

Focused on Performance

Investor Update: **February 2020**

Best in the U.S. in Large Customer Satisfaction
WEC Energy Group
JD Power - Top 2 Box

Most reliable utility in the Midwest
We Energies
PA Consulting

Outstanding Midsize Utility
Wisconsin Public Service
PA Consulting

One of America's Best Employers for Diversity for 2019
WEC Energy Group
Forbes

Cautionary Statement Regarding Forward-Looking Information

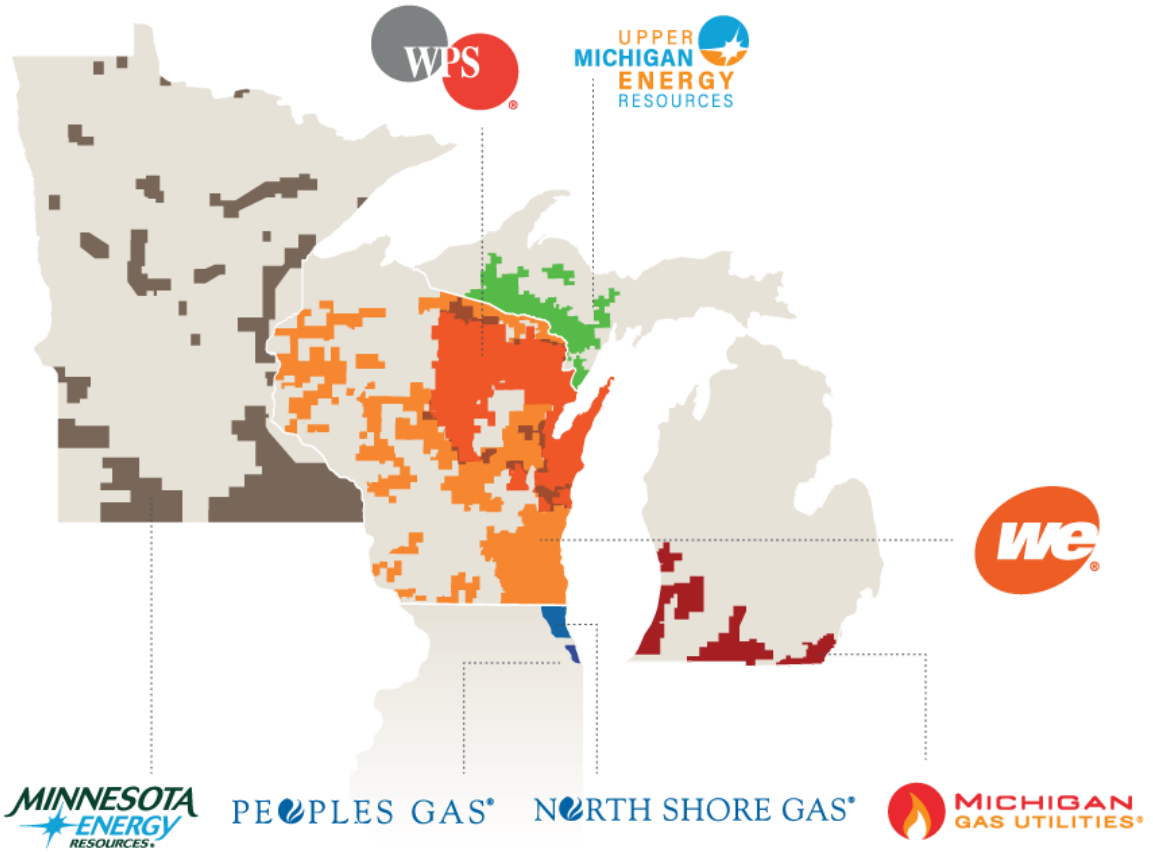
Much of the information contained in this presentation is forward-looking information based upon management's current expectations and projections that involve risks and uncertainties. Forward-looking information includes, among other things, information concerning earnings per share, rate case activity, earnings per share growth, cash flow, sources of revenue, dividend growth and dividend payout ratios, capital plans, construction costs, investment opportunities, corporate initiatives (including any generation reshaping plan), rate base, and environmental matters (including emission reductions). Readers are cautioned not to place undue reliance on this forward-looking information. Forward-looking information is not a guarantee of future performance and actual results may differ materially from those set forth in the forward-looking information.

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 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; 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, proceedings or inquiries; 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 WEC Energy Group's Form 10-K for the year ended December 31, 2018, and in subsequent reports filed with the Securities and Exchange Commission. WEC Energy Group expressly disclaims any obligation to publicly update or revise any forward-looking information.

WEC Energy Group

Company Statistics

- **$31.5** billion market cap*
- **1.6** million electric customers
- **2.9** million natural gas customers
- **60%** ownership of American Transmission Company
- **70,600** miles of electric distribution
- **49,500** miles of gas distribution
- **$35.0** billion of assets
- **9th** largest natural gas distribution utility in U.S. based on customers
- **9th** largest publicly traded utility in U.S. measured by market value*



* As of 1/31/2020

WEC Energy Group

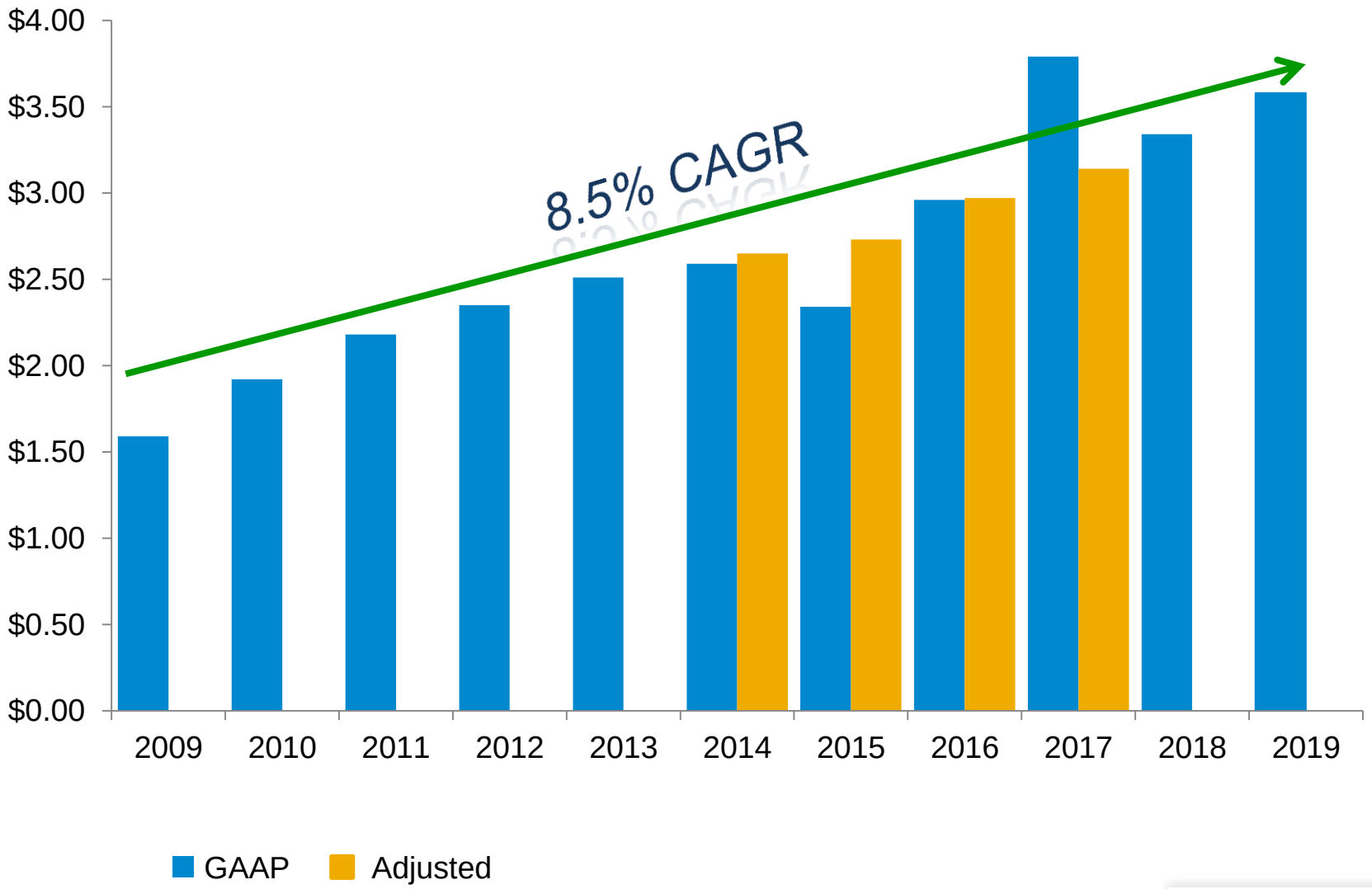
"Delivering reliable, affordable energy to our customers. Reducing greenhouse gas emissions. Building and maintaining safe, resilient infrastructure. These imperatives continue to drive our decision-making, and the results are clear."

- Gale Klappa, WEC Energy Group Executive Chairman

2019 Best CEO – Electricity and Natural Gas Industry
Gale Klappa
Business Worldwide Magazine


What’s New?

A Decade of EPS Growth



Proven Track Record of Performance



The <u>only</u> utility to beat guidance every year for 16 years running

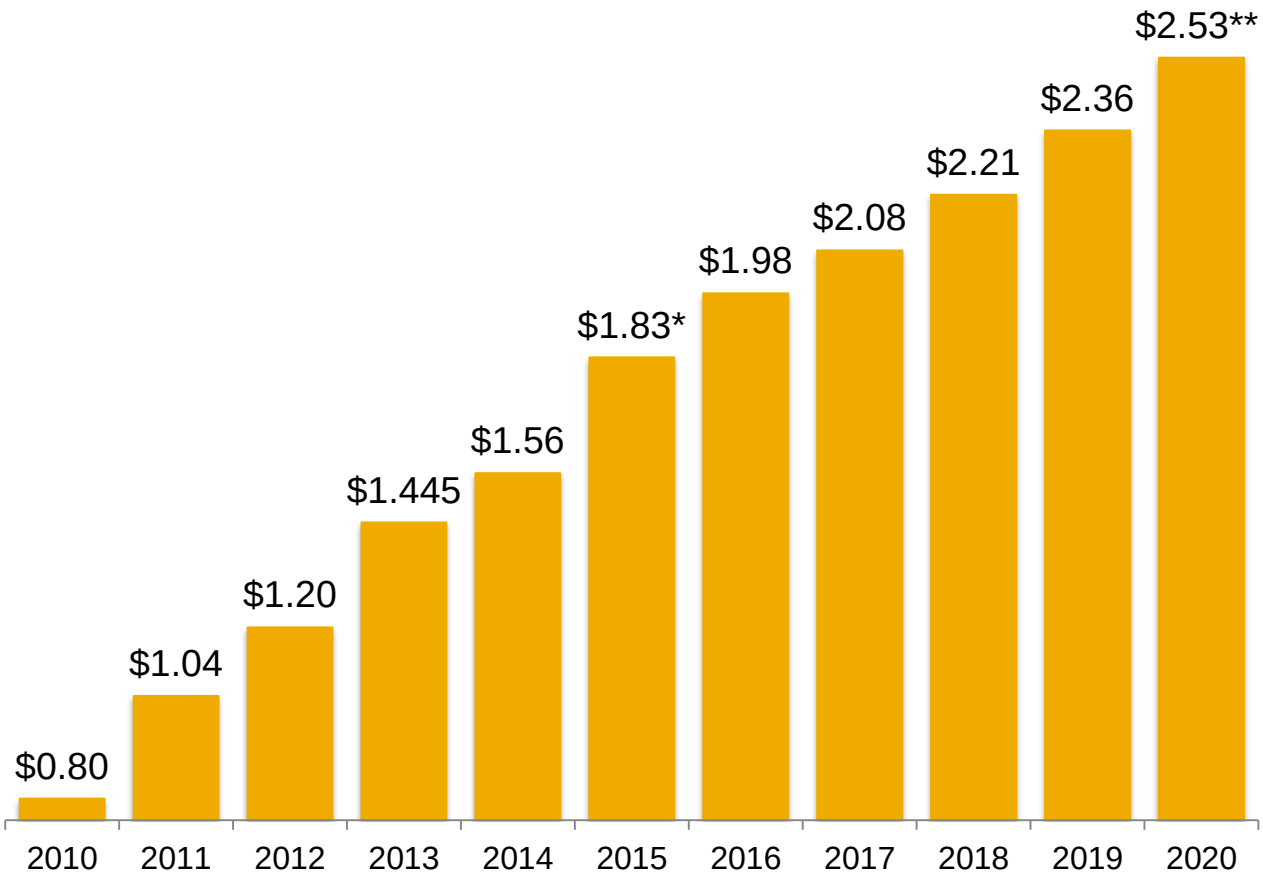
EPS Guidance		
2019	***Exceeded***	✓
2018	***Exceeded***	✓
2017	***Exceeded***	✓
2016	***Exceeded***	✓
2015	***Exceeded***	✓
2014	***Exceeded***	✓
2013	***Exceeded***	✓
2012	***Exceeded***	✓
2011	***Exceeded***	✓
2010	***Exceeded***	✓
2009	***Exceeded***	✓
2008	***Exceeded***	✓
2007	***Exceeded***	✓
2006	***Exceeded***	✓
2005	***Exceeded***	✓
2004	***Exceeded***	✓

Solid Dividend Growth Continues

In January, raised the dividend by **7.2%** to a new annual rate of **$2.53** per share

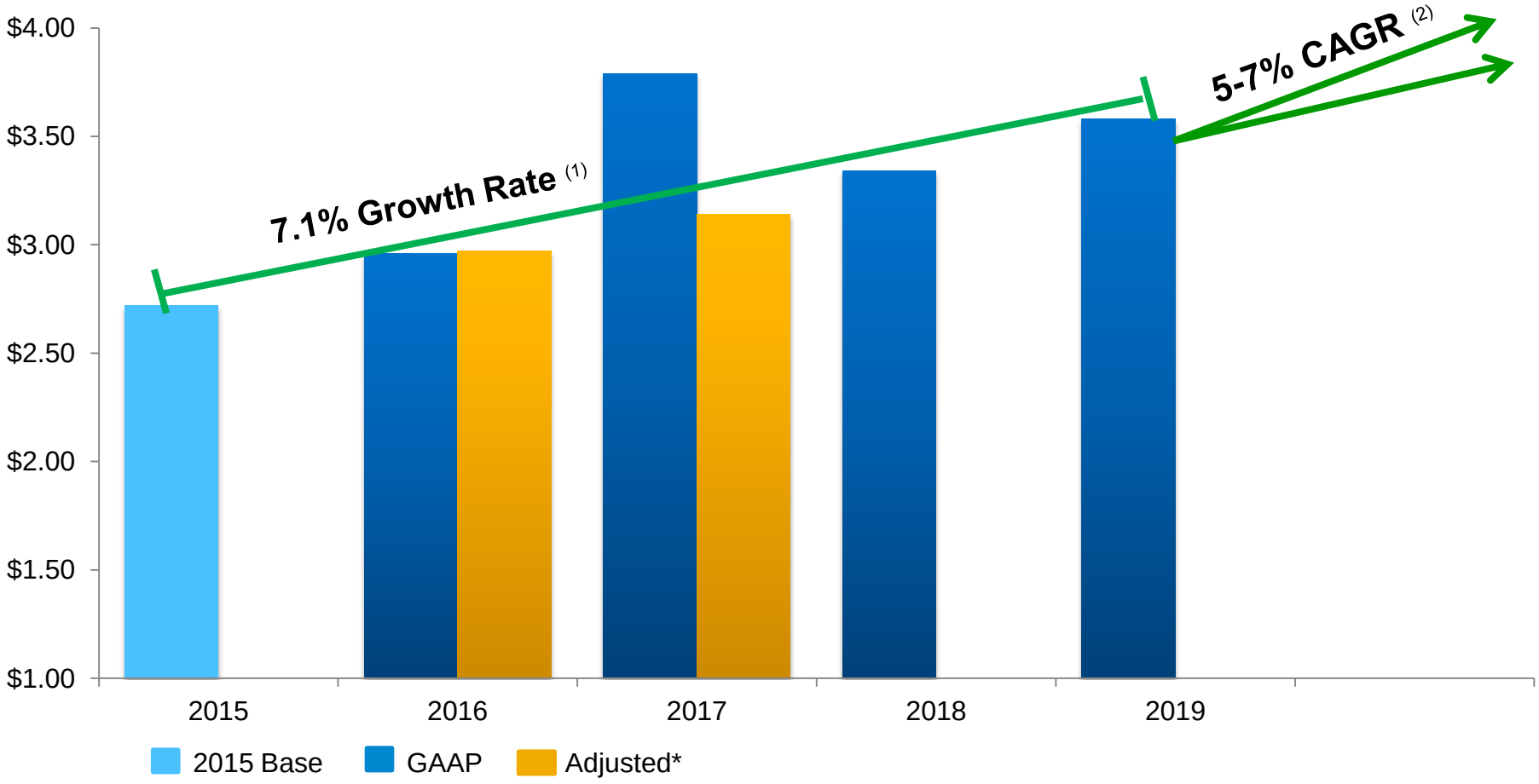
Targeting dividend payout of **65-70%** of earnings

Projecting dividend growth in line with earnings growth



*Annualized based on 4th quarter 2015 dividend of $0.4575
**Annualized based on 1st quarter 2020 dividend of $0.6325

Confident in Achieving Our EPS Growth Guidance



*See Appendix for reconciliation of adjusted amounts to GAAP amounts

(1) 7.1% annual average growth rate calculated from 2015 base of $2.72 per share
(2) Based on original 2019 guidance midpoint of $3.50 per share

Infrastructure Investment

Blooming Grove Wind Farm

94 GE wind turbines with a capacity of ~250MW



- Under development by Invenergy and located in McLean County, Illinois
- Expected total investment: $345 million for an 80% ownership interest
- Expected returns are higher than those in our regulated business
  - Approximately mid-8% unlevered internal rate of return
- Expected to qualify for 100% bonus depreciation and production tax credits
- 12-year offtake agreements for all the energy produced with affiliates of two investment grade multinational companies
- Projected in service date: End of 2020

In 2019, met and exceeded our 2030 goal of reducing carbon emissions by 40% below 2005 levels

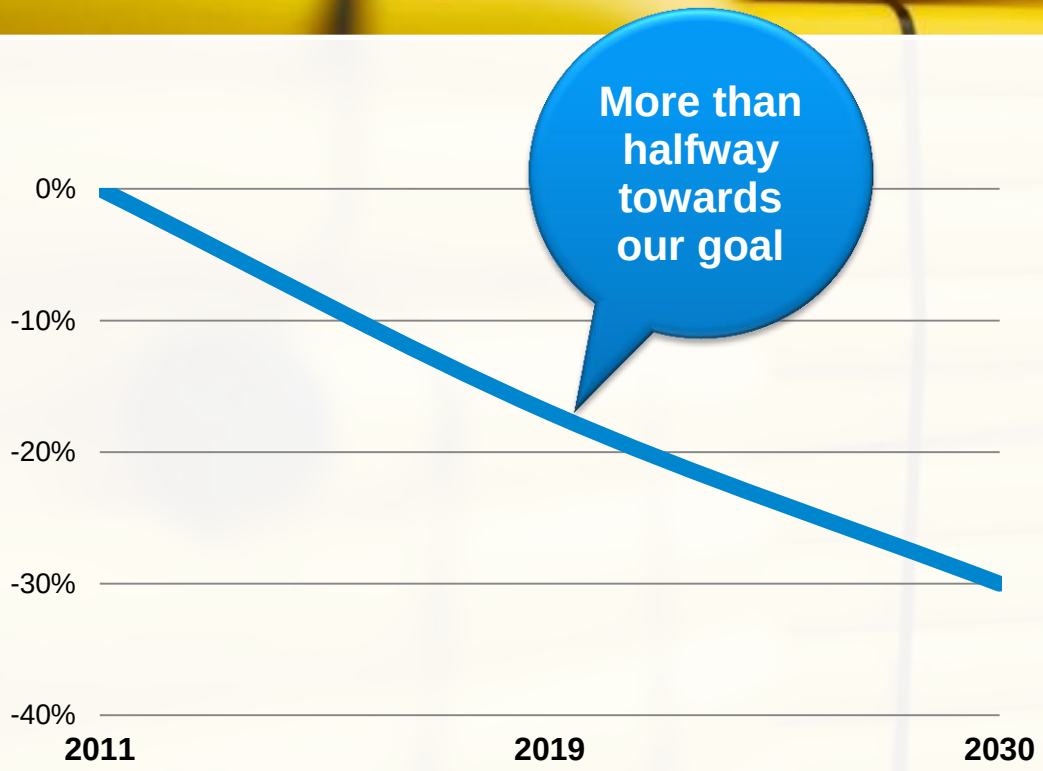


Progress driven by generation reshaping plan

Retired 40% of our coal generation since 2014

Given our progress, we are evaluating our longer-term carbon reduction goals

Methane Reduction Goal



Reduction Goal:*

30%

by the year 2030
from a 2011 baseline

*This goal represents a decrease in the rate of methane emissions from the natural gas distribution lines in our network of 30% per mile by the year 2030 from a 2011 baseline.

WEC Energy Group

Environmental, Social & Governance Focus

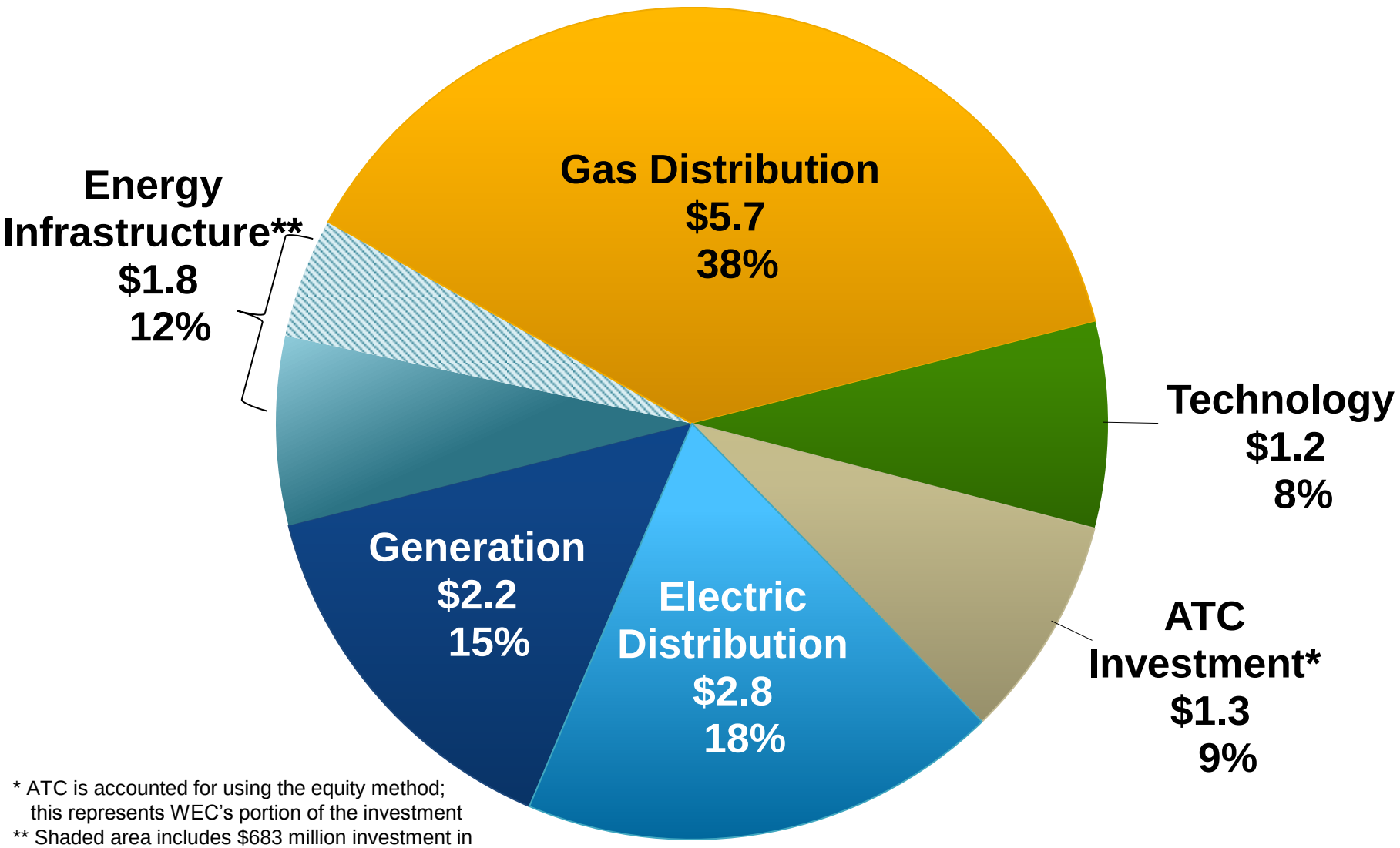
Carbon Goal	In 2019, met and exceeded our 2030 goal of reducing carbon dioxide emissions by **40%** below 2005 levels, and given our progress, we are evaluating our longer-term carbon reduction goals.
Methane Reduction Goal	Reduce the rate of methane emissions by 30% per mile from a 2011 baseline by 2030
15.7 million metric tons	Amount of combustion products for beneficial use provided over the past 19 years
$0.9 billion	Planned utility renewable investments between 2020-2024
$1.3 billion	Committed investment in wind energy infrastructure between 2018-2020
$20 million	Donated by our companies and foundations to nonprofit organizations in 2019
43% diversity	Board of directors who are diverse based on gender and/or race
$282.6 million	Spent with certified minority-, women-, service disabled- and veteran-owned businesses in 2019
$124.4 million	Spent on energy efficiency and conservation in 2019

Five-Year Capital Plan



2020-2024 Capital Plan *($ in billions)*

Total of $15.0 billion



* ATC is accounted for using the equity method; this represents WEC's portion of the investment

** Shaded area includes $683 million investment in Thunderhead Wind Energy Center ($338M) and Blooming Grove ($345M)

Greater Opportunities in Natural Gas and Energy Infrastructure

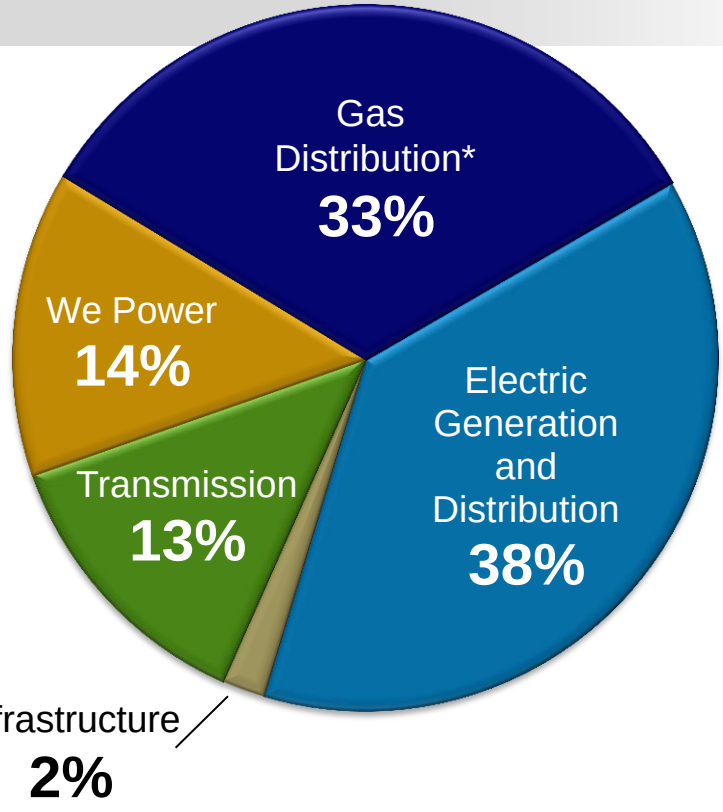
Average Asset Base
12/31/2019

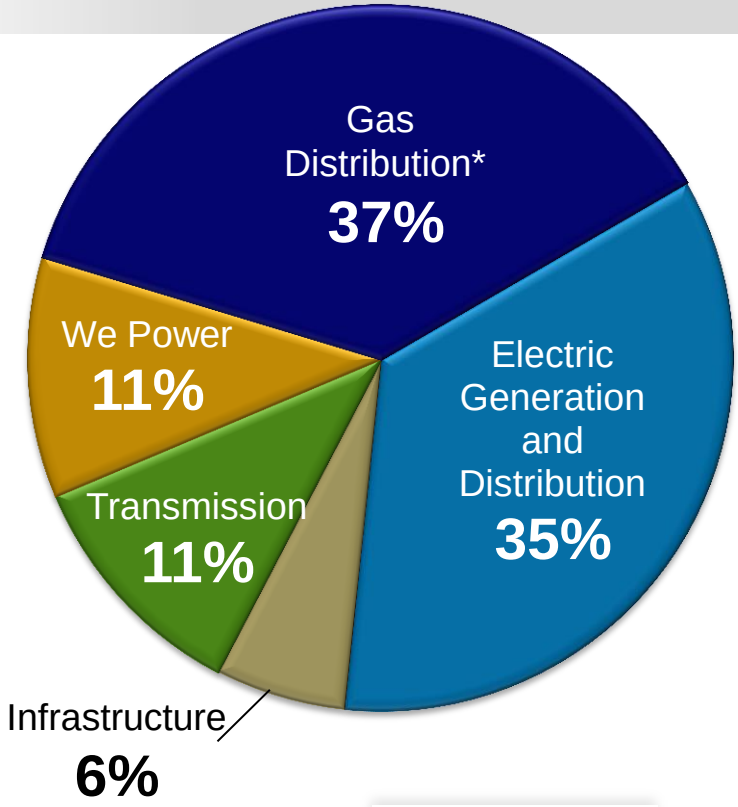
$21.4 billion

7%
Growth

Projected Asset Base
12/31/2024

$30.2 billion





* Includes Bluewater Gas Storage

New Liquefied Natural Gas (LNG) Facilities

Taking steps to maintain reliable and affordable service for our customers

These LNG facilities provide a solution for Southeastern Wisconsin to meet peak customer demand on the coldest days of the year



- We Energies is seeking approval for two LNG facilities to address the need for additional natural gas supply in Wisconsin
- Total expected investment: $370 million
- If approved, construction is expected to begin summer of 2021
- Targeted in-service date: Late 2023

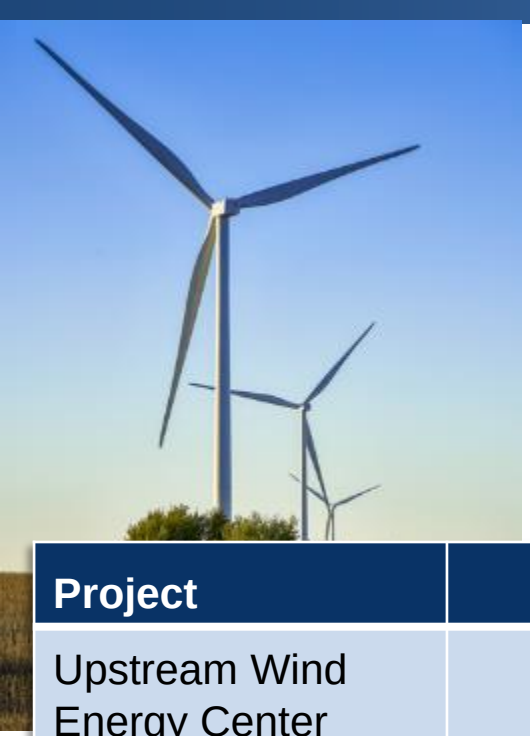
Investing in Zero-Carbon Generation



- Solar generation technology has improved in efficiency, become more cost-effective and complements our summer demand curve.
- Wisconsin Electric, Wisconsin Public Service and Madison Gas & Electric are partnering on major solar initiatives.
- In addition, Wisconsin Electric is moving forward on two innovative renewable pilot programs for 185 MW of carbon-free generation.

Project	Utility	Location	Investment	Capacity**	Estimated Completion
Badger Hollow Solar Park	WPS	Iowa County, WI	$130M	100MW	2020
Two Creeks Solar Project	WPS	Two Rivers, WI	$130M	100MW	2020
Badger Hollow II Solar Park*	WE	Iowa County, WI	$130M	100MW	2021

*Filed for PSCW approval on August 1, 2019
**Madison Gas & Electric will own an additional 50 MW at each site



Infrastructure Portfolio Investments

- Expected to provide returns that are higher than those in our regulated business
  - 8%+ unlevered internal rate of return
- Expected to qualify for 100% bonus depreciation and production tax credits

Project	Investment	Offtake Agreement	Capacity
Upstream Wind Energy Center	$276M for 80% ownership	Affiliate of Allianz – 10-yrs	~200MW
Bishop Hill III Wind Energy Center	$166M for 90% ownership	WPPI Energy – 22-yrs	~132MW
Coyote Ridge Wind Farm	$145M for 80% ownership and 99% of tax benefits	Google Energy – 12-yrs	~97MW
Thunderhead Wind Energy Center*	$338M projected for 80% ownership	AT&T – 12-yrs	~300MW
Blooming Grove Wind Farm*	$345M projected for 80% ownership	Two investment grade multinational companies – 12-years	~250MW

*Closing projected at the end of 2020

Electric and Gas Rate Case Settlements

We Energies & Wisconsin Public Service

- PSCW approved the rate settlements in a final written order on December 19
- Authorized return on equity:
  - Wisconsin Electric – 10.0%
  - Wisconsin Gas – 10.2%
  - Wisconsin Public Service – 10.0%
- Capital structure equity component at all three utilities: 50.0% – 55.0%
  - Rates set using 52.5%
- Updated earnings sharing mechanism:

WE & WPS	WG	Treatment
10.00% – 10.25%	10.20% – 10.45%	No sharing
10.25% – 10.75%	10.45% – 10.95%	50/50 sharing
>10.75%	>10.95%	100% customer

- Wisconsin Electric will seek a financing order to securitize $100 million of the remaining book balance of the Pleasant Prairie Power Plant
- New rates were effective January 1, 2020

Regional Economy



Powering Industry Leaders in our Region



















Wisconsin Segment

Longer-Term Sales Forecast Benefits from Regional Economic Growth



Sales Growth Forecast

(weather-normalized)

Year-over-Year

	2022 - 2024
Electric	1.2% - 1.5%
Gas	1.2% - 1.5%



Key Takeaways for WEC Energy Group

- Track record of exceptional performance
- Portfolio of premium businesses
- Investment opportunities support 5-7 percent EPS growth with minimal impact on base rates
- 100 percent of capital allocated to regulated businesses or contracted renewables/gas storage
- Dividend growth projected to be in line with earnings growth
- No need to issue additional equity through forecast period
- Poised to deliver among the best risk-adjusted returns in the industry

Appendix

WEC Energy Group

Office of the Chair

"Working together as a team, we will leverage the strengths of each individual as we write the next chapter of the company's growth, development and service to our customers."

- Gale Klappa, Executive Chairman
  WEC Energy Group



Gale Klappa
Executive Chairman



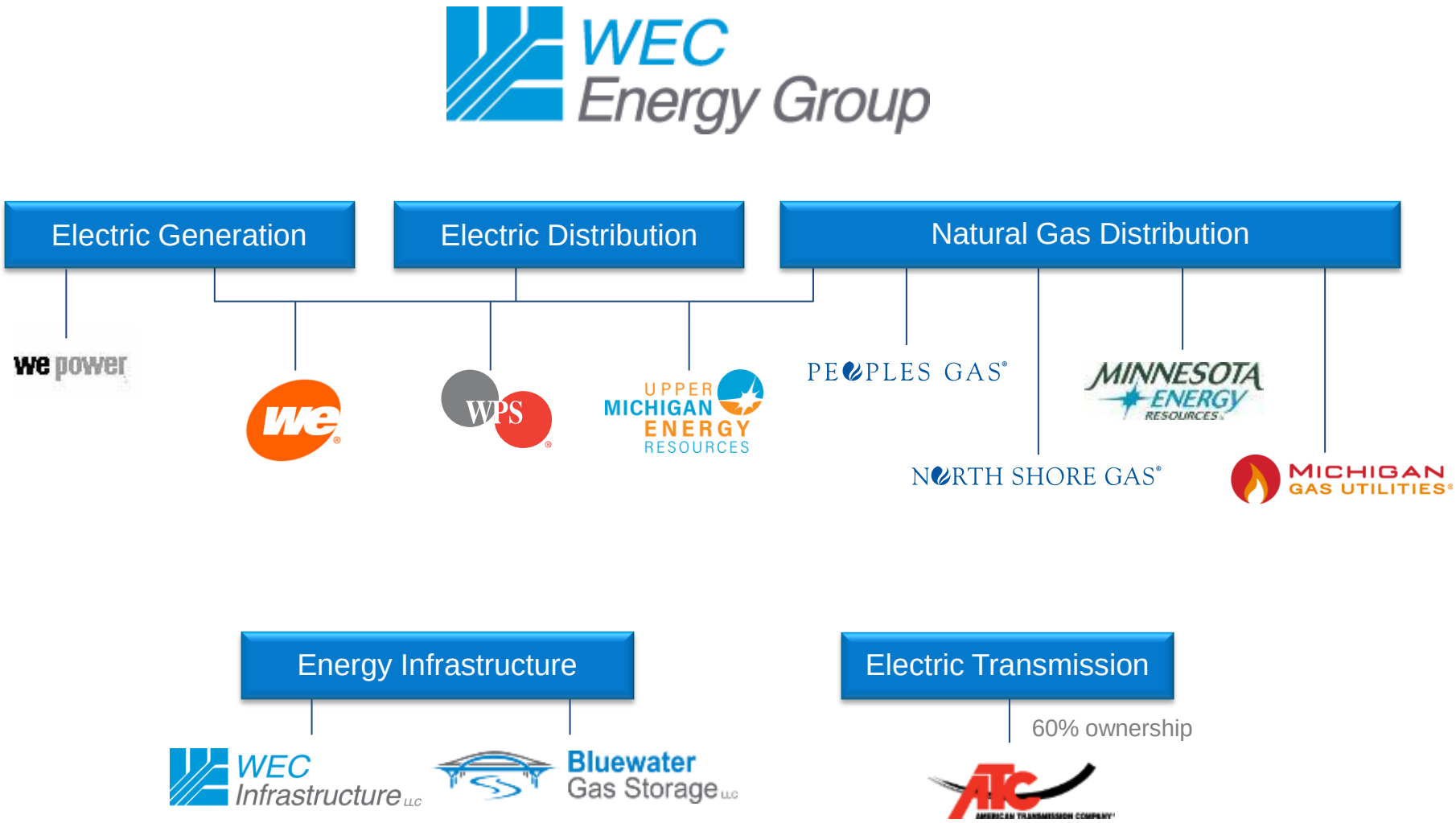
Rick Kuester
Senior Executive
Vice President



Kevin Fletcher
President and CEO



Scott Lauber
Senior Executive Vice President
and Chief Financial Officer


WEC Energy Group
Electric Generation
Electric Distribution
Natural Gas Distribution
we power
We
WPS
UPPER MICHIGAN ENERGY RESOURCES
PEOPLES GAS
NORTH SHORE GAS
MINNESOTA ENERGY RESOURCES
MICHIGAN GAS UTILITIES
Energy Infrastructure
Electric Transmission
WEC Infrastructure LLC
Bluewater Gas Storage LLC
60% ownership
ATC
AMERICAN TRANSMISSION COMPANY

Infrastructure Investment

Thunderhead Wind Energy Center

108 GE wind turbines with a capacity of ~300MW

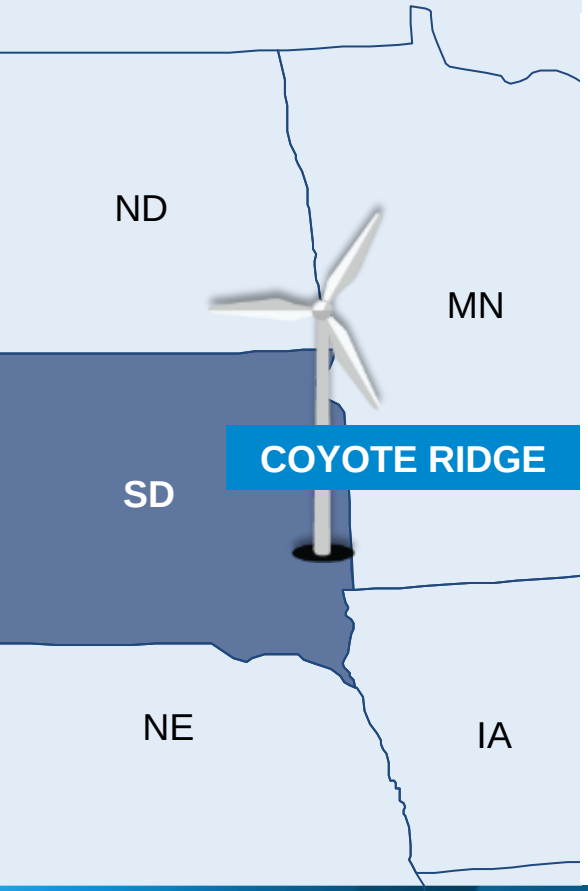


- Under development by Invenergy and located in Antelope and Wheeler Counties, Nebraska
- Expected total investment: $338 million for an 80% ownership interest
- Expected returns are higher than those in our regulated business
  - Approximately mid-8% unlevered internal rate of return
- Expected to qualify for 100% bonus depreciation and production tax credits
- 12-year offtake agreement with AT&T for 100% of the energy produced
- Projected in service date: End of 2020

Infrastructure Investment

Coyote Ridge Wind Farm

39 GE wind turbines with a capacity of ~97 MW



- Built by Avangrid Renewables in Brookings County, South Dakota, within MISO footprint
- Total investment: $145 million for an 80% ownership interest and substantially all of the tax benefits
- Expected returns are higher than those in our regulated business
  - Approximately mid-8% unlevered internal rate of return
- Expected to qualify for 100% bonus depreciation and production tax credits
- 12-year offtake agreement with Google Energy LLC for 100% of the energy produced
- Transaction closed on December 27, 2019 after commercial operation was achieved

Infrastructure Investment

Upstream Wind Energy Center

81 GE wind turbines with a capacity of ~200 MW



- Built by Invenergy and located in Antelope County, Nebraska
- Total investment: $276 million for an 80% ownership interest
- Expected to provide returns that are higher than those in our regulated business
  - Approximately mid-8% unlevered internal rate of return
- Qualifies for 100% bonus depreciation and production tax credits
- 10-year offtake agreement with affiliate of an A-rated publicly traded company (Allianz)
- Transaction closed on January 10, 2019 after commercial operation was achieved

Infrastructure Investment

Bishop Hill III Wind Energy Center

53 GE wind turbines with a capacity of ~132 MW



- Developed by Invenergy and placed into service in May 2018
- Located in Henry County, Illinois
- Total investment: $166 million for a 90% ownership interest
- Expected to provide returns that are higher than those in our regulated business
  - Approximately mid-8% unlevered internal rate of return
- Expected to qualify for 100% bonus depreciation and production tax credits
- 22-year offtake agreement with a current wholesale customer, WPPI Energy
- Acquisition of the initial 80% interest closed on August 31, 2018
- Incremental 10% equity interest closed on December 5, 2018

“Delivering” the Future

Project Highlights



Electric Redesign/ Resilience

- Major investments planned to address aging infrastructure
- Expect to spend $2.8 billion over the next 5 years on electric delivery
- Committed to delivering the future with infrastructure that will enhance efficiencies and reduce operating costs.
- Installing 2,200 miles of underground circuits to replace troublesome overhead lines, and adding distribution automation equipment through our System Modernization and Reliability Project at WPS



Natural Gas System Modernization Program

- Extensive effort to modernize natural gas infrastructure in the city of Chicago for safety and reliability
- Ultimately PGL expected to replace 2,000 miles of piping
- Project $280-300 million annual average investment
- Illinois law authorizes rider through 2023



Technology Enhancements

- Advanced metering program uses integrated system of smart meters to enable two-way communication between utilities and customers
- Upgrading We Energies customer information system
- Project to spend ~ $1.2 billion (2020 – 2024) across four states we serve

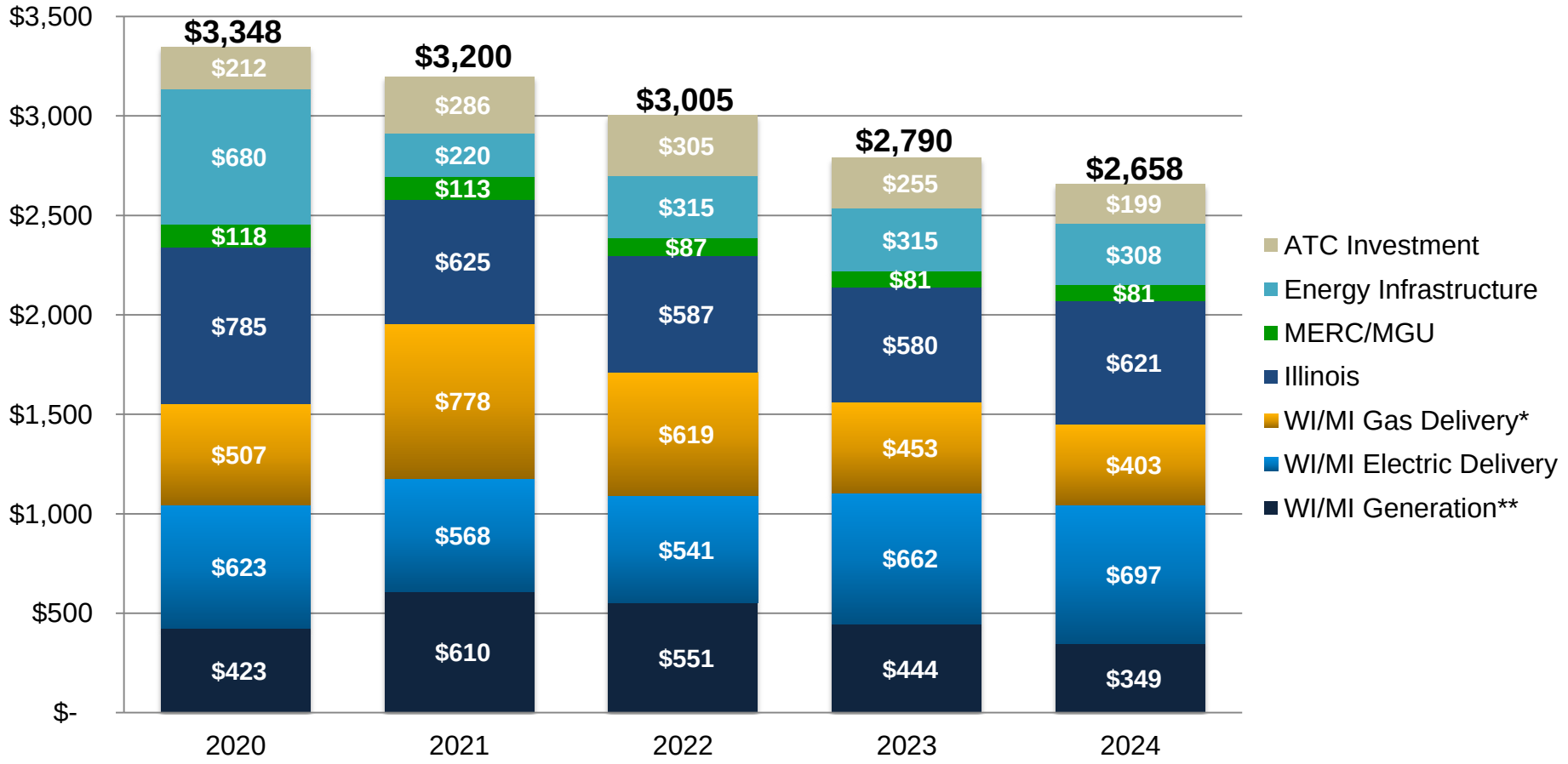
Power the Future Investments

	Natural Gas	Coal
Capacity	1,090 MW	1,030 MW[1]
Investment	$664 million	$2 billion[1]
ROE	12.7%	12.7%
Equity	53%	55%
In Service Dates	Unit 1 – July 2005 Unit 2 – May 2008	Unit 1 – February 2010 Unit 2 – January 2011
Lease Terms	25 years	30 years
Cost Per Unit of Capacity	$609/kW	$1,950/kW

1. All capacity and investment amounts reflect WEC ownership only.
   Demonstrated capacity for the coal units is 1,056 MW – value shown in table is amount guaranteed in lease agreement.

$15.0 billion projected capital spend from 2020-2024

Capital Plan Drives 5% to 7% EPS Growth



Depreciation at the utilities expected to average $1 billion annually, and $127 million at ATC, over the 2020-2024 period

* Gas Delivery includes capital spend at Bluewater
** Generation includes capital spend at We Power

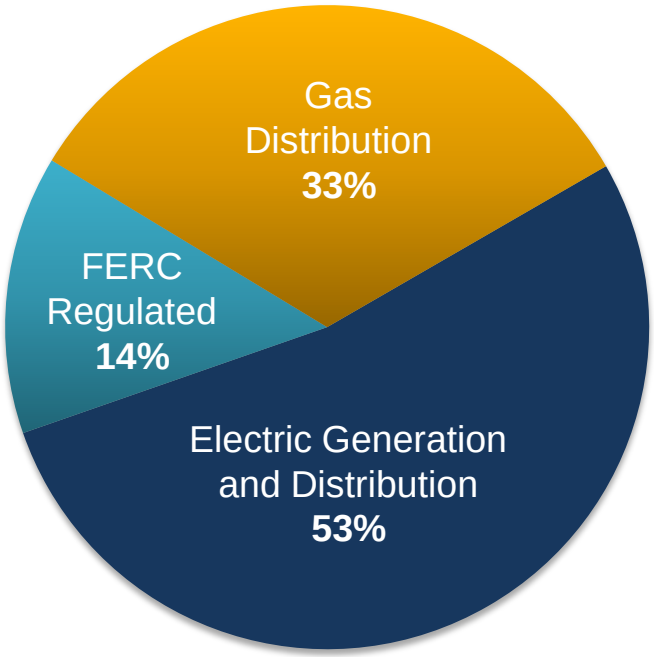
By Company

Capital Plan Projections *($ in millions)*

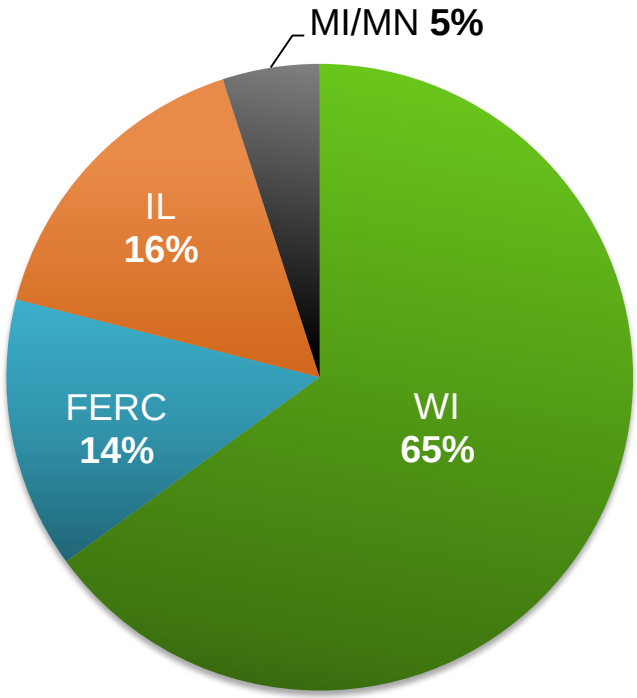
	2020	2021	2022
Wisconsin Electric	$701.9	$1,189.5	$926.7
Wisconsin Gas	184.8	267.7	268.2
Wisconsin Public Service	579.3	405.1	409.1
Upper Michigan Energy Corp	16.0	18.8	26.5
Wisconsin Segment	**1,482.0**	**1,881.1**	**1,630.5**
Peoples Gas	721.0	563.4	523.4
North Shore Gas	58.0	56.0	63.3
Illinois Segment	**779.0**	**619.4**	**586.7**
Minnesota Energy Resources Corp	73.0	56.6	50.4
Michigan Gas Utilities	44.4	55.0	37.0
Other States Segment	**117.4**	**111.6**	**87.4**
WE Power	25.4	40.9	75.8
Infrastructure Investments	707.1	238.8	317.2
Nonutility Energy Infrastructure	**732.5**	**279.7**	**393.0**
Corporate and Other	**24.6**	**22.7**	**2.7**
Total	**$3,135.5**	**$2,914.5**	**$2,700.3**

Diverse Portfolio of Regulated Businesses

By Business



By Jurisdiction



Based on 2019 average asset base.
Excludes wind investments in our Energy Infrastructure segment

Composition of Asset Base

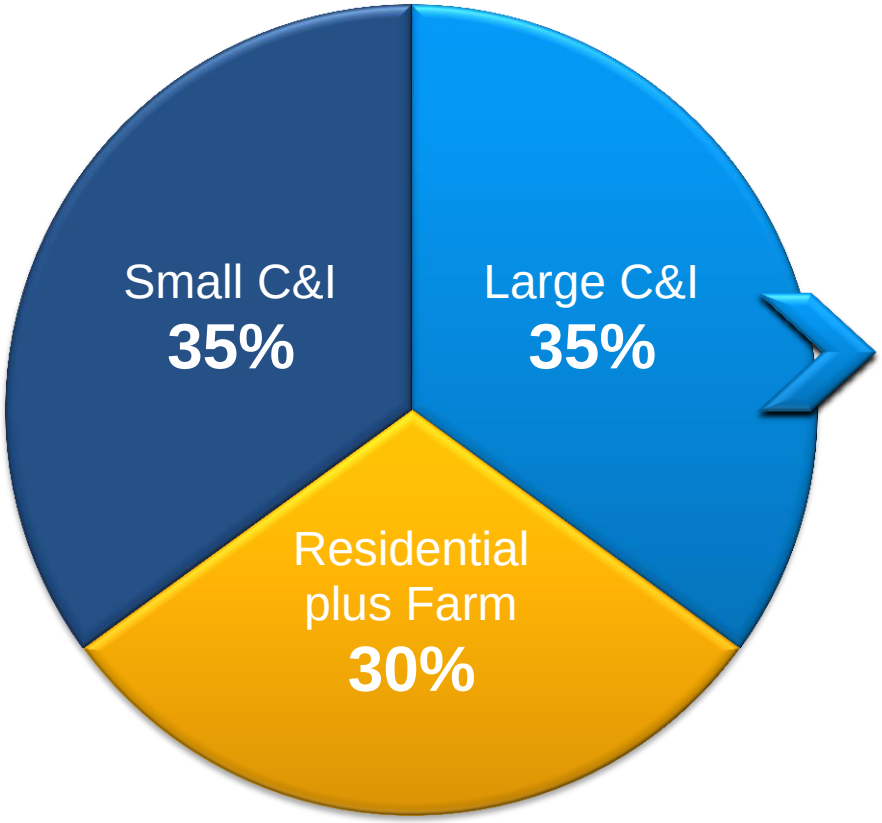
Total 2019 Average Asset Base of $21.4 billion

Company	Asset Base - $B	% of Total
Wisconsin Electric	$6.3	29.4%
Wisconsin Gas	1.5	7.0
Wisconsin Public Service	3.4	15.9
Upper Michigan Energy Resources	0.4	1.9
Peoples Gas	3.0	14.0
North Shore Gas	0.3	1.4
Minnesota Energy Resources	0.3	1.4
Michigan Gas Utilities	0.3	1.4
We Power	3.0	14.0
Bluewater	0.2	1.0
WEC Infrastructure	0.4	1.9
American Transmission Company	2.3	10.7
Total	**$21.4**	**100%**

Note: We Power value represents investment book value

Balanced Sales Mix

2019 Retail MWh Deliveries Mix*

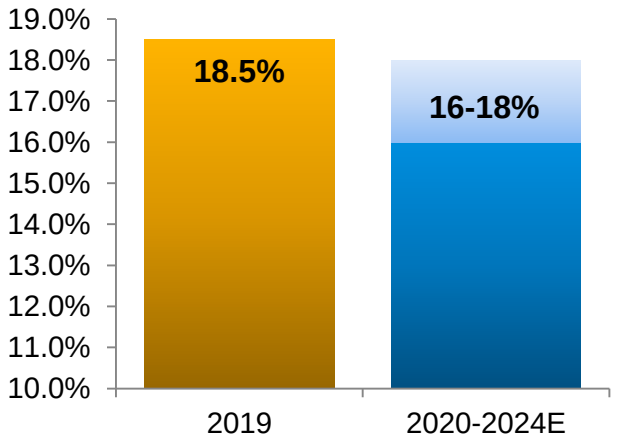


35% Large C&I by Segment	
Paper	23%
Foundry (SIC 33)	11%
Mining/Minerals	11%
Food/Agriculture	9%
Other Manufacturing	8%
Metal (SIC 34,35,37)	7%
Medical	5%
Education	4%
Chemical	4%
Printing	3%
Office	2%
Other	13%

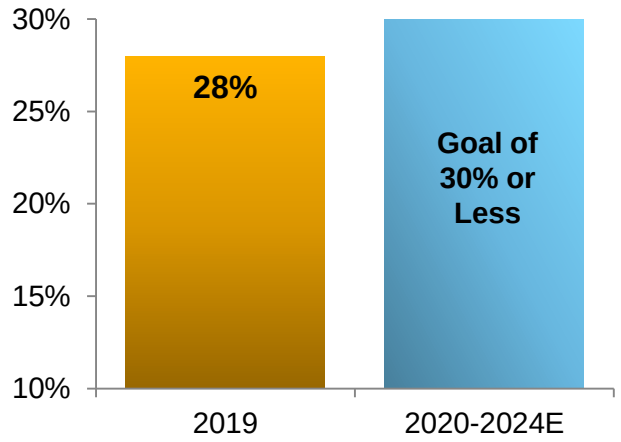
*Wisconsin segment includes Michigan electric and retail choice customers in the Upper Peninsula

Balance Sheet Remains Strong

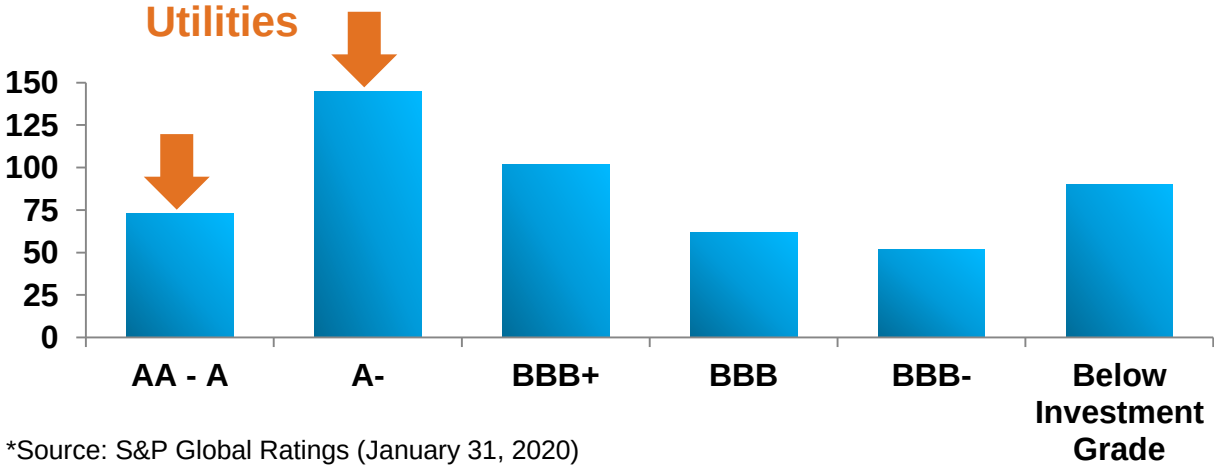
Funds from Operations/Debt



Holding Company Debt to Total Debt



Electric and Gas Utilities Credit Ratings Distribution*



Utility	Rating
Wisconsin Electric	A-
Wisconsin Gas	A
Wisconsin Public Service	A-
Peoples Gas	A-

*Source: S&P Global Ratings (January 31, 2020)

Rate-Making Parameters by Company

Utility	Equity Layer *	Authorized ROE
Wisconsin Electric	50.0%-55.0%	10.0%
Wisconsin Public Service	50.0%-55.0%	10.0%
Wisconsin Gas	50.0%-55.0%	10.2%
Peoples Gas	50.33%	9.05%
North Shore Gas	50.48%	9.05%
Minnesota Energy Resources	50.9%	9.7%
Michigan Gas Utilities	52%	9.9%
We Power	53%-55%	12.7%
American Transmission Company	50%	10.38%

- Constructive regulatory environments
- Earnings sharing mechanism at all Wisconsin utilities

* Represents the equity component of capital; rates are set at the mid-point of any range

Foxconn in Wisconsin

Foxconn announced July 26, 2017, Wisconsin's largest economic development project and largest corporate attraction project in U.S. history, as measured by jobs.

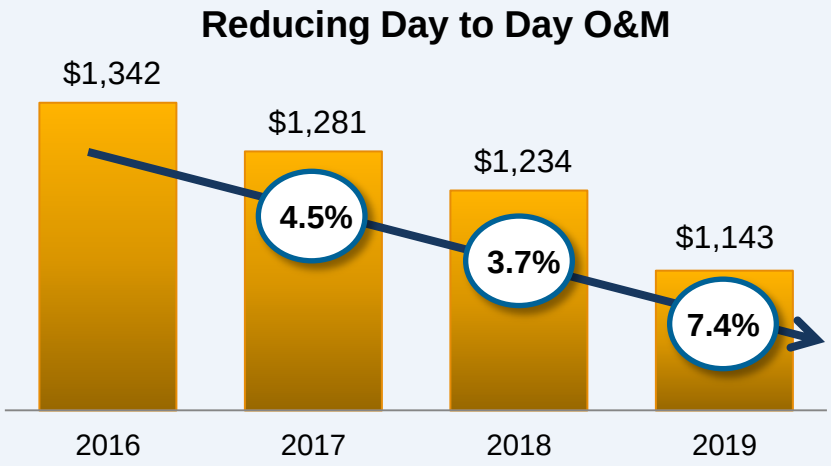


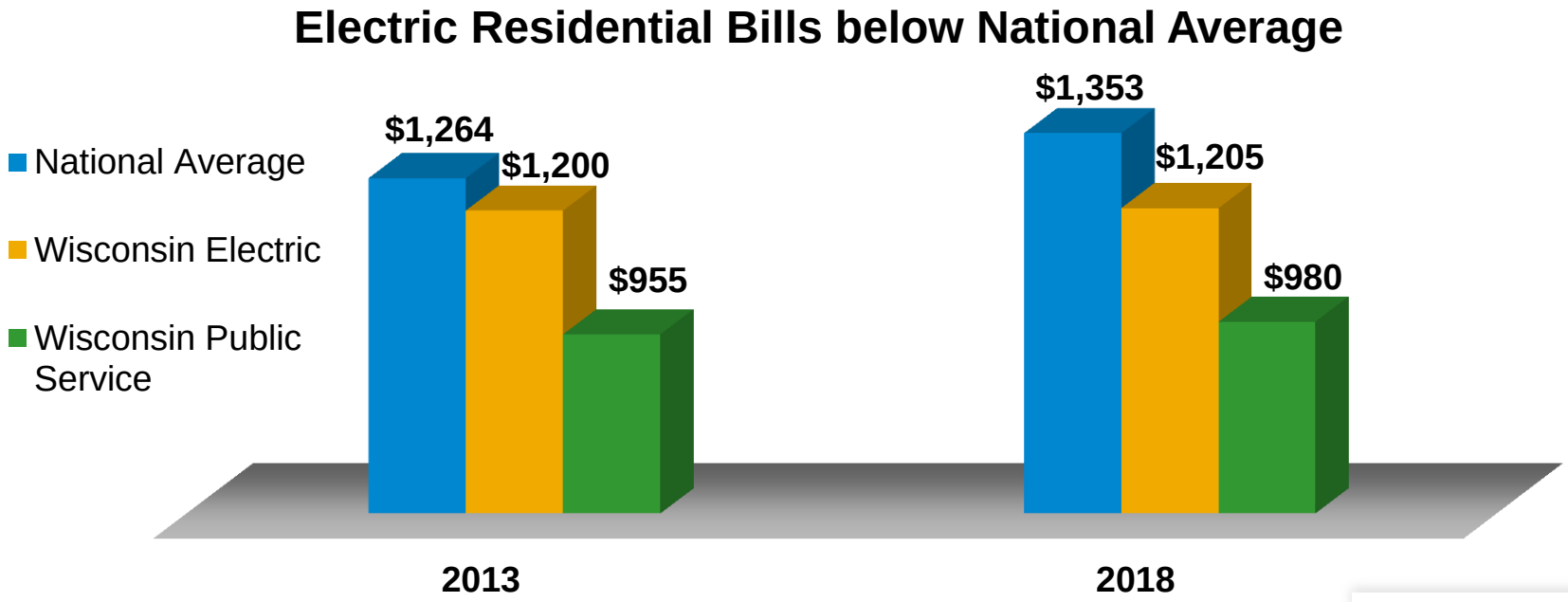
- Expected capital investment by Foxconn of **$10 billion** dollars
- Goal of creating **13,000 jobs**, and an estimated **22,000 indirect jobs** created throughout Wisconsin
- Largest greenfield investment by a foreign-based company in U.S. history as measured by jobs
- One of the largest manufacturing campuses in the world
- Significant construction is underway
- North American headquarters in Milwaukee, and innovation centers in Green Bay, Eau Claire and Racine
- Operations expected to begin in 2020, ramping up through 2023

Source: inWisconsin.com

Focused on Efficiency

- Competitive excellence
- Productivity through technology
- Generation reshaping
- Delivering the future





Source: SNL data for average annual residential bills

Key Rate Making Components

Area	Illinois – Gas	Minnesota – Gas	Michigan– Electric & Gas	Wisconsin – Gas	Wisconsin – Electric
Gas Pipeline Replacement Rider	PGL				
Bad Debt Rider	✓				
Bad Debt Escrow Accounting				WE / WG	WE
Decoupling	✓	✓			
Fuel Cost Recovery	1 for 1 recovery of prudent fuel costs				+/- 2% band
Manufactured Gas Plant Site Clean Up Recovery	✓	✓	✓	✓	N/A
Invested Capital Tax Rider	✓				
Forward-looking test years	✓	✓	✓	2 years	2 years
Gas Utility Infrastructure Cost Rider Surcharge		✓			
Earnings cap/sharing				No sharing on first 25 bp above allowed ROE, 50/50 on next 50bp, 100% to customers beyond 75 bp*	

* Effective January 1, 2020

Regulatory Environment

Wisconsin

- Governor Tony Evers (D)
- Commission
  - Gubernatorial appointment, Senate confirmation
  - Chairman: Gubernatorial appointment
  - 6-year staggered terms

Illinois

- Governor J.B. Pritzker (D)
- Commission
  - Gubernatorial appointment, Senate confirmation
  - Chairman: Gubernatorial appointment
  - 5-year staggered terms

Wisconsin Commissioners

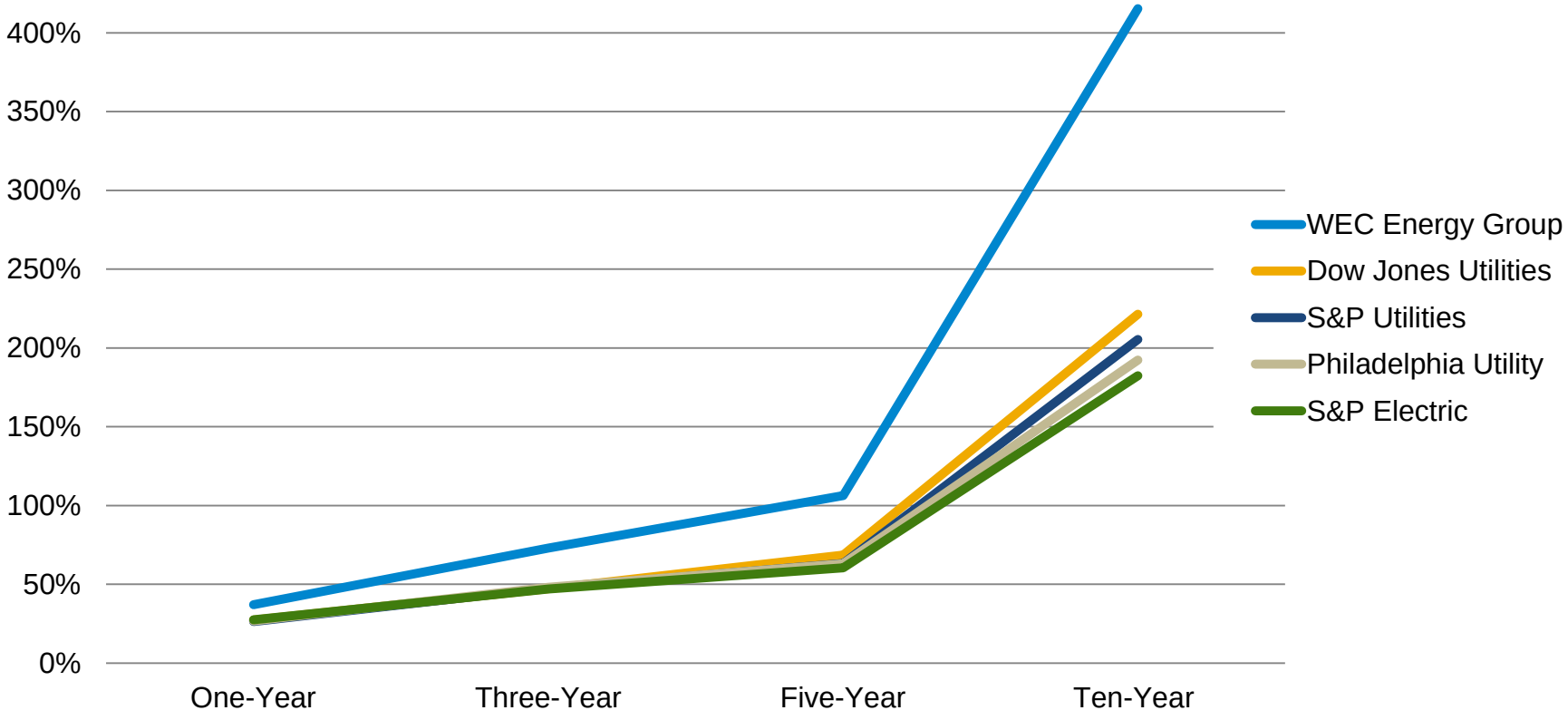
Name	Party	Began Serving	Term Ends
Rebecca Valcq *Chair*	D	01/2019	03/2025
Ellen Nowak	R	12/2018	03/2023
Vacant			

Illinois Commissioners

Name	Party	Began Serving	Term Ends
Carrie Zalewski *Chair*	D	03/2019	01/2024
Sadzi Martha Oliva	R	01/2017	01/2022
D. Ethan Kimbrel	D	01/2018	01/2023
Maria Soledad Bocanegra	I	04/2019	01/2023
Michael Carrigan	D	01/2020	01/2025

Industry Leading Total Shareholder Returns*

Over the past decade, WEC Energy Group has consistently delivered among the best total returns in the industry



* Total return including reinvested dividends for the periods ended December 31, 2019

Source: Bloomberg

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WEC Energy Group

Reconciliation of Reported EPS (GAAP) to Adjusted EPS (Non-GAAP)

	2017	2016
Reported EPS – GAAP basis	$ 3.79	$ 2.96
Tax benefit related to Tax Cuts and Jobs Act of 2017	$ (0.65)	–
Acquisition Costs	–	$ 0.01
Adjusted EPS – Non-GAAP basis*	$ 3.14	$ 2.97

* WEC Energy Group has provided adjusted earnings per share (non-GAAP earnings per share) as a complement to, and not as an alternative to, reported earnings per share presented in accordance with GAAP. Adjusted earnings per share exclude a one-time reduction in income tax expense related to a revaluation of our deferred taxes as a result of the Tax Cuts and Jobs Act of 2017 as well as costs related to the acquisition of Integrys, neither of which is indicative of WEC Energy Group's operating performance. Therefore, WEC Energy Group believes that the presentation of adjusted earnings per share is relevant and useful to investors to understand the company's operating performance. Management uses such measures internally to evaluate the company's performance and manage its operations.