

# WEC Energy Group, Inc.

## 2021 Year End Earnings

Released February 3, 2022

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## News

**WEC Energy Group, Inc.**

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February 3, 2022

### **WEC Energy Group posts 2021 results**

MILWAUKEE – WEC Energy Group (NYSE: WEC) today reported net income of \$1.3 billion, or \$4.11 per share, for 2021. This compares to earnings of \$1.2 billion, or \$3.79 per share, for 2020 – a year-over-year increase of 8.4 percent.

For the fourth quarter of 2021, WEC Energy Group recorded net income of \$224.2 million, or 71 cents per share. This compares to earnings of \$239.0 million, or 76 cents per share, for the fourth quarter of 2020.

Consolidated revenues totaled \$8.3 billion for 2021, up \$1.1 billion compared to 2020 revenues.

“Across the board – from operational efficiency to customer care to financial performance – the company continues to deliver exceptional results,” said Gale Klappa, executive chairman. “And during 2021, our plan to invest in the future of clean energy continued to gain momentum,” Klappa added. “We now expect our use of coal for power generation to be immaterial by the end of 2030, with a complete exit from coal by 2035.”

WEC Energy Group was again recognized in 2021 as one of America’s Most Responsible Companies by Newsweek. WEC Energy also ranked number one in the nation for customer satisfaction in an independent survey of large commercial and industrial energy users. The company’s largest utility, We Energies, received an Edison Electric Institute Emergency Response Award for restoring power to more than 210,000 customers after a severe storm hit Wisconsin in August.

For the full year, retail deliveries of electricity – excluding the iron ore mine in Michigan’s Upper Peninsula – were up by 3.0 percent.

Electricity consumption by small commercial and industrial customers was 4.4 percent higher during 2021. Electricity use by large commercial and industrial customers – excluding the iron ore mine – rose by 5.3 percent.

Residential electricity use was down by 0.6 percent.

On a weather-normal basis, retail deliveries of electricity during 2021 – excluding the iron ore mine – increased by 2.6 percent.

Natural gas deliveries in Wisconsin, excluding natural gas used for power generation, decreased by 1.3 percent during 2021. On a weather-normal basis, natural gas deliveries were 0.3 percent lower during the year.

The company reaffirmed its earnings guidance for 2022. Calendar year 2022 earnings are expected to be in a range of \$4.29 to \$4.33 per share. The midpoint of the range is \$4.31 per share, which represents growth of 7.5 percent from the midpoint of the company's original guidance for 2021.

On Jan. 20, the board of directors declared a quarterly cash dividend of 72.75 cents per share on the company's common stock, an increase of 7.4 percent over the previous year's quarterly dividend.

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, Thursday, Feb. 3. The call will review 2021 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 833-968-2232 up to 15 minutes before it begins. The number for international callers is 825-312-2063. The conference ID is 6976928.

Conference call access also is available at [wecenergygroup.com](http://wecenergygroup.com). Under 'Webcasts,' select 'Year-End Earnings.' In conjunction with this earnings announcement, WEC Energy Group will post on its website a package of detailed financial information on its 2021 performance. The materials will be available at 6:30 a.m. Central time, Thursday, Feb. 3.

### **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 Feb. 17, 2022. Domestic callers should dial 800-585-8367. International callers should dial 416-621-4642. The replay conference ID is 6976928.

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

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

*WEC Energy Group ([wecenergygroup.com](http://wecenergygroup.com)) is a Fortune 500 company and a component of the S&P 500. The company has approximately 39,000 stockholders of record, 7,000 employees and \$39 billion of assets.*

## **Forward-looking statements**

Certain statements contained in this press release are “forward-looking statements” within the meaning of Section 27A of the Securities Act of 1933 and Section 21E of the Securities Exchange Act of 1934. These statements are based upon management’s current expectations and are subject to risks and uncertainties that could cause our actual results to differ materially from those contemplated in the statements. Readers are cautioned not to place undue reliance on these statements. Forward-looking statements include, among other things, statements concerning management’s expectations and projections regarding earnings and future results. In some cases, forward-looking statements may be identified by reference to a future period or periods or by the use of forward-looking terminology such as “anticipates,” “believes,” “estimates,” “expects,” “forecasts,” “guidance,” “intends,” “may,” “objectives,” “plans,” “possible,” “potential,” “projects,” “should,” “targets,” “will” or similar terms or variations of these terms.

Factors that could cause actual results to differ materially from those contemplated in any forward-looking statements include, but are not limited to: general economic conditions, including business and competitive conditions in the company’s service territories; the extent, duration and impact of the COVID-19 pandemic or any future health pandemics; timing, resolution and impact of rate cases and other regulatory decisions; the company’s ability to continue to successfully integrate the operations of its subsidiaries; availability of the company’s generating facilities and/or distribution systems; unanticipated changes in fuel and purchased power costs; key personnel changes; varying, adverse or unusually severe weather conditions; continued industry restructuring and consolidation; continued advances in, and adoption of, new technologies that produce power or reduce power consumption; energy and environmental conservation efforts; the company’s ability to successfully acquire and/or dispose of assets and projects; 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 and state 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; political developments; current and future litigation and regulatory investigations, proceedings or inquiries; changes in accounting standards; the financial performance of American Transmission Company as well as projects in which the company’s energy infrastructure business invests; the ability of the company to obtain additional generating capacity at competitive prices; goodwill and its possible impairment; and other factors described under the heading “Factors Affecting Results, Liquidity and Capital Resources” in Management’s Discussion and Analysis of Financial Condition and Results of Operations and under the headings “Cautionary Statement Regarding Forward-Looking Information” and “Risk Factors” contained in the company’s Form 10-K for the year ended December 31, 2020, and in subsequent reports filed with the Securities and Exchange Commission. Except as may be required by law, the company expressly disclaims any obligation to publicly update or revise any forward-looking information.

*Tables follow*

**WEC ENERGY GROUP, INC.**

CONSOLIDATED INCOME STATEMENTS (Unaudited)  <i>(in millions, except per share amounts)</i>	Three Months Ended		Year Ended	
	December 31		December 31	
	2021	2020	2021	2020
<b>Operating revenues</b>	\$ 2,201.9	\$ 1,933.4	\$ 8,316.0	\$ 7,241.7
<b>Operating expenses</b>				
Cost of sales	958.8	657.5	3,311.0	2,319.5
Other operation and maintenance	588.1	604.7	2,005.5	2,032.2
Depreciation and amortization	275.1	249.3	1,074.3	975.9
Property and revenue taxes	53.1	51.4	210.3	208.0
<b>Total operating expenses</b>	<b>1,875.1</b>	1,562.9	<b>6,601.1</b>	5,535.6
<b>Operating income</b>	<b>326.8</b>	370.5	<b>1,714.9</b>	1,706.1
Equity in earnings of transmission affiliates	31.9	43.0	158.1	175.8
Other income, net	35.5	19.6	133.2	79.5
Interest expense	113.6	117.9	471.1	493.7
Loss on debt extinguishment	36.3	38.4	36.3	38.4
<b>Other expense</b>	<b>(82.5)</b>	(93.7)	<b>(216.1)</b>	(276.8)
Income before income taxes	244.3	276.8	1,498.8	1,429.3
Income tax expense	20.5	37.2	200.3	227.9
<b>Net income</b>	<b>223.8</b>	239.6	<b>1,298.5</b>	1,201.4
Preferred stock dividends of subsidiary	0.3	0.3	1.2	1.2
Net (income) loss attributed to noncontrolling interests	0.7	(0.3)	3.0	(0.3)
<b>Net income attributed to common shareholders</b>	<b>\$ 224.2</b>	\$ 239.0	<b>\$ 1,300.3</b>	\$ 1,199.9
<b>Earnings per share</b>				
Basic	\$ 0.71	\$ 0.76	\$ 4.12	\$ 3.80
Diluted	\$ 0.71	\$ 0.76	\$ 4.11	\$ 3.79
<b>Weighted average common shares outstanding</b>				
Basic	315.4	315.4	315.4	315.4
Diluted	316.2	316.5	316.3	316.5
<b>Dividends per share of common stock</b>	<b>\$ 0.6775</b>	\$ 0.6325	<b>\$ 2.7100</b>	\$ 2.5300

**WEC ENERGY GROUP, INC.**

<b>CONSOLIDATED BALANCE SHEETS (Unaudited)</b> <i>(in millions, except share and per share amounts)</i>	<b>December 31,</b> <b>2021</b>	<b>December 31,</b> <b>2020</b>
<b>Assets</b>		
<b>Current assets</b>		
Cash and cash equivalents	\$ 16.3	\$ 24.8
Accounts receivable and unbilled revenues, net of reserves of \$198.3 and \$220.1, respectively	1,505.7	1,202.8
Materials, supplies, and inventories	635.8	528.6
Prepayments	245.5	263.4
Other	253.4	63.4
<b>Current assets</b>	<b>2,656.7</b>	<b>2,083.0</b>
<b>Long-term assets</b>		
Property, plant, and equipment, net of accumulated depreciation and amortization of \$9,889.3 and \$9,364.7, respectively	26,982.4	25,707.4
Regulatory assets (December 31, 2021 includes \$100.7 related to WEPCo Environmental Trust Finance I, LLC)	3,264.8	3,524.1
Equity investment in transmission affiliates	1,789.4	1,764.3
Goodwill	3,052.8	3,052.8
Pension and OPEB assets	881.3	600.9
Other	361.1	295.6
<b>Long-term assets</b>	<b>36,331.8</b>	<b>34,945.1</b>
<b>Total assets</b>	<b>\$ 38,988.5</b>	<b>\$ 37,028.1</b>
<b>Liabilities and Equity</b>		
<b>Current liabilities</b>		
Short-term debt	\$ 1,897.0	\$ 1,776.9
Current portion of long-term debt (December 31, 2021 includes \$8.8 related to WEPCo Environmental Trust Finance I, LLC)	169.4	785.8
Accounts payable	1,005.7	880.7
Other	680.9	704.7
<b>Current liabilities</b>	<b>3,753.0</b>	<b>4,148.1</b>
<b>Long-term liabilities</b>		
Long-term debt (December 31, 2021 includes \$102.7 related to WEPCo Environmental Trust Finance I, LLC)	13,523.7	11,728.1
Deferred income taxes	4,308.5	4,059.8
Deferred revenue, net	389.2	412.2
Regulatory liabilities	3,946.0	3,928.1
Environmental remediation liabilities	532.6	532.9
Pension and OPEB obligations	219.0	327.0
Other	1,203.2	1,229.4
<b>Long-term liabilities</b>	<b>24,122.2</b>	<b>22,217.5</b>
Commitments and contingencies		
<b>Common shareholders' equity</b>		
Common stock – \$0.01 par value; 325,000,000 shares authorized; 315,434,531 shares outstanding	3.2	3.2
Additional paid in capital	4,138.1	4,143.7
Retained earnings	6,775.1	6,329.6
Accumulated other comprehensive loss	(3.2)	(6.8)
<b>Common shareholders' equity</b>	<b>10,913.2</b>	<b>10,469.7</b>
Preferred stock of subsidiary	30.4	30.4
Noncontrolling interests	169.7	162.4
<b>Total liabilities and equity</b>	<b>\$ 38,988.5</b>	<b>\$ 37,028.1</b>

**WEC ENERGY GROUP, INC.**

<b>CONSOLIDATED STATEMENTS OF CASH FLOWS (Unaudited)</b>	<b>Year Ended</b>	
	<b>December 31</b>	
<i>(in millions)</i>	<b>2021</b>	<b>2020</b>
<b>Operating activities</b>		
Net income	\$ 1,298.5	\$ 1,201.4
Reconciliation to cash provided by operating activities		
Depreciation and amortization	1,074.3	975.9
Deferred income taxes and ITCs, net	151.1	209.4
Contributions and payments related to pension and OPEB plans	(66.3)	(113.2)
Equity income in transmission affiliates, net of distributions	(25.1)	(29.1)
Change in –		
Accounts receivable and unbilled revenues, net	(249.2)	16.1
Materials, supplies, and inventories	(107.2)	21.2
Amounts recoverable from customers	(82.3)	0.9
Other current assets	22.2	12.5
Accounts payable	126.9	(61.3)
Other current liabilities	(17.2)	(41.2)
Other, net	(93.0)	3.4
<b>Net cash provided by operating activities</b>	<b>2,032.7</b>	<b>2,196.0</b>
<b>Investing activities</b>		
Capital expenditures	(2,252.8)	(2,238.8)
Acquisition of Jayhawk Wind, LLC	(119.9)	—
Acquisition of Blooming Grove Wind Energy Center LLC, net of restricted cash acquired of \$24.1	—	(364.6)
Acquisition of Tatanka Ridge Wind LLC	—	(239.9)
Capital contributions to transmission affiliates	—	(21.2)
Proceeds from the sale of assets and businesses	21.9	20.3
Proceeds from the sale of investments held in rabbi trust	18.7	56.2
Purchase of investments held in rabbi trust	—	(37.8)
Insurance proceeds received for property damage	—	23.2
Other, net	20.3	(4.2)
<b>Net cash used in investing activities</b>	<b>(2,311.8)</b>	<b>(2,806.8)</b>
<b>Financing activities</b>		
Exercise of stock options	15.7	43.8
Purchase of common stock	(33.1)	(99.2)
Dividends paid on common stock	(854.8)	(798.0)
Issuance of long-term debt	2,383.8	2,373.6
Retirement of long-term debt	(1,260.4)	(1,767.0)
Issuance of short-term loan	0.9	340.0
Repayment of short-term loan	(340.0)	—
Change in other short-term debt	459.2	606.1
Payments for debt extinguishment and issuance costs	(67.2)	(55.8)
Purchase of additional ownership interest in Upstream Wind Energy LLC from noncontrolling interest	—	(31.0)
Other, net	(10.1)	(11.4)
<b>Net cash provided by financing activities</b>	<b>294.0</b>	<b>601.1</b>
<b>Net change in cash, cash equivalents, and restricted cash</b>	<b>14.9</b>	<b>(9.7)</b>
Cash, cash equivalents, and restricted cash at beginning of year	72.6	82.3
<b>Cash, cash equivalents, and restricted cash at end of year</b>	<b>\$ 87.5</b>	<b>\$ 72.6</b>

**WEC ENERGY GROUP, INC.**

**INCOME STATEMENT IMPACT OF AMORTIZATION OF UNPROTECTED TAX BENEFITS**

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

<i>(in millions)</i>	Three months ended December 31, 2021			Three months ended December 31, 2020		
	WEC Energy Group – Reported GAAP Amounts	Impact of Amortization of Unprotected Deferred Tax Benefits	WEC Energy Group (Excluding Unprotected Deferred Tax Benefits)	WEC Energy Group – Reported GAAP Amounts	Impact of Amortization of Unprotected Deferred Tax Benefits	WEC Energy Group (Excluding Unprotected Deferred Tax Benefits)
<b>Operating revenues</b>	\$ 2,201.9	\$ 18.8	\$ 2,220.7	\$ 1,933.4	\$ 13.9	\$ 1,947.3
<b>Operating expenses</b>						
Cost of sales	958.8	—	958.8	657.5	—	657.5
Other operation and maintenance	588.1	—	588.1	604.7	—	604.7
Depreciation and amortization	275.1	—	275.1	249.3	—	249.3
Property and revenue taxes	53.1	—	53.1	51.4	—	51.4
<b>Total operating expenses</b>	<b>1,875.1</b>	<b>—</b>	<b>1,875.1</b>	<b>1,562.9</b>	<b>—</b>	<b>1,562.9</b>
<b>Operating income</b>	<b>326.8</b>	<b>18.8</b>	<b>345.6</b>	<b>370.5</b>	<b>13.9</b>	<b>384.4</b>
Equity in earnings of transmission affiliates	31.9	—	31.9	43.0	—	43.0
Other income, net	35.5	—	35.5	19.6	—	19.6
Interest expense	113.6	—	113.6	117.9	—	117.9
Loss on debt extinguishment	36.3	—	36.3	38.4	—	38.4
<b>Other expense</b>	<b>(82.5)</b>	<b>—</b>	<b>(82.5)</b>	<b>(93.7)</b>	<b>—</b>	<b>(93.7)</b>
Income before income taxes	244.3	18.8	263.1	276.8	13.9	290.7
Income tax expense	20.5	18.8	39.3	37.2	13.9	51.1
<b>Net income</b>	<b>223.8</b>	<b>—</b>	<b>223.8</b>	<b>239.6</b>	<b>—</b>	<b>239.6</b>
Preferred stock dividends of subsidiary	0.3	—	0.3	0.3	—	0.3
Net (income) loss attributed to noncontrolling interests	0.7	—	0.7	(0.3)	—	(0.3)
<b>Net income attributed to common shareholders</b>	<b>\$ 224.2</b>	<b>\$ —</b>	<b>\$ 224.2</b>	<b>\$ 239.0</b>	<b>\$ —</b>	<b>\$ 239.0</b>
<b>Effective tax rate</b>	<b>8.4 %</b>		<b>14.9 %</b>	<b>13.4 %</b>		<b>17.6 %</b>

**WEC ENERGY GROUP, INC.**

**INCOME STATEMENT IMPACT OF AMORTIZATION OF UNPROTECTED TAX BENEFITS**

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

<i>(in millions)</i>	Year ended December 31, 2021			Year ended December 31, 2020		
	WEC Energy Group – Reported GAAP Amounts	Impact of Amortization of Unprotected Deferred Tax Benefits	WEC Energy Group (Excluding Unprotected Deferred Tax Benefits)	WEC Energy Group – Reported GAAP Amounts	Impact of Amortization of Unprotected Deferred Tax Benefits	WEC Energy Group (Excluding Unprotected Deferred Tax Benefits)
<b>Operating revenues</b>	\$ 8,316.0	\$ 104.6	\$ 8,420.6	\$ 7,241.7	\$ 77.0	\$ 7,318.7
<b>Operating expenses</b>						
Cost of sales	3,311.0	—	3,311.0	2,319.5	—	2,319.5
Other operation and maintenance	2,005.5	—	2,005.5	2,032.2	—	2,032.2
Depreciation and amortization	1,074.3	—	1,074.3	975.9	—	975.9
Property and revenue taxes	210.3	—	210.3	208.0	—	208.0
<b>Total operating expenses</b>	<b>6,601.1</b>	<b>—</b>	<b>6,601.1</b>	<b>5,535.6</b>	<b>—</b>	<b>5,535.6</b>
<b>Operating income</b>	<b>1,714.9</b>	<b>104.6</b>	<b>1,819.5</b>	<b>1,706.1</b>	<b>77.0</b>	<b>1,783.1</b>
Equity in earnings of transmission affiliates	158.1	—	158.1	175.8	—	175.8
Other income, net	133.2	—	133.2	79.5	—	79.5
Interest expense	471.1	—	471.1	493.7	—	493.7
Loss on debt extinguishment	36.3	—	36.3	38.4	—	38.4
<b>Other expense</b>	<b>(216.1)</b>	<b>—</b>	<b>(216.1)</b>	<b>(276.8)</b>	<b>—</b>	<b>(276.8)</b>
Income before income taxes	1,498.8	104.6	1,603.4	1,429.3	77.0	1,506.3
Income tax expense	200.3	104.6	304.9	227.9	77.0	304.9
<b>Net income</b>	<b>1,298.5</b>	<b>—</b>	<b>1,298.5</b>	<b>1,201.4</b>	<b>—</b>	<b>1,201.4</b>
Preferred stock dividends of subsidiary	1.2	—	1.2	1.2	—	1.2
Net (income) loss attributed to noncontrolling interests	3.0	—	3.0	(0.3)	—	(0.3)
<b>Net income attributed to common shareholders</b>	<b>\$ 1,300.3</b>	<b>\$ —</b>	<b>\$ 1,300.3</b>	<b>\$ 1,199.9</b>	<b>\$ —</b>	<b>\$ 1,199.9</b>
<b>Effective tax rate</b>	<b>13.4 %</b>		<b>19.0 %</b>	<b>15.9 %</b>		<b>20.2 %</b>

## WEC ENERGY GROUP, INC.

### Summary of Regulated Operation and Maintenance Expense - Fourth Quarter

#### Wisconsin Segment

<i>(in millions)</i>	Three Months Ended December 31		
	2021	2020	B (W)
Operation and maintenance not included in the line items below	\$ 198.4	\$ 211.0	\$ 12.6
Transmission <sup>(1)</sup>	128.0	129.8	1.8
Regulatory amortizations and other pass through expenses <sup>(2)</sup>	36.7	34.8	(1.9)
We Power <sup>(3)</sup>	28.6	29.8	1.2
Earnings sharing mechanisms	5.8	21.6	15.8
Other	10.6	5.7	(4.9)
<b>Total other operation and maintenance</b>	<b>\$ 408.1</b>	<b>\$ 432.7</b>	<b>\$ 24.6</b>

<sup>(1)</sup> Represents transmission expense that our electric utilities are authorized to collect in rates. The Public Service Commission of Wisconsin (PSCW) has approved escrow accounting for American Transmission Company LLC and Midcontinent Independent System Operator Inc. network transmission expenses for Wisconsin Electric Power Company (WE) and Wisconsin Public Service Corporation (WPS). As a result, WE and WPS defer as a regulatory asset or liability, the difference between actual transmission costs and those included in rates until recovery or refund is authorized in a future rate proceeding. During the three months ended December 31, 2021 and 2020, \$125.5 million and \$122.1 million, respectively, of costs were billed to our electric utilities by transmission providers.

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

<sup>(3)</sup> Represents costs associated with the W.E. Power, LLC (We Power) generation units, including operating and maintenance costs recognized by WE. During the three months ended December 31, 2021 and 2020, \$41.1 million and \$30.4 million, respectively, of costs were billed to or incurred by WE related to the We Power generation units, with the difference in costs billed or incurred and expenses recognized, either deferred or deducted from the regulatory asset.

#### Illinois Segment

<i>(in millions)</i>	Three Months Ended December 31		
	2021	2020	B (W)
Operation and maintenance not included in the line items below	\$ 108.6	\$ 94.9	\$ (13.7)
Riders <sup>(1)</sup>	30.8	30.1	(0.7)
Regulatory amortizations <sup>(1)</sup>	0.2	(0.6)	(0.8)
Other	2.6	4.5	1.9
<b>Total other operation and maintenance</b>	<b>\$ 142.2</b>	<b>\$ 128.9</b>	<b>\$ (13.3)</b>

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

#### Other States Segment

<i>(in millions)</i>	Three Months Ended December 31		
	2021	2020	B (W)
Operation and maintenance not included in line items below	\$ 21.6	\$ 18.0	\$ (3.6)
Regulatory amortizations and other pass through expenses <sup>(1)</sup>	4.7	6.3	1.6
Other	0.1	0.2	0.1
<b>Total other operation and maintenance</b>	<b>\$ 26.4</b>	<b>\$ 24.5</b>	<b>\$ (1.9)</b>

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

## WEC ENERGY GROUP, INC.

### Summary of Regulated Operation and Maintenance Expense - Full Year

#### Wisconsin Segment

<i>(in millions)</i>	Year Ended December 31		
	2021	2020	B (W)
Operation and maintenance not included in line items below	\$ 671.2	\$ 673.5	\$ 2.3
Transmission <sup>(1)</sup>	511.1	518.0	6.9
Regulatory Amortizations and other pass through expenses <sup>(2)</sup>	141.6	138.6	(3.0)
We Power <sup>(3)</sup>	114.9	119.3	4.4
Earnings sharing mechanisms	5.8	21.6	15.8
Other	10.6	5.7	(4.9)
<b>Total other operation and maintenance</b>	<b>\$ 1,455.2</b>	<b>\$ 1,476.7</b>	<b>\$ 21.5</b>

<sup>(1)</sup> Represents transmission expense that our electric utilities are authorized to collect in rates. The Public Service Commission of Wisconsin (PSCW) has approved escrow accounting for American Transmission Company LLC and Midcontinent Independent System Operator Inc. network transmission expenses for Wisconsin Electric Power Company (WE) and Wisconsin Public Service Corporation (WPS). As a result, WE and WPS defer as a regulatory asset or liability, the difference between actual transmission costs and those included in rates until recovery or refund is authorized in a future rate proceeding. During 2021 and 2020, \$503.6 million and \$481.8 million, respectively, of costs were billed to our electric utilities by transmission providers.

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

<sup>(3)</sup> Represents costs associated with the W.E. Power, LLC (We Power) generation units, including operating and maintenance costs recognized by WE. During 2021 and 2020, \$113.1 million and \$115.1 million, respectively, of costs were billed to or incurred by WE related to the We Power generation units, with the difference in costs billed or incurred and expenses recognized, either deferred or deducted from the regulatory asset.

#### Illinois Segment

<i>(in millions)</i>	Year Ended December 31		
	2021	2020	B (W)
Operation and maintenance not included in the line items below	\$ 320.3	\$ 332.1	\$ 11.8
Riders <sup>(1)</sup>	112.1	101.4	(10.7)
Regulatory amortizations <sup>(1)</sup>	(1.5)	(2.6)	(1.1)
Other	2.6	4.5	1.9
<b>Total other operation and maintenance</b>	<b>\$ 433.5</b>	<b>\$ 435.4</b>	<b>\$ 1.9</b>

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

#### Other States Segment

<i>(in millions)</i>	Year Ended December 31		
	2021	2020	B (W)
Operation and maintenance not included in line items below	\$ 70.5	\$ 67.9	\$ (2.6)
Regulatory amortizations and other pass through expenses <sup>(1)</sup>	19.8	18.9	(0.9)
Other	0.1	0.2	0.1
<b>Total other operation and maintenance</b>	<b>\$ 90.4</b>	<b>\$ 87.0</b>	<b>\$ (3.4)</b>

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

**WEC ENERGY GROUP, INC.**

<b>FOURTH QUARTER WEATHER AND VOLUMES</b>			
<b>Weather — Degree Days</b>	<b>2021</b>	<b>2020</b>	<b>Change</b>
<b>Wisconsin Gas and Wisconsin Electric <sup>(1)</sup></b>			
Heating (2,235 Normal)	1,855	2,069	(10.3)%
Cooling (10 Normal)	43	7	514.3 %
<b>Wisconsin Public Service <sup>(2)</sup></b>			
Heating (2,572 Normal)	2,285	2,495	(8.4)%
Cooling (6 Normal)	12	4	200.0 %
<b>Upper Michigan Energy Resources <sup>(3)</sup></b>			
Heating (2,923 Normal)	2,629	2,852	(7.8)%
Cooling (2 Normal)	2	—	N/A
<b>Peoples Gas and North Shore Gas <sup>(4)</sup></b>			
Heating (2,143 Normal)	1,795	1,970	(8.9)%
<b>Minnesota Energy Resources <sup>(5)</sup></b>			
Heating (2,882 Normal)	2,624	2,867	(8.5)%
<b>Michigan Gas <sup>(5)</sup></b>			
Heating (2,156 normal)	1,877	2,055	(8.7)%

- <sup>(1)</sup> Normal degree days are based on a 20-year moving average of monthly temperatures from Mitchell International Airport in Milwaukee, Wisconsin.
- <sup>(2)</sup> Normal degree days are based on a 20-year moving average of monthly temperatures from the Green Bay, Wisconsin weather station.
- <sup>(3)</sup> Normal degree days are based on a 20-year moving average of monthly temperatures from the Iron Mountain, Michigan weather station.
- <sup>(4)</sup> Normal degree days are based on a 12-year moving average of monthly temperatures from Chicago's O'Hare airport.
- <sup>(5)</sup> 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.

<b>ELECTRIC UTILITY OPERATIONS - FOURTH QUARTER</b> <i>(in thousands)</i>	<b>MWh</b>		
	<b>Wisconsin 2021</b>	<b>Wisconsin 2020</b>	<b>Change</b>
<b>Customer class</b>			
Residential	2,621.6	2,741.6	(4.4)%
Small commercial and industrial <sup>(1)</sup>	3,085.5	2,951.0	4.6 %
Large commercial and industrial <sup>(1)</sup>	3,040.6	2,927.5	3.9 %
Other	42.7	45.7	(6.6)%
<b>Total retail <sup>(1)</sup></b>	<b>8,790.4</b>	<b>8,665.8</b>	<b>1.4 %</b>
Wholesale	681.1	777.0	(12.3)%
Resale	316.7	1,037.3	(69.5)%
<b>Total MWh sales <sup>(1)</sup></b>	<b>9,788.2</b>	<b>10,480.1</b>	<b>(6.6)%</b>

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

<b>GAS UTILITY OPERATIONS - FOURTH QUARTER</b> <i>(in millions)</i>	<b>Therms</b>								<b>Change</b>			
	<b>2021</b>				<b>2020</b>							
	Wisconsin	Illinois	Other States	Total	Wisconsin	Illinois	Other States	Total	Wisconsin	Illinois	Other States	Total
<b>Customer class</b>												
Residential	321.7	246.8	92.6	661.1	356.6	265.8	99.5	721.9	(9.8)%	(7.1)%	(6.9)%	(8.4)%
Commercial/industrial	195.0	93.4	61.0	349.4	210.8	98.6	68.9	378.3	(7.5)%	(5.3)%	(11.5)%	(7.6)%
<b>Total retail</b>	<b>516.7</b>	<b>340.2</b>	<b>153.6</b>	<b>1,010.5</b>	<b>567.4</b>	<b>364.4</b>	<b>168.4</b>	<b>1,100.2</b>	<b>(8.9)%</b>	<b>(6.6)%</b>	<b>(8.8)%</b>	<b>(8.2)%</b>
Transport	373.7	216.0	213.0	802.7	377.8	233.7	199.1	810.6	(1.1)%	(7.6)%	7.0 %	(1.0)%
<b>Total therms delivered</b>	<b>890.4</b>	<b>556.2</b>	<b>366.6</b>	<b>1,813.2</b>	<b>945.2</b>	<b>598.1</b>	<b>367.5</b>	<b>1,910.8</b>	<b>(5.8)%</b>	<b>(7.0)%</b>	<b>(0.2)%</b>	<b>(5.1)%</b>

**WEC ENERGY GROUP, INC.**

<b>FULL YEAR WEATHER AND VOLUMES</b>			
<b>Weather — Degree Days</b>	<b>2021</b>	<b>2020</b>	<b>Change</b>
<b>Wisconsin Gas and Wisconsin Electric <sup>(1)</sup></b>			
Heating (6,548 Normal)	5,735	6,092	(5.9)%
Cooling (755 Normal)	1,061	938	13.1 %
<b>Wisconsin Public Service <sup>(2)</sup></b>			
Heating (7,380 Normal)	6,735	7,139	(5.7)%
Cooling (532 Normal)	643	660	(2.6)%
<b>Upper Michigan Energy Resources <sup>(3)</sup></b>			
Heating (8,398 Normal)	7,744	8,189	(5.4)%
Cooling (342 Normal)	428	425	0.7 %
<b>Peoples Gas and North Shore Gas <sup>(4)</sup></b>			
Heating (6,071 Normal)	5,468	5,597	(2.3)%
<b>Minnesota Energy Resources <sup>(5)</sup></b>			
Heating (7,969 Normal)	7,440	7,896	(5.8)%
<b>Michigan Gas <sup>(5)</sup></b>			
Heating (6,209 Normal)	5,755	5,952	(3.3)%

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

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

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

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

<sup>(5)</sup> 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.

<b>ELECTRIC UTILITY OPERATIONS - FULL YEAR</b> <i>(in thousands)</i>	<b>MWh</b>		
	<b>Wisconsin 2021</b>	<b>Wisconsin 2020</b>	<b>Change</b>
<b>Customer class</b>			
Residential	11,460.1	11,523.8	(0.6)%
Small commercial and industrial <sup>(1)</sup>	12,785.1	12,250.0	4.4 %
Large commercial and industrial <sup>(1)</sup>	12,406.4	11,661.8	6.4 %
Other	147.6	158.7	(7.0)%
<b>Total retail <sup>(1)</sup></b>	<b>36,799.2</b>	<b>35,594.3</b>	<b>3.4 %</b>
Wholesale	2,862.5	3,088.4	(7.3)%
Resale	4,869.2	6,189.9	(21.3)%
<b>Total MWh sales <sup>(1)</sup></b>	<b>44,530.9</b>	<b>44,872.6</b>	<b>(0.8)%</b>

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

<b>GAS UTILITY OPERATIONS - FULL YEAR</b> <i>(in millions)</i>	<b>Therms</b>								<b>Change</b>			
	<b>2021</b>				<b>2020</b>							
	Wisconsin	Illinois	Other States	Total	Wisconsin	Illinois	Other States	Total	Wisconsin	Illinois	Other States	Total
<b>Customer class</b>												
Residential	1,036.7	819.2	301.1	2,157.0	1,090.8	832.6	309.6	2,233.0	(5.0)%	(1.6)%	(2.7)%	(3.4)%
Commercial/industrial	634.0	319.5	188.5	1,142.0	656.7	326.1	200.5	1,183.3	(3.5)%	(2.0)%	(6.0)%	(3.5)%
<b>Total retail</b>	<b>1,670.7</b>	<b>1,138.7</b>	<b>489.6</b>	<b>3,299.0</b>	<b>1,747.5</b>	<b>1,158.7</b>	<b>510.1</b>	<b>3,416.3</b>	<b>(4.4)%</b>	<b>(1.7)%</b>	<b>(4.0)%</b>	<b>(3.4)%</b>
Transport	1,392.6	760.1	801.6	2,954.3	1,357.7	785.7	728.5	2,871.9	2.6 %	(3.3)%	10.0 %	2.9 %
<b>Total therms delivered</b>	<b>3,063.3</b>	<b>1,898.8</b>	<b>1,291.2</b>	<b>6,253.3</b>	<b>3,105.2</b>	<b>1,944.4</b>	<b>1,238.6</b>	<b>6,288.2</b>	<b>(1.3)%</b>	<b>(2.3)%</b>	<b>4.2 %</b>	<b>(0.6)%</b>

**WEC ENERGY GROUP, INC.**

**RETAIL ELECTRIC SALES VOLUME INFORMATION  
FOURTH QUARTER**

DELIVERED ELECTRIC VOLUMES – TOTAL WISCONSIN SEGMENT	Three Months Ended December 31	
	2021 Actual vs. 2020 Actual	2021 Normalized vs. 2020 Normalized <sup>(1)</sup>
Residential	(4.4)%	(4.8)%
Small commercial/industrial	4.6 %	4.3 %
Large commercial/industrial (ex. mine)	4.7 %	3.5 %
Total large commercial/industrial	3.9 %	2.8 %
Total retail sales volumes	1.4 %	0.8 %
Total retail sales volumes (ex. mine)	1.6 %	1.0 %

**RETAIL ELECTRIC SALES VOLUME INFORMATION  
FULL YEAR**

DELIVERED ELECTRIC VOLUMES – TOTAL WISCONSIN SEGMENT	Year Ended December 31	
	2021 Actual vs. 2020 Actual	2021 Normalized vs. 2020 Normalized <sup>(1), (2)</sup>
Residential	(0.6)%	(1.4)%
Small commercial/industrial	4.4 %	4.4 %
Large commercial/industrial (ex. mine)	5.3 %	5.1 %
Total large commercial/industrial	6.4 %	6.2 %
Total retail sales volumes	3.4 %	3.0 %
Total retail sales volumes (ex. mine)	3.0 %	2.6 %

<sup>(1)</sup> Normalized — 20 year average weather adjusted

<sup>(2)</sup> An adjustment for leap year in 2020 is factored into these percentages.

**RETAIL ELECTRIC SALES FORECAST**

DELIVERED ELECTRIC VOLUMES – TOTAL WISCONSIN SEGMENT	Annual	
	2022 Forecast vs. 2021 Normalized <sup>(1), (2)</sup>	2022 Forecast vs. 2020 Normalized <sup>(1), (2)</sup>
Residential	(0.9)%	(2.3)%
Small commercial/industrial	0.4 %	4.8 %
Large commercial/industrial (ex. mine)	1.9 %	7.1 %
Total large commercial/industrial	1.8 %	8.0 %
Total retail sales volumes	0.5 %	3.6 %
Total retail sales volumes (ex. mine)	0.5 %	3.1 %

<sup>(1)</sup> Normalized — 20 year average weather adjusted

<sup>(2)</sup> Actual results may differ materially from these forecasts because of seasonal, economic, and other factors. An adjustment for leap year in 2020 is factored into the 2022 Forecast vs. 2020 Normalized percentages.

**WEC ENERGY GROUP, INC.**

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

DELIVERED NATURAL GAS VOLUMES – TOTAL WISCONSIN SEGMENT	Three Months Ended December 31	
	2021 Actual vs. 2020 Actual	2021 Normalized vs. 2020 Normalized <sup>(1)</sup>
Residential	(9.8)%	(5.7)%
Total commercial/industrial	(7.5)%	(4.6)%
Total retail sales volumes	(8.9)%	(5.3)%
Transport (w/o power generation)	(1.0)%	(0.5)%
Total sales volumes (w/o power generation)	(5.9)%	(3.5)%

**RETAIL NATURAL GAS SALES VOLUME INFORMATION  
FULL YEAR**

DELIVERED NATURAL GAS VOLUMES – TOTAL WISCONSIN SEGMENT	Year Ended December 31	
	2021 Actual vs. 2020 Actual	2021 Normalized vs. 2020 Normalized <sup>(1), (2)</sup>
Residential	(5.0)%	(3.2)%
Total commercial/industrial	(3.5)%	(2.3)%
Total retail sales volumes	(4.4)%	(2.9)%
Transport (w/o power generation)	2.9 %	3.3 %
Total sales volumes (w/o power generation)	(1.3)%	(0.3)%

<sup>(1)</sup> Normalized — 20 year average weather adjusted.

<sup>(2)</sup> An adjustment for leap year in 2020 is factored into these percentages.

**RETAIL NATURAL GAS SALES FORECAST**

DELIVERED NATURAL GAS VOLUMES – TOTAL WISCONSIN SEGMENT	Annual	
	2022 Forecast vs. 2021 Normalized <sup>(1), (2)</sup>	2022 Forecast vs. 2020 Normalized <sup>(1), (2)</sup>
Residential	— %	(3.3)%
Total commercial/industrial	0.5 %	(1.8)%
Total retail sales volumes	0.4 %	(2.5)%
Transport (w/o power generation)	0.5 %	3.8 %
Total sales volumes (w/o power generation)	0.5 %	0.1 %

<sup>(1)</sup> Normalized — 20 year average weather adjusted

<sup>(2)</sup> Actual results may differ materially from these forecasts because of seasonal, economic, and other factors. An adjustment for leap year in 2020 is factored into the 2022 Forecast vs. 2020 Normalized percentages.

**WEC ENERGY GROUP, INC.**

**OTHER FINANCIAL INFORMATION**  
**FULL YEAR 2021 AND 2020**

<b>EBIT and EBITDA</b> <i>(in millions)</i>	<b>2021</b>		<b>2020</b>	
	<b>Actual</b>		<b>Actual</b>	
Net income attributed to common shareholders	\$	<b>1,300.3</b>	\$	1,199.9
Income tax expense		<b>200.3</b>		227.9
Interest expense		<b>471.1</b>		493.7
Loss on debt extinguishment		<b>36.3</b>		38.4
<b>EBIT</b>		<b>2,008.0</b>		1,959.9
Depreciation and amortization		<b>1,074.3</b>		975.9
<b>EBITDA</b>	\$	<b>3,082.3</b>	\$	2,935.8

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

<b>Capitalization Structure</b> <i>(in millions)</i>	<b>December 31, 2020</b>		
	<b>Actual</b>		<b>Adjusted<sup>(1)</sup></b>
Common equity	\$	10,469.7	\$ 10,719.7
Preferred stock of subsidiary		30.4	30.4
Long-term debt (including current maturities)		12,513.9	12,263.9
Short-term debt		1,776.9	1,776.9
<b>Total capitalization</b>	\$	24,790.9	\$ 24,790.9
<b>Total debt</b>	\$	14,290.8	\$ 14,040.8
<b>Ratio of debt to total capitalization</b>		57.6 %	56.6 %

<sup>(1)</sup> Included in long-term debt on our Consolidated Balance Sheets as of December 31, 2021 and 2020, is \$500.0 million principal amount of WEC Energy Group's 2007 Junior Subordinated Notes due 2067. The adjusted presentation attributes \$250.0 million of the Junior Notes to common equity and \$250.0 million to long-term debt, similar to how the majority of rating agencies treat them.

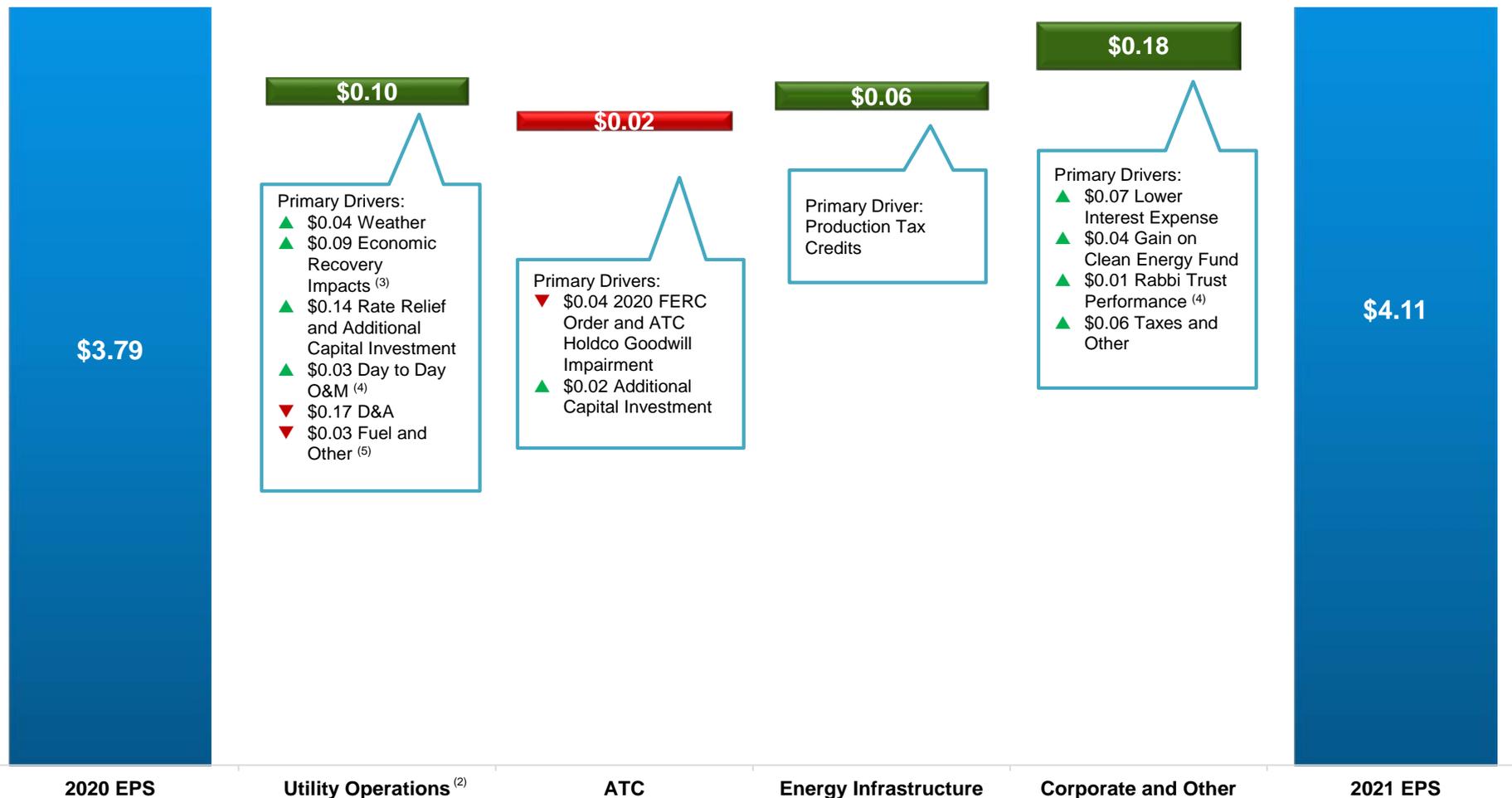
<b>Ratio of FFO to Debt</b> <i>(in millions, except percent)</i>	<b>2021</b>	
Net cash provided by operating activities	\$	<b>2,032.7</b>
Total Debt	\$	<b>15,590.1</b>
<b>Ratio of FFO to Debt</b>		<b>13.0 %</b>

<b>Ratio of FFO to Debt - Adjusted</b> <i>(in millions, except percent)</i>	<b>2021</b>	
Net cash provided by operating activities	\$	<b>2,032.7</b>
Add: Employer contributions to qualified pension plans		<b>50.0</b>
Add: Year-over-year increase in working capital		<b>306.8</b>
<b>Net cash provided by operating activities - adjusted</b>	\$	<b>2,389.5</b>
Total Debt	\$	<b>15,590.1</b>
Less: Employer contributions to qualified pension plans		<b>50.0</b>
Less: Year-over-year increase in working capital		<b>306.8</b>
<b>Total Debt - Adjusted</b>	\$	<b>15,233.3</b>
<b>Ratio of FFO to Debt - Adjusted</b>		<b>15.7 %</b>

## CREDIT RATINGS

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

# 2021 EPS Earnings Drivers <sup>(1)</sup>



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

(2) Includes aggregate results across our Wisconsin (+\$0.05), Illinois (+\$0.06), and Other States (-\$0.01) segments.

(3) Includes the impact of weather-normalized sales (+\$0.04) and late payment and other charges (+\$0.05).

(4) Increase in O&M expense related to deferred compensation liabilities at the utilities substantially offset the Rabbi Trust variance.

(5) Includes increased fuel expense (-\$0.10), lower earnings sharing (+\$0.04), and other (+\$0.03).