

WEC Energy Group, Inc.

2022 Second Quarter Earnings

Released August 2, 2022

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News

WEC Energy Group, Inc.

231 W. Michigan St.
Milwaukee, WI 53203

[Media Line 414-221-4444](tel:414-221-4444)

From: Brendan Conway (news media)
414-221-4444
brendan.conway@wecenergygroup.com

Beth Straka (investment community)
414-221-4639
beth.straka@wecenergygroup.com

August 2, 2022

WEC Energy Group reports second-quarter results

MILWAUKEE – WEC Energy Group (NYSE: WEC) today reported net income of \$287.5 million, or 91 cents per share, for the second quarter of 2022 – up from \$276.0 million, or 87 cents per share, in last year's second quarter.

For the first six months of 2022, the company recorded net income of \$853.4 million, or \$2.70 per share – up from \$786.1 million, or \$2.49 per share, in the corresponding period a year ago.

Consolidated revenues totaled \$5.0 billion for the first six months of 2022, up \$668.4 million over revenues for the first half of 2021.

"A warm start to the summer, solid results from our infrastructure segment and continued execution of our capital plan were major factors that shaped another strong quarter," said Gale Klappa, executive chairman.

Retail deliveries of electricity – excluding the iron ore mine in Michigan's Upper Peninsula – were down by 0.4 percent in the second quarter of 2022, compared to the second quarter last year.

Electricity consumption by small commercial and industrial customers was 0.7 percent higher during the second quarter of 2022. Electricity use by large commercial and industrial customers – excluding the iron ore mine – fell by 2.0 percent.

Residential electricity use rose by 0.1 percent.

On a weather-normal basis, retail deliveries of electricity during the second quarter of this year – excluding the iron ore mine – increased by 0.3 percent.

In light of its strong performance, the company is raising its earnings guidance for 2022, to a range of \$4.36 to \$4.40 per share. This assumes normal weather for the remainder of the year. The company previously raised its annual guidance to a range of \$4.34 to \$4.38 per share, from its original guidance of \$4.29 to \$4.33 per share.

Earnings per share listed in this news release are on a fully diluted basis.

Conference call

A conference call is scheduled for 1 p.m. Central time, Tuesday, Aug. 2. The call will review 2022 second-quarter earnings and the company's outlook for the future.

All interested parties, including stockholders, news media and the general public, are invited to listen. Access the call at 888-330-2443 up to 15 minutes before it begins. The number for international callers is 240-789-2728. The conference ID is 3088105.

Conference call access also is available at wecenergygroup.com. Under 'Webcasts,' select 'Q2 Earnings.' In conjunction with this earnings announcement, WEC Energy Group will post on its website a package of detailed financial information on its second-quarter performance. The materials will be available at 6:30 a.m. Central time, Tuesday, Aug. 2.

Replay

A replay will be available on the website and by phone. Access to the webcast replay will be available on the website about two hours after the call. Access to a phone replay also will be available approximately two hours after the call and remain accessible through Aug. 16, 2022. Domestic callers should dial 800-770-2030. International callers should dial 647-362-9199. The replay conference ID is 3088105.

WEC Energy Group (NYSE: WEC), based in Milwaukee, is one of the nation's premier energy companies, serving 4.6 million customers in Wisconsin, Illinois, Michigan and Minnesota.

The company's principal utilities are We Energies, Wisconsin Public Service, Peoples Gas, North Shore Gas, Michigan Gas Utilities, Minnesota Energy Resources and Upper Michigan Energy Resources. Another major subsidiary, We Power, designs, builds and owns electric generating plants. In addition, WEC Infrastructure LLC owns a growing fleet of renewable generation facilities in the Midwest.

WEC Energy Group (wecenergygroup.com) is a Fortune 500 company and a component of the S&P 500. The company has 38,000 stockholders of record, 7,000 employees and more than \$39 billion of assets.

Forward-looking statements

Certain statements contained in this press release are "forward-looking statements" within the meaning of Section 27A of the Securities Act of 1933 and Section 21E of the Securities Exchange Act of 1934. These statements are based upon management's current expectations and are subject to risks and uncertainties that could cause our actual results to differ materially from those contemplated in the statements. Readers are cautioned not to place undue reliance on these statements. Forward-looking statements include, among other

things, statements concerning management's expectations and projections regarding earnings and future results. In some cases, forward-looking statements may be identified by reference to a future period or periods or by the use of forward-looking terminology such as "anticipates," "believes," "estimates," "expects," "forecasts," "guidance," "intends," "may," "objectives," "plans," "possible," "potential," "projects," "should," "targets," "will" or similar terms or variations of these terms.

Factors that could cause actual results to differ materially from those contemplated in any forward-looking statements include, but are not limited to: general economic conditions, including business and competitive conditions in the company's service territories; timing, resolution and impact of 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, adverse or unusually severe weather conditions; continued industry restructuring and consolidation; continued advances in, and adoption of, new technologies that produce power or reduce power consumption; energy and environmental conservation efforts; the company's ability to successfully acquire and/or dispose of assets and projects and to execute on its capital plan; cyber-security threats and data security breaches; construction risks; equity and bond market fluctuations; changes in the company's and its subsidiaries' ability to access the capital markets; changes in tax legislation or our ability to use certain tax benefits and carryforwards; federal, state, and local legislative and regulatory changes, including changes to environmental standards, the enforcement of these laws and regulations and changes in the interpretation of regulations by regulatory agencies; supply chain disruptions; inflation; political or geopolitical developments, including impacts on the global economy, supply chain and fuel prices, generally, from the current conflict between Russia and Ukraine; the impact from any new developments relating to the COVID-19 pandemic or any future health pandemics; current and future litigation and regulatory investigations, proceedings or inquiries; changes in accounting standards; the financial performance of American Transmission Company as well as projects in which the company's energy infrastructure business invests; the ability of the company to obtain additional generating capacity at competitive prices; goodwill and its possible impairment; 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 the company's Form 10-K for the year ended December 31, 2021, and in subsequent reports filed with the Securities and Exchange Commission. Except as may be required by law, the company expressly disclaims any obligation to publicly update or revise any forward-looking information.

Tables follow

WEC ENERGY GROUP, INC.

CONDENSED CONSOLIDATED INCOME STATEMENTS (Unaudited) <i>(in millions, except per share amounts)</i>	Three Months Ended		Six Months Ended	
	June 30		June 30	
	2022	2021	2022	2021
Operating revenues	\$ 2,127.9	\$ 1,676.2	\$ 5,036.0	\$ 4,367.6
Operating expenses				
Cost of sales	935.0	525.9	2,318.4	1,791.5
Other operation and maintenance	449.0	463.8	903.4	943.7
Depreciation and amortization	279.6	266.2	557.7	527.6
Property and revenue taxes	56.1	51.5	116.9	106.7
Total operating expenses	1,719.7	1,307.4	3,896.4	3,369.5
Operating income	408.2	368.8	1,139.6	998.1
Equity in earnings of transmission affiliates	43.0	41.3	84.7	83.9
Other income, net	19.8	39.7	59.4	72.5
Interest expense	119.8	120.0	237.4	239.5
Other expense	(57.0)	(39.0)	(93.3)	(83.1)
Income before income taxes	351.2	329.8	1,046.3	915.0
Income tax expense	63.4	54.1	190.5	129.0
Net income	287.8	275.7	855.8	786.0
Preferred stock dividends of subsidiary	0.3	0.3	0.6	0.6
Net (income) loss attributed to noncontrolling interests	—	0.6	(1.8)	0.7
Net income attributed to common shareholders	\$ 287.5	\$ 276.0	\$ 853.4	\$ 786.1
Earnings per share				
Basic	\$ 0.91	\$ 0.88	\$ 2.71	\$ 2.49
Diluted	\$ 0.91	\$ 0.87	\$ 2.70	\$ 2.49
Weighted average common shares outstanding				
Basic	315.4	315.4	315.4	315.4
Diluted	316.2	316.3	316.2	316.3
Dividends per share of common stock	\$ 0.7275	\$ 0.6775	\$ 1.4550	\$ 1.3550

WEC ENERGY GROUP, INC.

CONDENSED CONSOLIDATED BALANCE SHEETS (Unaudited) <i>(in millions, except share and per share amounts)</i>	June 30, 2022	December 31, 2021
Assets		
Current assets		
Cash and cash equivalents	\$ 30.3	\$ 16.3
Accounts receivable and unbilled revenues, net of reserves of \$175.8 and \$198.3, respectively	1,447.7	1,505.7
Materials, supplies, and inventories	572.2	635.8
Prepaid taxes	193.0	182.1
Other prepayments	33.5	63.4
Amounts recoverable from customers	134.2	102.3
Derivative assets	189.8	107.0
Other	41.8	44.1
Current assets	2,642.5	2,656.7
Long-term assets		
Property, plant, and equipment, net of accumulated depreciation and amortization of \$10,183.2 and \$9,889.3, respectively	27,626.2	26,982.4
Regulatory assets (June 30, 2022 and December 31, 2021 include \$96.1 and \$100.7, respectively, related to WEPCo Environmental Trust Finance I, LLC)	3,144.7	3,264.8
Equity investment in transmission affiliates	1,837.2	1,789.4
Goodwill	3,052.8	3,052.8
Pension and OPEB assets	942.1	881.3
Other	361.6	361.1
Long-term assets	36,964.6	36,331.8
Total assets	\$ 39,607.1	\$ 38,988.5
Liabilities and Equity		
Current liabilities		
Short-term debt	\$ 1,629.1	\$ 1,897.0
Current portion of long-term debt (June 30, 2022 and December 31, 2021 each include \$8.8, respectively, related to WEPCo Environmental Trust Finance I, LLC)	174.4	169.4
Accounts payable	1,078.2	1,005.7
Other	936.1	680.9
Current liabilities	3,817.8	3,753.0
Long-term liabilities		
Long-term debt (June 30, 2022 and December 31, 2021 include \$98.4 and \$102.7, respectively, related to WEPCo Environmental Trust Finance I, LLC)	13,523.4	13,523.7
Deferred income taxes	4,493.1	4,308.5
Deferred revenue, net	378.7	389.2
Regulatory liabilities	4,000.1	3,946.0
Environmental remediation liabilities	504.3	532.6
Pension and OPEB obligations	222.2	219.0
Other	1,176.9	1,203.2
Long-term liabilities	24,298.7	24,122.2
Commitments and contingencies		
Common shareholders' equity		
Common stock – \$0.01 par value; 325,000,000 shares authorized; 315,434,531 shares outstanding	3.2	3.2
Additional paid in capital	4,121.1	4,138.1
Retained earnings	7,169.5	6,775.1
Accumulated other comprehensive loss	(3.2)	(3.2)
Common shareholders' equity	11,290.6	10,913.2
Preferred stock of subsidiary	30.4	30.4
Noncontrolling interests	169.6	169.7
Total liabilities and equity	\$ 39,607.1	\$ 38,988.5

WEC ENERGY GROUP, INC.

CONDENSED CONSOLIDATED STATEMENTS OF CASH FLOWS (Unaudited)	Six Months Ended	
	June 30	
<i>(in millions)</i>	2022	2021
Operating activities		
Net income	\$ 855.8	\$ 786.0
Reconciliation to cash provided by operating activities		
Depreciation and amortization	557.7	527.6
Deferred income taxes and ITCs, net	163.2	164.4
Contributions and payments related to pension and OPEB plans	(8.6)	(7.6)
Equity income in transmission affiliates, net of distributions	(17.5)	(17.7)
Change in –		
Accounts receivable and unbilled revenues, net	36.3	70.0
Materials, supplies, and inventories	63.6	75.9
Prepaid taxes	(10.9)	(46.8)
Other prepayments	29.9	26.5
Amounts recoverable from customers	(31.9)	(193.6)
Other current assets	4.5	12.5
Accounts payable	1.5	(119.3)
Temporary LIFO liquidation credit	107.6	26.7
Other current liabilities	128.4	(9.5)
Other, net	(117.0)	(68.9)
Net cash provided by operating activities	1,762.6	1,226.2
Investing activities		
Capital expenditures	(1,028.8)	(1,010.1)
Acquisition of Jayhawk Wind, LLC	—	(119.7)
Capital contributions to transmission affiliates	(30.3)	—
Proceeds from the sale of assets	65.0	20.8
Proceeds from the sale of investments held in rabbi trust	15.4	12.7
Insurance proceeds received for property damage	41.3	—
Other, net	(0.1)	21.7
Net cash used in investing activities	(937.5)	(1,074.6)
Financing activities		
Exercise of stock options	23.0	4.0
Purchase of common stock	(48.4)	(11.3)
Dividends paid on common stock	(459.0)	(427.5)
Issuance of long-term debt	—	1,018.8
Retirement of long-term debt	(49.1)	(341.2)
Issuance of short-term loan	1.4	—
Repayment of short-term loan	—	(340.0)
Change in other short-term debt	(269.3)	(12.4)
Other, net	(6.3)	(14.9)
Net cash used in financing activities	(807.7)	(124.5)
Net change in cash, cash equivalents, and restricted cash	17.4	27.1
Cash, cash equivalents, and restricted cash at beginning of period	87.5	72.6
Cash, cash equivalents, and restricted cash at end of period	\$ 104.9	\$ 99.7

WEC ENERGY GROUP, INC.

INCOME STATEMENT IMPACT OF AMORTIZATION OF UNPROTECTED TAX BENEFITS - QUARTER

WEC Energy Group – The table below shows the second quarter 2022 and 2021 income statement impacts related to recognizing certain deferred tax benefits created as a result of the Tax Cuts and Jobs Act of 2017. Effective January 1, 2020, in accordance with the rate order received from the Public Service Commission of Wisconsin in December 2019, our Wisconsin utilities began amortizing these unprotected deferred tax benefits over periods ranging from two to four years, to reduce near-term rate impacts to their customers. The decrease in income tax expense related to the amortization of the deferred tax benefits is offset by a decrease in revenue as the benefits are returned to customers, resulting in no impact on net income.

	Three Months Ended June 30, 2022			Three Months Ended June 30, 2021		
	WEC Energy Group – Reported GAAP Amounts	Impact of Amortization of Unprotected Deferred Tax Benefits	WEC Energy Group (Excluding Unprotected Deferred Tax Benefits)	WEC Energy Group – Reported GAAP Amounts	Impact of Amortization of Unprotected Deferred Tax Benefits	WEC Energy Group (Excluding Unprotected Deferred Tax Benefits)
<i>(in millions)</i>						
Operating revenues	\$ 2,127.9	\$ —	\$ 2,127.9	\$ 1,676.2	\$ 18.3	\$ 1,694.5
Operating expenses						
Cost of sales	935.0	—	935.0	525.9	—	525.9
Other operation and maintenance	449.0	—	449.0	463.8	—	463.8
Depreciation and amortization	279.6	—	279.6	266.2	—	266.2
Property and revenue taxes	56.1	—	56.1	51.5	—	51.5
Total operating expenses	1,719.7	—	1,719.7	1,307.4	—	1,307.4
Operating income	408.2	—	408.2	368.8	18.3	387.1
Equity in earnings of transmission affiliates	43.0	—	43.0	41.3	—	41.3
Other income, net	19.8	—	19.8	39.7	—	39.7
Interest expense	119.8	—	119.8	120.0	—	120.0
Other expense	(57.0)	—	(57.0)	(39.0)	—	(39.0)
Income before income taxes	351.2	—	351.2	329.8	18.3	348.1
Income tax expense	63.4	—	63.4	54.1	18.3	72.4
Net income	287.8	—	287.8	275.7	—	275.7
Preferred stock dividends of subsidiary	0.3	—	0.3	0.3	—	0.3
Net loss attributed to noncontrolling interests	—	—	—	0.6	—	0.6
Net income attributed to common shareholders	\$ 287.5	\$ —	\$ 287.5	\$ 276.0	\$ —	\$ 276.0
Effective tax rate	18.1 %		18.1 %	16.4 %		20.8 %

WEC ENERGY GROUP, INC.

INCOME STATEMENT IMPACT OF AMORTIZATION OF UNPROTECTED TAX BENEFITS - YTD

WEC Energy Group – The table below shows the second quarter YTD 2022 and 2021 income statement impacts related to recognizing certain deferred tax benefits created as a result of the Tax Cuts and Jobs Act of 2017. Effective January 1, 2020, in accordance with the rate order received from the Public Service Commission of Wisconsin in December 2019, our Wisconsin utilities began amortizing these unprotected deferred tax benefits over periods ranging from two to four years, to reduce near-term rate impacts to their customers. The decrease in income tax expense related to the amortization of the deferred tax benefits is offset by a decrease in revenue as the benefits are returned to customers, resulting in no impact on net income.

<i>(in millions)</i>	Six Months Ended June 30, 2022			Six Months Ended June 30, 2021		
	WEC Energy Group – Reported GAAP Amounts	Impact of Amortization of Unprotected Deferred Tax Benefits	WEC Energy Group (Excluding Unprotected Deferred Tax Benefits)	WEC Energy Group – Reported GAAP Amounts	Impact of Amortization of Unprotected Deferred Tax Benefits	WEC Energy Group (Excluding Unprotected Deferred Tax Benefits)
Operating revenues	\$ 5,036.0	\$ 1.4	\$ 5,037.4	\$ 4,367.6	\$ 55.4	\$ 4,423.0
Operating expenses						
Cost of sales	2,318.4	—	2,318.4	1,791.5	—	1,791.5
Other operation and maintenance	903.4	—	903.4	943.7	—	943.7
Depreciation and amortization	557.7	—	557.7	527.6	—	527.6
Property and revenue taxes	116.9	—	116.9	106.7	—	106.7
Total operating expenses	3,896.4	—	3,896.4	3,369.5	—	3,369.5
Operating income	1,139.6	1.4	1,141.0	998.1	55.4	1,053.5
Equity in earnings of transmission affiliates	84.7	—	84.7	83.9	—	83.9
Other income, net	59.4	—	59.4	72.5	—	72.5
Interest expense	237.4	—	237.4	239.5	—	239.5
Other expense	(93.3)	—	(93.3)	(83.1)	—	(83.1)
Income before income taxes	1,046.3	1.4	1,047.7	915.0	55.4	970.4
Income tax expense	190.5	1.4	191.9	129.0	55.4	184.4
Net income	855.8	—	855.8	786.0	—	786.0
Preferred stock dividends of subsidiary	0.6	—	0.6	0.6	—	0.6
Net (income) loss attributed to noncontrolling interests	(1.8)	—	(1.8)	0.7	—	0.7
Net income attributed to common shareholders	\$ 853.4	\$ —	\$ 853.4	\$ 786.1	\$ —	\$ 786.1
Effective tax rate	18.2 %		18.3 %	14.1 %		19.0 %

WEC ENERGY GROUP, INC.

Summary of Regulated Operation and Maintenance Expense - Second Quarter

Wisconsin Segment

<i>(in millions)</i>	Three Months Ended June 30		
	2022	2021	B (W)
Operation and maintenance not included in the line items below	\$ 172.0	\$ 156.1	\$ (15.9)
Transmission ⁽¹⁾	107.4	127.6	20.2
Regulatory amortizations and other pass through expenses ⁽²⁾	36.6	33.0	(3.6)
We Power ⁽³⁾	27.3	29.4	2.1
Earnings sharing mechanisms ⁽⁴⁾	(5.4)	—	5.4
Total other operation and maintenance	\$ 337.9	\$ 346.1	\$ 8.2

⁽¹⁾ Represents transmission expense that our electric utilities are authorized to collect in rates. The Public Service Commission of Wisconsin (PSCW) has approved escrow accounting for American Transmission Company LLC and Midcontinent Independent System Operator Inc. network transmission expenses for Wisconsin Electric Power Company (WE) and Wisconsin Public Service Corporation (WPS). As a result, WE and WPS defer as a regulatory asset or liability, the difference between actual transmission costs and those included in rates until recovery or refund is authorized in a future rate proceeding. During the second quarter of 2022 and 2021, \$130.1 million and \$124.8 million, respectively, of costs were billed to our electric utilities by transmission providers.

During the second quarter of 2022, WE and WPS amortized \$20.3 million of the regulatory liabilities associated with their transmission escrows to offset certain 2022 revenue deficiencies, as approved by the PSCW in order to forego filing for 2022 base rate increases. This amortization drove the decrease in transmission expense during the second quarter of 2022, compared with the same quarter in 2021. See Note 26, Regulatory Environment, in our 2021 Annual Report on Form 10-K for additional information on 2022 Wisconsin base rates.

⁽²⁾ Regulatory amortizations and other pass through expenses are substantially offset in margins and therefore do not have a significant impact on net income.

⁽³⁾ Represents costs associated with the W.E. Power, LLC (We Power) generation units, including operating and maintenance costs recognized by WE. During the second quarter of 2022 and 2021, \$26.1 million and \$25.7 million, respectively, of costs were billed to or incurred by WE related to the We Power generation units, with the difference in costs billed or incurred and expenses recognized, either deferred or deducted from the regulatory asset.

⁽⁴⁾ Represents amortization of a certain portion of WPS's regulatory liability associated with its 2020 earnings sharing mechanism to offset certain 2022 revenue deficiencies, as approved by the PSCW in order to forego filing for 2022 base rate increases. See Note 26, Regulatory Environment, in our 2021 Annual Report on Form 10-K for additional information on 2022 Wisconsin base rates.

Illinois Segment

<i>(in millions)</i>	Three Months Ended June 30		
	2022	2021	B (W)
Operation and maintenance not included in the line items below	\$ 53.3	\$ 68.7	\$ 15.4
Riders ⁽¹⁾	26.4	22.7	(3.7)
Regulatory amortizations ⁽¹⁾	(0.6)	(0.6)	—
Total other operation and maintenance	\$ 79.1	\$ 90.8	\$ 11.7

⁽¹⁾ These riders and regulatory amortizations are substantially offset in margins and therefore do not have a significant impact on net income.

Other States Segment

<i>(in millions)</i>	Three Months Ended June 30		
	2022	2021	B (W)
Operation and maintenance not included in line item below	\$ 18.9	\$ 16.5	\$ (2.4)
Regulatory amortizations and other pass through expenses ⁽¹⁾	4.0	4.7	0.7
Total other operation and maintenance	\$ 22.9	\$ 21.2	\$ (1.7)

⁽¹⁾ Regulatory amortizations and other pass through expenses are substantially offset in margins and therefore do not have a significant impact on net income.

WEC ENERGY GROUP, INC.

Summary of Other Operation and Maintenance Expense - YTD

Wisconsin Segment

<i>(in millions)</i>	Six Months Ended June 30		
	2022	2021	B (W)
Operation and maintenance not included in the line items below	\$ 318.7	\$ 303.4	\$ (15.3)
Transmission ⁽¹⁾	215.3	255.3	40.0
Regulatory amortizations and other pass through expenses ⁽²⁾	72.4	70.5	(1.9)
We Power ⁽³⁾	54.9	58.8	3.9
Earnings sharing mechanisms ⁽⁴⁾	(10.8)	—	10.8
Total other operation and maintenance	\$ 650.5	\$ 688.0	\$ 37.5

⁽¹⁾ Represents transmission expense that our electric utilities are authorized to collect in rates. The Public Service Commission of Wisconsin (PSCW) has approved escrow accounting for American Transmission Company LLC and Midcontinent Independent System Operator Inc. network transmission expenses for Wisconsin Electric Power Company (WE) and Wisconsin Public Service Corporation (WPS). As a result, WE and WPS defer as a regulatory asset or liability, the difference between actual transmission costs and those included in rates until recovery or refund is authorized in a future rate proceeding. During the six months ended June 30, 2022 and 2021, \$256.6 million and \$255.4 million, respectively, of costs were billed to our electric utilities by transmission providers.

During the six months ended June 30, 2022, WE and WPS amortized \$40.5 million of the regulatory liabilities associated with their transmission escrows to offset certain 2022 revenue deficiencies, as approved by the PSCW in order to forego filing for 2022 base rate increases. This amortization drove the decrease in transmission expense during the six months ended June 30, 2022, compared with the same period in 2021.

⁽²⁾ Regulatory amortizations and other pass through expenses are substantially offset in margins and therefore do not have a significant impact on net income.

⁽³⁾ Represents costs associated with the W.E. Power, LLC (We Power) generation units, including operating and maintenance costs recognized by WE. During the six months ended June 30, 2022 and 2021, \$50.9 million and \$51.6 million, respectively, of costs were billed to or incurred by WE related to the We Power generation units, with the difference in costs billed or incurred and expenses recognized, either deferred or deducted from the regulatory asset.

⁽⁴⁾ Represents amortization of a certain portion of WPS's regulatory liability associated with its 2020 earnings sharing mechanism to offset certain 2022 revenue deficiencies, as approved by the PSCW in order to forego filing for 2022 base rate increases.

Illinois Segment

<i>(in millions)</i>	Six Months Ended June 30		
	2022	2021	B (W)
Operation and maintenance not included in the line items below	\$ 123.8	\$ 135.5	\$ 11.7
Riders ⁽¹⁾	69.9	65.8	(4.1)
Regulatory amortizations ⁽¹⁾	(1.0)	(1.2)	(0.2)
Total other operation and maintenance	\$ 192.7	\$ 200.1	\$ 7.4

⁽¹⁾ These riders and regulatory amortizations are substantially offset in margins and therefore do not have a significant impact on net income.

Other States Segment

<i>(in millions)</i>	Six Months Ended June 30		
	2022	2021	B (W)
Operation and maintenance not included in line item below	\$ 36.3	\$ 32.6	\$ (3.7)
Regulatory amortizations and other pass through expenses ⁽¹⁾	11.2	11.8	0.6
Total other operation and maintenance	\$ 47.5	\$ 44.4	\$ (3.1)

⁽¹⁾ Regulatory amortizations and other pass through expenses are substantially offset in margins and therefore do not have a significant impact on net income.

WEC ENERGY GROUP, INC.

SECOND QUARTER 2022 AND 2021 WEATHER AND VOLUMES

Weather — Degree Days	2022	2021	Change
Wisconsin Gas and Wisconsin Electric ⁽¹⁾			
Heating (923 Normal)	840	738	13.8 %
Cooling (171 Normal)	259	303	(14.5)%
Wisconsin Public Service ⁽²⁾			
Heating (963 Normal)	908	854	6.3 %
Cooling (144 Normal)	249	242	2.9 %
Upper Michigan Energy Resources ⁽³⁾			
Heating (1,197 Normal)	1,232	1,093	12.7 %
Cooling (82 Normal)	115	156	(26.3)%
Peoples Gas and North Shore Gas ⁽⁴⁾			
Heating (708 Normal)	722	652	10.7 %
Minnesota Energy Resources ⁽⁵⁾			
Heating (956 Normal)	1,112	911	22.1 %
Michigan Gas ⁽⁵⁾			
Heating (778 Normal)	796	810	(1.7)%

⁽¹⁾ Normal degree days are based on a 20-year moving average of monthly temperatures from Mitchell International Airport in Milwaukee, Wisconsin.

⁽²⁾ Normal degree days are based on a 20-year moving average of monthly temperatures from the Green Bay, Wisconsin weather station.

⁽³⁾ Normal degree days are based on a 20-year moving average of monthly temperatures from the Iron Mountain, Michigan weather station.

⁽⁴⁾ Normal degree days are based on a 12-year moving average of monthly temperatures from Chicago's O'Hare Airport.

⁽⁵⁾ Normal degree days for Minnesota Energy Resources and Michigan Gas are based on a 20-year moving average and 15-year moving average, respectively, of monthly temperatures from various weather stations throughout their respective service territories.

ELECTRIC UTILITY OPERATIONS – SECOND QUARTER

(in thousands)	MWh		
	2022	2021	Change
Customer class			
Residential	2,657.1	2,655.6	0.1 %
Small commercial and industrial ⁽¹⁾	3,106.5	3,084.8	0.7 %
Large commercial and industrial ⁽¹⁾	2,988.4	3,144.7	(5.0)%
Other	28.9	29.7	(2.7)%
Total retail ⁽¹⁾	8,780.9	8,914.8	(1.5)%
Wholesale	639.4	707.1	(9.6)%
Resale	855.4	1,344.7	(36.4)%
Total MWh sales ⁽¹⁾	10,275.7	10,966.6	(6.3)%

⁽¹⁾ Includes distribution sales for customers who purchased power from an alternative electric supplier in Michigan.

GAS UTILITY OPERATIONS – SECOND QUARTER

(in millions)	Therms											
	2022				2021				Change			
	Wisconsin	Illinois	Other States	Total	Wisconsin	Illinois	Other States	Total	Wisconsin	Illinois	Other States	Total
Customer class												
Residential	175.9	145.2	52.6	373.7	142.9	117.7	43.5	304.1	23.1 %	23.4 %	20.9 %	22.9 %
Commercial/industrial	106.4	52.5	37.8	196.7	83.6	42.0	25.1	150.7	27.3 %	25.0 %	50.6 %	30.5 %
Total retail	282.3	197.7	90.4	570.4	226.5	159.7	68.6	454.8	24.6 %	23.8 %	31.8 %	25.4 %
Transportation	321.0	133.9	164.9	619.8	311.1	125.7	170.8	607.6	3.2 %	6.5 %	(3.5)%	2.0 %
Total therms sold	603.3	331.6	255.3	1,190.2	537.6	285.4	239.4	1,062.4	12.2 %	16.2 %	6.6 %	12.0 %

WEC ENERGY GROUP, INC.

SECOND QUARTER YTD 2022 AND 2021 WEATHER AND VOLUMES

Weather — Degree Days	2022	2021	Change
Wisconsin Gas and Wisconsin Electric ⁽¹⁾			
Heating (4,190 Normal)	4,165	3,858	8.0 %
Cooling (171 Normal)	259	303	(14.5)%
Wisconsin Public Service ⁽²⁾			
Heating (4,610 Normal)	4,751	4,336	9.6 %
Cooling (144 Normal)	249	242	2.9 %
Upper Michigan Energy Resources ⁽³⁾			
Heating (5,157 Normal)	5,571	4,883	14.1 %
Cooling (82 Normal)	115	156	(26.3)%
Peoples Gas and North Shore Gas ⁽⁴⁾			
Heating (3,819 Normal)	3,931	3,655	7.6 %
Minnesota Energy Resources ⁽⁵⁾			
Heating (4,914 Normal)	5,424	4,696	15.5 %
Michigan Gas ⁽⁵⁾			
Heating (3,934 Normal)	4,030	3,824	5.4 %

⁽¹⁾ Normal degree days are based on a 20-year moving average of monthly temperatures from Mitchell International Airport in Milwaukee, Wisconsin.

⁽²⁾ Normal degree days are based on a 20-year moving average of monthly temperatures from the Green Bay, Wisconsin weather station.

⁽³⁾ Normal degree days are based on a 20-year moving average of monthly temperatures from the Iron Mountain, Michigan weather station.

⁽⁴⁾ Normal degree days are based on a 12-year moving average of monthly temperatures from Chicago's O'Hare Airport.

⁽⁵⁾ Normal degree days for Minnesota Energy Resources and Michigan Gas are based on a 20-year moving average and 15-year moving average, respectively, of monthly temperatures from various weather stations throughout their respective service territories.

ELECTRIC UTILITY OPERATIONS – SECOND QUARTER YTD

(in thousands)	MWh		
	2022	2021	Change
Customer class			
Residential	5,501.1	5,464.4	0.7 %
Small commercial and industrial ⁽¹⁾	6,312.1	6,171.9	2.3 %
Large commercial and industrial ⁽¹⁾	5,970.5	6,126.6	(2.5)%
Other	69.1	73.6	(6.1)%
Total retail ⁽¹⁾	17,852.8	17,836.5	0.1 %
Wholesale	1,357.9	1,437.4	(5.5)%
Resale	2,094.2	3,282.2	(36.2)%
Total MWh sales ⁽¹⁾	21,304.9	22,556.1	(5.5)%

⁽¹⁾ Includes distribution sales for customers who have purchased power from an alternative electric supplier in Michigan.

GAS UTILITY OPERATIONS – SECOND QUARTER YTD

(in millions)	Therms											
	2022				2021				Change			
	Wisconsin	Illinois	Other States	Total	Wisconsin	Illinois	Other States	Total	Wisconsin	Illinois	Other States	Total
Customer class												
Residential	741.2	575.0	224.6	1,540.8	658.4	529.6	192.5	1,380.5	12.6 %	8.6 %	16.7 %	11.6 %
Commercial/industrial	452.6	225.4	140.8	818.8	386.6	202.0	110.8	699.4	17.1 %	11.6 %	27.1 %	17.1 %
Total retail	1,193.8	800.4	365.4	2,359.6	1,045.0	731.6	303.3	2,079.9	14.2 %	9.4 %	20.5 %	13.4 %
Transportation	767.6	492.6	425.9	1,686.1	738.4	456.5	405.0	1,599.9	4.0 %	7.9 %	5.2 %	5.4 %
Total therms delivered	1,961.4	1,293.0	791.3	4,045.7	1,783.4	1,188.1	708.3	3,679.8	10.0 %	8.8 %	11.7 %	9.9 %

WEC ENERGY GROUP, INC.

**RETAIL ELECTRIC SALES VOLUME INFORMATION
SECOND QUARTER**

DELIVERED ELECTRIC VOLUMES – TOTAL WISCONSIN SEGMENT	Three Months Ended June 30		Annual
	2022 Actual vs. 2021 Actual	2022 Normalized vs. 2021 Normalized ⁽¹⁾	2022 Forecast vs. 2021 Normalized ^{(1), (2)}
Residential	0.1 %	1.2 %	(0.9)%
Small commercial/industrial	0.7 %	1.3 %	0.4 %
Large commercial/industrial (ex. mine)	(2.0)%	(1.6)%	1.9 %
Total large commercial/industrial	(5.0)%	(4.7)%	1.8 %
Total retail sales volumes	(1.5)%	(0.9)%	0.5 %
Total retail sales volumes (ex. mine)	(0.4)%	0.3 %	0.5 %

**RETAIL ELECTRIC SALES VOLUME INFORMATION
SECOND QUARTER YTD**

DELIVERED ELECTRIC VOLUMES – TOTAL WISCONSIN SEGMENT	Six Months Ended June 30		Annual
	2022 Actual vs. 2021 Actual	2022 Normalized vs. 2021 Normalized ⁽¹⁾	2022 Forecast vs. 2021 Normalized ^{(1), (2)}
Residential	0.7 %	(0.2)%	(0.9)%
Small commercial/industrial	2.3 %	1.7 %	0.4 %
Large commercial/industrial (ex. mine)	(0.4)%	(0.2)%	1.9 %
Total large commercial/industrial	(2.5)%	(2.4)%	1.8 %
Total retail sales volumes	0.1 %	(0.3)%	0.5 %
Total retail sales volumes (ex. mine)	0.9 %	0.5 %	0.5 %

⁽¹⁾ Normalized — 20 year average weather adjusted

⁽²⁾ Actual results may differ materially from these forecasts because of seasonal, economic, and other factors.

WEC ENERGY GROUP, INC.

**RETAIL NATURAL GAS SALES VOLUME INFORMATION
SECOND QUARTER**

DELIVERED NATURAL GAS VOLUMES – TOTAL WISCONSIN SEGMENT	Three Months Ended June 30		Annual
	2022 Actual vs. 2021 Actual	2022 Normalized vs. 2021 Normalized ⁽¹⁾	2022 Forecast vs. 2021 Normalized ^{(1), (2)}
Residential	23.1 %	14.5 %	— %
Total commercial/industrial	27.2 %	19.9 %	0.5 %
Total retail sales volumes	24.6 %	15.4 %	0.4 %
Transport (w/o power generation)	2.2 %	1.6 %	0.5 %
Total sales volumes (w/o power generation)	12.0 %	8.4 %	0.5 %

**RETAIL NATURAL GAS SALES VOLUME INFORMATION
SECOND QUARTER YTD**

DELIVERED NATURAL GAS VOLUMES – TOTAL WISCONSIN SEGMENT	Six Months Ended June 30		Annual
	2022 Actual vs. 2021 Actual	2022 Normalized vs. 2021 Normalized ⁽¹⁾	2022 Forecast vs. 2021 Normalized ^{(1), (2)}
Residential	12.6 %	4.5 %	— %
Total commercial/industrial	17.1 %	9.7 %	0.5 %
Total retail sales volumes	14.2 %	6.4 %	0.4 %
Transport (w/o power generation)	4.0 %	2.8 %	0.5 %
Total sales volumes (w/o power generation)	10.1 %	5.0 %	0.5 %

⁽¹⁾ Normalized — 20 year average weather adjusted

⁽²⁾ Actual results may differ materially from these forecasts because of seasonal, economic, and other factors.

WEC ENERGY GROUP, INC.

OTHER FINANCIAL INFORMATION
SIX MONTHS ENDED JUNE 30, 2022 AND 2021

EBIT and EBITDA <i>(in millions)</i>	2022 Actual	2021 Actual
Net income attributed to common shareholders	\$ 853.4	\$ 786.1
Income tax expense	190.5	129.0
Interest expense	237.4	239.5
EBIT	1,281.3	1,154.6
Depreciation and amortization	557.7	527.6
EBITDA	\$ 1,839.0	\$ 1,682.2

Capitalization Structure <i>(in millions)</i>	June 30, 2022	
	Actual	Adjusted ⁽¹⁾
Common shareholders' equity	\$ 11,290.6	\$ 11,540.6
Preferred stock of subsidiary	30.4	30.4
Long-term debt (including current portion)	13,697.8	13,447.8
Short-term debt	1,629.1	1,629.1
Total capitalization	\$ 26,647.9	\$ 26,647.9
Total debt	\$ 15,326.9	\$ 15,076.9
Ratio of debt to total capitalization	57.5 %	56.6 %

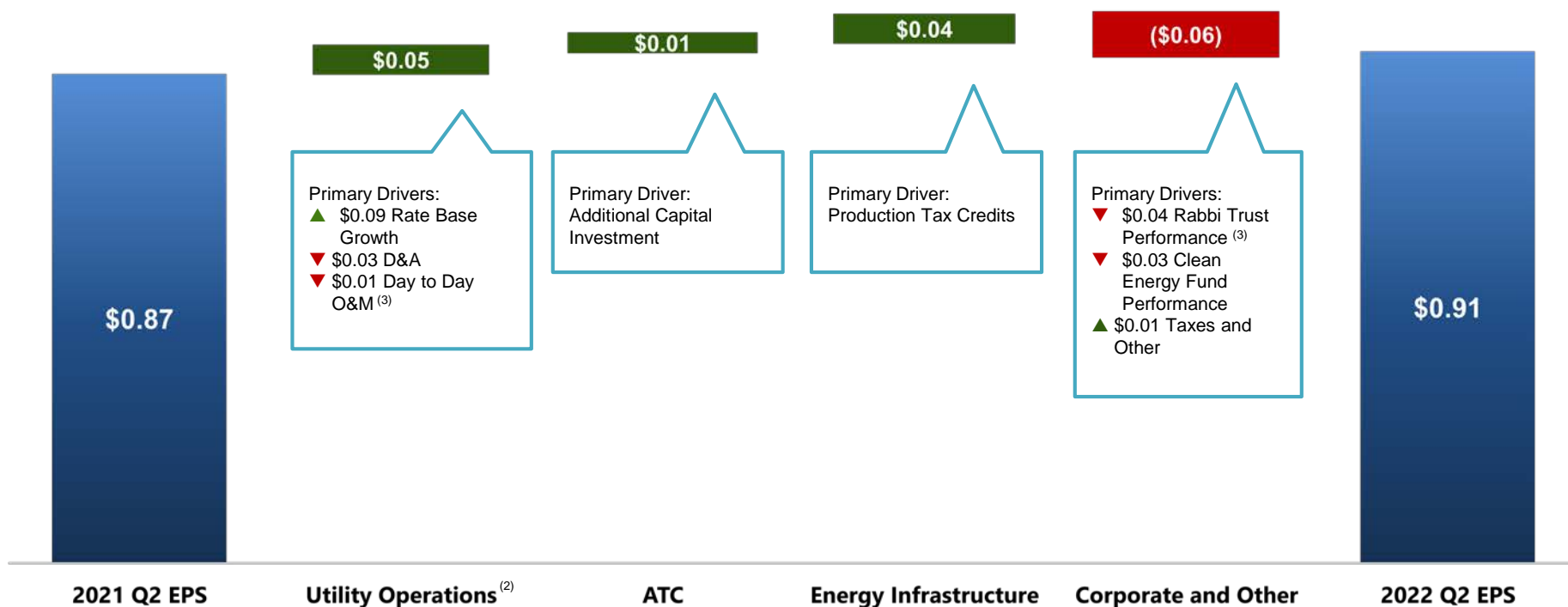
Capitalization Structure <i>(in millions)</i>	December 31, 2021	
	Actual	Adjusted ⁽¹⁾
Common shareholders' equity	\$ 10,913.2	\$ 11,163.2
Preferred stock of subsidiary	30.4	30.4
Long-term debt (including current portion)	13,693.1	13,443.1
Short-term debt	1,897.0	1,897.0
Total capitalization	\$ 26,533.7	\$ 26,533.7
Total debt	\$ 15,590.1	\$ 15,340.1
Ratio of debt to total capitalization	58.8 %	57.8 %

⁽¹⁾ Included in long-term debt on our Consolidated Balance Sheets as of June 30, 2022 and December 31, 2021, is \$500.0 million principal amount of WEC Energy Group's 2007 Junior Subordinated Notes due 2067. The adjusted presentation attributes \$250.0 million of the Junior Notes to common shareholders' equity and \$250.0 million to long-term debt, similar to how the majority of rating agencies treat them.

CREDIT RATINGS

	S & P	Moody's	Fitch
WEC Energy Group, Inc.			
Senior unsecured debt	BBB+	Baa1	BBB+
Commercial paper	A-2	P-2	F2
Junior subordinated notes	BBB	Baa2	BBB-
Wisconsin Electric			
Senior unsecured debt	A-	A2	A+
Commercial paper	A-2	P-1	F1
Wisconsin Public Service			
Senior unsecured debt	A-	A2	A+
Commercial paper	A-2	P-1	F1
Wisconsin Gas			
Senior unsecured debt	A	A3	A
Commercial paper	A-1	P-2	F2
Peoples Gas Light & Coke			
Senior secured debt	N/A	Aa3	A+
Commercial paper	A-2	P-1	F2
Elm Road Generating Station Supercritical, LLC			
Senior secured debt	A-	A2	A+
Integrus Holding, Inc.			
Senior unsecured debt	BBB+	Baa1	BBB+
Junior subordinated notes	BBB	Baa2	BBB-

Quarterly EPS Earnings Drivers⁽¹⁾



(1) All amounts (other than actual quarter-end EPS results and tax items) are presented on an after tax basis assuming a statutory effective tax rate.

(2) Includes aggregate results across our Wisconsin (+\$0.01), Illinois (+\$0.04), and Other States (+\$0.00) segments.

(3) Lower O&M expense related to deferred compensation liabilities at the utilities substantially offsets lower Rabbi Trust performance and vice versa.