



***Wisconsin Energy
Corporation***

Goldman Sachs Conference

May 2009

Disclaimer

All statements in this presentation other than historical facts are forward-looking statements that involve risks and uncertainties which are subject to change at any time. Such statements are based upon management's expectations at the time they are made. In addition to the assumptions and other factors referred to in connection with the statements, factors described in the company's latest Form 10-K and subsequent reports filed with the Securities and Exchange Commission could cause actual results to differ materially from those contemplated.

Overview of Wisconsin Energy

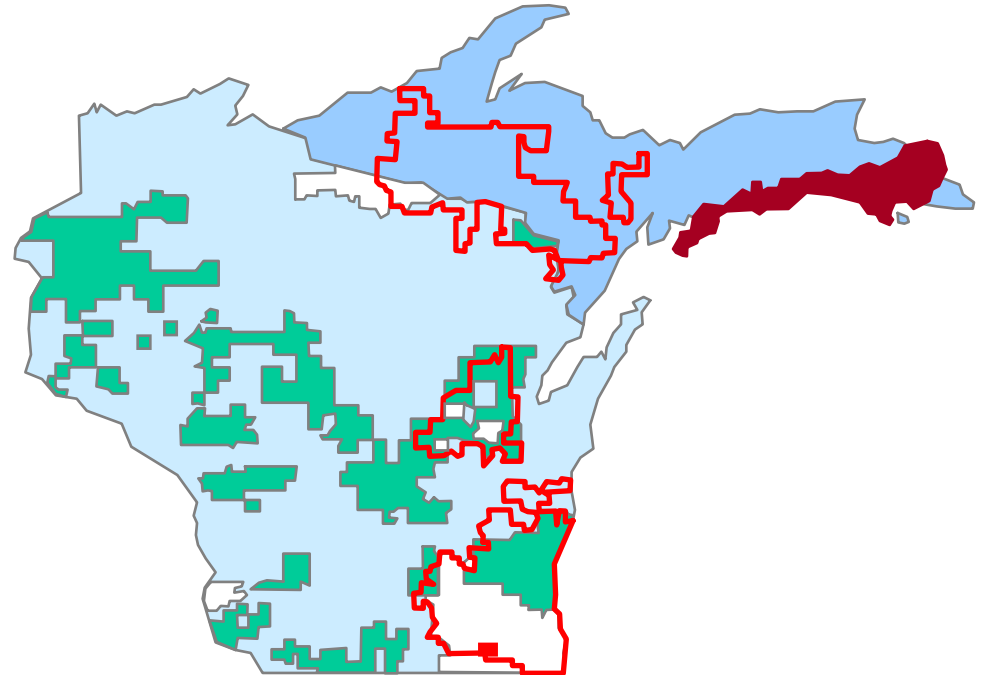
- \$12.4 billion of Assets
- \$4.4 billion of Revenues
- \$1.1 billion of EBITDA
- Fully integrated, regulated utility
- Supported by constructive regulation

Financial information for the LTM ended 3-31-09

Regulated Electric and Gas Utilities

Cornerstones of the Franchise

- Largest electric and gas company in Wisconsin
 - 1.1 million electric customers
 - 1.0 million natural gas customers
- Vertically integrated and fully regulated



- Wisconsin Electric Power Company: Gas Service Area
- Wisconsin Electric Power Company: Electric Service Area
- Edison Sault Electric Power Company: Electric Service Area
- Wisconsin Gas LLC Service Area

Meeting Wisconsin's need

- Growth in customer base
 - Electric customer growth of 8.7 percent since December 2000
 - Gas customer growth of 11.1 percent since December 2000

Update on Economy in Southeastern Wisconsin

- Well-diversified industrial and commercial business base
 - Helps to mitigate the impact of most economic downturns
 - Three sectors significantly affected in this downturn; primary metals, automotive and paper production
- Current electric sales expectations for 2009
 - 11% reduction in Large Commercial and Industrial sales
 - 6.0% reduction in Small Commercial and Industrial sales
 - 2.0% reduction in Residential sales on a weather normalized basis
- Recessionary impact
 - Measured by declines in state tax revenues, Wisconsin is in the 'middle of the pack' nationwide

First Quarter Snapshot

- Electricity use by large commercial and industrial customers

	2009	% Difference*
January	765 GWh	-16.9%
February	712 GWh	-20.0%
March	763 GWh	-16.5%
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First Quarter	2240 GWh	-17.8%

*Compared to first quarter 2008 sales

Certain sectors beginning to show improvement

- Industrial production and economic output in our region
 - Iron ore mines now plan to operate in July, adding 600,000 tons of production to their 2009 forecast
 - Heavy machinery sector for mining equipment increased electricity consumption in the first quarter by 5%
 - Healthcare continuing to see positive growth, electricity use up 4% in the first quarter compared to the first quarter of 2008
 - Energy use in gaming and entertainment sector up 4% in the quarter

Power the Future Growth Strategy

- Power the Future greatly enhances growth of the regulated business
 - Planning to spend \$2.5 billion on new power plants
 - Addition of four new units over the course of 6 years beginning in 2005
 - Two gas units, two coal units
 - Predictable earnings growth as new plants come on line

Power the Future Plan

	Natural Gas	Coal
Capacity	1,150 MW	1,030 MW ¹
Investment	\$668 million	\$1.8 billion ²
ROE	12.7%	12.7%
Equity	53%	55%
Initial Lease Term	25 Years	30 Years
Scheduled In Service Dates	Unit 1 – July 16, 2005 Unit 2 – May 23, 2008	Unit 1 - 2009 Unit 2 - 2010

1. Approximately \$350 million will be invested in two coal units by MG&E/WPPI for about 200 MW of capacity. All capacity and investment amounts reflect WEC ownership only.

2. Does not include costs as a result of delays caused by litigation. These are estimated to be \$50 to \$55 million. We believe these costs are recoverable, but recovery is subject to our final calculation of costs and to review and approval by the PSCW.

Power the Future Plan

Estimated Earnings Impact *(all dollars in millions)*

	Investment	Estimated Earnings (First Full Year)
Port Washington Unit 1	\$ 333	\$ 17
Port Washington Unit 2	\$ 331	\$ 17
Oak Creek Unit 1 ¹⁻²	\$ 1,229	\$ 65
Oak Creek Unit 2 ¹⁻²	<u>\$ 605</u>	<u>\$ 35</u>
	\$ 2,502	\$134

1. Approximately \$350 million will be invested in two coal units by MG&E/WPPI for about 200 MW of capacity. Units are located adjacent to Wisconsin Electric's existing Oak Creek site. All amounts reflect WEC ownership only.

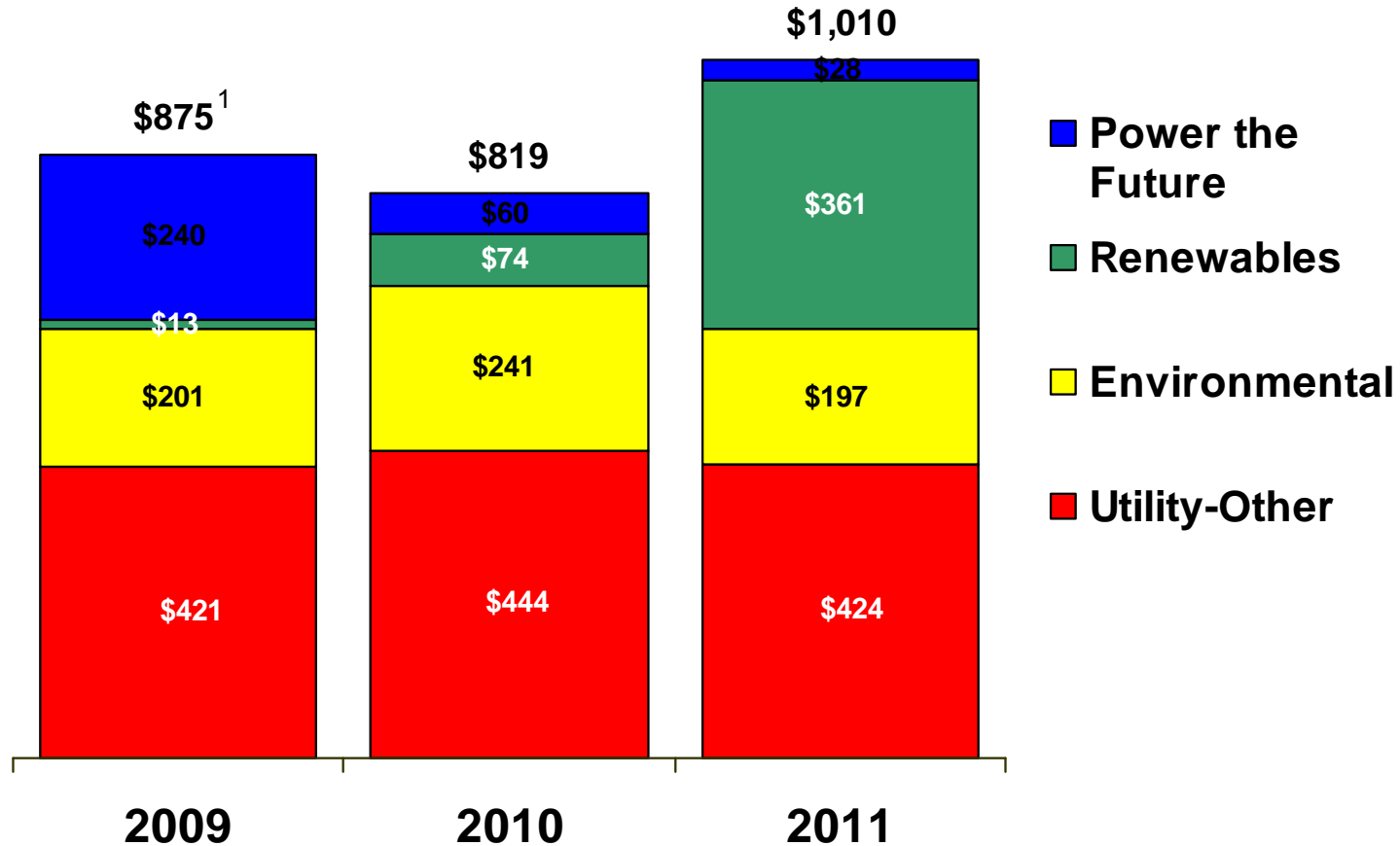
2. Does not include costs resulting from delays caused by litigation or cost/schedule claims that Bechtel may submit. Increases caused by litigation-related delays are estimated to be \$50 to \$55 million. We believe these costs are recoverable, but recovery is subject to our final calculation of costs and to review and approval by the PSCW. Any cost/schedule claims that Bechtel may be entitled to would be in addition to this \$50 to \$55 million.

Update on Oak Creek Expansion

- In December 2008, Bechtel submitted claims for schedule relief and additional costs
 - \$413 million for the alleged effects of severe weather, changed local labor conditions and other factors
 - \$72 million for the delayed start of construction in 2005
- The contract outlines a process for resolving disputes
 - Non-binding mediation
 - Binding arbitration
- The process could take up to 18 months to complete

Current Capital Spending Forecast

(Millions of Dollars)



1. Capital Expenditures in 2009 are expected to range between \$825 and \$875 million.

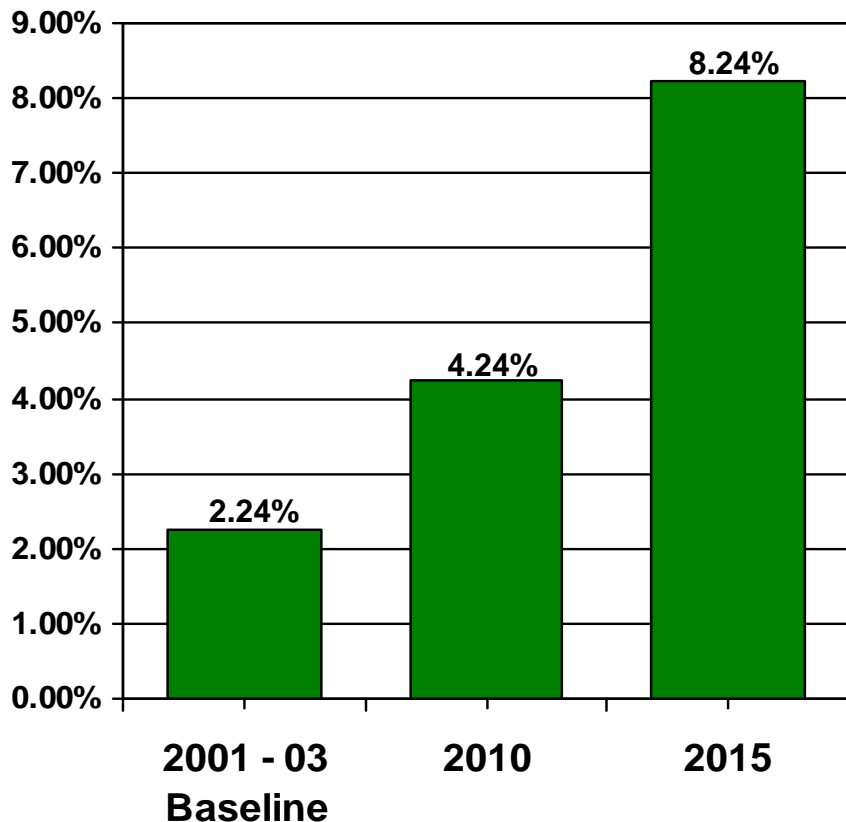
Note: As presented in 2008 10-K for Wisconsin Energy

Update on Renewable Portfolio Standards

- Renewable Energy
 - Moving forward on expansion of wind capacity
 - Blue Sky Green Field—about \$300 million for 145 MW, in service May 2008
 - Began approval process in October for an additional 100 to 200 MW at Glacier Hills Wind Park in east central Wisconsin. Application declared complete – 180 day approval clock started in January
 - Governor's Task Force on Global Warming has proposed a 25% renewable energy target for 2025
 - Developing plans to invest in biomass and solar generation

Renewable Energy Opportunity at Wisconsin Electric

Required Percentage of Retail Sales



Example: If All New Need Met with Wind

800 to 900 MW	2015 Total
145 MW	2008 BSGF
<u>100 to 200 MW</u>	2011/12
455 to 655MW	Additional

New wind capacity: approximately
\$2,500/kw +

Financing and Dividend Policy

- Capital Structure Goals
 - Maintain debt to capital at no more than 60% during Power the Future construction
 - Reach approximately 55% debt to capital by the end of 2012
 - Assumes half of hybrid securities are treated as common equity
- Current Dividend Policy
 - Target is a dividend payout ratio of 40-45 percent of earnings in each year from 2009 – 2011 and a target of 45-50 percent of earnings after 2011
 - Dividend increased nearly 70% since beginning of 2004
 - Annual dividend raised from \$0.80 per share in 2004 to \$1.35 per share this year
- Do not expect to issue any additional shares

Key Takeaways on Wisconsin Energy

- Solid utility franchises
- Power the Future provides tremendous regulated growth opportunity
- Continuing to reduce business and financial risk
- Positioned to deliver among the best risk-adjusted returns in the industry