



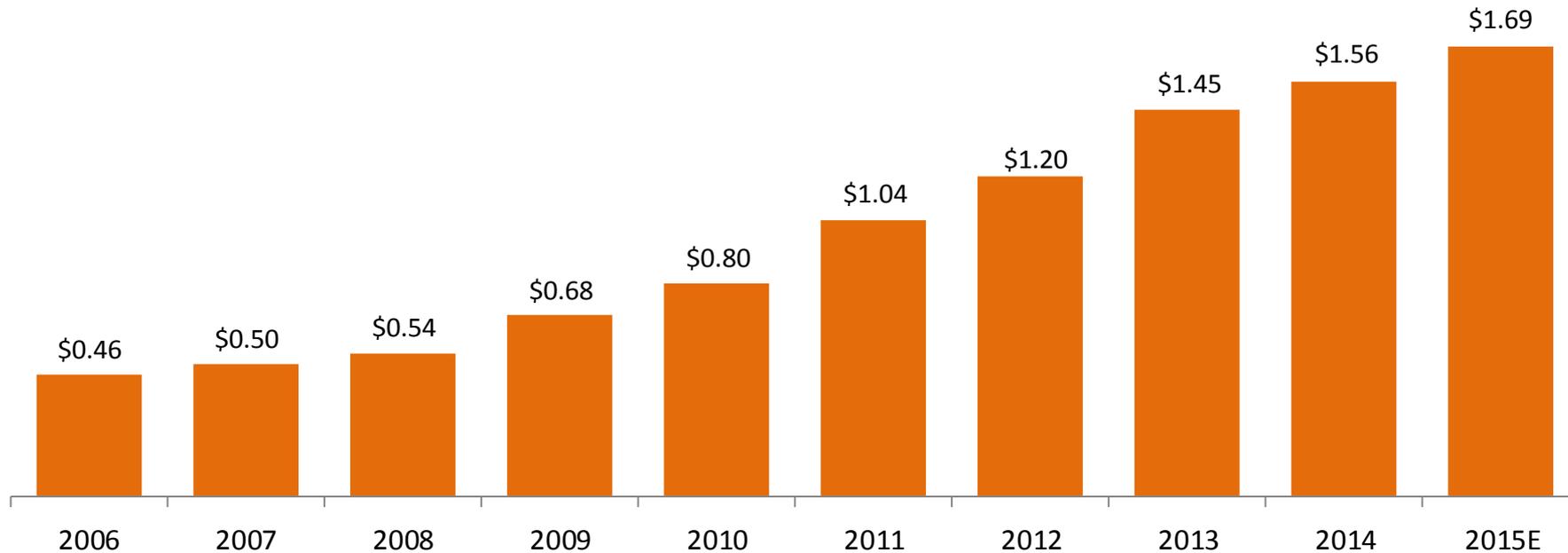
***Wisconsin Energy
Corporation***

Appendix

March 2015

A Track Record of Performance

Industry Leading Dividend Growth



Targeting dividend payout ratio of 65 - 70 percent of earnings in 2017

A Track Record of Performance

Power the Future Investments – Natural Gas

Meeting the Region's Energy Needs

Capacity 1,090 MW

Investment \$664 million

ROE 12.7%

Equity 53%

In Service Dates

Unit 1 – July 2005

Unit 2 – May 2008

**Cost Per Unit
of Capacity** \$609/kW



A Track Record of Performance

Power the Future Investments – Coal

Meeting the Region's Energy Needs

Capacity 1,030 MW¹

Investment \$2 billion¹

ROE 12.7%

Equity 55%

In Service Dates

Unit 1 – February 2010, Unit 2 – January 2011

**Cost Per Unit
of Capacity** Approximately
\$1,950/kW



¹ All capacity and investment amounts reflect WEC ownership only.
Demonstrated capacity for the coal units is 1,057 MW – value shown in table is amount guaranteed in lease agreement.

Strong Financial Foundation

Positive Cash Flow ...

- Project \$300 million of free cash flow from 2015-2019
- Expect to generate free cash flow each year after reaching target dividend payout ratio in 2017

Solid credit ratings ...

	Moody's	S&P	Fitch
WEC ₍₁₎	A2	A-	A-
WE	A1	A-	A
WG	A1	A	A-

(1) S&P & Moody's have placed WEC on negative outlook; Fitch placed WEC on ratings watch negative

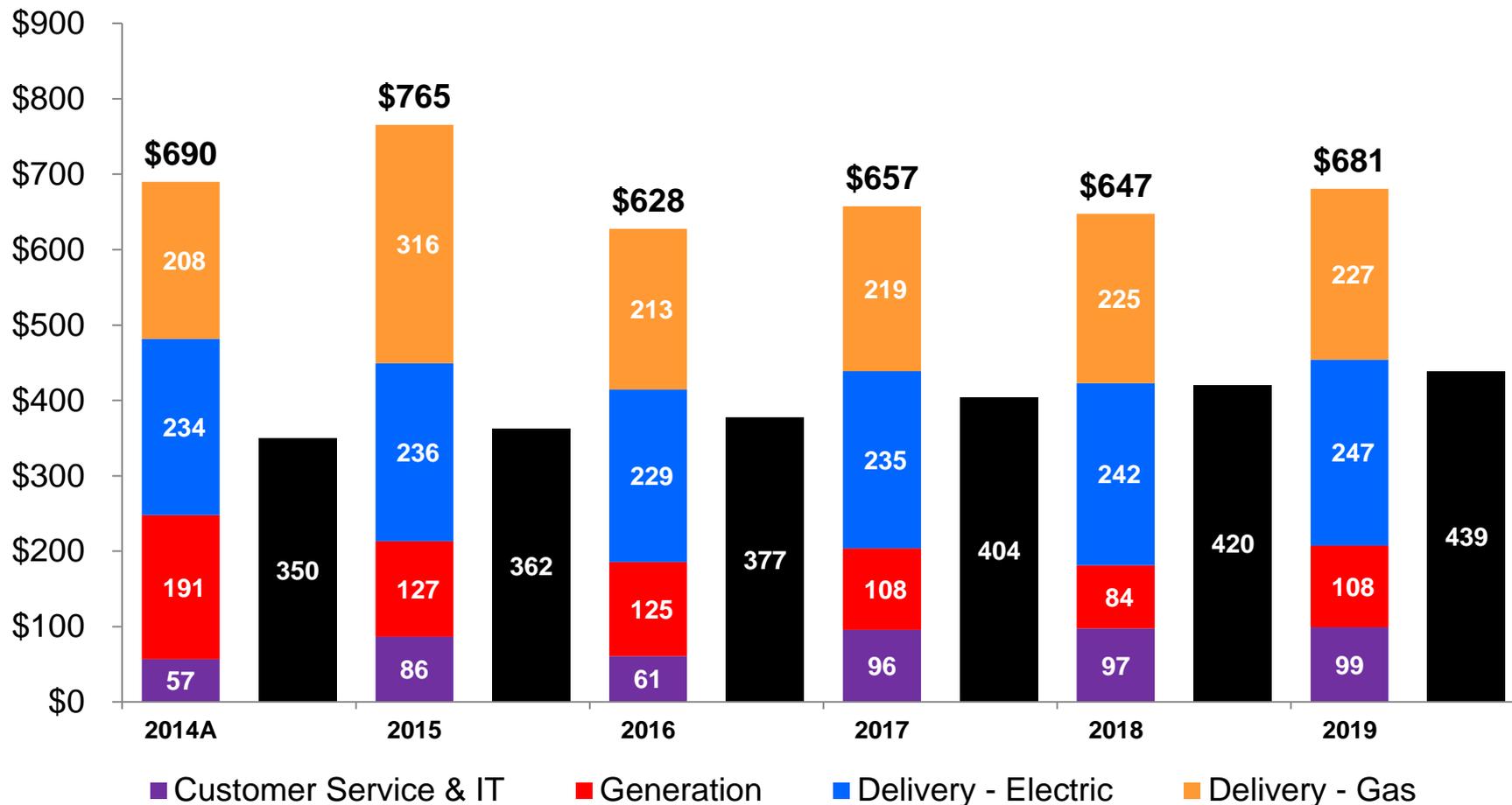
Well-Funded Pension ...

- Over 100% funded at year-end 2014

Where We Go From Here

Five-Year Capital Investment in our Retail Utilities

(Projected Investment, In millions)



Depreciation expected to average \$392 million annually over the five-year period



Where We Go From Here

Ten-Year Capital Projection 2015 - 2024

***\$6.6 to \$7.2 billion investment
in our core business***



Plus Additional Growth Opportunities

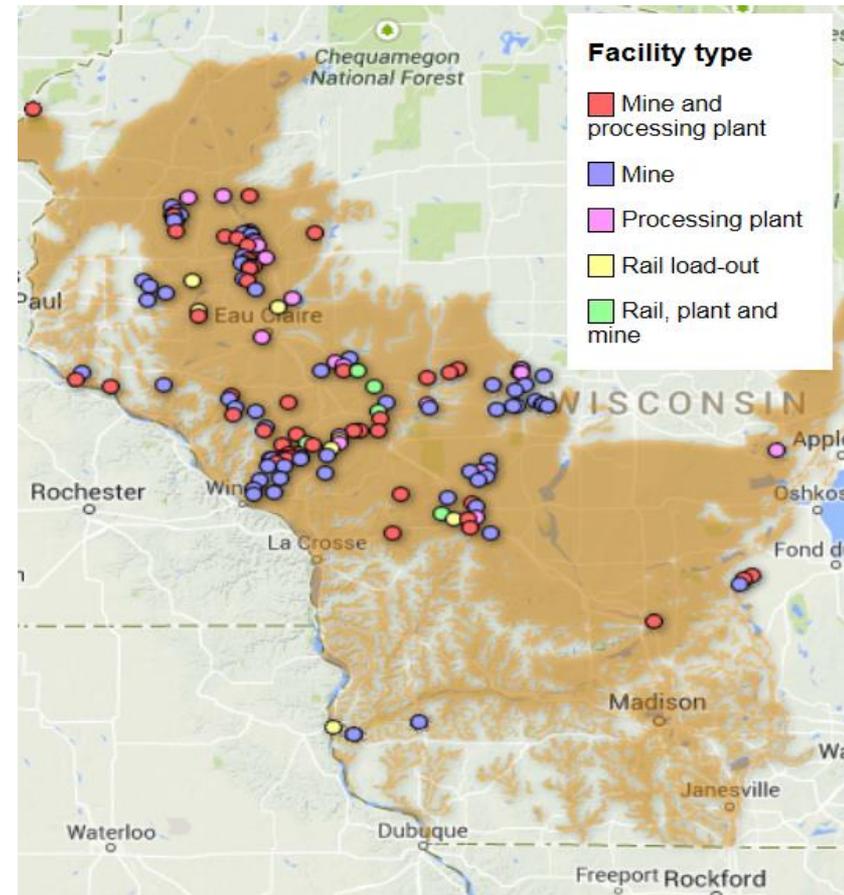
- ATC – Traditional Footprint
 - \$3.3 to \$3.9 billion
 - WEC Ownership 26.2%
- DATC – Outside ATC Traditional Footprint
 - \$4.0 billion +
 - WEC Interest 13.1%
- Natural Gas Expansion/Conversion
- State of Wisconsin Energy Assets

Where We Go From Here

Western Wisconsin Gas Expansion

- Additional natural gas distribution capacity needed to address reliability and to meet growth in customer demand
 - Frac sand mining - increase from 10 to 121 licensed sand mining operations since 2010
 - Propane conversion - ten municipalities have passed franchise resolutions to receive natural gas service
- Received approval from the Wisconsin Commission
- Expected initial investment for the 85-mile lateral: \$175 to \$185 million
- Projected completion expected in the fourth quarter of 2015

Sand Plants – Wisconsin



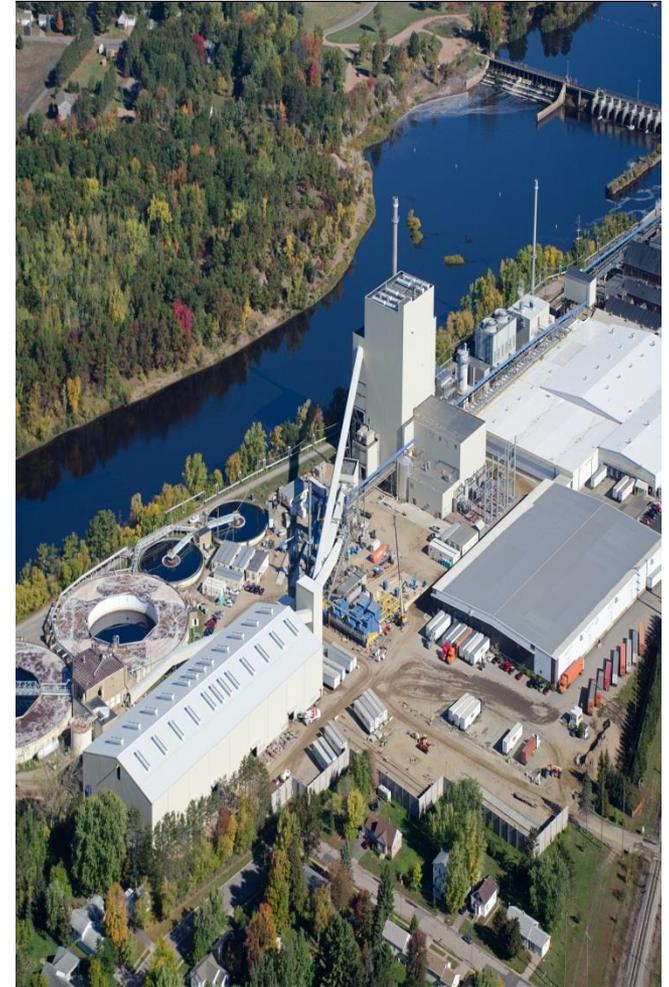
Where We Go From Here

Renewable Energy Investments

- Biomass plant completed
 - 50MW
 - Investment of \$269 million
 - Commercial operation began in November of 2013

- Renewable fleet in place
 - Glacier Hills Wind Park (162 MW, in service since 2011)
 - Blue Sky Green Field Wind Park (145 MW, in service since 2008)
 - Montfort Wind Energy Center (30 MW, purchased in 2012)

- We expect to be in compliance with the Wisconsin renewable portfolio standard through 2023



Where We Go From Here

Valley Power Plant

- Converting Valley from coal to natural gas
- Unit 1 conversion completed in November
- Targeting completion of project in late 2015
 - Follows construction of a \$30 million gas pipeline upgrade (now in service)



- Projected conversion cost for Valley: \$65 to \$70 million

Where We Go From Here

Twin Falls Hydroelectric Powerhouse

- Building a new powerhouse at Twin Falls as existing powerhouse is in need of repair
- Construction began in the fall of 2013 with scheduled completion in 2016
- Expected cost: \$60 to \$65 million



Where We Go From Here

Oak Creek Plant Projects

- Goal: enable our Oak Creek expansion units to burn both Powder River Basin (PRB) and bituminous coal
- In July, asked the Wisconsin Commission to approve \$21 million of additional capital for plant modifications that will enable testing of up to 100% PRB coal
- In October, asked the Wisconsin Commission to approve investment of \$58 million for fuel handling and an expanded storage facility
- Objective is to have the flexibility to burn up to 100% PRB coal on a sustained basis



Wisconsin Rate Case Summary

- Wisconsin has biennial rate cycle
 - Two-year forward looking test period
 - Order in 2014 for 2015 and 2016 rates
- Final written order was issued in December of 2014
 - Wisconsin Electric ROE of 10.2%, Wisconsin Gas ROE of 10.3%
 - Wisconsin Electric capital structure unchanged (at 51% equity midpoint), Wisconsin Gas equity midpoint increased to 49.5% (from 47.5%)
 - 'Rate redesign' increases 'fixed charge' component of the bill and reduces subsidies for future rooftop solar customers
- New rates took effect January of 2015

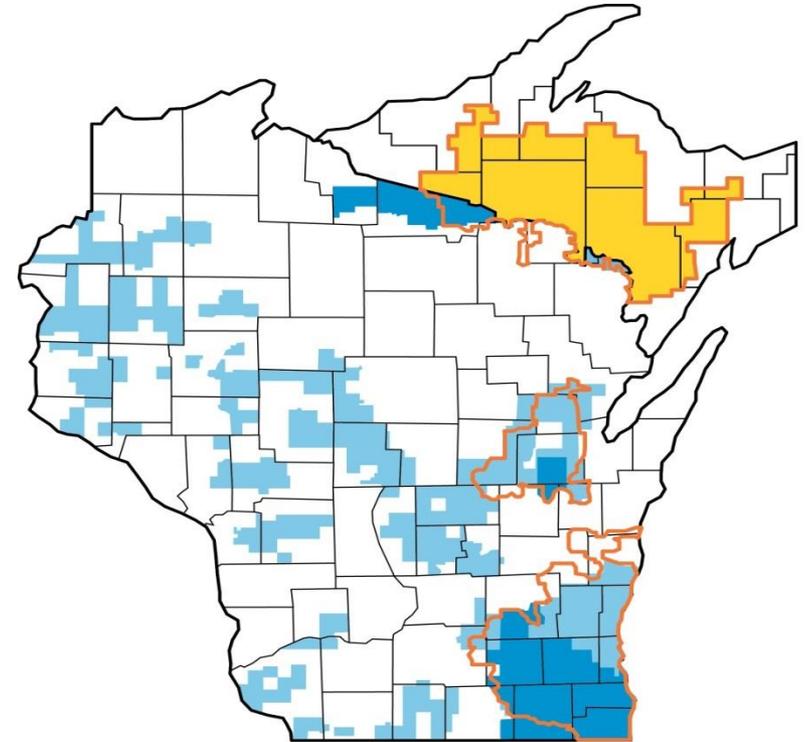
Where We Go From Here

Michigan Settlement

- Entered into an agreement in January with the Governor and Attorney General of Michigan, MPSC Staff and owners of the two iron ore mines in the Upper Peninsula (UP) of Michigan
 - Resolves all objections these parties raised at the FERC and MPSC related to Wisconsin Energy's acquisition of Integrys
- Calls for the sale of Wisconsin Energy's and Integrys' electric distribution assets in the UP as well as our Presque Isle Power Plant to Upper Peninsula Power Company
 - Creates stand-alone utility in the UP solely to serve its customers' needs
 - Allows Michigan to plan for longer-term generation options in the UP
- Mines returned to full service in February
 - As a result of mines' commitment, we have requested to end System Support Resource (SSR) payments
- No significant impact expected on 2015 earnings

Stand Alone Service Territory

- Largest electric and gas company in Wisconsin
 - 1.1 million electric customers
 - 1.1 million natural gas customers

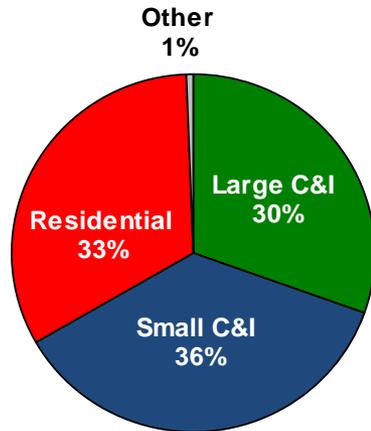


- **Wisconsin Electric Gas Service Area**
- **Wisconsin Electric Electric Service Area**
- **Wisconsin Gas Service Area**
- **Operations to be sold to UPPCo**

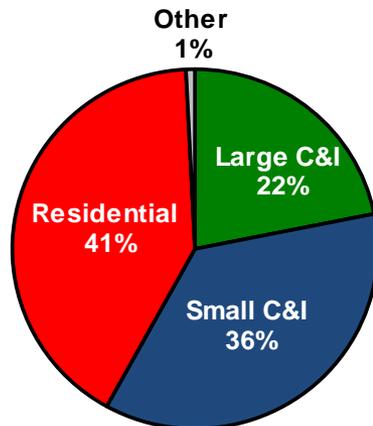
Service Territory and Economy

Electric Retail Customer Base

2014 Retail KWh Sales Mix*



2014 Retail Revenues*



C&I Sector Largest Segments*	% of 2014 Electric C&I Sales
Office	12.5%
Retail	6.3%
Primary Metals	5.9%
Health Care	5.3%
Food	5.2%
Education	4.8%
Hospitality	4.8%
C&I Machinery	4.7%

*Excludes Michigan Retail Choice Customers

Service Territory and Economy

Forecast of Electric Sales*

	2015 Forecast vs. 2014 Actual	2015 Forecast vs. 2014 Normalized
Residential	2.0%	0.2%
Small C&I	0.5%	0.3%
Large C&I (ex. Mines)	0.3%	-0.3%
Total Retail w/o Mines	0.9%	0.1%

*Delivered Volumes or Supply and Distribution Volumes

Service Territory and Economy

Combined Company Operating Company View



- Wisconsin Energy Corp.
- Michigan Gas Utilities Corporation
- Minnesota Energy Resources Corporation
- North Shore Gas Company
- The Peoples Gas Light and Coke Company
- Wisconsin Public Service Corporation
- Operations to be Sold to UPPCO

Regulatory Environment

■ Wisconsin Commission

- 3 Commissioners
- Gubernatorial appointment, Senate confirmation
- Chairman: Gubernatorial appointment
- Terms
 - 6 year—staggered terms

■ Michigan Commission

- 3 Commissioners
- Gubernatorial appointment, Senate confirmation
- Chairman: Gubernatorial appointment
- Terms
 - 6 year—staggered terms

Wisconsin Commissioners			
Name	Party	Began Serving	Term Ends
Phil Montgomery Chairman	R	03/2011	03/2017
Eric Callisto	D	05/2008	03/2015
Ellen Nowak	R	07/2011	03/2019

Michigan Commissioners			
Name	Party	Began Serving	Term Ends
John D. Quackenbush Chairman	R	10/2011	07/2017
Greg R. White	I	12/2009	07/2015
Sally Talberg	I	07/2013	07/2019

Regulatory Environment

■ Illinois Commission

- 5 Commissioners
- Gubernatorial appointment, Senate confirmation
- Chairman: Gubernatorial appointment
- 5 year staggered terms

■ Minnesota Commission

- 5 Commissioners
- Gubernatorial appointment, Senate confirmation
- Chairman: Gubernatorial appointment
- 6 year staggered terms

Name	Party	Began Serving	Term Ends
Brien Sheahan Chairman	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
Vacant			

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
Betsy Wergin	R	08/2008	01/2016

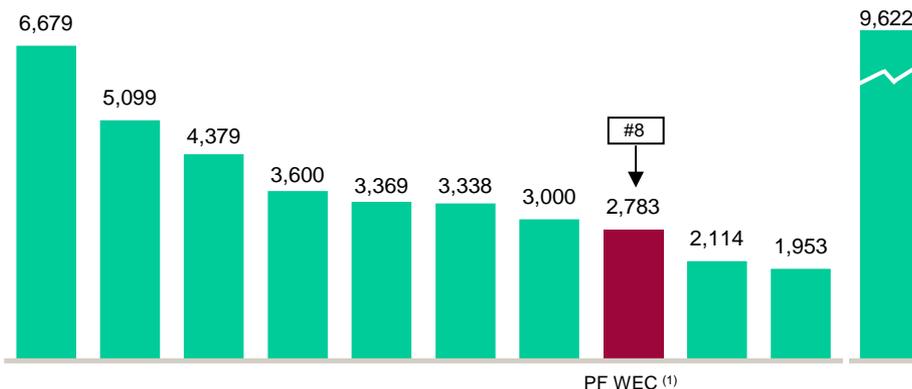
Financial Summary

Pro Forma Company Size Relative To Peers

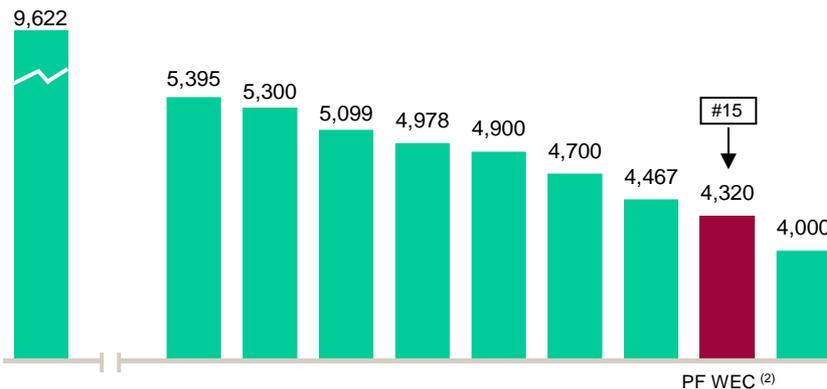
Publicly Traded Electric and Gas Utilities - Market Value (in \$ billions)



U.S. Gas Customers (in thousands)



U.S. Electric & Gas Customers (in thousands)



■ Source: FactSet, Company Filings, and Investor Presentations. Market data as of 12/31/2014. PF WEC market cap based on pro forma shares of 320 million.

1. Represents 1,703,296 TEG gas customers and 1,079,800 WEC gas customers.

2. Represents 2,139,255 TEG gas and electric customers and 2,180,981 WEC gas, steam and electric customers (pro forma for sale of Michigan assets to UPPCO).

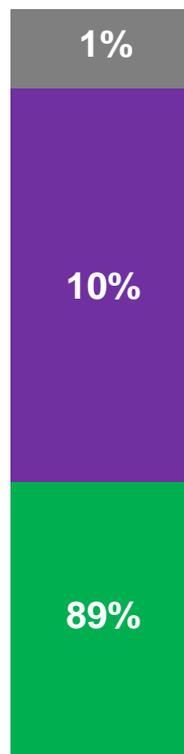
WEC Rate Base Investment – end of 2014

\$10.3 Billion



■ Utilities ■ PTF ■ Transmission

Jurisdictional Mix



■ WI ■ FERC ■ MI

Note: Power the Future value is book value of investment.

■ Retail Electric and Gas Utilities

- Wisconsin, Michigan, and FERC jurisdictions
- Growth driven by projected capital spend averaging \$700 million per year, primarily for electric and gas infrastructure renewal (Deliver the Future)

■ Power the Future

- 12.7% ROE fixed in lease agreements

■ Wholesale Electric Transmission

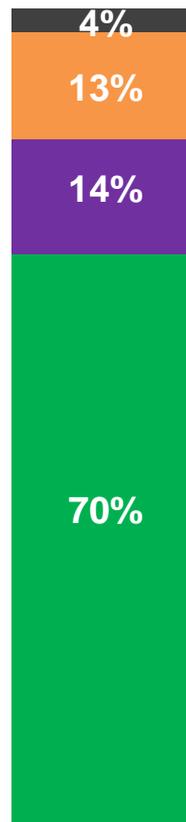
- 12.2% ROE with true-up
- 26.2% of ATC's rate base
- Projected investment averaging \$360 million per year (our share: \$94 million)

Pro Forma Rate Base Investment – end of 2015

\$16.7 Billion



Jurisdictional Mix



■ Utilities ■ PTF ■ Transmission ■ WI ■ FERC ■ IL ■ MI/MN

Note: Power the Future value is book value of investment.

Retail Electric and Gas Utilities

- Wisconsin, Illinois, Michigan, Minnesota, and FERC jurisdictions
- Growth driven by average annual capital spend of \$1.4 billion per year, e.g.
 - Deliver the Future and Wisconsin Public Service reliability project (SMRP)
 - Environmental investments at Wisconsin Public Service
 - Natural gas infrastructure in Chicago

Power the Future

- 12.7% ROE fixed in lease agreements

Wholesale Electric Transmission

- 12.2% ROE with true-up
- 60% of ATC's rate base
- Average annual investment of \$360 million per year (our share \$216 million)

Financial Summary

Dividend Parity – Illustrative Example

(based on current dividend rates per share)

	<u>Per Share</u>
DIVIDEND EXCHANGE RATIO	
Wisconsin Energy 10 trading day average closing price at effective merger close date ⁽¹⁾	\$51.01
x Stock consideration exchange ratio	1.128x
= Value of stock consideration	\$57.54
+ Value of cash consideration	\$18.58
<hr/>	
= Total transaction consideration	\$76.12
/ Wisconsin Energy 10 trading day average closing price at effective merger close date ⁽¹⁾	\$51.01
<hr/>	
= Dividend Exchange Ratio	1.492x
 ADJUSTED DIVIDEND	
Current Integrys dividend	\$2.72
÷ Dividend Exchange Ratio	1.492x
<hr/>	
Implied Wisconsin Energy adjusted dividend	\$1.82
Current Wisconsin Energy dividend	\$1.69
Wisconsin Energy dividend uplift for parity	\$0.13 or 7.9%

1. For illustrative purposes, assumes Wisconsin Energy's 10 trading day average closing price at the effective merger close date is equal to Wisconsin Energy's closing stock price as of February 17, 2015.

Integrys Overview

Integrys Energy Group Company Structure

Regulated

Unregulated

Divestitures



PEOPLES GAS
NATURAL GAS DELIVERY

NORTH SHORE GAS
NATURAL GAS DELIVERY

MINNESOTA
ENERGY
RESOURCES

MICHIGAN
GAS UTILITIES

ATC
AMERICAN TRANSMISSION COMPANY

TRILLIUM CNG

integrys
energy services

Combo Utility	Natural Gas Utility	Electric Transmission	Compressed Natural Gas & Solar	Divestitures
<ul style="list-style-type: none"> WPS has 450,000 electric customers, 326,000 natural gas customers and 2,660 MW of generation capacity 2015 Rate Base: \$2.5 bn 	<ul style="list-style-type: none"> Peoples Gas, located in Illinois, has 828,000 customers <ul style="list-style-type: none"> 2015 Rate Base: \$1.7 bn North Shore Gas, located in Illinois, has 159,000 customers <ul style="list-style-type: none"> 2015 Rate Base: \$0.2 bn Minnesota Energy Resources has 219,000 customers <ul style="list-style-type: none"> 2015 Rate Base: \$0.2 bn Michigan Gas Utilities has 171,000 customers <ul style="list-style-type: none"> 2013 Rate Base: \$0.2 bn 	<ul style="list-style-type: none"> ATC has \$3.6 bn total assets, Integrys Energy Group owns 34.07% of ATC 	<ul style="list-style-type: none"> Trillium CNG is a leading provider of CNG to fleets, and also offers complete facility design, construction, operation and maintenance services. Rooftop solar business for small commercial/industrial and residential customers 	<ul style="list-style-type: none"> Sale of IES competitive retail energy supply business closed November, 2014.

UPPCO sale closed in August of 2014 to Balfour Beatty Infrastructure Partners

Source: Company filings and investor presentation. Company figures as of 02/27/2015.

Integrys Overview

Integrys Regulated Utilities – Regulatory Rate Base and Return on Equity

	PGL	NSG	MERC	MGU	WPS	
	 PEOPLES GAS NATURAL GAS DELIVERY	 NORTH SHORE GAS NATURAL GAS DELIVERY	 MINNESOTA ENERGY RESOURCES	 MICHIGAN GAS UTILITIES	 WPS	
	Natural Gas	Natural Gas	Natural Gas	Natural Gas	Natural Gas	Electric
Retail last authorized, IL/MN						
Rate base/investment (\$ millions)	1,670	217	190			
Allowed ROE	9.05%	9.05%	9.35%			
Authorized regulatory equity %	50.33%	50.48%	50.31%			
Date of decision	2/11/2015	2/11/2015	10/28/2014			
Retail last authorized, MI						
Rate base/investment (\$ millions)				210 ⁽¹⁾	2	14
Allowed ROE				10.25%	14.25%	10.60%
Authorized regulatory equity %				48.62% ⁽¹⁾	42.40%	56.39%
Date of decision				11/14/2013	6/7/1983	12/4/2007
Retail last authorized, WI						
Rate base/investment (\$ millions)					357 ⁽²⁾	1,866 ⁽²⁾
Allowed ROE					10.20%	10.20%
Authorized regulatory equity %					50.28%	50.28%
Date of decision					12/18/2014	12/18/2014
Wholesale last authorized						
Rate base/investment (\$ millions)						293 ⁽³⁾
Allowed ROE						
Authorized regulatory equity %						
Date of decision						

Notes:

- (1) The MGU rate case was settled with no stated rate base value. \$210 million corresponds to MGU's filed amount with deferred taxes included in the capital structure. Rate base would be \$177 million, and the common equity ratio would be 50.12%, with deferred taxes in rate base.
- (2) Wisconsin includes working capital.
- (3) Service provided under FERC Tariff and Market-Based Rate Contracts, each of which is formula based.

Integrys Energy Services (IES) Sale

- IES Overview
 - Provides retail gas and electric marketing across 22 states in the northeastern quadrant of the U.S. and Washington, D.C.
 - Sales of \$2 billion in 2013
- Exelon's Constellation business unit acquired IES in November, 2014
 - Value of \$60 million for the retail operations plus net working capital
- IES' solar power generation business not part of sale

Non-GAAP Earnings Measures

- Adjusted earnings (non-GAAP earnings), which generally exclude nonoperational items that are not associated with the company's ongoing operations, are provided as a complement to, and should not be considered as an alternative to, reported earnings presented in accordance with GAAP.
- The excluded items are not indicative of the company's operating performance. Therefore, we believe that the presentation of adjusted earnings is relevant and useful to investors to understand Wisconsin Energy's operating performance.
- Management uses such measures internally to evaluate the company's performance and manage its operations.