Wisconsin Energy Corporation

2013 Year End Earnings

Released February 6, 2014

Contents

	Pages
Press Release	1
Income Statements	3
Balance Sheets	4
Statements of Cash Flows	5
Factors Affecting Earnings 4th Qtr	6
Factors Affecting Earnings Year to Date	7
4th Qtr Revenues and Sales	8
Year to Date Revenues and Sales	9
Normalized Retail Electric Sales	10
Cash Flow Information	11
Credit Ratings	12
Ten-Year Capital Spending Overview	13

Wisconsin Energy Corporation

Wisconsin Energy Corporation

News

231 W. Michigan ▪ P.O. Box 2046
Milwaukee, WI 53201-2046
Media Line 414 221-4444
Fax 414 221-2821

From: Brian Manthey (news media)
414-221-4444
brian.manthey@we-energies.com

Colleen F. Henderson, CFA (analysts)
414-221-2592
colleen.henderson@wisconsinenergy.com

Feb. 6, 2014

Wisconsin Energy posts fourth quarter and full-year results for 2013

MILWAUKEE -- Wisconsin Energy (NYSE: WEC) today reported net income of $144.3 million or 63 cents a share for the fourth quarter of 2013. This compares with net income of $98.8 million or 43 cents a share for the fourth quarter of 2012.

Fourth quarter 2013 revenues were $1.18 billion, up from $1.07 billion recorded in the corresponding quarter a year ago. For the full year 2013, revenues rose to $4.52 billion from $4.25 billion in 2012.

Net income for the full year totaled $577.4 million or $2.51 a share -- compared to $546.3 million or $2.35 a share for 2012. Major factors contributing to the year's strong performance include colder winter temperatures, effective cost management, and the impact of share repurchases.

Residential use of electricity in 2013 was down by 2.1 percent -- the result of cooler summer weather. Consumption of electricity by small commercial and industrial customers was level with 2012.

Electricity deliveries to large commercial and industrial customers -- excluding the iron ore mines in Michigan's Upper Peninsula --- declined by 2.6 percent for the year but rose by 1.1 percent in the fourth quarter.

"After a sluggish start, energy demand from our large commercial and industrial customers strengthened during the latter part of the year," said Gale Klappa, chairman and chief executive. "As the year progressed, we saw strength in several sectors -- including paper manufacturing, chemical production, primary metals, and transportation equipment. In addition, customer growth continued during 2013."

At the end of December, the company was serving 2,600 more electric customers and 5,800 more natural gas customers than the previous year.

“2013 was an exceptional year for Wisconsin Energy,” noted Klappa. “We achieved milestones in network reliability and customer satisfaction. We were named the most reliable utility in America. We completed a new biomass-fueled generating plant on time and on budget --- adding diversity to our portfolio of renewable energy projects. And we delivered another year of solid earnings growth while making significant progress toward a dividend payout that is more competitive with our peers.”

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

Conference call
A conference call is scheduled for 1:00 p.m. Central time on Feb. 6, 2014. The presentation will review 2013 fourth quarter and year-end 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 to the presentation. The conference call may be accessed by dialing 866-439-9410 up to 15 minutes before the call begins. International callers may dial 706-643-5658. The conference ID is 10489174. Access also may be gained through the company's website (wisconsinenergy.com). Select 'Fourth Quarter, Year-End Earnings Release and Conference Call' and then select 'Go to webcast.' In conjunction with this earnings announcement, Wisconsin Energy will post on its website a package of detailed financial information on its fourth quarter and year-end performance. The materials will be available at 6:30 a.m. Central time on Feb. 6, 2014.

Replay
A replay will be available on the website and by phone after the presentation. Access to the webcast replay will be available on the website about two hours after the presentation. Access to a phone replay also will be available approximately two hours after the presentation and remain accessible through Feb. 20, 2014. Domestic callers should dial 855-859-2056. International callers should dial 404-537-3406. The replay conference ID is 10489174.

Wisconsin Energy Corporation (NYSE: WEC), based in Milwaukee, is one of the nation's premier energy companies, serving more than 1.1 million electric customers in Wisconsin and Michigan's Upper Peninsula and approximately 1.1 million natural gas customers in Wisconsin. The company's principal utility is We Energies. The company's other major subsidiary, We Power, designs, builds and owns electric generating plants.

Wisconsin Energy Corporation (wisconsinenergy.com), a component of the S&P 500, has over $14 billion of assets, 4,300 employees and approximately 40,000 stockholders of record.

Tables Follow

WISCONSIN ENERGY CORPORATION

CONSOLIDATED CONDENSED INCOME STATEMENTS

	Three Months Ended December 31		Year Ended December 31	
	2013	2012	2013	2012
	(Millions of Dollars, Except Per Share Amounts)			
Operating Revenues	$ 1,178.3	$ 1,071.2	$ 4,519.0	$ 4,246.4
Operating Expenses				
Fuel and purchased power	266.8	249.7	1,153.0	1,098.6
Cost of gas sold	227.2	177.8	674.1	545.8
Other operation and maintenance	333.4	317.3	1,155.0	1,116.1
Depreciation and amortization	99.0	94.5	388.1	364.2
Property and revenue taxes	28.3	30.5	116.7	121.4
Total Operating Expenses	954.7	869.8	3,486.9	3,246.1
Treasury Grant	48.0	—	48.0	—
Operating Income	271.6	201.4	1,080.1	1,000.3
Equity in Earnings of Transmission Affiliate	17.5	16.8	68.5	65.7
Other Income and Deductions, net	3.5	1.2	18.8	34.8
Interest Expense, net	61.8	66.9	252.1	248.2
Income Before Income Taxes	230.8	152.5	915.3	852.6
Income Tax Expense	86.5	53.7	337.9	306.3
Net Income	$ 144.3	$ 98.8	$ 577.4	$ 546.3
Earnings Per Share				
Basic	$ 0.64	$ 0.43	$ 2.54	$ 2.37
Diluted	$ 0.63	$ 0.43	$ 2.51	$ 2.35
Weighted Average Common Shares Outstanding (Millions)				
Basic	226.2	229.5	227.6	230.2
Diluted	228.2	231.9	229.7	232.8
Dividends Per Share of Common Stock	$ 0.3825	$ 0.30	$ 1.445	$ 1.20

WISCONSIN ENERGY CORPORATION
CONSOLIDATED CONDENSED BALANCE SHEETS

	December 31	
	2013	2012
	(Millions of Dollars)	
Assets		
Property, Plant and Equipment, Net	$ 10,906.6	$ 10,572.2
Investments		
Equity investment in transmission affiliate	402.7	378.3
Other	36.1	35.5
Total Investments	438.8	413.8
Current Assets		
Cash and cash equivalents	26.0	35.6
Accounts receivable, net	406.0	285.3
Accrued revenues	321.1	278.1
Materials, supplies and inventories	329.4	360.7
Current deferred tax asset, net	310.0	105.3
Prepayments	145.7	145.5
Other	12.9	62.1
Total Current Assets	1,551.1	1,272.6
Deferred Charges and Other Assets		
Regulatory assets	1,108.5	1,380.3
Goodwill	441.9	441.9
Other	322.5	204.2
Total Deferred Charges and Other Assets	1,872.9	2,026.4
Total Assets	$ 14,769.4	$ 14,285.0
Capitalization and Liabilities		
Capitalization		
Common equity	$ 4,233.0	$ 4,135.1
Preferred stock of subsidiary	30.4	30.4
Long-term debt	4,363.2	4,453.8
Total Capitalization	8,626.6	8,619.3
Current Liabilities		
Long-term debt due currently	342.2	412.1
Short-term debt	537.4	394.6
Accounts payable	342.6	368.4
Accrued payroll and benefits	96.9	100.9
Other	177.3	165.4
Total Current Liabilities	1,496.4	1,441.4
Deferred Credits and Other Liabilities		
Regulatory liabilities	879.1	868.4
Deferred income taxes - long-term	2,634.0	2,117.0
Deferred revenue, net	664.2	709.7
Pension and other benefit obligations	173.2	244.0
Other	295.9	285.2
Total Deferred Credits and Other Liabilities	4,646.4	4,224.3
Total Capitalization and Liabilities	$ 14,769.4	$ 14,285.0

WISCONSIN ENERGY CORPORATION

CONSOLIDATED CONDENSED STATEMENTS OF CASH FLOWS

	Year Ended December 31	
	2013	2012
	(Millions of Dollars)	
Operating Activities		
Net income	$ 577.4	$ 546.3
Reconciliation to cash		
Depreciation and amortization	400.2	371.7
Contributions to qualified benefit plans	—	(100.0)
Deferred income taxes and investment tax credits, net	312.7	293.2
Working capital and other	(59.3)	62.7
Cash Provided by Operating Activities	1,231.0	1,173.9
Investing Activities		
Capital expenditures	(687.4)	(707.0)
Investment in transmission affiliate	(10.5)	(15.7)
Proceeds from asset sales	2.5	8.7
Change in restricted cash	2.7	42.8
Cost of removal, net of salvage	(37.8)	(38.3)
Other, net	(15.3)	(20.1)
Cash Used in Investing Activities	(745.8)	(729.6)
Financing Activities		
Common stock repurchased under benefit plans, net	(48.9)	(51.6)
Common stock repurchased under repurchase plan	(126.0)	(51.8)
Dividends paid on common stock	(328.9)	(276.3)
Change in debt, net	(3.4)	(43.8)
Other, net	12.4	0.7
Cash Used in Financing Activities	(494.8)	(422.8)
Change in Cash	(9.6)	21.5
Cash at Beginning of Year	35.6	14.1
Cash at End of Year	$ 26.0	$ 35.6

Wisconsin Energy Corporation
Fourth Quarter 2013 and 2012 - Factors Affecting Earnings

All Values in Millions Except Earnings per Share

Operating Income by Segment	2013	2012	Significant Factors	B(W)
Utility Energy	$ 183.3	$ 114.5		$ 68.8
			Treasury Grant	48.0
			Weather - Heating	31.9
			Depreciation	(4.4)
			Other, net	(6.7)
			Total Utility	68.8
Non-Utility Energy	90.7	88.6		2.1
Corporate & Other	(2.4)	(1.7)		(0.7)
Total Operating Income	271.6	201.4		70.2
Equity in Earnings of Transmission Affiliate	17.5	16.8		0.7
Other Income and Deductions, net	3.5	1.2	Higher AFUDC	2.3
Interest Expense	61.8	66.9	Lower Gross Interest	5.1
Income Before Income Taxes	230.8	152.5		78.3
Income Taxes	86.5	53.7		(32.8)
Net Income	$ 144.3	$ 98.8		$ 45.5
Earnings Per Share (Diluted)	$ 0.63	$ 0.43		$ 0.20
Average Diluted Shares Outstanding (Millions)	228.2	231.9		

Wisconsin Energy Corporation
Twelve Months Ended December 31, 2013 and 2012 - Factors Affecting Earnings

All Values in Millions Except Earnings per Share

Operating Income by Segment	2013	2012	Significant Factors	B(W)
Utility Energy	$ 719.4	$ 647.7		$ 71.7
			Weather - heating	82.3
			Pricing, net of amortization	57.8
			Depreciation	(23.8)
			Weather - cooling	(35.9)
			Other, net	(8.7)
			Total Utility	71.7
Non-Utility Energy	367.1	358.8		8.3
Corporate & Other	(6.4)	(6.2)		(0.2)
Total Operating Income	1,080.1	1,000.3		79.8
Equity in Earnings of Transmission Affiliate	68.5	65.7		2.8
Other Income and Deductions, net	18.8	34.8	Lower AFUDC	(16.0)
Interest Expense	252.1	248.2	Lower Cap Interest	(3.9)
Income Before Income Taxes	915.3	852.6		62.7
Income Taxes	337.9	306.3		(31.6)
Net Income	$ 577.4	$ 546.3		$ 31.1
Earnings Per Share (Diluted)	$ 2.51	$ 2.35		$ 0.16
Average Diluted Shares Outstanding (Millions)	229.7	232.8		

Wisconsin Energy Corporation
Fourth Quarter 2013 and 2012 Revenues and Sales

Consolidated Revenues - $ Millions	2013	2012	Change
Utility Electric	$ 792.2	$ 742.8	$ 49.4
Utility Gas	362.1	306.3	55.8
Other	24.0	22.1	1.9
Total Revenues	$ 1,178.3	$ 1,071.2	$ 107.1
Weather -- Degree Days (a)			
Heating (2,264 Normal)	2,603	2,191	412
Cooling (10 Normal)	10	—	10

(a) As measured at Mitchell International Airport in Milwaukee, Wisconsin. Normal degree days are based upon a 20-year moving average.

	Electric Revenues			MWh Sales		
Electric Utility Operations	2013	2012	Change	2013	2012	Change
	(Millions of Dollars)			(Thousands)		
Customer Class						
Residential	$ 295.5	$ 272.2	$ 23.3	2,038.3	1,963.7	3.8 %
Small Commercial/Industrial	250.0	234.5	15.5	2,160.3	2,082.7	3.7 %
Large Commercial/Industrial	145.5	175.3	(29.8)	1,787.8	2,371.0	(24.6)%
Other - Retail	6.4	6.2	0.2	42.7	43.6	(2.1)%
Total Retail	697.4	688.2	9.2	6,029.1	6,461.0	(6.7)%
Wholesale - Other	34.4	32.1	2.3	508.8	453.5	12.2 %
Resale - Utilities	51.7	10.2	41.5	1,501.8	250.3	500.0 %
Other Operating Revenues	7.5	12.3	(4.8)	—	—	
Total	791.0	742.8	48.2	8,039.7	7,164.8	12.2 %
Electric Customer Choice (b)	1.2	—	1.2	612.4	—	—
Total, including electric customer choice	$ 792.2	$ 742.8	$ 49.4			

(b) Represents distribution sales for customers who have purchased power from an alternative electric supplier.

	Gross Margin (c)			Therm Deliveries		
Gas Utility Operations	2013	2012	Change	2013	2012	Change
	(Millions of Dollars)			(Millions)		
Customer Class						
Residential	$ 88.2	$ 83.4	$ 4.8	304.2	239.5	27.0%
Commercial/Industrial	31.0	29.4	1.6	167.7	136.4	22.9%
Interruptible	0.5	0.5	—	5.2	4.7	10.6%
Total Retail	119.7	113.3	6.4	477.1	380.6	25.4%
Transported Gas	14.3	14.3	—	275.1	263.5	4.4%
Other	0.9	0.9	—	—	—	
Total Gross Margin	134.9	128.5	6.4	752.2	644.1	16.8%
Add: Cost of Gas Sold	227.2	177.8	49.4			
Gas Revenues	$ 362.1	$ 306.3	$ 55.8			

(c) Gas margins reflect revenues less the cost of gas. We believe gross margin is a better performance indicator than revenues because changes in the cost of gas sold flow through to revenue under gas cost recovery mechanisms.

Wisconsin Energy Corporation
Twelve Months Ended December 31, 2013 and 2012 Revenues and Sales

Consolidated Revenues - $ Millions	2013	2012	Change
Utility Electric	$ 3,308.7	$ 3,193.9	$ 114.8
Utility Gas	1,113.7	962.6	151.1
Other	96.6	89.9	6.7
Total Revenues	$ 4,519.0	$ 4,246.4	$ 272.6
Weather -- Degree Days (a)			
Heating (6,580 Normal)	7,233	5,704	1,529
Cooling (730 Normal)	688	1,041	(353)

(a) As measured at Mitchell International Airport in Milwaukee, Wisconsin. Normal degree days are based upon a 20-year moving average.

	Electric Revenues			MWh Sales		
Electric Utility Operations	2013	2012	Change	2013	2012	Change
	(Millions of Dollars)			(Thousands)		
Customer Class						
Residential	$ 1,208.6	$ 1,163.9	$ 44.7	8,141.9	8,317.7	(2.1)%
Small Commercial/Industrial	1,048.0	1,013.6	34.4	8,860.4	8,860.0	— %
Large Commercial/Industrial	711.9	744.3	(32.4)	8,673.4	9,710.7	(10.7)%
Other - Retail	23.4	22.8	0.6	152.3	154.8	(1.6)%
Total Retail	2,991.9	2,944.6	47.3	25,828.0	27,043.2	(4.5)%
Wholesale - Other	143.7	144.4	(0.7)	1,953.5	1,566.6	24.7 %
Resale - Utilities	143.2	53.4	89.8	4,382.7	1,642.4	166.8 %
Other Operating Revenues	28.4	51.5	(23.1)	—	—	
Total	3,307.2	3,193.9	113.3	32,164.2	30,252.2	6.3 %
Electric Customer Choice (b)	1.5	—	1.5	813.0	—	—
Total, including electric customer choice	$ 3,308.7	$ 3,193.9	$ 114.8			

(b) Represents distribution sales for customers who have purchased power from an alternative electric supplier.

	Gross Margin (c)			Therm Deliveries		
Gas Utility Operations	2013	2012	Change	2013	2012	Change
	(Millions of Dollars)			(Millions)		
Customer Class						
Residential	$ 284.2	$ 267.9	$ 16.3	872.0	676.4	28.9 %
Commercial/Industrial	96.5	88.8	7.7	499.9	390.6	28.0 %
Interruptible	1.8	1.7	0.1	18.1	14.6	24.0 %
Total Retail	382.5	358.4	24.1	1,390.0	1,081.6	28.5 %
Transported Gas	51.7	52.9	(1.2)	1,052.8	1,140.4	(7.7)%
Other	5.4	5.5	(0.1)	—	—	
Total Gross Margin	439.6	416.8	22.8	2,442.8	2,222.0	9.9 %
Add: Cost of Gas Sold	674.1	545.8	128.3			
Gas Revenues	$ 1,113.7	$ 962.6	$ 151.1			

(c) Gas margins reflect revenues less the cost of gas. We believe gross margin is a better performance indicator than revenues because changes in the cost of gas sold flow through to revenue under gas cost recovery mechanisms.

Wisconsin Energy Corporation
Normalized Retail Electric Sales (a)

	Annual		Annual (b)
	2013 Actual vs. 2012 Actual	2013 Normalized vs. 2012 Normalized	2014 Budget vs. 2013 Normalized
Residential	(2.1)%	(0.3)%	0.4 %
Small Commercial/Industrial	0.0 %	(0.3)%	0.1 %
Large Commercial/Industrial (ex. Mines)	(3.0)%	(1.6)%	(0.8)%
Total Large Commercial/Industrial	(10.7)%	(9.6)%	(14.4)%
Total Retail Sales	(4.5)%	(3.7)%	(4.7)%
Retail (Excluding Mines)	(1.6)%	(0.7)%	(0.1)%

(a) Normalized - 20 year average weather adjusted. The twelve months has also been adjusted for leap year in 2012 which caused a decline in normalized sales of approximately 0.3% relative to 2012.

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

Wisconsin Energy Corporation
Cash Flow Information
Twelve Months Ended December 31, 2013 and 2012

All Values in Millions

EBIT and EBITDA	2013	2012
Net Income	$ 577.4	$ 546.3
Income Taxes	337.9	306.3
Interest	252.1	248.2
EBIT	1,167.4	1,100.8
Depreciation and Amortization	400.2	371.7
EBITDA	$ 1,567.6	$ 1,472.5

Funds From Operations		
Net Income	$ 577.4	$ 546.3
Depreciation and Amortization	400.2	371.7
Contributions to Qualified Benefit Plans	—	(100.0)
Deferred Income Taxes and Investment Tax Credits, net	312.7	293.2
Working Capital and Other	(59.3)	62.7
Total Operating Cash Flows	1,231.0	1,173.9
Change in Restricted Cash	2.7	42.8
Funds From Operations	$ 1,233.7	$ 1,216.7

Capitalization Structure	December 31, 2013 Actual	December 31, 2013 Adjusted
Common Equity	$ 4,233.0	$ 4,483.0
Preferred Stock of Subsidiary	30.4	30.4
Long-Term Debt (including current maturities)	4,705.4	4,455.4
Short-Term Debt	537.4	537.4
Total Capitalization	$ 9,506.2	$ 9,506.2
Total Debt	$ 5,242.8	$ 4,992.8
Ratio of Debt to Total Capitalization	55.2%	52.5%

Adjusted: Included in Long-Term Debt is the $500 million aggregate principal amount of the 2007 Series A Junior Subordinated Notes due 2067 as these debt securities are reflected as long-term debt on our Consolidated Balance Sheets. The adjusted presentation attributes $250 million of the Junior Notes to Common Equity and $250 million to Long-Term Debt.

Credit Ratings*

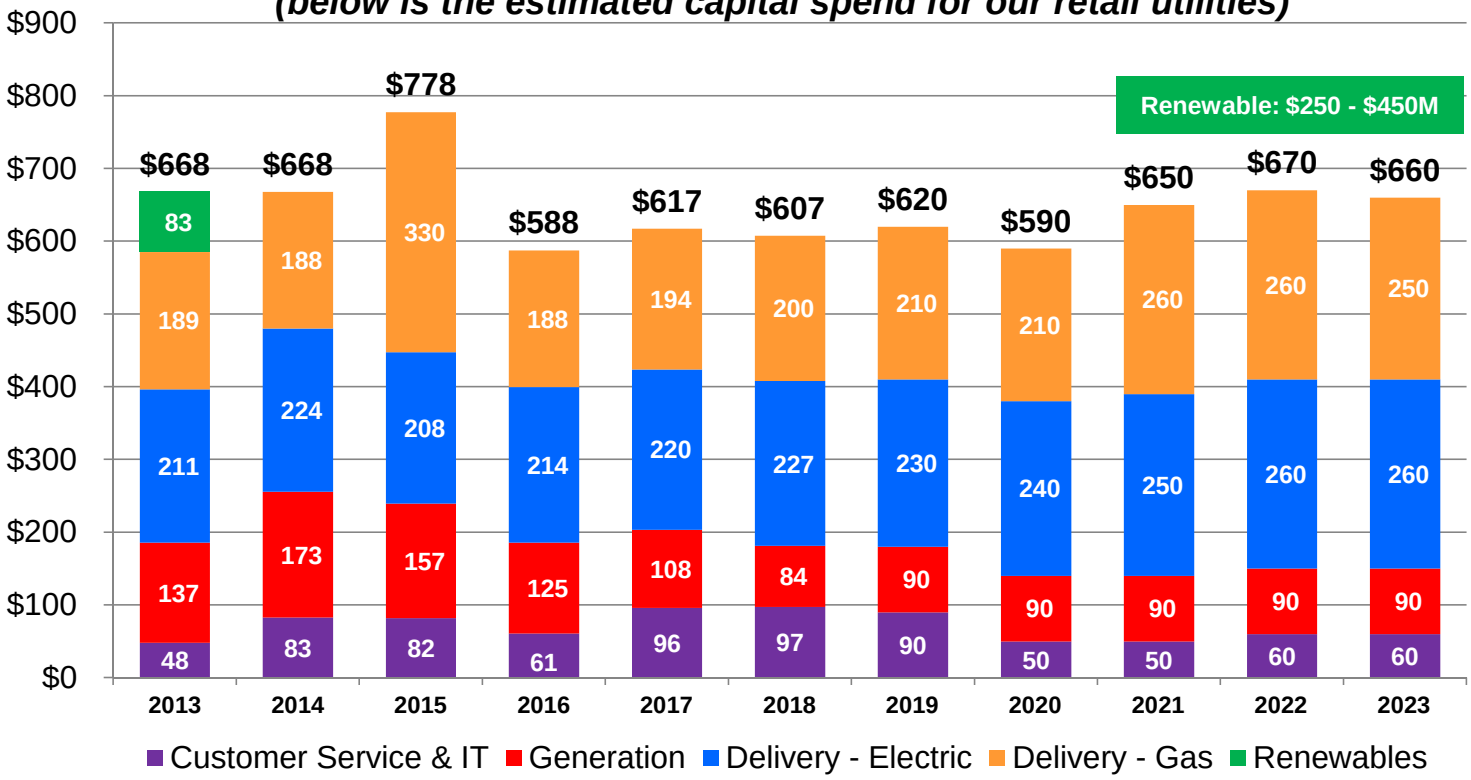
	S & P	Moody's	Fitch
Wisconsin Energy Corporation			
Commercial Paper	A-2	P-1	F2
Unsecured Senior Debt	BBB+	A2	A-
Unsecured Junior Notes	BBB	A3	BBB
Wisconsin Electric			
Commercial Paper	A-2	P-1	F1
Unsecured Senior Debt	A-	A1	A+
Wisconsin Gas			
Commercial Paper	A-1	P-1	F1
Unsecured Senior Debt	A	A1	A
Elm Road Generating Station Supercritical LLC			
Senior Debt	A-	A1	A+

* All S&P, Moody's and Fitch ratings outlooks for the Companies are stable.

Ten-Year Capital Spending Overview

(*In millions)*

Projecting to invest $6.5 to $7.1 billion in our core business from 2014-2023
(below is the estimated capital spend for our retail utilities)



Depreciation expected to average $425 million annually

Wisconsin Energy Corporation

Cautionary Statement Regarding Forward-Looking Information

Some 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 projected capital spending and future electric sales. Readers are cautioned not to place undue reliance on this forward-looking information. Forward-looking information is not a guarantee of future performance and actual results may differ materially from those set forth in the forward-looking information.

In addition to the assumptions and other factors referred to in connection with the forward-looking information, factors that could cause Wisconsin Energy's actual results to differ materially from those contemplated in any forward-looking information or otherwise affect our future results of operations and financial condition include, among others, the following: general economic conditions, including business and competitive conditions in the company's service territories; timing, resolution and impact of future rate cases and other regulatory decisions; 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; our ability to mitigate the impact of Michigan customers switching to an alternative electric supplier; cyber-security threats; construction risks; equity and bond market fluctuations; the impact of any legislative and regulatory changes; current and future litigation and regulatory investigations; changes in accounting standards; and other factors described under the heading "Factors Affecting Results, Liquidity and Capital Resources" in Management's Discussion and Analysis of Financial Condition and Results of Operations and under the headings "Cautionary Statement Regarding Forward-Looking Information" and "Risk Factors" contained in Wisconsin Energy's Form 10-K for the year ended December 31, 2012 and in subsequent reports filed with the Securities and Exchange Commission.

Wisconsin Energy expressly disclaims any obligation to publicly update or revise any forward-looking information.

Wisconsin Energy Corporation