WEC Energy Group

Investor Update: **July 2022**

Our "ESG" Progress Plan

Investing in Efficiency, Sustainability and Growth



Best ESG Growth Strategy in the U.S.
Capital Finance International 2021 Energy Awards

Finalist for the S&P Global Energy Award in Corporate Social Responsibility
S&P Global Platts

Best in the U.S. in Large Customer Satisfaction
ESource

We Energies Named #1 Energy Company in America by Business Customers
Escalent

Cautionary Statement Regarding Forward-Looking Information

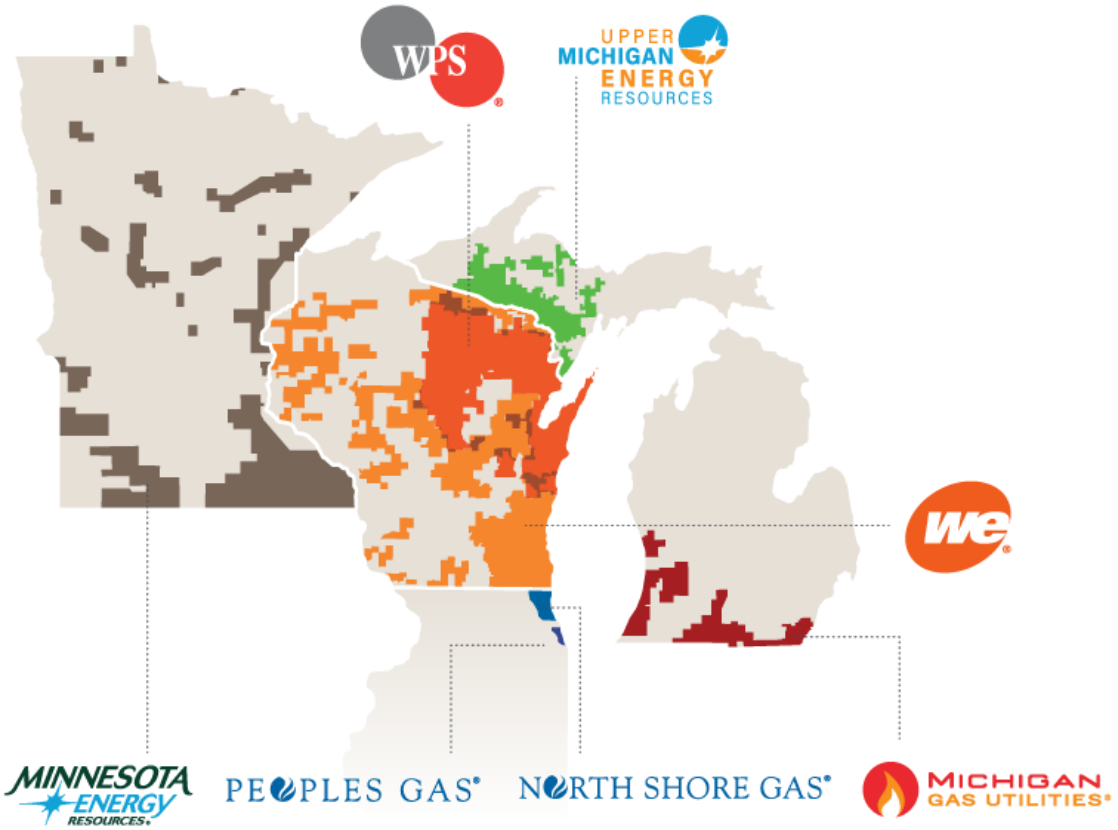
Much of the information contained in this presentation is forward-looking information based upon management's current expectations and projections that involve risks and uncertainties. Forward-looking information includes, among other things, information concerning earnings per share, rate case activity,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

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 and 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 the 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 WEC Energy Group'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, WEC Energy Group expressly disclaims any obligation to publicly update or revise any forward-looking information.

WEC Energy Group

The Premier Energy Company in America's Heartland

- **$31.7** billion market cap*
- **4.6** million retail customers
- **60%** ownership of American Transmission Company
- **$39.0** billion of assets



* As of June 30, 2022

A History of Quality Earnings Growth



* Estimated based on 2022 guidance of $4.34 to $4.38 per share.
** See Appendix for reconciliation of adjusted amounts to GAAP amounts.

Consistent Performance Over Time

The only utility to beat guidance every year for 18 years running.

EPS Guidance		
2021	***Exceeded***	✓
2020	***Exceeded***	✓
2019	***Exceeded***	✓
2018	***Exceeded***	✓
2017	***Exceeded***	✓
2016	***Exceeded***	✓
2015	***Exceeded***	✓
2014	***Exceeded***	✓
2013	***Exceeded***	✓
2012	***Exceeded***	✓
2011	***Exceeded***	✓
2010	***Exceeded***	✓
2009	***Exceeded***	✓
2008	***Exceeded***	✓
2007	***Exceeded***	✓
2006	***Exceeded***	✓
2005	***Exceeded***	✓
2004	***Exceeded***	✓

Strong Dividend Growth Continues

In January, raised the dividend by **7.4%** to a new annual rate of **$2.91** per share*

Top decile dividend growth in industry**

*Annualized based on 1st quarter 2022 dividend of 72.75 cents per share

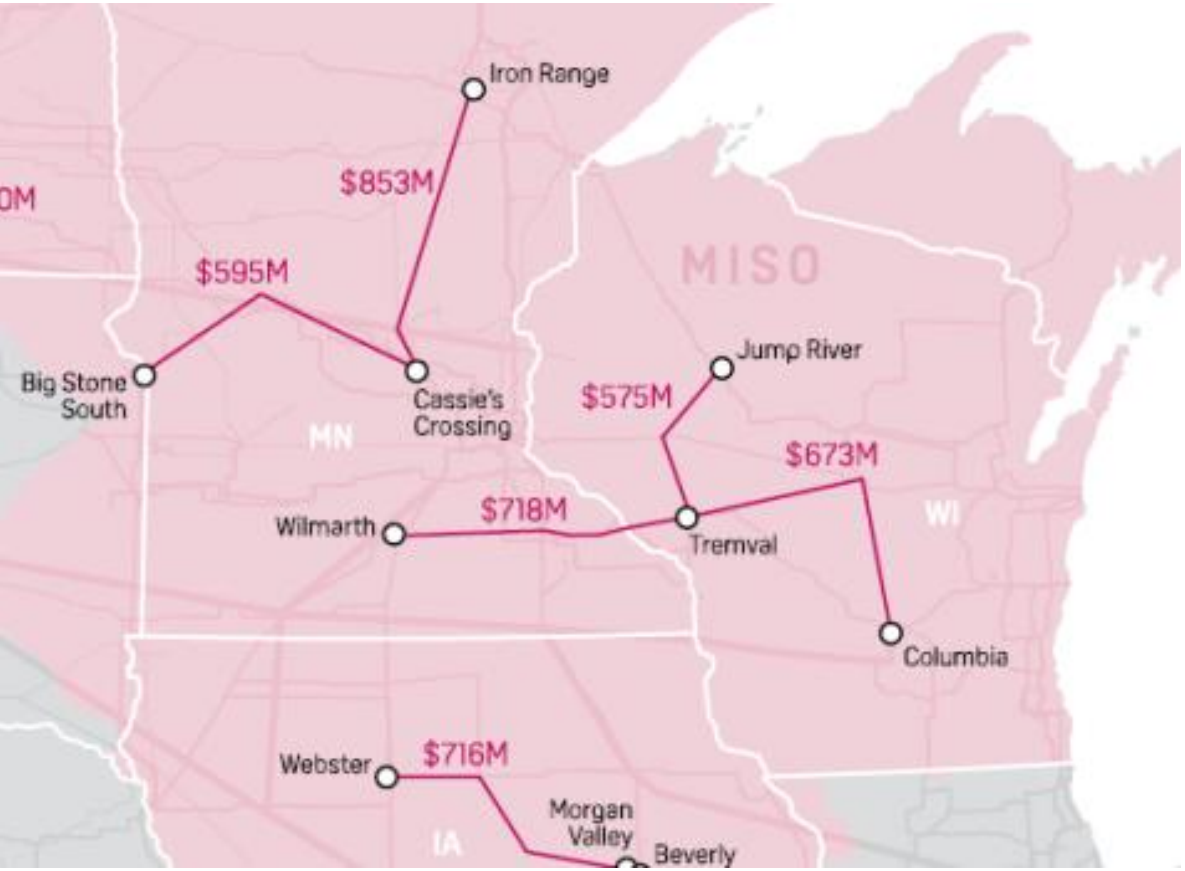
** Reflects current and expected dividends declared in 2022

WEC Energy Group

What's New?



Transmission Planning – Future One



Estimated investment opportunity in Tranche 1 is approximately $800 million (2022 dollars).

Investments in these long-dated projects are expected to be made in the last few years of this decade.

Exiting Coal

- Near-term retirements planned*:
  - Oak Creek Units 5-6: 528 MW (May 2024)
  - Oak Creek Units 7-8: 611 MW (late in 2025)
  - Columbia Units 1-2: 300 MW (by June 1, 2026)
- Enhancing fuel flexibility (gas blending) at Oak Creek Power the Future units
- By the end of 2030, we expect to use coal only as a backup fuel
- We plan to eliminate coal as an energy source by the end of 2035

* Revised retirement dates reflect tight energy supply conditions and supply chain issues that will likely delay commercial operation of renewable energy projects that are pending regulatory approval

Wisconsin Rate Review Proposals

Proposed Revenue Increases	
Wisconsin Electric	**2023**
Electric*	8.4%
Natural Gas	10.7%
Wisconsin Gas	
Natural Gas	8.3%
Wisconsin Public Service	
Electric*	6.2%
Natural Gas	8.3%

With a limited reopener in 2024

Order expected in Q4 2022 for new rates effective January 1, 2023

* Electric proposed increases include fuel, which will be updated Q4

In April, Wisconsin Electric, Wisconsin Gas and Wisconsin Public Service filed applications with the state Public Service Commission

- Only the second time in eight years We Energies has asked for a base rate increase
- Only the third time in eight years WPS has asked for a base rate increase

Average residential customer bills would remain below the national average and in line with the Midwest average.

Key Drivers	Wisconsin Electric and Wisconsin Public Service

- Capital investments in renewables, battery storage, natural gas generation, and LNG storage for our gas distribution system. Many of these projects have already been approved.
- Reliability investments, including grid hardening projects to bury power lines and strengthen the utility systems against severe weather.
- Overall, day-to-day O&M has decreased from the prior orders.

Rate Review Summary

	Wisconsin Electric		Wisconsin Gas	Wisconsin Public Service	
	Electric	***Natural Gas***	***Natural Gas***	***Electric***	***Natural Gas***
Current ROE	10.0%	10.0%	10.2%	10.0%	10.0%
Current Equity Ratio	52.5%	52.5%	52.5%	52.5%	52.5%
Proposed ROE	10.0%	10.0%	10.2%	10.0%	10.0%
Proposed Equity Ratio	53.0%	53.0%	53.0%	53.0%	53.0%
Forecasted 2023 Rate Base (in millions)	$ 7,367	$ 1,383	$ 2,117	$ 3,918	$ 825
Earnings Sharing Mechanism	No sharing on first 25 bp above allowed ROE, 50/50 on next 50 bp, 100% to customers beyond 75 bp				

Recent Project Approvals Advancing Our ESG Progress Plan

Since we announced our new five-year plan in November 2021, the PSCW has approved more than $1.1 billion of capital investment

	Approved Investment[1]
Paris Solar-Battery Park	**$390 million**
LNG Storage Facilities	**$370 million**
Weston RICE Units[2]	**$170 million**
Red Barn Wind Park	**$140 million**
Effluent Limit Compliance for Oak Creek Expansion Plant	**$90 million**

[1] Reflects amounts approved by the PSCW. Project estimates and final costs may vary.
[2] Reciprocating Internal Combustion Engines (RICE) are modular, run on natural gas and allow for reliable and flexible operations.

Hydrogen Pilot Program

- Leading a pilot program to test hydrogen as a fuel source for power generation
  - Partnering with the Electric Power Research Institute (EPRI)
  - Blending hydrogen with natural gas at one of our RICE units
- One of the first hydrogen pilot programs of its kind in the United States

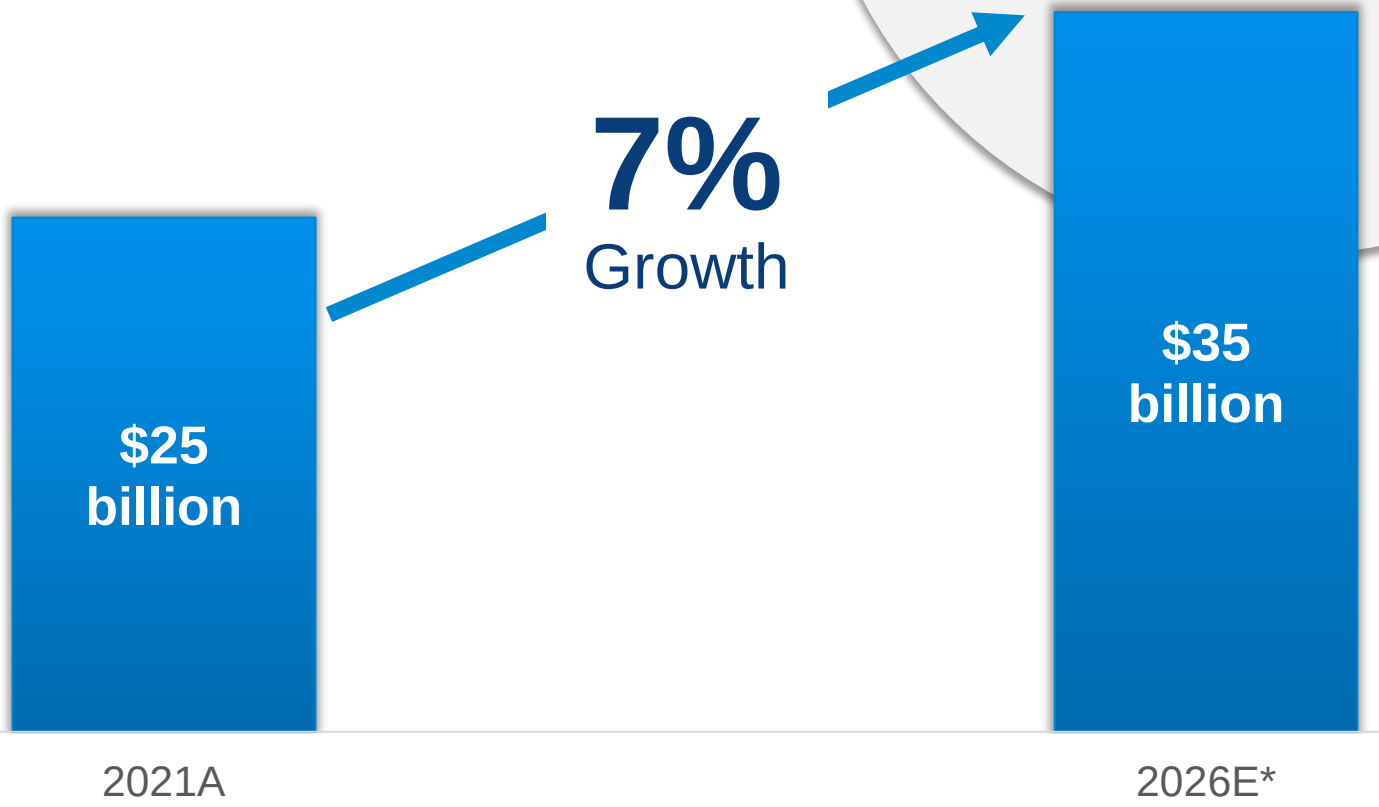
WEC Energy Group's *industry-leading* efforts could help create another viable option for decarbonizing the economy.



ESG Progress Plan

Robust Growth in Asset Base

Expect long-term EPS growth of **6-7%** per year.

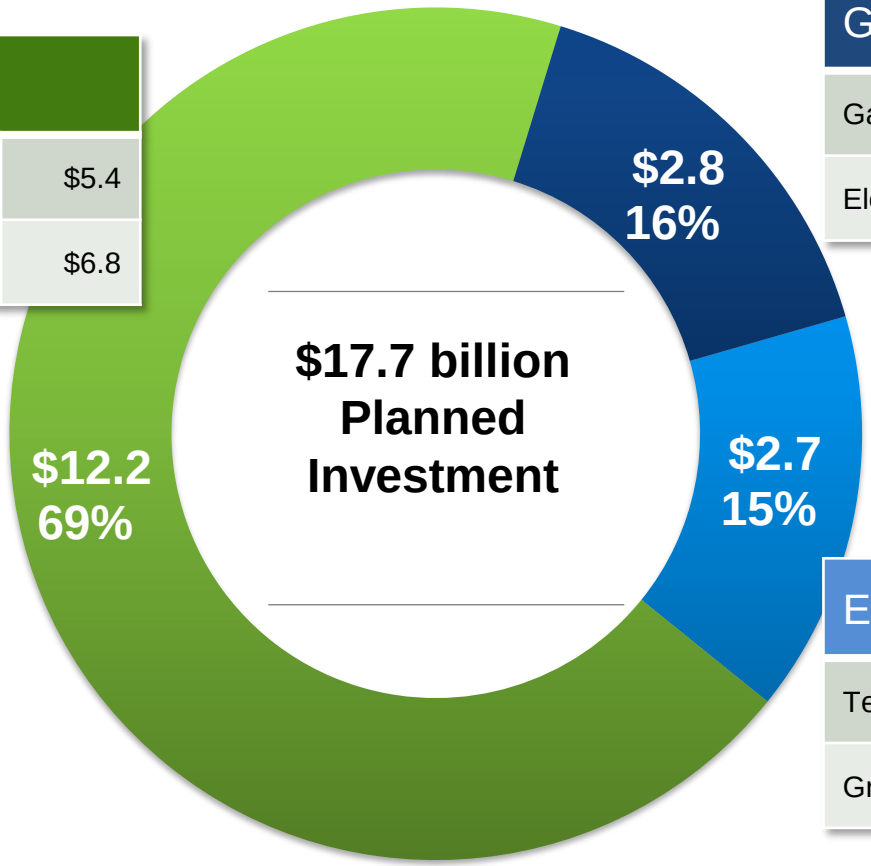


*Estimated year-end average asset base

2022-2026 Capital Plan ($ in billions)

Investing in Efficiency and Sustainability Drives Growth

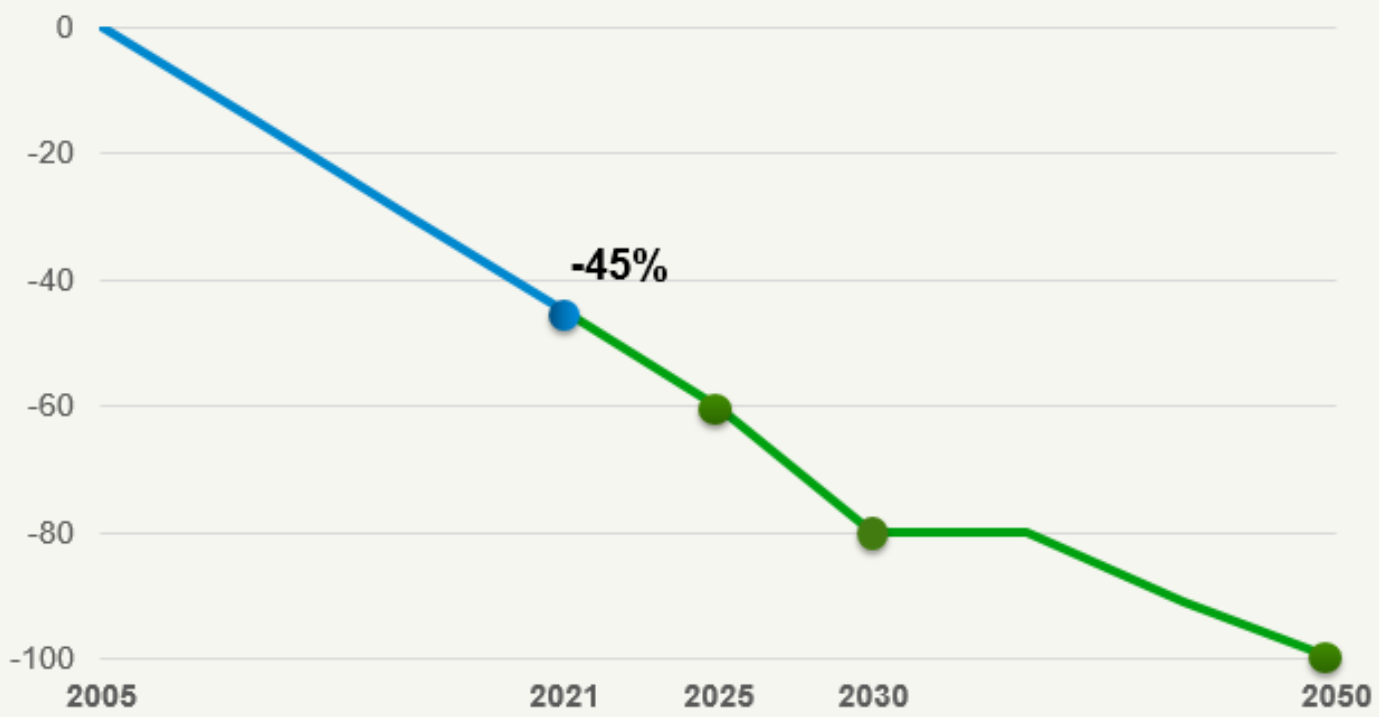
Sustainability	
Renewables	$5.4
Grid and Fleet Reliability	$6.8



Growth	
Gas Distribution	$1.3
Electric (G,T&D)	$1.5

Efficiency	
Technology	$1.1
Grid and Fleet Modernization	$1.6

Carbon Reduction Goals – Electric Generation



Reduction goals:

60%
below 2005 levels by the end of 2025

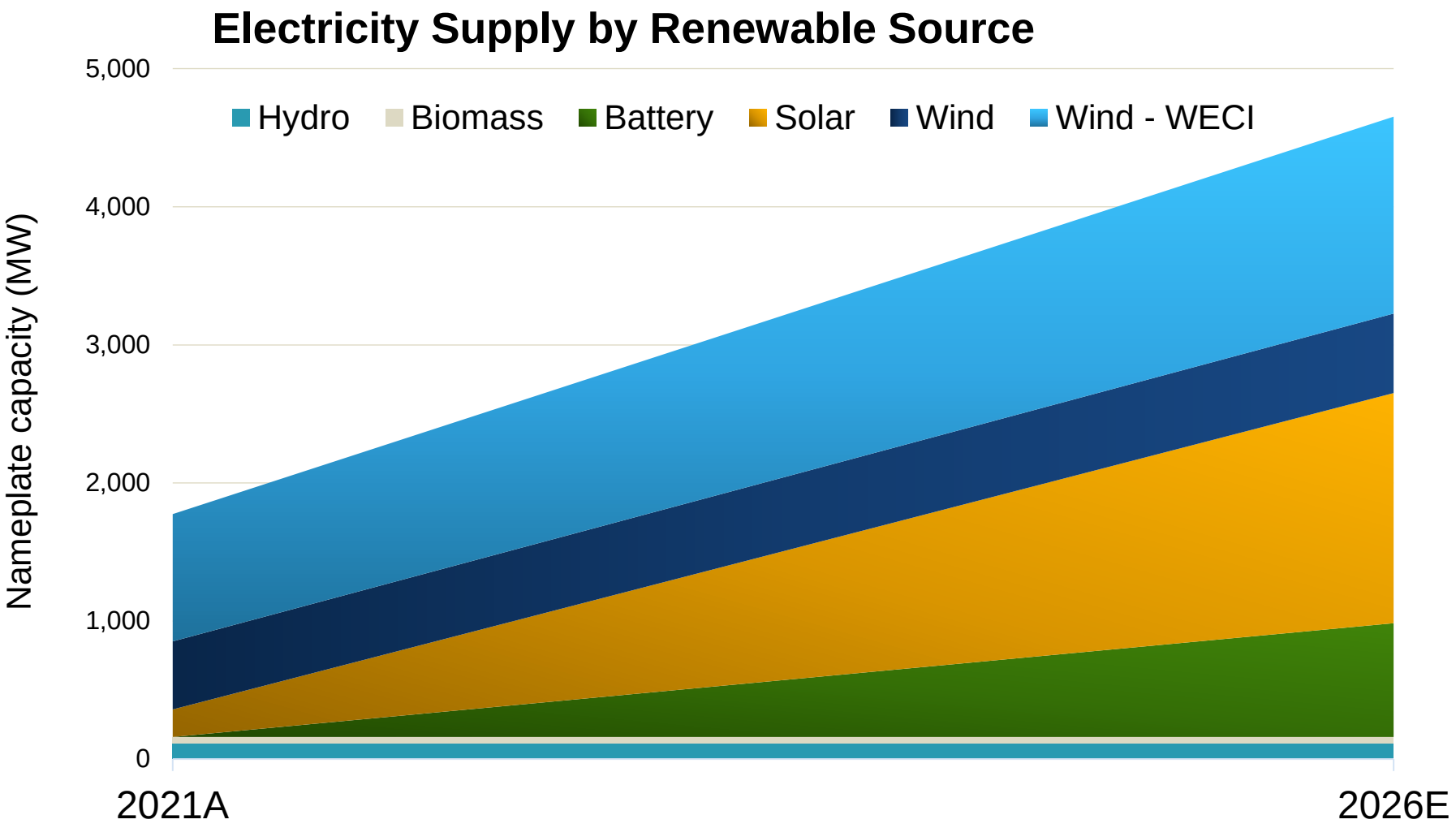
80%
below 2005 levels by the end of 2030

Net carbon neutral
by 2050

Goals aligned with the Paris Agreement to limit global warming to 1.5 degrees C

**Includes projection of potential carbon offsets by 2050*

More than Doubling Renewable Generation



Includes owned electric generation and announced WEC Infrastructure (WECI) projects

Plan to invest $3.5 billion in regulated renewables (2022-2026)

Investing in Carbon-Free Generation

Plan to build and own nearly 2,400 MW of solar, wind, and battery storage







Solar and Battery Storage

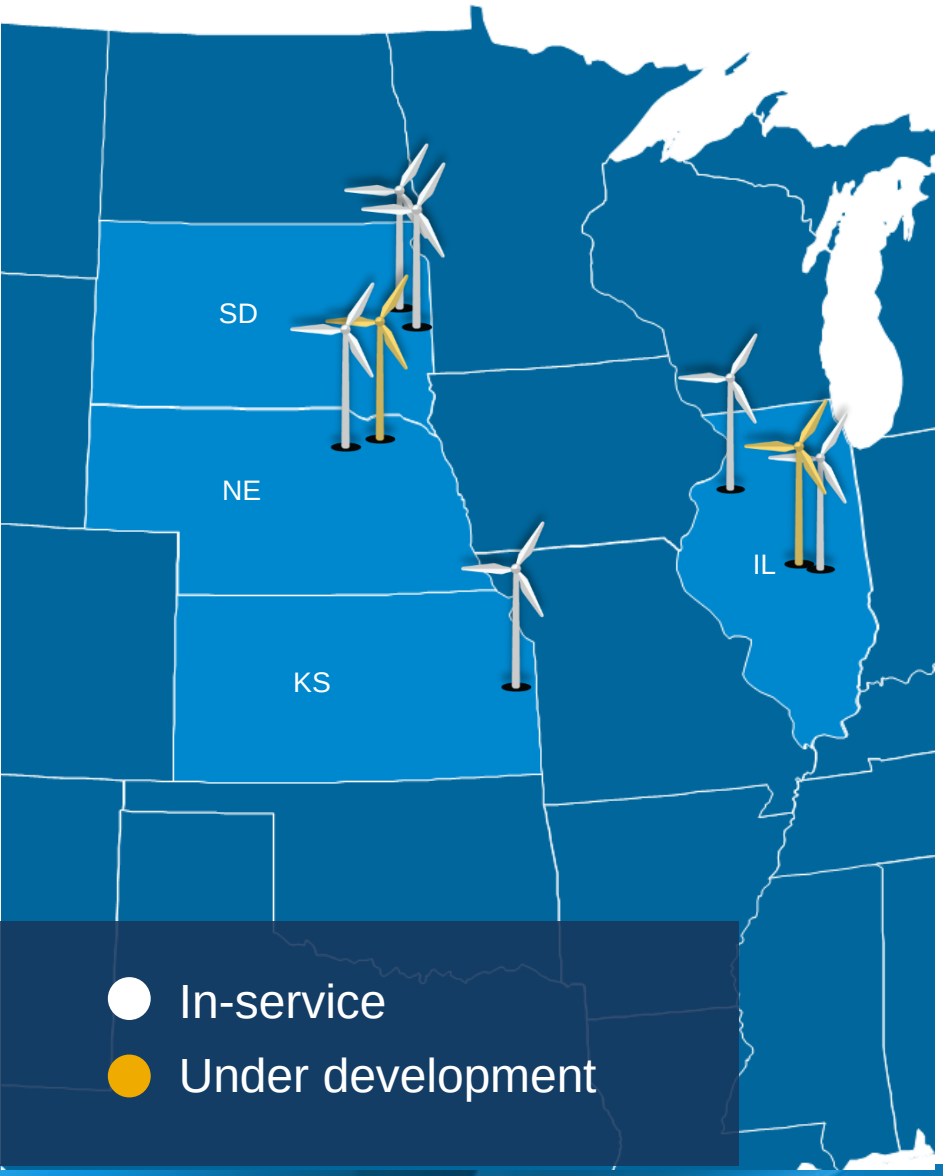
- 100 MW currently under construction (Badger Hollow II Solar Park)
- 279 MW received regulatory approval on March 17th (Paris Solar-Battery Park)
- Solar:
  - Filed for approval 495 MW
  - Planning for additional 700 MW
  - Qualifies for Investment Tax Credits (ITC)
- Battery Storage:
  - Filed for approval 217 MW (qualifies for ITC)
  - Planning for additional 500 MW (about half qualifies for ITC)

Wind

- 82 MW received regulatory approval (Red Barn)
- Qualifies for Production Tax Credits (PTC)

Plan to invest $1.9 Billion (2022-2026)

WEC Infrastructure Portfolio – Green and Growing



	Total Project Capacity (MW)	Investment (in millions)
Upstream	200	$307
Bishop Hill III	132	166
Coyote Ridge	97	145
Blooming Grove	250	389
Tatanka Ridge	155	240
Jayhawk	190	302E
Thunderhead*	300	381E
Sapphire Sky*	250	412E
Total	**1,574**	**$2,342**
Additional Investment		1,107
Total		**$3,449**

Expect to add $1.1 billion of additional projects (2022-2026)

*Investment is part of the 2022-2026 capital plan

Modernizing Our Gas-Fueled Generation Fleet

Retiring

- 200 MW of older, less-efficient gas generation expected
- Target: 2024

Building

Weston RICE units

- Received regulatory approval on March 31st
- 128 MW
- Expected investment: $170 million
- Target in-service: 2023

Investing

West Riverside Energy Center combined cycle

First Option: 100 MW*

- Expected Investment: $91 million
- Target: 2023

Additional 100 MW Option**

- Expected Investment: $90 million
- Target: 2024

Whitewater combined cycle*

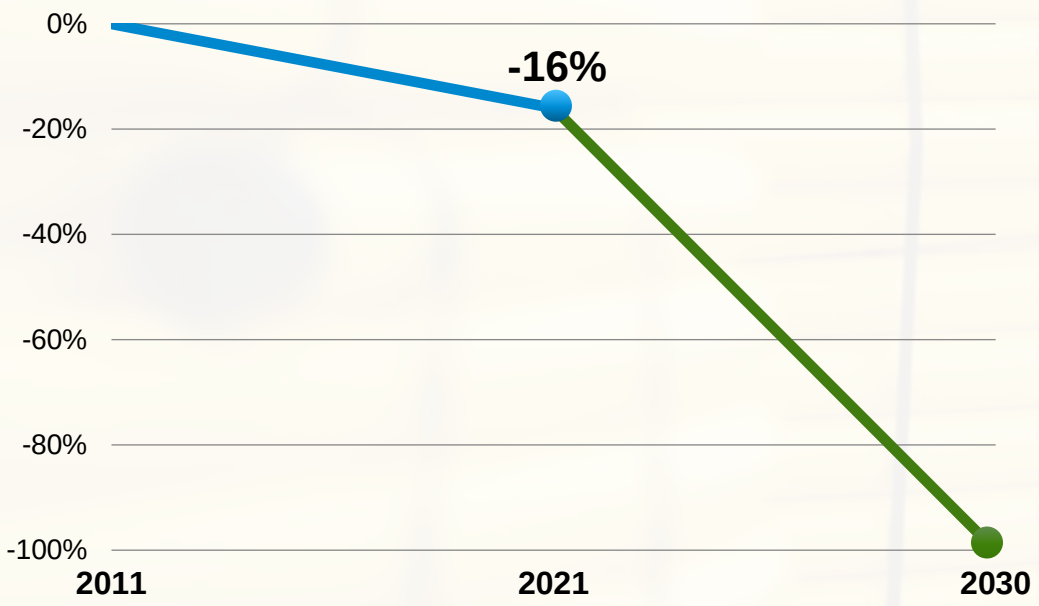
- Will remain under power purchase agreement until transaction closes
- Expected investment: $75 million
- Target: 2023

* Filed and pending regulatory approval
** Pending due diligence and regulatory approval

Our ESG Progress Plan

Methane Reduction Goal

Achieved* and anticipated methane emissions reduction from distribution



Reduction goal:

Net zero

by the year 2030**

Use of Renewable Natural Gas (RNG) will contribute significantly to our goal

*Represents a decrease in the rate of methane emissions, per mile, from the natural gas distribution lines in our network from a 2011 baseline.
**This goal applies to emissions from WEC Energy Group natural gas distribution companies calculated in accordance with EPA's 40 Code of Federal Regulations Part 98, Subpart W reporting rule.

Regional Economy



Powering Industry Leaders in our Region





























Wisconsin Segment

Economic Growth Driving Longer-Term Sales Forecast



Sales Growth Forecast

(weather-normalized)

Year-Over-Year

	2024-2026
Electric	0.7%-1.0%
Gas	0.7%-1.0%

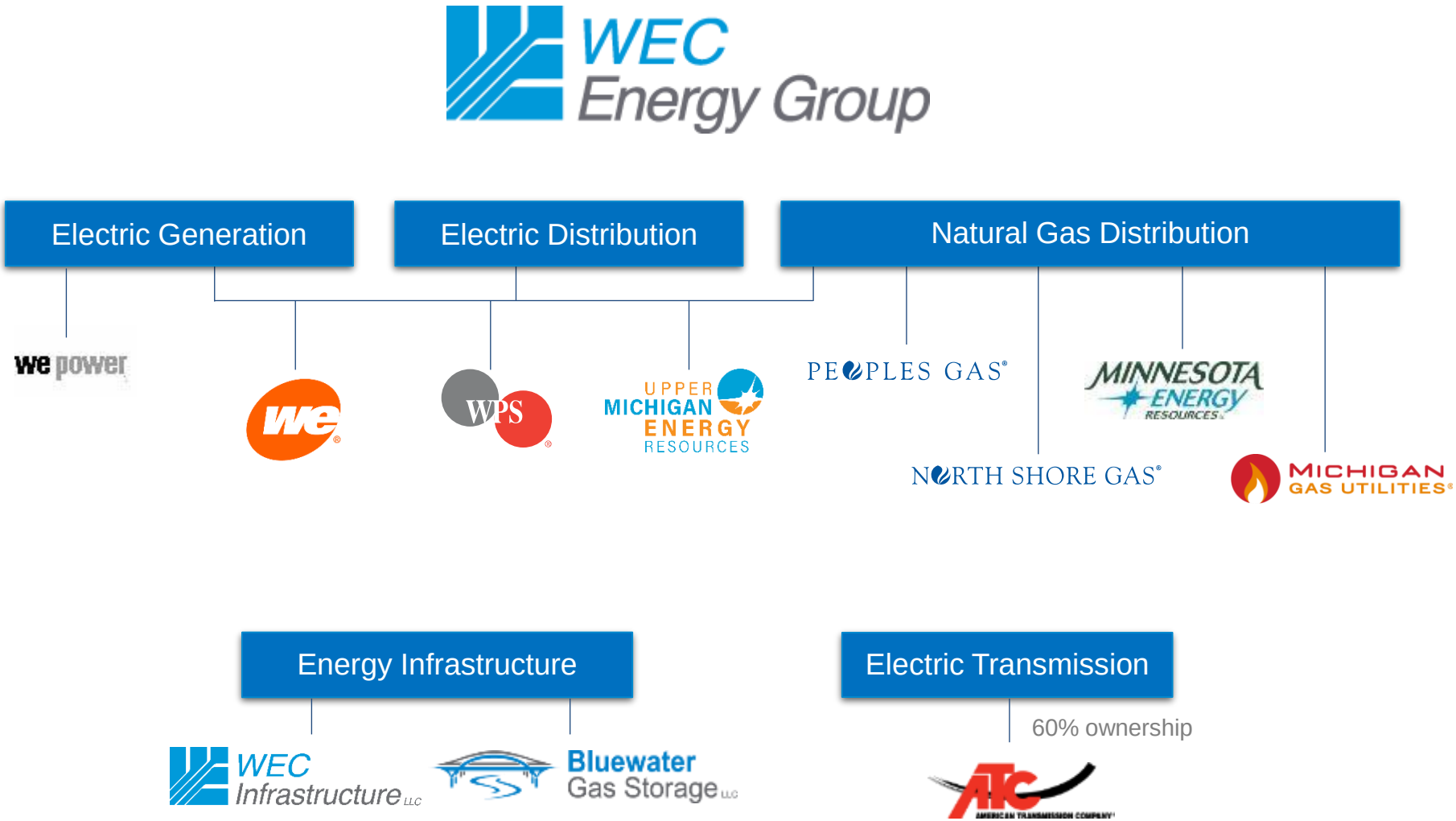


Key Takeaways for WEC Energy Group

- Track record of top decile performance among regulated utilities
- Industry leading earnings quality
- ESG Progress Plan drives premium EPS growth of 6-7%
  - No need to issue equity through forecast period
  - 100% of capital allocated to regulated businesses or contracted renewables
  - Dividend growth projected to be in line with earnings growth
- Aggressive environmental goals in place
  - By the end of 2030, we expect to use coal only as a backup fuel
  - Exit from coal planned by the end of 2035
- Poised to deliver among the best risk-adjusted returns in the industry

Appendix

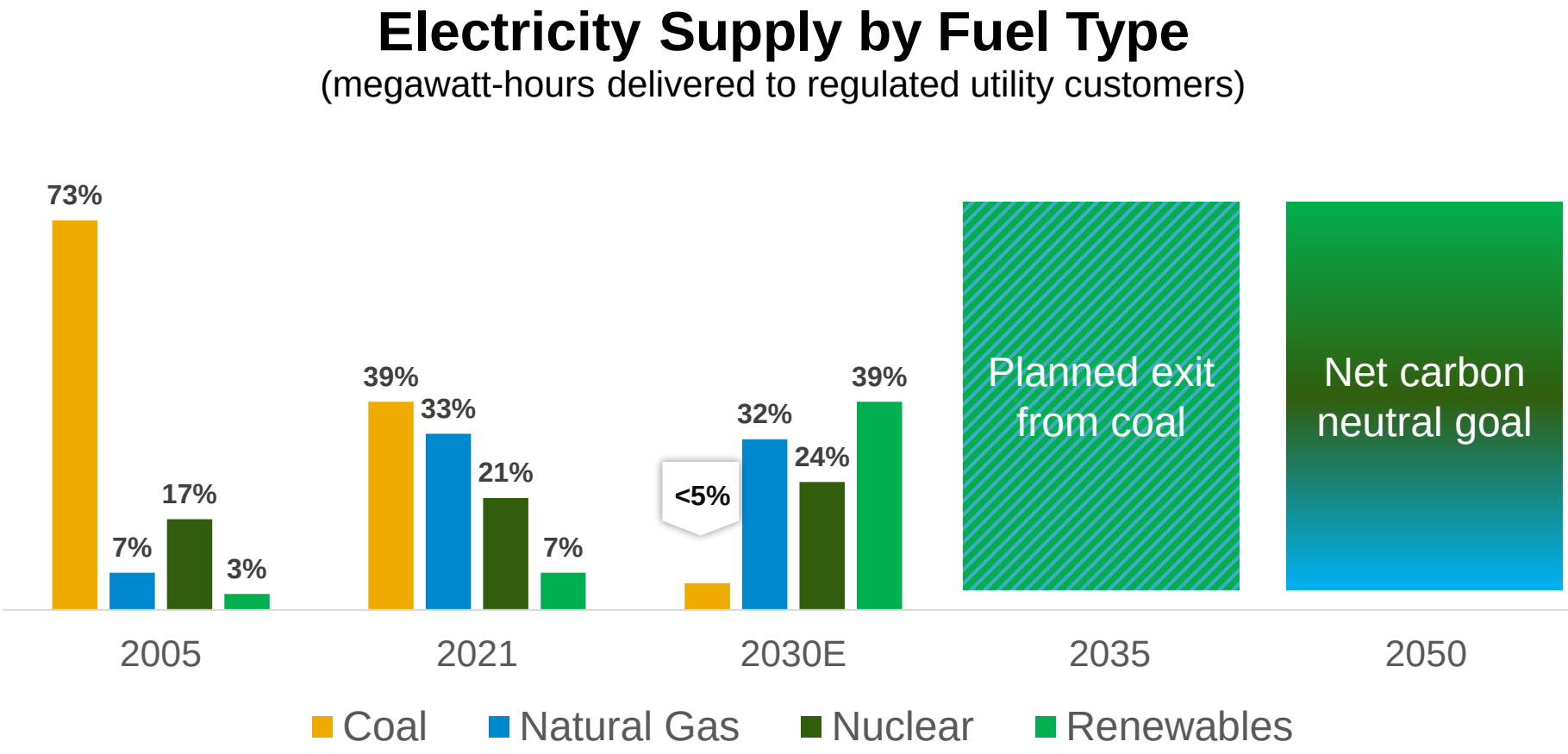
WEC Energy Group


WEC Energy Group
Electric Generation
Electric Distribution
Natural Gas Distribution
we power
We
WPS
UPPER MICHIGAN ENERGY RESOURCES
PEOPLES GAS
MINNESOTA ENERGY RESOURCES
NORTH SHORE GAS
MICHIGAN GAS UTILITIES
Energy Infrastructure
Electric Transmission
WEC Infrastructure LLC
Bluewater Gas Storage LLC
60% ownership
ATC
AMERICAN TRANSMISSION COMPANY

Commitment to ESG

Carbon Goals	Reduce carbon dioxide emissions from electric generation 60% by the end of 2025 and 80% by the end of 2030 – both from a 2005 baseline. Long-term goal of net-zero carbon emissions from our generating fleet by 2050
Exit from Coal	Planned exit from coal by the end of 2035
Methane Reduction Goal	Targeting net-zero methane emissions from distribution by the end of 2030
$3.5 billion	Planned utility renewable investments (2022-2026)
$1.9 billion	Planned investment in contracted energy infrastructure (2022-2026)
$20 million	Contributed by our companies and foundations to nonprofit organizations in 2021
$270.3 million	Spent with certified minority-, women-, service disabled- and veteran-owned businesses in 2021
$123.4 million	Spent on energy efficiency and conservation in 2021

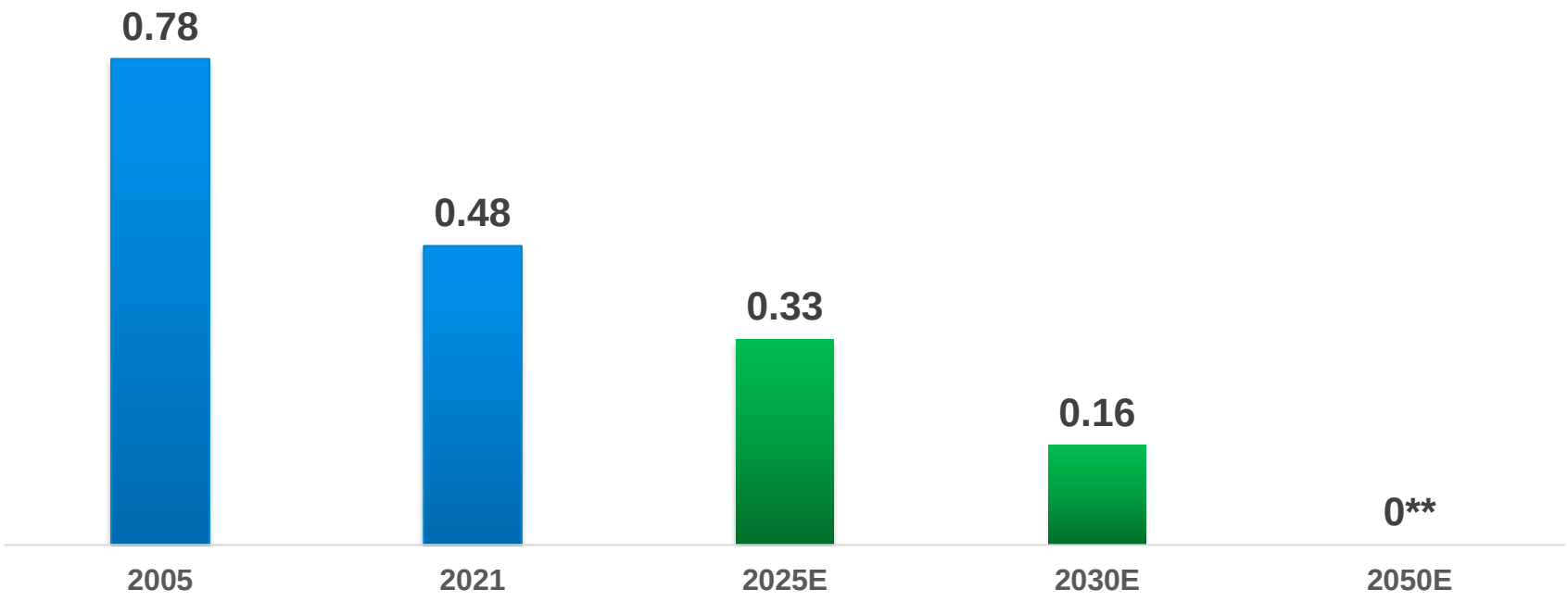
Exiting Coal



Reducing Greenhouse Gas Emissions

Greenhouse gas intensity*

(metric tons CO_2/MWh)



**Includes owned electric generation, purchased power and WEC Infrastructure (WECI). The environmental attributes of the WECI renewable facilities are or may be the property of third parties. As such, these third parties are solely entitled to the reporting rights and ownership of the environmental attributes such as renewable energy credits, offsets, allowances and the avoided emissions of greenhouse gases.*

***Includes projection of potential carbon offsets by 2050.*

Plan to invest $3.5 Billion (2022-2026)

Investment in Regulated Renewables

Target	Project	Utility	WEC Ownership[1]	Expected WEC Investment ($M)	WEC Capacity (MWs)
In Service	Two Creeks Solar Project	WPS	66.7%	$130	100
In Service	Badger Hollow I Solar Park	WPS		130	100
1st Half 2023	Badger Hollow II Solar Park	WE		151	100
2022	Red Barn Wind Park	WPS	90%	160	82
2023	Paris Solar-Battery Park[3]	WE and WPS		390	279
2024	Darien Solar-Battery Park[2,3]	WE and WPS		400	293
2025	Koshkonong Solar-Battery Park[2,3]	WE and WPS		585	419

2022-2026 Plan

Solar Total
1,475MW

Battery Storage Total
816MW

Wind Total
82MW

Grand Total
2,373MW

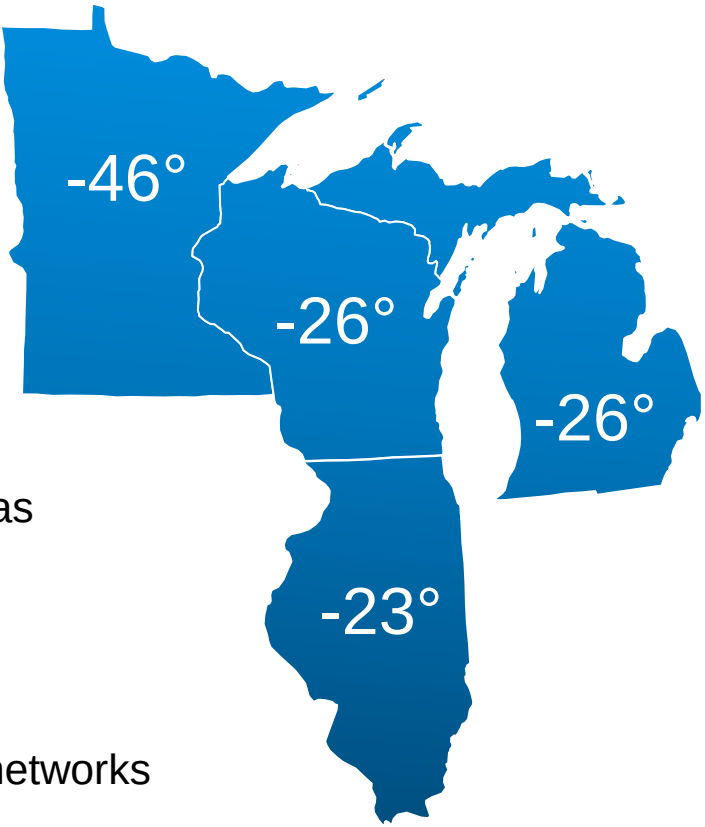
[1] Madison Gas & Electric will own a minority interest at each site
[2] Projects seeking PSCW approval
[3] Battery storage timing to be determined

Wind Infrastructure Investment Summary

Project	Developer	Location	Investment	Offtake Agreement	WEC Commercial Operations	Total Project Capacity
Bishop Hill III Wind Energy Center	Invenergy	Henry County, IL	$166M for 90% ownership	WPPI Energy 22 years	80% on 8/31/18 Incremental 10% on 12/5/18	132MW
Upstream Wind Energy Center	Invenergy	Antelope County, NE	$307M for 90% ownership	Affiliate of Allianz 10 years	80% on 1/10/19 10% on 4/8/20	200MW
Coyote Ridge Wind Farm	Avangrid Renewables	Brookings County, SD	$145M for 80% ownership and 99% of tax benefits	Google Energy LLC 12 years	12/20/19	97MW
Blooming Grove Wind Farm	Invenergy	McLean County, IL	$389M for 90% ownership	Verizon and Saint-Gobain North America 12 years	12/8/20	250MW
Tatanka Ridge Wind Farm	Avangrid Renewables	Deuel County, SD	$240M for 85% ownership and 99% of tax benefits	Google Energy 12 years Dairyland Power 10 years	1/5/21	155MW
Jayhawk Wind Farm	Apex Clean Energy	Bourbon & Crawford Counties, KS	$302M expected for 90% ownership and 99% of tax benefits	Meta Platforms Inc. 10 years	12/15/21	190MW
Thunderhead Wind Energy Center	Invenergy	Wheeler and Antelope Counties, NE	$381M expected for 90% ownership	AT&T 12 years	Projected: Second half 2022	300MW
Sapphire Sky Wind Energy Center	Invenergy	McLean County, IL	$412M expected for 90% ownership	Fortune 100 Technology Company	Projected: End of 2022	250MW

Today and Tomorrow

Why Our Natural Gas Distribution Networks Matter



Our Service Area

- 65-78% of homes use natural gas for heating
- Growth continues as customers convert to natural gas

Hydrogen and RNG Opportunities

- Potential to blend
- Investment potential to convert existing distribution networks

Electric Conversion Debate

- Today, electric heat pumps in our region are substantially more costly than natural gas heating*
- Natural hedge in Wisconsin since we serve both electric and natural gas customers
- Currently participating in Low Carbon Resource Initiative and other electrification R&D

Weather in the map reflects (in Fahrenheit) actual temperatures reported by NOAA during the January 2019 polar vortex.

* Based on independent, third-party research for the region we serve.

New Liquefied Natural Gas (LNG) Storage Facilities

Taking Steps to Maintain Reliable and Affordable Service for Our Customers

LNG will provide a solution for Southeastern Wisconsin to meet peak customer demand on the coldest days of the year.



- We Energies received approval for two LNG facilities to address the need for additional natural gas supply in Wisconsin
- Total expected investment: $370 million
- Construction in progress
- Targeted in-service date:
  - Bluff Creek LNG Facility: 2023
  - Ixonia LNG Facility: 2024

Project Highlights

Efficiency, Growth and Sustainability Progress

Taking Steps to Maintain Reliable and Affordable Service for Our Customers



Electric delivery redesign / resilience

- Addressing aging infrastructure and system hardening
- Enhancing efficiencies and reducing operating costs
- Expect to spend $3.4 billion (2022-2026) with continued investment over next decade

Project Highlights

Efficiency, Growth and Sustainability Progress

Taking Steps to Maintain Reliable and Affordable Service for Our Customers



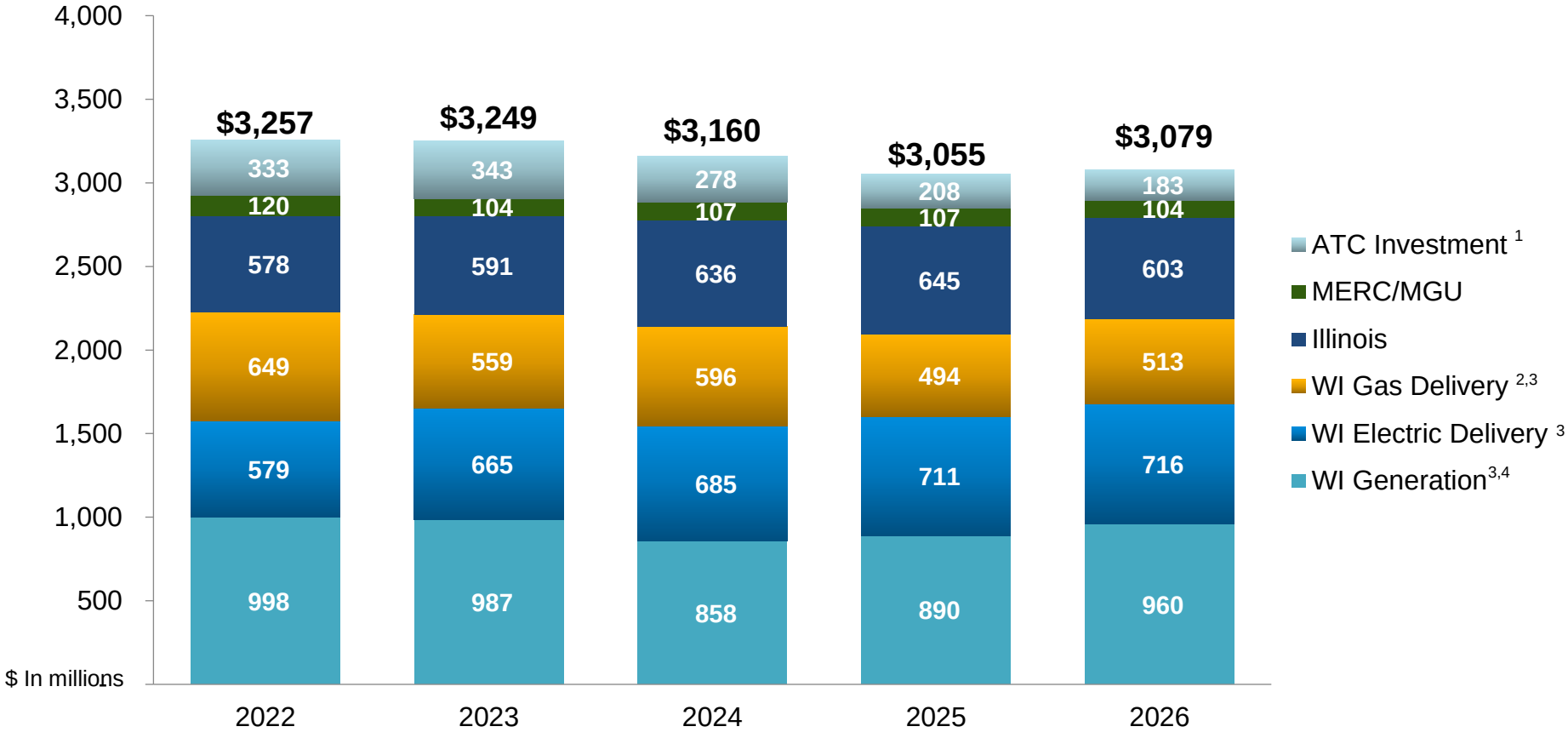
Natural Gas Safety Modernization

- Increasing capacity and reliability of natural gas service in our territories

Illinois

- Expected replacement of 2,000 miles of piping for safety and reliability in Chicago
- Project $280 million-$300 million annual average investment
- Illinois law authorizes rider through 2023
- Continued investment planned over next decade

Utility Capital Plan Drives EPS Growth



Depreciation at the utilities expected to average $1.2 billion annually, and $137 million at ATC, over the 2022-2026 period

1. ATC is accounted for using the equity method; this represents WEC's portion of the investment.
2. Gas delivery includes capital spend at Bluewater.
3. Includes UMERC.
4. Generation includes capital spend at We Power.

By Company

Capital Plan Projections *($ in millions)*

	2022	2023	2024
Wisconsin Electric	$1,204.2	$1,360.2	$1,173.9
Wisconsin Gas	$280.5	$233.6	$263.4
Wisconsin Public Service	$627.2	$537.3	$621.6
Upper Michigan Energy	$19.8	$16.9	$55.2
Wisconsin Segment	**$2,131.7**	**$2,148.0**	**$2,114.1**
Peoples Gas	$521.1	$538.0	$580.4
North Shore Gas	$52.0	$48.8	$54.6
Illinois Segment	**$573.1**	**$586.8**	**$635.0**
Minnesota Energy Resources	$57.5	$57.3	$58.3
Michigan Gas Utilities	$61.6	$46.3	$48.1
Other States Segment	**$119.1**	**$103.6**	**$106.4**
We Power	$74.5	$47.9	$21.7
Bluewater	$3.3	$2.8	$0.8
Infrastructure Investments	$793.0	$275.0	$275.0
Nonutility Energy Infrastructure	**$870.8**	**$325.7**	**$297.5**
Corporate and Other	**$22.0**	**$17.5**	**$4.3**
Subtotal	**$3,716.7**	**$3,181.6**	**$3,157.3**
ATC Investment [1]	**$333.1**	**$342.5**	**$277.7**
Total WEC Capital Projection	**$4,049.8**	**$3,524.1**	**$3,435.0**

[1] ATC is accounted for using the equity method; this represents WEC's portion of the investment.

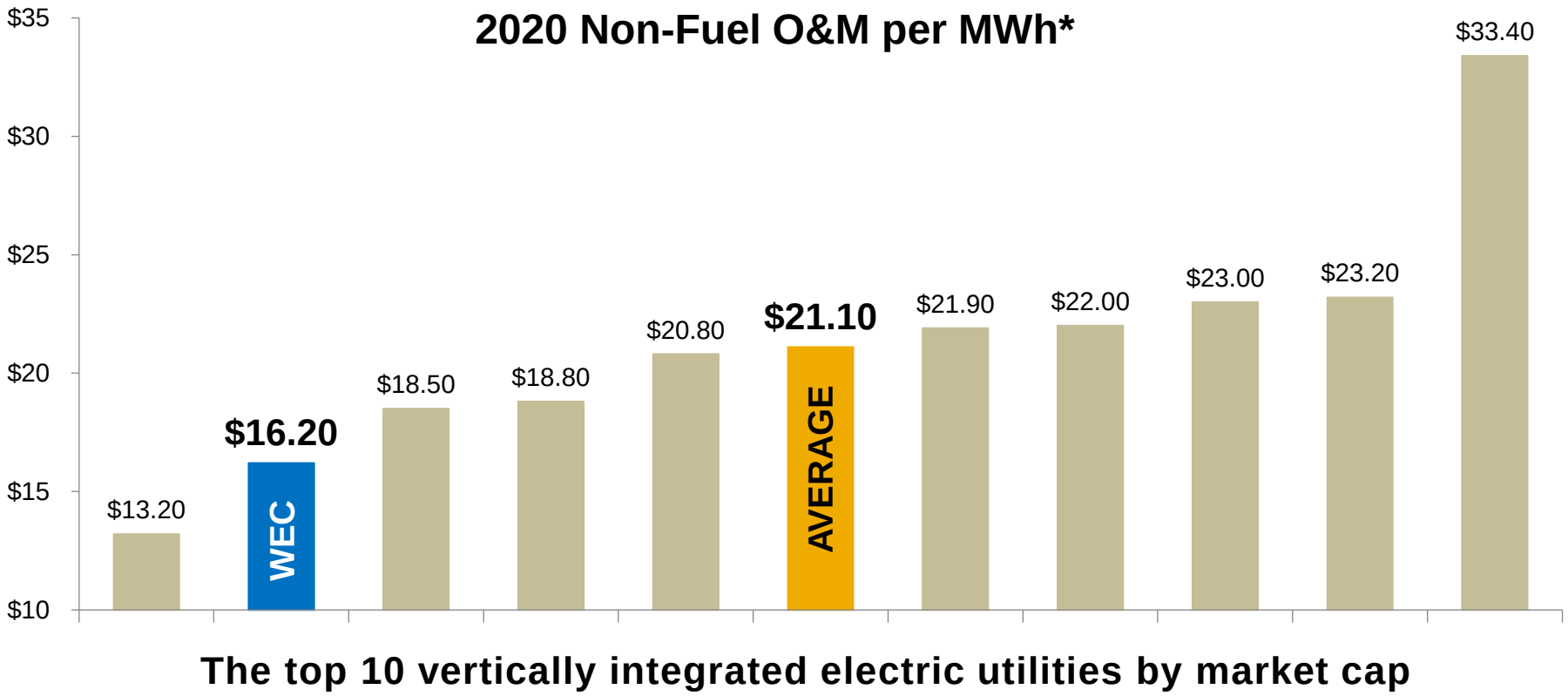
Composition of Asset Base

Total 2021 Average Asset Base of $25.0 Billion

Company	Asset Base - $B	% of Total
Wisconsin Electric	$6.8	27.2%
Wisconsin Gas	1.7	6.8
Wisconsin Public Service	4.0	16.0
Upper Michigan Energy Resources	0.4	1.6
Peoples Gas	4.0	16.0
North Shore Gas	0.4	1.6
Minnesota Energy Resources	0.5	2.0
Michigan Gas Utilities	0.3	1.2
We Power	3.0	12.0
Bluewater	0.2	0.8
WEC Infrastructure	1.2	4.8
American Transmission Company	2.5	10.0
Total	**$25.0**	**100%**

Note: We Power value represents investment book value.

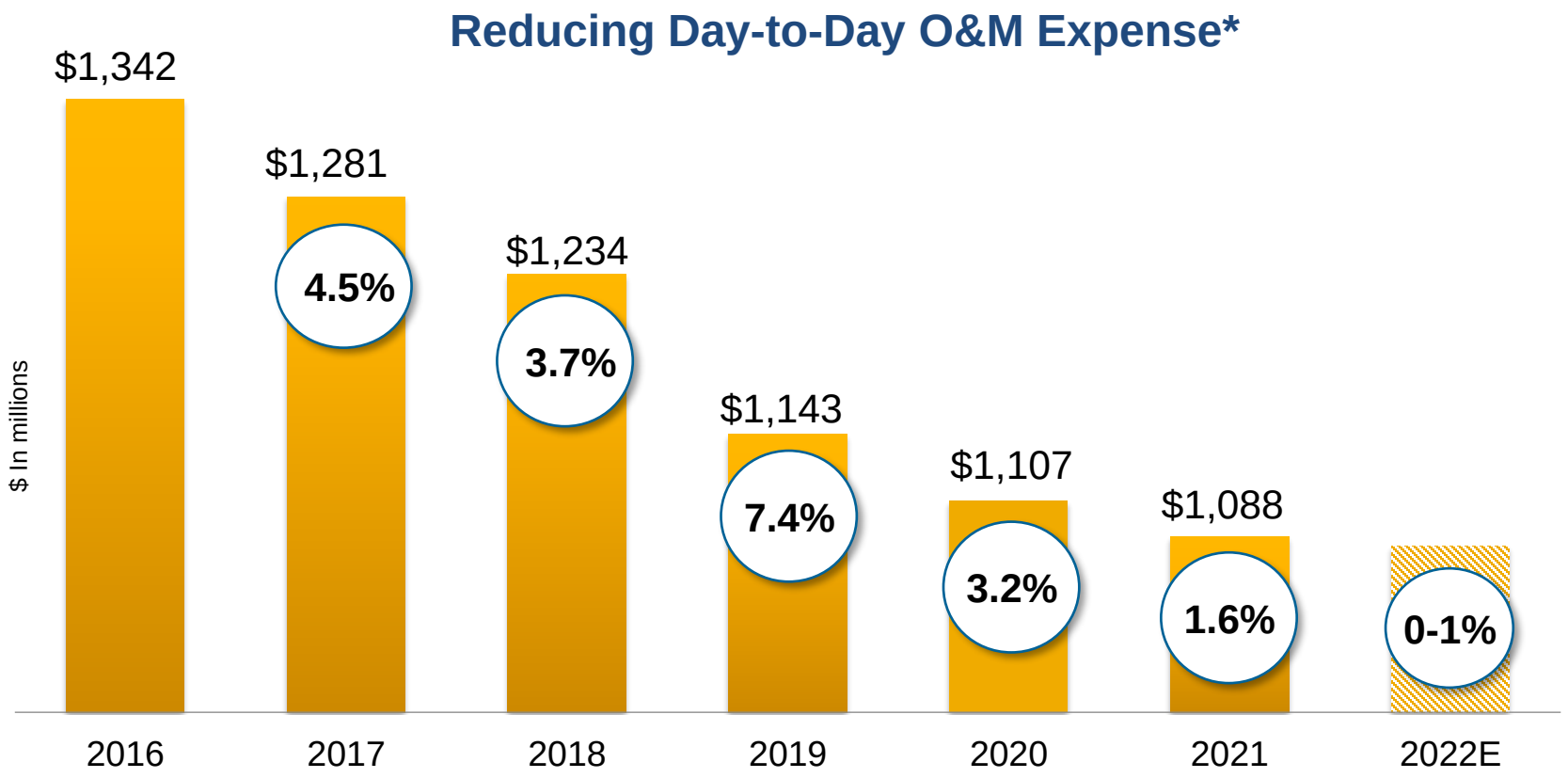
National Leader in Operating Efficiency and Financial Discipline



Source: FERC Form 1 Reports

*For all companies, excluded 1) pensions and other employee benefits, 2) costs reported as “transmission of electricity by others” to neutralize differences in ownership of the transmission utilized by each utility, and 3) costs reported as “rents” within the production section to control for difference in how power plants are owned and financed.

Focused on Efficiency



*Excludes costs that have a revenue offset such as operation and maintenance costs associated with the We Power generation units, transmission expenses that are collected in rates, regulatory amortizations, riders and other pass-through expenses.

Balance Sheet Remains Strong

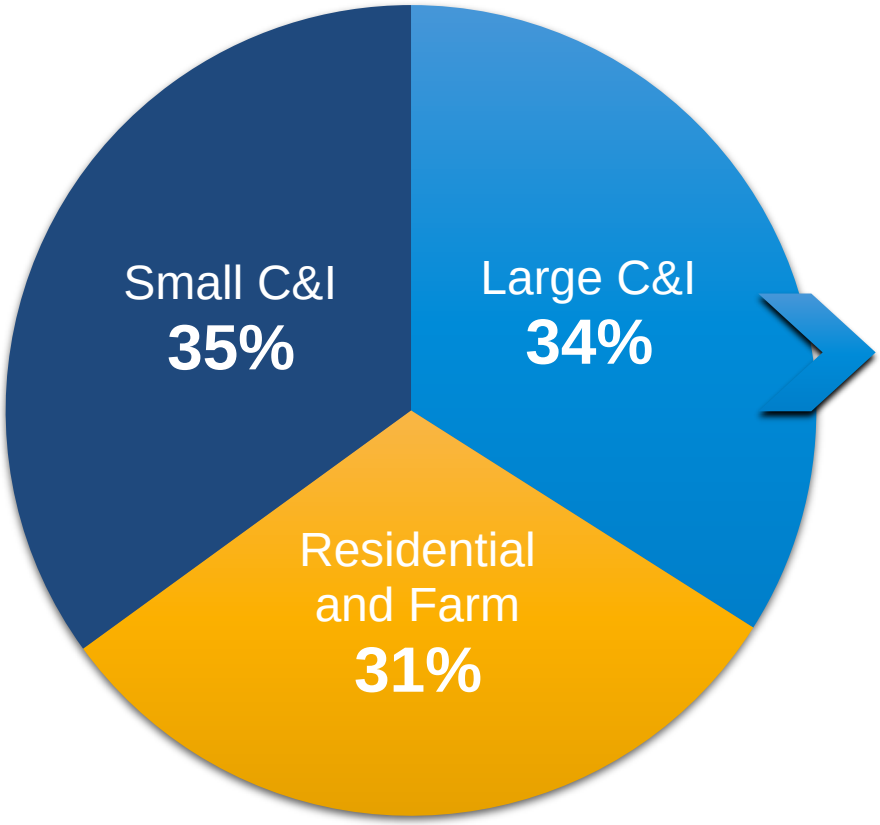
WEC Energy Group	Target
S&P FFO to Debt	≥15%
Moody's CFO Pre-WC/Debt	≥16%
Holding Company Debt to Total Debt	≤30%

Issuer Credit Ratings

Entity	S&P Rating	Moody's Rating
WEC Energy Group	A-	Baa1
Wisconsin Electric	A-	A2
Wisconsin Gas	A	A3
Wisconsin Public Service	A-	A2
Peoples Gas	A-	A2

Balanced Sales Mix

2021 Retail MWh Deliveries Mix*

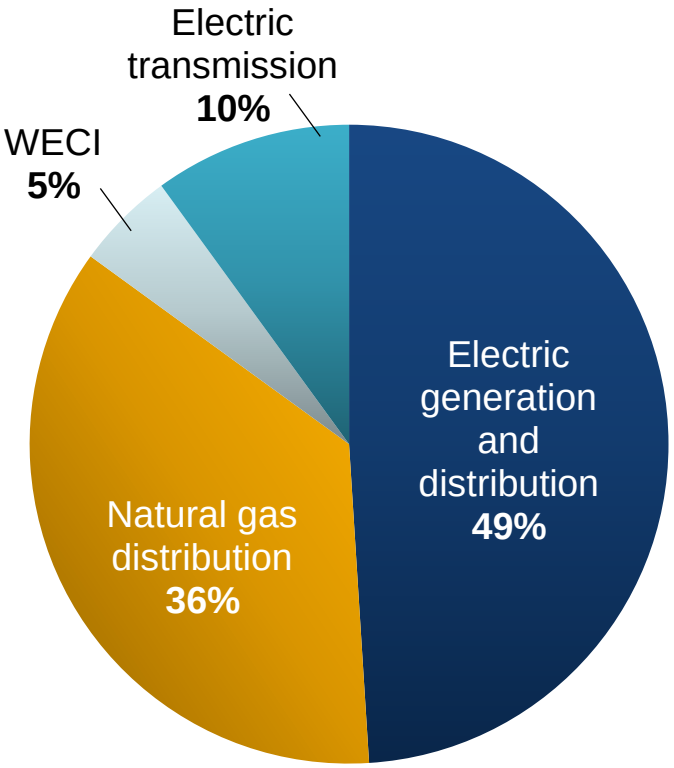


34% Large C&I by Segment	
Paper/Packaging	26%
Mining/Minerals	11%
Foundry (SIC 33)	9%
Metal (SIC 34,35,37)	8%
Other Manufacturing	8%
Food/Agriculture	7%
Medical	7%
Education	4%
Printing	3%
Chemical	2%
Office	2%
Other	13%

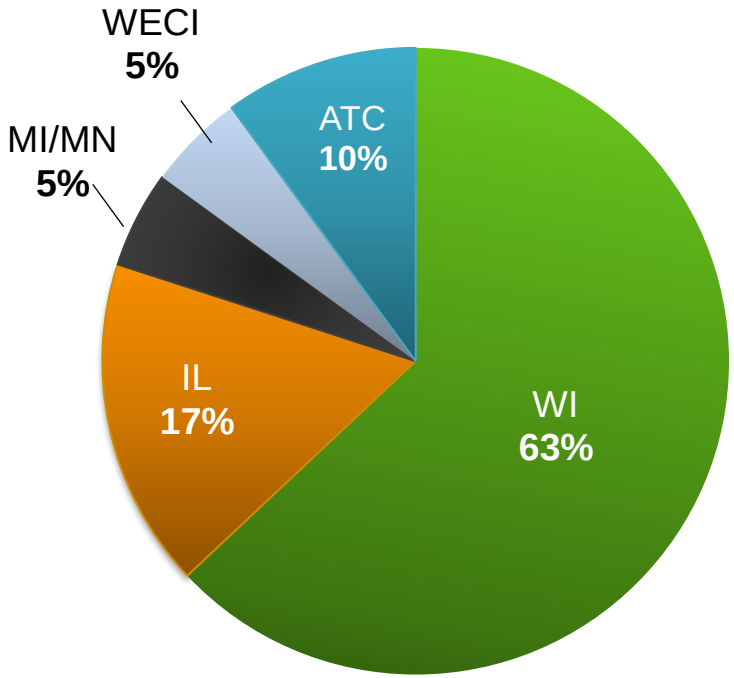
*Wisconsin segment includes Michigan electric and retail choice customers in the Upper Peninsula.

Diverse Portfolio of Businesses

By Business



By Jurisdiction



Based on 2021 average asset base.

*ATC is accounted for using the equity method; this represents WEC's portion of the asset base.

Regulatory Matters



Wisconsin (apps.psc.wi.gov)	Estimated Decision Date
▪ Commission decision on general rate review for new base rates effective Jan. 1, 2023 (Dockets: WE and WG: 5-UR-110 and WPS 6690-UR-127)	Q4 2022
▪ Decision on Koshkonong Solar and Battery Storage (Docket: 5-BS-258 filed 4/30/2021)	2022
▪ Decision on Darien Solar and Battery Storage (Docket: 5-BS-255 filed 3/16/2021)	2022



Illinois (icc.illinois.gov)	
▪ Decision on 2016 Rider QIP Reconciliation (Docket: 17-0137 filed 3/20/17)	2022



Michigan (michigan.gov/mpsc)	



Minnesota (mn.gov/puc)	
▪ Review of cold weather gas costs (Docket: C-21-611)	2022

Regulatory Environment

Wisconsin

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

Wisconsin Commissioners			
Name	**Party**	**Began Serving**	**Term Ends**
Rebecca Valcq *Chair*	D	01/2019	03/2025
Ellen Nowak	R	12/2018	03/2023
Tyler Huebner*	D	03/2020	03/2027

* Pending confirmation

Illinois

- Governor J.B. Pritzker (D)
- Commission
  - Gubernatorial appointment, Senate confirmation
  - Chairman: Gubernatorial appointment
  - 5-year staggered terms

Illinois Commissioners			
Name	**Party**	**Began Serving**	**Term Ends**
Carrie Zalewski *Chair*	D	03/2019	01/2024
D. Ethan Kimbrel	D	01/2018	01/2023
Maria Soledad Bocanegra**	I	04/2019	01/2023
Michael Carrigan	D	01/2020	01/2025
Ann McCabe	R	02/2022	01/2027

** Announced resignation, effective July 7, 2022

Rate-Making Parameters by Company

Utility	Equity Layer[1]	Authorized ROE
Wisconsin Electric	50.0%-55.0%	10.0%
Wisconsin Public Service	50.0%-55.0%	10.0%
Wisconsin Gas	50.0%-55.0%	10.2%
Peoples Gas	50.33%	9.05%
North Shore Gas	51.58%	9.67%
Minnesota Energy Resources	50.9%	9.7%
Michigan Gas Utilities	51.5%	9.85%
We Power	53%-55%	12.7%
American Transmission Company	50%	10.52%

- Constructive regulatory environments
- Earnings sharing mechanism at all Wisconsin utilities

[1] Represents the equity component of capital; rates are set at the midpoint of any range.

Key Rate Making Components

Area	Illinois–Gas	Minnesota–Gas	Michigan–Electric & Gas	Wisconsin–Gas	Wisconsin–Electric
Gas Pipeline Replacement Rider	PGL		MGU		
Bad Debt Rider	✓				
Bad Debt Escrow Accounting				Residential	Residential
Decoupling	✓	✓			
Fuel Cost Recovery	1 for 1 recovery of prudent fuel costs				+/- 2% band
MGP Site Clean Up Recovery	✓	✓	✓	✓	N/A
Invested Capital Tax Rider	✓				
Forward-Looking Test Years	✓	✓	✓	2 years	2 years
COVID-19 Incremental O&M and foregone late payment fees	✓				
Credit Card Fees	✓				
Gas Utility Infrastructure Cost Rider Surcharge		✓			
Earnings Sharing				No sharing on first 15 bp above allowed ROE, 50/50 on next 60bp, 100% to customers beyond 75 bp	

Reconciliation of Reported EPS (GAAP) to Adjusted EPS (Non-GAAP)

	2014	2015	2016	2017
Reported EPS – GAAP basis	$2.59	$2.34	$ 2.96	$ 3.79
Acquisition Costs	$0.06	$0.39	$ 0.01	–
Integrys Earnings		$(0.47)		
Impact of Additional Shares		$0.47		
Tax Benefit Related to Tax Cuts and Jobs Act of 2017	–	–	–	$ (0.65)
Adjusted EPS – Non-GAAP Basis*	**$2.65**	**$2.73**	**$ 2.97**	**$ 3.14**

* WEC Energy Group has provided adjusted earnings per share (non-GAAP earnings per share) as a complement to, and not as an alternative to, reported earnings per share presented in accordance with GAAP. Adjusted earnings per share exclude, as applicable, (1) a one-time reduction in income tax expense related to a revaluation of our deferred taxes as a result of the Tax Cuts and Jobs Act of 2017; (2) costs related to the acquisition of Integrys Energy Group; (3) the results of operations of Integrys and its subsidiaries; and (4) the additional shares of WEC Energy Group common stock that were issued as part of the acquisition. None of these items are indicative of WEC Energy Group's operating performance. Therefore, WEC Energy Group believes that the presentation of adjusted earnings per share is relevant and useful to investors to understand the company's operating performance. Management uses such measures internally to evaluate the company's performance and manage its operations.

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WEC Energy Group