

Wisconsin Energy Corporation

2008 First Quarter Earnings

Released April 29, 2008

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April 29, 2008

Wisconsin Energy posts first quarter earnings

MILWAUKEE - Wisconsin Energy (NYSE: WEC) today reported net income from continuing operations of \$123 million or \$1.04 per share for the first quarter of 2008. This compares with earnings of \$101 million or 85 cents per share from continuing operations in last year's first quarter.

"A cold, snowy winter drove electric and natural gas usage higher across Wisconsin and the Upper Peninsula of Michigan. Our electric sales were the highest for any winter quarter in our history and our natural gas sales were the second highest for any quarter in our history," said Gale Klappa, Wisconsin Energy's chairman, president and chief executive officer.

Total retail sales of electricity increased by 2.0 percent over the first quarter of 2007. Consumption of electricity by residential customers rose by 2.8 percent – driven by the extended cold weather and customer growth. Electricity use by large commercial and industrial customers was up by 2.1 percent compared with last year's first quarter, while usage by small commercial and industrial customers grew by 1.3 percent.

First quarter 2008 revenues were \$1.43 billion compared with \$1.30 billion in the first quarter last year. At the end of March, the company was serving 7,200 more electric customers and 7,900 more natural gas customers than a year ago.

"We're pleased with our first quarter results," Klappa added. "Overall, our gas and electricity networks held up well, and we were able to meet the record winter demands for energy in our region.

"During the quarter, we also made progress on our Power the Future plan. This year, we will invest nearly \$1.2 billion to upgrade the energy infrastructure of the region," Klappa said. "In fact, two major projects—our Blue Sky Green Field wind farm and the second natural gas-fired unit at Port Washington—are expected to enter commercial service within the next 60 days."

Earnings per share listed in this news release are on a fully diluted basis.

Conference Call

A conference call is scheduled for 1 p.m. Central time on Tuesday, April 29, 2008. The presentation will review 2008 first quarter earnings and will discuss the company's outlook for the future.

All interested parties, including stockholders, the news media and the general public, are invited to listen to the presentation. The conference call may be accessed by dialing 888-690-2874 up to 15 minutes before the call begins. International callers may dial 913-312-1447. The confirmation code is 1349562. Access also may be gained through the company's Web site (www.wisconsinenergy.com). Click on the icon for the "First Quarter 2008 Earnings Release & Conference Call" and select "webcast audio." In conjunction with this earnings announcement, Wisconsin Energy will post on its Web site a package of detailed financial information on its first quarter performance. The materials will be available at 7:30 a.m. Central time on April 29. An archive of the presentation will be available on the Web site after the call. A replay of the audio portion of the presentation will be available approximately two hours following the conclusion of the presentation and accessible through May 6, 2008. Domestic callers should dial 888-203-1112. International callers should dial 719-457-0820. The replay confirmation code is 1349562.

Wisconsin Energy Corporation (NYSE: WEC), based in Milwaukee, is one of the nation's premier energy companies, serving more than 1.1 million electric customers in Wisconsin and Michigan's Upper Peninsula and more than 1 million natural gas customers in Wisconsin. The company's principal utilities are We Energies and Edison Sault Electric. The company's non-utility businesses include renewable energy technology and real estate development.

Wisconsin Energy Corporation (www.wisconsinenergy.com) has more than \$11 billion of assets, approximately 5,000 employees and more than 50,000 stockholders of record.

Tables Follow

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WISCONSIN ENERGY CORPORATION
CONSOLIDATED CONDENSED INCOME STATEMENTS
(Unaudited)

	Three Months Ended March 31	
	2008	2007
	(Millions of Dollars, Except Per Share Amounts)	
Operating Revenues	\$1,431.8	\$1,301.1
Operating Expenses		
Fuel and purchased power	338.2	229.5
Cost of gas sold	560.3	473.8
Other operation and maintenance	369.6	303.0
Depreciation, decommissioning and amortization	77.7	84.1
Property and revenue taxes	27.1	26.2
Total Operating Expenses	1,372.9	1,116.6
Amortization of Gain	159.0	-
Operating Income	217.9	184.5
Equity in Earnings of Transmission Affiliate	11.5	10.7
Other Income, Net	10.6	13.2
Interest Expense, Net	39.2	42.7
Income From Continuing Operations Before Income Taxes	200.8	165.7
Income Taxes	77.6	64.6
Income From Continuing Operations	123.2	101.1
Loss From Discontinued Operations, Net of Tax	-	(0.2)
Net Income	\$123.2	\$100.9
Earnings Per Share (Basic)		
Continuing operations	\$1.05	\$0.86
Discontinued operations	-	-
Total Earnings Per Share (Basic)	\$1.05	\$0.86
Earnings Per Share (Diluted)		
Continuing operations	\$1.04	\$0.85
Discontinued operations	-	-
Total Earnings Per Share (Diluted)	\$1.04	\$0.85
Weighted Average Common Shares Outstanding (Millions)		
Basic	116.9	117.0
Diluted	118.3	118.7
Dividends Per Share of Common Stock	\$0.27	\$0.25

WISCONSIN ENERGY CORPORATION
CONSOLIDATED CONDENSED BALANCE SHEETS

	(Unaudited)	
	<u>March 31, 2008</u>	<u>December 31, 2007</u>
	(Millions of Dollars)	
<u>Assets</u>		
Net Property, Plant and Equipment	\$7,911.7	\$7,681.2
Investments		
Restricted cash	300.4	323.5
Equity investment in transmission affiliate	241.7	238.5
Other	36.9	42.7
Total Investments	<u>579.0</u>	<u>604.7</u>
Current Assets		
Cash and cash equivalents	24.2	27.4
Restricted Cash	342.9	408.1
Accounts receivable	521.4	361.8
Accrued revenues	259.4	312.2
Materials, supplies and inventories	235.1	361.3
Regulatory Assets	82.5	164.7
Prepayments and other	191.5	214.2
Total Current Assets	<u>1,657.0</u>	<u>1,849.7</u>
Deferred Charges and Other Assets		
Regulatory assets	906.3	961.6
Goodwill	441.9	441.9
Other	182.2	181.2
Total Deferred Charges and Other Assets	<u>1,530.4</u>	<u>1,584.7</u>
Total Assets	<u><u>\$11,678.1</u></u>	<u><u>\$11,720.3</u></u>
<u>Capitalization and Liabilities</u>		
Capitalization		
Common equity	\$3,191.5	\$3,099.2
Preferred stock of subsidiary	30.4	30.4
Long-term debt	2,974.2	3,172.5
Total Capitalization	<u>6,196.1</u>	<u>6,302.1</u>
Current Liabilities		
Long-term debt due currently	403.2	352.8
Short-term debt	1,006.4	900.7
Accounts payable	422.1	478.3
Regulatory liabilities	471.1	563.1
Other	330.2	207.9
Total Current Liabilities	<u>2,633.0</u>	<u>2,502.8</u>
Deferred Credits and Other Liabilities		
Regulatory liabilities	1,267.5	1,314.3
Deferred income taxes - long-term	542.9	551.7
Deferred revenue, net	397.7	347.7
Other	640.9	701.7
Total Deferred Credits and Other Liabilities	<u>2,849.0</u>	<u>2,915.4</u>
Total Capitalization and Liabilities	<u><u>\$11,678.1</u></u>	<u><u>\$11,720.3</u></u>

WISCONSIN ENERGY CORPORATION
CONSOLIDATED CONDENSED STATEMENTS OF CASH FLOWS
(Unaudited)

	Three Months Ended March 31,	
	2008	2007
	(Millions of Dollars)	
Operating Activities		
Net income	\$123.2	\$100.9
Reconciliation to cash		
Depreciation, decommissioning and amortization	82.4	86.9
Deferred income taxes and investment tax credits, net	(9.9)	(19.9)
Working capital and other	148.1	195.0
Cash Provided by Operating Activities	<u>343.8</u>	<u>362.9</u>
Investing Activities		
Capital expenditures	(348.2)	(290.2)
Change in restricted cash	88.3	-
Other investing activities	(20.1)	(19.2)
Unrestricted proceeds from asset sales	9.1	5.1
Cash Used in Investing Activities	<u>(270.9)</u>	<u>(304.3)</u>
Financing Activities		
Common stock issued (repurchased), net	(2.8)	(17.1)
Dividends paid on common stock	(31.6)	(29.2)
Change in debt, net	(42.3)	(29.7)
Other financing activities	0.6	4.5
Cash Used in Financing Activities	<u>(76.1)</u>	<u>(71.5)</u>
Change in Cash	(3.2)	(12.9)
Cash at Beginning of Period	<u>27.4</u>	<u>37.0</u>
Cash at End of Period	<u><u>\$24.2</u></u>	<u><u>\$24.1</u></u>

Wisconsin Energy Corporation
2008 Year to Date Results - Factors Affecting Earnings

All Values in Millions Except Earnings per Share

<u>Operating Income by Segment</u>	<u>2008</u>	<u>2007</u>	<u>Significant Factors</u>	<u>B(W)</u>
Utility Energy	\$ 207	\$ 178		\$ 29
			Weather	14
			Wholesale Pricing	10
			Point Beach PPA, vs O&M and depreciation	(13)
			Other, net	18
			Total Utility	<u>\$ 29</u>
Non-Utility Energy	14	10	Coal Handling in Service	4
Corporate & Other	(3)	(3)		-
Total Operating Income	218	185		33
Other Income, net	22	24		(2)
Interest Expense	<u>39</u>	<u>43</u>		<u>4</u>
Income from Continuing Operations Before Income Taxes	201	166		35
Income Taxes	<u>78</u>	<u>65</u>		<u>(13)</u>
Income from Continuing Operations	123	101		22
Income from Discontinued Income from Discontinued Operations, Net	<u>-</u>	<u>-</u>		<u>-</u>
Net Income	<u>\$ 123</u>	<u>\$ 101</u>		<u>\$ 22</u>
EPS - Fully diluted				
Continuing Operations	\$ 1.04	\$ 0.85		\$ 0.19
Discontinued Operations	<u>-</u>	<u>-</u>		<u>-</u>
Total EPS - Fully Diluted	<u>\$ 1.04</u>	<u>\$ 0.85</u>		<u>\$ 0.19</u>
Average Diluted Shares Outstanding (Millions)	118.3	118.7		

Wisconsin Energy Corporation
2008 Revenues and Sales
Three Months Ended March 31,

	Consolidated Revenues - \$ Millions		
	First Quarter		
	<u>2008</u>	<u>2007</u>	<u>Change</u>
Utility Electric	\$ 667.2	\$ 642.6	\$ 24.6
Utility Gas	749.9	644.8	105.1
Other	16.1	13.2	2.9
Total Revenues	<u>\$ 1,433.2</u>	<u>\$ 1,300.6</u>	<u>\$ 132.6</u>

	Utility Electric Megawatt-Hour Sales - Thousands		
	<u>2008</u>	<u>2007</u>	<u>Change</u>
Total Sales	8,129.5	7,815.9	4.0%
Total Retail Sales	7,311.5	7,165.4	2.0%
Residential	2,208.7	2,149.5	2.8%
Small Commercial/Industrial	2,332.7	2,302.0	1.3%
Large Commercial/Industrial	2,725.5	2,670.3	2.1%
Other Retail	44.6	43.6	2.3%

	Utility Natural Gas Sales - Million Therms		
	<u>2008</u>	<u>2007</u>	<u>Change</u>
Total Sales	952.3	892.2	6.7%
Total Retail Sales	657.6	608.5	8.1%
Residential	408.8	381.0	7.3%
Commercial/Industrial	240.4	220.2	9.2%
Other Retail	8.4	7.3	15.1%

	Electric Utility Revenues - \$ Millions		
	First Quarter		
	<u>2008</u>	<u>2007</u>	<u>Change</u>
Operating Revenues:			
Residential	\$ 247.5	\$ 232.6	
Small Commercial/Industrial	210.7	208.3	
Large Commercial/Industrial	155.9	159.4	
Other Retail	5.5	5.2	
Wholesale - Other	33.7	23.0	
Resale - Utilities	5.4	5.4	
Other Operating Revenues	8.5	8.7	
Total Operating Revenues	<u>667.2</u>	<u>642.6</u>	3.8%
Bill Credits *	74.1	-	
Total Revenue and Bill Credits	<u>\$ 741.3</u>	<u>\$ 642.6</u>	15.4%

* The January 2008 rate order authorized a 17% increase in electric rates. However, our electric customers are expected to see a 3% increase in 2008 and the balance will come from bill credits related to the net gain on the Point Beach sale.

Wisconsin Energy Corporation
Cash Flow Information
Three Months Ended March 31,

All Values in Millions

	<u>2008</u>	<u>2007</u>
EBIT and EBITDA		
Net Income	\$ 123.2	\$ 100.9
Income Taxes	77.6	64.6
Interest	39.2	42.7
EBIT	<u>240.0</u>	<u>208.2</u>
Depreciation, Decommissioning and Amortization	82.4	86.9
EBITDA	<u>\$ 322.4</u>	<u>\$ 295.1</u>
Summarized Cash Flows		
Operating Cash Flows		
Net Income	\$ 123.2	\$ 100.9
Depreciation, Decommissioning and Amortization	82.4	86.9
Deferred Income Taxes and ITC, Net	(9.9)	(19.9)
Working Capital and Other	148.1	195.0
Total Operating Cash Flows	<u>\$ 343.8</u>	<u>\$ 362.9</u>
Investing Activities		
Capital Expenditures	\$ (348.2)	\$ (290.2)
Change in Restricted Cash	88.3	-
Other, Net	(11.0)	(14.1)
Total Investing Activities	<u>\$ (270.9)</u>	<u>\$ (304.3)</u>
Financing Activities		
Common Stock, Net	\$ (2.8)	\$ (17.1)
Dividends Paid	(31.6)	(29.2)
Debt Changes, Net	(42.3)	(29.7)
Other, Net	0.6	4.5
Total Financing Activities	<u>\$ (76.1)</u>	<u>\$ (71.5)</u>
Total Change in Cash	<u>\$ (3.2)</u>	<u>\$ (12.9)</u>
Capitalization Structure		
	<u>Actual</u>	<u>Adjusted</u>
Common Equity	\$ 3,191.5	\$ 3,441.5
Preferred Stock of Subsidiary	30.4	30.4
Long-Term Debt (including current maturities)	3,377.4	3,127.4
Short-Term Debt	1,006.4	1,006.4
Total Capitalization	<u>\$ 7,605.7</u>	<u>\$ 7,605.7</u>
Total Debt	\$ 4,383.8	\$ 4,133.8
Debt to Total Capital Ratio	57.6%	54.4%

Adjusted: Included in Long-Term Debt for the quarter ended March 31, 2008, is the \$500 million aggregate principal amount of the 2007 Series A Junior Subordinated Notes due 2067 as these debt securities are reflected as long-term debt on our Consolidated Condensed Balance Sheets. The adjusted presentation attributes \$250 million of the Junior Notes to Common Equity and \$250 million to Long-Term Debt. We believe this presentation is consistent with the 50% equity credit the majority of rating agencies currently attribute to the Junior Notes.

Credit Ratings*

	S & P	Moody's	Fitch
WEC/WECC			
- Commercial Paper	A-2	P-2	F2
- Unsecured Senior Debt	BBB+	A3	A-
- Unsecured Junior Notes	BBB-	Baa1	BBB+
Wisconsin Electric			
- Commercial Paper	A-2	P-1	F1
- Secured Senior Debt	A-	Aa3	AA-
- Unsecured Debt	A-	A1	A+
Wisconsin Gas			
- Commercial Paper	A-2	P-1	F1
- Unsecured Senior Debt	A-	A1	A+

*All S&P and Moody's ratings outlooks for the Companies are stable. Fitch security ratings outlooks are stable for Wisconsin Electric and Wisconsin Gas and negative for Wisconsin Energy Corporation and Wisconsin Energy Capital Corporation.