WEC Energy Group, Inc.

2017 Second Quarter Earnings

Released July 26, 2017

TABLE OF CONTENTS

	Pages
Press Release	1
Income Statements	4
Balance Sheets	5
Statements of Cash Flows	6
Factors Affecting Earnings - Quarter	7
Factors Affecting Earnings - Full Year	8
Weather and Volumes - Quarter	9
Weather and Volumes - Full Year	10
Retail Electric Sales Information	11
Retail Natural Gas Sales Information	12
Other Financial Information	13
Credit Ratings	14

WEC Energy Group

News

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July 26, 2017

WEC Energy Group posts second-quarter results

MILWAUKEE - WEC Energy Group (NYSE: WEC) recorded net income of $199.1 million, or $0.63 per share, for the second quarter of 2017 - up from $181.4 million, or $0.57 per share, for the second quarter of 2016.

For the first six months of 2017, WEC Energy Group reported net income of $555.7 million, or $1.75 per share - up from $527.6 million, or $1.66 per share, for the first six months of 2016.

The company is reaffirming 2017 earnings guidance of $3.06 to $3.12, with an expectation of being in the upper end of the range.

Consolidated revenue was $1.6 billion for the second quarter of 2017, which was level with the second quarter of 2016. Consolidated revenue was $3.9 billion for the first six months of 2017, compared to $3.8 billion for the same period in 2016.

“Our continued focus on controlling costs contributed to our results in the second quarter," said Allen Leverett, chief executive officer. "We achieved those results while safely and reliably restoring power in the wake of relentless storm activity."

At the end of June, the WEC Energy Group utilities were serving approximately 9,000 more electric and 13,000 more natural gas customers than they did at the same time a year ago.

For the first six months of 2017, retail deliveries of electricity for the Wisconsin and Michigan utilities - excluding the iron ore mines in Michigan’s Upper Peninsula - decreased 0.9 percent compared to the same period last year. Residential electricity usage decreased 1.1 percent. Electricity consumption by small commercial and industrial customers decreased 1.0 percent.

Electricity use by large commercial and industrial customers - excluding the iron ore mines - decreased 0.5 percent for the first six months of 2017 compared to the same period last year.

On a weather-normal basis, retail deliveries of electricity - excluding the iron ore mines - decreased 0.2 percent.

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 on Wednesday, July 26. The call will review 2017 second-quarter earnings and will discuss the company's outlook for the future.

All interested parties, including stockholders, news media and general public, are invited to listen. Access the call at 844-840-1623 up to 15 minutes before it begins. The number for international callers is 631-625-3204. The conference ID is 43642520.

Conference call access also is available at wecenergygroup.com. Select 'Second Quarter Earnings Release and Conference Call' and then select 'Webcast.' 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 on Wednesday, July 26.

Replay

A replay will be available on the website and by phone after the call. 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. 8, 2017. Domestic callers should dial 855-859-2056. International callers should dial 404-537-3406. The replay conference ID is 43642520.

WEC Energy Group (NYSE: WEC), based in Milwaukee, is one of the nation's premier energy companies, serving 4.4 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. The company's other major subsidiary, We Power, designs, builds and owns electric generating plants.

WEC Energy Group (wecenergygroup.com), a component of the S&P 500, has approximately $30 billion of assets, 8,500 employees and 55,000 stockholders of record.

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 weather conditions; continued industry consolidation; continued adoption of distributed generation by the company’s customers; energy conservation efforts; 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; the impact of any legislative and regulatory changes, including changes to environmental standards and tax laws; political developments; current and future litigation and regulatory investigations; changes in accounting standards; the financial performance of the American Transmission Company; 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 Dec. 31, 2016 and in subsequent reports filed with the Securities and Exchange Commission. 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)	Three Months Ended June 30		Six Months Ended June 30	
(in millions, except per share amounts)	2017	2016	2017	2016
Operating revenues	**$ 1,631.5**	$ 1,602.0	$ 3,936.0	$ 3,796.8
Operating expenses				
Cost of sales	**541.8**	508.3	1,482.9	1,347.2
Other operation and maintenance	**479.8**	522.0	981.7	1,053.5
Depreciation and amortization	**197.7**	190.0	392.3	377.9
Property and revenue taxes	**50.0**	49.6	99.6	96.8
Total operating expenses	**1,269.3**	1,269.9	2,956.5	2,875.4
Operating income	**362.2**	332.1	979.5	921.4
Equity in earnings of transmission affiliate	**41.8**	30.9	83.7	69.4
Other income, net	**13.1**	32.4	28.8	65.1
Interest expense	**101.9**	100.1	206.6	201.0
Other expense	**(47.0)**	(36.8)	(94.1)	(66.5)
Income before income taxes	**315.2**	295.3	885.4	854.9
Income tax expense	**115.8**	113.6	329.1	326.7
Net income	**199.4**	181.7	556.3	528.2
Preferred stock dividends of subsidiary	**0.3**	0.3	0.6	0.6
Net income attributed to common shareholders	**$ 199.1**	$ 181.4	$ 555.7	$ 527.6
Earnings per share				
Basic	**$ 0.63**	$ 0.57	$ 1.76	$ 1.67
Diluted	**$ 0.63**	$ 0.57	$ 1.75	$ 1.66
Weighted average common shares outstanding				
Basic	**315.6**	315.6	315.6	315.6
Diluted	**317.4**	317.0	317.4	317.0
Dividends per share of common stock	**$ 0.5200**	$ 0.4950	$ 1.0400	$ 0.9900

CONDENSED CONSOLIDATED BALANCE SHEETS (Unaudited) *(in millions, except share and per share amounts)*	June 30, 2017	December 31, 2016
Assets		
Current assets		
Cash and cash equivalents	**$ 36.5**	$ 37.5
Accounts receivable and unbilled revenues, net of reserves of $111.6 and $108.0, respectively	**1,004.3**	1,241.7
Materials, supplies, and inventories	**510.0**	587.6
Prepayments	**181.6**	204.4
Other	**47.3**	97.5
Current assets	**1,779.7**	2,168.7
Long-term assets		
Property, plant, and equipment, net of accumulated depreciation of $8,433.2 and $8,214.6, respectively	**20,524.3**	19,915.5
Regulatory assets	**3,108.4**	3,087.9
Equity investment in transmission affiliate	**1,544.0**	1,443.9
Goodwill	**3,053.5**	3,046.2
Other	**549.7**	461.0
Long-term assets	**28,779.9**	27,954.5
Total assets	**$ 30,559.6**	$ 30,123.2
Liabilities and Equity		
Current liabilities		
Short-term debt	**$ 774.8**	$ 860.2
Current portion of long-term debt	**708.4**	157.2
Accounts payable	**724.1**	861.5
Accrued payroll and benefits	**140.0**	163.8
Other	**440.0**	388.9
Current liabilities	**2,787.3**	2,431.6
Long-term liabilities		
Long-term debt	**8,799.7**	9,158.2
Deferred income taxes	**5,416.1**	5,146.6
Deferred revenue, net	**554.6**	566.2
Regulatory liabilities	**1,574.0**	1,563.8
Environmental remediation liabilities	**622.6**	633.6
Pension and OPEB obligations	**451.0**	498.6
Other	**1,171.1**	1,164.4
Long-term liabilities	**18,589.1**	18,731.4
Commitments and contingencies		
Common shareholders' equity		
Common stock – $.01 par value; 325,000,000 shares authorized; 315,576,571 and 315,614,941 shares outstanding, respectively	**3.2**	3.2
Additional paid in capital	**4,290.1**	4,309.8
Retained earnings	**4,857.0**	4,613.9
Accumulated other comprehensive income	**2.5**	2.9
Common shareholders' equity	**9,152.8**	8,929.8
Preferred stock of subsidiary	**30.4**	30.4
Total liabilities and equity	**$ 30,559.6**	$ 30,123.2

CONDENSED CONSOLIDATED STATEMENTS OF CASH FLOWS (Unaudited)	Six Months Ended June 30	
(in millions)	**2017**	**2016**
Operating Activities		
Net income	**$ 556.3**	$ 528.2
Reconciliation to cash provided by operating activities		
Depreciation and amortization	**392.3**	386.0
Deferred income taxes and investment tax credits, net	**274.6**	307.1
Contributions and payments related to pension and OPEB plans	**(111.5)**	(19.5)
Equity income in transmission affiliate, net of distributions	**(14.5)**	(22.7)
Change in –		
Accounts receivable and unbilled revenues	**247.3**	130.1
Materials, supplies, and inventories	**77.9**	193.5
Other current assets	**15.6**	66.7
Accounts payable	**(114.0)**	(112.4)
Other current liabilities	**18.3**	(139.0)
Other, net	**(74.3)**	(93.9)
Net cash provided by operating activities	**1,268.0**	1,224.1
Investing Activities		
Capital expenditures	**(790.0)**	(618.7)
Acquisition of Bluewater	**(226.0)**	—
Capital contributions to transmission affiliate	**(50.5)**	(12.1)
Proceeds from the sale of assets and businesses	**20.7**	161.0
Withdrawal of restricted cash from Rabbi trust for qualifying payments	**17.2**	22.5
Other, net	**4.7**	(1.8)
Net cash used in investing activities	**(1,023.9)**	(449.1)
Financing Activities		
Exercise of stock options	**15.6**	35.0
Purchase of common stock	**(39.7)**	(94.2)
Dividends paid on common stock	**(328.3)**	(312.4)
Issuance of long-term debt	**210.0**	—
Retirement of long-term debt	**(14.6)**	(241.8)
Change in short-term debt	**(85.4)**	(167.2)
Other, net	**(2.7)**	(12.1)
Net cash used in financing activities	**(245.1)**	(792.7)
Net change in cash and cash equivalents	**(1.0)**	(17.7)
Cash and cash equivalents at beginning of period	**37.5**	49.8
Cash and cash equivalents at end of period	**$ 36.5**	$ 32.1

SECOND QUARTER 2017 AND 2016 RESULTS — FACTORS AFFECTING EARNINGS

(in millions)	2017	2016	Change B(W)	Significant Factors
Operating income (loss) by segment				
Wisconsin	**$ 223.6**	$ 214.7	$ 8.9	
			29.1	O&M
			2.8	Fuel
			(16.1)	Volumes
			(7.6)	Depreciation
			0.7	Other
			8.9	
Illinois	**41.4**	22.6	18.8	Lower O&M / Continued SMP Investment
Other states	**4.7**	2.3	2.4	Lower O&M
Non-utility energy	**98.7**	94.1	4.6	Capital Investments
Corporate and other	**(6.2)**	(1.6)	(4.6)	
Operating income	**362.2**	332.1	30.1	
Equity in earnings of transmission affiliate	**41.8**	30.9	10.9	Allowed ROE Complaints
Other income, net	**13.1**	32.4	(19.3)	2016 Sale of Wisvest Assets
Interest expense	**101.9**	100.1	(1.8)	
Other expense	**(47.0)**	(36.8)	(10.2)	
Income before income taxes	**315.2**	295.3	19.9	
Income tax expense	**115.8**	113.6	(2.2)	
Net income	**199.4**	181.7	17.7	
Preferred stock dividends of subsidiary	**0.3**	0.3	—	
Net income attributed to common shareholders	**$ 199.1**	$ 181.4	$ 17.7	
Earnings per share - diluted	**$ 0.63**	$ 0.57	$ 0.06	
Weighted average common shares outstanding - diluted	**317.4**	317.0		

SECOND QUARTER YTD 2017 AND 2016 RESULTS — FACTORS AFFECTING EARNINGS

(in millions)	2017	2016	Change B(W)	Significant Factors
Operating income (loss) by segment				
Wisconsin	**$ 555.9**	$ 542.2	$ 13.7	
			57.5	O&M
			(30.1)	Volumes
			(14.0)	Depreciation
			0.3	Other
			13.7	
Illinois	**196.8**	159.6	37.2	Lower O&M / Continued SMP Investment
Other states	**38.1**	34.1	4.0	Lower O&M
Non-utility energy	**196.1**	187.4	8.7	Capital Investments
Corporate and other	**(7.4)**	(1.9)	(5.5)	
Operating income	**979.5**	921.4	58.1	
Equity in earnings of transmission affiliate	**83.7**	69.4	14.3	Allowed ROE Complaints
Other income, net	**28.8**	65.1	(36.3)	2016 Gain on Repurchase of Notes / Sale of Wisvest Assets
Interest expense	**206.6**	201.0	(5.6)	
Other expense	**(94.1)**	(66.5)	(27.6)	
Income before income taxes	**885.4**	854.9	30.5	
Income tax expense	**329.1**	326.7	(2.4)	
Net income	**556.3**	528.2	28.1	
Preferred stock dividends of subsidiary	**0.6**	0.6	—	
Net income attributed to common shareholders	**$ 555.7**	$ 527.6	$ 28.1	
Earnings per share - diluted	**$ 1.75**	$ 1.66	$ 0.09	
Weighted average common shares outstanding - diluted	**317.4**	317.0		

SECOND QUARTER 2017 AND 2016 WEATHER AND VOLUMES Weather — Degree Days	2017	2016	Change
Wisconsin Gas and Wisconsin Electric [1]			
Heating (937 Normal)	**748**	926	**(19.2)%**
Cooling (161 Normal)	**203**	196	**3.6 %**
Wisconsin Public Service [2]			
Heating (958 Normal)	**834**	964	**(13.5)%**
Cooling (131 Normal)	**125**	142	**(12.0)%**
Peoples Gas and North Shore Gas [3]			
Heating (695 Normal)	**602**	756	**(20.4)%**
Minnesota Energy Resources and Michigan Gas [4]			
Heating (858 normal)	**776**	848	**(8.5)%**

[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 12-year moving average of monthly temperatures from Chicago's O'Hare Airport.

[4] 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 territories.

ELECTRIC UTILITY OPERATIONS - SECOND QUARTER *(in thousands)*	MWh Wisconsin 2017 **	Wisconsin 2016	Change
Customer class			
Residential	**2,455.2**	2,455.3	— %
Small commercial and industrial*	**3,113.6**	3,172.2	(1.8)%
Large commercial and industrial*	**3,224.4**	3,458.7	(6.8)%
Other	**39.9**	40.1	(0.5)%
Total retail *	**8,833.1**	9,126.3	(3.2)%
Wholesale	**933.7**	897.3	4.1 %
Resale	**1,240.6**	1,862.2	(33.4)%
Total MWh sales *	**11,007.4**	11,885.8	(7.4)%

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

** Includes WE's and WPS's electric operations in the state of Michigan that were transferred to Upper Michigan Energy Resources Corporation (UMERC) effective January 1, 2017.

GAS UTILITY OPERATIONS - SECOND QUARTER	Therms											
	2017				2016				Change			
(in millions)	Wisconsin**	Illinois	Other States	Total	Wisconsin	Illinois	Other States	Total	Wisconsin	Illinois	Other States	Total
Customer class												
Residential	**137.1**	**132.8**	**39.6**	**309.5**	160.4	138.6	41.7	340.7	(14.5)%	(4.2)%	(5.0)%	(9.2)%
Commercial/industrial	**90.1**	**27.5**	**27.7**	**145.3**	100.9	27.2	27.8	155.9	(10.7)%	1.1 %	(0.4)%	(6.8)%
Total retail	**227.2**	**160.3**	**67.3**	**454.8**	261.3	165.8	69.5	496.6	(13.1)%	(3.3)%	(3.2)%	(8.4)%
Transport	**293.6**	**144.5**	**167.6**	**605.7**	291.0	156.7	157.1	604.8	0.9 %	(7.8)%	6.7 %	0.1 %
Total therms delivered	**520.8**	**304.8**	**234.9**	**1,060.5**	552.3	322.5	226.6	1,101.4	(5.7)%	(5.5)%	3.7 %	(3.7)%

** Includes WPS's natural gas operations in the state of Michigan that were transferred to UMERC effective January 1, 2017.

SECOND QUARTER YTD 2017 AND 2016 WEATHER AND VOLUMES Weather — Degree Days	2017	2016	Change
Wisconsin Gas and Wisconsin Electric [1]			
Heating (4,215 Normal)	**3,597**	4,031	**(10.8)%**
Cooling (161 Normal)	**203**	196	**3.6 %**
Wisconsin Public Service [2]			
Heating (4,609 Normal)	**4,107**	4,402	**(6.7)%**
Cooling (131 Normal)	**125**	142	**(12.0)%**
Peoples Gas and North Shore Gas [3]			
Heating (3,866 Normal)	**3,263**	3,664	**(10.9)%**
Minnesota Energy Resources and Michigan Gas [4]			
Heating (4,416 normal)	**3,910**	4,079	**(4.1)%**

[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 12-year moving average of monthly temperatures from Chicago's O'Hare Airport.

[4] 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 territories.

ELECTRIC UTILITY OPERATIONS - SECOND QUARTER YTD	MWh		
(in thousands)	Wisconsin 2017 **	Wisconsin 2016	Change
Customer class			
Residential	**5,053.5**	5,110.6	(1.1)%
Small commercial and industrial*	**6,306.2**	6,369.2	(1.0)%
Large commercial and industrial*	**6,304.8**	6,831.3	(7.7)%
Other	**87.1**	87.6	(0.6)%
Total retail *	**17,751.6**	18,398.7	(3.5)%
Wholesale	**1,876.6**	1,753.4	7.0 %
Resale	**3,517.7**	4,094.5	(14.1)%
Total MWh sales *	**23,145.9**	24,246.6	(4.5)%

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

** Includes WE's and WPS's electric operations in the state of Michigan that were transferred to Upper Michigan Energy Resources Corporation (UMERC) effective January 1, 2017.

GAS UTILITY OPERATIONS - SECOND QUARTER YTD	Therms											
	2017				2016				Change			
(in millions)	Wisconsin**	Illinois	Other States	Total	Wisconsin	Illinois	Other States	Total	Wisconsin	Illinois	Other States	Total
Customer class												
Residential	**609.5**	**539.8**	**173.4**	**1,322.7**	638.2	570.2	183.7	1,392.1	(4.5)%	(5.3)%	(5.6)%	(5.0)%
Commercial/industrial	**366.0**	**113.2**	**111.6**	**590.8**	371.7	115.6	115.4	602.7	(1.5)%	(2.1)%	(3.3)%	(2.0)%
Total retail	**975.5**	**653.0**	**285.0**	**1,913.5**	1,009.9	685.8	299.1	1,994.8	(3.4)%	(4.8)%	(4.7)%	(4.1)%
Transport	**676.3**	**472.8**	**359.0**	**1,508.1**	671.5	502.6	384.2	1,558.3	0.7 %	(5.9)%	(6.6)%	(3.2)%
Total therms delivered	**1,651.8**	**1,125.8**	**644.0**	**3,421.6**	1,681.4	1,188.4	683.3	3,553.1	(1.8)%	(5.3)%	(5.8)%	(3.7)%

** Includes WPS's natural gas operations in the state of Michigan that were transferred to UMERC effective January 1, 2017.

RETAIL ELECTRIC SALES VOLUME INFORMATION

THREE MONTHS ENDED JUNE 30, 2017 AND 2016

DELIVERED VOLUMES - TOTAL WISCONSIN SEGMENT[3]	Three Months Ended June 30		Annual
	2017 Actual vs. 2016 Actual	2017 Normalized vs. 2016 Normalized [1]	2017 Forecast vs. 2016 Normalized [1],[2]
Residential	— %	(0.5)%	(0.2)%
Small commercial/industrial	(1.8)%	(1.8)%	0.5 %
Large commercial/industrial (ex. mines)	0.1 %	(0.2)%	0.3 %
Total large commercial/industrial	(6.8)%	(7.0)%	(4.4)%
Total retail sales volumes	(3.2)%	(3.4)%	(1.4)%
Retail (ex. mines)	(0.6)%	(0.9)%	0.2 %

RETAIL ELECTRIC SALES VOLUME INFORMATION

SIX MONTHS ENDED JUNE 30, 2017 and 2016

DELIVERED VOLUMES - TOTAL WISCONSIN SEGMENT[3]	Six Months Ended June 30		Annual
	2017 Actual vs. 2016 Actual	2017 Normalized vs. 2016 Normalized [1]	2017 Forecast vs. 2016 Normalized [1],[2]
Residential	(1.1)%	(0.2)%	(0.2)%
Small commercial/industrial	(1.0)%	(0.2)%	0.5 %
Large commercial/industrial (ex. mines)	(0.5)%	(0.1)%	0.3 %
Total large commercial/industrial	(7.7)%	(7.3)%	(4.4)%
Total retail sales volumes	(3.5)%	(2.8)%	(1.4)%
Retail (ex. mines)	(0.9)%	(0.2)%	0.2 %

[1] Normalized — 20 year average weather adjusted. An adjustment for leap year is also factored into the six month percentages.

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

[3] The Wisconsin segment includes the electric and natural gas utility operations of WE, Wisconsin Gas, and WPS, including WE's and WPS's electric and natural gas operations in the state of Michigan that were transferred to UMERC effective January 1, 2017.

RETAIL NATURAL GAS SALES VOLUME INFORMATION

THREE MONTHS ENDED JUNE 30, 2017 AND 2016

DELIVERED VOLUMES - TOTAL WISCONSIN SEGMENT[3]	Three Months Ended June 30		Annual
	2017 Actual vs. 2016 Actual	2017 Normalized vs. 2016 Normalized [1]	2017 Forecast vs. 2016 Normalized [1],[2]
Residential	(14.6)%	(1.2)%	(0.2)%
Total commercial/industrial	(9.8)%	(3.5)%	0.2 %
Interruptible	(24.5)%	(25.8)%	(12.0)%
Total retail sales volumes	(13.1)%	(2.7)%	(0.2)%
Transport (w/o power generation)	2.2 %	3.3 %	1.5 %
Total sales volumes (w/ power generation)	(5.7)%	(0.1)%	(6.1)%
Total sales volumes (w/o power generation)	(5.3)%	0.4 %	0.5 %

RETAIL NATURAL GAS SALES VOLUME INFORMATION

SIX MONTHS ENDED JUNE 30, 2017 and 2016

DELIVERED VOLUMES - TOTAL WISCONSIN SEGMENT[3]	Six Months Ended June 30		Annual
	2017 Actual vs. 2016 Actual	2017 Normalized vs. 2016 Normalized [1]	2017 Forecast vs. 2016 Normalized [1],[2]
Residential	(4.5)%	1.0%	(0.2)%
Total commercial/industrial	(1.8)%	1.3%	0.2 %
Interruptible	4.2 %	0.7%	(12.0)%
Total retail sales volumes	(3.4)%	1.1%	(0.2)%
Transport (w/o power generation)	2.4 %	4.3%	1.5 %
Total sales volumes (w/ power generation)	(1.8)%	1.7%	(6.1)%
Total sales volumes (w/o power generation)	(1.2)%	2.3%	0.5 %

[1] Normalized — 20 year average weather adjusted. An adjustment for leap year is also factored into the six month percentages.

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

[3] The Wisconsin segment includes the electric and natural gas utility operations of WE, Wisconsin Gas, and WPS, including WE's and WPS's electric and natural gas operations in the state of Michigan that were transferred to UMERC effective January 1, 2017.

OTHER FINANCIAL INFORMATION
SIX MONTHS ENDED JUNE 30, 2017 AND 2016

EBIT and EBITDA	**2017**	**2016**
(in millions)	**Actual**	**Actual**
Net income attributed to common shareholders	**$ 555.7**	$ 527.6
Income tax expense	**329.1**	326.7
Interest expense	**206.6**	201.0
EBIT	**1,091.4**	1,055.3
Depreciation and amortization	**392.3**	377.9
EBITDA	**$ 1,483.7**	$ 1,433.2

Capitalization Structure	**June 30, 2017**	
(in millions)	**Actual**	**Adjusted [1]**
Common equity	**$ 9,152.8**	$ 9,402.8
Preferred stock of subsidiary	**30.4**	30.4
Long-term debt (including current maturities)	**9,508.1**	9,258.1
Short-term debt	**774.8**	774.8
Total capitalization	**$ 19,466.1**	$ 19,466.1
Total debt	**$ 10,282.9**	$ 10,032.9
Ratio of debt to total capitalization	**52.8%**	51.5%

[1] Included in long-term debt is the $500.0 million principal amount of WEC Energy Group's 2007 Series A Junior Subordinated Notes due 2067, as these debt securities are reflected as long-term debt on our Condensed Consolidated Balance Sheets. The adjusted presentation attributes $250.0 million of the Junior Notes to common equity and $250.0 million to long-term debt.

CREDIT RATINGS

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