



March 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, 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, 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.

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 2017, targeting earnings per share growth of 5-7 percent
 - Earnings in 2017 are expected to be in a range of \$3.06 to \$3.12 per share
 - Longer-term earnings per share growth is expected to be 5-7 percent compound annual growth rate off 2015 base of \$2.72 per share
 - More than 99 percent of earnings from regulated operations
- Projecting dividend growth in line with earnings growth

Our Goal: Preserve fuel diversity, reduce costs and lower carbon emissions

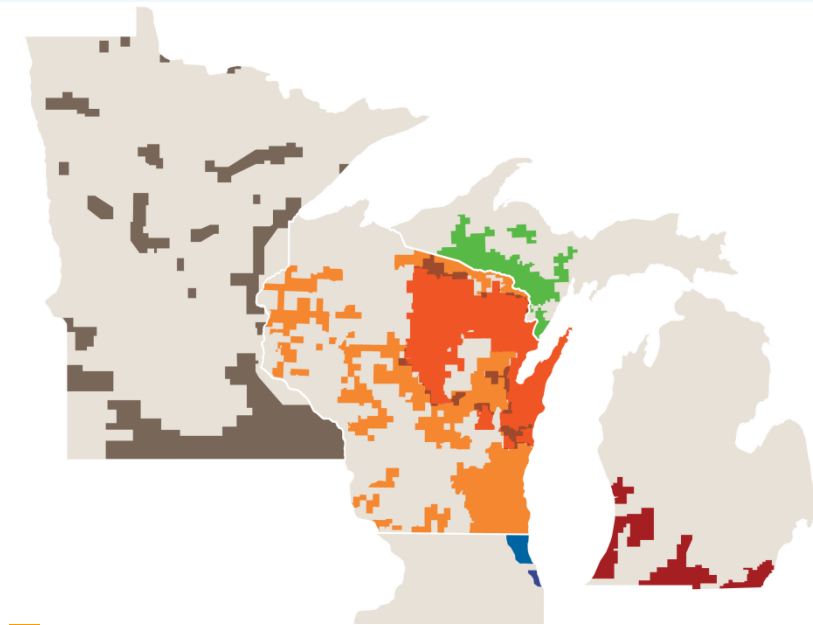
- Implementing generation solutions to allow retirement of coal
 - Examples – Presque Isle (365MW) and Pulliam (200MW) power plants
- Continuing evaluation of possible future retirements of other coal-fueled units
- Received research and test exemptions to evaluate co-firing of natural gas in some of our coal units – testing began June 2016






As regulations of GHG emissions take shape, our plan is to work with our 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

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
-  Upper Michigan Energy Resources Corporation

Company Statistics

- \$18.5 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+% of earnings from regulated operations

(1) As of 12/31/16

(2) 2016 average rate base

Earnings Growth Drivers

2016 average rate base

(\$ billions)

\$17.7 billion



■ Utilities ■ PTF ■ Transmission

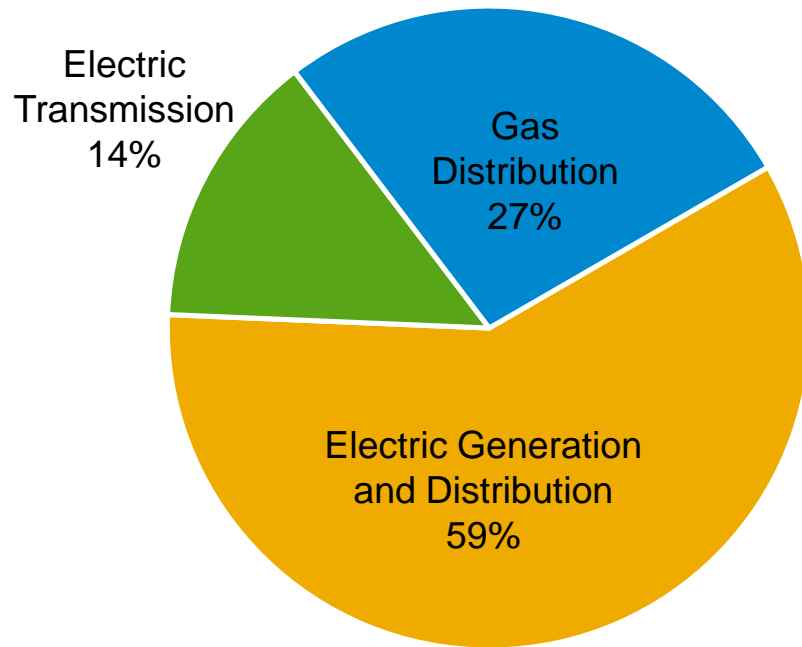
Core Investment

- Rate Base: Projected rate base investment from 2017 – 2021: \$9.5 – \$10.0 billion
- ATC – Traditional Footprint
 - \$3.6 – \$4.4 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
 - Additional natural gas storage
 - Continue analysis of utility projects

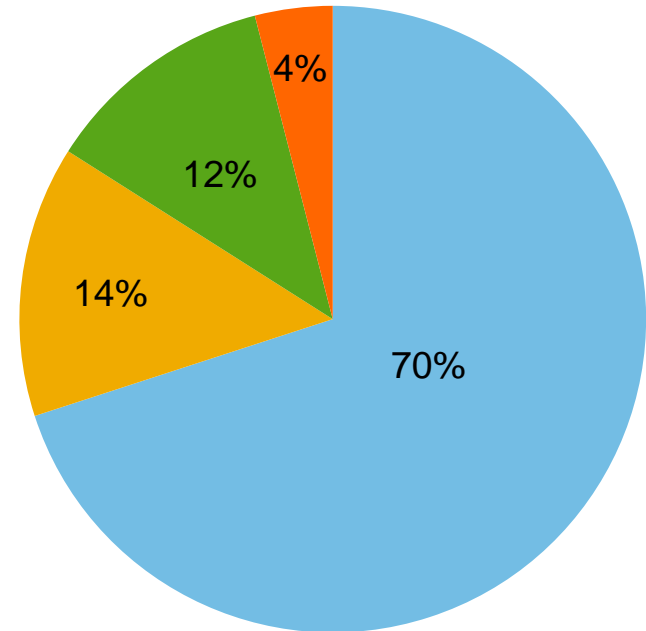
Note: Power the Future value represents investment book value

Our Portfolio of Regulated Businesses

By Business



By Jurisdiction



■ WI ■ FERC ■ IL ■ MI/MN

Based on 2016 average rate base

Rate-Making Parameters by Company

| Utility | Equity Layer ⁽¹⁾ | Authorized 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 | 50.32% | 9.11% |
| Michigan Gas Utilities | 52% | 9.9% |

1. Represents equity layer in rates

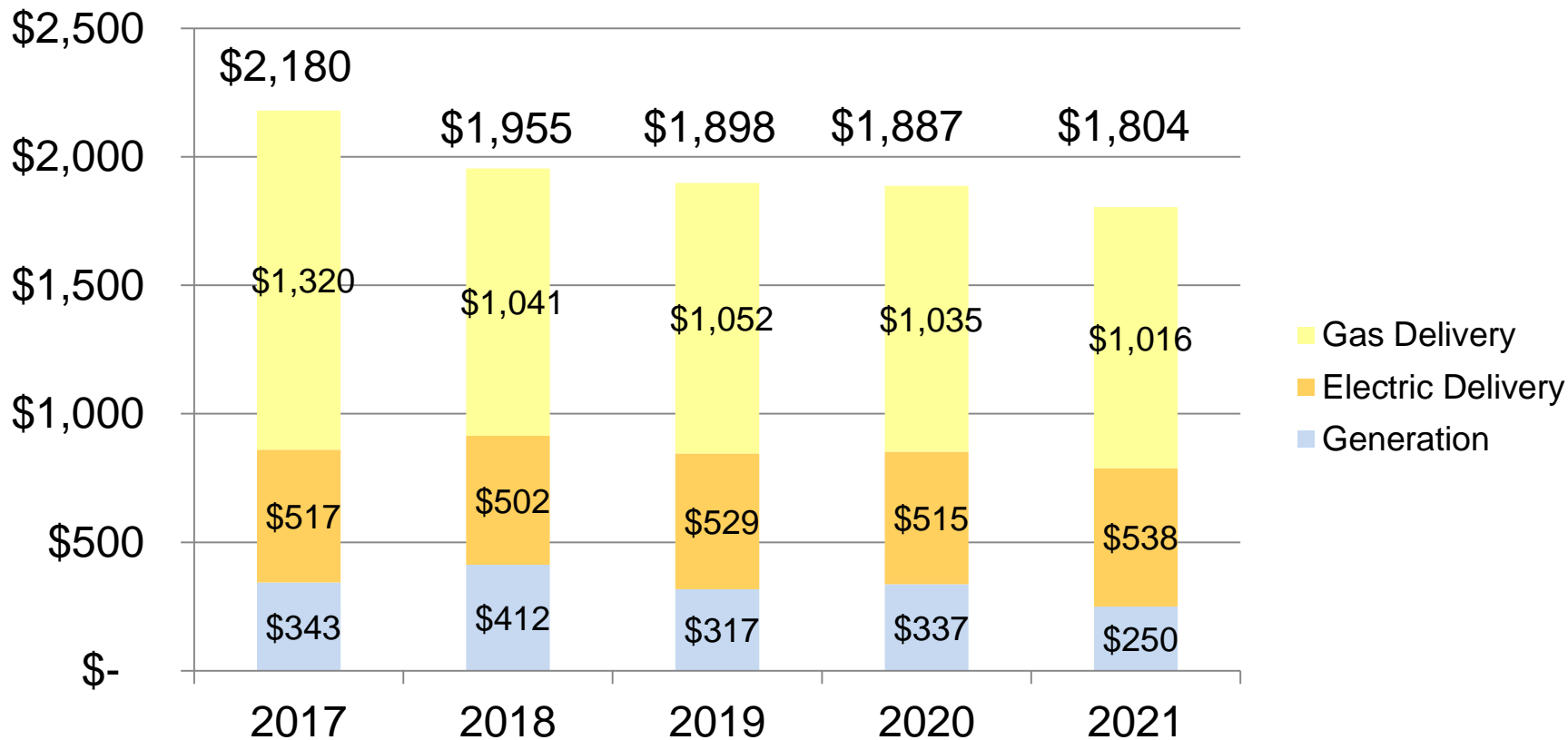
Rate Case Update

- Wisconsin
 - Rate case plans under evaluation

- Illinois
 - No rate case filing in 2017

Five Year Capital Projection 2017-2021

In millions

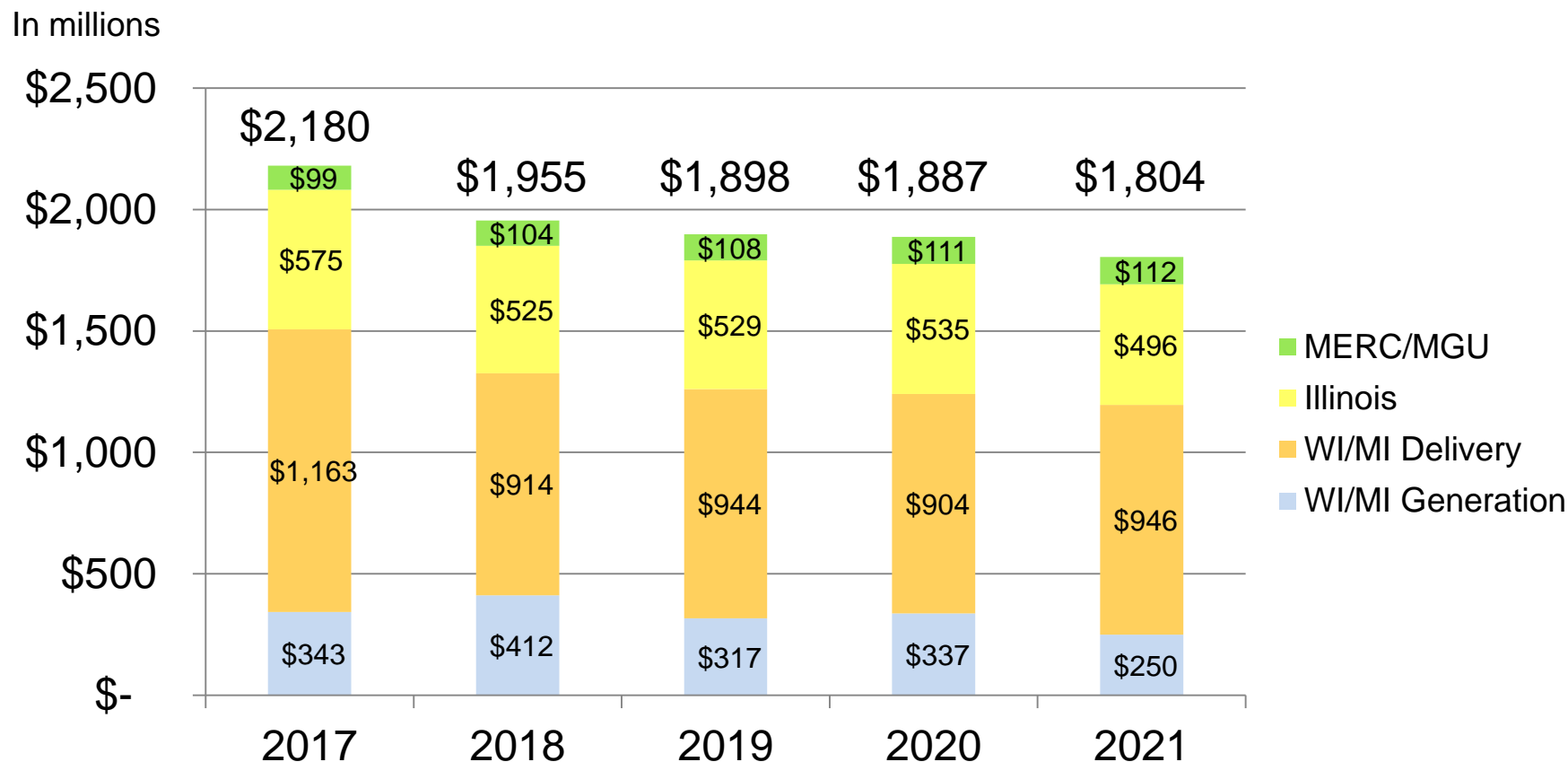


- Total capital spend over the five-year period of \$9.5 - \$10.0 billion

Excludes ATC projected capital expenditures.

Includes UMERG generation and Bluewater natural gas storage.

Five Year Capital Projection 2017-2021



- Depreciation at the utilities expected to average \$830 million annually over the five-year period

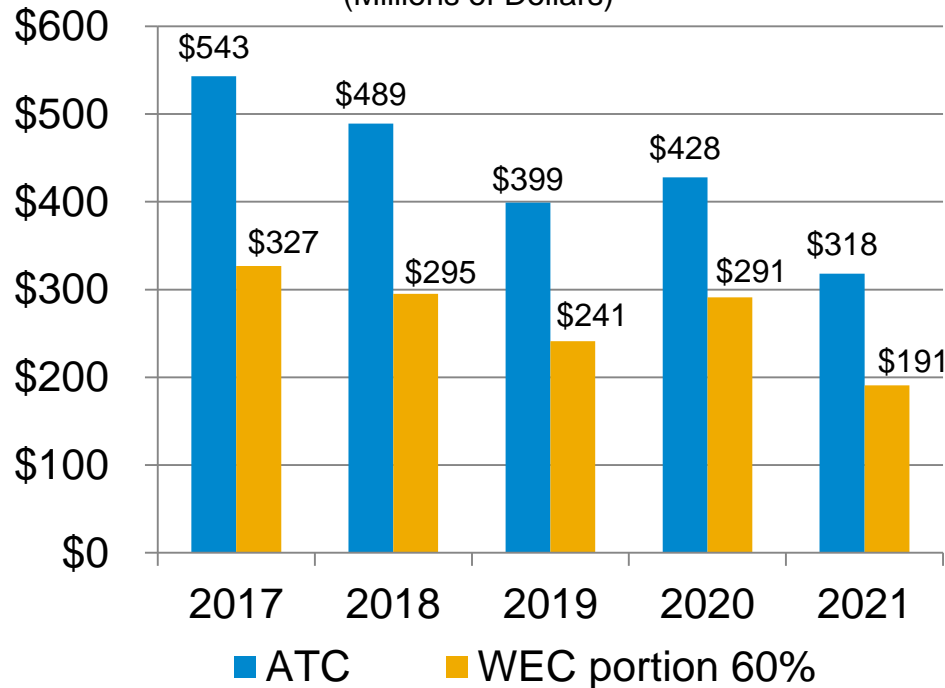
Excludes ATC projected capital expenditures
Includes UMERC generation and Bluewater natural gas storage.

American Transmission Company

\$3.6 – \$4.4 billion projected investment from 2016 – 2025

Projected Capital Expenditures (Inside Traditional Footprint)

(Millions of Dollars)



Key Assumptions

- ATC average rate base at year end 2016: \$3.3 billion
- Implies average \$164 million effective annual (FERC) rate base growth for WEC from 2017 to 2021
- 5-year projected WEC portion of capital investments
 - Inside traditional footprint: \$1.4 billion
 - Outside traditional footprint: \$300 million
- ROE currently under FERC review

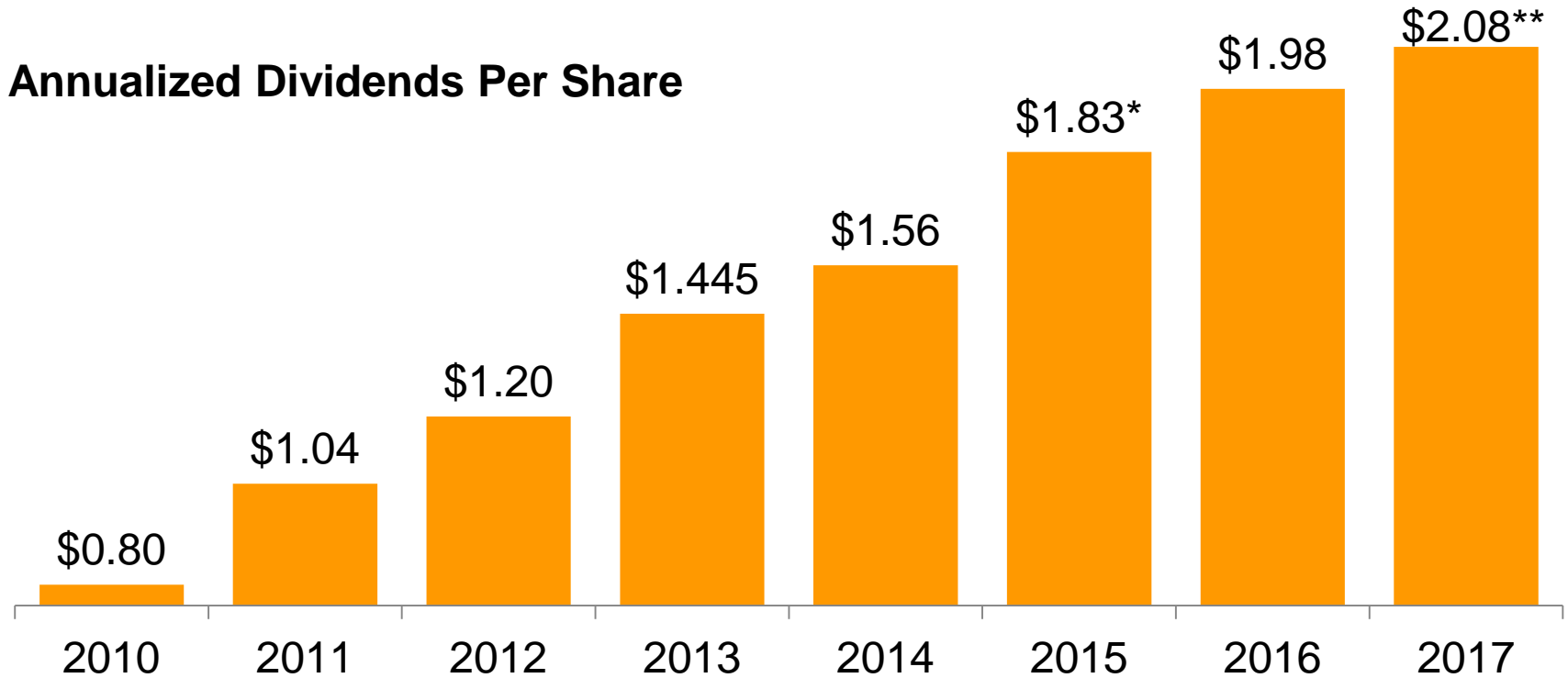
American Transmission Company – Outside the Traditional Footprint

- Joint venture between Duke Energy and ATC (DATC)
 - Ownership split 50/50 between Duke and ATC
 - WEC interest: 34%
 - Owns California's Path 15 transmission line – potential for expansion
 - Zephyr Power Transmission project
- ATC-only outside the footprint
 - WEC interest: 68%
 - Joint venture between Arizona Electric Power Cooperative and ATC (ATC Southwest)
 - Other transmission projects throughout the U.S.
 - Alaska

Sample Merger-Driven Initiatives

| Category | Activity |
|------------------------|--|
| Supply Chain | ✓ Achieving savings in consolidated vendor and supplier contracts, negotiating most favorable terms |
| Information Technology | ✓ Consolidating IT infrastructure ✓ Implementing uniform processes and consolidating to a single Enterprise Resource Planning (ERP) system |
| Customer Care | ✓ Established consistent measurements of customer satisfaction across all six utilities ✓ Rolling out advanced metering functionality ✓ Expanding mobile options for our customers |
| Operations | ✓ Implementing improved, standard order dispatch ✓ Upgrading work management capabilities across the Wisconsin fleet |

Industry-Leading Dividend Growth



- Raised the dividend 5.1% in 2017
- 14.6% compound annual growth rate off 2010 base
- 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 1st quarter 2017 dividend of \$0.520

Well Positioned for the Future

Supporting a Clean Energy Future

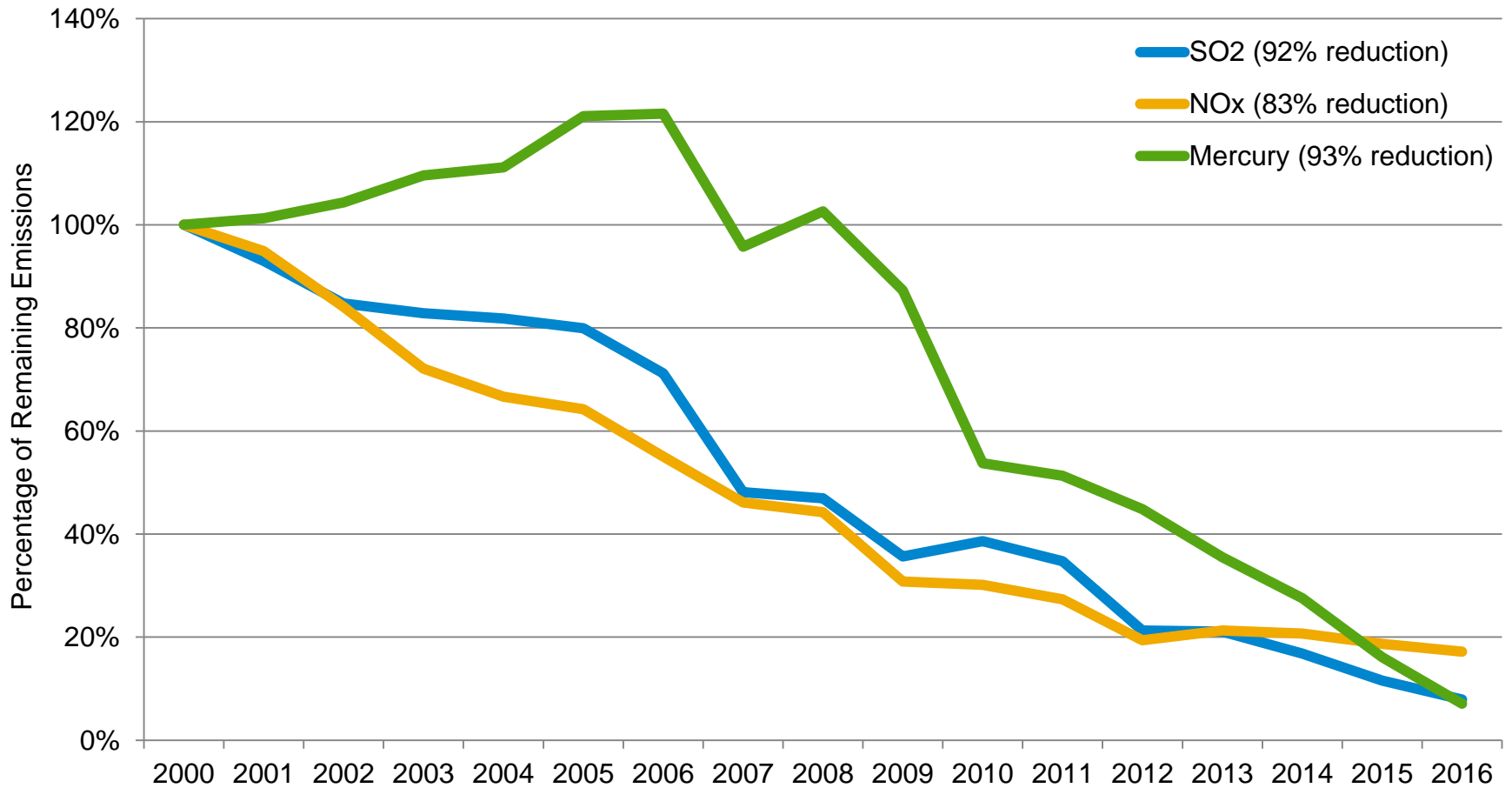
WEC Energy Group has implemented a multi-emission strategy to achieve greater environmental benefit for lower cost

- 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 biomass and the state’s two largest wind energy sites
- Invested more than \$1.5 billion in air quality systems



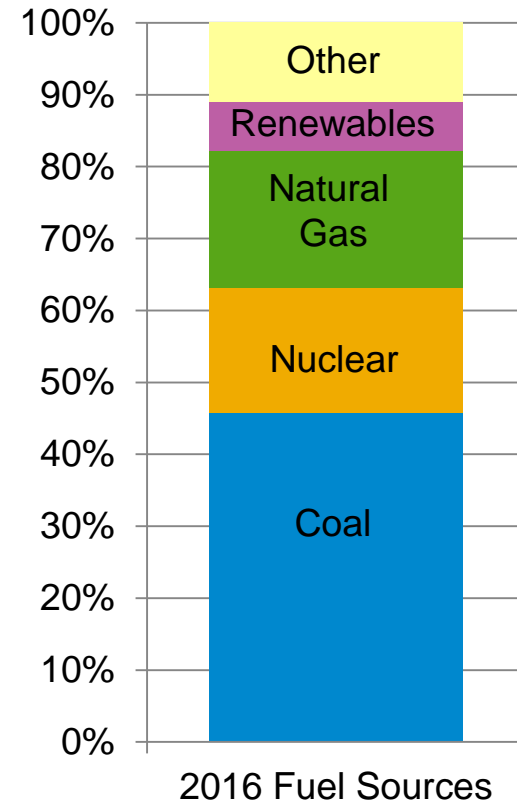
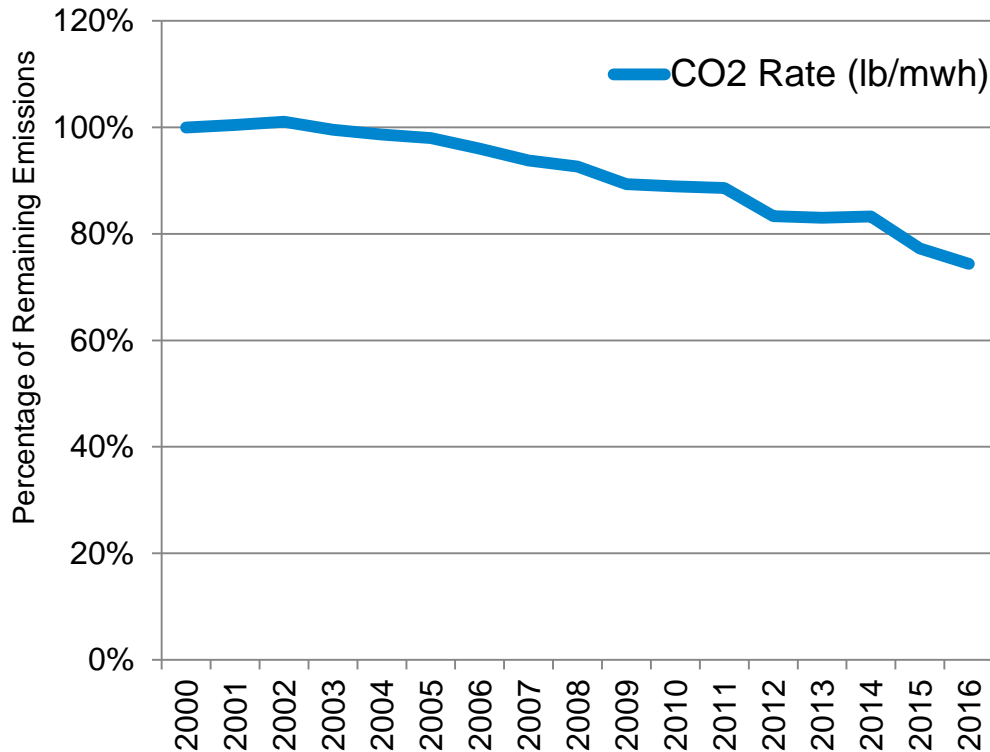
Reducing Emissions

Environmental Performance



Decline in Carbon Intensity

26% Reduction in Carbon Intensity



26.7% of revenues are derived from coal; down 1.5% from 2015.*

*Calculation is based on internal allocations and assumes our share of ATC gross revenues.

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
- Projected long-term earnings per share growth of 5-7 percent compound annual growth rate off 2015 base
- 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



Acquisition 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
- 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

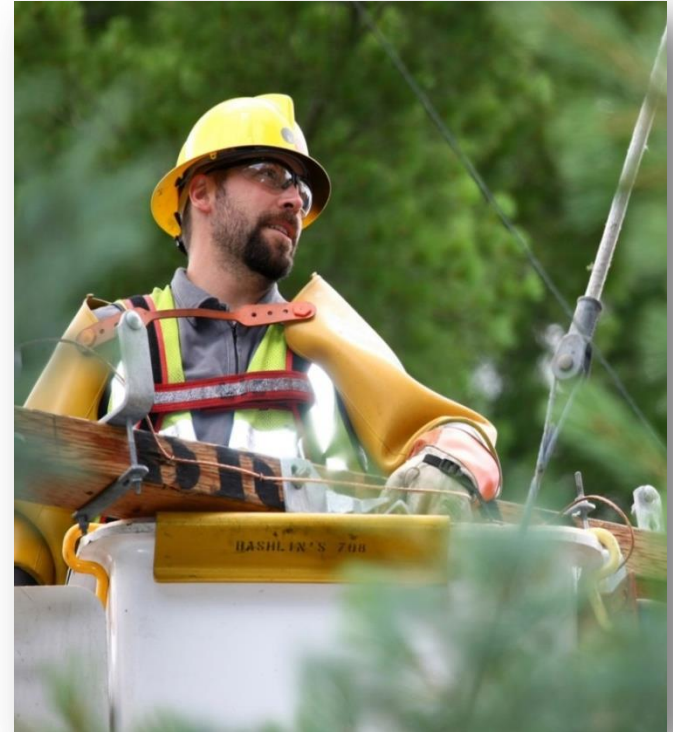
Delivering the Future

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



System Modernization 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
- \$200 million extension approved – 2018-2021



Proposed New Generation in the Upper Peninsula

- Provides a long-term generation solution for electric reliability in Upper Peninsula
- ~180 MW of clean, natural gas-fired *Reciprocating Internal Combustion Engine* (RICE) generation
- Estimated \$265 million (\$275 million including AFUDC) investment is made by the new Michigan utility – UMERC
 - Half of the investment recovered in retail rates
 - Half of the investment recovered by a 20-year agreement with Cliffs Natural Resources
- Commercial operation targeted for 2019
- Filed for approval with the Michigan Commission on Jan. 30, 2017
- Allows for the retirement of Presque Isle Power Plant

Natural Gas System Modernization Program

- Extensive effort to modernize natural gas infrastructure in City of Chicago
 - Ultimately replace 2,000 miles
 - 21 percent complete
- Investment recovery under a monthly bill rider
 - Project \$280 - \$300 million average annual investment
 - Enabling legislation in effect from 2014 – 2023



Acquisition of Bluewater Natural Gas Holding

- Underground natural gas storage facility in Michigan that will provide one-third of the storage needs for our natural gas distribution companies in Wisconsin
- Bluewater will have long-term service agreements with the three Wisconsin gas utilities
- Total acquisition price: \$230 million
- Expected to provide a utility return on capital
- Seeking declaratory ruling from Public Service Commission of Wisconsin

State-of-the-Art Generation Fleet



Natural gas – 3,753 megawatts

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



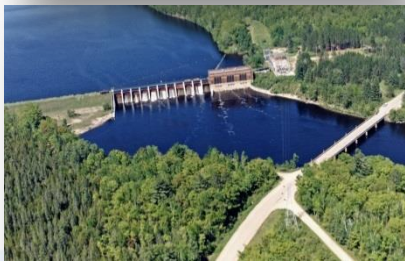
Coal – 5,044 megawatts

- Oak Creek heat rate is top 5% in country



Renewables – 483 megawatts

- Wisconsin's two largest wind farms and biomass plant



Hydro – 169 megawatts

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 7th in nation for natural gas combined-cycle heat rate²
- Elm Road Generating Station ranks 4th 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

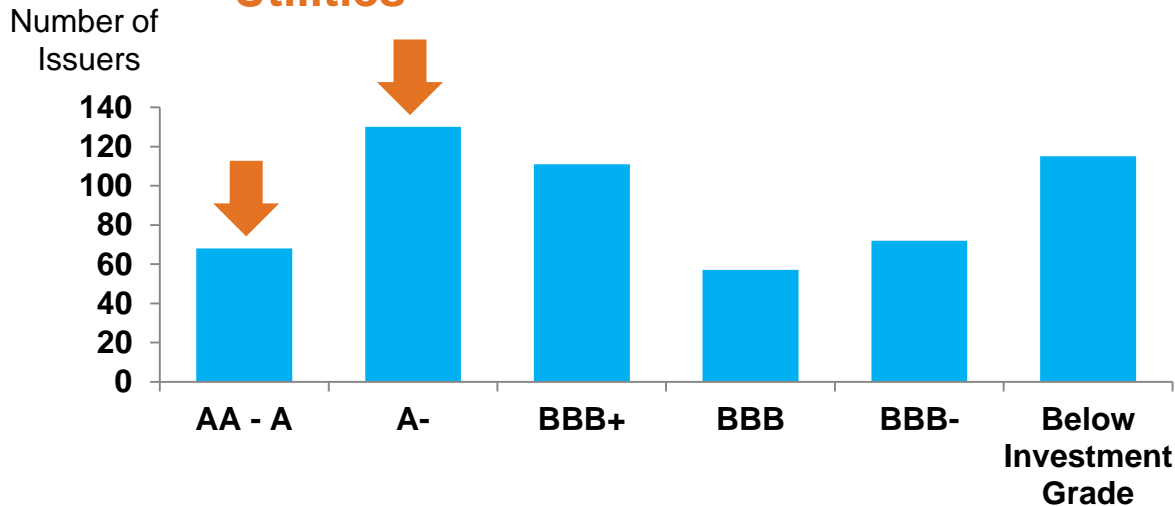
A Track Record of Performance

Strong Financial Condition

Electric and Gas Utilities Credit Ratings Distribution*



Utilities

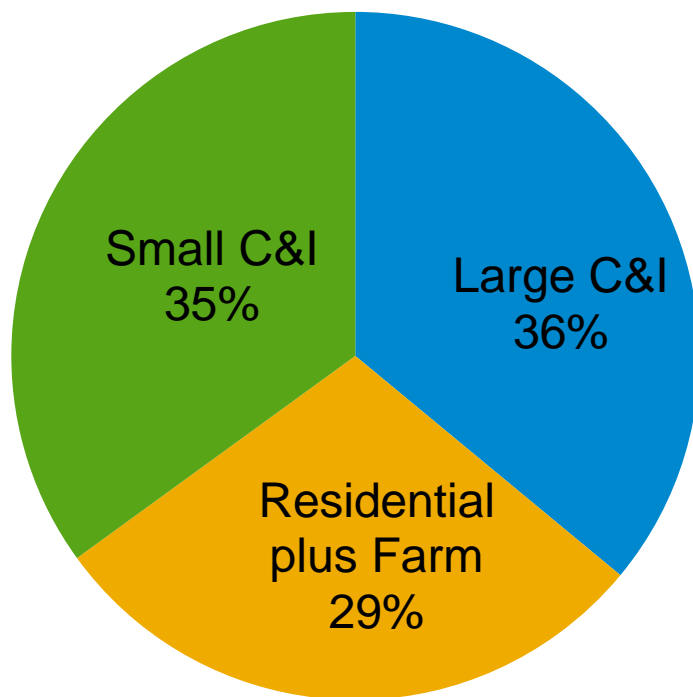


| Utility | Rating |
|--------------------------|--------|
| Wisconsin Electric | A- |
| Wisconsin Gas | A |
| Wisconsin Public Service | A- |
| Peoples Gas | A- |
| North Shore Gas | A- |

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

Balanced Sales Mix

2016 Retail Mwh Deliveries Mix*



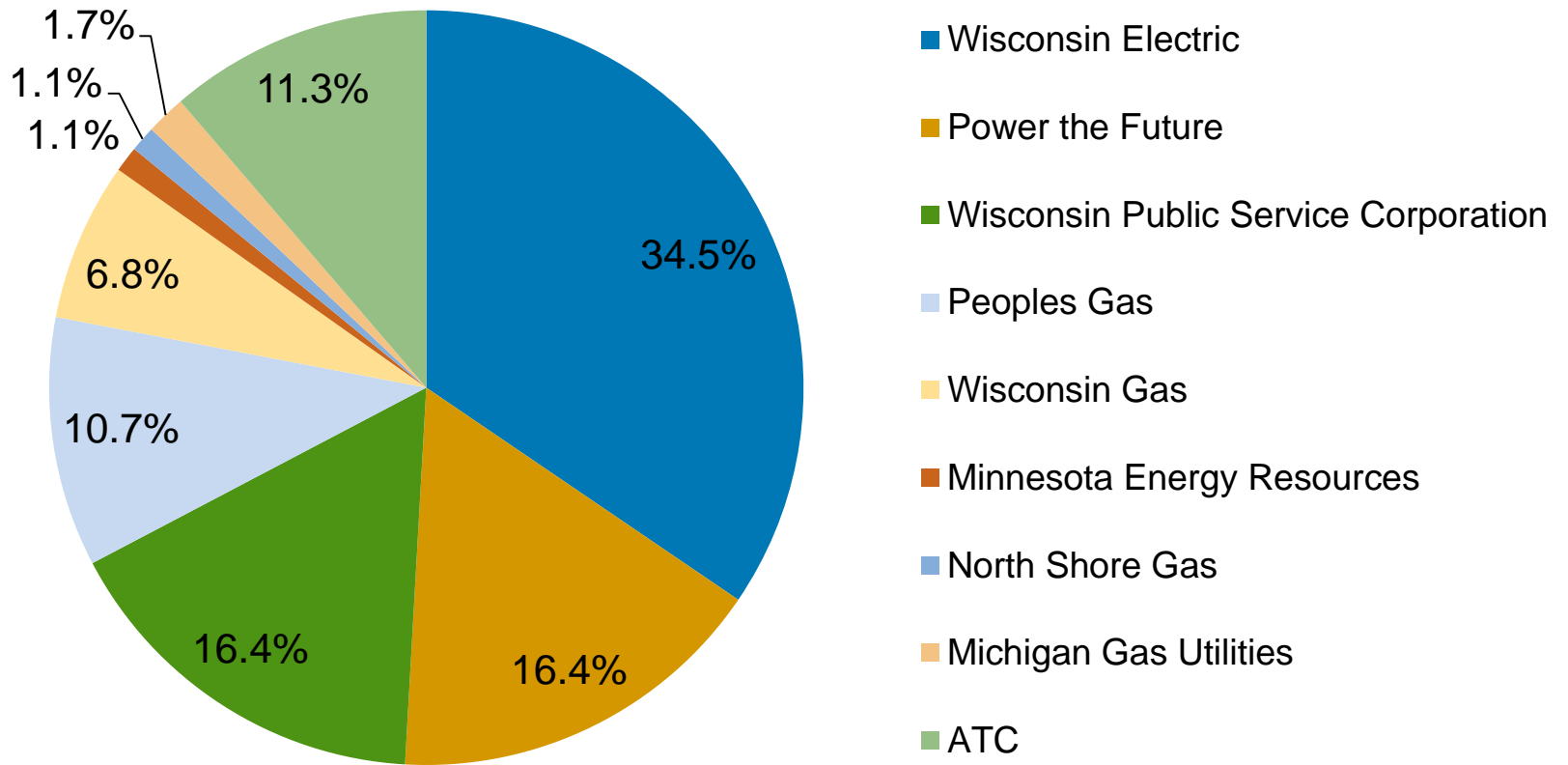
36% Large C&I by Segment

| | |
|----------------------|-----|
| 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

Composition of Rate Base

Total 2016 Rate Base of \$17.7 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 |
| Earnings cap/sharing | | | | | 50/50 first 50 bp 100% to customer beyond 50 bp 2016 -2018* | | |

*Wisconsin Electric Power Company and Wisconsin Gas only

Key Open Dockets

- Michigan generation application: U-18224
- Illinois System Modernization Program: 16-0376
- Wisconsin gas storage: 5-DR-112
- Minnesota Rochester Natural Gas Expansion
 - Rates – G011/M-15-895
 - Routes – G011/GP-15-858

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 |
| Lon Roberts | R | 03/2017 | 03/2023 |

| 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 | 08/2016 | 07/2017 |

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 Chair | R | 01/2015 | 01/2020 |
| Miguel del Valle | D | 02/2013 | 01/2018 |
| Sherina Maye | I | 03/2013 | 01/2018 |
| John Rosales | D | 03/2015 | 01/2019 |
| Sadzi Martha Olivia | R | 01/2017 | 01/2022 |

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 Chair | 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 |
| Cheryl LaFleur Interim Chair | D | 07/2014 | 06/2019 |
| Colette Honorable | D | 01/2015 | 06/2017 |
| Open | | | |
| Open | | | |
| Open | | | |

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 |
|-------------------|-------------------|------------|------------|--------------------|--------------|--------------|--------------------------|---------------------|-------------|-----------------------------|
| 01/25/2017 | Pending | WGL | AltaGas | 28% ⁽¹⁾ | 25.7x | 23.8x | \$6,316 | \$4,517 | 3.3x | n/a |
| 07/29/2016 | Pending | Oncor | NEE | n/a | 26.5x | 23.8x | \$18,400 | \$11,898 | 1.6x | 1.77x |
| 05/31/2016 | Pending | WR | GXP | 36% ⁽¹⁾ | 24.6x | 23.7x | \$12,231 | \$8,600 | 2.3x | 1.72x |
| 02/09/2016 | 01/01/2017 | EDE | AQN.CN | 50% ⁽¹⁾ | 22.4x | 21.1x | \$2,366 | \$1,489 | 1.9x | 1.49x |
| 02/09/2016 | 10/14/2016 | ITC | FTS.CN | 33% ⁽¹⁾ | 21.6x | 20.0x | \$11,269 | \$6,889 | 4.1x | 1.98x |
| 02/01/2016 | 09/16/2016 | STR | D | 23% | 19.1x | 18.9x | \$5,960 | \$4,371 | 3.4x | 2.29x ⁽²⁾ |
| 10/26/2015 | 10/03/2016 | PNY | DUK | 42% | 29.8x | 28.0x | \$6,700 | \$4,916 | 3.5x | 2.5x |
| 09/04/2015 | 07/01/2016 | TE | EMA.CN | 48% ⁽¹⁾ | 23.3x | 21.5x | \$10,361 | \$6,480 | 2.5x | 1.60x ⁽³⁾ |
| 08/24/2015 | 07/01/2016 | GAS | SO | 38% | 21.5x | 20.6x | \$11,978 | \$7,926 | 2.0x | n/a |
| 02/25/2015 | 12/16/2015 | UIL | Iberdrola | 25% ⁽¹⁾ | 21.7x | 20.4x | \$4,674 | \$2,983 | 2.2x | 1.95x |
| 10/20/2014 | 04/13/2016 | CNL | Multiple | n/a ⁽⁴⁾ | 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 | 03/26/2016 | 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 | 32% | 22.4x | 21.0x | | | 2.4x | 1.78x |
| | | | Median | 30% | 21.7x | 20.6x | | | 2.2x | 1.68x |

1. Based on unaffected date.

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

3. Based on press releases.

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

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