WEC Energy Group, Inc.

2019 Third Quarter Earnings

Released November 6, 2019

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WEC Energy Group

News

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Nov. 6, 2019

WEC Energy Group posts third-quarter results

MILWAUKEE – WEC Energy Group (NYSE: WEC) today reported net income of $234.3 million, or 74 cents per share for the third quarter of 2019. This compares to earnings of $233.2 million, or 74 cents per share for last year's third quarter.

For the first nine months of 2019, the company recorded net income of $890.1 million, or $2.81 per share – up from $854.3 million, or $2.70 per share, in the corresponding period a year ago.

Consolidated revenues for the third quarter and nine months ended Sept. 30, 2019, were $1.6 billion and $5.6 billion, respectively – both level with the comparable periods in 2018.

“We delivered a solid third quarter despite summer temperatures that were cooler than last year and destructive July storms – including nine tornadoes – that caused extensive damage to our distribution network,” said Gale Klappa, executive chairman.

Retail deliveries of electricity – excluding the iron ore mine in Michigan’s Upper Peninsula – were down by 4.2 percent in the third quarter of 2019, compared to the third quarter of 2018.

Residential electricity use dropped by 3.8 percent. Electricity consumption by small commercial and industrial customers was 3.4 percent lower.

Electricity use by large commercial and industrial customers was down by 4.3 percent during the quarter. Excluding the iron ore mine, usage by large commercial and industrial customers declined by 5.6 percent.

On a weather-normal basis, retail deliveries of electricity during the third quarter of this year – excluding the iron ore mine – decreased by 3.4 percent.

At the end of September, the company was serving approximately 10,000 more electric customers and 21,000 more natural gas customers than at the same time a year ago.

The company is tightening its 2019 earnings guidance to a range of $3.51 to $3.53 per share with an expectation of reaching the top end of the range. This assumes normal weather for the remainder of the year.

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, Wednesday, Nov. 6. The call will review 2019 third-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 877-683-2228 up to 15 minutes before it begins. The number for international callers is 647-689-5446. The conference ID is 6277869.

Conference call access also is available at wecenergygroup.com. Under 'Webcasts,' select 'Q3 Earnings.' In conjunction with this earnings announcement, WEC Energy Group will post on its website a package of detailed financial information on its third-quarter performance. The materials will be available at 6:30 a.m. Central time, Wednesday, Nov. 6.

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 Nov. 20, 2019. Domestic callers should dial 800-585-8367. International callers should dial 416-621-4642. The replay conference ID is 6277869.

WEC Energy Group (NYSE: WEC), based in Milwaukee, is one of the nation's premier energy companies, serving 4.5 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) is a Fortune 500 company and a component of the S&P 500. The company has approximately 45,000 stockholders of record, 8,000 employees and more than $34 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 weather conditions; continued industry restructuring and consolidation; continued adoption of distributed generation by the company’s customers; energy conservation efforts; the company's ability to successfully acquire and/or dispose of assets and projects; 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 tax reform and any other legislative and regulatory changes, including changes to environmental standards; political developments; current and future litigation and regulatory investigations; changes in accounting standards; the financial performance of American Transmission Co. 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 Dec. 31, 2018, 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 September 30		Nine Months Ended September 30	
(in millions, except per share amounts)	2019	2018	2019	2018
Operating revenues	**$ 1,608.0**	$ 1,643.7	**$ 5,575.6**	$ 5,602.7
Operating expenses				
Cost of sales	**484.3**	524.1	**1,985.8**	2,043.9
Other operation and maintenance	**529.2**	553.1	**1,583.4**	1,602.7
Depreciation and amortization	**233.8**	212.8	**690.1**	628.1
Property and revenue taxes	**49.8**	51.0	**148.0**	149.4
Total operating expenses	**1,297.1**	1,341.0	**4,407.3**	4,424.1
Operating income	**310.9**	302.7	**1,168.3**	1,178.6
Equity in earnings of transmission affiliates	**38.7**	33.7	**111.7**	95.2
Other income, net	**21.8**	26.1	**76.3**	65.0
Interest expense	**125.8**	112.0	**374.3**	327.2
Other expense	**(65.3)**	(52.2)	**(186.3)**	(167.0)
Income before income taxes	**245.6**	250.5	**982.0**	1,011.6
Income tax expense	**11.3**	17.0	**91.5**	156.4
Net income	**234.3**	233.5	**890.5**	855.2
Preferred stock dividends of subsidiary	**0.3**	0.3	**0.9**	0.9
Net loss attributed to noncontrolling interests	**0.3**	—	**0.5**	—
Net income attributed to common shareholders	**$ 234.3**	$ 233.2	**$ 890.1**	$ 854.3
Earnings per share				
Basic	**$ 0.74**	$ 0.74	**$ 2.82**	$ 2.71
Diluted	**$ 0.74**	$ 0.74	**$ 2.81**	$ 2.70
Weighted average common shares outstanding				
Basic	**315.4**	315.5	**315.4**	315.5
Diluted	**316.8**	316.9	**316.7**	316.9
Dividends per share of common stock	**$ 0.5900**	$ 0.5525	**$ 1.7700**	$ 1.6575

CONDENSED CONSOLIDATED BALANCE SHEETS (Unaudited) *(in millions, except share and per share amounts)*	September 30, 2019	December 31, 2018
Assets		
Current assets		
Cash and cash equivalents	**$ 20.0**	$ 84.5
Accounts receivable and unbilled revenues, net of reserves of $137.8 and $149.2, respectively	**911.8**	1,280.9
Materials, supplies, and inventories	**593.3**	548.2
Prepayments	**166.1**	256.8
Other	**81.8**	77.2
Current assets	**1,773.0**	2,247.6
Long-term assets		
Property, plant, and equipment, net of accumulated depreciation and amortization of $8,807.7 and $8,636.6, respectively	**23,035.1**	22,000.9
Regulatory assets	**3,999.9**	3,805.1
Equity investment in transmission affiliates	**1,720.4**	1,665.3
Goodwill	**3,052.8**	3,052.8
Other	**796.0**	704.1
Long-term assets	**32,604.2**	31,228.2
Total assets	**$ 34,377.2**	$ 33,475.8
Liabilities and Equity		
Current liabilities		
Short-term debt	**$ 686.4**	$ 1,440.1
Current portion of long-term debt	**692.6**	365.0
Accounts payable	**769.0**	876.4
Accrued payroll and benefits	**167.0**	185.4
Other	**503.4**	464.8
Current liabilities	**2,818.4**	3,331.7
Long-term liabilities		
Long-term debt	**10,897.3**	9,994.0
Deferred income taxes	**3,613.8**	3,388.1
Deferred revenue, net	**502.8**	520.4
Regulatory liabilities	**4,198.8**	4,251.6
Environmental remediation liabilities	**631.8**	616.4
Pension and OPEB obligations	**411.5**	422.8
Other	**1,116.4**	1,108.1
Long-term liabilities	**21,372.4**	20,301.4
Commitments and contingencies		
Common shareholders' equity		
Common stock – $0.01 par value; 325,000,000 shares authorized; 315,435,595 and 315,523,192 shares outstanding, respectively	**3.2**	3.2
Additional paid in capital	**4,185.0**	4,250.1
Retained earnings	**5,869.9**	5,538.2
Accumulated other comprehensive loss	**(7.1)**	(2.6)
Common shareholders' equity	**10,051.0**	9,788.9
Preferred stock of subsidiary	**30.4**	30.4
Noncontrolling interests	**105.0**	23.4
Total liabilities and equity	**$ 34,377.2**	$ 33,475.8

CONDENSED CONSOLIDATED STATEMENTS OF CASH FLOWS (Unaudited)	Nine Months Ended September 30	
(in millions)	**2019**	**2018**
Operating activities		
Net income	**$ 890.5**	$ 855.2
Reconciliation to cash provided by operating activities		
Depreciation and amortization	**690.1**	628.1
Deferred income taxes and investment tax credits, net	**58.8**	34.4
Contributions and payments related to pension and OPEB plans	**(12.1)**	(13.8)
Equity income in transmission affiliates, net of distributions	**(17.8)**	(4.5)
Change in –		
Accounts receivable and unbilled revenues	**360.2**	312.1
Materials, supplies, and inventories	**(44.9)**	(69.0)
Other current assets	**110.4**	112.7
Accounts payable	**(192.3)**	(71.2)
Other current liabilities	**(1.8)**	42.5
Other, net	**(0.4)**	181.7
Net cash provided by operating activities	**1,840.7**	2,008.2
Investing activities		
Capital expenditures	**(1,511.5)**	(1,490.5)
Acquisition of Upstream Wind Energy LLC, net of cash and restricted cash acquired of $9.2	**(268.2)**	—
Acquisition of Bishop Hill III Wind Energy Center, net of restricted cash acquired of $4.5	**—**	(143.5)
Acquisition of Forward Wind Energy Center	**—**	(77.1)
Capital contributions to transmission affiliates	**(37.3)**	(43.7)
Proceeds from the sale of assets and businesses	**32.2**	10.9
Proceeds from the sale of investments held in rabbi trust	**0.2**	16.6
Reimbursement for American Transmission Company LLC's construction costs	**32.4**	—
Other, net	**17.7**	7.3
Net cash used in investing activities	**(1,734.5)**	(1,720.0)
Financing activities		
Exercise of stock options	**66.1**	13.9
Purchase of common stock	**(138.2)**	(42.0)
Dividends paid on common stock	**(558.4)**	(523.0)
Issuance of long-term debt	**1,320.0**	600.0
Retirement of long-term debt	**(106.0)**	(694.4)
Change in short-term debt	**(753.7)**	343.7
Other, net	**(15.5)**	(4.8)
Net cash used in financing activities	**(185.7)**	(306.6)
Net change in cash, cash equivalents, and restricted cash	**(79.5)**	(18.4)
Cash, cash equivalents, and restricted cash at beginning of period	**146.1**	58.6
Cash, cash equivalents, and restricted cash at end of period	**$ 66.6**	$ 40.2

INCOME STATEMENT IMPACT OF FLOW THROUGH OF TAX REPAIRS – QUARTER

WEC Energy Group – The table below shows the third quarter income statement impact associated with the flow through of tax repairs, beginning January 1, 2018. In accordance with a settlement agreement with the Public Service Commission of Wisconsin, Wisconsin Electric is flowing through the tax benefit of its repair related deferred tax liabilities in 2018 and 2019, to maintain certain regulatory asset balances at their December 31, 2017 levels. The flow through treatment of the repair related deferred tax liabilities offsets the negative income statement impact of holding the regulatory assets level, resulting in no change to net income.

	Three Months Ended September 30, 2019			Three Months Ended September 30, 2018		
(in millions)	**WEC Energy Group – Reported GAAP Amounts**	**Impact From Flow Through of Tax Repairs**	**WEC Energy Group (Excluding Tax Repairs)**	**WEC Energy Group – Reported GAAP Amounts**	**Impact From Flow Through of Tax Repairs**	**WEC Energy Group (Excluding Tax Repairs)**
Operating revenues	**$ 1,608.0**	**$ 25.4**	**$ 1,633.4**	$ 1,643.7	$ 21.9	$ 1,665.6
Operating expenses						
Cost of sales	**484.3**	**—**	**484.3**	524.1	—	524.1
Other operation and maintenance	**529.2**	**(16.5)**	**512.7**	553.1	(27.4)	525.7
Depreciation and amortization	**233.8**	**—**	**233.8**	212.8	—	212.8
Property and revenue taxes	**49.8**	**—**	**49.8**	51.0	—	51.0
Total operating expenses	**1,297.1**	**(16.5)**	**1,280.6**	1,341.0	(27.4)	1,313.6
Operating income	**310.9**	**41.9**	**352.8**	302.7	49.3	352.0
Equity in earnings of transmission affiliates	**38.7**	**—**	**38.7**	33.7	—	33.7
Other income, net	**21.8**	**—**	**21.8**	26.1	—	26.1
Interest expense	**125.8**	**—**	**125.8**	112.0	—	112.0
Other expense	**(65.3)**	**—**	**(65.3)**	(52.2)	—	(52.2)
Income before income taxes	**245.6**	**41.9**	**287.5**	250.5	49.3	299.8
Income tax expense	**11.3**	**41.9**	**53.2**	17.0	49.3	66.3
Net income	**234.3**	**—**	**234.3**	233.5	—	233.5
Preferred stock dividends of subsidiary	**0.3**	**—**	**0.3**	0.3	—	0.3
Net loss attributed to noncontrolling interests	**0.3**	**—**	**0.3**	—	—	—
Net income attributed to common shareholders	**$ 234.3**	**$ —**	**$ 234.3**	$ 233.2	$ —	$ 233.2
Effective tax rate	**4.6%**		**18.5%**	6.8%		22.1%

INCOME STATEMENT IMPACT OF FLOW THROUGH OF TAX REPAIRS – YTD

WEC Energy Group – The table below shows the nine month income statement impact associated with the flow through of tax repairs, beginning January 1, 2018. In accordance with a settlement agreement with the Public Service Commission of Wisconsin, Wisconsin Electric will flow through the tax benefit of its repair related deferred tax liabilities in 2018 and 2019, to maintain certain regulatory asset balances at their December 31, 2017 levels. The flow through treatment of the repair related deferred tax liabilities offsets the negative income statement impact of holding the regulatory assets level, resulting in no change to net income.

	Nine Months Ended September 30, 2019			Nine Months Ended September 30, 2018		
(in millions)	**WEC Energy Group – Reported GAAP Amounts**	**Impact From Flow Through of Tax Repairs**	**WEC Energy Group (Excluding Tax Repairs)**	**WEC Energy Group – Reported GAAP Amounts**	**Impact From Flow Through of Tax Repairs**	**WEC Energy Group (Excluding Tax Repairs)**
Operating revenues	**$ 5,575.6**	**$ 76.3**	**$ 5,651.9**	$ 5,602.7	$ 63.2	$ 5,665.9
Operating expenses						
Cost of sales	**1,985.8**	**—**	**1,985.8**	2,043.9	—	2,043.9
Other operation and maintenance	**1,583.4**	**(48.3)**	**1,535.1**	1,602.7	(52.1)	1,550.6
Depreciation and amortization	**690.1**	**—**	**690.1**	628.1	—	628.1
Property and revenue taxes	**148.0**	**—**	**148.0**	149.4	—	149.4
Total operating expenses	**4,407.3**	**(48.3)**	**4,359.0**	4,424.1	(52.1)	4,372.0
Operating income	**1,168.3**	**124.6**	**1,292.9**	1,178.6	115.3	1,293.9
Equity in earnings of transmission affiliates	**111.7**	**—**	**111.7**	95.2	—	95.2
Other income, net	**76.3**	**—**	**76.3**	65.0	—	65.0
Interest expense	**374.3**	**—**	**374.3**	327.2	—	327.2
Other expense	**(186.3)**	**—**	**(186.3)**	(167.0)	—	(167.0)
Income before income taxes	**982.0**	**124.6**	**1,106.6**	1,011.6	115.3	1,126.9
Income tax expense	**91.5**	**124.6**	**216.1**	156.4	115.3	271.7
Net income	**890.5**	**—**	**890.5**	855.2	—	855.2
Preferred stock dividends of subsidiary	**0.9**	**—**	**0.9**	0.9	—	0.9
Net loss attributed to noncontrolling interests	**0.5**	**—**	**0.5**	—	—	—
Net income attributed to common shareholders	**$ 890.1**	**$ —**	**$ 890.1**	$ 854.3	$ —	$ 854.3
Effective tax rate	**9.3%**		**19.5%**	15.5%		24.1%

THIRD QUARTER 2019 AND 2018 RESULTS — FACTORS AFFECTING EARNINGS

(in millions, except per share amounts)	2019	2018	Change B(W)	Change Related to Flow Through of Tax Repairs	Change Related to Adoption of New Lease Guidance (Topic 842)	Remaining Change B(W)	Significant Factors
Operating income (loss) by segment							
Wisconsin	**$ 290.8**	$ 201.4	$ 89.4	$ 7.4	$ 87.6	$ (5.6)	
						(22.4)	Margin – Volumes
						7.0	Margin – Other
						(9.7)	Depreciation
						8.5	O&M – Other
						15.0	O&M – Sharing
						(5.5)	Change related to tax reform – offset in income tax expense
						1.5	Other
						(5.6)	
Illinois	**24.8**	15.5	9.3	—	—	9.3	Continued SMP Investment
Other States	**(2.2)**	(5.4)	3.2	—	—	3.2	Volumes
Energy Infrastructure	**90.3**	91.6	(1.3)	—	—	(1.3)	Wind Credits Reduce Tax Expense
Corporate and Other	**(6.0)**	(0.4)	(5.6)	—	—	(5.6)	
Reconciling Eliminations	**(86.8)**	—	(86.8)	—	(86.8)	—	
Operating income	**310.9**	302.7	8.2	7.4	0.8	—	
Equity in earnings of transmission affiliates	**38.7**	33.7	5.0	—	—	5.0	Capital Investment
Other income, net	**21.8**	26.1	(4.3)	—	—	(4.3)	Lower investment Gains
Interest expense	**125.8**	112.0	(13.8)	—	(0.8)	(13.0)	Borrowings to Fund Capital Projects
Other expense	**(65.3)**	(52.2)	(13.1)	—	(0.8)	(12.3)	
Income before income taxes	**245.6**	250.5	(4.9)	7.4	—	(12.3)	
Income tax expense	**11.3**	17.0	5.7	(7.4)	—	13.1	Wind Credits / Tax Reform
Net income	**234.3**	233.5	0.8	—	—	0.8	
Preferred stock dividends of subsidiary	**0.3**	0.3	—	—	—	—	
Net loss attributed to noncontrolling interests	**0.3**	—	0.3	—	—	0.3	
Net income attributed to common shareholders	**$ 234.3**	$ 233.2	$ 1.1	$ —	$ —	$ 1.1	
Earnings per share - diluted	**$ 0.74**	$ 0.74	$ —				
Weighted average common shares outstanding - diluted	**316.8**	316.9					

THIRD QUARTER YTD 2019 AND 2018 RESULTS — FACTORS AFFECTING EARNINGS

(in millions, except per share amounts)	2019	2018	Change B(W)	Change Related to Flow Through of Tax Repairs	Change Related to Adoption of New Lease Guidance (Topic 842)	Remaining Change B(W)	Significant Factors
Operating income (loss) by segment							
Wisconsin	**$ 922.8**	$ 670.2	$ 252.6	$ (9.3)	$ 263.6	$ (1.7)	
						(36.6)	Margin – Volumes
						8.8	Margin – Other
						(25.8)	Depreciation
						43.8	O&M – Other
						18.7	O&M – Sharing
						(16.5)	Change related to tax reform – offset in income tax expense
						5.9	Other
						(1.7)	
Illinois	**205.3**	204.8	0.5	—	—	0.5	
Other States	**43.9**	38.9	5.0	—	—	5.0	Volumes
Energy Infrastructure	**274.3**	277.0	(2.7)	—	—	(2.7)	Wind Credits Reduce Tax Expense
Corporate and Other	**(17.0)**	(12.3)	(4.7)	—	—	(4.7)	
Reconciling Eliminations	**(261.0)**	—	(261.0)	—	(261.0)	—	
Operating income	**1,168.3**	1,178.6	(10.3)	(9.3)	2.6	(3.6)	
Equity in earnings of transmission affiliates	**111.7**	95.2	16.5	—	—	16.5	Capital Investment
Other income, net	**76.3**	65.0	11.3	—	—	11.3	Lower Non-Service Pension/OPEB Cost
Interest expense	**374.3**	327.2	(47.1)	—	(2.6)	(44.5)	Borrowings to Fund Capital Projects
Other expense	**(186.3)**	(167.0)	(19.3)	—	(2.6)	(16.7)	
Income before income taxes	**982.0**	1,011.6	(29.6)	(9.3)	—	(20.3)	
Income tax expense	**91.5**	156.4	64.9	9.3	—	55.6	Wind Credits / Tax Reform
Net income	**890.5**	855.2	35.3	—	—	35.3	
Preferred stock dividends of subsidiary	**0.9**	0.9	—	—	—	—	
Net loss attributed to noncontrolling interests	**0.5**	—	0.5	—	—	0.5	
Net income attributed to common shareholders	**$ 890.1**	$ 854.3	$ 35.8	$ —	$ —	$ 35.8	
Earnings per share - diluted	**$ 2.81**	$ 2.70	$ 0.11				
Weighted average common shares outstanding - diluted	**316.7**	316.9					

THIRD QUARTER 2019 AND 2018 WEATHER AND VOLUMES Weather — Degree Days	2019	2018	Change
Wisconsin Gas and Wisconsin Electric [1]			
Heating (114 Normal)	**24**	75	(68.0)%
Cooling (562 Normal)	**649**	686	(5.4)%
Wisconsin Public Service [2]			
Heating (197 Normal)	**98**	147	(33.3)%
Cooling (373 Normal)	**424**	459	(7.6)%
Upper Michigan Energy Resources [3]			
Heating (321 Normal)	**261**	267	(2.2)%
Cooling (252 Normal)	**235**	340	(30.9)%
Peoples Gas and North Shore Gas [4]			
Heating (76 Normal)	**13**	54	(75.9)%
Minnesota Energy Resources [5]			
Heating (220 Normal)	**159**	207	(23.2)%
Michigan Gas [5]			
Heating (119 Normal)	**26**	86	(69.8)%

[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 – THIRD QUARTER *(in thousands)*	MWh Wisconsin 2019	Wisconsin 2018	Change
Customer class			
Residential	**3,140.1**	3,262.5	(3.8)%
Small commercial and industrial *	**3,495.5**	3,617.5	(3.4)%
Large commercial and industrial *	**3,312.4**	3,461.5	(4.3)%
Other	**36.0**	39.9	(9.8)%
Total retail *	**9,984.0**	10,381.4	(3.8)%
Wholesale	**872.2**	959.9	(9.1)%
Resale	**1,107.5**	1,313.7	(15.7)%
Total MWh sales *	**11,963.7**	12,655.0	(5.5)%

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

GAS UTILITY OPERATIONS – THIRD QUARTER	Therms											
	2019				2018				Change			
(in millions)	Wisconsin	Illinois	Other States	Total	Wisconsin	Illinois	Other States	Total	Wisconsin	Illinois	Other States	Total
Customer class												
Residential	**57.7**	**42.4**	**15.7**	**115.8**	59.5	43.2	16.7	119.4	(3.0)%	(1.9)%	(6.0)%	(3.0)%
Commercial/industrial	**54.6**	**23.8**	**13.1**	**91.5**	58.9	22.9	16.9	98.7	(7.3)%	3.9 %	(22.5)%	(7.3)%
Total retail	**112.3**	**66.2**	**28.8**	**207.3**	118.4	66.1	33.6	218.1	(5.2)%	0.2 %	(14.3)%	(5.0)%
Transport	**285.7**	**98.0**	**172.7**	**556.4**	291.6	103.0	159.6	554.2	(2.0)%	(4.9)%	8.2 %	0.4 %
Total therms delivered	**398.0**	**164.2**	**201.5**	**763.7**	410.0	169.1	193.2	772.3	(2.9)%	(2.9)%	4.3 %	(1.1)%

THIRD QUARTER YTD 2019 AND 2018 WEATHER AND VOLUMES Weather — Degree Days	2019	2018	Change
Wisconsin Gas and Wisconsin Electric [1]			
Heating (4,306 Normal)	**4,480**	4,323	3.6 %
Cooling (728 Normal)	**725**	903	(19.7)%
Wisconsin Public Service [2]			
Heating (4,794 Normal)	**4,979**	4,864	2.4 %
Cooling (509 Normal)	**502**	674	(25.5)%
Upper Michigan Energy Resources [3]			
Heating (5,452 Normal)	**5,898**	5,509	7.1 %
Cooling (331 Normal)	**284**	478	(40.6)%
Peoples Gas and North Shore Gas [4]			
Heating (3,954 Normal)	**4,171**	4,003	4.2 %
Minnesota Energy Resources [5]			
Heating (5,063 Normal)	**5,615**	5,356	4.8 %
Michigan Gas [5]			
Heating (4,093 Normal)	**4,129**	4,079	1.2 %

[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 – THIRD QUARTER YTD *(in thousands)*	MWh Wisconsin 2019	Wisconsin 2018	Change
Customer class			
Residential	**8,287.6**	8,545.0	(3.0)%
Small commercial and industrial*	**9,731.4**	10,032.8	(3.0)%
Large commercial and industrial*	**9,554.3**	9,838.2	(2.9)%
Other	**120.2**	124.2	(3.2)%
Total retail *	**27,693.5**	28,540.2	(3.0)%
Wholesale	**2,536.7**	2,692.7	(5.8)%
Resale	**4,252.2**	4,550.4	(6.6)%
Total MWh sales *	**34,482.4**	35,783.3	(3.6)%

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

GAS UTILITY OPERATIONS – THIRD QUARTER YTD	Therms 2019				2018				Change			
(in millions)	Wisconsin	Illinois	Other States	Total	Wisconsin	Illinois	Other States	Total	Wisconsin	Illinois	Other States	Total
Customer class												
Residential	**804.9**	**618.1**	**235.5**	**1,658.5**	753.3	610.2	234.1	1,597.6	6.8%	1.3 %	0.6%	3.8%
Commercial/industrial	**500.8**	**256.1**	**157.2**	**914.1**	497.6	250.8	152.0	900.4	0.6%	2.1 %	3.4%	1.5%
Total retail	**1,305.7**	**874.2**	**392.7**	**2,572.6**	1,250.9	861.0	386.1	2,498.0	4.4%	1.5 %	1.7%	3.0%
Transport	**1,037.8**	**626.9**	**576.2**	**2,240.9**	1,026.8	628.7	551.9	2,207.4	1.1%	(0.3)%	4.4%	1.5%
Total therms delivered	**2,343.5**	**1,501.1**	**968.9**	**4,813.5**	2,277.7	1,489.7	938.0	4,705.4	2.9%	0.8 %	3.3%	2.3%

RETAIL ELECTRIC SALES VOLUME INFORMATION

THIRD QUARTER

DELIVERED ELECTRIC VOLUMES – TOTAL WISCONSIN SEGMENT	Three Months Ended September 30		Annual
	2019 Actual vs. 2018 Actual	2019 Normalized vs. 2018 Normalized [1]	2019 Forecast vs. 2018 Normalized [1],[2]
Residential	(3.8)%	(1.2)%	—%
Small commercial/industrial	(3.4)%	(2.9)%	0.5%
Large commercial/industrial (ex. mine)	(5.6)%	(5.8)%	0.3%
Total large commercial/industrial	(4.3)%	(4.5)%	0.2%
Total retail sales volumes	(3.8)%	(3.0)%	0.2%
Total retail sales volumes (ex. mine)	(4.2)%	(3.4)%	0.3%

RETAIL ELECTRIC SALES VOLUME INFORMATION

THIRD QUARTER YTD

DELIVERED ELECTRIC VOLUMES – TOTAL WISCONSIN SEGMENT	Nine Months Ended September 30		Annual
	2019 Actual vs. 2018 Actual	2019 Normalized vs. 2018 Normalized [1]	2019 Forecast vs. 2018 Normalized [1],[2]
Residential	(3.0)%	(0.2)%	—%
Small commercial/industrial	(3.0)%	(1.9)%	0.5%
Large commercial/industrial (ex. mine)	(3.7)%	(3.2)%	0.3%
Total large commercial/industrial	(2.9)%	(2.4)%	0.2%
Total retail sales volumes	(3.0)%	(1.6)%	0.2%
Total retail sales volumes (ex. mine)	(3.2)%	(1.8)%	0.3%

[1] Normalized — 20 year average weather adjusted.

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

RETAIL NATURAL GAS SALES VOLUME INFORMATION

THIRD QUARTER

DELIVERED NATURAL GAS VOLUMES – TOTAL WISCONSIN SEGMENT	Three Months Ended September 30		Annual
	2019 Actual vs. 2018 Actual	2019 Normalized vs. 2018 Normalized [1]	2019 Forecast vs. 2018 Normalized [1],[2]
Residential	(3.0)%	(2.1)%	0.8%
Total commercial/industrial	(7.4)%	(3.6)%	0.7%
Total retail sales volumes	(5.2)%	(2.9)%	0.8%
Transport (w/o power generation)	(1.4)%	(1.1)%	0.7%
Total sales volumes (w/o power generation)	(2.6)%	(1.7)%	0.8%

RETAIL NATURAL GAS SALES VOLUME INFORMATION

THIRD QUARTER YTD

DELIVERED NATURAL GAS VOLUMES – TOTAL WISCONSIN SEGMENT	Nine Months Ended September 30		Annual
	2019 Actual vs. 2018 Actual	2019 Normalized vs. 2018 Normalized [1]	2019 Forecast vs. 2018 Normalized [1],[2]
Residential	6.8%	4.6 %	0.8%
Total commercial/industrial	0.6%	(1.1)%	0.7%
Total retail sales volumes	4.4%	2.3 %	0.8%
Transport (w/o power generation)	0.5%	0.1 %	0.7%
Total sales volumes (w/o power generation)	2.7%	1.3 %	0.8%

[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
NINE MONTHS ENDED SEPTEMBER 30, 2019 AND 2018

EBIT and EBITDA	**2019**	**2018**
(in millions)	**Actual**	**Actual**
Net income attributed to common shareholders	**$ 890.1**	$ 854.3
Income tax expense	**91.5**	156.4
Interest expense	**374.3**	327.2
EBIT	**1,355.9**	1,337.9
Depreciation and amortization	**690.1**	628.1
EBITDA	**$ 2,046.0**	$ 1,966.0

Capitalization Structure	**September 30, 2019**	
(in millions)	**Actual**	**Adjusted***
Common shareholders' equity	**$ 10,051.0**	$ 10,301.0
Preferred stock of subsidiary	**30.4**	30.4
Long-term debt (including current portion)	**11,589.9**	11,339.9
Short-term debt	**686.4**	686.4
Total capitalization	**$ 22,357.7**	$ 22,357.7
Total debt	**$ 12,276.3**	$ 12,026.3
Ratio of debt to total capitalization	**54.9%**	53.8%

Capitalization Structure	**December 31, 2018**	
(in millions)	**Actual**	**Adjusted***
Common equity	**$ 9,788.9**	$ 10,038.9
Preferred stock of subsidiary	**30.4**	30.4
Long-term debt (including current portion)	**10,359.0**	10,109.0
Short-term debt	**1,440.1**	1,440.1
Total capitalization	**$ 21,618.4**	$ 21,618.4
Total debt	**$ 11,799.1**	$ 11,549.1
Ratio of debt to total capitalization	**54.6%**	53.4%

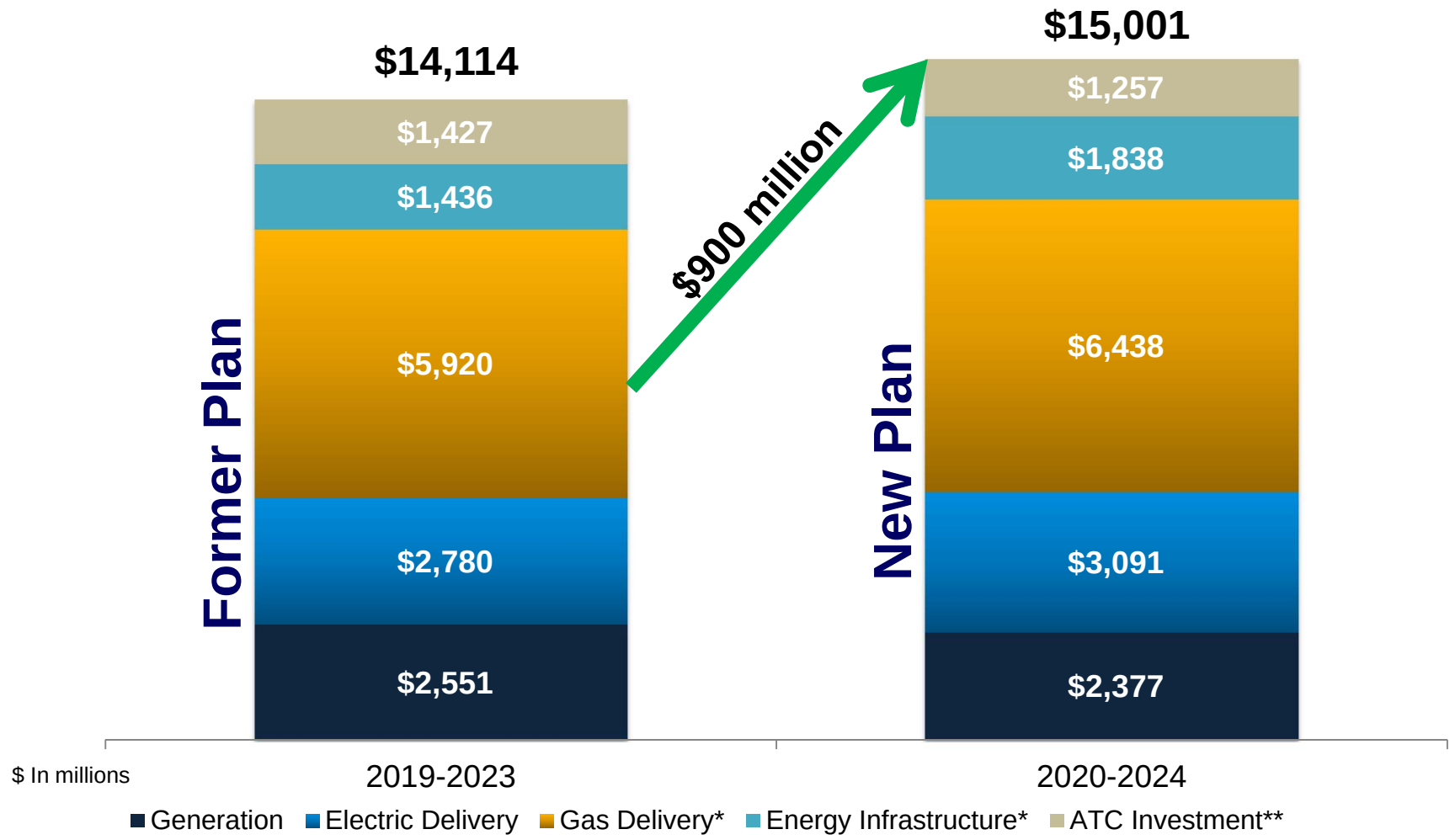
* Included in long-term debt is the $500.0 million principal amount of WEC Energy Group's 2007 Junior Subordinated Notes due 2067, as these debt securities are reflected as long-term debt on our Condensed Consolidated Balance Sheets. The adjusted presentation attributes $250.0 million of the Junior Notes 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+	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	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
Elm Road Generating Station Supercritical, LLC			
Senior secured debt	A-	A2	A+
Integrys Holding, Inc.			
Senior unsecured debt	BBB+	Baa1	BBB+
Junior subordinated notes	BBB	Baa2	BBB-

Continues to Support 5-7% EPS Growth

Increasing Five-Year Capital Plan by $900 million



* Bluewater capital spend moved from Energy Infrastructure category to Gas Delivery category in both plans
** ATC is accounted for using the equity method; this represents WEC's portion of the investment

Note: this page is subject to the forward looking disclaimer contained in the press release that is part of this earnings package