



# Investing in Efficiency, Sustainability and Growth

An aerial night photograph of a city skyline, likely San Francisco, showing numerous illuminated skyscrapers and buildings against a dark sky. The lights create a vibrant, golden glow across the urban landscape.

Investor Update:  
October 2024

## 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, credit ratings, credit metrics, debt-financings, 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; timing, resolution and impact of rate cases and other regulatory decisions, including rider reconciliations; 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; unusual, varying or severe 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; electrification initiatives, mandates and other efforts to reduce the use of natural gas; the company's ability to successfully acquire and/or dispose of assets and projects and to execute on its capital plan; terrorist, physical or cyber-security threats or attacks and data security breaches; construction risks; labor disruptions; 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, state, and local legislative and regulatory changes, including changes in rate-setting policies or procedures and environmental standards, the enforcement of these laws and regulations or permit conditions and changes in the interpretation of regulations by regulatory agencies; supply chain disruptions; inflation; political or geopolitical developments, including impacts on the global economy, supply chain and fuel prices, generally, from ongoing, escalating, or expanding regional conflicts; the impact from any health crises, including epidemics and pandemics; current and future litigation and regulatory investigations, proceedings or inquiries; changes in accounting standards; the financial performance of the American Transmission Company as well as projects in which the company's energy infrastructure business invests; the ability of the company to obtain additional generating capacity at competitive prices; goodwill and its possible impairment; and other factors described under the heading "Factors Affecting Results, Liquidity and Capital Resources" in Management's Discussion and Analysis of Financial Condition and Results of Operations and under the headings "Cautionary Statement Regarding Forward-Looking Information" and "Risk Factors" contained in WEC Energy Group's Form 10-K for the year ended December 31, 2023, 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.





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\$29.9 billion market cap\*

4.7 million retail customers

60% ownership of American  
Transmission Company

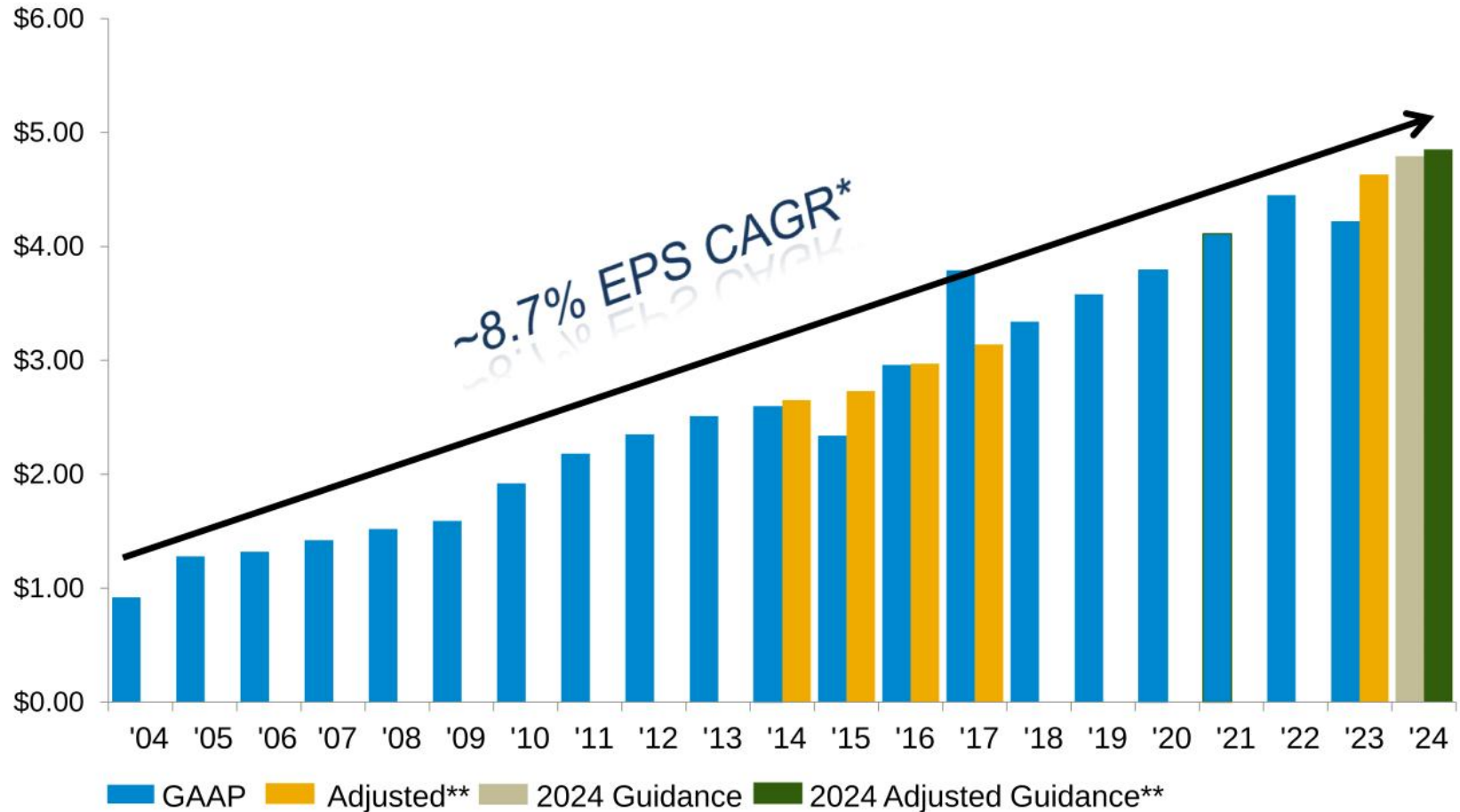
\$44.6 billion of assets

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The Premier Energy Company  
in America's Heartland

\* As of September 24, 2024

# A History of Quality Earnings Growth



\* 2024 Guidance (GAAP) is \$4.74 – \$4.84. 2024 Adjusted Guidance is \$4.80 – \$4.90.

CAGR is estimated based on 2024 adjusted guidance midpoint of \$4.85 per share.

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

# Consistent Performance Over Time



EPS Guidance		
2023	Exceeded*	✓
2022	Exceeded	✓
2021	Exceeded	✓
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	✓

\* On an adjusted basis, excluding a non-cash charge of 41 cents per share

# Strong Dividend Growth Continues

- In January, raised the dividend by 7.0% to a new annual rate of \$3.34 per share<sup>\*</sup>
- Marks the 21<sup>st</sup> consecutive year of rewarding shareholders with higher dividends
- Top decile dividend growth in industry<sup>\*\*</sup>
- Included in S&P's High Yield Dividend Aristocrats Index

<sup>\*</sup> Annualized based on the first quarter of 2024 dividend of 83.5 cents per share

<sup>\*\*</sup> Reflects current and expected dividends declared in 2024





# What's New?

# Wisconsin Rate Reviews

In April, Wisconsin Electric, Wisconsin Gas and Wisconsin Public Service filed applications with the state Public Service Commission

In 2025, we'll focus our spending and investment on 3 key priorities:

- Reducing customer outages
- Building infrastructure needed to support jobs and economic growth in Wisconsin
- Meeting new EPA environmental rules

Proposed Revenue Increases		
Wisconsin Electric	2025	2026
Electric	6.9%*	4.6%
Natural Gas	10.0%	4.6%
Wisconsin Gas		
Natural Gas	8.2%	3.3%
Wisconsin Public Service		
Electric	8.5%*	4.5%
Natural Gas	6.8%	3.7%

Order expected in Q4 2024 for new rates effective January 1, 2025

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

## Customer bills Wisconsin Electric and Wisconsin Public Service

Typical residential customer bills are, and will continue to be, significantly below the national average and in line with utilities in Wisconsin and across the Midwest.



## Rate Review Summary

	Wisconsin Electric		Wisconsin Gas	Wisconsin Public Service	
	Electric	Natural Gas	Natural Gas	Electric	Natural Gas
Current ROE	9.8%	9.8%	9.8%	9.8%	9.8%
Current Equity Ratio	53.0%	53.0%	53.0%	53.0%	53.0%
Proposed ROE	10.0%	10.0%	10.0%	10.0%	10.0%
Proposed Equity Ratio	53.5%	53.5%	53.5%	53.5%	53.5%
Forecasted 2025 Rate Base (in millions)	\$ 9,141	\$ 1,663	\$ 2,331	\$ 4,551	\$ 927
Earnings Sharing Mechanism	No sharing on first 15 bp above allowed ROE, 50/50 on next 60 bp, 100% to customers beyond 75 bp				

# Illinois Proceedings

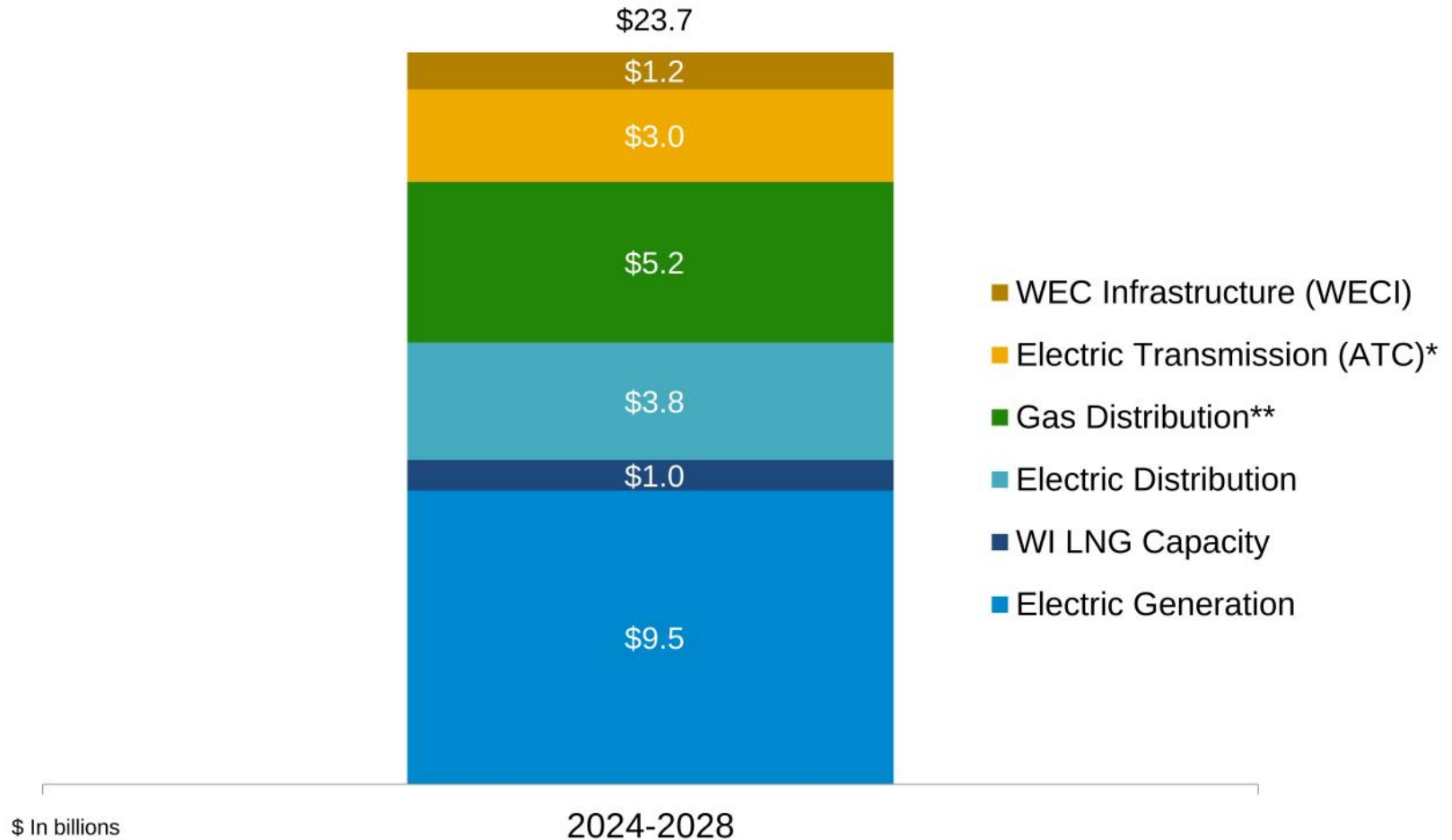
- The Illinois Commerce Commission (ICC) ordered Peoples Gas to pause all spending on the Safety Modernization Program until it determines ‘the optimal method’ of pipe replacement and investment level.
  - ICC order expected in the first quarter of 2025.
- ICC also opened a new docket to examine the Future of Gas across the state of Illinois.
  - This review is expected to be completed in 2025.

## 2023 Rate Order

- On January 3, 2024 the ICC granted the company’s request for a limited rehearing seeking to restore \$145 million of costs largely related to unfinished and emergency work under the Safety Modernization Program.
  - On May 30, the ICC issued an order granting \$28.5 million of costs to be restored, representing \$1.6 million in annual revenue requirement.
- In 2023, the company booked a non-cash charge of 41 cents per share related to the disallowance of construction costs for modern service centers and facilities.
- The company has appealed the ICC’s decisions in court.

## 2024-2028 Capital Plan

# Largest Five-Year Plan in Company History

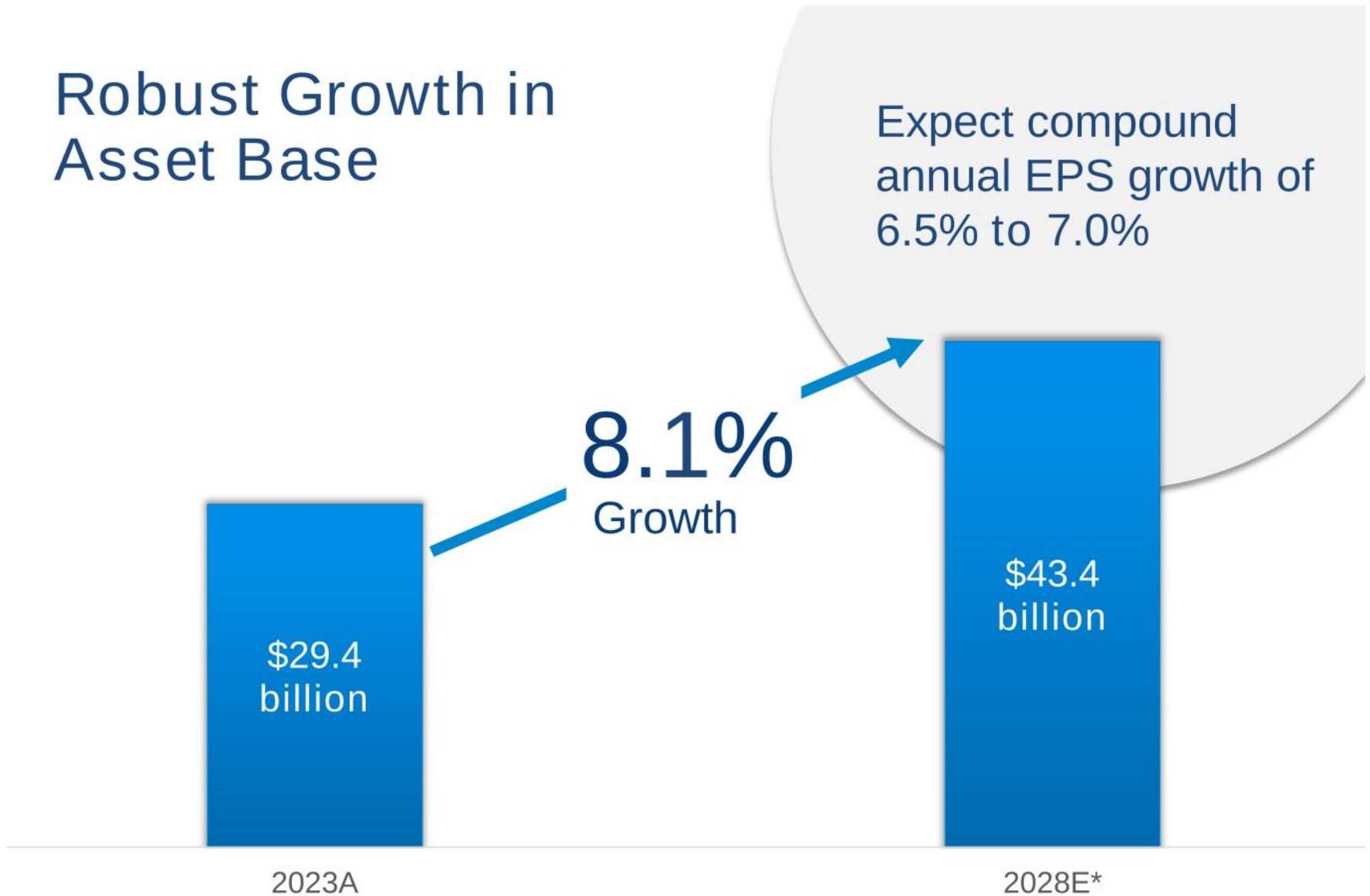


\*ATC is accounted for using the equity method; this represents WEC Energy Group's portion of the investment.

\*\* Includes all gas utilities and Bluewater.

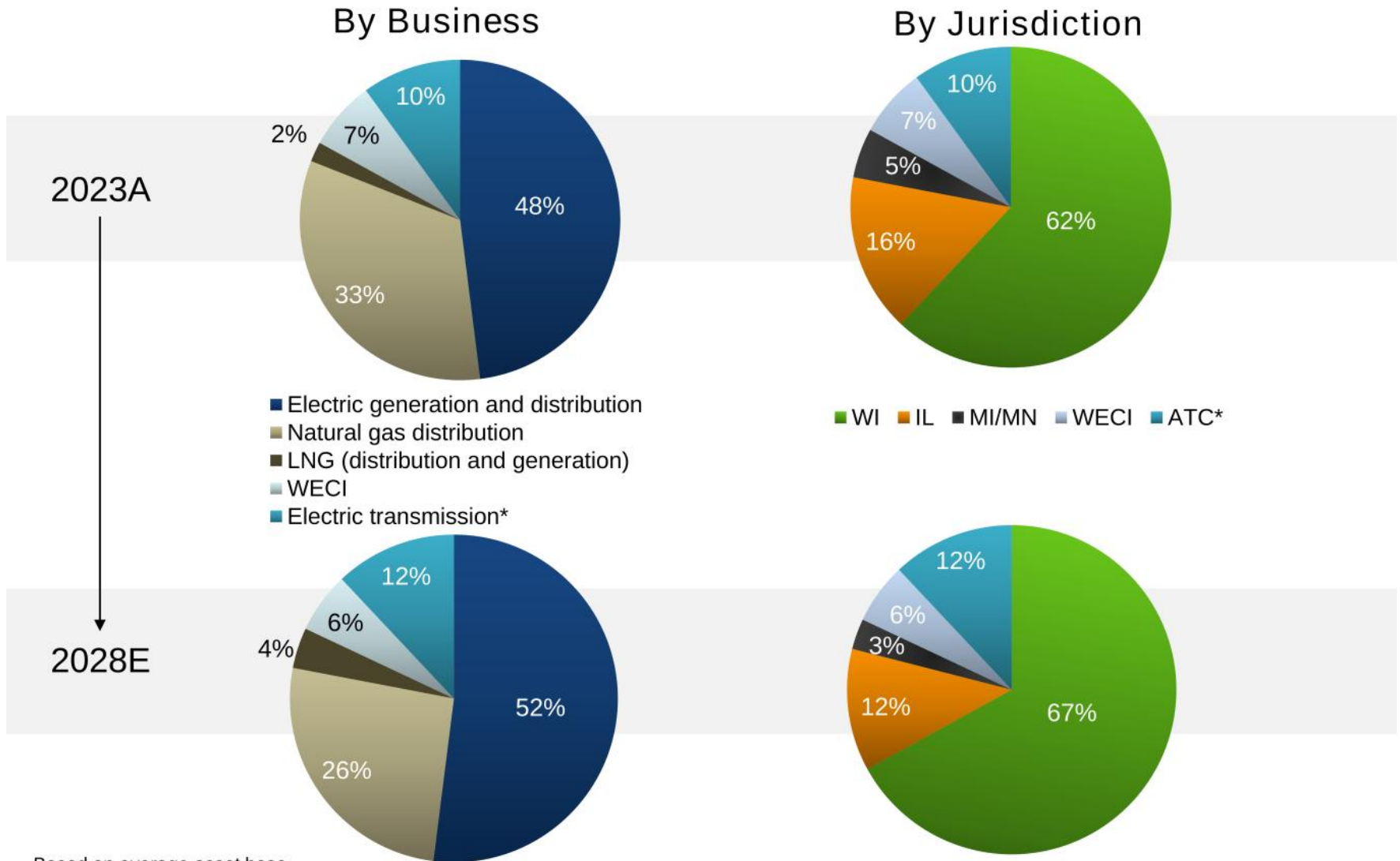


## Robust Growth in Asset Base



\*Estimated year-end average asset base.

# Diverse Portfolio of Businesses



Based on average asset base.

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

## Exiting Coal

We plan to eliminate coal as an energy source by end of 2032.

- Retired: Oak Creek Units 5-6: 528 MW (May 31, 2024)
- Retirements planned:
  - Oak Creek Units 7-8: 611 MW (late in 2025)
  - Columbia Units 1-2: 300 MW (by June 1, 2026)
  - Weston Unit 3: 328 MW (end of 2031)
- Enhancing fuel flexibility (gas blending) at Oak Creek Power the Future units and Weston Unit 4.
- By end of 2030, we expect to use coal only as a backup fuel.



# Investing \$7.0 Billion in Regulated Renewables

Plan to build and own 3,800 MW – more than **quadrupling** our carbon-free generation.

2024-2028 Plan includes:



Solar Total  
2,700 MW  
\$4.7 billion



Battery Storage Total  
250 MW  
\$0.4 billion



Wind Total  
880 MW  
\$1.9 billion

**Grand Total**  
3,830 MW  
\$7.0 billion

# Modernizing Our Gas-Fueled Generation Fleet



Weston RICE

Modern, efficient natural gas generation serves as a critical resource in our energy transformation.

## Oak Creek Combustion Turbines\*

- 1,100 MW planned
- Expected investment: \$1.2 billion

## New gas lateral\*

- To support generation at the Oak Creek campus
- Expected investment: \$180 million

## Paris RICE generation\*

- 128 MW planned
- Expected investment: \$280 million

## West Riverside Energy Center Combined-Cycle

- Additional 100 MW option
- Investment: \$100 million
- Transaction closed May 31, 2024

\* Filed and pending regulatory approval.

# Investing in Reliability for Our Natural Gas Network



LNG provides a solution to meet peak customer demand for heating and ensures gas supply for power generation.

New proposed LNG storage facilities are needed to ensure gas supply for winter reliability.

- Oak Creek LNG facility\*
  - 2 Bcf
  - Expected investment: \$456 million
- Plans being developed for an additional 2 Bcf

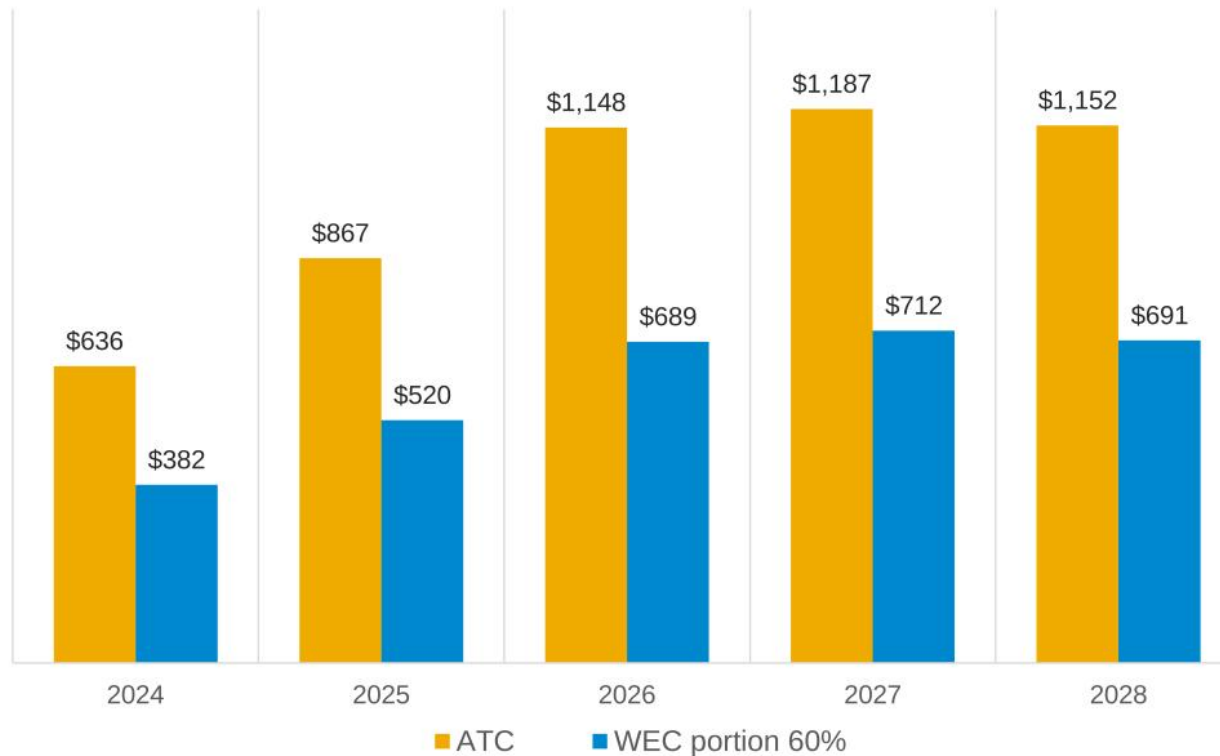
\* Filed and pending regulatory approval.



# Future Transmission Investment

WEC portion of ATC investment expected from 2024-2028: \$3.0 billion

Projected Capital Expenditures (millions)



- Tranche 1 in 2022 dollars:
  - ATC: \$900 million
    - WEC portion: \$540 million
      - \$330 million in this plan
- MISO Tranche 2 planning underway

# Projected Cash Flows and Financing Plan

(\$ in billions)

2024 - 2028



\* Excludes ATC's capital. ATC is accounted for using the equity method.

# Credit Quality – Maintaining a Healthy Balance Sheet

## FFO/Debt Metrics 2024-2028

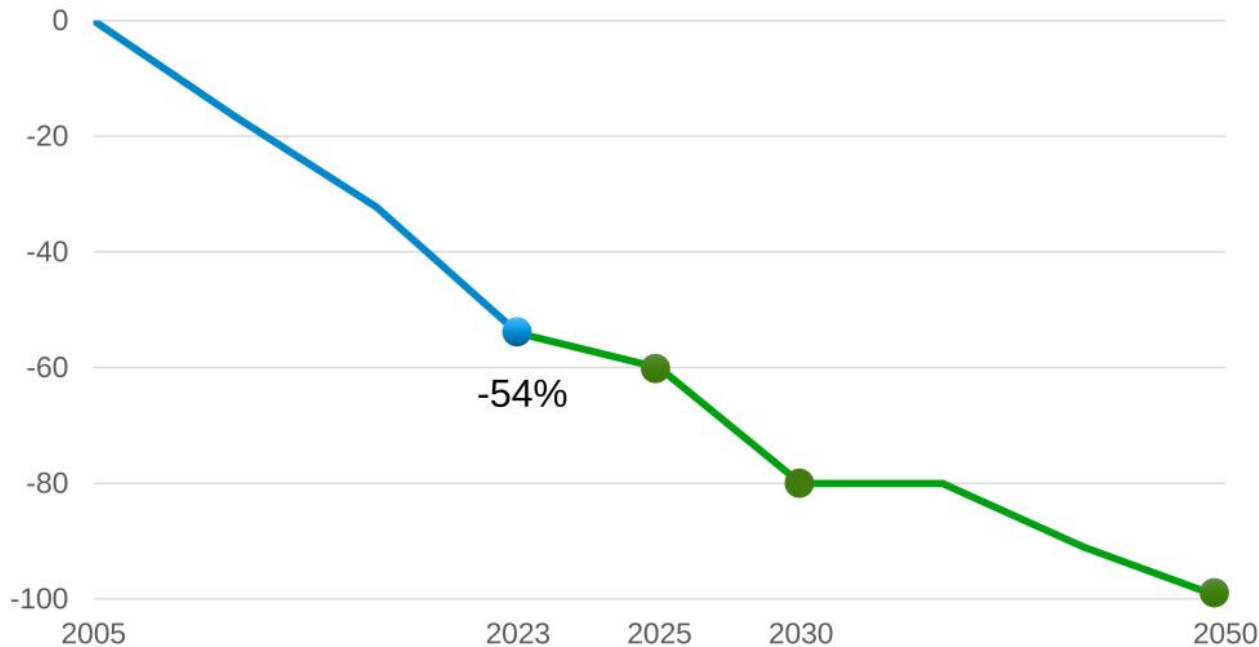
WEC Energy Group	Target
GAAP FFO to Debt	15-16%
S&P FFO to Debt	≥15%
<b>Moody's</b> CFO Pre-WC/Debt	≥16%

## Current 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

# Carbon Reduction Goals – Electric Generation

Achieved and anticipated CO<sub>2</sub> reductions (net mass)\*



Reduction goals:

**60%**  
below 2005  
levels by  
end of 2025

**80%**  
below 2005  
levels by  
end of 2030

**Net carbon  
neutral**  
by 2050

We have established aggressive carbon reduction goals for our electric generating fleet, aligned with or surpassing global emissions pathways aimed at limiting warming to 1.5°C.

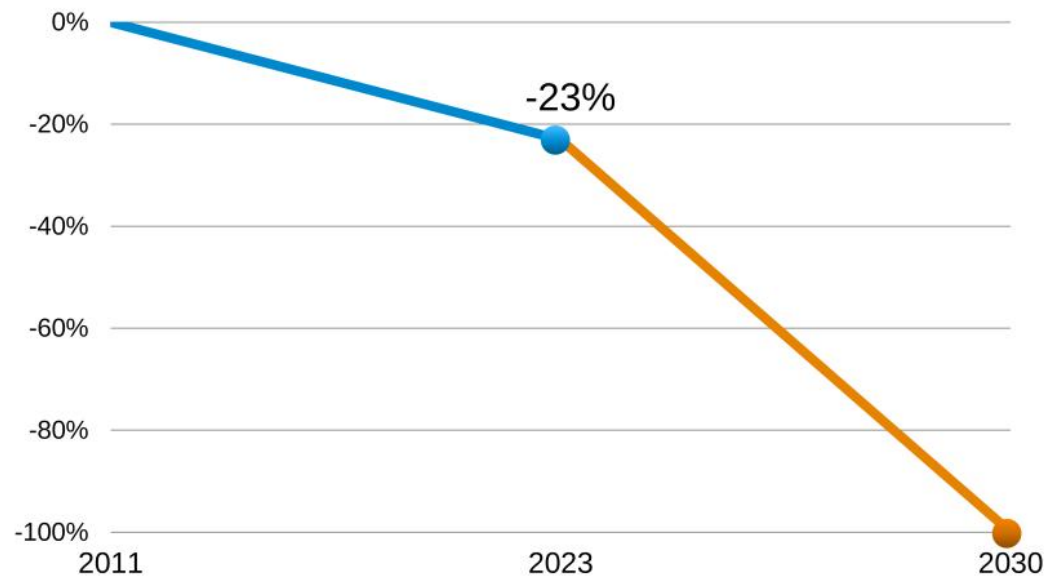
\*Includes projection of potential carbon offsets by 2050.



# Methane Reduction



Achieved<sup>1</sup> and anticipated methane emission reduction from natural gas distribution. Aligns with effort to limit warming to 1.5°C.



Goal:

**Net zero**

by end of 2030<sup>2</sup>

Use of renewable natural gas (RNG) is expected to contribute significantly to our goal.

1. Represents a decrease in the rate of methane emissions across our system from a 2011 baseline.
2. 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

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# Powering Industry Leaders in Our Region





# Strong Regional Growth

## 1,400 MW of Additional Load through 2028



© Mark Hertzberg

Robust demand along the I-94 Milwaukee to Chicago corridor:

- Microsoft announced a \$3.3 billion investment (2024-2026) in Wisconsin to spur artificial intelligence innovation and economic growth
  - 2,300 construction jobs
  - 2,000 permanent jobs over time

‘Mount Pleasant AI data center will be among *the world’s most advanced*’

–Brad Smith, President of Microsoft  
BizTimes Milwaukee



# Longer-Term Sales Forecast



## Sales Growth Forecast (weather-normalized)

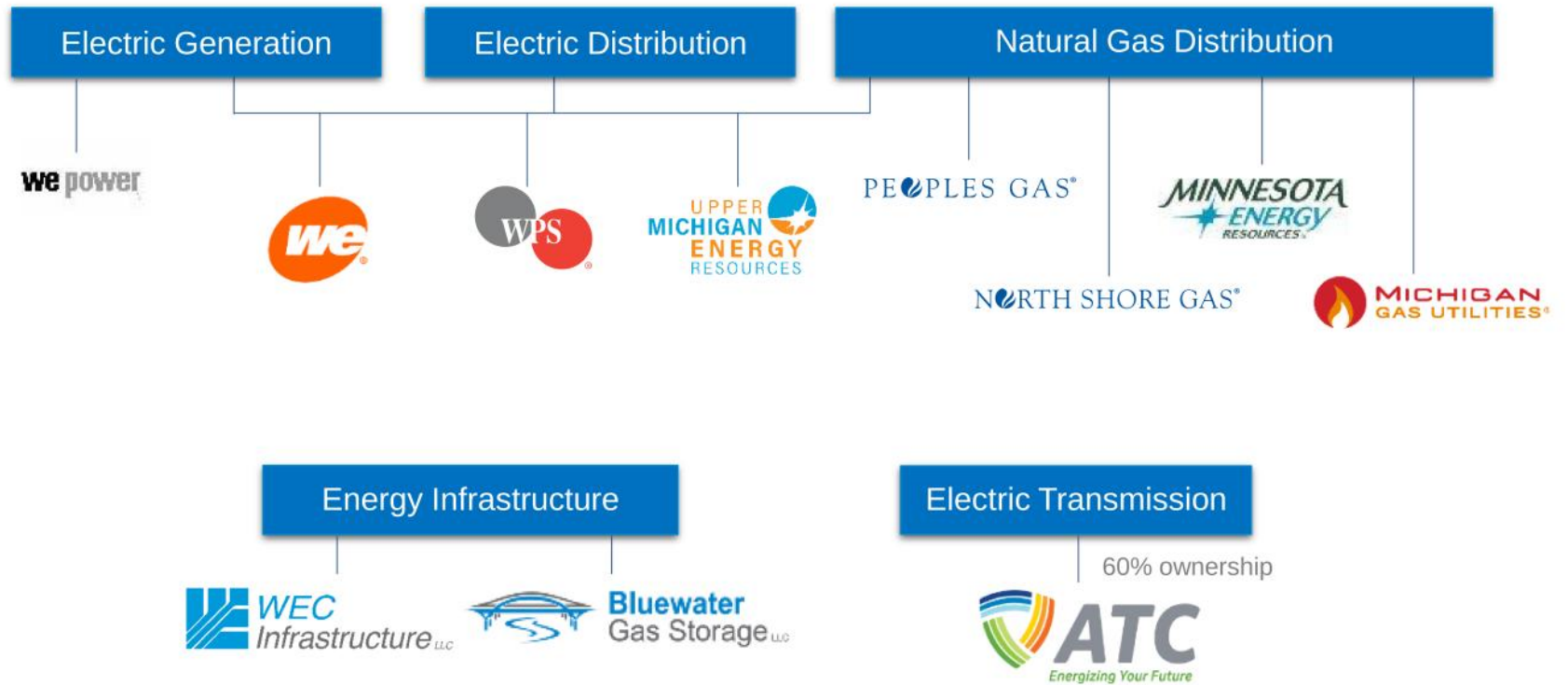
Year-Over-Year	
2026-2028	
Electric	4.5%-5.0%
Gas	0.7%-1.0%

# Key Takeaways for WEC Energy Group

- Industry leading earnings quality.
- Top decile dividend growth.
- Capital plan drives premium long-term EPS growth of 6.5% to 7.0%.
  - 95%+ of capital allocated to regulated businesses.
- Aggressive environmental goals in place.
  - By end of 2030, we expect to use coal only as a backup fuel.
  - Exit from coal planned by end of 2032.
- Poised to deliver among the best risk-adjusted returns in the industry.

# Appendix

# WEC Energy Group





# Regulated Renewable Generation and Storage Projects

Project	Docket	Anticipated Approval	WEC Capacity (MW)	WEC Investment (\$M)	Ownership	Anticipated In-Service
<b>WEPCOM/WPS:</b>						
Paris Solar/ Battery Park	5-BS-254	Approved	279	542E	90% <sup>1</sup>	S: 2024 B: 2025
Darien Solar Park <sup>2</sup>	5-BS-255		225	427E		2024
Koshkonong Solar Park <sup>2</sup>	5-BS-258		270	578E		2026
High Noon Solar Storage <sup>2</sup>	5-BS-276	Q4 2024	270	576E		2026
Dawn Harvest Solar/ Battery Park	5-BS-281	Q4 2025	185	409E	S: 90% <sup>1</sup> B: 100%	2027
<b>UMERC:</b>						
Renegade Solar	U-21081	Approved	100	226E	100%	2026

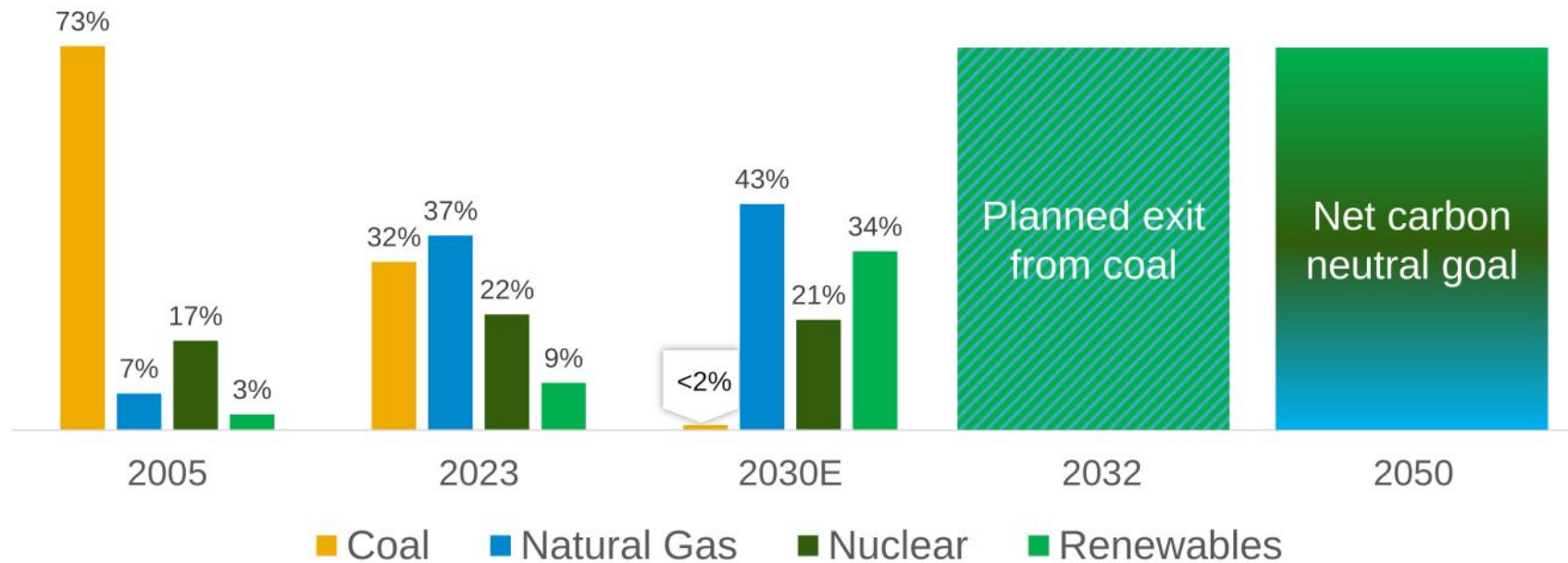
1. Madison Gas & Electric will own a minority interest at each site.
2. Parks have or are seeking approval for a total of 365 MWs of battery capacity that is not included in the 2024-2028 plan. Evaluating timing and final implementation of batteries.

# Commitment to ESG

Carbon Goals	Reduce carbon dioxide emissions from electric generation 60% by end of 2025 and 80% by 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 end of 2032
Methane Reduction Goal	Targeting net-zero methane emissions from natural gas distribution by the end of 2030
\$7.0 billion	Planned utility renewable investments (2024-2028)
Responsible Governance	Appointed five new independent directors since 2019 — increasing overall diversity of our board of directors
\$20.7 million	Contributed by our companies and foundations to nonprofit organizations in 2023
\$333.7 million	Spent with certified minority-, women-, service disabled- and veteran-owned businesses in 2023
\$124.7 million	Spent on energy efficiency and conservation in 2023

# Exiting Coal

## Electricity Supply by Fuel Type (megawatt-hours delivered to regulated utility customers)



## Organic Flow Battery Storage

- Leading a pilot project to test a new form of long-duration energy storage.
  - Partnering with EPRI and CMBlu Energy
- This system uses a proprietary technology that incorporates environmentally friendly materials - 'a green battery.'
- The project will test battery system performance, including the ability to store and discharge energy for up to twice as long as the typical lithium-ion batteries in use today.
- Results will be shared across the industry.



# WEC Infrastructure Portfolio



● In service    ● Under development

	Total Project Capacity (MW)	Investment (in millions)
<b>Wind</b>		
● Upstream	200	\$307
● Bishop Hill III	132	166
● Coyote Ridge	97	145
● Blooming Grove	250	389
● Tatanka Ridge	155	240
● Jayhawk	190	282
● Thunderhead	300	381
● Sapphire Sky	250	442
<b>Solar</b>		
● Samson I	250	278 <sup>2</sup>
● Delilah I <sup>1</sup>	300	459E
● Maple Flats <sup>1</sup>	<u>250</u>	<u>431E</u>
Subtotal	2,374	\$3,520
<b>Additional Investment</b>		255
<b>Total</b>		<b>\$3,775</b>

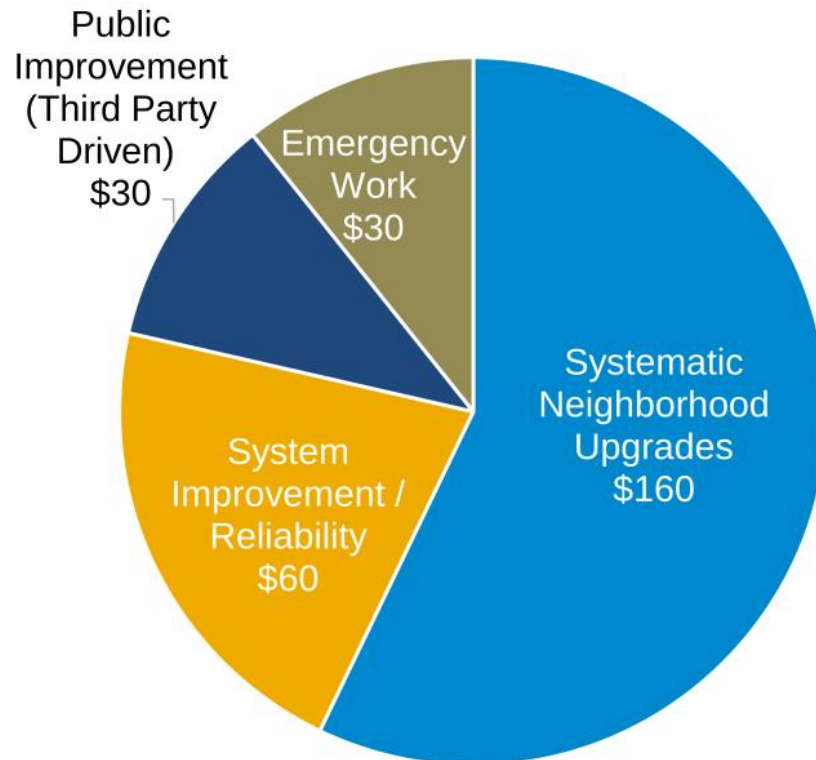
1. Investment is part of the 2024-2028 capital plan.  
 2. \$28M is included in 2024-2028 capital plan.

# Infrastructure Investment Summary

Project	Investment	Offtake Agreement	WEC Commercial Operations
Bishop Hill III Wind Energy Center	\$166M for 90% ownership	WPPI Energy – 22 years	8/31/18
Upstream Wind Energy Center	\$307M for 90% ownership	Affiliate of Allianz – 10 years	1/10/19
Coyote Ridge Wind Farm	\$145M for 80% ownership and 99% of tax benefits	Google Energy LLC – 12 years	12/20/19
Blooming Grove Wind Farm	\$389M for 90% ownership	Verizon and Saint-Gobain North America – 12 years	12/8/20
Tatanka Ridge Wind Farm	\$240M for 85% ownership and 99% of tax benefits	Google Energy – 12 years Dairyland Power – 10 years	1/5/21
Jayhawk Wind Farm	\$282M for 90% ownership and 99% of tax benefits	Meta Platforms Inc. – 10 years	12/15/21
Thunderhead Wind Energy Center	\$381M for 90% ownership	Verizon, GM, Ultium Cells LLC, and a Fortune 100 Company – 12 years	11/16/22
Sapphire Sky Wind Energy Center	\$442M for 90% ownership	Microsoft Corp – 12 years	2/7/23
Samson I Solar Energy Center	\$250M for 80% ownership, \$28M for 10%	AT&T Corp – 15 years	80% on 2/24/23, 10% on 1/1/24
Maple Flats Solar Energy Center	\$431M expected for 90% ownership	Verizon – 15 years	Projected: Q4 2024
Delilah I Solar Energy Center	\$459M expected for 90% ownership	Global Auto Manufacturer	Projected: Q4 2024

# PGL Safety Modernization Program (SMP)

Historical Annual Average Spend  
(\$ in millions)

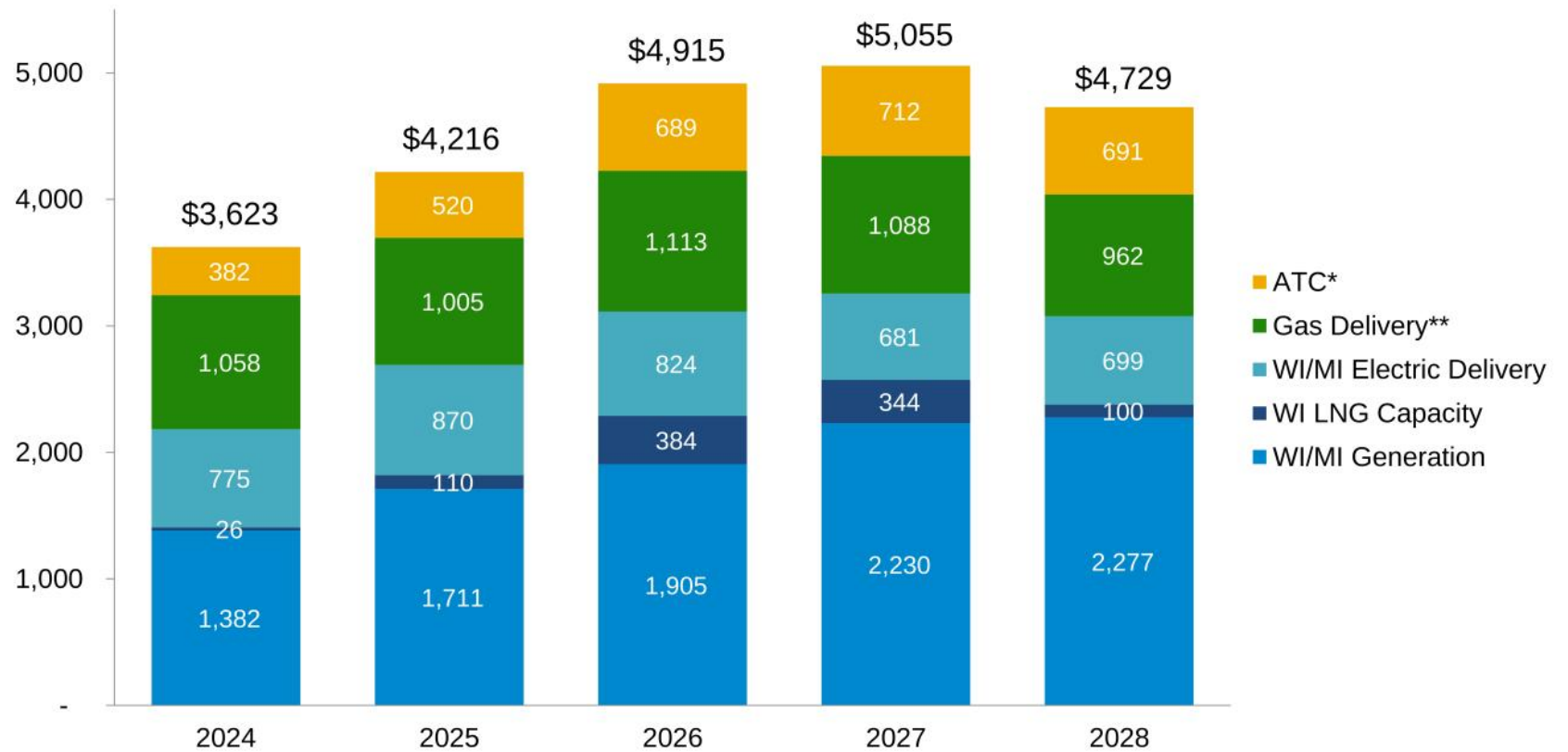


- Increasing capacity and reliability of natural gas service in PGL's territory
- 38% complete\*
- Program paused while under ICC review
  - ICC order expected in the first quarter of 2025.

\*As of Dec. 31, 2023

\$22.5 Billion Projected Capital Spend From 2024-2028

# Utility Capital Plan Drives EPS Growth



Depreciation at utilities expected to average \$1.4 billion annually, and \$160 million at ATC, over 2024-2028 period

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

\*\* Includes all gas utilities and Bluewater.



## Capital Plan Projections (\$ in millions)

Company	2024	2025	2026
Wisconsin Electric	\$1,740.0	\$2,035.7	\$2,235.5
Wisconsin Gas	228.1	227.7	274.5
Wisconsin Public Service	636.4	799.5	933.4
Upper Michigan Energy	32.1	90.6	140.4
Wisconsin Segment	\$2,636.6	\$3,153.5	\$3,583.8
Peoples Gas	379.7	330.8	457.6
North Shore Gas	49.2	61.7	43.7
Illinois Segment	\$428.9	\$392.5	\$501.3
Minnesota Energy Resources	56.7	53.3	61.0
Michigan Gas Utilities	66.8	50.8	48.9
Other States Segment	\$123.5	\$104.1	\$109.9
We Power	29.5	29.8	29.2
Bluewater	1.2	1.7	0.6
Infrastructure Investments	918.1	255.1	0.0
Nonutility Energy Infrastructure	\$948.8	\$286.6	\$29.8
Corporate and Other	\$21.9	\$14.0	\$2.0
<b>Subtotal</b>	<b>\$4,159.7</b>	<b>\$3,950.7</b>	<b>\$4,226.8</b>
ATC Investment*	\$381.8	\$520.4	\$688.4
<b>Total WEC Capital Projection</b>	<b>\$4,541.5</b>	<b>\$4,471.10</b>	<b>\$4,915.2</b>

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

# Composition of Asset Base

Total 2023 Average Asset Base of \$29.4 Billion

Company	Asset Base - \$B	% of Total
Wisconsin Electric	\$8.2	27.9%
Wisconsin Gas	2.1	7.1
Wisconsin Public Service	4.6	15.6
Upper Michigan Energy Resources	0.4	1.4
Peoples Gas	4.4	15.0
North Shore Gas	0.4	1.4
Minnesota Energy Resources	0.5	1.7
Michigan Gas Utilities	0.4	1.4
We Power	3.1	10.5
Bluewater	0.3	1.0
WEC Infrastructure	2.2	7.5
American Transmission Company	2.8	9.5
<b>Total</b>	<b>\$29.4</b>	<b>100%</b>

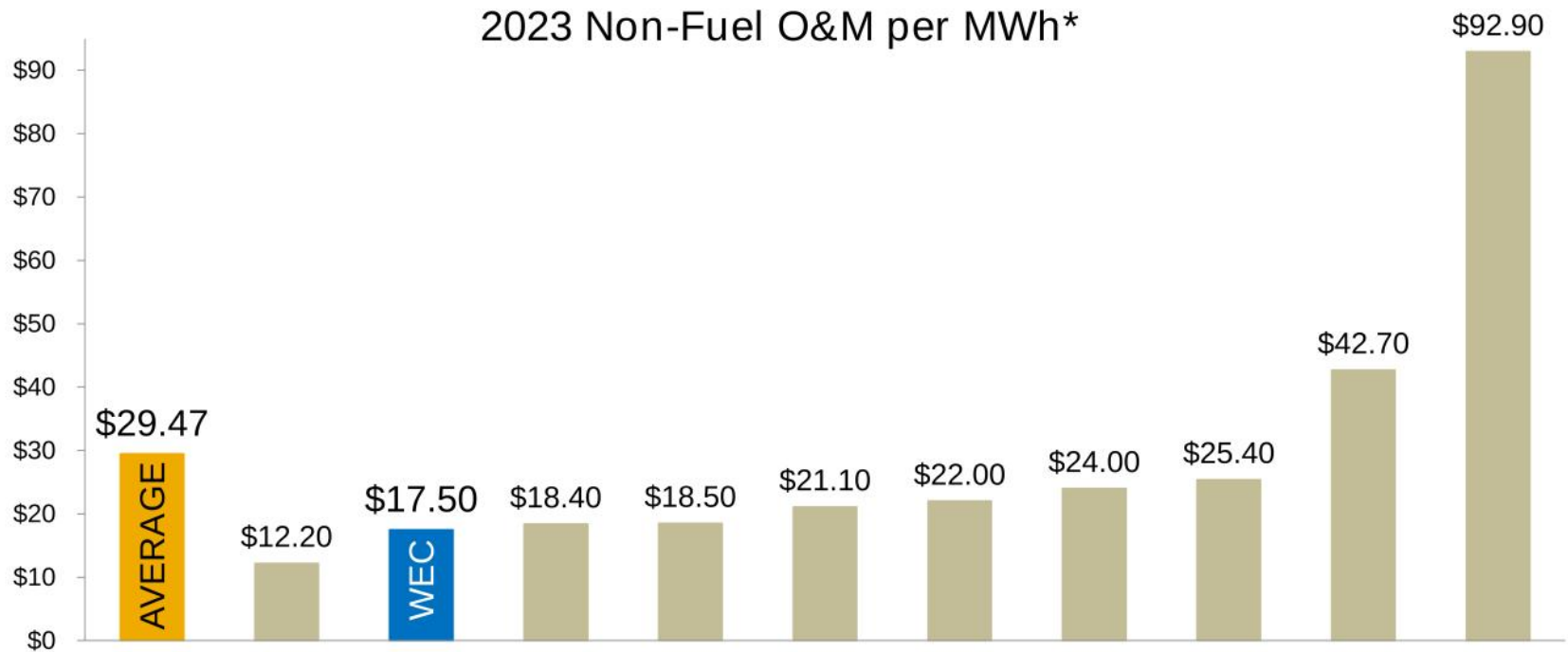
Note: We Power value represents investment book value.

## Power the Future Investments<sup>1</sup>

	Port Washington (Natural Gas)	Oak Creek Expansion (Coal/Co-Fire Gas <sup>3</sup> )
Capacity	1,090 MW	1,030 MW <sup>2</sup>
Investment	\$664 million	\$2 billion <sup>2</sup>
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.

# National Leader in Operating Efficiency and Financial Discipline



The top 10 vertically integrated electric utilities by 12/31/2023 market cap

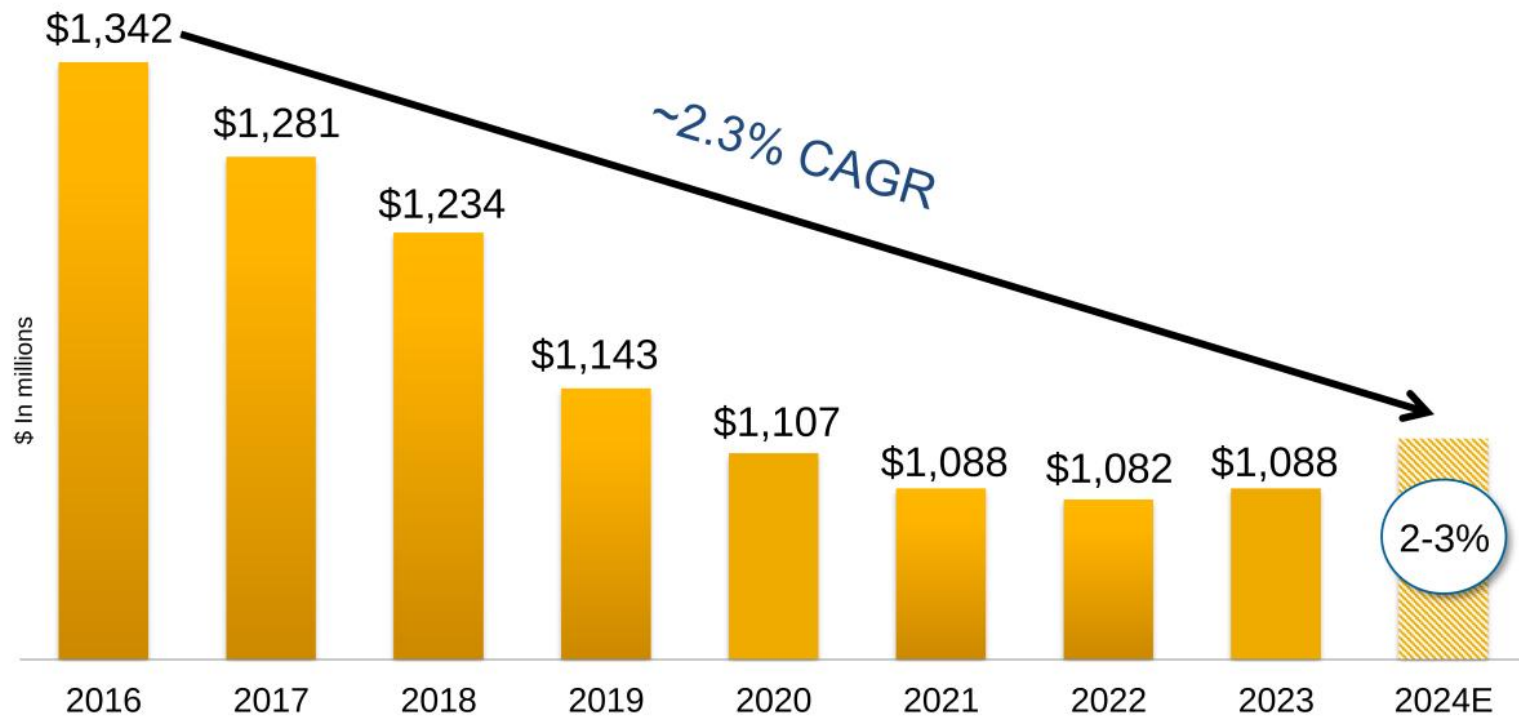
Source: FERC Form 1 Reports

\*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.



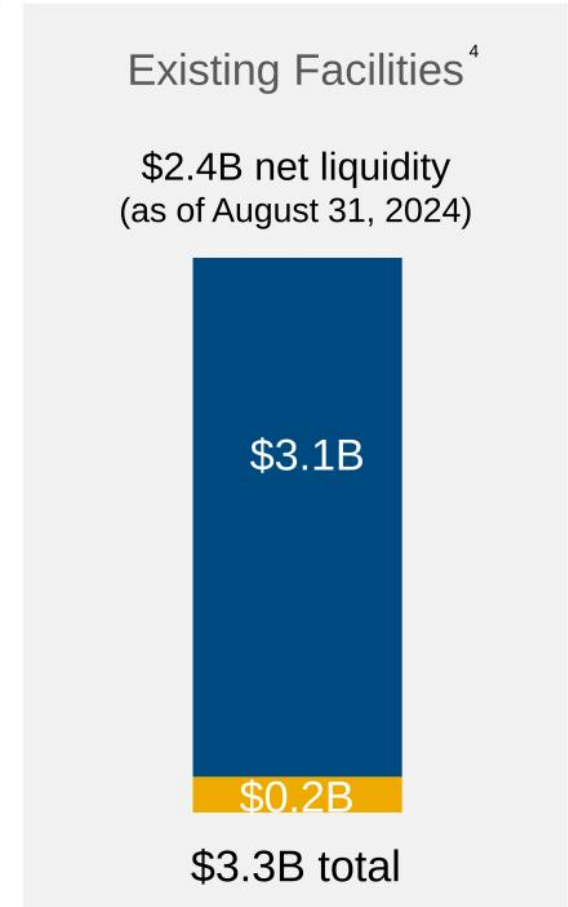
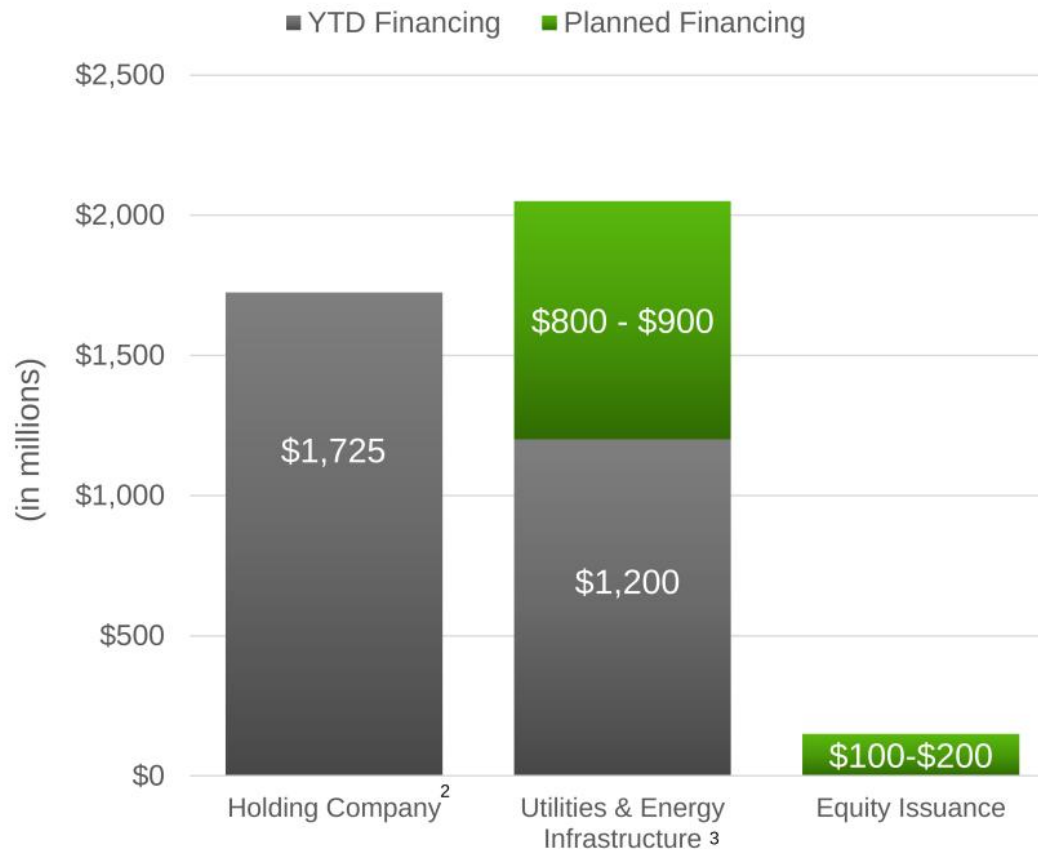
# Focused on Efficiency

Day-to-Day O&M Expense\*



\*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.

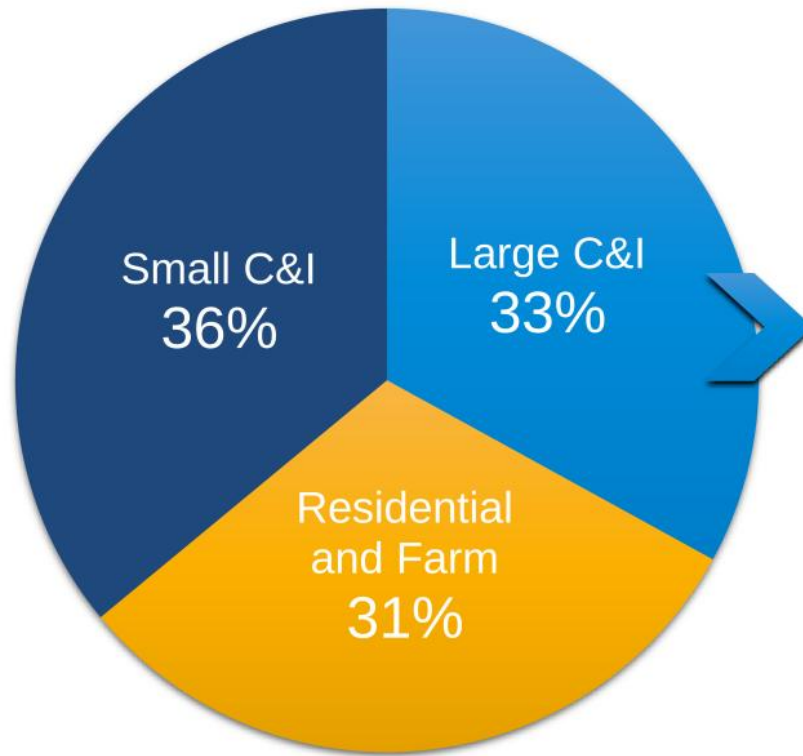
# Projected Financing Plans for 2024<sup>1</sup>



1. Amounts and timing are subject to material change based upon numerous factors, including market conditions, regulatory approvals, capital requirements and investment opportunities.
2. Includes refinancing for \$600 million of maturities and \$141 million of Junior Notes tendered.
3. Includes refinancing for \$525 million of maturities.
4. \$3.1 billion expires in September 2026 and \$200 million expires in October 2024.

# Balanced and Diverse Sales Mix

2023 Retail MWh Deliveries Mix\*



## 33% Large C&I by Segment

Paper/Packaging	24%
Mining/Minerals	11%
Foundry (SIC 33)	10%
Other Manufacturing	8%
Metal (SIC 34,35,37)	7%
Food/Agriculture	6%
Medical	6%
Education	4%
Printing	2%
Chemical	2%
Office	2%
Other	17%

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

# Regulatory Matters

Estimated  
Decision Date



## Wisconsin (apps.psc.wi.gov)

- |  |         |
|--|---------|
| ▪ Commission decision on general rate review for new base rates effective Jan. 1, 2025 (Dockets: WE and WG: 5-UR-111 and WPS: 6690-UR-128) | Q4 2024 |
| ▪ Decision on Paris RICE generation (Docket: 6630-CE-316 filed 4/5/24)   | Q2 2025 |
| ▪ Decision on Oak Creek CT (Docket: 6630-CE-317 filed 4/5/24)  | Q2 2025 |
| ▪ Decision on Rochester Lateral (Docket: 6630-CG-139 filed 4/5/24)   | Q4 2025 |
| ▪ Decision on Oak Creek LNG (Docket: 6630-CG-140 filed 4/19/24)  | Q2 2025 |

## Illinois (icc.illinois.gov)



- |   |         |
|---|---------|
| ▪ Decision on 2016 Rider QIP Reconciliation (Docket: 17-0137 filed 3/20/17) | ✓*      |
| ▪ Decision on SMP Investigation (Docket: 24-0081 opened 1/31/24)            | Q1 2025 |

## Michigan (michigan.gov/mpsc)



- |  |         |
|--|---------|
| ▪ Decision on proposed settlement of \$7 million or 3.85%, 9.86% ROE and 50% equity (MGU Case: U-21540)    | Q4 2024 |
| ▪ Decision on proposed settlement of \$6.6 million or 8.2%, 9.86% ROE and 50% equity (UMERC Case: U-21541) | Q4 2024 |

\* The ICC disallowed approximately \$14.8 million of capital spend, ordering PGL to include in its next rate case the return of and on this amount. We expect to record an impairment of approximately \$25 million in Q3 2024 related to this decision.



# Regulatory Environment

## Wisconsin

- Governor Tony Evers (D)
  - Term ends January 2027
- Commission
  - Gubernatorial appointment, Senate confirmation
  - Chairman: Gubernatorial appointment
  - 6-year staggered terms

Wisconsin Commissioners			
Name	Party	Began Serving	Term Ends
Summer Strand Chair	D	03/2023	03/2029
Kristy Nieto*	D	02/2024	03/2025
Marcus Hawkins*	D	04/2024	03/2027

## Illinois

- Governor J.B. Pritzker (D)
  - Term ends January 2027
- Commission
  - Gubernatorial appointment, Senate confirmation
  - Chairman: Gubernatorial appointment
  - 5-year staggered terms

Illinois Commissioners			
Name	Party	Began Serving	Term Ends
Doug Scott* Chair	D	06/2023	01/2029
Conrad Reddick	D	03/2023	01/2028
Michael Carrigan	D	01/2020	01/2025
Ann McCabe	R	02/2022	01/2027
Stacey Paradis	R	03/2023	01/2028

\* Pending confirmation

## Rate-Making Parameters by Company

Utility	Equity Layer <sup>1</sup>	Authorized ROE
Wisconsin Electric	50.50%-55.50%	9.80%
Wisconsin Public Service	50.50%-55.50%	9.80%
Wisconsin Gas	50.50%-55.50%	9.80%
Peoples Gas	50.79%	9.38%
North Shore Gas	52.58%	9.38%
Minnesota Energy Resources	53.00%	9.65%
Michigan Gas Utilities	51.00%	9.80%
We Power	53.00%-55.00%	12.70%
American Transmission Company	50.00%	10.52%

- Overall, 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.

# Key Rate-Making Components

Area	Illinois– Gas	Minnesota– Gas	Michigan– Electric and Gas	Wisconsin– Gas	Wisconsin– Electric
Gas Pipeline Replacement Rider			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
Gas Utility Infrastructure Cost Rider Surcharge		✓			
Earnings Sharing				No sharing on first 15 bp above allowed ROE, 50/50 on next 60bp, 100% to customers beyond 75 bp	

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

	2014	2015	2016	2017	2023	Q3 2024 Guidance	2024 Guidance
EPS – GAAP basis	\$2.59	\$2.34	\$ 2.96	\$ 3.79	\$4.22	\$0.62 - \$0.64	\$4.74 - \$4.84
Acquisition Costs	0.06	0.39	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)			
Illinois Disallowance					0.41		
QIP Disallowance						0.06	0.06
<b>Adjusted EPS – Non- GAAP Basis*</b>	<b>\$2.65</b>	<b>\$2.73</b>	<b>\$ 2.97</b>	<b>\$ 3.14</b>	<b>\$4.63</b>	<b>\$0.68 - \$0.70</b>	<b>\$4.80 - \$4.90</b>

\* WEC Energy Group has provided adjusted earnings per share (non-GAAP earnings per share) as a complement to, and not as an alternative to, 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; (4) the additional shares of WEC Energy Group common stock that were issued as part of the acquisition; (5) a non-cash charge related to the ICC's disallowance of certain capital costs; and (6) estimated losses associated with the ICC disallowance related to its review of the 2016 Qualifying Infrastructure Plant (QIP) capital investments under the QIP rider. 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.





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