

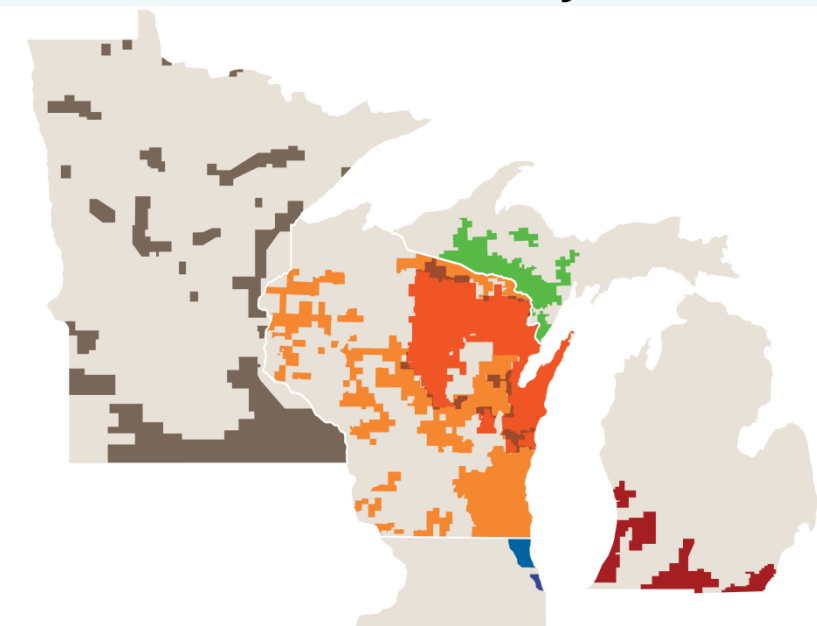
MARC Annual Meeting

June 19, 2017



WEC Energy Group

Service Territory



- We Energies
- Michigan Gas Utilities Corporation
- Minnesota Energy Resources Corporation
- North Shore Gas Company
- The Peoples Gas Light and Coke Company
- Wisconsin Public Service Corporation
- Upper Michigan Energy Resources Corporation

Company Statistics

- \$19.1 billion market cap ⁽¹⁾
- 1.6 million electric customers
- 2.8 million gas customers
- 60% ownership of ATC
- 69,000 miles electric distribution
- 46,000 miles gas distribution
- \$17.7 billion of rate base ⁽²⁾
- 99+% of earnings from regulated operations

(1) As of 3/31/17

(2) 2016 average rate base

The fundamentals of our business

- Focus on safety, efficiency, reliability and financial discipline
- Keep the customer at the heart of the business
- Grow and support the communities we serve
- Value and develop our employees

Electric power industry themes

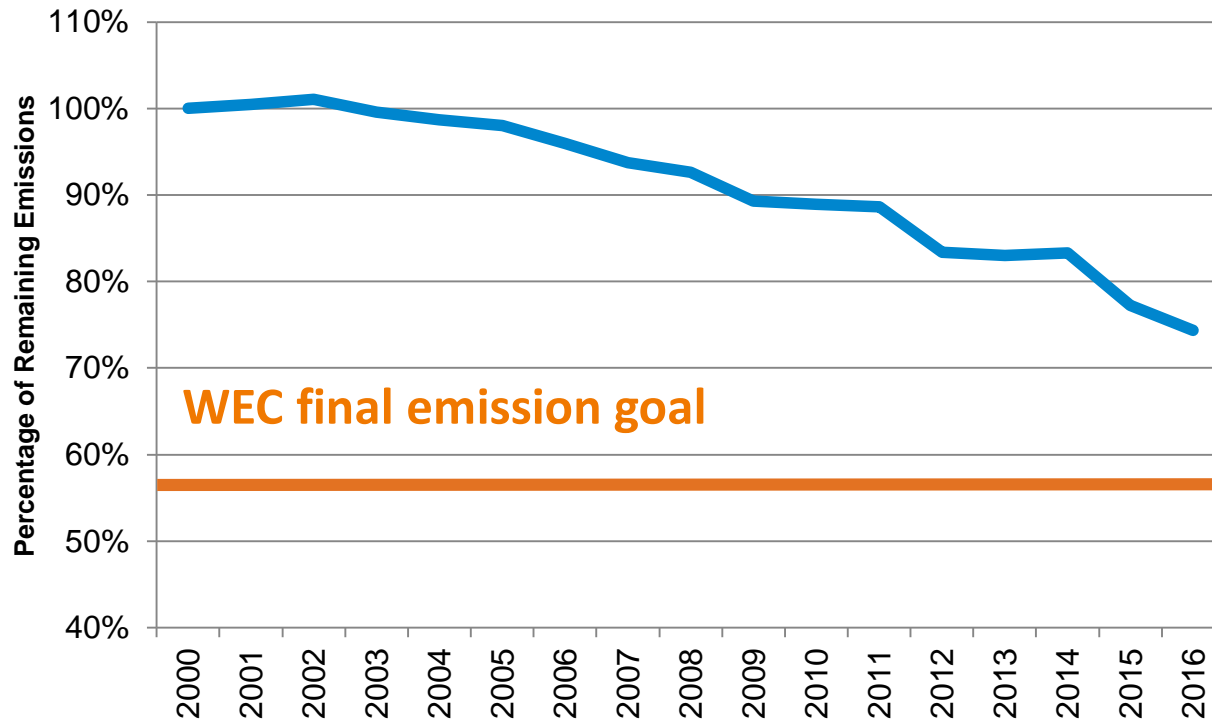
- Electric usage – a lost decade
- Coal vs. natural gas economics
- Continued decline in renewable costs
- Environmental regulation as a current decision driver
- Consolidation

Objectives of WEC's generation restructuring

- Reduce costs to customers
- Preserve reasonable fuel diversity
- Continue to lower carbon emissions

Carbon reduction plan

Since 2000 **26% reduction in carbon intensity (lb CO₂/MWh)**



Requires about a 14 million ton reduction in emissions versus 2015 levels

Natural gas industry themes

- Flat to slightly increasing usage
- Decreasing – now flat – commodity cost
- Aging infrastructure
- Focus on safety and system integrity
- Convergence

System Modernization Program

Upgrades of Natural Gas Storage Field

- Modernize natural gas infrastructure in Chicago
- More than 20 percent complete
- Key benefits
 - Ensure safety
 - Provide operational savings
 - Improve environmental performance
- Capital investment at Manlove storage field
 - Proactive response to the Aliso Canyon event

