WEC Energy Group, Inc.

2022 First Quarter Earnings

Released May 2, 2022

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WEC Energy Group

News

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May 2, 2022

WEC Energy Group reports first-quarter results

MILWAUKEE – WEC Energy Group (NYSE: WEC) today reported net income of $565.9 million, or $1.79 per share, for the first quarter of 2022 – up from $510.1 million, or $1.61 per share, for last year's first quarter.

Consolidated revenues totaled $2.9 billion, up $216.7 million from the first quarter a year ago.

"A colder than normal winter, a strong economy and the performance of our infrastructure segment were the major factors driving our first-quarter results," said Gale Klappa, executive chairman. "The year is off to a solid start as we continue to focus on the fundamentals of our business."

For the quarter, natural gas deliveries in Wisconsin – excluding natural gas used for power generation – rose by 9.3 percent compared to the first quarter of 2021. On a weather-normal basis, natural gas deliveries were 3.6 percent higher.

Retail deliveries of electricity – excluding the iron ore mine in Michigan's Upper Peninsula – increased by 2.2 percent in the first quarter of 2022 compared to the first quarter last year.

Residential electricity use rose by 1.3 percent.

Electricity consumption by small commercial and industrial customers was 3.8 percent higher. Electricity use by large commercial and industrial customers – excluding the iron ore mine – rose by 1.4 percent.

On a weather-normal basis, retail deliveries of electricity – excluding the iron ore mine – grew by 0.7 percent.

In light of its strong performance, the company is raising its earnings guidance for 2022, to a range of $4.34 to $4.38 per share, with an expectation of reaching the top end of the new range. This assumes normal weather for the remainder of the year. The company had previously announced earnings guidance for 2022 in a range of $4.29 to $4.33 per share.

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, Monday, May 2. The call will review 2022 first-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 833-968-2232 up to 15 minutes before it begins. The number for international callers is 825-312-2063. The conference ID is 9378353.

Conference call access also is available at wecenergygroup.com. Under 'Webcasts,' select 'Q1 Earnings.' In conjunction with this earnings announcement, WEC Energy Group will post on its website a package of detailed financial information on its first-quarter performance. The materials will be available at 6:30 a.m. Central time, Monday, May 2.

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 May 16, 2022. Domestic callers should dial 800-585-8367. International callers should dial 416-621-4642. The replay conference ID is 9378353.

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) is a Fortune 500 company and a component of the S&P 500. The company has 38,000 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 weather conditions; continued industry restructuring and consolidation; continued advances in, and adoption of, new technologies that produce power or reduce power consumption; energy and environmental conservation efforts; the company’s ability to successfully acquire and/or dispose of assets and projects and to execute on its capital plan; cyber-security threats and data security breaches; construction risks; equity and bond market fluctuations; changes in the company’s and its subsidiaries’ ability to access the capital markets; changes in tax legislation or our ability to use certain tax benefits and carryforwards; federal 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; inflation; 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, 2021, 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.

CONDENSED CONSOLIDATED INCOME STATEMENTS (Unaudited)	Three Months Ended March 31	
(in millions, except per share amounts)	**2022**	**2021**
Operating revenues	**$ 2,908.1**	$ 2,691.4
Operating expenses		
Cost of sales	**1,383.4**	1,265.6
Other operation and maintenance	**454.4**	479.9
Depreciation and amortization	**278.1**	261.4
Property and revenue taxes	**60.8**	55.2
Total operating expenses	**2,176.7**	2,062.1
Operating income	**731.4**	629.3
Equity in earnings of transmission affiliates	**41.7**	42.6
Other income, net	**39.6**	32.8
Interest expense	**117.6**	119.5
Other expense	**(36.3)**	(44.1)
Income before income taxes	**695.1**	585.2
Income tax expense	**127.1**	74.9
Net income	**568.0**	510.3
Preferred stock dividends of subsidiary	**0.3**	0.3
Net (income) loss attributed to noncontrolling interests	**(1.8)**	0.1
Net income attributed to common shareholders	**$ 565.9**	$ 510.1
Earnings per share		
Basic	**$ 1.79**	$ 1.62
Diluted	**$ 1.79**	$ 1.61
Weighted average common shares outstanding		
Basic	**315.4**	315.4
Diluted	**316.2**	316.2
Dividends per share of common stock	**$ 0.7275**	$ 0.6775

WEC ENERGY GROUP, INC.

CONDENSED CONSOLIDATED BALANCE SHEETS (Unaudited) *(in millions, except share and per share amounts)*	March 31, 2022	December 31, 2021
Assets		
Current assets		
Cash and cash equivalents	**$ 33.8**	$ 16.3
Accounts receivable and unbilled revenues, net of reserves of $200.6 and $198.3, respectively	**1,635.7**	1,505.7
Materials, supplies, and inventories	**368.8**	635.8
Prepayments	**172.9**	245.5
Derivative assets	**204.3**	107.0
Other	**147.1**	146.4
Current assets	**2,562.6**	2,656.7
Long-term assets		
Property, plant, and equipment, net of accumulated depreciation and amortization of $10,041.4 and $9,889.3, respectively	**27,110.2**	26,982.4
Regulatory assets (March 31, 2022 and December 31, 2021 include $98.2 and $100.7, respectively, related to WEPCo Environmental Trust Finance I, LLC)	**3,163.6**	3,264.8
Equity investment in transmission affiliates	**1,818.2**	1,789.4
Goodwill	**3,052.8**	3,052.8
Pension and OPEB assets	**910.2**	881.3
Other	**356.9**	361.1
Long-term assets	**36,411.9**	36,331.8
Total assets	**$ 38,974.5**	$ 38,988.5
Liabilities and Equity		
Current liabilities		
Short-term debt	**$ 1,450.0**	$ 1,897.0
Current portion of long-term debt (March 31, 2022 and December 31, 2021 include $8.8, related to WEPCo Environmental Trust Finance I, LLC)	**163.4**	169.4
Accounts payable	**693.7**	1,005.7
Other	**957.3**	680.9
Current liabilities	**3,264.4**	3,753.0
Long-term liabilities		
Long-term debt (March 31, 2022 and December 31, 2021 include $102.8 and $102.7, respectively, related to WEPCo Environmental Trust Finance I, LLC)	**13,514.3**	13,523.7
Deferred income taxes	**4,426.2**	4,308.5
Deferred revenue, net	**383.8**	389.2
Regulatory liabilities	**4,032.6**	3,946.0
Environmental remediation liabilities	**517.2**	532.6
Pension and OPEB obligations	**218.5**	219.0
Other	**1,173.0**	1,203.2
Long-term liabilities	**24,265.6**	24,122.2
Commitments and contingencies		
Common shareholders' equity		
Common stock – $0.01 par value; 325,000,000 shares authorized; 315,434,531 shares outstanding	**3.2**	3.2
Additional paid in capital	**4,131.8**	4,138.1
Retained earnings	**7,111.4**	6,775.1
Accumulated other comprehensive loss	**(3.2)**	(3.2)
Common shareholders' equity	**11,243.2**	10,913.2
Preferred stock of subsidiary	**30.4**	30.4
Noncontrolling interests	**170.9**	169.7
Total liabilities and equity	**$ 38,974.5**	$ 38,988.5

CONDENSED CONSOLIDATED STATEMENTS OF CASH FLOWS (Unaudited)	Three Months Ended March 31	
(in millions)	**2022**	**2021**
Operating activities		
Net income	**$ 568.0**	$ 510.3
Reconciliation to cash provided by operating activities		
Depreciation and amortization	**278.1**	261.4
Deferred income taxes and ITCs, net	**103.8**	129.6
Contributions and payments related to pension and OPEB plans	**(3.6)**	(4.1)
Equity income in transmission affiliates, net of distributions	**(7.7)**	(9.2)
Change in –		
Accounts receivable and unbilled revenues, net	**(174.3)**	(150.4)
Materials, supplies, and inventories	**267.0**	175.1
Prepayments	**72.6**	4.6
Amounts recoverable from customers	**10.3**	(286.7)
Other current assets	**1.1**	15.6
Accounts payable	**(293.8)**	(181.5)
Other current liabilities	**289.5**	(2.3)
Other, net	**(34.2)**	(67.2)
Net cash provided by operating activities	**1,076.8**	395.2
Investing activities		
Capital expenditures	**(383.5)**	(470.6)
Acquisition of Jayhawk Wind, LLC	**—**	(119.4)
Capital contributions to transmission affiliates	**(21.1)**	—
Proceeds from the sale of assets	**9.7**	11.3
Proceeds from the sale of investments held in rabbi trust	**15.4**	12.7
Insurance proceeds received for property damage	**41.0**	—
Other, net	**0.3**	24.7
Net cash used in investing activities	**(338.2)**	(541.3)
Financing activities		
Exercise of stock options	**11.8**	1.2
Purchase of common stock	**(23.4)**	(6.6)
Dividends paid on common stock	**(229.6)**	(213.7)
Issuance of long-term debt	**—**	600.0
Retirement of long-term debt	**(15.4)**	(14.7)
Issuance of short-term loan	**0.9**	—
Repayment of short-term loan	**—**	(340.0)
Change in other short-term debt	**(447.9)**	143.5
Other, net	**(2.9)**	(6.6)
Net cash provided by (used in) financing activities	**(706.5)**	163.1
Net change in cash, cash equivalents, and restricted cash	**32.1**	17.0
Cash, cash equivalents, and restricted cash at beginning of period	**87.5**	72.6
Cash, cash equivalents, and restricted cash at end of period	**$ 119.6**	$ 89.6

INCOME STATEMENT IMPACT OF AMORTIZATION OF UNPROTECTED TAX BENEFITS - QUARTER

WEC Energy Group – The table below shows the first quarter 2022 and 2021 income statement impacts related to recognizing certain deferred tax benefits created as a result of the Tax Cuts and Jobs Act of 2017. Effective January 1, 2020, in accordance with the rate order received from the Public Service Commission of Wisconsin in December 2019, our Wisconsin utilities began 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.

	Three Months Ended March 31, 2022			Three Months Ended March 31, 2021		
(in millions)	**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)**
Operating revenues	**$ 2,908.1**	**$ 1.4**	**$ 2,909.5**	$ 2,691.4	$ 37.1	$ 2,728.5
Operating expenses						
Cost of sales	**1,383.4**	**—**	**1,383.4**	1,265.6	—	1,265.6
Other operation and maintenance	**454.4**	**—**	**454.4**	479.9	—	479.9
Depreciation and amortization	**278.1**	**—**	**278.1**	261.4	—	261.4
Property and revenue taxes	**60.8**	**—**	**60.8**	55.2	—	55.2
Total operating expenses	**2,176.7**	**—**	**2,176.7**	2,062.1	—	2,062.1
Operating income	**731.4**	**1.4**	**732.8**	629.3	37.1	666.4
Equity in earnings of transmission affiliates	**41.7**	**—**	**41.7**	42.6	—	42.6
Other income, net	**39.6**	**—**	**39.6**	32.8	—	32.8
Interest expense	**117.6**	**—**	**117.6**	119.5	—	119.5
Other expense	**(36.3)**	**—**	**(36.3)**	(44.1)	—	(44.1)
Income before income taxes	**695.1**	**1.4**	**696.5**	585.2	37.1	622.3
Income tax expense	**127.1**	**1.4**	**128.5**	74.9	37.1	112.0
Net income	**568.0**	**—**	**568.0**	510.3	—	510.3
Preferred stock dividends of subsidiary	**0.3**	**—**	**0.3**	0.3	—	0.3
Net (income) loss attributed to noncontrolling interests	**(1.8)**	**—**	**(1.8)**	0.1	—	0.1
Net income attributed to common shareholders	**$ 565.9**	**$ —**	**$ 565.9**	$ 510.1	$ —	$ 510.1
Effective tax rate	**18.3 %**		**18.4 %**	12.8 %		18.0 %

Summary of Regulated Operation and Maintenance Expense

Wisconsin Segment

	Three Months Ended March 31		
(in millions)	**2022**	**2021**	**B (W)**
Operation and maintenance not included in the line items below	**$ 146.7**	$ 147.3	$ 0.6
Transmission [1]	**107.9**	127.7	19.8
Regulatory amortizations and other pass through expenses [2]	**35.8**	37.5	1.7
We Power [3]	**27.6**	29.4	1.8
Earnings sharing mechanisms [4]	**(5.4)**	—	5.4
Total other operation and maintenance	**$ 312.6**	$ 341.9	$ 29.3

(1) 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 first quarter of 2022 and 2021, $126.5 million and $130.6 million, respectively, of costs were billed to our electric utilities by transmission providers.

During the first quarter of 2022, WE and WPS amortized $20.2 million of the regulatory liabilities associated with their transmission escrows to offset certain 2022 revenue deficiencies, as approved by the PSCW in order to forego filing for a 2022 base rate increase. This amortization drove the decrease in transmission expense in the first quarter of 2022, compared with the same quarter in 2021. See Note 26, Regulatory Environment, in our 2021 Annual Report on Form 10-K for additional information on 2022 Wisconsin base rates.

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

(3) 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 March 31, 2022 and 2021, $24.8 million and $25.9 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

(4) Represents amortization of a certain portion of WPS's regulatory liability associated with its 2020 earnings sharing mechanism to offset certain 2022 revenue deficiencies, as approved by the PSCW in order to forego filing for a 2022 base rate increase. See Note 26, Regulatory Environment, in our 2021 Annual Report on Form 10-K for additional information on 2022 Wisconsin base rates.

Illinois Segment

	Three Months Ended March 31		
(in millions)	**2022**	**2021**	**B (W)**
Operation and maintenance not included in the line items below	**$ 70.5**	$ 66.8	$ (3.7)
Riders [1]	**43.5**	43.1	(0.4)
Regulatory amortizations [1]	**(0.4)**	(0.6)	(0.2)
Total other operation and maintenance	**$ 113.6**	$ 109.3	$ (4.3)

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

Other States Segment

	Three Months Ended March 31		
(in millions)	**2022**	**2021**	**B (W)**
Operation and maintenance not included in line item below	**$ 17.4**	$ 16.1	$ (1.3)
Regulatory amortizations and other pass through expenses [1]	**7.2**	7.1	(0.1)
Total other operation and maintenance	**$ 24.6**	$ 23.2	$ (1.4)

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

FIRST QUARTER 2022 AND 2021 WEATHER AND VOLUMES Weather — Degree Days	2022	2021	Change
Wisconsin Gas and Wisconsin Electric [1]			
Heating (3,267 Normal)	**3,325**	3,120	6.6 %
Wisconsin Public Service [2]			
Heating (3,647 Normal)	**3,843**	3,482	10.4 %
Upper Michigan Energy Resources [3]			
Heating (3,960 Normal)	**4,339**	3,790	14.5 %
Peoples Gas and North Shore Gas [4]			
Heating (3,111 Normal)	**3,209**	3,003	6.9 %
Minnesota Energy Resources [5]			
Heating (3,958 Normal)	**4,312**	3,785	13.9 %
Michigan Gas [5]			
Heating (3,156 Normal)	**3,234**	3,014	7.3 %

[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 – FIRST QUARTER	MWh		
(in thousands)	2022	2021	Change
Customer class			
Residential	**2,844.0**	2,808.8	1.3 %
Small commercial and industrial [1]	**3,205.6**	3,087.1	3.8 %
Large commercial and industrial [1]	**2,982.1**	2,981.9	— %
Other	**40.2**	43.9	(8.4)%
Total retail [1]	**9,071.9**	8,921.7	1.7 %
Wholesale	**718.5**	730.3	(1.6)%
Resale	**1,238.8**	1,937.5	(36.1)%
Total MWh sales [1]	**11,029.2**	11,589.5	(4.8)%

[1] Includes distribution sales for customers who purchased power from an alternative electric supplier in Michigan.

GAS UTILITY OPERATIONS – FIRST QUARTER	Therms											
	2022				2021				Change			
(in millions)	Wisconsin	Illinois	Other States	Total	Wisconsin	Illinois	Other States	Total	Wisconsin	Illinois	Other States	Total
Customer class												
Residential	**565.3**	**429.8**	**172.0**	**1,167.1**	515.5	411.9	149.0	1,076.4	9.7 %	4.3 %	15.4 %	8.4 %
Commercial/industrial	**346.2**	**172.9**	**103.0**	**622.1**	303.0	160.0	85.7	548.7	14.3 %	8.1 %	20.2 %	13.4 %
Total retail	**911.5**	**602.7**	**275.0**	**1,789.2**	818.5	571.9	234.7	1,625.1	11.4 %	5.4 %	17.2 %	10.1 %
Transportation	**446.6**	**358.7**	**261.0**	**1,066.3**	427.3	330.8	234.2	992.3	4.5 %	8.4 %	11.4 %	7.5 %
Total therms sold	**1,358.1**	**961.4**	**536.0**	**2,855.5**	1,245.8	902.7	468.9	2,617.4	9.0 %	6.5 %	14.3 %	9.1 %

RETAIL ELECTRIC SALES VOLUME INFORMATION
FIRST QUARTER

DELIVERED ELECTRIC VOLUMES – TOTAL WISCONSIN SEGMENT	Three Months Ended March 31		Annual
	2022 Actual vs. 2021 Actual	2022 Normalized vs. 2021 Normalized [1]	2022 Forecast vs. 2021 Normalized [1], [2]
Residential	1.3 %	(1.4)%	(0.9)%
Small commercial/industrial	3.8 %	2.1 %	0.4 %
Large commercial/industrial (ex. mine)	1.4 %	1.4 %	1.9 %
Total large commercial/industrial	— %	— %	1.8 %
Total retail sales volumes	1.7 %	0.2 %	0.5 %
Total retail sales volumes (ex. mine)	2.2 %	0.7 %	0.5 %

RETAIL NATURAL GAS SALES VOLUME INFORMATION
FIRST QUARTER

DELIVERED NATURAL GAS VOLUMES – TOTAL WISCONSIN SEGMENT	Three Months Ended March 31		Annual
	2022 Actual vs. 2021 Actual	2022 Normalized vs. 2021 Normalized [1]	2022 Forecast vs. 2021 Normalized [1], [2]
Residential	9.7 %	1.6 %	— %
Total commercial/industrial	14.3 %	6.8 %	0.5 %
Total retail sales volumes	11.4 %	3.5 %	0.4 %
Transport (w/o power generation)	5.3 %	3.7 %	0.5 %
Total sales volumes (w/o power generation)	9.3 %	3.6 %	0.5 %

(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
THREE MONTHS ENDED MARCH 31, 2022 AND 2021

EBIT and EBITDA	**2022**	**2021**
(in millions)	**Actual**	**Actual**
Net income attributed to common shareholders	**$ 565.9**	$ 510.1
Income tax expense	**127.1**	74.9
Interest expense	**117.6**	119.5
EBIT	**810.6**	704.5
Depreciation and amortization	**278.1**	261.4
EBITDA	**$ 1,088.7**	$ 965.9

Capitalization Structure	**March 31, 2022**	
(in millions)	**Actual**	**Adjusted** [1]
Common shareholders' equity	**$ 11,243.2**	$ 11,493.2
Preferred stock of subsidiary	**30.4**	30.4
Long-term debt (including current portion)	**13,677.7**	13,427.7
Short-term debt	**1,450.0**	1,450.0
Total capitalization	**$ 26,401.3**	$ 26,401.3
Total debt	**$ 15,127.7**	$ 14,877.7
Ratio of debt to total capitalization	**57.3 %**	56.4 %

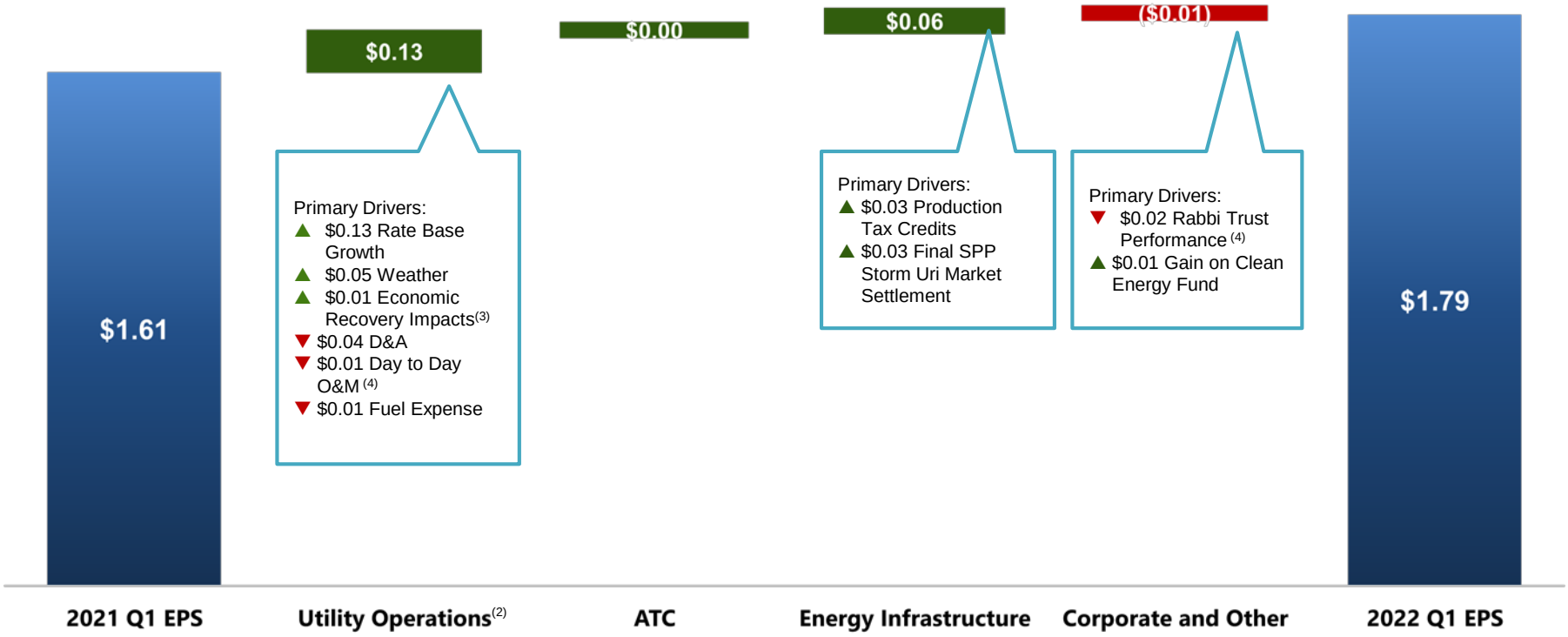
Capitalization Structure	**December 31, 2021**	
(in millions)	**Actual**	**Adjusted** [1]
Common shareholders' equity	**$ 10,913.2**	$ 11,163.2
Preferred stock of subsidiary	**30.4**	30.4
Long-term debt (including current portion)	**13,693.1**	13,443.1
Short-term debt	**1,897.0**	1,897.0
Total capitalization	**$ 26,533.7**	$ 26,533.7
Total debt	**$ 15,590.1**	$ 15,340.1
Ratio of debt to total capitalization	**58.8 %**	57.8 %

(1) Included in long-term debt on our Consolidated Balance Sheets as of March 31, 2022 and December 31, 2021, 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 shareholders' equity and $250.0 million to long-term debt, similar to how the majority of rating agencies treat them.

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	A3	A
Commercial paper	A-1	P-2	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-

Quarterly EPS Earnings Drivers[1]



(1) All amounts (other than actual quarter-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 (+$0.10), Illinois (+$0.01), and Other States (+$0.02) segments.
(3) Represents the impact of weather-normalized sales volumes.
(4) Lower O&M expense related to deferred compensation liabilities at the utilities substantially offsets lower Rabbi Trust performance.

Wisconsin Rate Review Proposals

- Wisconsin Electric, Wisconsin Gas and Wisconsin Public Service filed applications with the PSCW on April 28, 2022.
- The request — which includes millions of dollars in savings from the closure of older, less-efficient fossil fuel plants — is only the second time in eight years We Energies has asked for a base rate increase and only the third time in eight years WPS has asked for a base rate increase.
- Average residential customer bills would remain below the national average and in line with the Midwest average.

Revenue Increase Summary	2023
Wisconsin Electric	
Electric*	8.4%
Natural Gas	10.7%
Wisconsin Gas	
Natural Gas	8.3%
Wisconsin Public Service	
Electric*	6.2%
Natural Gas	8.3%

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

With a limited reopener in 2024

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

Key Rate Review Drivers
Wisconsin Electric and Wisconsin Public Service

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

Note: This and the next slide are subject to the forward looking disclaimer contained in the release that is part of this earnings package.

Wisconsin Rate Review Proposals

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