# *Our "ESG" Progress Plan:*

## *Investing in Efficiency, Sustainability and Growth*




**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 (Top 2 Box)**
*JD Power*

**We Energies named Most Reliable Utility in the Midwest**
*PA Consulting*

# Cautionary Statement Regarding Forward-Looking Information

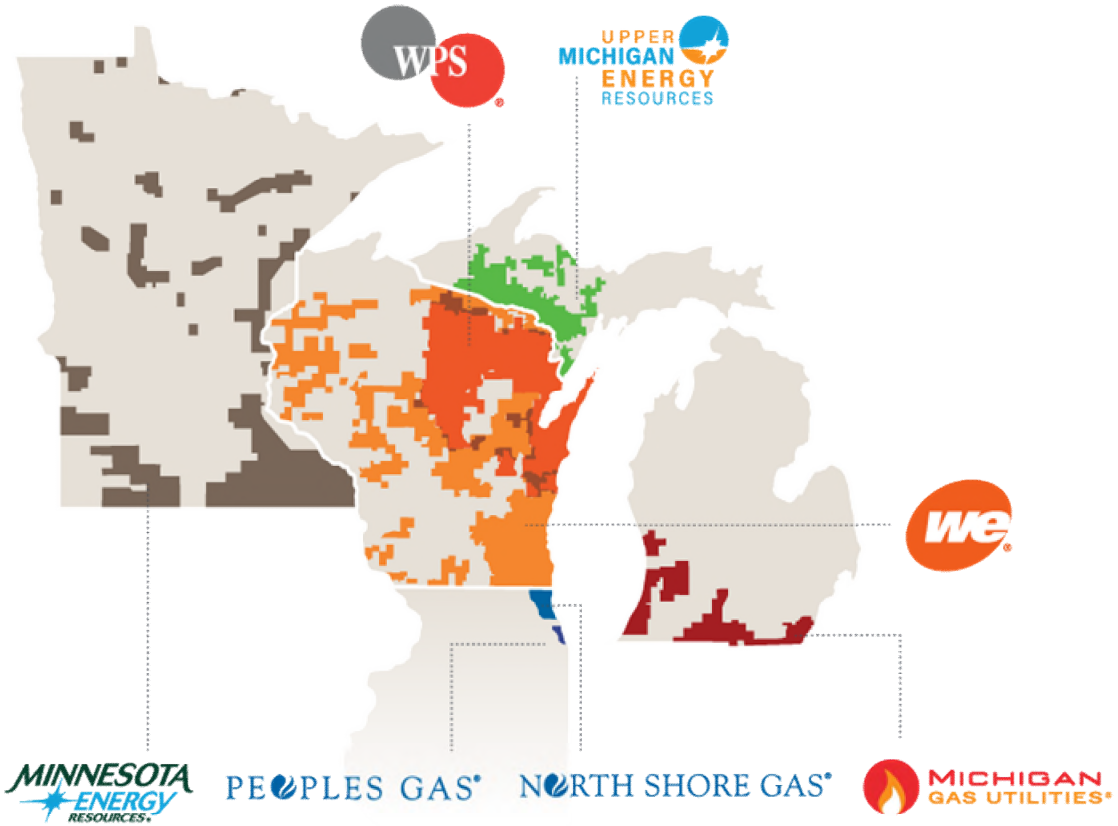
Much of the information contained in this presentation is forward-looking information based upon management's current expectations and projections that involve risks and uncertainties. Forward-looking information includes, among other things, information concerning earnings per share, rate case activity, 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; 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, 2020, 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

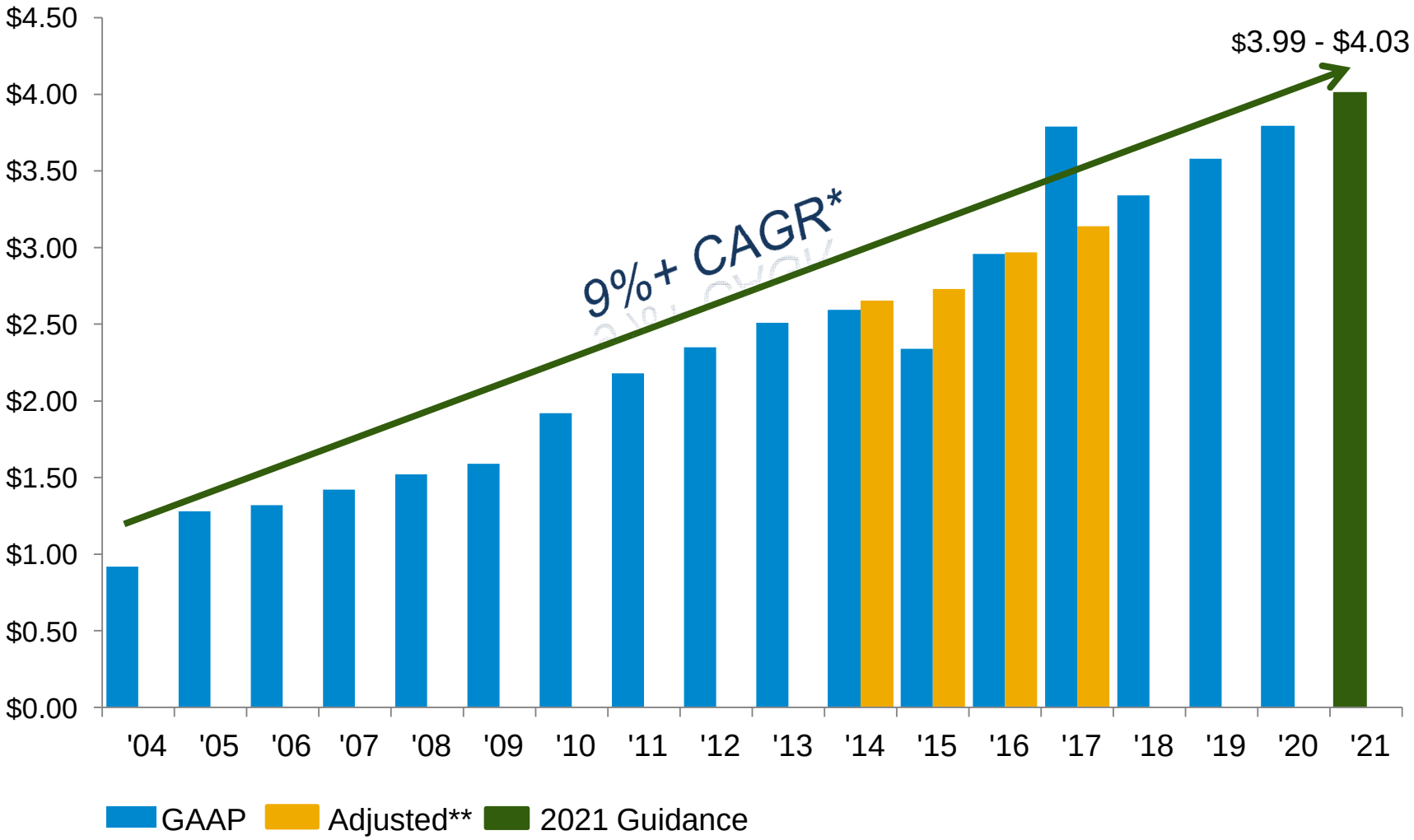
## Company Profile

- **$25.4** billion market cap*
- **4.6** million retail customers
- **60%** ownership of American Transmission Company
- **$37.0** billion of assets




* As of February 28, 2021

# A History of Quality Earnings Growth




* Estimated based on 2021 guidance midpoint of $4.01 per share

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

WEC Energy Group

# 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*** | ✓ |

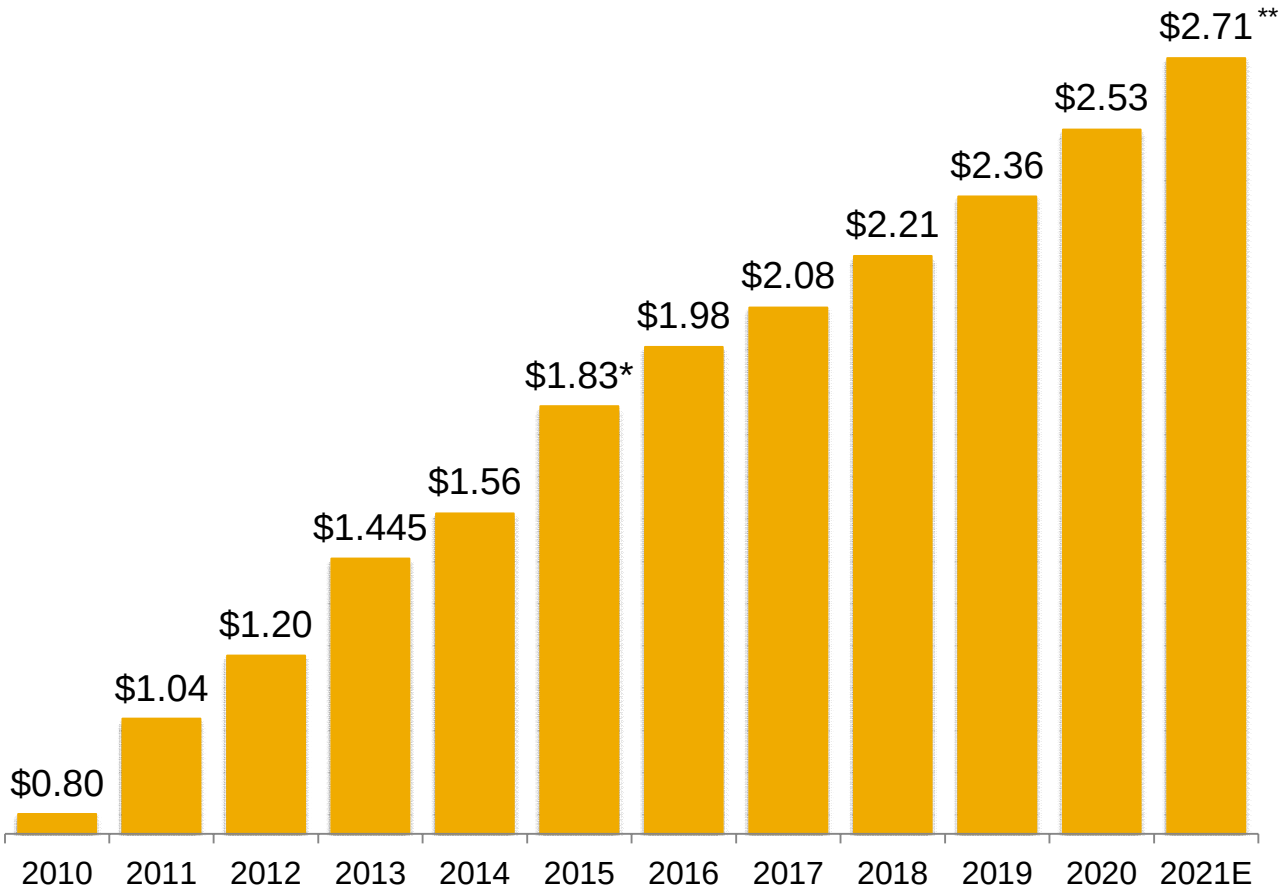
# Strong Dividend Growth Continues

In January, raised the dividend by **7.1%** to a new annual rate of **$2.71** per share

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

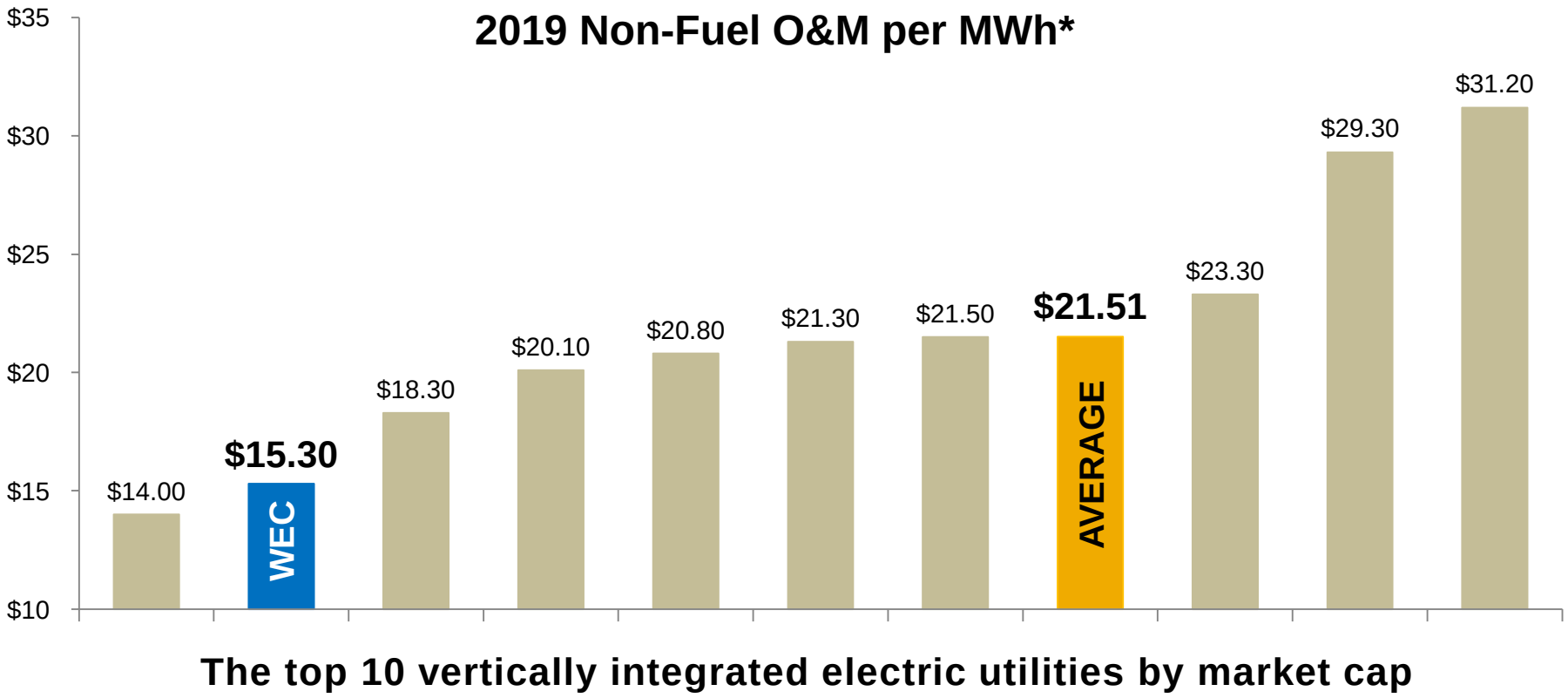
Projecting dividend growth in line with earnings growth

## Annualized Dividends Per Share




*Annualized based on 4th quarter 2015 dividend of $0.4575
**Annualized based on 1st quarter 2021 dividend of $0.6775

# 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


ESG Progress
Plan

# Our ESG Progress Plan

## Investing $16.1 billion for:

Efficiency

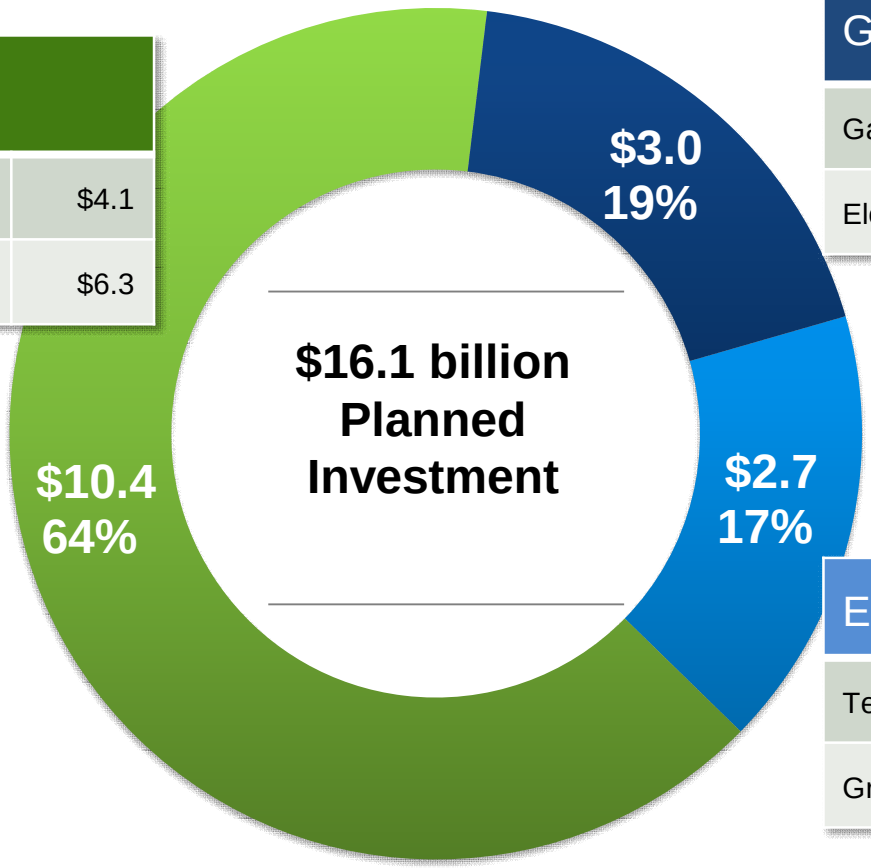
Sustainability

Growth

*2021-2025 Capital Plan ($ in billions)*

# Investing in Efficiency and Sustainability Drives Growth

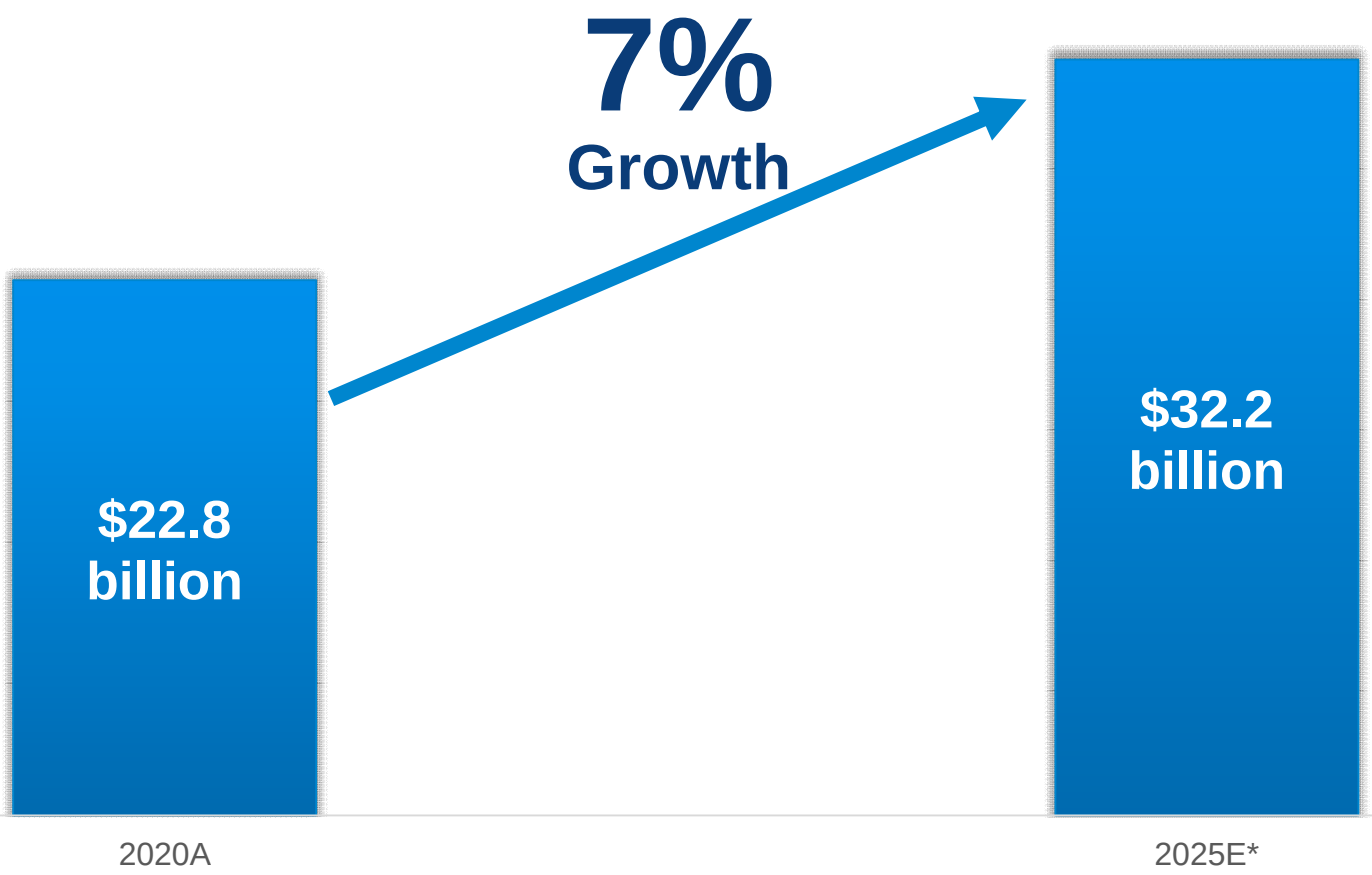
| Sustainability | |
|---|---|
| Renewables | $4.1 |
| Grid and fleet reliability | $6.3 |




| Growth | |
|---|---|
| Gas distribution | $1.6 |
| Electric (G,T&D) | $1.4 |

| Efficiency | |
|---|---|
| Technology | $1.0 |
| Grid and fleet modernization | $1.7 |

# Robust Growth in Asset Base




*Estimated year-end average asset base

*Allocating $1.9 Billion for Regulated Renewables*

# Investing in Carbon-Free Generation

**Build and own 1,800 MW of new solar, wind, and battery storage**







## Currently Under Development or In-Service

- 200 MW solar – WPS*
- 100 MW solar – We Energies

## New Planned Clean Energy Additions

- 800 MW solar
- 100 MW wind
- 600 MW battery storage

* 100MW in-service November 2, 2020

*Recent Initiatives - Seeking Wisconsin Commission Approval*

# Investments in Regulated Renewables

*Our ESG Progress Plan is building a bright, sustainable future*

- Paris Solar-Battery Park
  - Expected investment: $383M for 90% of the project (solar: $245M / batteries: $138M)
  - Total project: 200MW of solar generation and 110MW of battery storage
  - Planned in-service: 2023
- Darien Solar-Battery Park
  - Expected investment: $401M for 90% of the project (solar: $310M / batteries: $91M)
  - Total project: 250MW of solar generation and 75MW of battery storage
  - Planned in-service: 2023
- Repowering Blue Sky Green Field and Crane Creek Wind Parks
  - Expected investment: $154M
  - Planned in-service: 2022

*Reducing 100MW of Capacity*

# Modernizing Our Gas-Fueled Generation Fleet

## Retiring

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

## Building

- 100 MW of RICE generation planned

## Investing

- West Riverside Energy Center (now operational)*
  - 200 MW - combined cycle
  - $180 million investment expected
  - 2023 – 2024

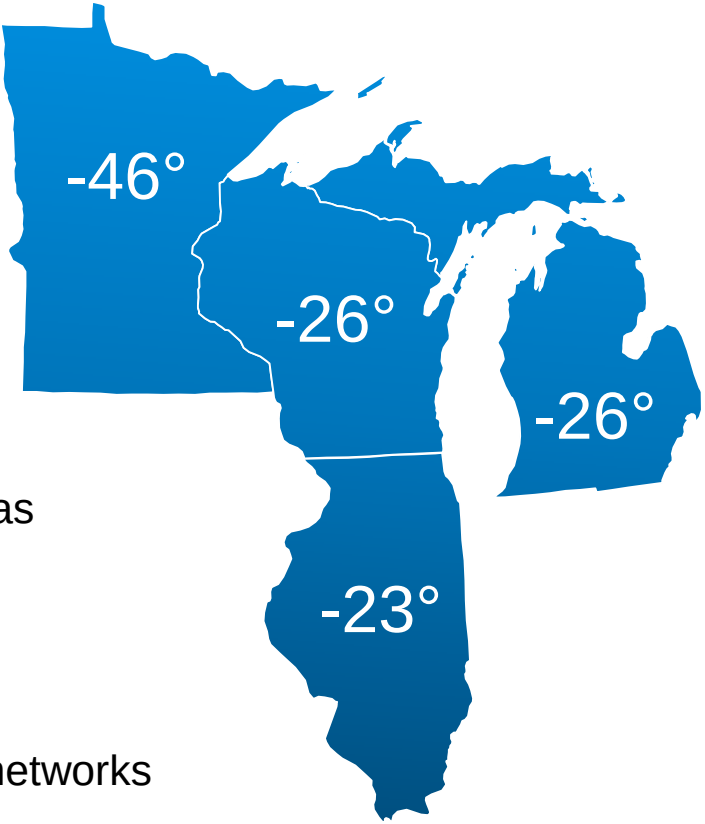


Reciprocating Internal Combustion Engines (RICE) are modular, run on natural gas and allow for reliable and flexible operations.

* Pending due diligence and regulatory approval

*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

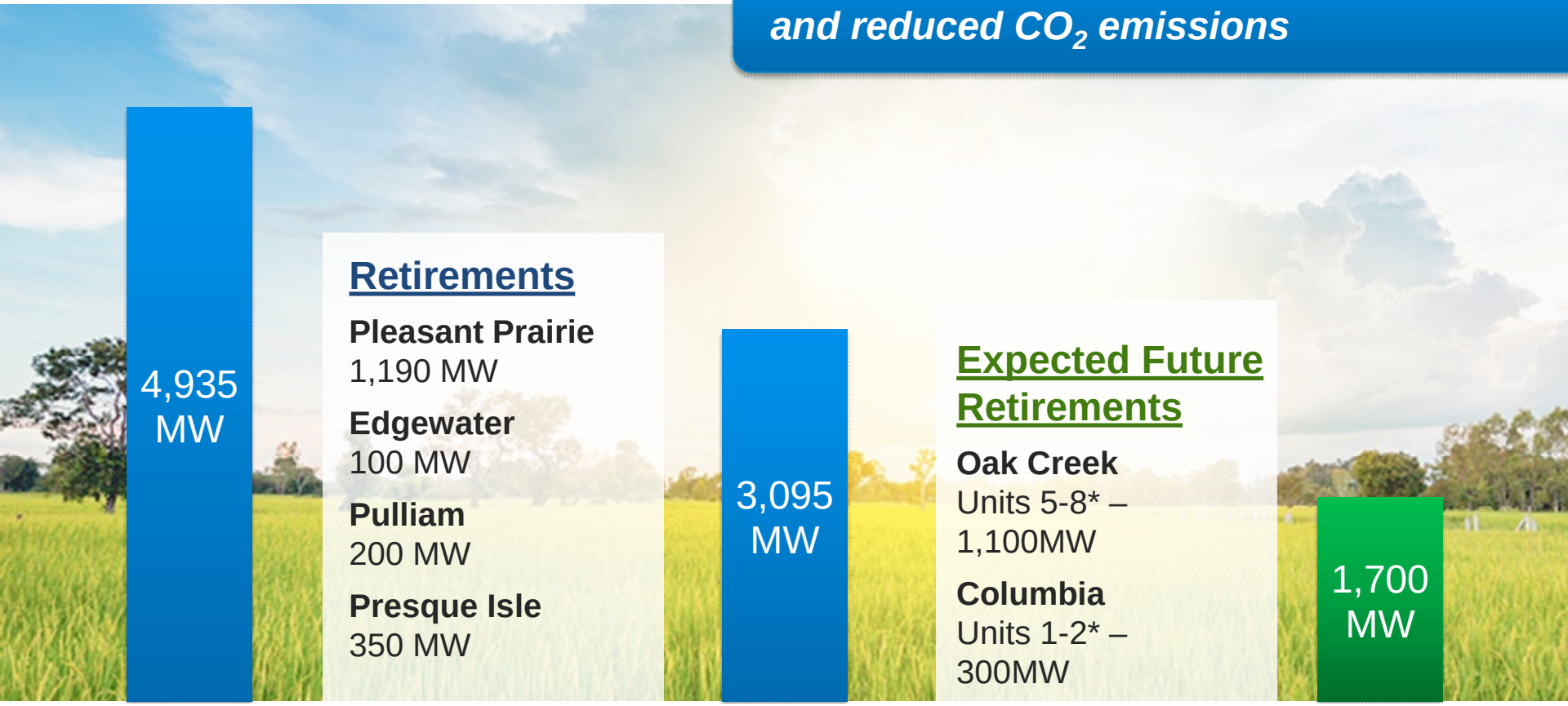
- Today, electric heat pumps in our region are 4-5x more costly than natural gas heating*
  - Potential cost effective option after 2055?*
- Natural hedge in Wisconsin since we serve both electric and natural gas customers

*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

# Aggressively Reducing Coal-Fueled Generation

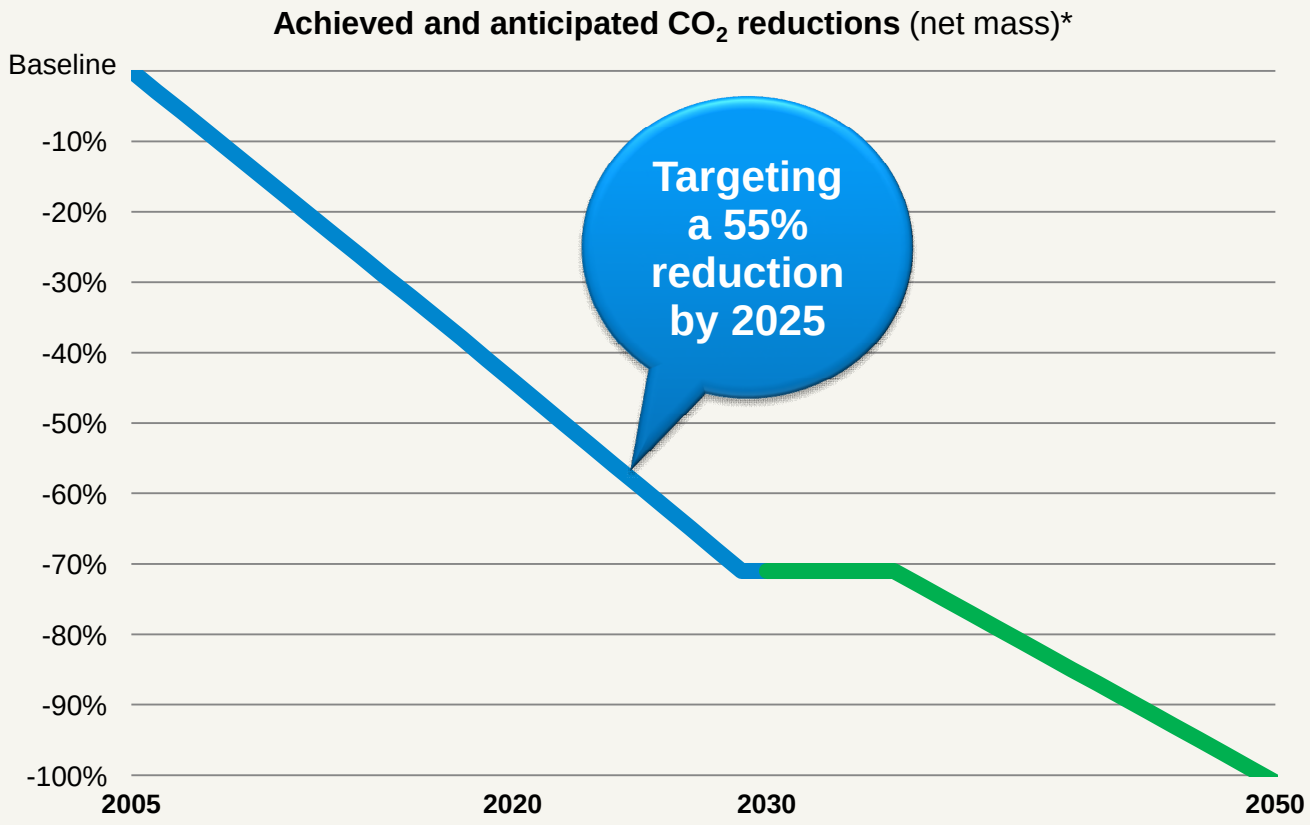
***Plant retirements have lowered costs and reduced $CO_2$ emissions***




* Expected retirements in 2023 - 2024

*Our ESG Progress Plan*

# New Carbon Reduction Goals – Electric Generation




**Reduction goals:**

**70%**
below 2005 levels by 2030

**Net carbon neutral**
by 2050

Goals aligned with the Paris Climate Accord

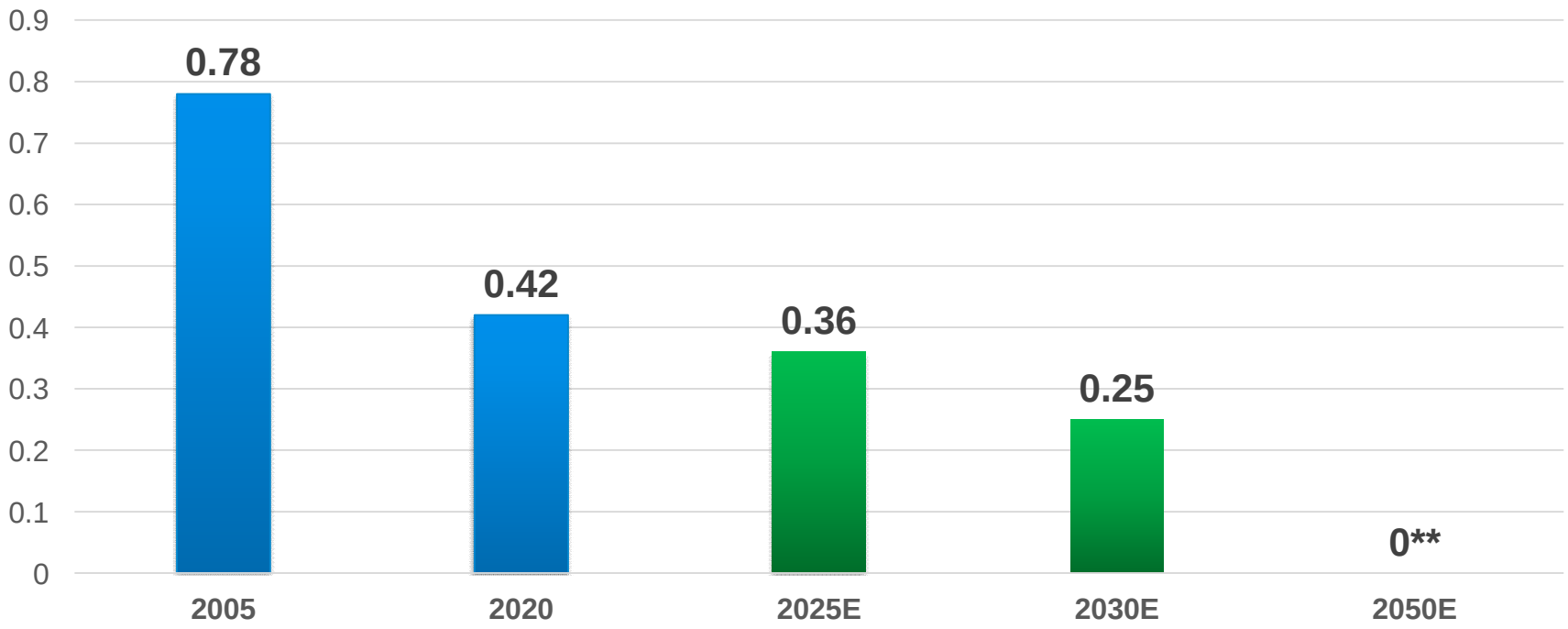
*Our capital investment plan aligns with and fully supports our carbon reduction goals.*

**Includes projection of potential carbon offsets by 2050*

# Reducing Greenhouse Gas Emissions

**Greenhouse gas intensity***

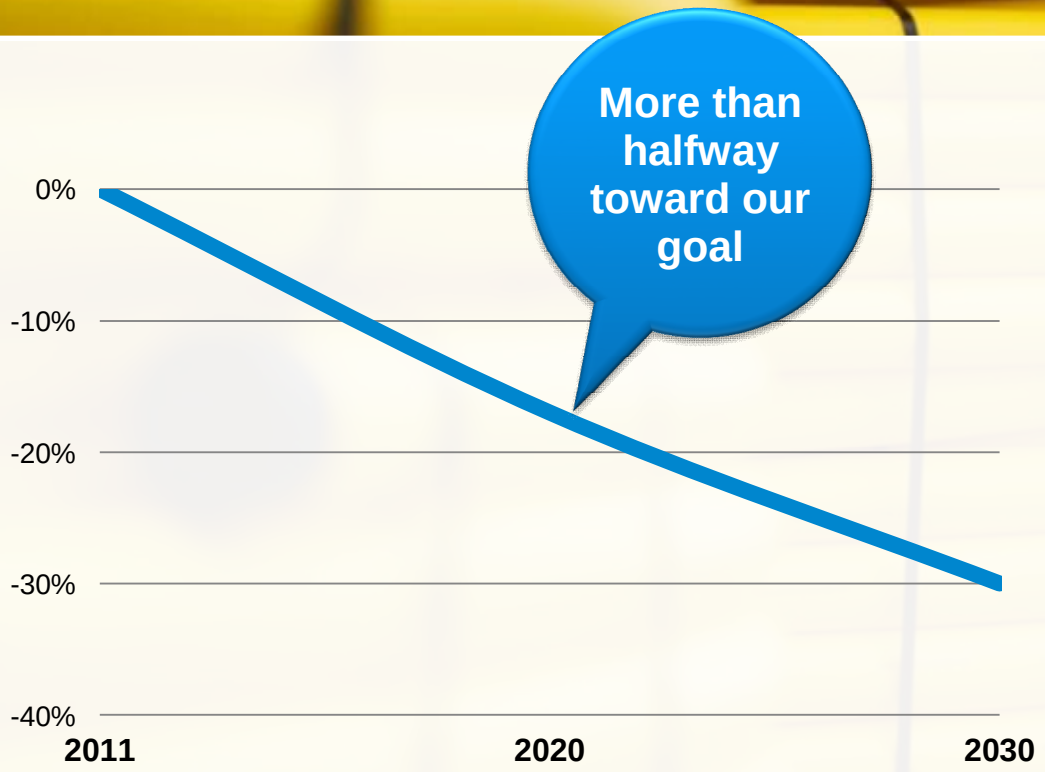
*(metric tons $CO_2e$/MWh)*




*Includes owned electric generation, purchased power and WEC Infrastructure
**Includes projection of potential carbon offsets by 2050

*Our ESG Progress Plan*

# Methane Reduction Goal




**Reduction Goal:***

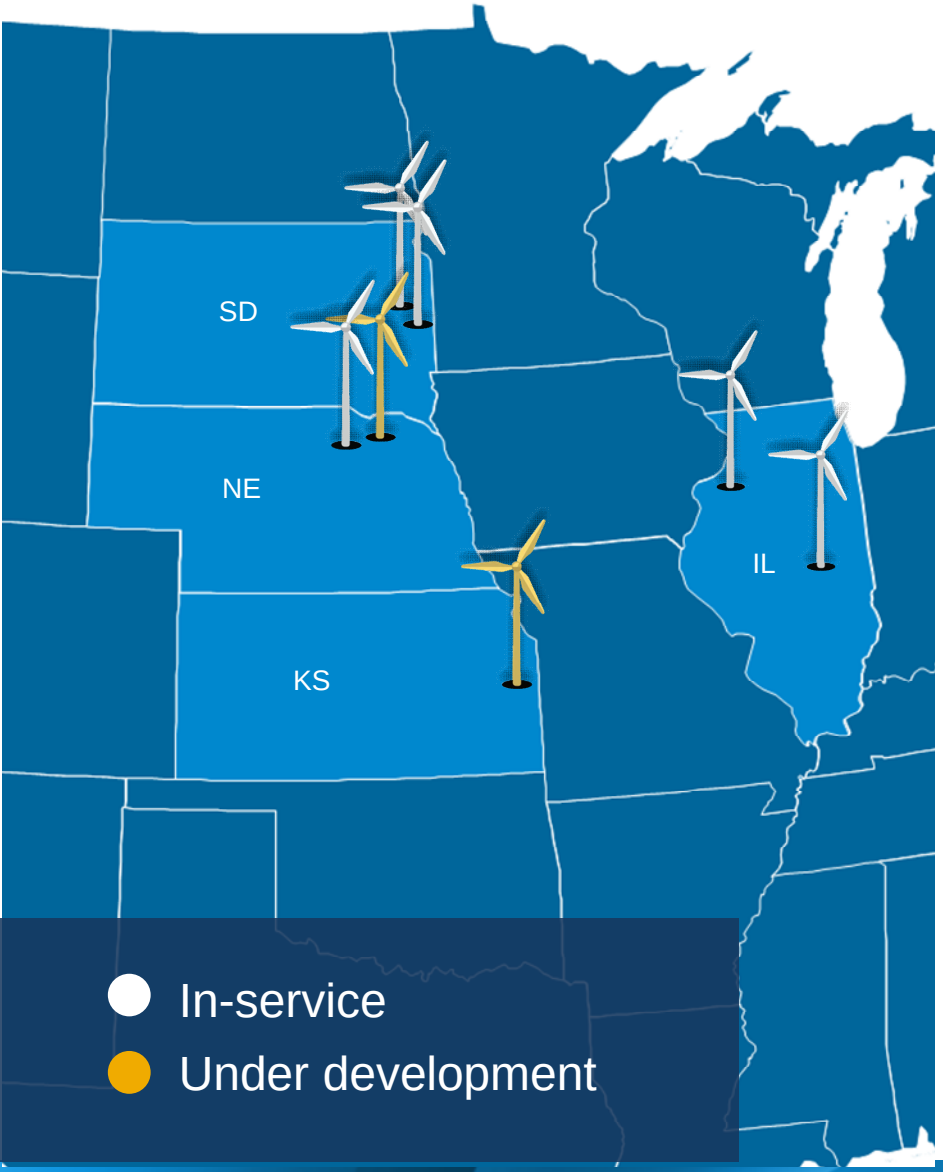
**30%**

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.

*Allocating $2.2 Billion 2021-2025*

# Infrastructure Portfolio




| In-Service | 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 |
| **Total** | **834** | **$1,247** |

| Under Development | Capacity | Investment |
|---|---|---|
| Thunderhead* | 300 | $381 |
| Jayhawk* | 190 | $302 |
| **Total** | **490** | **$683** |

Expect an additional $1.5 billion of investment over the five-year period

*Investment part of the 2021-2025 capital plan

*WEC Infrastructure Investment*

# Jayhawk Wind Farm

70 wind turbines with a capacity of ~190MW



- Expected total investment: $302 million
  - 90% ownership interest and substantially all of the tax benefits
- Under development by Apex Clean Energy and will be co-owned and operated by Invenergy
- Located in Bourbon and Crawford counties, Kansas
- Expected returns are higher than those in our regulated business
- Long-term offtake agreement with Facebook
- Projected commercial operation: Late 2021

# 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**

| | 2022 - 2025 |
|---|---|
| Electric | 1.0% - 1.3% |
| Gas | 1.0% - 1.3% |

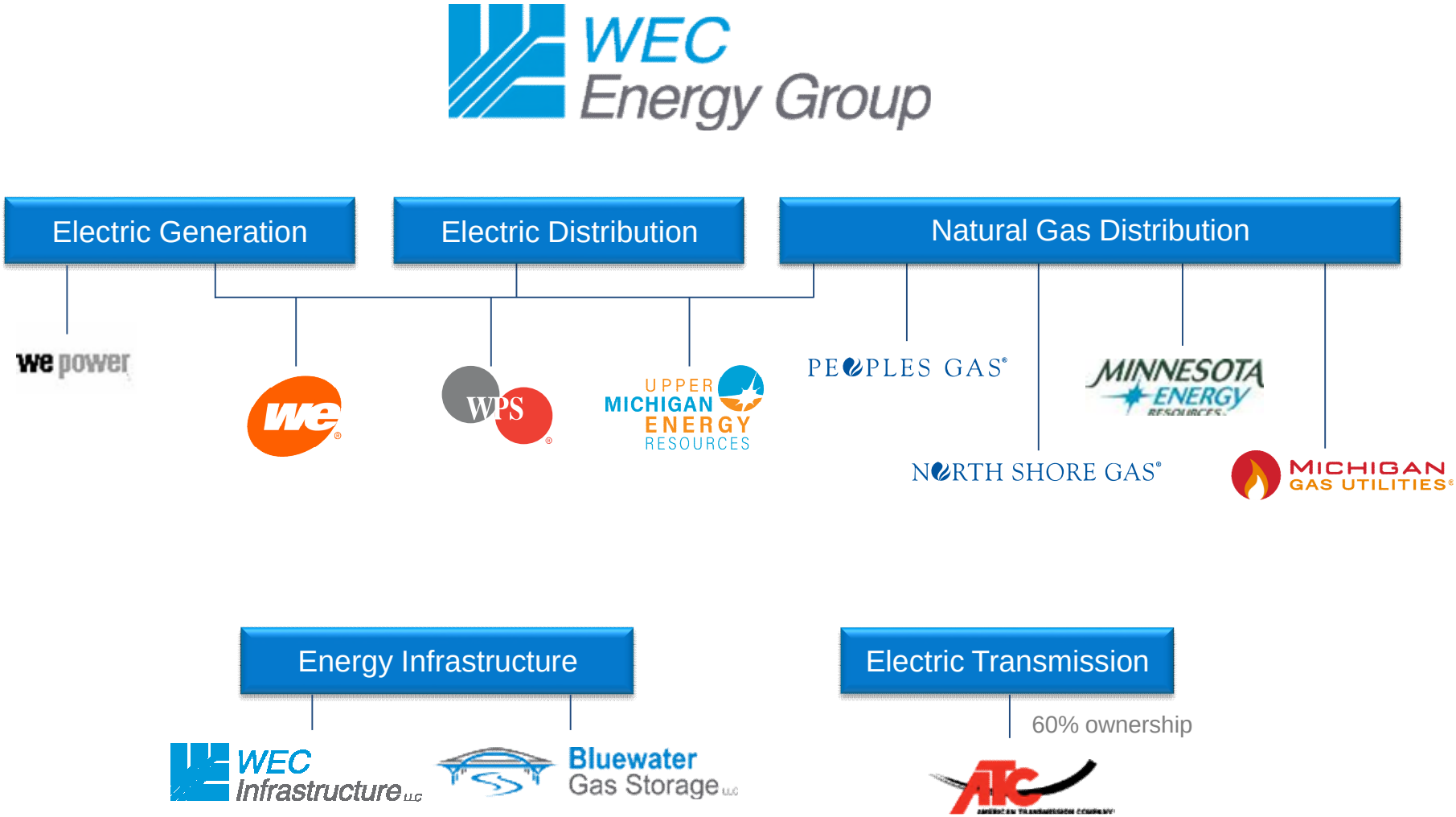


# Key Takeaways for WEC Energy Group

- Track record of exceptional performance
- ESG Progress Plan supports 5-7% EPS growth with minimal impact on customer rates
- 100% of capital allocated to regulated businesses or contracted renewables
- 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


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
60% ownership
WEC Infrastructure LLC
Bluewater Gas Storage LLC
ATC

# 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





**Scott Lauber**
Senior Executive Vice President and Chief Operating Officer



**Kevin Fletcher**
President and CEO



**Xia Liu**
Executive Vice President and Chief Financial Officer

# Environmental, Social & Governance Focus

| | |
|---|---|
| Carbon Goals | Met and exceeded our 2030 target. Set new goals to reduce carbon dioxide emissions from electric generation by 70% below 2005 levels by 2030 and to be net carbon neutral by 2050. |
| 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 two decades |
| $1.9 billion | Planned utility renewable investments (2021-2025) |
| $2.2 billion | Planned investment in contracted energy infrastructure (2021-2025) |
| $20 million | Contributed by our companies and foundations to nonprofit organizations in 2020 |
| 46% diversity | Board of directors who are diverse based on gender and/or race |
| $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 |

# Carbon-Free Generation Currently Under Development



- 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* | Timing |
|---|---|---|---|---|---|
| Two Creeks Solar Project | WPS | Two Rivers, WI | $130M | 100MW | In Service: November, 2020 |
| Badger Hollow I Solar Park | WPS | Iowa County, WI | $130M | 100MW | Targeted in-service: Q2 2021 |
| Badger Hollow II Solar Park | WE | Iowa County, WI | $130M | 100MW | Targeted in-service: December, 2022 |

*Madison Gas & Electric will own an additional 50 MW at each site

# New Liquefied Natural Gas (LNG) Storage Facilities

Taking steps to maintain reliable and affordable service for our customers

**LNG provides 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 fall of 2021
- Targeted in-service date: Late 2023

*Project Highlights*

# Efficiency, Growth and Sustainability Progress








## Electric Delivery Redesign / Resilience

- Addressing aging infrastructure
- Enhancing efficiencies and reducing operating costs
- Expect to spend $2.9 billion (2021-2025)

## Natural Gas System Modernization

**Illinois**

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

**Wisconsin**

- Increasing quantity and reliability of natural gas service in Southeastern Wisconsin

## Technology Enhancements

- Implementing advanced metering
- Installing new customer information system
- Project to spend $1.0 billion (2021 – 2025)

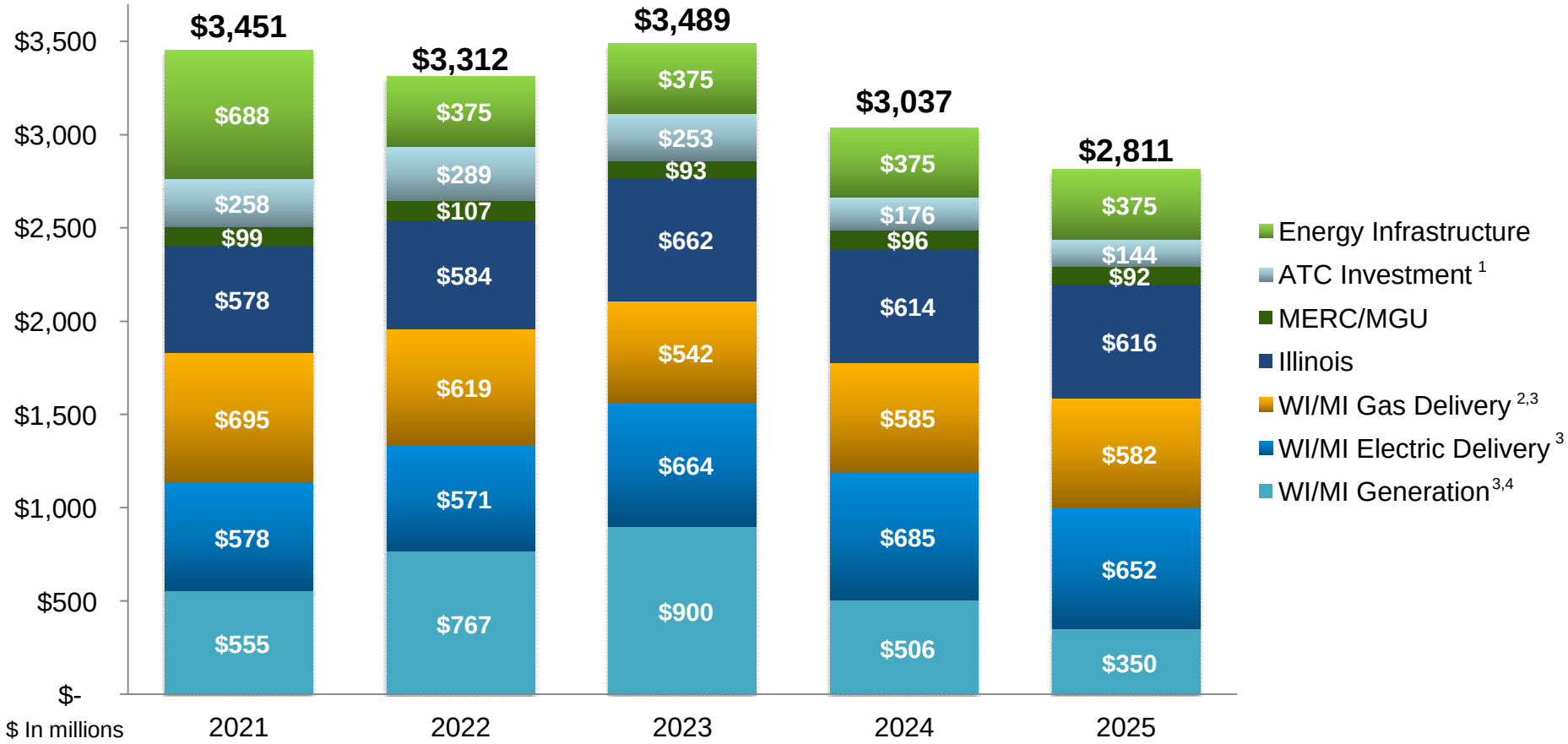
# Wind Infrastructure Investment Summary

| Project | Developer | Location | Investment | Offtake Agreement | WEC Commercial Operations | 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: 2021 | ~300MW |
| Jayhawk Wind Farm | Apex Clean Energy | Bourbon & Crawford Counties, KS | $302M expected for 90% ownership and 99% of tax benefits | Facebook | Projected: 2021 | ~190MW |

*Projected Returns Higher than Regulated Business*

*$16.1 billion projected capital spend from 2021-2025*

# Low-Risk Capital Plan Drives 5% to 7% EPS Growth




Depreciation at the utilities expected to average $1.1 billion annually, and $132 million at ATC, over the 2021-2025 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 | $933.5 | $1,032.0 | $1,375.3 |
| Wisconsin Gas | $234.4 | $256.2 | $234.4 |
| Wisconsin Public Service | $578.8 | $537.6 | $443.8 |
| Upper Michigan Energy Corp | $16.7 | $18.8 | $16.7 |
| **Wisconsin Segment** | **$1,763.4** | **$1,844.6** | **$2,070.2** |
| Peoples Gas | $509.5 | $517.2 | $598.6 |
| North Shore Gas | $64.4 | $64.6 | $62.3 |
| **Illinois Segment** | **$573.9** | **$581.8** | **$660.9** |
| Minnesota Energy Resources Corp | $58.8 | $49.2 | $48.3 |
| Michigan Gas Utilities | $39.6 | $57.6 | $44.2 |
| **Other States Segment** | **$98.4** | **$106.8** | **$92.5** |
| WE Power | $26.1 | $99.2 | $32.2 |
| Infrastructure Investments* | $713.9 | $380.7 | $376.9 |
| **Nonutility Energy Infrastructure** | **$740.0** | **$479.9** | **$409.1** |
| **Corporate and Other** | **$17.1** | **$10.1** | **$3.7** |
| **Total** | **$3,192.8** | **$3,023.2** | **$3,236.4** |

* Infrastructure investments include capital spend at Bluewater

# 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%** |

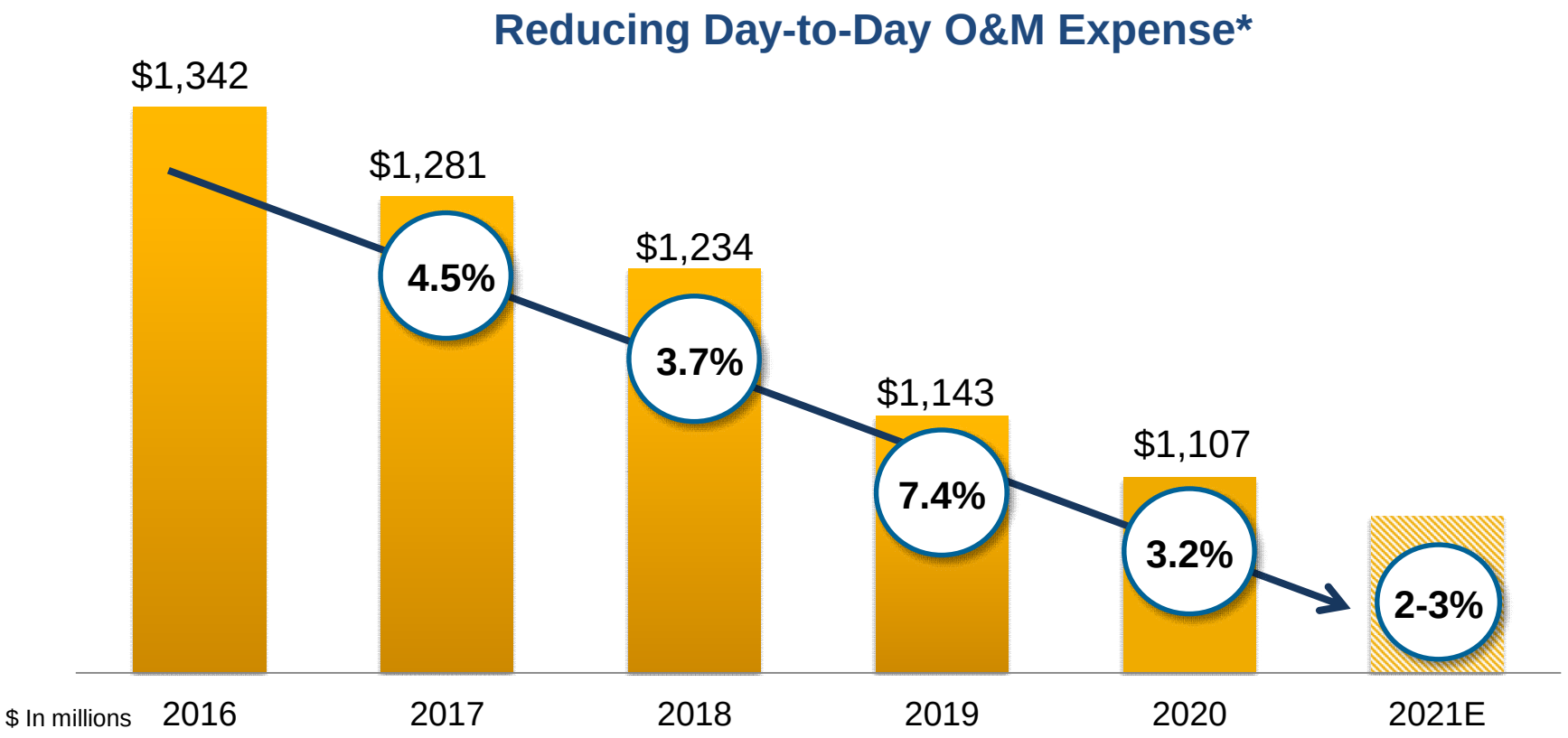
*Note: We Power value represents investment book value*

# Power the Future Investments[1]

| | Natural Gas | Coal |
|---|---|---|
| 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<br>Unit 2 – May 2008 | Unit 1 – February 2010<br>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.

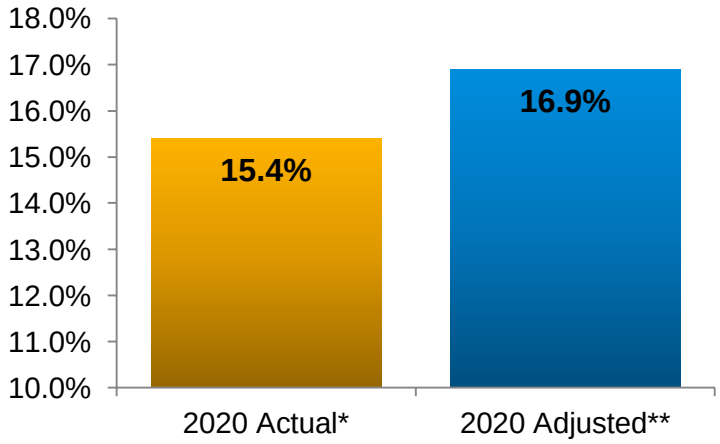
# Focused on Efficiency




*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.

# Balance Sheet Remains Strong

## Funds from Operations/Debt

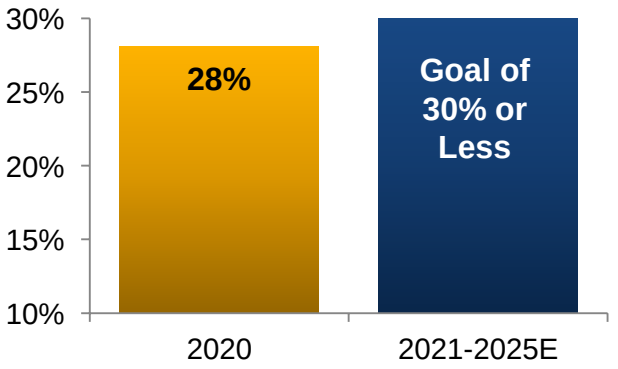



| WEC Energy Group | Target 2020-2025 |
|---|---|
| **S&P** FFO to Debt | ≥15% |
| **Moody's** CFO Pre-WC/Debt | ≥16% |

## 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 |

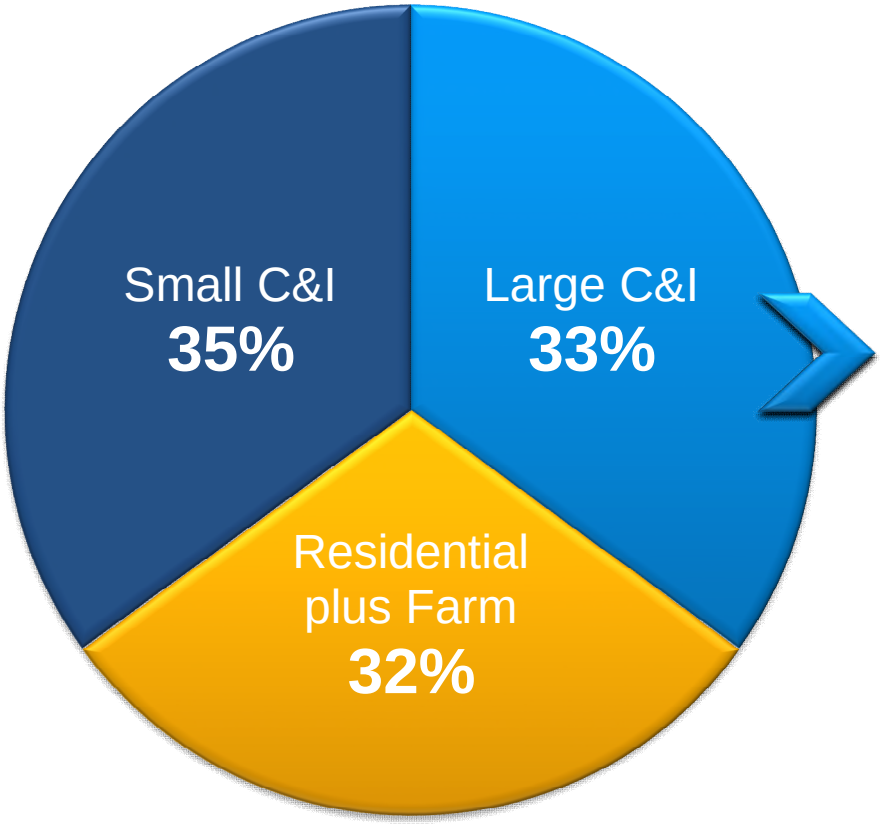
## Holding Company Debt to Total Debt




*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*

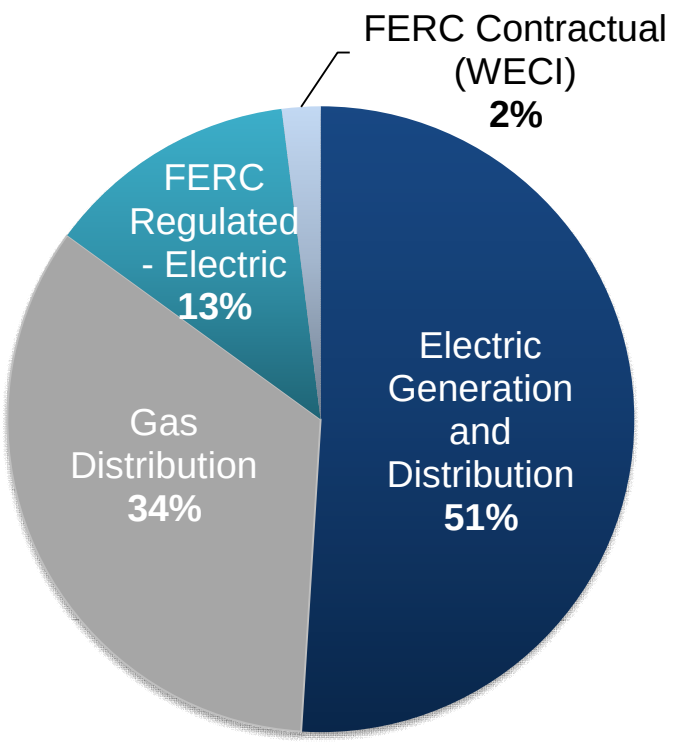



| 33% Large C&I by Segment | |
|---|---|
| Paper/Packaging | 27% |
| Foundry (SIC 33) | 10% |
| Mining/Minerals | 9% |
| Food/Agriculture | 9% |
| Other Manufacturing | 8% |
| Metal (SIC 34,35,37) | 7% |
| Medical | 6% |
| Education | 3% |
| Chemical | 4% |
| Printing | 3% |
| Office | 2% |
| Other |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

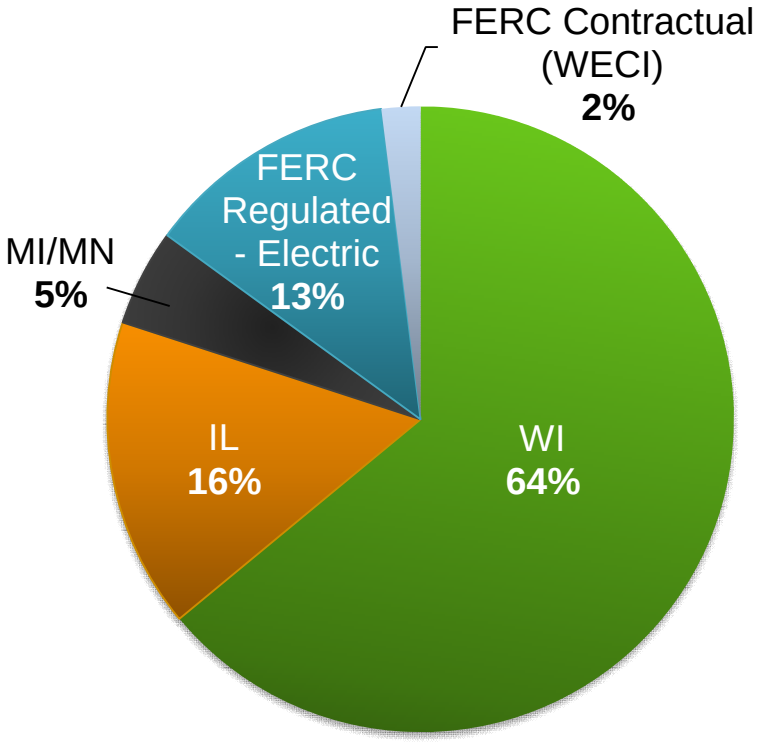
*Wisconsin segment includes Michigan electric and retail choice customers in the Upper Peninsula

# Diverse Portfolio of Businesses

## By Business




## By Jurisdiction




Based on 2020 average asset base.

# Open Regulatory Matters

| | Estimated Key Dates |
|---|---|
| **Wisconsin** (apps.psc.wi.gov) | |
|  | |
| ▪ Decision on Darien Solar and Battery Storage (Docket 5-BS-256 filed 3/16/2021) | 2022 |
| ▪ Decision on Paris Solar and Battery Storage (Docket 5-BS-254 filed 2/16/2021) | 2022 |
| ▪ Decision on Repowering of Blue Sky and Crane Creek Wind Parks (Docket: 6630-CE-151 filed 2/5/2021) | 2021 |
| ▪ Decision on 2022 Rate Case "Stay Out" | Q2 2021 |
| ▪ Decision on LNG project (Docket: 5-CG-106 filed 11/1/2019) | Q3 2021 |
| **Illinois** (icc.illinois.gov) | |
|  | |
| ▪ Decision on NSG proposed base rate increase of $7.6 million or 8.5% (Docket: 20-0810 filed 10/15/2020) | Q3 2021 |
| ▪ Decision on 2016 Rider QIP Reconciliation (Docket: 17-0137 filed 3/20/17) | 2021 |
| **Michigan** (michigan.gov/mpsc) | |
|  | |
| ▪ Filing of MGU proposed base rate increase | Q1 2021 |
| **Minnesota** (mn.gov/puc) | |
|  | |
| ▪ Nothing material pending | |

# 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 |
| **Tyler Huebner*** | D | 03/2020 | 03/2027 |

**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 |

* 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 | 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% | 10.52%[2] |

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

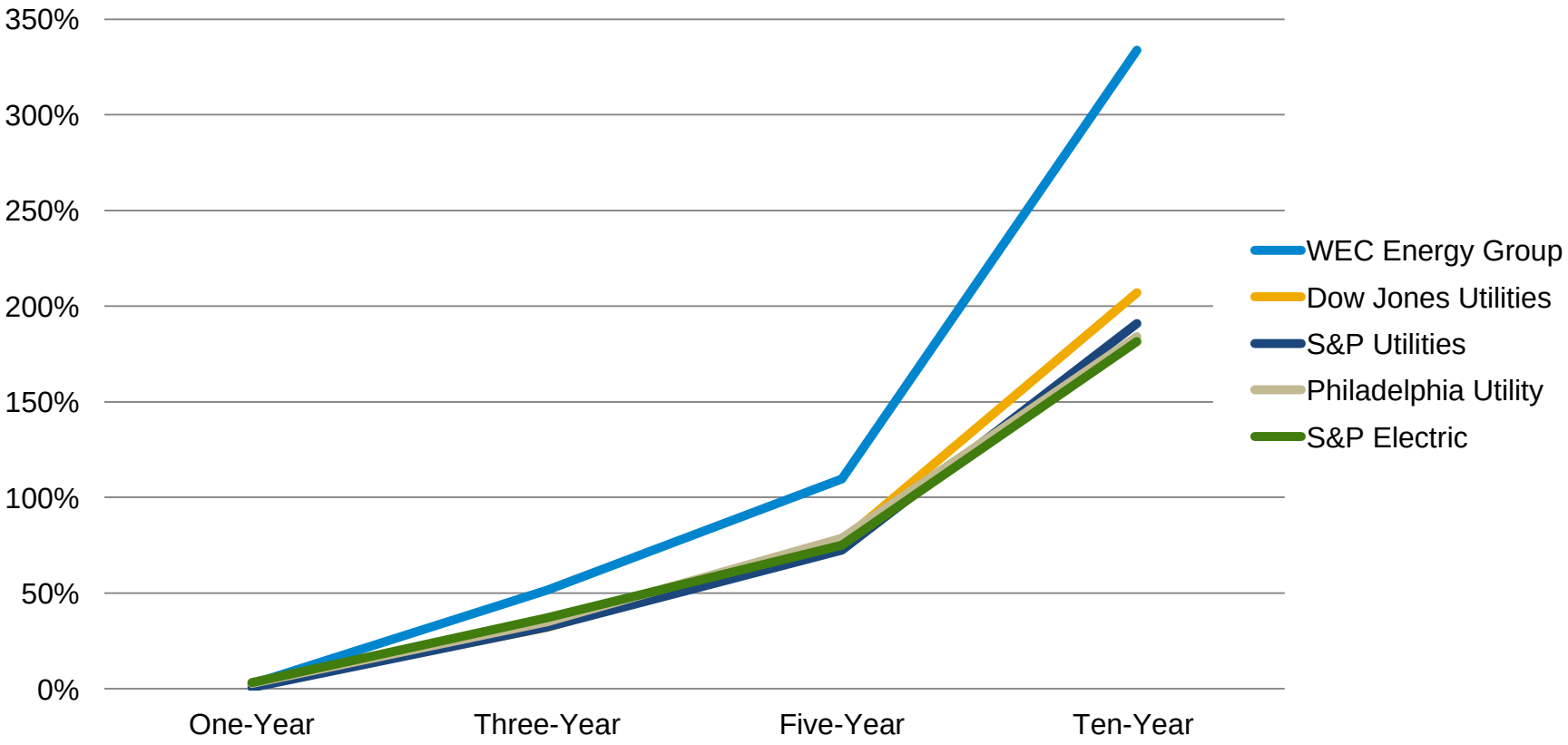
[1] Represents the equity component of capital; rates are set at the midpoint of any range
[2] Raised from 10.38% pursuant to FERC decision on May 21, 2020

# 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 | | | | Residential | Residential |
| 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 sharing | | | | No sharing on first 25 bp above allowed ROE, 50/50 on next 50bp, 100% to customers beyond 75 bp | |

# Industry Leading Total Shareholder Returns*

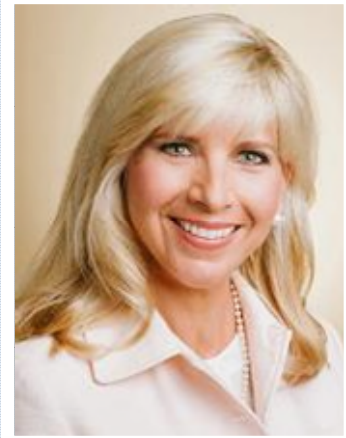
Over the past decade, WEC Energy Group has consistently delivered among the best total returns in the industry




* Total return including reinvested dividends for the periods ended December 31, 2020

*Source: Bloomberg*

# Contact Information



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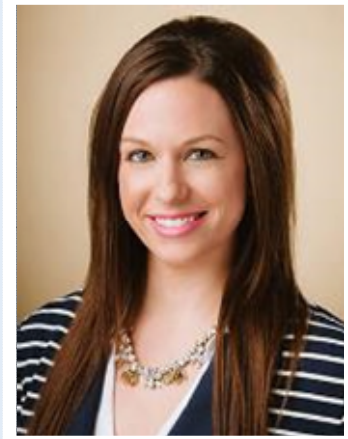

## Ashley Knutson

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WEC Energy Group

# 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%** |