

Code of Business Conduct

GUIDELINES FOR WISCONSIN ENERGY EMPLOYEES



Confidential **EthicsLine** (available 24/7)

Phone – 888-536-1499

Web portal – www.wec.ethics.ethicspoint.com

Compliance Officer – 414-221-3055

wec.compliance-officer.cobc-feedback@wisconsinenergy.com



Dear Wisconsin Energy employees:

We are all stakeholders in this Company, but we are not the only ones. Our customers, stockholders, family, friends, and neighbors also have an interest in the Company's performance and sustainability. As employees, we have a duty to conduct our business with integrity, by maintaining the highest ethical and legal standards.

In most cases, common sense and honesty guide our decision-making. Our Code of Business Conduct is a tool that helps to ensure that we make the right decisions and choose the correct path. The Code covers conflicts of interest, protection of corporate information, use of corporate assets, and conduct in the work environment. While it may not address every situation, the Code serves as an excellent starting point in making the right decisions.



Ethics is everyone's business.

Because we all share in the Company's success and share the responsibility for delivering positive results, each of us must be familiar with the Code and comply with its provisions. Each of us is also obligated to report suspected ethics violations and to seek advice in doubtful situations. You can do this through a number of avenues including speaking with your supervisor, contacting the confidential EthicsLine at 888-536-1499, the Compliance Officer at 414-221-3055, or Corporate Security at 414-221-4024. Wisconsin Energy prohibits retaliation against employees who report questionable

ethical conduct in good faith or who provide information or otherwise assist in an investigation or who file, testify, participate in or otherwise assist in any related proceeding of matters brought to the attention of the Company.

Excellent customer service and our corporate reputation are built on trust and integrity. Doing what's right for our customers – ethically, fairly and honestly – is the key to our success.

Sincerely,

Gale E. Klappa

Chairman, President and Chief Executive Officer





The Code of Business Conduct is an excellent starting point in making right decisions.

Click on the links below for additional resources to help ensure compliance with the Code of Business Conduct:

FAQ Frequently Asked Questions

Top 10 Top Ten Reminders

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Wisconsin Energy Corporation Code of Business Conduct

I. Ethical Standards

A. Applicability

This Code of Business Conduct covers Wisconsin Energy Corporation and all of its subsidiaries (WEC). It applies to all employees and directors of WEC. The Code is a statement of policies for individual and business conduct and does not, in any way, constitute an employment contract or an assurance of continued employment.



The Code of Business Conduct helps ensure we choose the right path.

As employees of WEC, we are employed at-will except when we are covered by an express, written employment agreement. This means that you may choose to terminate your employment at any time, for any reason or for no reason at all. Similarly, WEC may choose to terminate your employment at any time, for any legal reason or for no reason at all.

B. Compliance with Laws and Regulations

Wisconsin Energy Corporation's policy is to comply with all applicable federal, state and local laws and regulations including environmental, health and safety, employment and antitrust laws. The Company is likewise committed to full and accurate financial disclosure in compliance with applicable laws, rules and regulations and to maintaining its books and records in accordance with applicable accounting policies, laws and rules and regulations. WEC does not condone willful violations of the law, even if the person believes

that such action is furthering the interests of WEC. It also is against WEC's policy for anyone in authority to knowingly order another person to violate the law. In cases where laws and regulations are ambiguous and difficult to interpret, legal advice should be obtained from the General Counsel of Wisconsin Energy Corporation, or his/her designee, and followed accordingly.

You have a responsibility for preserving the ethical standards of WEC as you conduct your business affairs, even when laws or regulations are not involved. Thus in many instances, the policies referenced in this Code go beyond the requirements of the law.

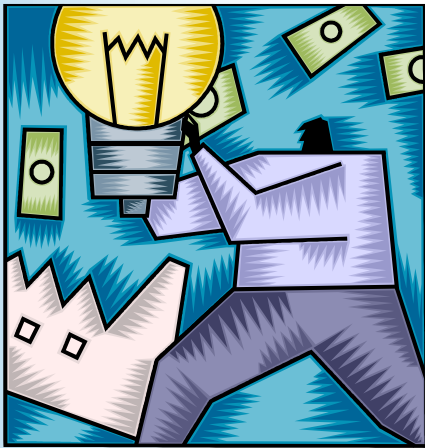
C. Compliance Officer

The Wisconsin Energy Corporation Corporate Secretary is appointed as the Compliance Officer who will oversee the program established to achieve compliance with WEC's ethical standards. The Compliance Officer may designate an officer to act in his/her stead. In this capacity, the Compliance Officer, along with employees from other departments, will develop, operate, and periodically improve the program.

D. Conflicts of Interest

You shall not participate in any activities that could pose a conflict of interest in discharging your assigned responsibilities or that have a negative effect on WEC. Any person who is uncertain whether a conflict exists should discuss the matter with his/her supervisor, team leader, or with the Compliance Officer. A conflict of interest occurs when your private interests interfere in any way, or even appear to interfere, with the interests of the Company as a whole.

A conflict situation can arise when you take actions or have interests that make it difficult for you to perform your Company work or duties objectively and effectively. Although it is impossible to list every circumstance that could be considered a conflict of interest, the following guidelines cover some potential conflicts or questions concerning your personal integrity and the ethical discharge of your responsibilities to WEC.



The Code of Business Conduct addresses conflicts of interest, protection of information, use of assets and ethical conduct.

Outside Financial Interests or Business Relationships

Unless specifically authorized by the Compliance Officer, neither you nor any of your immediate family members may have a financial interest in or business relationship with any company, individual, or other concern (including outside managerial and consulting services) doing business with WEC or any of its subsidiaries if it might influence your decision or actions in performing WEC duties because of potential personal financial gain. The Compliance Officer must obtain the approval of the Audit and Oversight Committee Chair before executive officers and members of the Board participate in any such arrangement.

Business Arrangements with WEC

Without prior written approval from the Compliance Officer of Wisconsin Energy Corporation, you may not participate in a joint venture, partnership or other business relationship with WEC or any of its subsidiaries. The Compliance Officer must obtain the approval of the Audit and Oversight Committee Chair before executive officers and members of the Board participate in any such arrangement.

Outside Employment (including self-employment, consulting services, etc.)

You shall not engage in any personal enterprise or paid outside employment that might:

- (a) affect the objectivity or independence of your judgment or conduct in completing your duties and responsibilities to WEC,
- (b) compete with WEC for the provision of any services or goods in the marketplace,
- (c) embarrass or discredit WEC,
- (d) conflict with the best interests of WEC, or
- (e) conflict with scheduled hours, overtime hours when required, or the satisfactory performance of WEC assignments.

Persons having access to private WEC information shall not engage in any outside employment that might involve the use of such information. The primary loyalty and interest of all persons regarding their employment must remain with WEC at all times. It is your responsibility to consult with the Compliance Officer to determine whether a planned activity will violate this provision.

Outside Director or Officer Positions

The following approvals must be obtained before accepting outside director or officer positions:

- (a) Employees may not serve as an officer or member of the Board of any substantial outside for-profit organization without the written permission from the Chief Executive Officer.
- (b) The Chief Executive Officer must obtain the prior approval of the Audit and Oversight Committee Chair before executive officers may serve in such a position.
- (c) The Chief Executive Officer must obtain approval of the Board before serving in such a position.
- (d) Members of the WEC Board of Directors shall notify the Compliance Officer before serving in such a position. The Compliance Officer will determine if there are any conflicts of interest or issues with regard to regulatory compliance and then provide information to the Board's Corporate Governance Committee for review and approval or disapproval.

The preceding paragraph is not intended to prohibit the acceptance of an officer or director position with religious, charitable, civic, social or other non-profit organizations. If such a position will interfere with the performance of your duties or responsibilities owed to WEC, you must obtain the approval of your supervisor, team leader, or the Compliance Officer, before accepting the position.

- (a) The Compliance Officer must obtain the prior approval of the Chief Executive Officer before executive officers may accept a position with a substantial non-profit organization.
- (b) No prior approval is required for members of the WEC Board of Directors to join a non-profit organization; however, the member of the Board shall notify the Compliance Officer before or after joining the non-profit organization.



Doing what's right is the key to our success.

Business Inducements

You should avoid any situation that has a potential to create the impression that some form of personal gain has affected WEC's business judgment. You may not give anything of value to any customer or potential customer as an inducement to obtain business or favorable treatment. However, minor items of nominal intrinsic value may be provided to customers as long as they are given solely to create goodwill and are not intended to influence judgment or create a feeling of obligation.

Neither you nor any member of your family, may accept anything of value from any present or potential supplier, financial organization, customer, or other organizations or individuals as an inducement to secure business or favorable treatment. However, accepting meals or other minor favors that are provided solely to create goodwill and are not intended to influence judgment or create a feeling of obligation is not considered to be a conflict of interest, provided the frequency of receipt of such gratuities is not excessive. Under no circumstance may you accept cash or its equivalent, such as a check or stock.

If you are uncertain about whether this section is applicable to a specific situation, you should talk to your supervisor, team leader, or to the Compliance Officer for guidance or interpretation. If the Compliance Officer deems it appropriate, he or she will consult with the Audit and Oversight Committee Chair in situations involving executive officers and members of the Board.



Our corporate reputation is built on trust and integrity.

Family Members Working in the Industry

You may find yourself in a situation where your spouse or significant other, your children, parents, or in-laws, or someone else with whom you have a family relationship is a supplier or customer of WEC or is employed by one. Such situations are not prohibited, but they call for extra sensitivity to security, confidentiality and conflicts of interest.

There are several factors to consider in assessing such a situation. Among them: the relationship between WEC and the other company; the nature of your responsibilities owed to WEC and those of the other person; and the access each of you has to your respective company's confidential information. Such a situation, however harmless it may appear to you, could raise suspicions among your associates that might affect your working relationships. The very appearance of a conflict of interest can create problems, regardless of the propriety of your behavior.

To remove any such doubts or suspicions, you must disclose your specific situation to the Compliance Officer to assess the nature and extent of any concern and how it can be resolved. If the Compliance Officer deems it appropriate, he or she will consult with the Audit and Oversight Committee Chair in situations involving executive officers and members of the Board.

In some instances, any risk to WEC's interest is sufficiently remote that the Compliance Officer may only remind you to guard against inadvertently disclosing confidential information and not to be involved in decisions on behalf of WEC that involve the other company.

Corporate Opportunities

As employees, officers and directors of WEC, you owe a duty to WEC to advance its legitimate interests when the opportunity to do so arises. You may not take for yourself personal opportunities that are discovered through the use of corporate property, information or position or use corporate property, information or position for personal gain.

E. Corporate Information

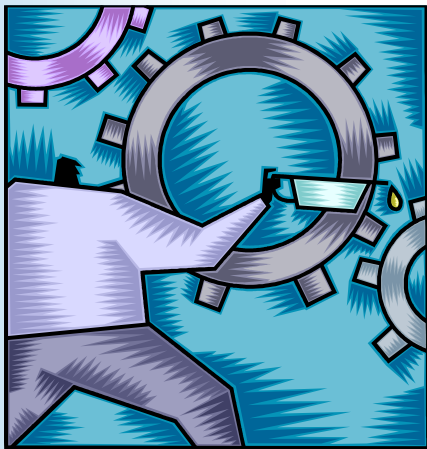
Trading in Company Securities

If you acquire knowledge, either directly or indirectly, about the affairs of WEC that is not publicly available and that could potentially influence the market price of the Company's securities or the securities of any other company with which WEC has a direct relationship, or that might influence the judgment of a person to purchase or sell the securities of WEC or other such company, you:

- (a) must not use such information as an opportunity for your or anyone else's personal gain;

- (b) must not disclose such information to persons outside WEC, including family members or other personal or professional acquaintances, so that others can use such information as an opportunity for personal gain;
- (c) must only discuss such information with persons inside WEC who need to know about it for corporate business purposes; and
- (d) must not trade in the Company's securities or in the securities of any other companies involved before such information is announced to the public and for a reasonable period of time thereafter.

The Company's stockholders and the investing public must be given time to receive the information and act upon it. Particular caution should be exercised concerning information about earnings, acquisitions or dispositions by the Company of securities or assets, or about negotiations regarding significant transactions with others. All non-public material information must be treated as confidential and proprietary to the Company. If you discover that material, non-public information has been disclosed, you must immediately report the disclosure to the Compliance Officer.



We all share in the Company's success as well as the responsibility for delivering positive results.

Confidential WEC Information

While WEC encourages sharing its information with you, it is necessary to restrict access to certain WEC information for competitive and other reasons. It is your responsibility to protect WEC information (WEC's business information not generally available to the public) from any unauthorized use. You shall not obtain access to or use any sensitive WEC information for any purpose other than the performance of your assigned duties. Sensitive information is that which may concern customers, stockholders, employees, vendors, or the competitive position of WEC, and may be in written, electronic, or other form.

To preserve confidentiality, disclosure and discussion of sensitive WEC information should be limited to persons who have a need to know the information. Such information shall not be made available to any other person (including another employee of WEC), firm or agency (whether public or private) except in the specific circumstances and form as allowed by the appropriate WEC officer, business unit or department head, or General Counsel.

Adherence to this rule does not, however, relieve you from the duty to report to senior management on any matter that may be considered sensitive in preserving WEC's integrity or reputation. Likewise, there shall be no concealment of information from members of the Wisconsin Energy Corporation Board of Directors, internal auditors, General Counsel or independent auditors. In order to prevent inappropriate disclosures, only authorized persons may respond to information requests from outside sources or the news media. You should refer all inquiries from outside sources to your supervisor, or team leader, as appropriate. All news media requests should be referred to the media specialists in Corporate Communications.

Your obligation to treat information as confidential does not end when you leave WEC. Upon termination of your services as an employee or director of WEC, you must return everything that belongs to WEC, including all documents and other materials containing

WEC and customer confidential information. You must not disclose confidential information to a new employer or to others after ceasing to be an employee or director of WEC.

You may not disclose your previous employer's confidential information to WEC. Of course, you may use general skills and knowledge acquired during your previous employment.

F. Fair Dealing

WEC depends on its reputation for quality, service and integrity. The way we interact with our customers, stockholders, suppliers and the public molds our reputation, builds long-term trust and ultimately determines our success. You should endeavor to interact fairly with WEC's customers, suppliers and employees. We must never take unfair advantage of others through manipulation, concealment, abuse of privileged information, misrepresentation of material facts or other unfair practices.



Excellent customer service is based on trust.

G. Political Contributions

WEC highly regards the American political process and encourages the active support and participation in activities of the political parties and candidates of your choice, so long as such support and activities do not interfere with your effective performance on the job.

Employees and directors may not make any contribution of WEC funds, property or services to any political party committee, or to any candidate for or holder of any public office without review for legal compliance and approval by WEC's General Counsel. No direct or indirect pressure will be applied to you to make political contributions or participate in the support of a political party or the political candidacy of any individual.

WEC, however, may sponsor and support one or more political action committees in accordance with applicable laws and regulations, and the members of such committees may solicit and receive voluntary contributions from you to encourage better government by supporting the nomination and the election of qualified candidates to elective public offices. WEC also may sponsor a political action conduit as authorized by Wisconsin law to enable you to make contributions directly to candidates you desire to support.

H. Control and Use of Assets

You are responsible for protecting WEC assets entrusted to your care or for use in performing your job. WEC's assets are not to be sold, loaned, borrowed, or otherwise disposed of, regardless of condition or value, except with proper authorization. No payment on behalf of WEC for services, materials, personal expenses, etc., shall be requested or approved, except for a legitimate purpose and amount described in the supporting documents. Management is responsible for establishing and maintaining internal controls to safeguard WEC assets against loss from unauthorized use or

disposition and for ensuring that transactions are legitimate and accurately reflected in WEC's financial records.

I. Financial Records

It is WEC's policy to make full, fair, accurate, timely and understandable disclosure in compliance with all applicable laws and regulations in all reports and documents filed with, or submitted to, the Securities and Exchange Commission and in all other public communications made by WEC and to maintaining its books and records in accordance with applicable accounting policies, laws, rules and regulations. Accordingly, compliance is required with accounting treatment prescribed by applicable regulatory agencies, as well as generally accepted accounting principles and established WEC accounting policies, procedures and controls. You shall fully and truthfully report financial, operating and other business data and information to accurately and fairly reflect transactions and dispositions of WEC's assets. No undisclosed or unrecorded fund or asset shall be established for any purpose, nor shall any false or artificial entries be made in WEC's



We must maintain the highest ethical and legal standards.

books and records. Furthermore, you shall not conceal or withhold or misrepresent information that is requested by members of the Wisconsin Energy Corporation Board of Directors, Company officers, internal auditors, independent auditors, regulatory bodies or any other person authorized to receive the information.

J. Corporate Hospitality to Public Officials

Hospitality toward public officials shall avoid compromising the integrity or reputation of such individuals or WEC. Neither WEC nor you shall furnish any officer or public employee, or any candidate or elected official, with lodging, transportation, food, meals, beverages or other item of monetary value not provided to the general public in violation of state or federal law.

K. Work Environment

WEC is committed to providing a work environment that respects the dignity of each employee within its diverse work force. Harassment or discrimination will not be tolerated and could result in severe disciplinary action. WEC does not permit discrimination based on age, race, color, creed, religion, disability, marital status, sex, sexual orientation, national origin, ancestry, citizenship, arrest record, status as a disabled veteran or veteran of the Vietnam era, or other status protected by law. WEC will be nondiscriminatory in hiring, terminating, and promoting employees, and in all other employment matters.

WEC is committed to providing a work environment that is free from alcohol and other drug use. If you are determined to be using, possessing, distributing, selling or under the influence of alcohol or any illegal drug during the span of any working period, or while on WEC property, you will be subject to severe disciplinary action, including potential discharge. However, WEC may permit the use, possession and/or distribution of alcoholic beverages during non-working hours at formally planned business, recreational or social events at a designated location on WEC property with the prior written authorization of the management representative responsible for the facility.



Common sense and honesty should guide our decision-making.

L. Communications with Management, Board of Directors, Auditors and Others

All business communications will be truthful and free from false or exaggerated claims. This includes news releases, advertisements, sales promotion materials, and other communications prepared for external use. Senior management and the Board of Directors must remain fully informed on sensitive matters, even when it might appear that less candor is desirable to protect WEC or the image of senior management. Therefore, there shall be no concealment of information from members of the Wisconsin Energy Corporation Board of Directors, senior management, internal auditors, General Counsel, or independent auditors. Ordinarily, auditors from regulatory and taxing authorities and counsel for underwriters are entitled to and shall receive such requested information. Unusual requests, however, are to be referred to the Compliance Officer or to Wisconsin Energy Corporation's General Counsel.

II. Compliance Program

A. Administration

Each officer, business unit head, and department head is ultimately responsible for ensuring that all persons within his/her area of responsibility understand the ethical standards that may affect them. As described in Section I (C), the Wisconsin Energy Corporation Corporate Secretary, or when unavailable, his/her designee, is appointed as the Compliance Officer who will oversee the program established to achieve compliance with WEC's ethical standards.

B. Acknowledgment Reporting

Selected employees and directors shall periodically be required to submit a statement to the Compliance Officer, which shall affirm the knowledge and understanding of and compliance with the requirements of this Code of Business Conduct. Managers, supervisors, and team leaders are responsible for ensuring that all employees under their jurisdiction are aware of and comply with WEC's Code of Business Conduct.

C. Discovery of Suspected Violations

Wisconsin Energy Corporation is committed to maintaining a work environment that encourages employees to raise concerns and is committed to promptly addressing employee compliance concerns. If you discover a suspected violation of the ethical standards of WEC, you should immediately report it to the Compliance Officer at 414-221-3055. The identity of all persons reporting possible violations will be kept confidential to the extent reasonably possible. As an alternative to



Each of us must be familiar with the Code and comply with its provisions.

contacting the Compliance Officer, WEC has established an employee hotline 888-536-1499 as the mechanism to receive anonymous complaints. **Retaliation will not be permitted against any person for reporting violations in good faith.**



Each of us is obligated to report violations and seek advice when in doubt.

Discovery of events believed to be of a significant questionable, fraudulent or illegal nature, including issues relating to the accuracy or completeness of the Company's public financial reports or the accuracy of its internal controls or auditing matters must be reported by the Compliance Officer to the Wisconsin Energy Corporation General Counsel, the Chief Executive Officer, the Chair of the Audit and Oversight Committee of the Wisconsin Energy Corporation Board of Directors, and the Company's internal and independent auditors.

D. Interpretations of Ethical Standards

In the course of doing business, situations may occur that do not appear to be clearly right or wrong, or circumstances may arise that do not appear to be covered by the previously stated standards. In such cases, requests for interpretations or clarification of this Code of Business Conduct should be submitted to the Compliance Officer.

E. Disciplinary Action

Persons who violate the Code of Business Conduct will be subject to the application of appropriate disciplinary measures, including the possibility of discharge.

F. Waiver of the Code

The Company will waive application of the policies set forth in this Code only where the circumstances warrant granting a waiver, and then only in conjunction with any appropriate monitoring of the particular situation. Waivers of the Code for directors and executive officers may be made only by the Board of Directors as a whole or the Audit and Oversight Committee and must be promptly disclosed as required by law or regulation.

G. No Rights Created

This Code of Business Conduct is a statement of the fundamental principles and key policies and procedures that govern the conduct of WEC's business. It is not intended to and does not create any rights in any employee, client, supplier, competitor, stockholder or any other person or entity.

III. Conflicts with Other Policies

In the event that any policy expressed in this Code of Business Conduct conflicts with any other policy issued by WEC, the policy expressed herein shall take precedence.

IV. Related Matters

For more detailed information regarding the subjects contained in this Code, please refer to related policies such as:

- Acceptable Use Policy for Corporate Electronic and Telecommunications Resources
- Alcohol and Other Drug Use Policy
- Anti-Harassment and Sexual Harassment Policy
- Attendance & Time Reporting Policy
- Corporate Securities Trading Policy
- Equal Employment Opportunity Policy
- Financial Communications Disclosure Policy
- Gifts & Entertainment Policy
- Information Security Policy
- Internal Control Policy Statement
- Media and External Communications Policy
- Policy Prohibiting Retaliation Against Employees Providing Evidence of Ethical Violations
- Records and Information Management Policy
- Safety and Health Policy
- Smoke-Free Workplace Policy
- Violence in the Workplace Policy



WEC prohibits retaliation against employees who report questionable ethical conduct.

Copies of these policies may be obtained from <http://insite.comp.wepco.com/policies/>. You may also request copies from the Compliance Officer.

Training on the Code of Business Conduct is available via the E-Learning Center at <http://insite.comp.wepco.com/elearn/ElearningHome.htm>.

Wisconsin Energy Corporation Code of Business Conduct

Responsibility:

Corporate Secretary

Revised:

December 4, 2008

October 18, 2007

May 5, 2005

September 10, 2003

July 11, 2003

Approved:

Wisconsin Energy Corporation's Board of Directors

Contact:

Susan Martin,

Compliance Officer

414-221-3055

wec.compliance-officer.cobc-feedback@wisconsinenergy.com

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