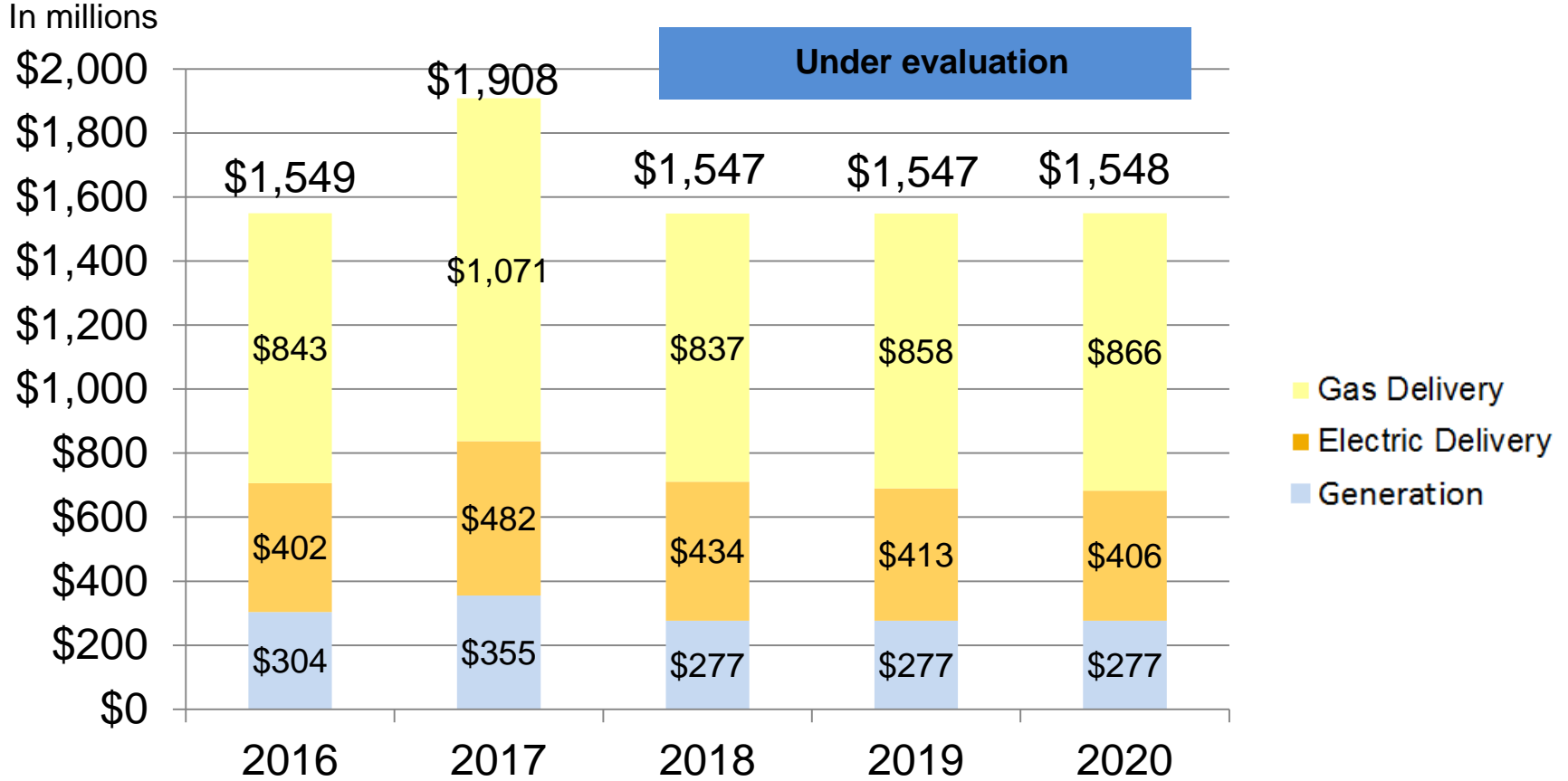
Utility	Equity Layer ⁽¹⁾	Allowed ROE
Wisconsin Electric	48.5% - 53.5%	10.2%
WPS	49.0% - 54.0%	10.0%
Wisconsin Gas	47.0% - 52.0%	10.3%
Peoples Gas	50.33%	9.05%
North Shore Gas	50.48%	9.05%
Minnesota Energy Resources	50.31%	9.35%
Michigan Gas Utilities	52%	9.9%

1. Represents equity layer in rates

Rate Case Update

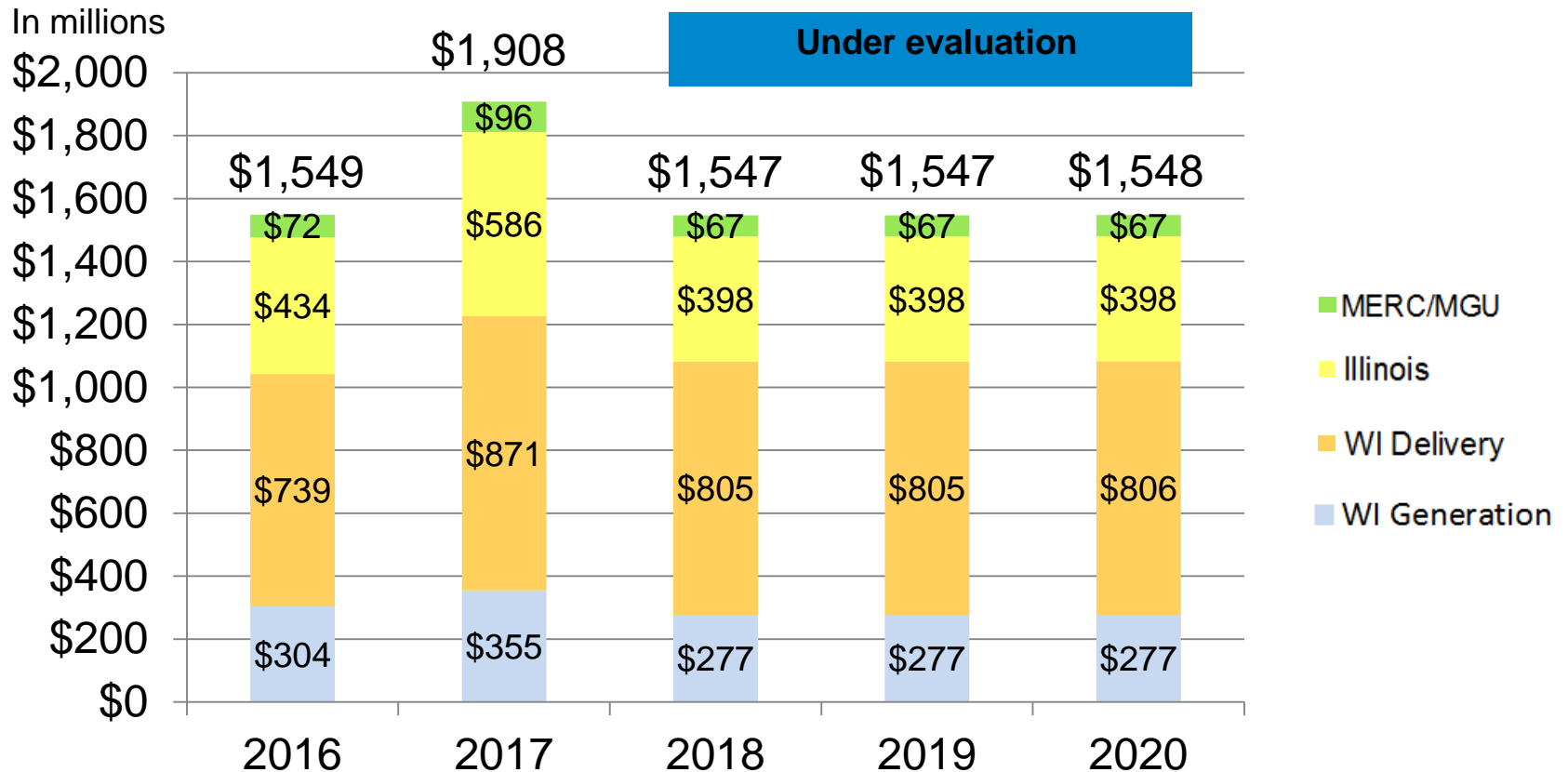
- Wisconsin
 - No 2017 test year base rate cases
 - Filed 2017 fuel cases July 1
- Michigan
 - MGU settlement approved by commission on Dec. 11, 2015 for rates effective January 1, 2016
- Minnesota
 - Interim rates for Minnesota Energy Resources effective January 2016* – rate case proceeding

Five Year Capital Projection 2016-2020



- Total capital spend over the five-year period of \$8 - \$8.5 billion

Five Year Capital Projection 2016-2020



- Depreciation at the utilities expected to average \$780 million annually over the five-year period

Sample Merger Driven Initiatives

Category	Activity
Staffing levels	✓ Achieving reductions in staff, vendors and contractors (e.g. functionalization of Wisconsin utilities)
Information Technology	✓ Consolidating IT infrastructure ✓ Implementing enterprise-wide application investments across major functional platforms
Supply Chain	✓ Achieving savings in consolidated vendor and supplier contracts, negotiating most favorable terms
Customer Care	✓ Implementing We Care program and establishing consistent measurements of customer satisfaction across all six utilities
Operations	✓ Initiating a review of processes to drive performance improvement, standardization and cost reduction

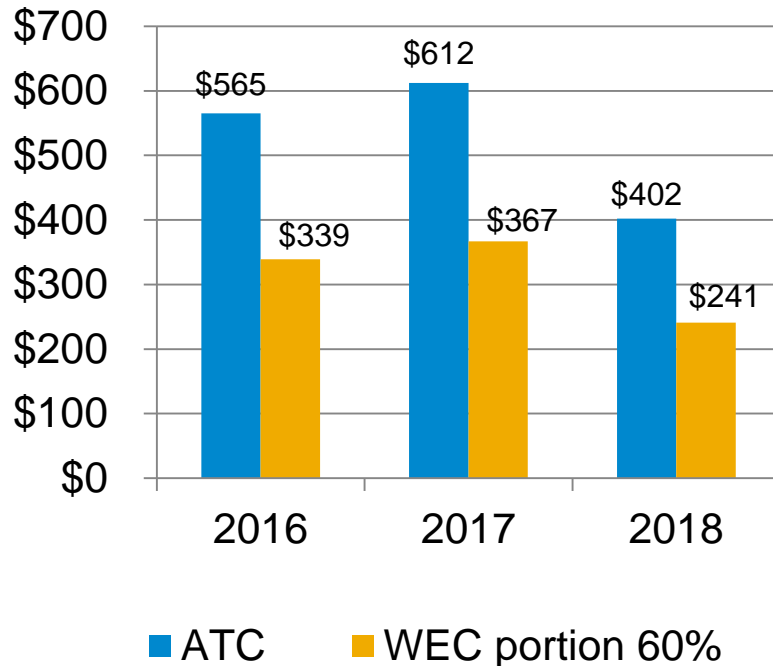
Well Positioned for the Future

American Transmission Company

\$3.7 – \$4.5 billion projected investment from 2015 – 2024

Projected Capital Expenditures

(Millions of Dollars)



Key Assumptions

- ATC rate base at year end 2015: \$3.1 billion
- Implies average \$192 million effective annual (FERC) rate base growth for WEC from 2016 to 2018
- ROE currently under FERC review

American Transmission Company – Outside the Traditional Footprint

- Joint venture between Duke Energy and ATC (DATC)
 - Ownership split 50/50 between Duke and ATC
 - WEC interest: 30%
- Investment opportunities:
 - Potential expansion of California's Path 15 transmission line
 - Zephyr Power Transmission Project
 - Other transmission projects throughout the U.S.

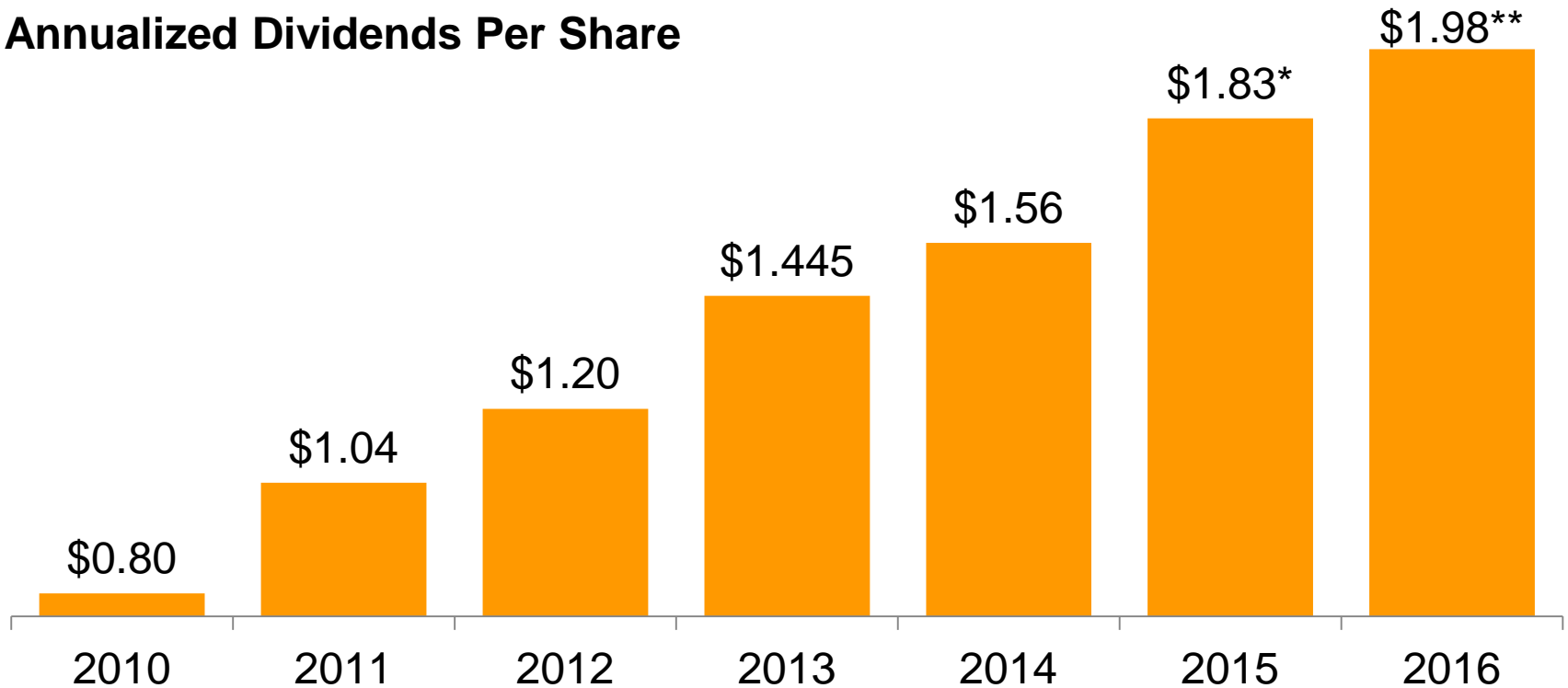
PTF Investments

	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

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.

Industry Leading Dividend Growth

Annualized Dividends Per Share



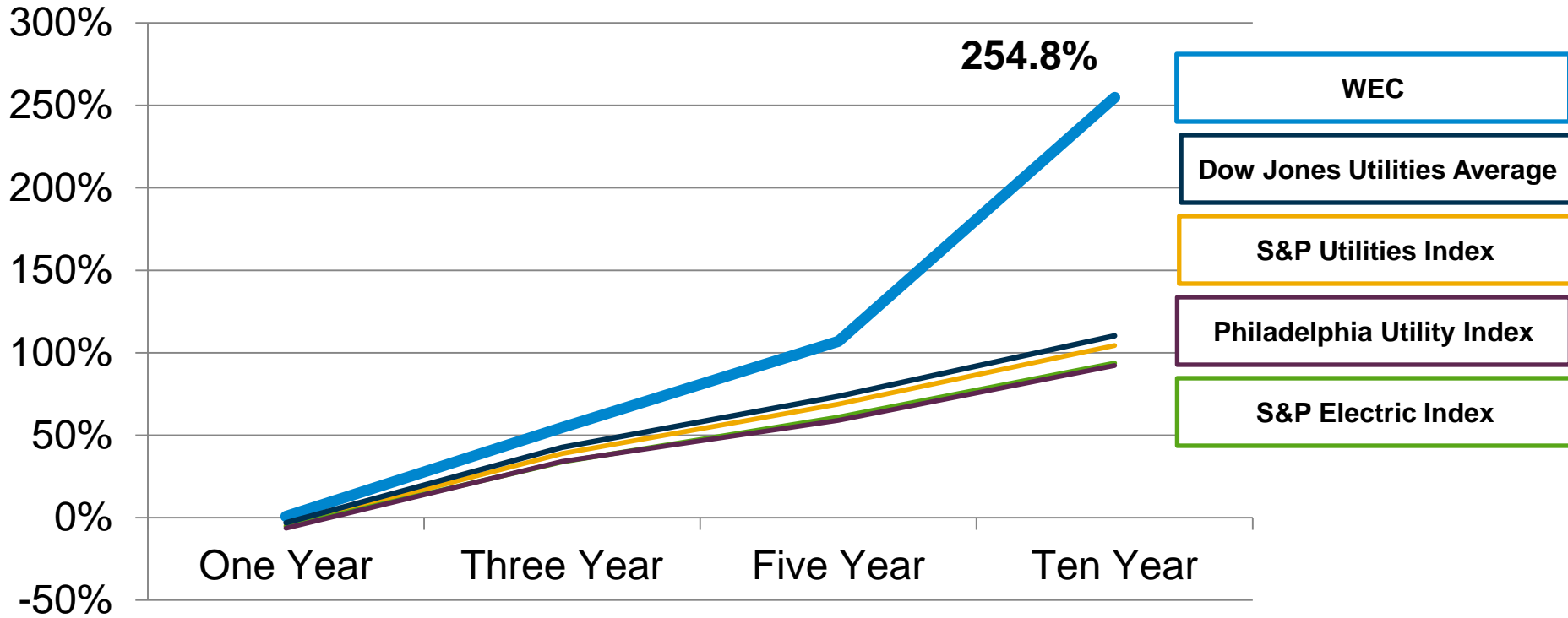
- Raised the dividend by 17.3% in 2015 and 8.2% in 2016
- Continuing to target dividend payout of 65-70% of earnings
- Dividend expected to grow in line with earnings

*Annualized based on 4th quarter 2015 dividend of \$0.4575

**Annualized based on new quarterly dividend of \$0.4950

A Track Record of Performance

Industry Leading Total Shareholder Returns



Annualized returns for periods ending 12/31/15

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

Key Takeaways for WEC Energy Group

- Leading electric and natural gas utility in the Midwest
- The eighth largest natural gas distribution company in the nation
- Long-term earnings per share growth of 5-7% projected annually – driven by multi-year infrastructure projects
- Targeting dividend growth in line with growth in earnings per share
- Majority ownership of American Transmission Company brings additional transmission investment opportunity
- Positioned to deliver among the best risk-adjusted returns in the industry



Appendix

WEC Energy Group

Electric Distribution

Natural Gas Distribution

Electric Transmission

Electric Generation



we power



Transaction Overview

- 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
- 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 stand-alone company

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

Well Positioned for the Future

Larger transmission and gas business



- Diversified across four state jurisdictions and FERC

No required equity issuances



- Strong financial condition

Attractive EPS growth potential



- Top-tier record of producing shareholder value

Continued strong dividend growth potential



- Strong, experienced management

Delivering the Future

- Committed to infrastructure investment that will:
 - Renew and modernize our delivery networks
 - Meet new environmental standards
 - Reduce operating costs for customers



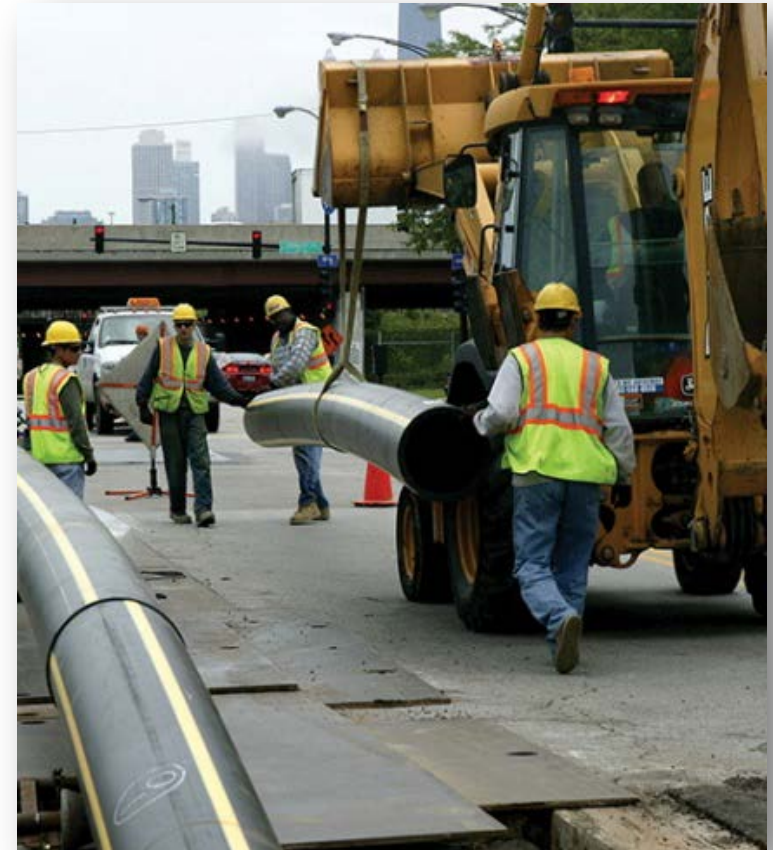
System Modernization and Reliability Project

- \$220 million of projected investment from 2014-2018
- Converting more than 1,000 miles of overhead distribution power lines to underground in northern Wisconsin
- Adding distribution automation equipment on 400 miles of lines



Advanced Main Replacement Project

- Extensive effort to modernize natural gas infrastructure in City of Chicago
 - Ultimately replace 2,000 miles
 - Plan to replace 250 miles over next three years
- Investment recovery under a monthly bill rider
 - Project \$250 – \$280 million average annual investment
 - Enabling legislation in effect from 2014 – 2023



Twin Falls: Building a modern powerhouse

- 50% increase in capacity
- \$60-\$65 million expected investment
- Scheduled for completion in summer 2016



Fuel flexibility initiative at our Oak Creek units

- \$21 million projected investment for plant modifications
- \$58 million projected investment for storage, fuel handling
- Significant reduction in fuel costs for our customers



State-of-the-Art Generation Fleet



Natural gas – 3,753 megawatts

- Port Washington Generating Station among the lowest cost combined-cycle plants in country



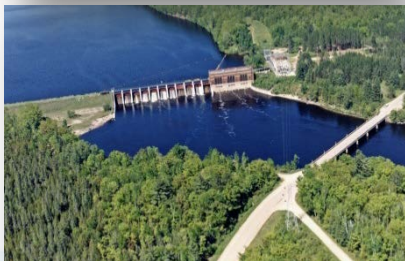
Coal – 5,044 megawatts

- Oak Creek heat rate is top 5% in country



Renewables – 483 megawatts

- Wisconsin's two largest wind farms and biomass plant



Hydro – 169 megawatts

Well Positioned for the Future

Supporting a Clean Energy Future

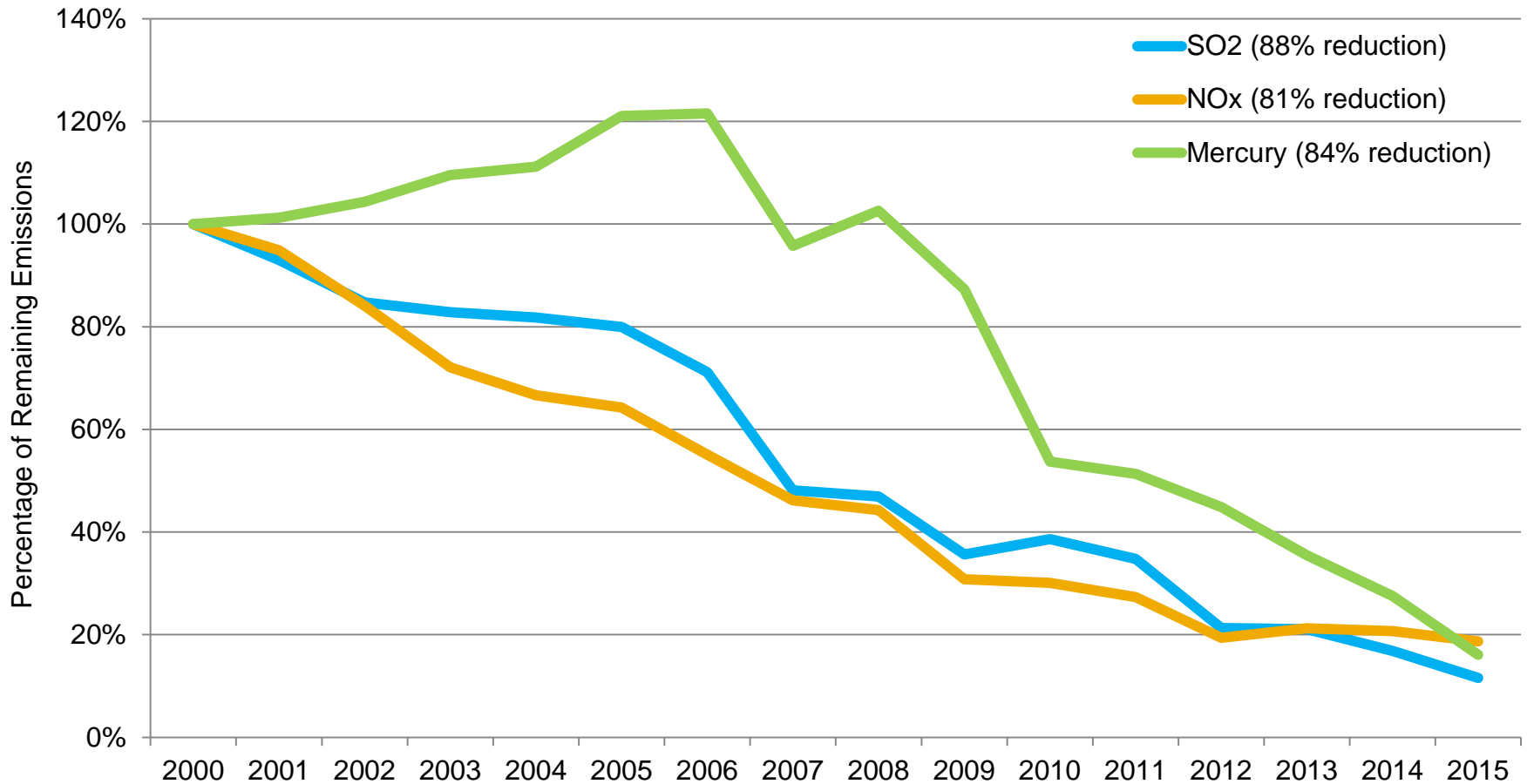
Over the past decade, WEC Energy Group has implemented a multi-emission strategy to achieve greater environmental benefit for lower cost

- Retired older, less-efficient coal-fired generation
- Added two combined cycle natural gas units
- Added state-of-the-art, coal-fired generation with performance that ranks among the most thermally efficient coal-fired units in the nation
- Invested more than \$1 billion in renewable energy – including the state's two largest wind energy sites
- Invested more than \$1.5 billion in air quality systems



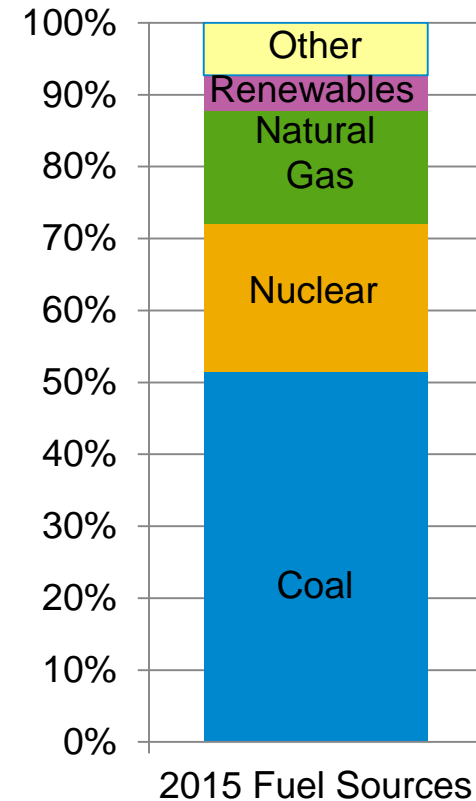
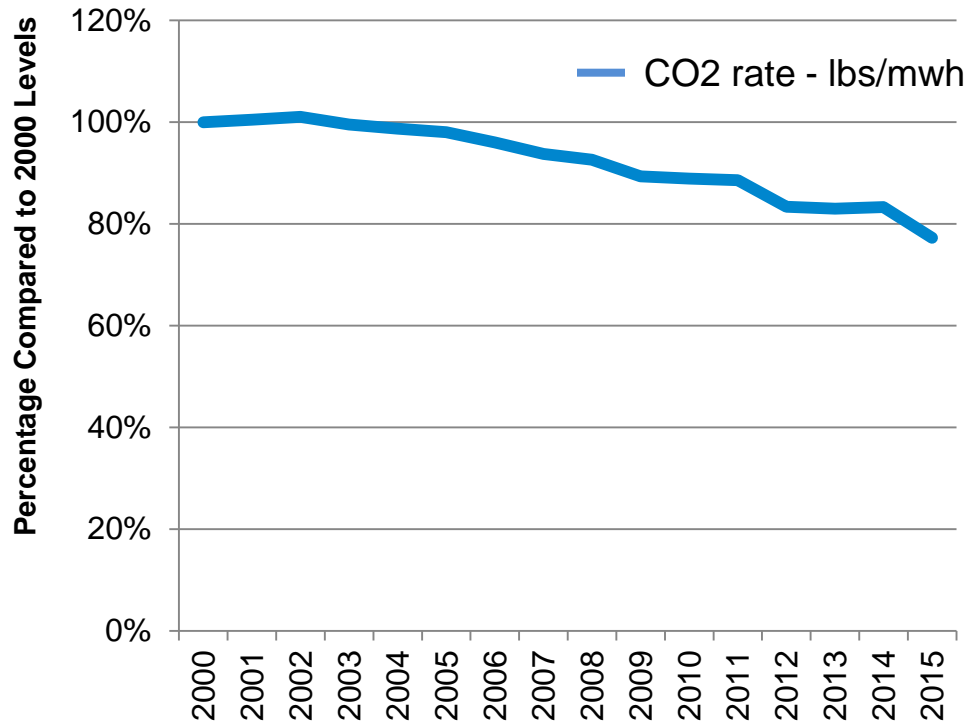
Reducing Emissions

Environmental Performance



Planning for Carbon Regulations

23% Reduction in Carbon Intensity

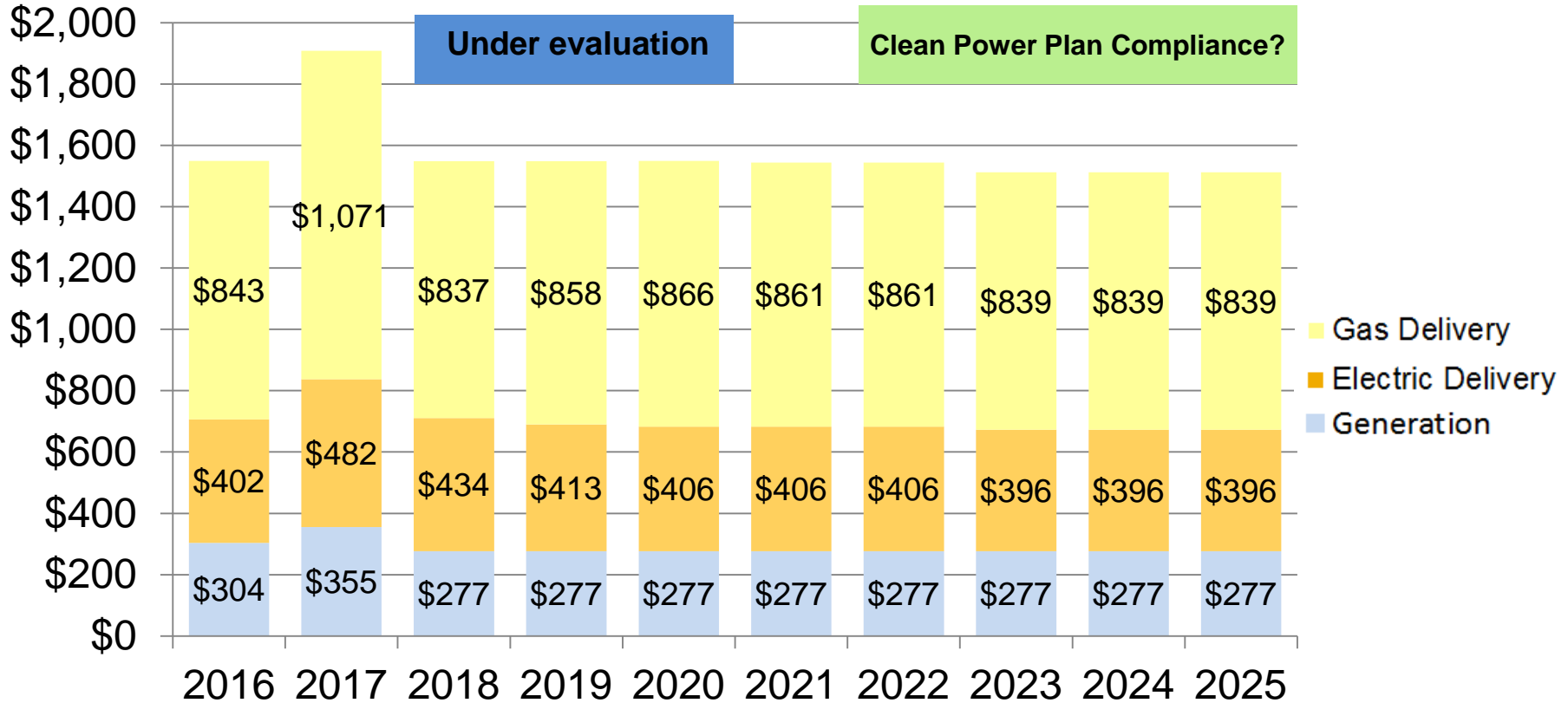


EPA's Clean Power Plan

- Plan calls for Wisconsin to reduce CO₂ emissions by 41%
- Approximately two-thirds of the reductions must be achieved by 2022
- Stay by U.S. Supreme Court introduces delay and additional uncertainty

Ten Year Capital Projection 2016-2025

In millions



- Total capital spend over the 10-year period of approximately \$15 billion

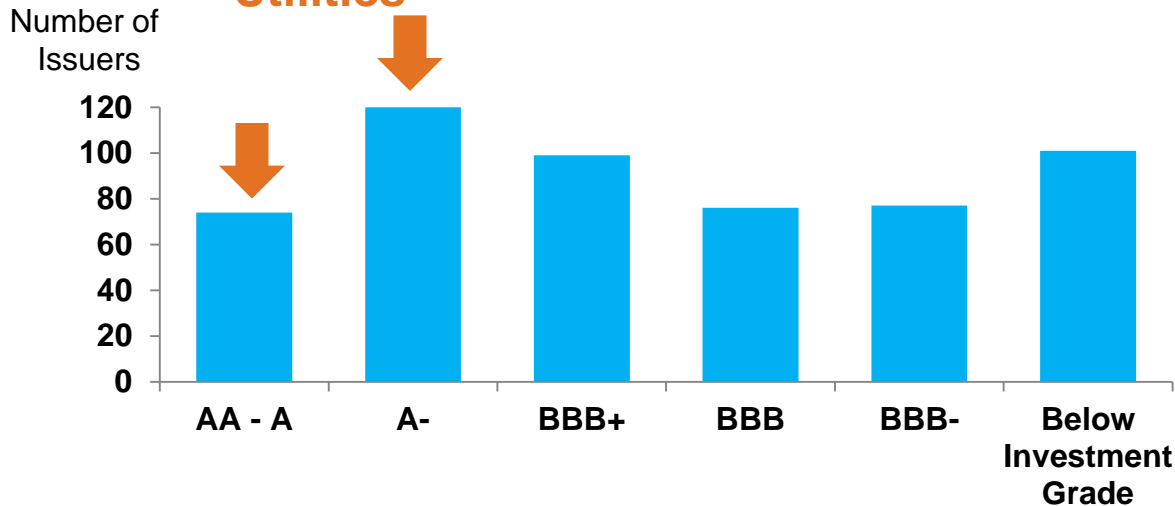
A Track Record of Performance

Strong Financial Condition

Electric and Gas Utilities Credit Ratings Distribution*



Utilities

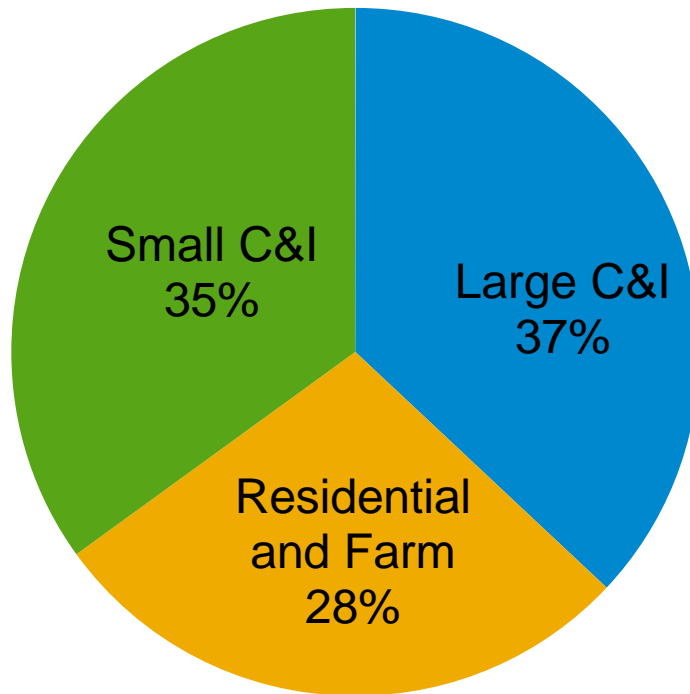


Utility	Rating
Wisconsin Electric	A-
Wisconsin Gas	A
Wisconsin Public Service	A-
Peoples Gas	A-
North Shore Gas	A-

*Source: Standard & Poor's Financial Services LLC (April 2016)

Balanced Sales Mix

2015 Retail Mwh Deliveries Mix*



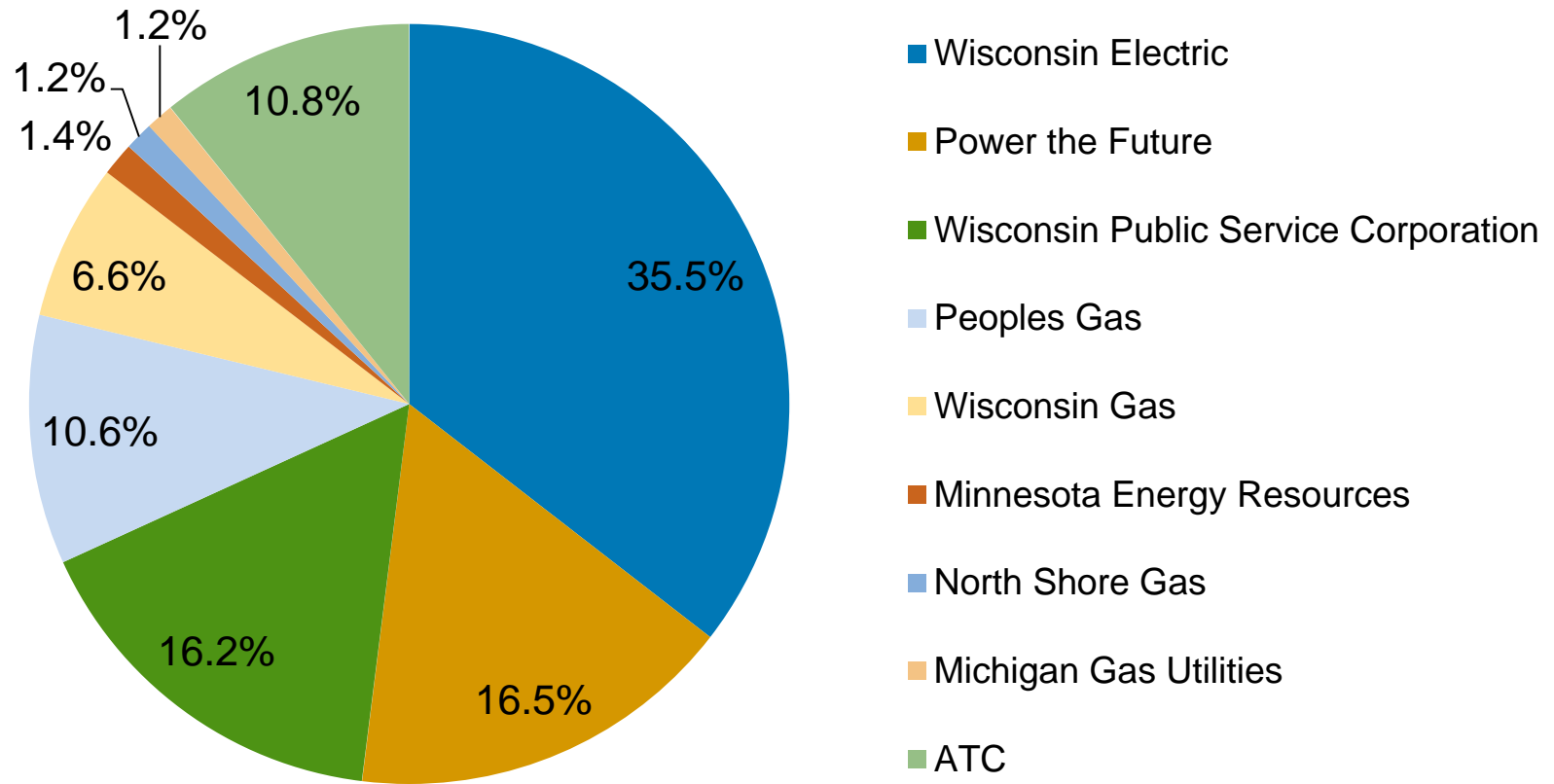
37% Large C&I by Segment

Paper	21%
Mining/Minerals	13%
Foundry (SIC 33)	11%
Other Manufacturing	9%
Food/Agriculture	8%
Metal (SIC 34,35,37)	7%
Medical	5%
Office	5%
Education	4%
Chemical	4%
Printing	3%
Other	10%

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

Composition of Rate Base

Total 2015 Rate Base of \$17.0 billion



Key Rate Making Components

Area	PGL	NSG	MERC	MGU	Wisconsin – Electric	Wisconsin – Gas	Michigan
Gas Pipeline Replacement Rider	X						
Bad Debt Rider	X	X					
Bad Debt Escrow Accounting					WE	WG	
Decoupling	X	X	X				
Fuel Cost Recovery	1 for 1 recovery of prudent fuel costs				+/- 2% band	1 for 1 recovery of prudent fuel costs	
Manufactured Gas Plant Site Clean Up Recovery	X	X	X	X	N/A	X	X
Forward-looking test years	X	X	X	X	2 years	2 years	X

Regulatory Environment

Wisconsin

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

Michigan

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

Wisconsin Commissioners			
Name	Party	Began Serving	Term Ends
Ellen Nowak Chair	R	07/2011	03/2019
Mike Huebsch	R	03/2015	03/2021
Phil Montgomery	R	03/2011	03/2017

Michigan Commissioners			
Name	Party	Began Serving	Term Ends
Sally Talberg Chair	I	07/2013	07/2019
Norm Saari	R	08/2015	07/2021
Rachel Eubanks*	I	07/2016	07/2017

*Pending confirmation

Regulatory Environment

Illinois

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

Minnesota

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

Illinois Commissioners			
Name	Party	Began Serving	Term Ends
Brien Sheahan Chair	R	01/2015	01/2019
Miguel del Valle	D	02/2013	01/2018
Sherina Maye	I	03/2013	01/2018
Ann McCabe	R	03/2012	01/2017
John Rosales	D	03/2015	01/2019

Minnesota Commissioners			
Name	Party	Began Serving	Term Ends
Beverly Jones Heydinger Chair	D	07/2012	01/2017
John Tuma	R	02/2015	01/2021
Nancy Lange	D	02/2013	01/2019
Dan Lipschultz	R	01/2014	01/2020
Matt Schuerger	R	01/2016	02/2022

Regulatory Environment

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

FERC Commissioners			
Name	Party	Began Serving	Term Ends
Norman Bay Chair	D	08/2014	06/2018
Cheryl LaFleur	D	07/2014	06/2019
Tony Clark	R	06/2012	06/2016
Colette Honorable	D	01/2015	06/2017
Open			

Key Provisions in Merger Approval

Wisconsin

- Earnings cap at Wisconsin Electric and Wisconsin Gas
- Joint Resource Plan for capacity needs of Wisconsin Electric and Wisconsin Public Service

Illinois

- 2-year requirement for minimum level of jobs
- 2-year base rate freeze
- 3-year capital commitment
- Follow the recommendations of the 3rd party audit of the gas pipeline replacement program

Michigan

- If requested, either invest in and/or purchase power from a new power plant (which would enable retirement of the Presque Isle Plant)
- Pursue the formation of a Michigan-only utility for our customers in Michigan's Upper Peninsula

Minnesota

- No workforce reductions beyond normal attrition for two years

FERC

- For policy issues, WEC will only vote legacy TEG ownership of 34% of ATC

Precedent Transactions

Announce Date	Closing Date	Target	Acquiror	1-Day Premium	FY1 P/E	FY2 P/E	Transaction Value (\$mm)	Equity Value (\$mm)	Price/Book	Enterprise Value/ Rate Base
2/9/16	Pending	EDE	AQN.CN	50% ⁽¹⁾	22.4x	21.1x	\$2,366	\$1,489	1.9x	1.49x
2/9/16	Pending	ITC	FTS.CN	33% ⁽¹⁾	21.6x	20.0x	\$11,269	\$6,889	4.1x	1.98x
2/1/2016	Pending	STR	D	23%	19.1x	18.9x	\$5,960	\$4,371	3.4x	2.29x ⁽²⁾
10/26/15	Pending	PNY	DUK	42%	29.8x	28.0x	\$6,700	\$4,916	3.5x	2.5x
9/4/15	Pending	TE	EMA.CN	48% ⁽¹⁾	23.3x	21.5x	\$10,361	\$6,480	2.5x	1.60x ⁽³⁾
8/24/15	Pending	GAS	SO	38%	21.5x	20.6x	\$11,978	\$7,926	2.0x	n/a
02/25/2015	Pending	UIL	Iberdrola	25% ⁽²⁾	21.7x	20.4x	\$4,674	\$2,983	2.2x	1.95x
12/03/2014	Pending	HE	NEE	19%	21.3x	18.1x	\$4,300 ⁽⁴⁾	\$2,615 ⁽⁴⁾	1.7x ⁽⁴⁾	1.53x ⁽⁴⁾
10/20/2014	Pending	CNL	Multiple	n/a ⁽⁵⁾	20.5x	18.7x	\$4,700	\$3,343	2.1x	1.68x
06/23/2014	06/29/2015	TEG	WEC	17%	20.0x	18.5x	\$9,020	\$5,758	1.7x	1.55x
04/30/2014	Pending	POM	EXC	25% ⁽¹⁾	22.5x	20.8x	\$12,193	\$6,872	1.6x	1.58x
12/11/2013	08/15/2014	UNS	FTS.CN	30%	18.0x	17.9x	\$4,282	\$2,515	2.2x	1.55x
05/29/2013	12/19/2013	NVE	Berkshire	20%	18.3x	17.6x	\$10,465	\$5,592	1.6x	1.45x
			Average	31%	21.5x	20.2x			2.3x	1.70x
			Median	27%	21.5x	20.0x			2.1x	1.58x

1. Based on unaffected date.

2. Historical rate base. Includes E&P investment base.

3. Based on press releases.

4. Assumes \$8/share of equity value for the American Savings Bank. Book equity value based on Hawaiian Electric Company, Inc. (regulated subsidiary) balance sheet.

5. Company disclosed engagement in strategic transaction discussions prior to announcement of transactions.

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