WEC Energy Group

Investor Update: **December 2021**

Our "ESG" Progress Plan

Investing in Efficiency, Sustainability and Growth



Best ESG Growth Strategy in the U.S.
Capital Finance International 2021 Energy Awards

Finalist for the S&P Global Energy Award in Corporate Social Responsibility
S&P Global Platts

Best in the U.S. in Large Customer Satisfaction
ESource

We Energies Named #1 Energy Company in America by Business Customers
Escalent

Cautionary Statement Regarding Forward-Looking Information

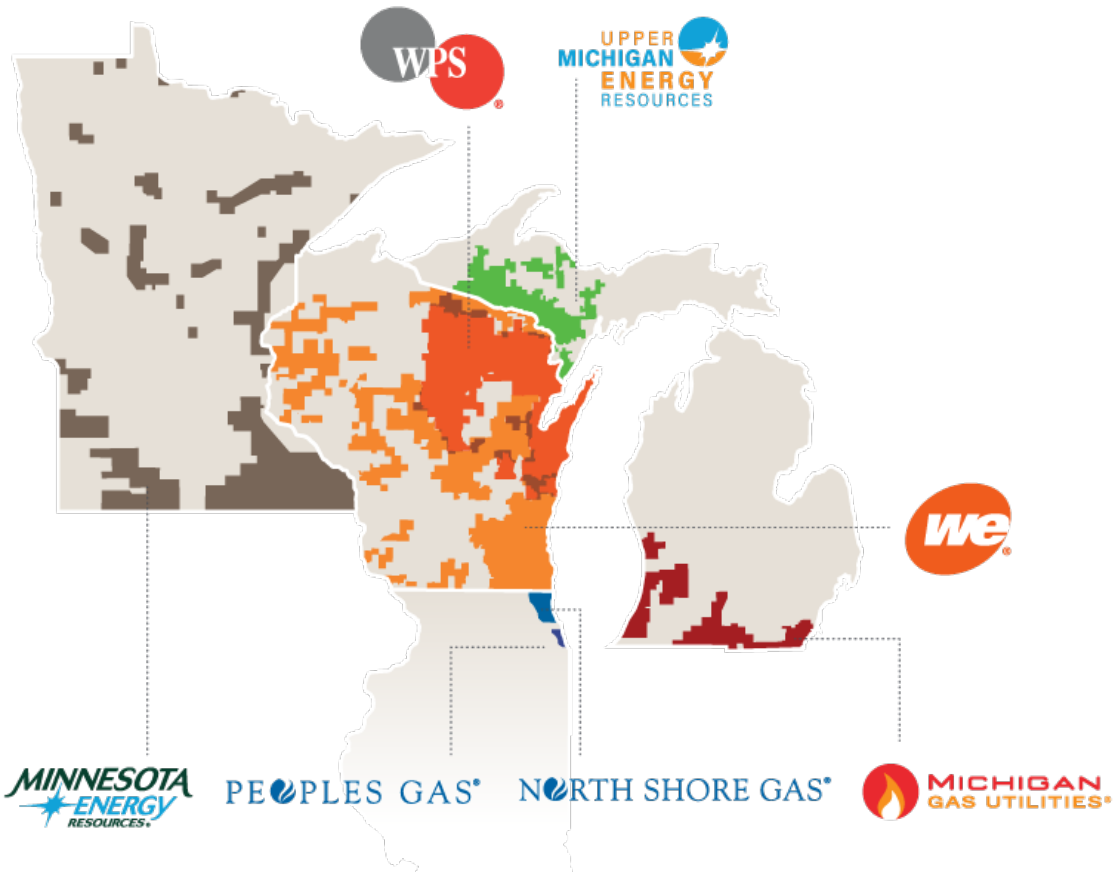
Much of the information contained in this presentation is forward-looking information based upon management's current expectations and projections that involve risks and uncertainties. Forward-looking information includes, among other things, information concerning earnings per share, rate case activity, earnings per share growth, cash flow, sources of revenue, dividend growth and dividend payout ratios, sales volumes, capital plans, construction costs, investment opportunities, corporate initiatives (including the ESG Progress 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; 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; 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 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, 2020, and in subsequent reports filed with the Securities and Exchange Commission. Except as may be required by law, WEC Energy Group expressly disclaims any obligation to publicly update or revise any forward-looking information.

WEC Energy Group

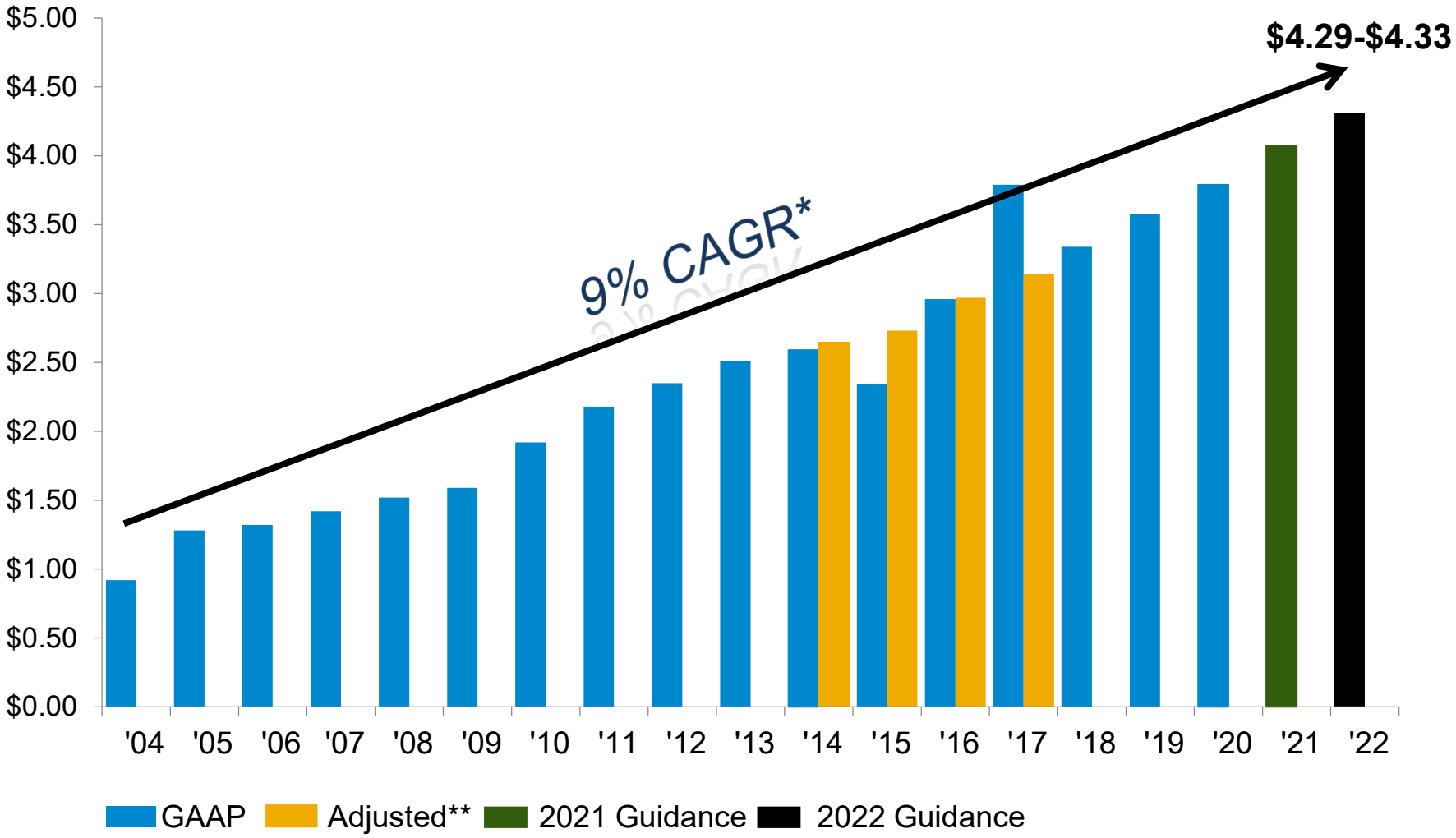
Company Profile

- **$27.4** billion market cap*
- **4.6** million retail customers
- **60%** ownership of American Transmission Company
- **$37.8** billion of assets



* As of Nov. 30, 2021

A History of Quality Earnings Growth



* Estimated based on 2022 guidance midpoint of $4.31 per share.

** See Appendix for reconciliation of adjusted amounts to GAAP amounts.

Consistent Performance Over Time



The <u>only</u> utility to beat guidance every year for 17 years running.

EPS Guidance		
2020	***Exceeded***	✓
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***	✓

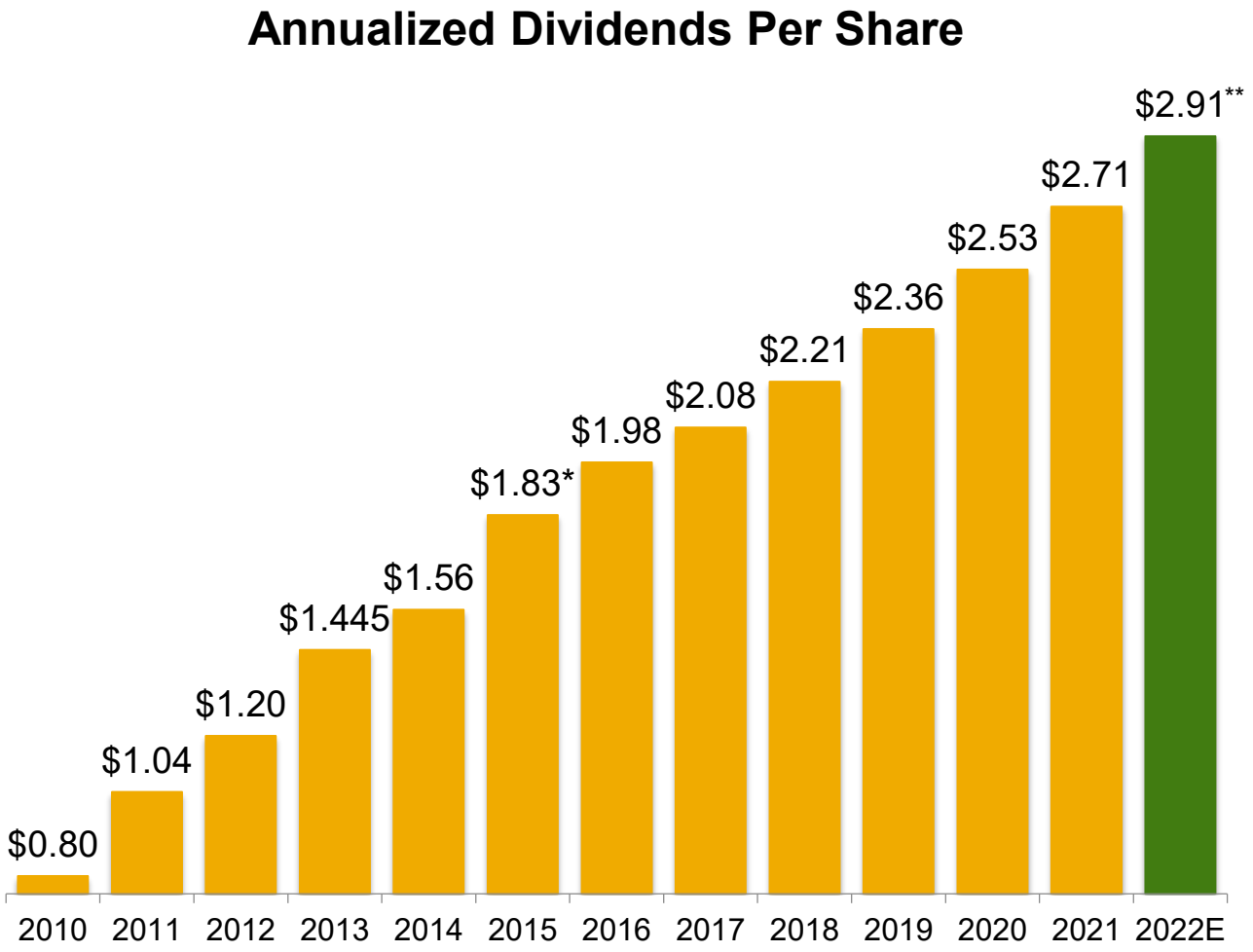
WEC Energy Group

Strong Dividend Growth Continues

The board of directors announced its plan to raise the dividend by **7.4%** to a new annual rate of **$2.91** 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.
**The board of directors announced Dec. 2, 2021 that it is planning to raise the quarterly dividend on the company's common stock to 72.75 cents per share for the first quarter of 2022, which would be equivalent to an annual rate of $2.91 per share.

WEC Energy Group

What's New?



Next Steps in Succession Planning



Kevin Fletcher
announced his plan to retire in June 2022



Scott Lauber
promoted to president and CEO effective February 1, 2022



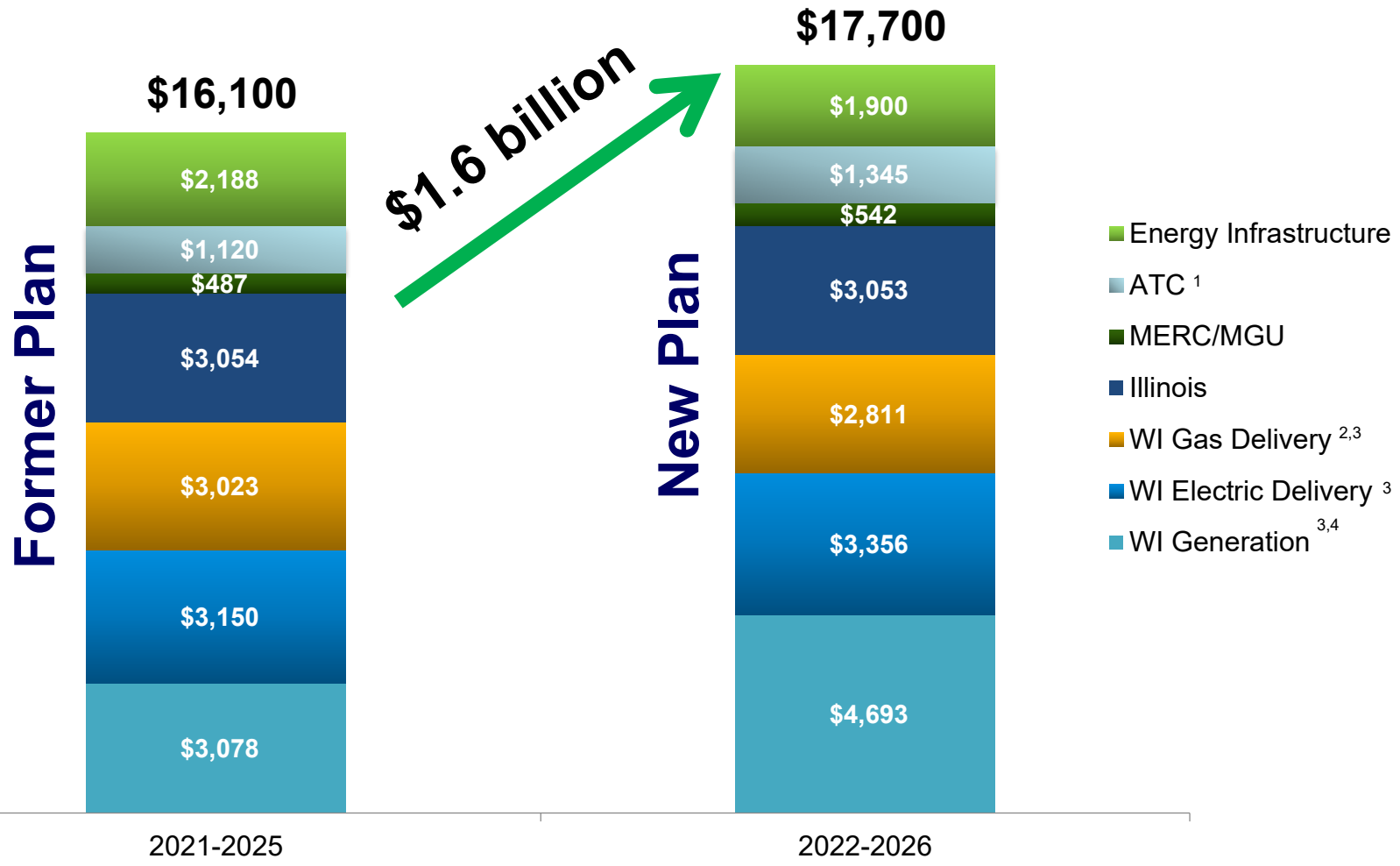
Gale Klappa
will continue to serve as executive chairman until May 2024

Exiting Coal by 2035

- Near-term retirements (2023-2024)
  - Oak Creek - Units 5-8 1,100 MW
  - Columbia - Units 1-2 300 MW
- Enhance fuel flexibility at Oak Creek Power the Future units, pending environmental and regulatory approvals
- By the end of 2030, we expect coal to provide less than 5% of our power supply
- We plan to eliminate coal as an energy source by 2035

ESG Progress Plan Supports 6-7% EPS Growth

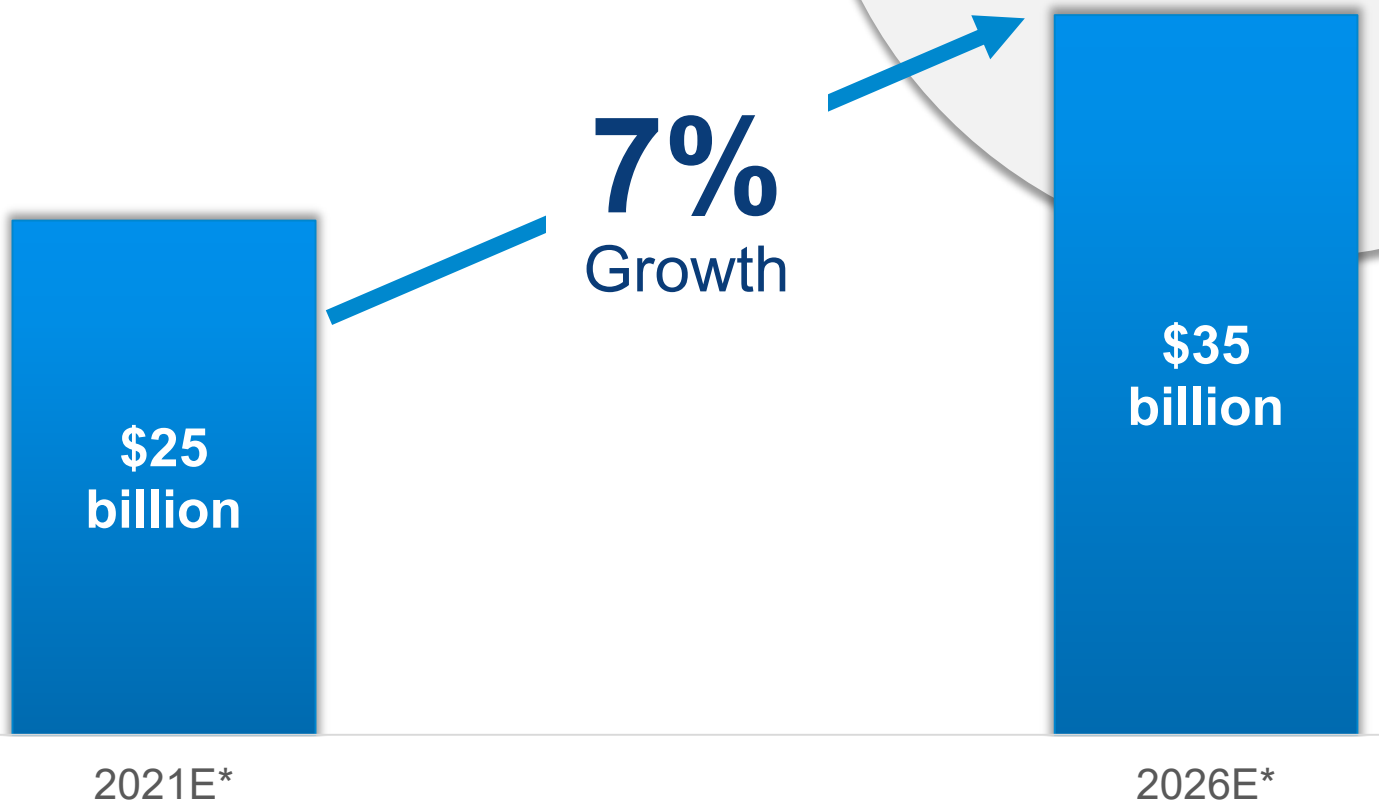
Increasing Five-Year Capital Plan by $1.6 Billion



1. ATC is accounted for using the equity method; this represents WEC's portion of the investment.
2. Gas delivery includes capital spend at Bluewater.
3. Includes UMERC.
4. Generation includes capital spend at We Power.

Robust Growth in Asset Base

Expect long-term EPS growth of **6-7%** per year.

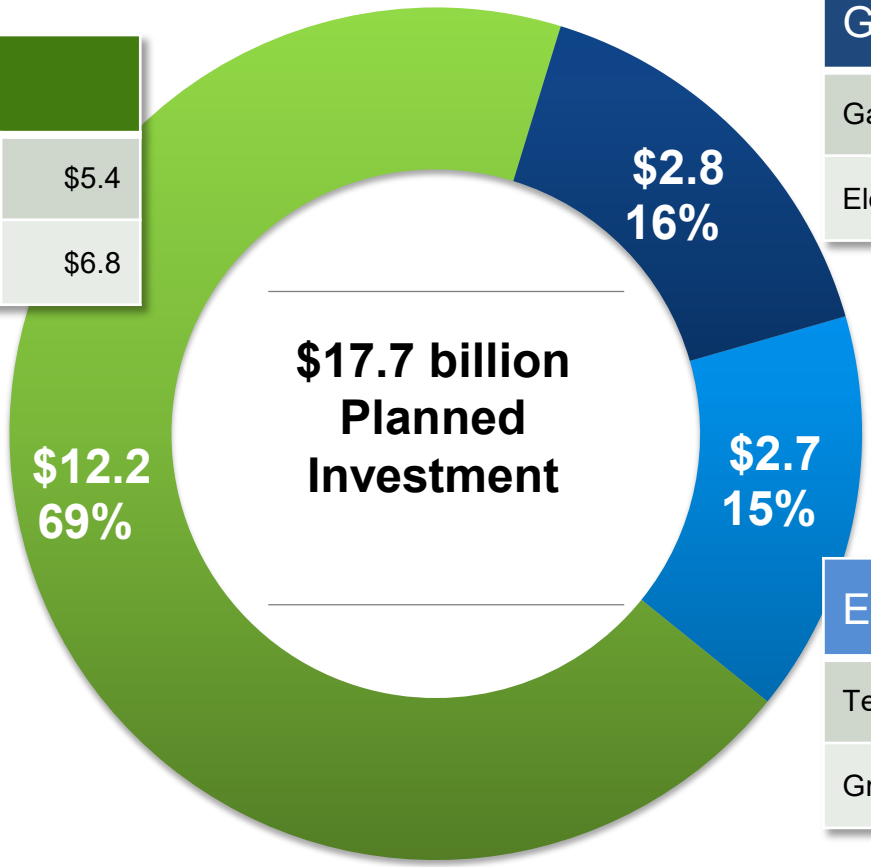


*Estimated year-end average asset base

2022-2026 Capital Plan ($ in billions)

Investing in Efficiency and Sustainability Drives Growth

Sustainability	
Renewables	$5.4
Grid and Fleet Reliability	$6.8



Growth	
Gas Distribution	$1.3
Electric (G,T&D)	$1.5

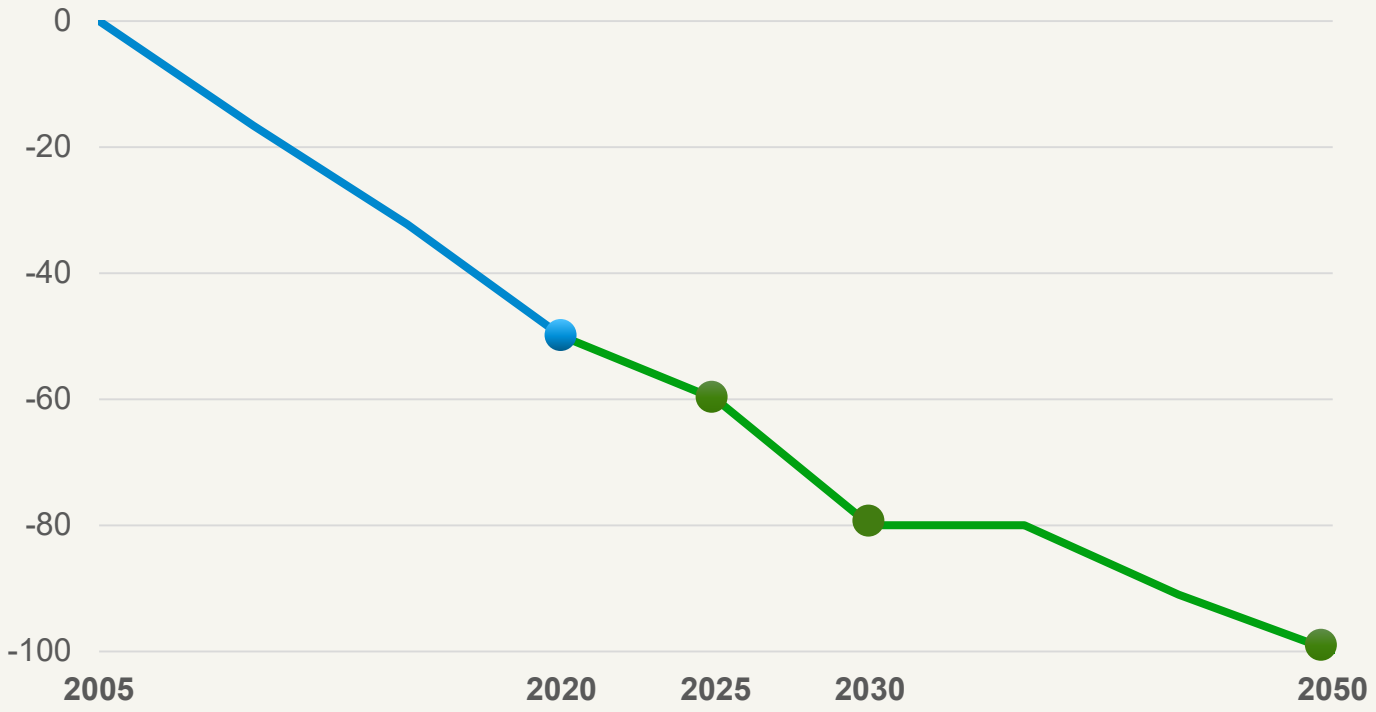
Efficiency	
Technology	$1.1
Grid and Fleet Modernization	$1.6

WEC Energy Group

Our ESG Progress Plan

Carbon Reduction Goals – Electric Generation

Achieved and anticipated CO_2 reductions (net mass)*



Reduction goals:

60%
below 2005 levels by 2025

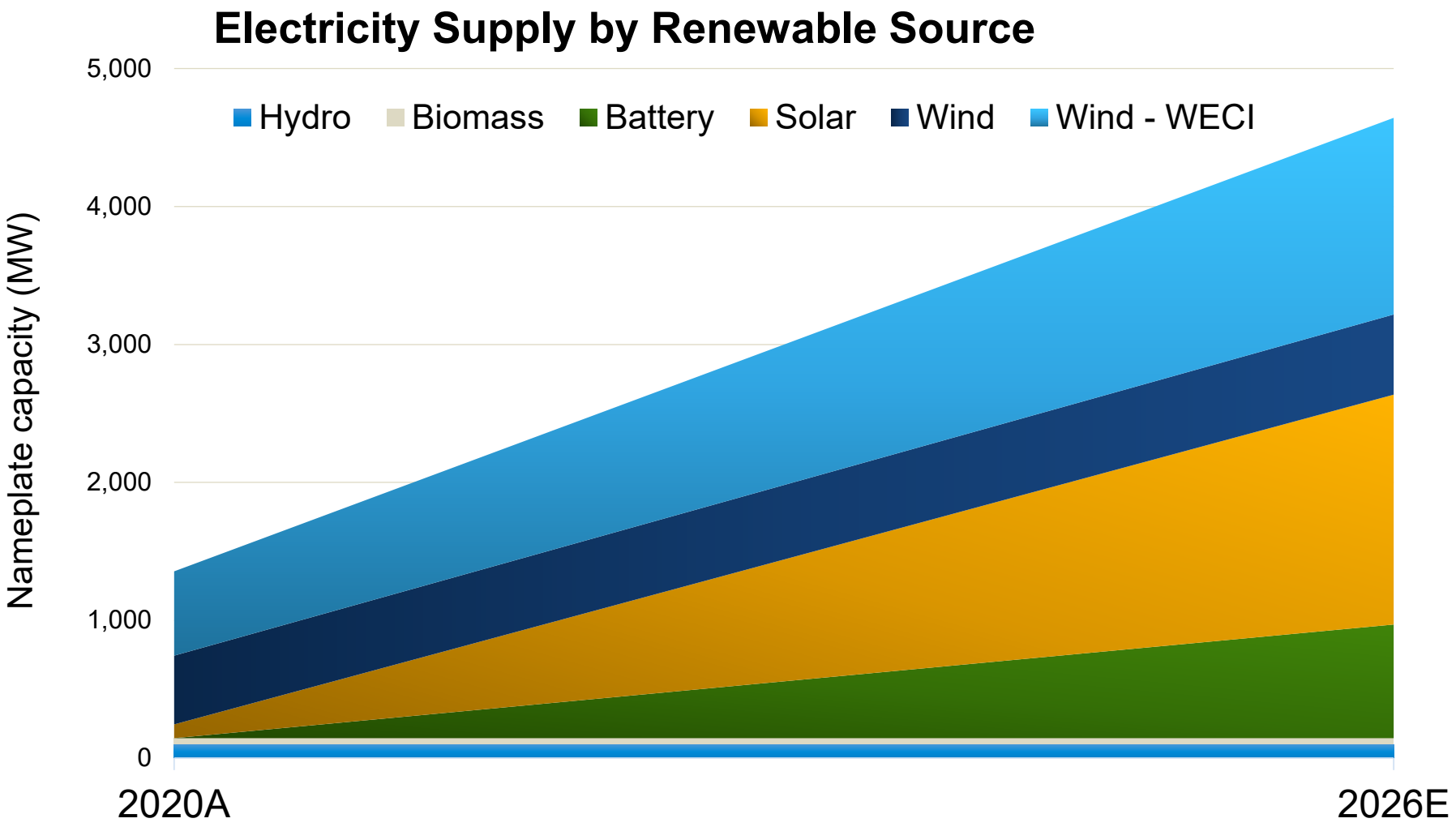
80%
below 2005 levels by the end of 2030

Net carbon neutral
by 2050

**Includes projection of potential carbon offsets by 2050*

Goals aligned with the Paris Agreement

Increasing Renewable Generation



Includes owned electric generation and announced WEC Infrastructure (WECI) projects

Plan to invest $3.5 billion in regulated renewables (2022-2026)

Investing in Carbon-Free Generation

Plan to build and own nearly 2,400 MW of solar, wind, and battery storage







Solar

- We Energies – 100 MW currently under construction
- Filed for approval 675 MW
- Additional 700 MW
- Qualifies for Investment Tax Credit (ITC)

Wind

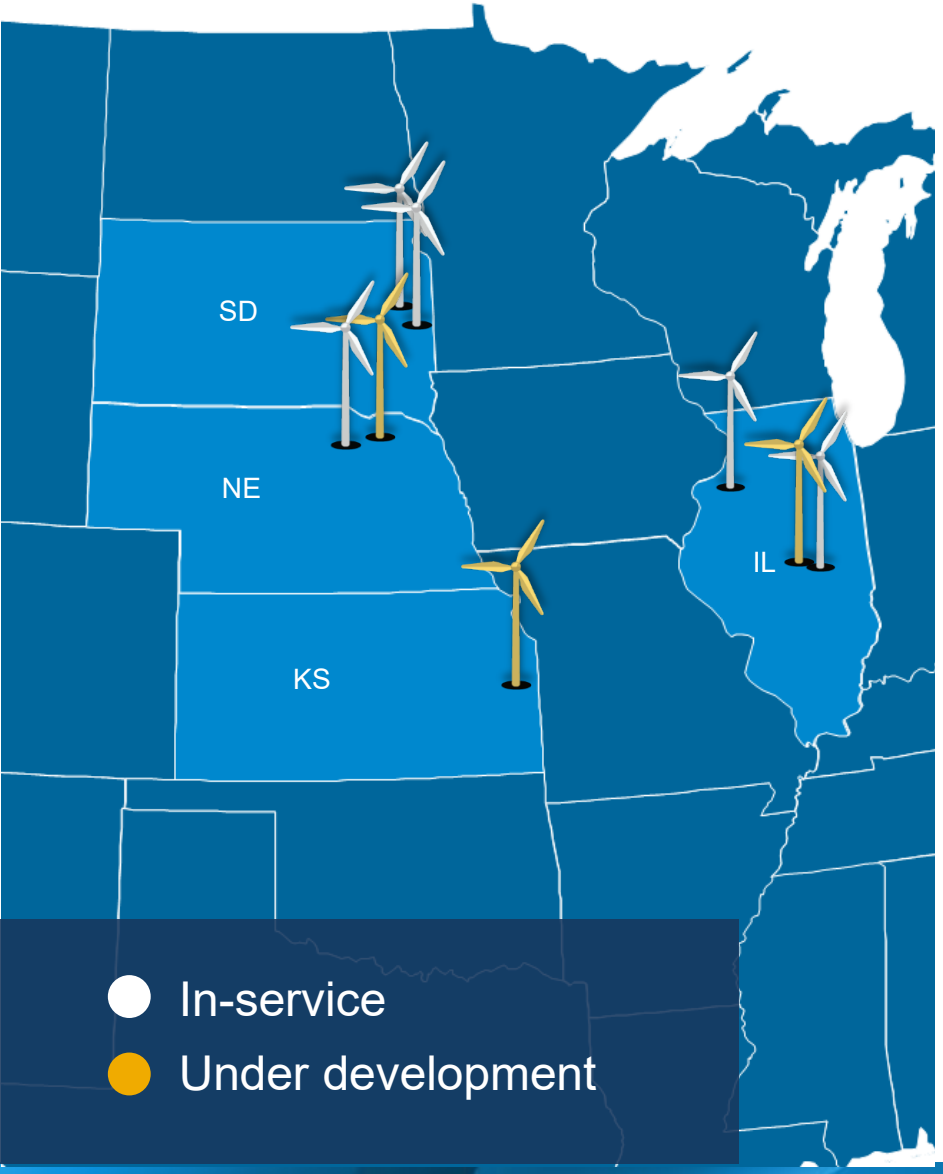
- Filed for approval 82 MW
- Qualifies for Production Tax Credit (PTC)

Battery storage

- Filed for approval 316 MW (qualifies for ITC)
- Additional 500 MW (about half qualifies for ITC)

Plan to invest $1.9 Billion (2022-2026)

WEC Infrastructure Portfolio – Green and Growing



	Total Project Capacity (MW)	Investment (in millions)
○ Upstream	200	$307
○ Bishop Hill III	132	166
○ Coyote Ridge	97	145
○ Blooming Grove	250	389
○ Tatanka Ridge	155	240
● Jayhawk	190	302E
● Thunderhead*	300	381E
● Sapphire Sky*	250	412E
Total	**1,574**	**$2,342**
Additional Investment		1,107
Total		**$3,449**

Expect to invest an additional $1.1 billion (2022-2026)

*Investment part of the 2022-2026 capital plan

Modernizing Our Gas-Fueled Generation Fleet

Retiring

- 200 MW of older, less-efficient gas generation expected

Building

Weston RICE units*

- 128 MW
- Expected investment: $170 million
- Targeted in-service: 2023



Investing

West Riverside Energy Center combined cycle (now operational)**

- Options on 200 MW
- Expected investment: $180 million
- Targeted investment: 2023-2024

Whitewater combined cycle*

- Will remain under power purchase agreement until transaction closes
- Expected investment: $75 million
- Targeted investment: 2023

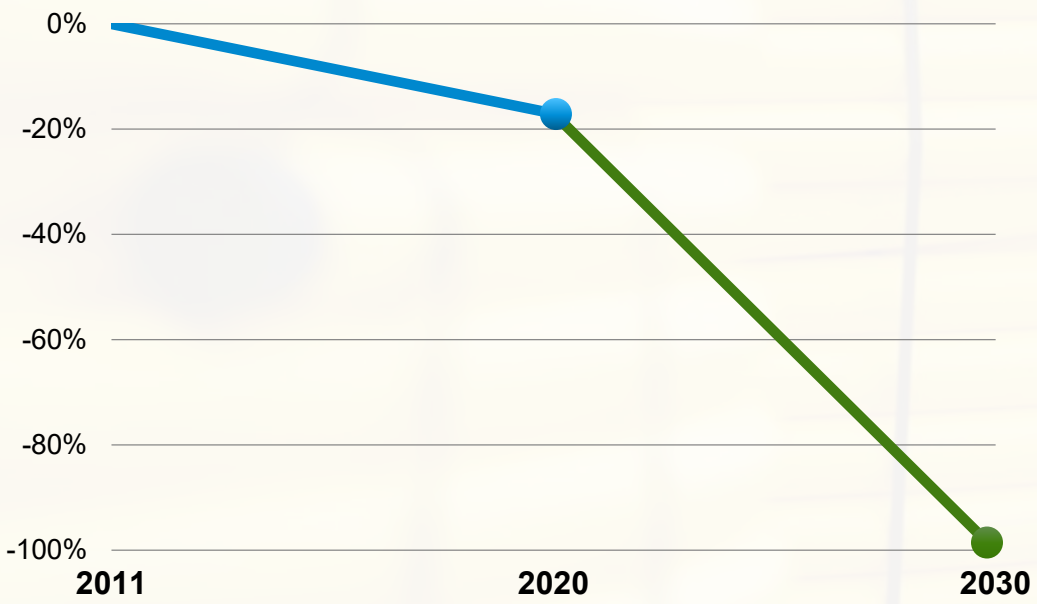
Reciprocating Internal Combustion Engines (RICE) are modular, run on natural gas and allow for reliable and flexible operations.

* Pending regulatory approval
** Pending due diligence and regulatory approval

Our ESG Progress Plan

Methane Reduction Goal

Achieved* and anticipated methane emissions reduction from distribution



Reduction goal:

Net zero

by the year 2030**

*Represents a decrease in the rate of methane emissions, per mile, from the natural gas distribution lines in our network from a 2011 baseline.
**This goal applies to emissions from WEC Energy Group natural gas distribution companies calculated in accordance with EPA's 40 Code of Federal Regulations Part 98, Subpart W reporting rule.

Regional Economy



Powering Industry Leaders in our Region



























Wisconsin Segment

Broad Ranging Growth Driving Longer-Term Sales Forecast



Sales Growth Forecast

(weather-normalized)

Year-Over-Year

	2024-2026
Electric	0.7%-1.0%
Gas	0.7%-1.0%

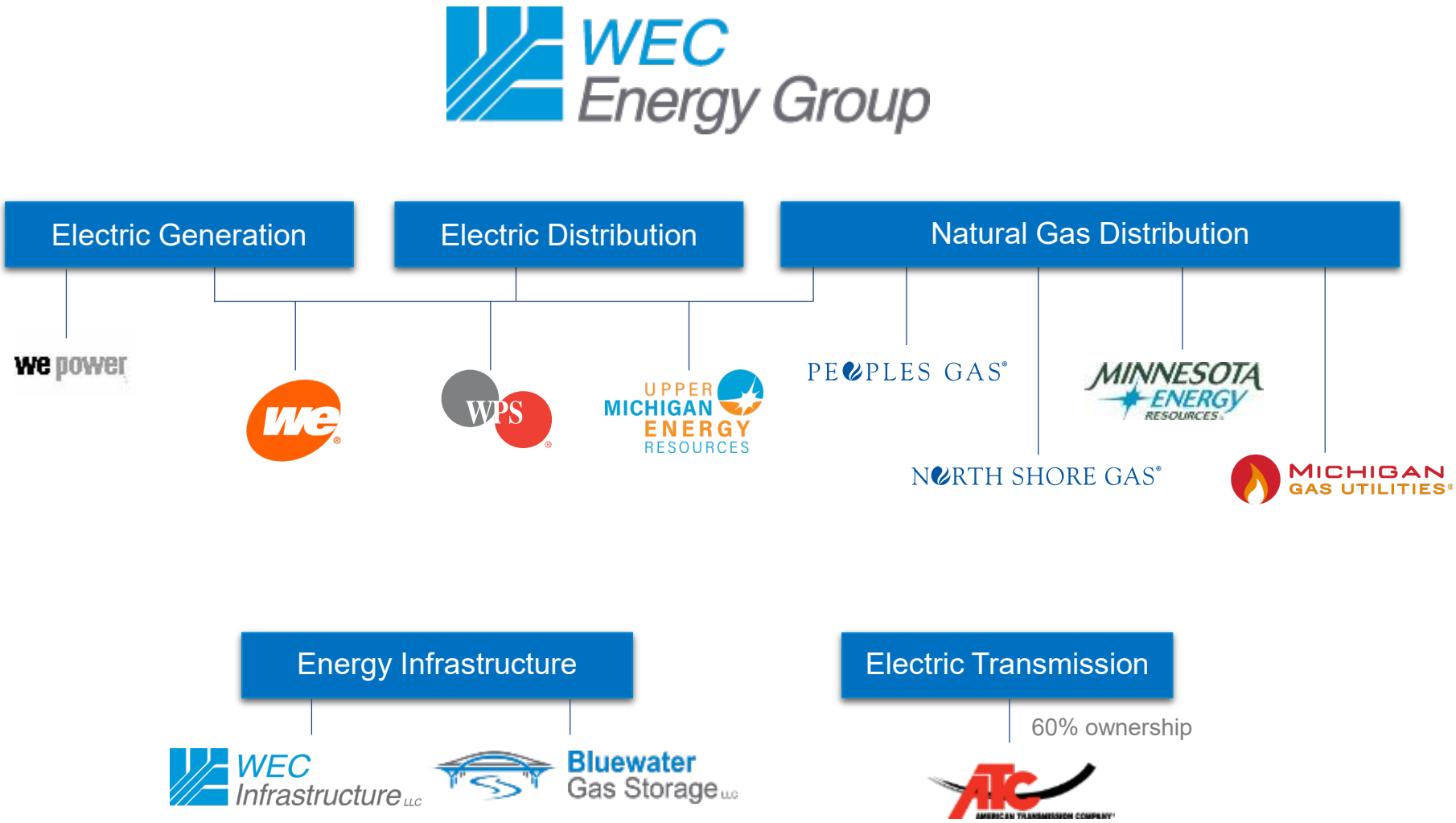


Key Takeaways for WEC Energy Group

- Track record of top decile performance among regulated utilities
- Industry leading earnings quality
- ESG Progress Plan drives premium EPS growth of 6-7%
  - No need to issue equity through forecast period
  - 100% of capital allocated to regulated businesses or contracted renewables
  - Dividend growth projected to be in line with earnings growth
- Aggressive environmental goals in place
  - By the end of 2030, we expect coal to provide less than 5% of our power supply
  - Exit from coal planned by 2035
- Poised to deliver among the best risk-adjusted returns in the industry

Appendix

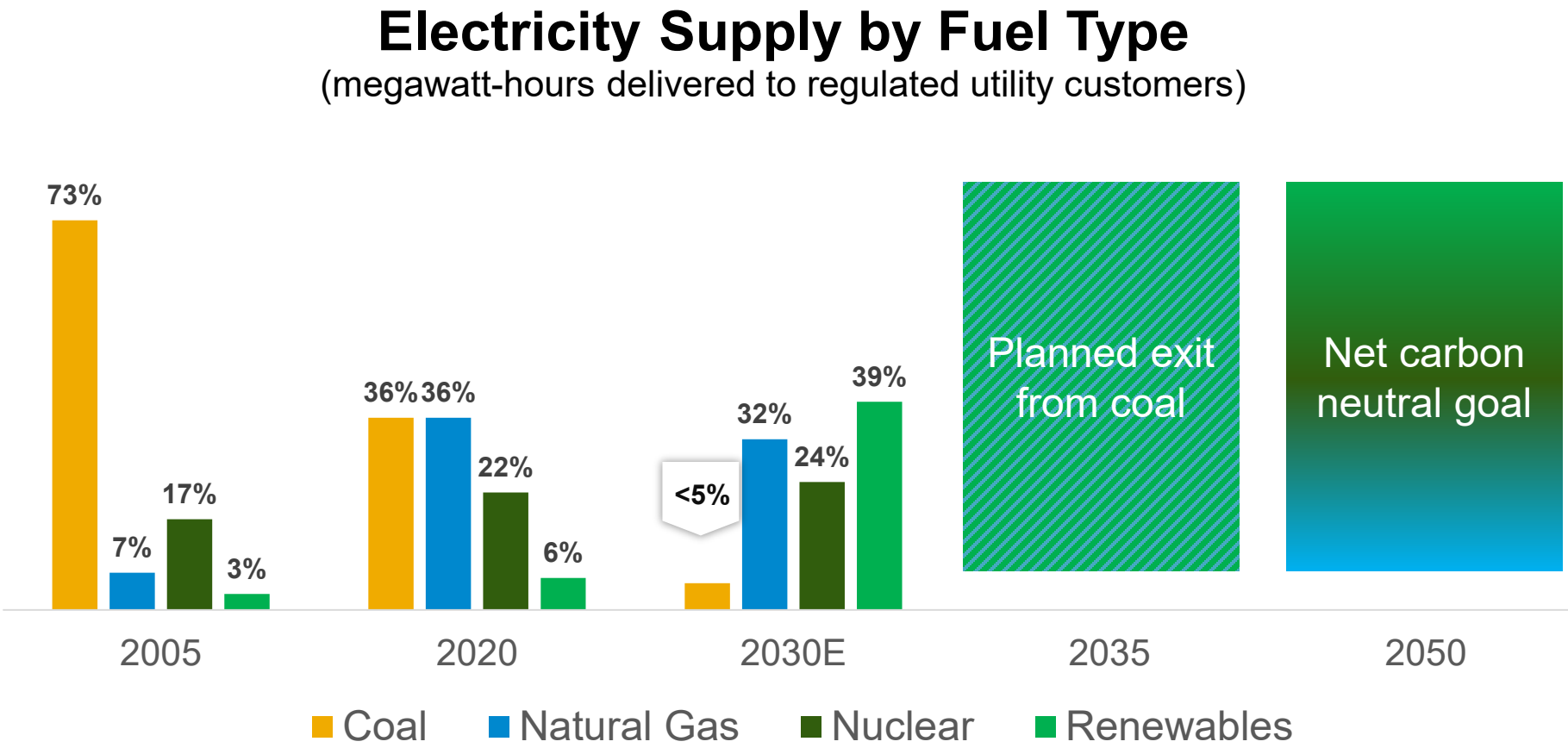
WEC Energy Group


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

Environmental, Social & Governance Focus

Carbon Goals	Reduce carbon dioxide emissions from electric generation 60% by 2025 and 80% by the end of 2030 – both from a 2005 baseline. Long-term goal of net-zero carbon emissions from our generating fleet by 2050
Exit from Coal	Planned exit from coal by 2035
Methane Reduction Goal	Targeting net-zero methane emissions from distribution by the end of 2030
$3.5 billion	Planned utility renewable investments (2022-2026)
$1.9 billion	Planned investment in contracted energy infrastructure (2022-2026)
$20 million	Contributed by our companies and foundations to nonprofit organizations in 2020; second largest corporate contributor in Wisconsin
$303.4 million	Spent with certified minority-, women-, service disabled- and veteran-owned businesses in 2020
$119.4 million	Spent on energy efficiency and conservation in 2020

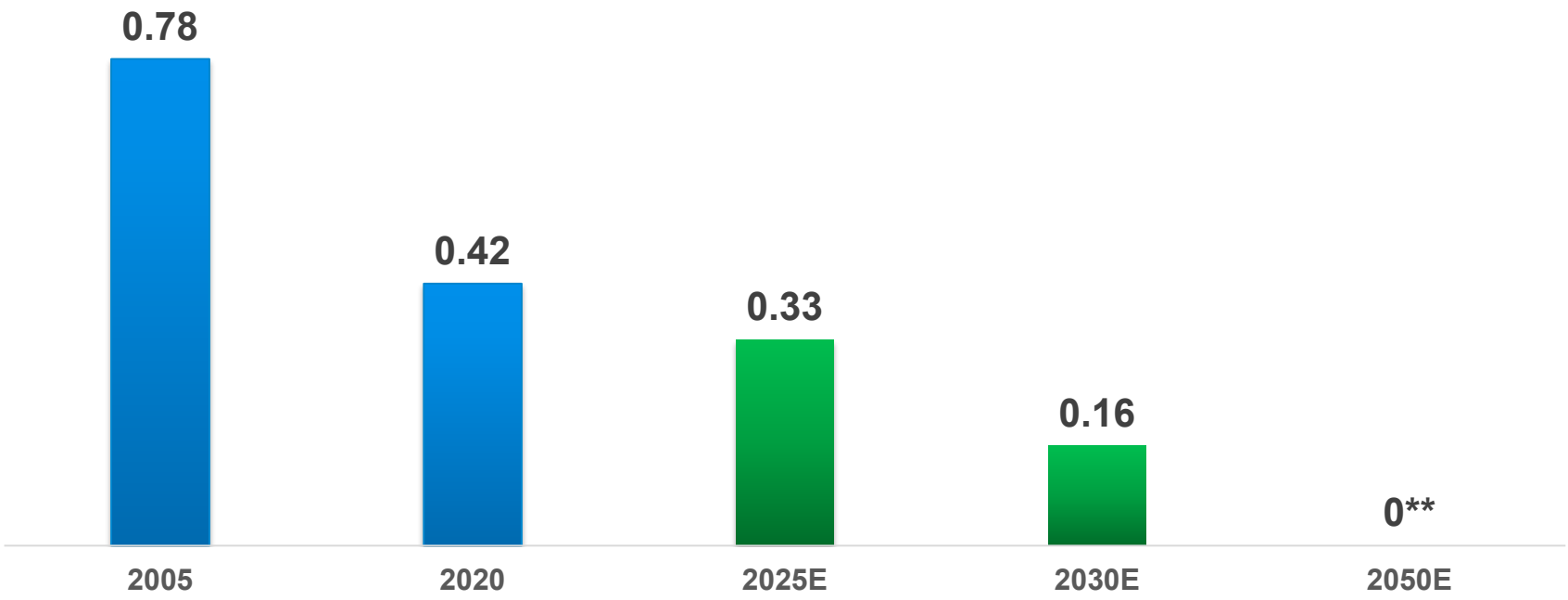
Exiting Coal



Reducing Greenhouse Gas Emissions

Greenhouse gas intensity*

(metric tons CO_2e/MWh)



**Includes owned electric generation, purchased power and WEC Infrastructure (WECI). The environmental attributes of the WECI renewable facilities are or may be the property of third parties. As such, these third parties are solely entitled to the reporting rights and ownership of the environmental attributes such as renewable energy credits, offsets, allowances and the avoided emissions of greenhouse gases.*

***Includes projection of potential carbon offsets by 2050.*

Plan to invest $3.5 Billion (2022-2026)

Investment in Regulated Renewables

Target	Project	Utility	WEC Ownership**	Expected WEC Investment ($M)	WEC Capacity (MWs)
In Service	Two Creeks Solar Project	WPS	66.7%	$130	100
In Service	Badger Hollow I Solar Park	WPS		130	100
Q4 2022	Badger Hollow II Solar Park	WE		130	100
2022	Red Barn Wind Park*	WPS	90%	140	82
2023	Paris Solar-Battery Park*	WE and WPS		385	279
2023	Darien Solar-Battery Park*	WE and WPS		400	293
2024	Koshkonong Solar-Battery Park*	WE and WPS		585	419

2022-2026 Plan



Solar Total
1,475MW



Battery Storage Total
816MW



Wind Total
82MW

Grand Total
2,373MW

*Projects seeking PSCW approval
**Madison Gas & Electric will own a minority interest at each site

Projected Returns Higher than Regulated Business

Wind Infrastructure Investment Summary

Project	Developer	Location	Investment	Offtake Agreement	WEC Commercial Operations	Total Project Capacity
Bishop Hill III Wind Energy Center	Invenergy	Henry County, IL	$166M for 90% ownership	WPPI Energy 22 years	80% on 8/31/18 Incremental 10% on 12/5/18	132MW
Upstream Wind Energy Center	Invenergy	Antelope County, NE	$307M for 90% ownership	Affiliate of Allianz 10 years	80% on 1/10/19 10% on 4/8/20	200MW
Coyote Ridge Wind Farm	Avangrid Renewables	Brookings County, SD	$145M for 80% ownership and 99% of tax benefits	Google Energy LLC 12 years	12/20/19	97MW
Blooming Grove Wind Farm	Invenergy	McLean County, IL	$389M for 90% ownership	Verizon and Saint-Gobain North America 12 years	12/8/2020	250MW
Tatanka Ridge Wind Farm	Avangrid Renewables	Deuel County, SD	$240M for 85% ownership and 99% of tax benefits	Google Energy 12 years Dairyland Power 10 years	1/5/2021	155MW
Thunderhead Wind Energy Center	Invenergy	Wheeler and Antelope Counties, NE	$381M expected for 90% ownership	AT&T 12 years	Projected: First half 2022	300MW
Jayhawk Wind Farm	Apex Clean Energy	Bourbon & Crawford Counties, KS	$302M expected for 90% ownership and 99% of tax benefits	Facebook 10 years	Projected: By early 2022	190MW
Sapphire Sky Wind Energy Center	Invenergy	McLean County, IL	$412M expected for 90% ownership	Long-term agreement	Projected: End of 2022	250MW

Oak Creek PTF Units Critical to Wisconsin and Region

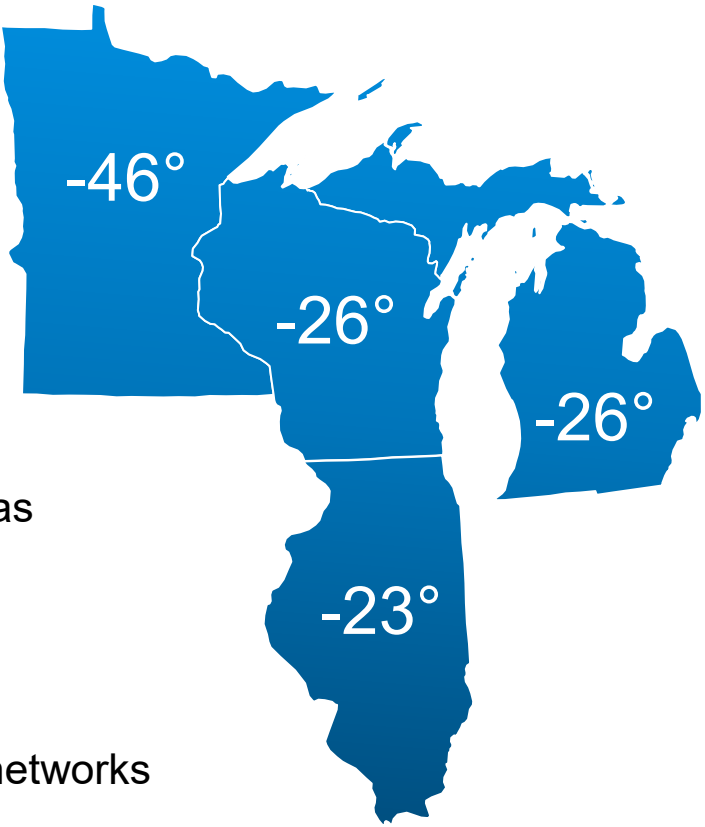
- Among newest, most efficient units; in a critical location
- Top 5% in the country on coal plant efficiency*
- One of only two 1,000 MW sites in the top decile heat rate in MISO
- Plant equipment capable of co-firing natural gas and coal



*Based on coal heat rate.
Sources: S&P Capital IQ, www.eps.gov/airmarkets, Power Engineering Magazine

Today and Tomorrow

Why Our Natural Gas Distribution Networks Matter



Our Service Area

- 65-78% of homes use natural gas for heating
- Growth continues as customers convert to natural gas

Hydrogen Opportunities Post 2030

- Potential to blend
- Investment potential to convert existing distribution networks

Electric Conversion Debate

- Today, electric heat pumps in our region are 4-5x more costly than natural gas heating*
  - Potential cost effective option after 2055?*
- Natural hedge in Wisconsin since we serve both electric and natural gas customers

Weather in the map reflects (in Fahrenheit) actual temperatures reported by NOAA during the January 2019 polar vortex.
* Based on independent research for the region we serve.

New Liquefied Natural Gas (LNG) Storage Facilities

Taking Steps to Maintain Reliable and Affordable Service for Our Customers

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



- We Energies received approval for two LNG facilities to address the need for additional natural gas supply in Wisconsin
- Total expected investment: $370 million
- Construction in progress
- Targeted in-service date: Late 2023

Project Highlights

Efficiency, Growth and Sustainability Progress

Taking Steps to Maintain Reliable and Affordable Service for Our Customers



Electric delivery redesign / resilience

- Addressing aging infrastructure and system hardening
- Enhancing efficiencies and reducing operating costs
- Expect to spend $3.4 billion (2022-2026) with continued investment over next decade

Project Highlights

Efficiency, Growth and Sustainability Progress

Taking Steps to Maintain Reliable and Affordable Service for Our Customers



Natural Gas System Modernization

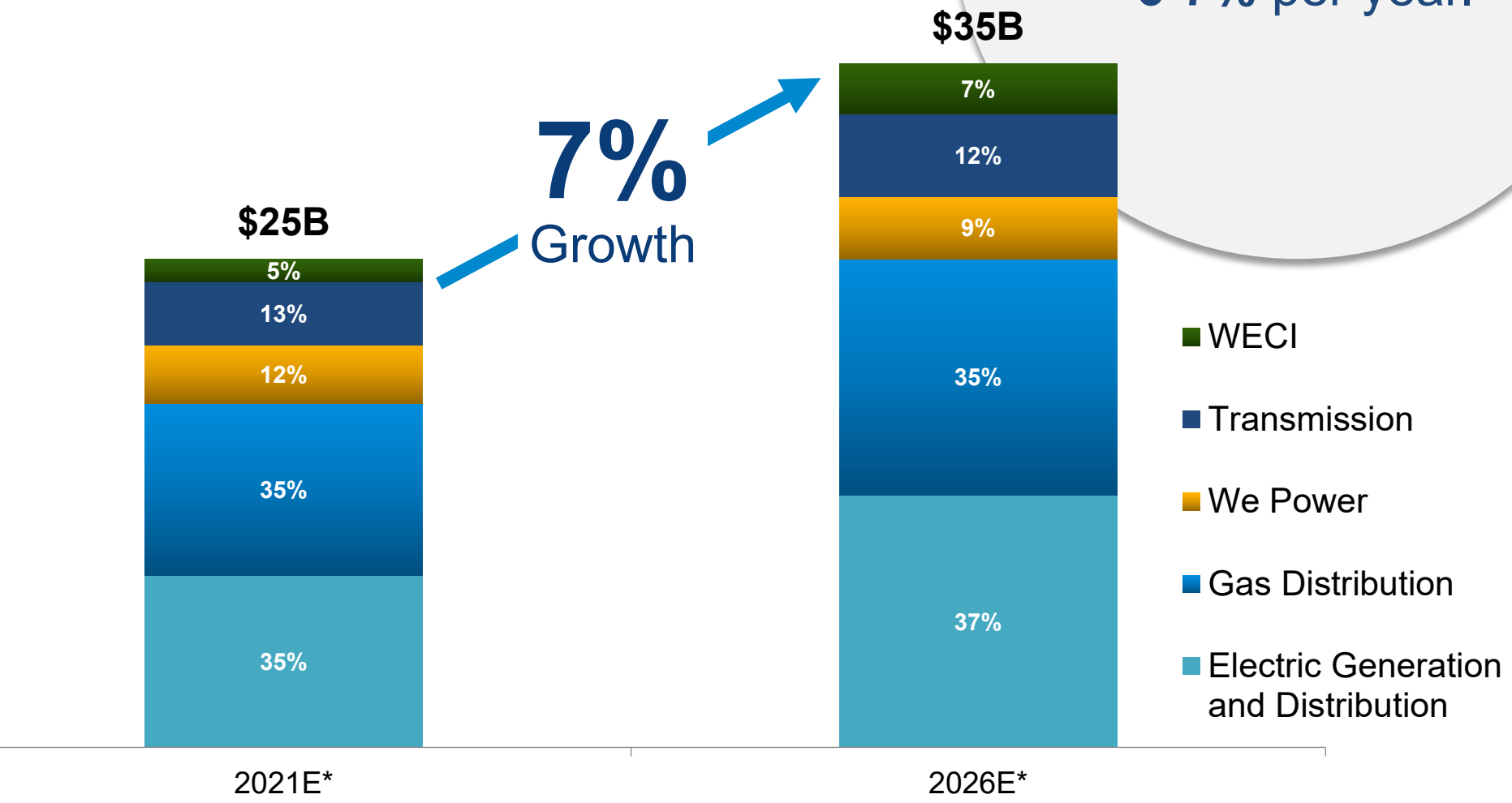
- Increasing capacity and reliability of natural gas service in our territories

Illinois

- Expected replacement of 2,000 miles of piping for safety and reliability in Chicago
- Project $280 million-$300 million annual average investment
- Illinois law authorizes rider through 2023
- Continued investment over next decade

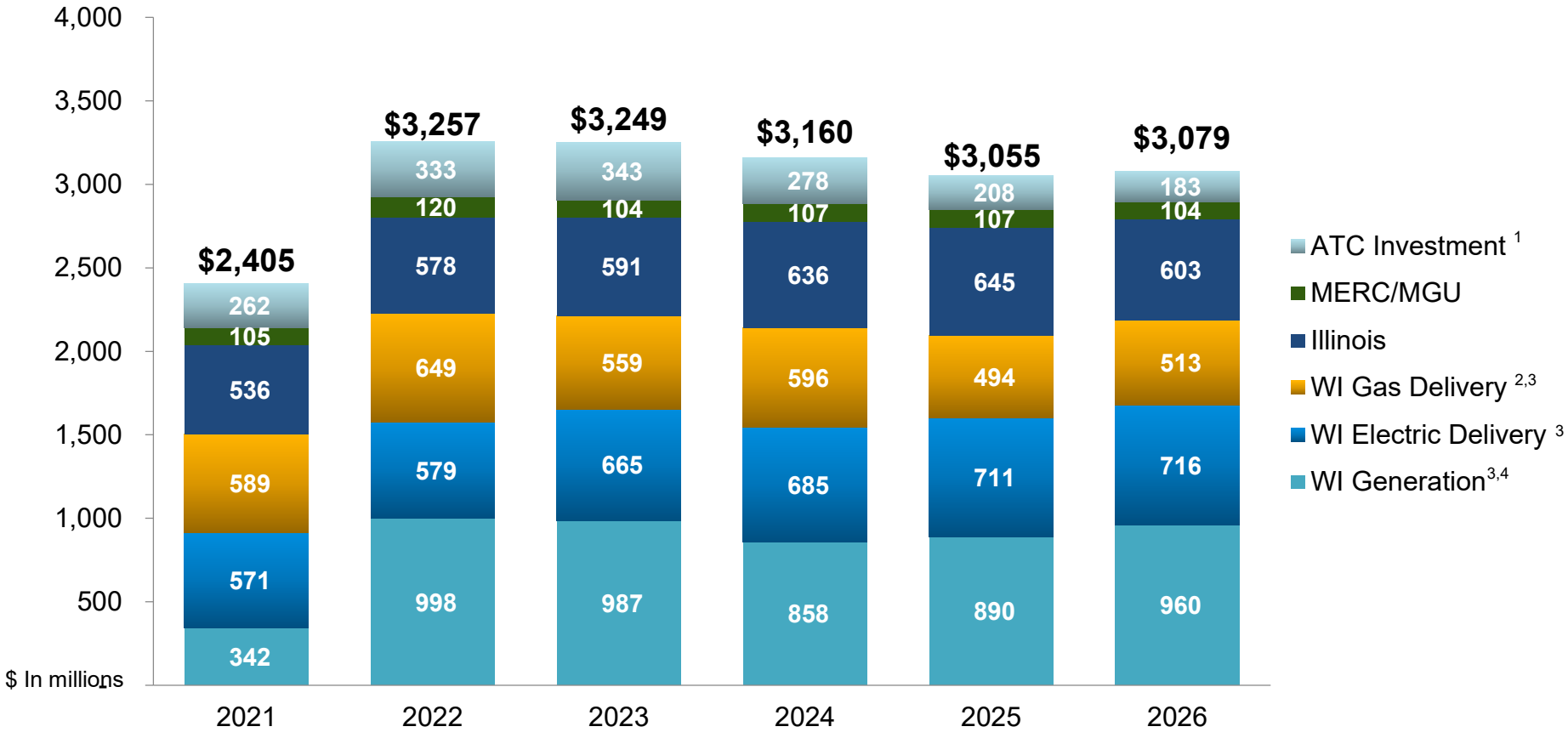
Robust Growth in Asset Base

Expect long-term EPS growth of **6-7%** per year.



*Estimated year-end average asset base

Utility Capital Plan Drives EPS Growth



Depreciation at the utilities expected to average $1.2 billion annually, and $137 million at ATC, over the 2022-2026 period

1. ATC is accounted for using the equity method; this represents WEC's portion of the investment.
2. Gas delivery includes capital spend at Bluewater.
3. Includes UMERC.
4. Generation includes capital spend at We Power.

By Company

Capital Plan Projections *($ in millions)*

	2021	2022	2023
Wisconsin Electric	$841.9	$1,204.2	$1,360.2
Wisconsin Gas	$182.5	$280.5	$233.6
Wisconsin Public Service	$396.1	$627.2	$537.3
Upper Michigan Energy	$16.0	$19.8	$16.9
Wisconsin Segment	**$1,436.5**	**$2,131.7**	**$2,148.0**
Peoples Gas	$492.8	$521.1	$538.0
North Shore Gas	$38.6	$52.0	$48.8
Illinois Segment	**$531.4**	**$573.1**	**$586.8**
Minnesota Energy Resources	$65.6	$57.5	$57.3
Michigan Gas Utilities	$38.8	$61.6	$46.3
Other States Segment	**$104.4**	**$119.1**	**$103.6**
We Power	$23.8	$74.5	$47.9
Bluewater	$27.7	$3.3	$2.8
Infrastructure Investments	$302.0	$793.0	$275.0
Nonutility Energy Infrastructure	**$353.5**	**$870.8**	**$325.7**
Corporate and Other	**$19.9**	**$22.0**	**$17.5**
Subtotal	**$2,445.7**	**$3,716.7**	**$3,181.6**
ATC Investment [1]	**$261.5**	**$333.1**	**$342.5**
Total WEC Capital Projection	**$2,707.2**	**$4,049.8**	**$3,524.1**

[1] ATC is accounted for using the equity method; this represents WEC's portion of the investment.

Composition of Asset Base

Total 2020 Average Asset Base of $22.8 Billion

Company	Asset Base - $B	% of Total
Wisconsin Electric	$6.5	28.5%
Wisconsin Gas	1.6	7.0
Wisconsin Public Service	3.7	16.2
Upper Michigan Energy Resources	0.4	1.8
Peoples Gas	3.4	14.9
North Shore Gas	0.3	1.3
Minnesota Energy Resources	0.4	1.8
Michigan Gas Utilities	0.3	1.3
We Power	3.0	13.1
Bluewater	0.2	0.9
WEC Infrastructure	0.5	2.2
American Transmission Company	2.5	11.0
Total	**$22.8**	**100%**

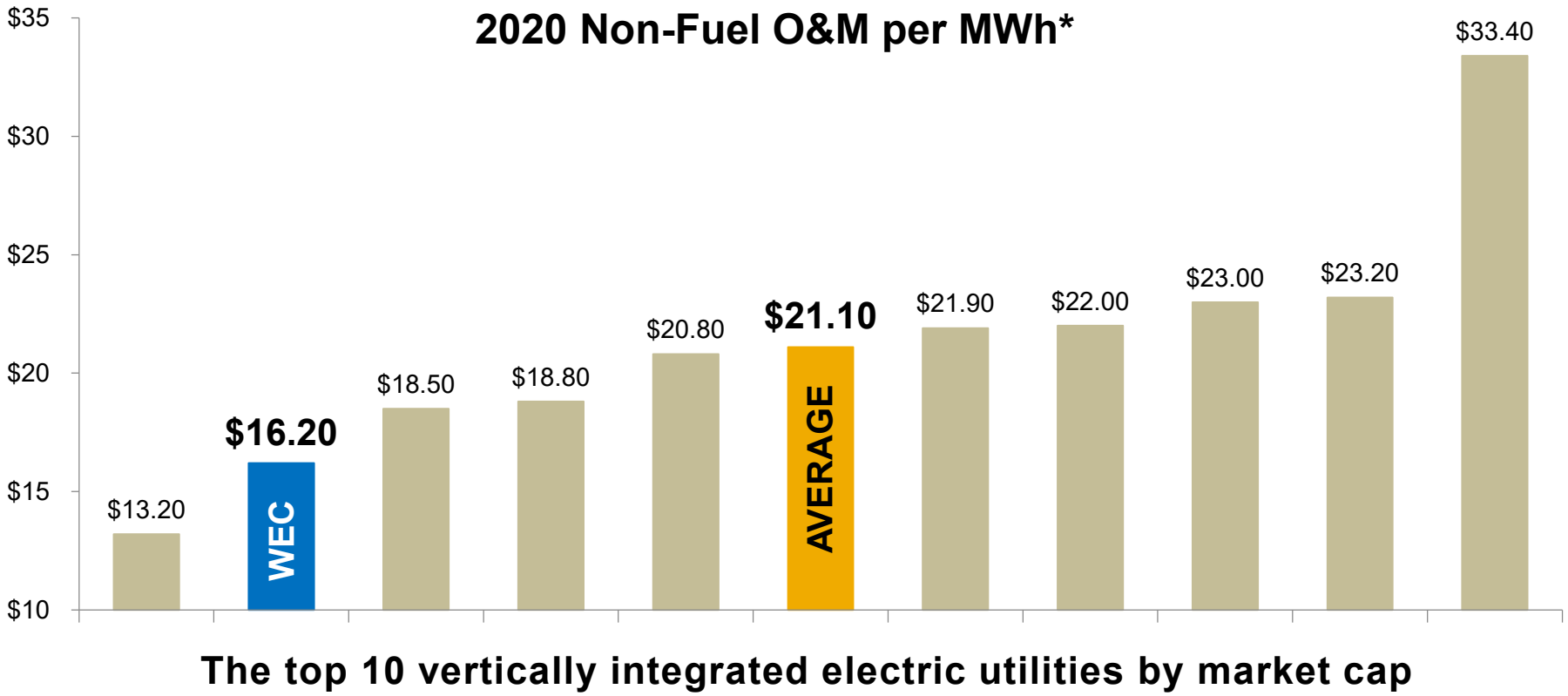
Note: We Power value represents investment book value.

Power the Future Investments[1]

	Port Washington (Natural Gas)	Oak Creek Expansion (Coal/Co-Fire Gas[3])
Capacity	1,090 MW	1,030 MW [2]
Investment	$664 million	$2 billion [2]
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. PTF provides approximately $200 million in positive cash flow annually.
2. 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.
3. Pending air permitting.

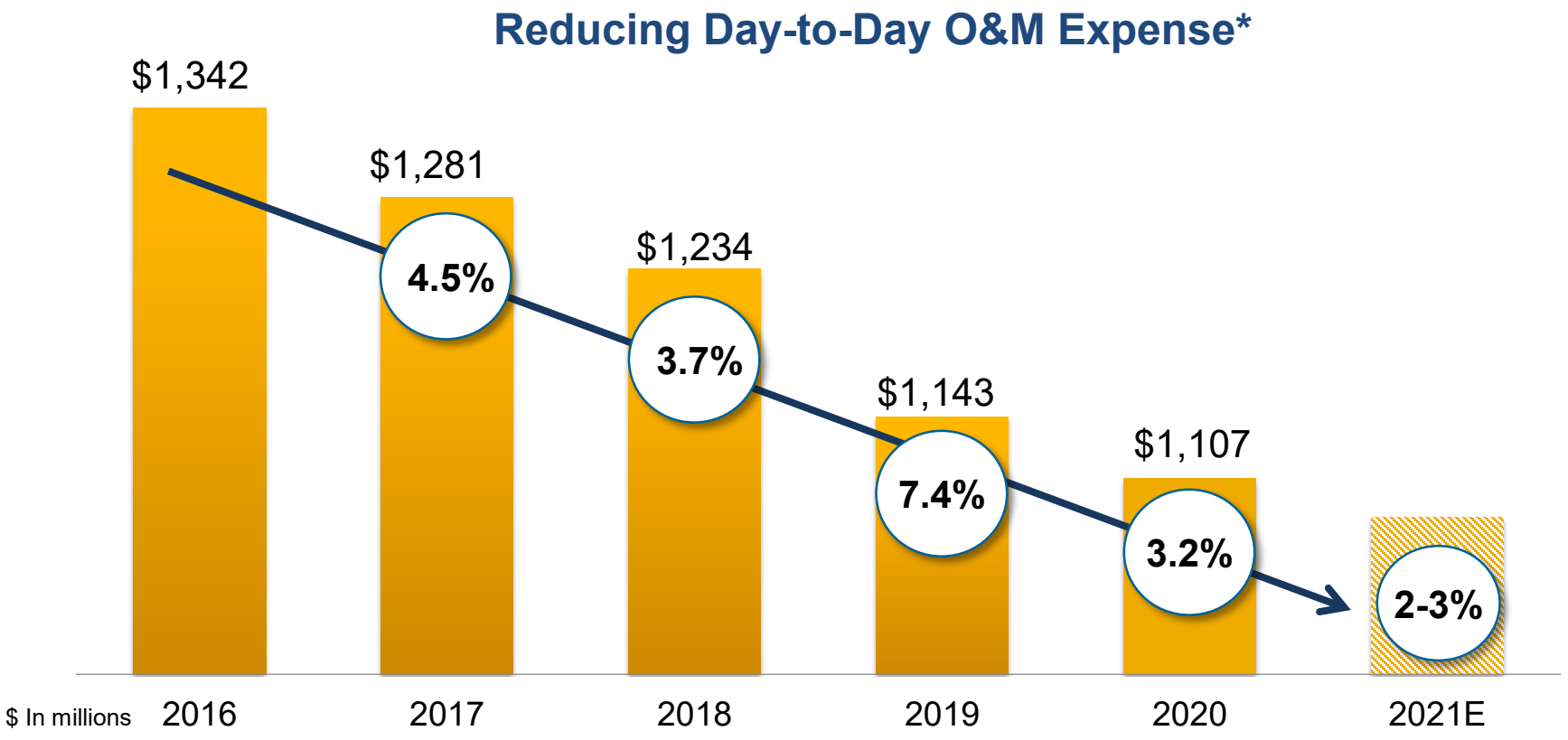
One of the Top Performers in Operating Efficiency



Source: FERC Form 1 Reports

*For all companies, excluded 1) pensions and other employee benefits, 2) costs reported as “transmission of electricity by others” to neutralize differences in ownership of the transmission utilized by each utility, and 3) costs reported as “rents” within the production section to control for difference in how power plants are owned and financed.

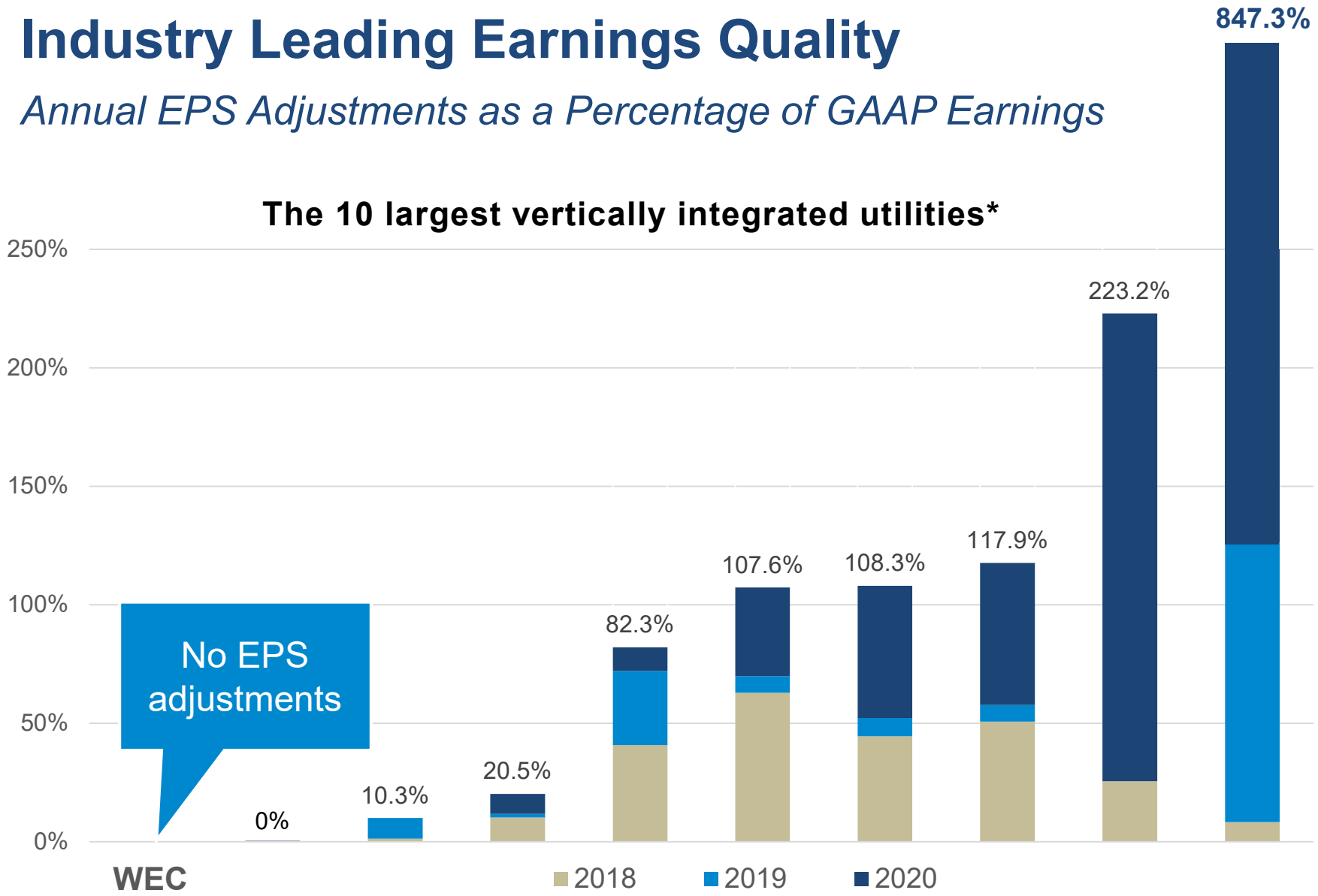
Focused on Efficiency



*Excludes costs that have a revenue offset such as operation and maintenance costs associated with the We Power generation units, transmission expenses that are collected in rates, regulatory amortizations, riders and other pass-through expenses.

Industry Leading Earnings Quality

Annual EPS Adjustments as a Percentage of GAAP Earnings

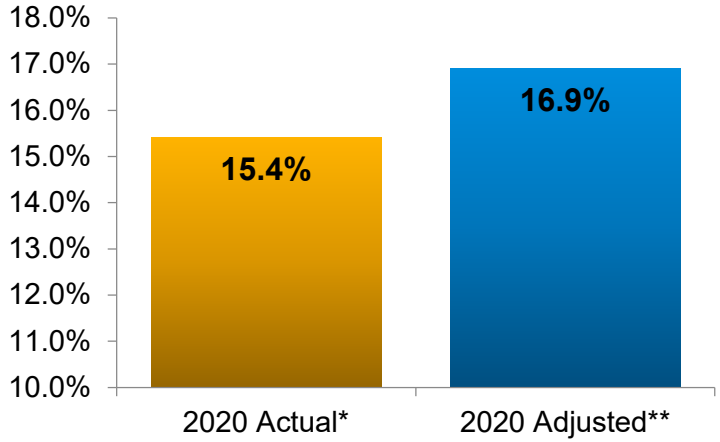


Note: Percent changes are in absolute values.

*Measured by market cap as of December 31, 2020

Balance Sheet Remains Strong

Funds from Operations/Debt

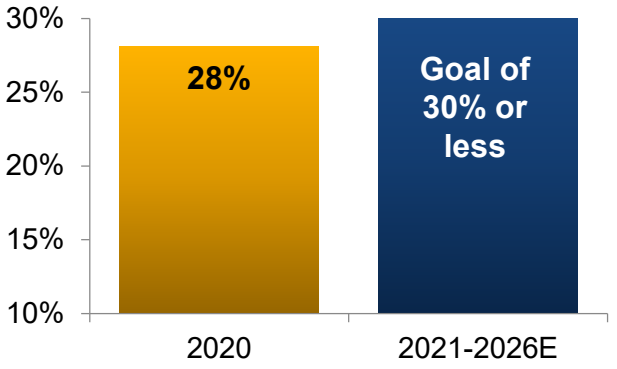


WEC Energy Group	Target 2021-2026
S&P FFO to Debt	≥15%
Moody's CFO Pre-WC/Debt	≥16%

Issuer Credit Ratings

Entity	S&P Rating	Moody's Rating
WEC Energy Group	A-	Baa1
Wisconsin Electric	A-	A2
Wisconsin Gas	A	A3
Wisconsin Public Service	A-	A2
Peoples Gas	A-	A2

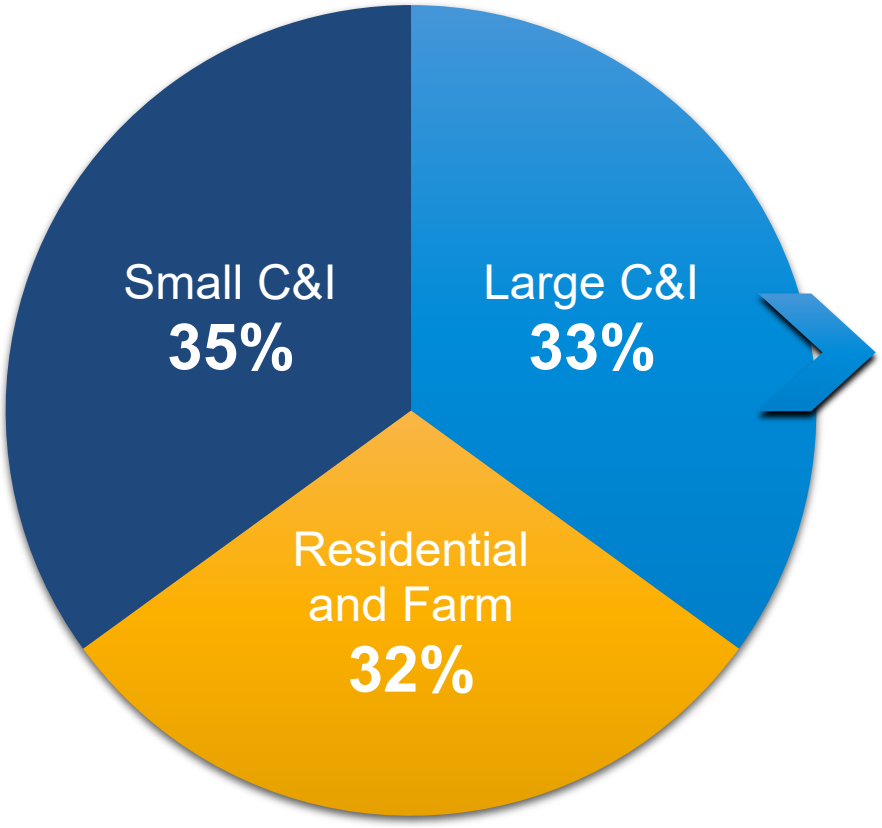
Holding Company Debt to Total Debt



*FFO to debt ratio using GAAP operating cash flow and debt balance
**See reconciliation on last page of presentation.

Balanced Sales Mix

2020 Retail MWh Deliveries Mix*

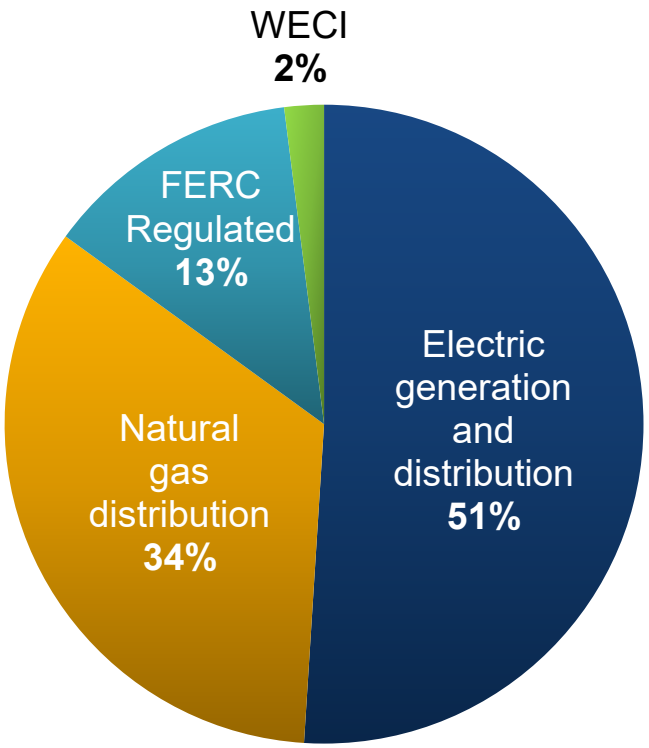


33% Large C&I by Segment	
Paper/Packaging	27%
Foundry (SIC 33)	10%
Mining/Minerals	9%
Food/Agriculture	9%
Other Manufacturing	8%
Metal (SIC 34,35,37)	7%
Medical	6%
Education	3%
Chemical	4%
Printing	3%
Office	2%
Other	12%

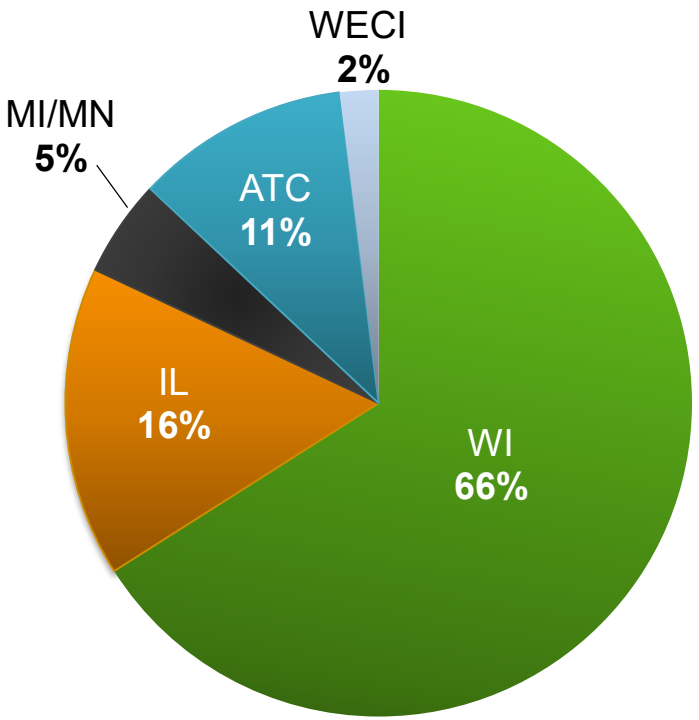
*Wisconsin segment includes Michigan electric and retail choice customers in the Upper Peninsula.

Diverse Portfolio of Businesses

By Business



By Jurisdiction



Based on 2020 average asset base.

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

Open Regulatory Matters



Wisconsin (apps.psc.wi.gov)	Estimated Key Dates
▪ Decision on 2022 Rate Case “Stay Out”	✓
▪ Decision on Koshkonong Solar and Battery Storage (Docket: 5-BS-258 filed 4/30/2021)	2022
▪ Decision on Weston RICE units (Docket: 5-CE-153 filed 4/16/2021)	2022
▪ Decision on Red Barn Wind Park (Docket: 5-BS-256 filed 3/29/2021)	2022
▪ Decision on Darien Solar and Battery Storage (Docket: 5-BS-255 filed 3/16/2021)	2022
▪ Decision on Paris Solar and Battery Storage (Docket: 5-BS-254 filed 2/16/2021)	2022
▪ Decision on LNG projects	✓



Illinois (icc.illinois.gov)	
▪ Decision on NSG base rate increase	✓
▪ Decision on 2016 Rider QIP Reconciliation (Docket: 17-0137 filed 3/20/17)	2022



Michigan (michigan.gov/mpsc)	
▪ Decision on MGU rate settlement	✓



Minnesota (mn.gov/puc)	
▪ Review of cold weather gas costs (Docket: C-21-611)	2022

Regulatory Environment

Wisconsin

- Governor Tony Evers (D)
- Commission
  - Gubernatorial appointment, Senate confirmation
  - Chairman: Gubernatorial appointment
  - 6-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
Tyler Huebner*	D	03/2020	03/2027

Illinois

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

Illinois Commissioners			
Name	**Party**	**Began Serving**	**Term Ends**
Carrie Zalewski *Chair*	D	03/2019	01/2024
D. Ethan Kimbrel	D	01/2018	01/2023
Maria Soledad Bocanegra	I	04/2019	01/2023
Michael Carrigan	D	01/2020	01/2025
Vacant			

* Pending confirmation

Rate-Making Parameters by Company

Utility	Equity Layer[1]	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[2]	51.58%	9.67%
Minnesota Energy Resources	50.9%	9.7%
Michigan Gas Utilities[3]	51.5%	9.85%
We Power	53%-55%	12.7%
American Transmission Company	50%	10.52%

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

[1] Represents the equity component of capital; rates are set at the midpoint of any range.
[2] Effective September 15, 2021.
[3] Effective January 1, 2022.

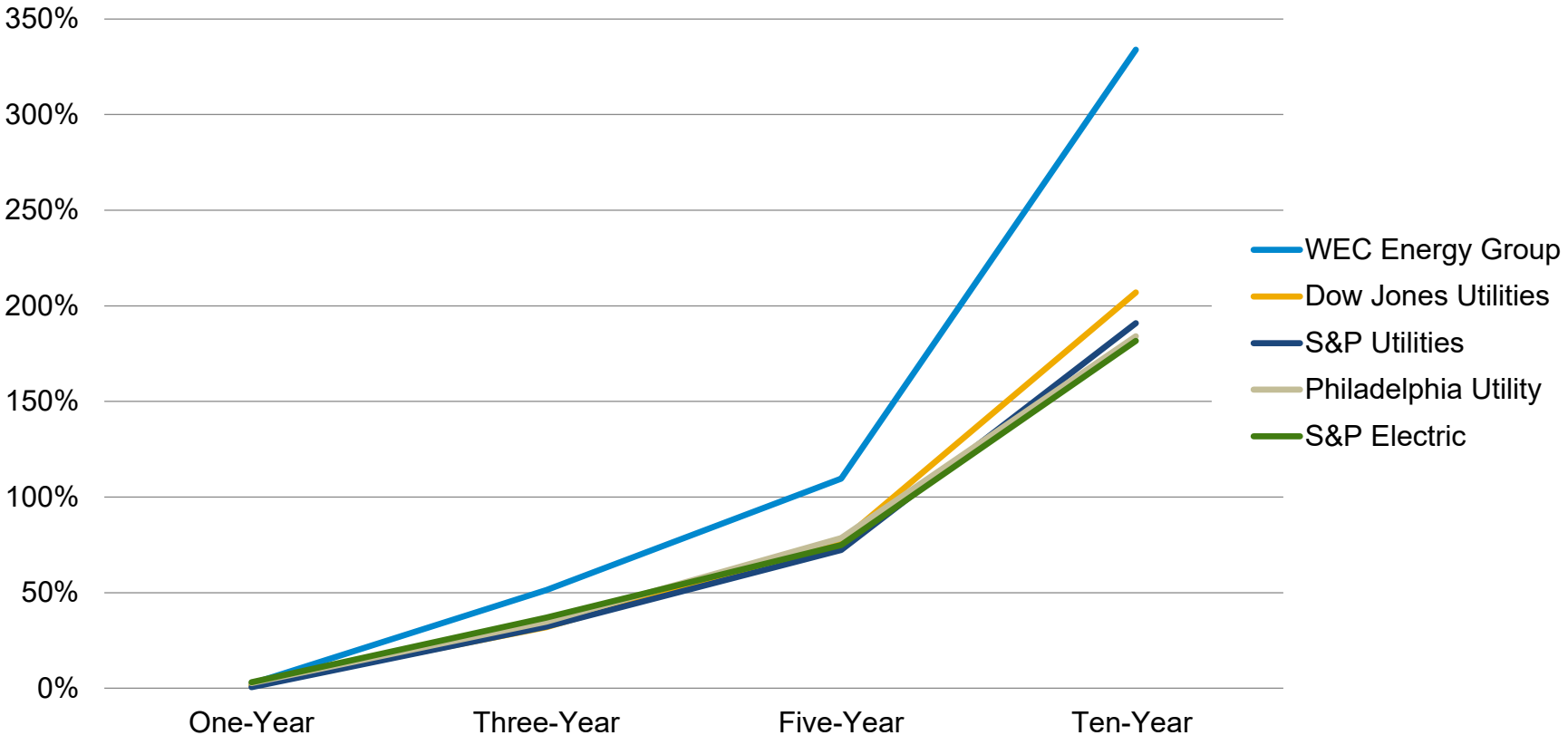
Key Rate Making Components

Area	Illinois–Gas	Minnesota–Gas	Michigan–Electric & Gas	Wisconsin–Gas	Wisconsin–Electric
Gas Pipeline Replacement Rider	PGL		MGU		
Bad Debt Rider	✓				
Bad Debt Escrow Accounting				Residential	Residential
Decoupling	✓	✓			
Fuel Cost Recovery	1 for 1 recovery of prudent fuel costs				+/- 2% band
MGP Site Clean Up Recovery	✓	✓	✓	✓	N/A
Invested Capital Tax Rider	✓				
Forward-Looking Test Years	✓	✓	✓	2 years	2 years
COVID-19 Incremental O&M and foregone late payment fees	Special Purpose Rider				
Gas Utility Infrastructure Cost Rider Surcharge		✓			
Earnings Sharing*				No sharing on first 25 bp above allowed ROE, 50/50 on next 50bp, 100% to customers beyond 75 bp	

*Sharing mechanism will be updated for 2022 as follows:
No sharing on first 15 bp above allowed ROE, 50/50 on next 60bp, 100% to customers beyond 75 bps.

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, 2020.

Source: Bloomberg

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

	2014	2015	2016	2017
Reported EPS – GAAP basis	$2.34	$2.59	$ 2.96	$ 3.79
Acquisition Costs	$0.39	$0.06	$ 0.01	–
Integrys Earnings		$(0.47)		
Impact of Additional Shares		$0.47		
Tax Benefit Related to Tax Cuts and Jobs Act of 2017	–	–	–	$ (0.65)
Adjusted EPS – Non-GAAP Basis*	**$2.73**	**$2.65**	**$ 2.97**	**$ 3.14**

* 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, as applicable, (1) 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; (2) costs related to the acquisition of Integrys Energy Group; (3) the results of operations of Integrys and its subsidiaries; and (4) the additional shares of WEC Energy Group common stock that were issued as part of the acquisition. None of these items are 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.

Ratio of FFO to Debt

(in millions, except percent)

Ratio of FFO to Debt	2020
Net cash provided by operating activities	$2,196.0
Total debt	$14,290.8
Ratio of FFO to debt	**15.4%**

Ratio of FFO to Debt – Adjusted	2020
Net cash provided by operating activities	$2,196.0
Add: Employer contributions to qualified pension plans	100.0
Add: Accounts receivable arrears attributed to COVID-19	85.0
Net cash provided by operating activities – adjusted	**$2,381.0**
Total debt	$14,290.8
Less: Employer contributions to qualified pension plans	100.0
Less: Accounts receivable arrears attributed to COVID-19	85.0
Total Debt – Adjusted	**$14,105.8**
Ratio of FFO to Debt – Adjusted	**16.9%**

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WEC Energy Group