

SECTION 285.305

General Information Requirements Applicable for All Utilities Subject to this Part

Utility: North Shore Gas Company

Subpart (j)



COMPANY PRESENTATION

June 2012

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3	Condensed Commentary on Forward-Looking Statements	25	Peoples Gas and North Shore Gas Rate Cases – Summary of Positions
4	IntegrYS Energy Group, Inc. – A Leading Midwest Energy Company	26	Rate Case Award History
5	IntegrYS Energy Group Strategy	27	Innovative Ratemaking by Regulators
6	Strategy – Regulated Operations	28	State Regulatory Commissions in Jurisdictions Served by IntegrYS Energy Group
7	Regulated Investment Growth Opportunities	29	Capital Expenditures
8	Electric Transmission Investment Overview – American Transmission Company	30	Estimated Utility Depreciation
9	American Transmission Company: Projected Investment in Plant, Debt Ratings	31	Projected Rate Base 2012 – 2014
10	Strategy – Nonregulated Operations	32	IntegrYS Energy Services
11	Highlights	33	IntegrYS Transportation Fuels, LLC
12	APPENDIX	34	Financing Summary
13	First Quarter 2012 Financial Results; 2012 Guidance	35	Diluted Earnings Per Share – Adjusted
14	First Quarter 2012: Regulated Operational Update	36	Special Items by Segment – Adjusted Earnings (Loss) – First Quarters 2012 and 2011
15	First Quarter 2012: Nonregulated Operational Update	37	Special Items by Segment – Diluted Earnings Per Share – Adjusted – First Quarters 2012 and 2011
16	Commitment to Operational Excellence	38	Guidance – 2012 Diluted Earnings Per Share – Adjusted
17	Regulated Utilities – Management Focus	39	2012 Earnings Per Share – Adjusted Guidance – Presented on May 3, 2012 and February 29, 2012
18	Regulated Utilities – Statistics	40	IntegrYS Credit Ratings
19	Regulated Utilities – Regulatory Rate Base and Return on Equity	41	IntegrYS Long-Term Debt Maturities
20	Utility Net Income – Adjusted Overage (Shortfall)	42	71 Consecutive Years of Dividends
21	Wisconsin Public Service – 2012 General Rate Case	43	Disclosure of Full Forward-Looking Statements
22	Upper Peninsula Power Rate Case	44	Non-GAAP Financial Information
23	Minnesota Energy Resources Rate Case		
24	Peoples Gas and North Shore Gas Rate Cases – As Filed		

Condensed Commentary on Forward-Looking Statements

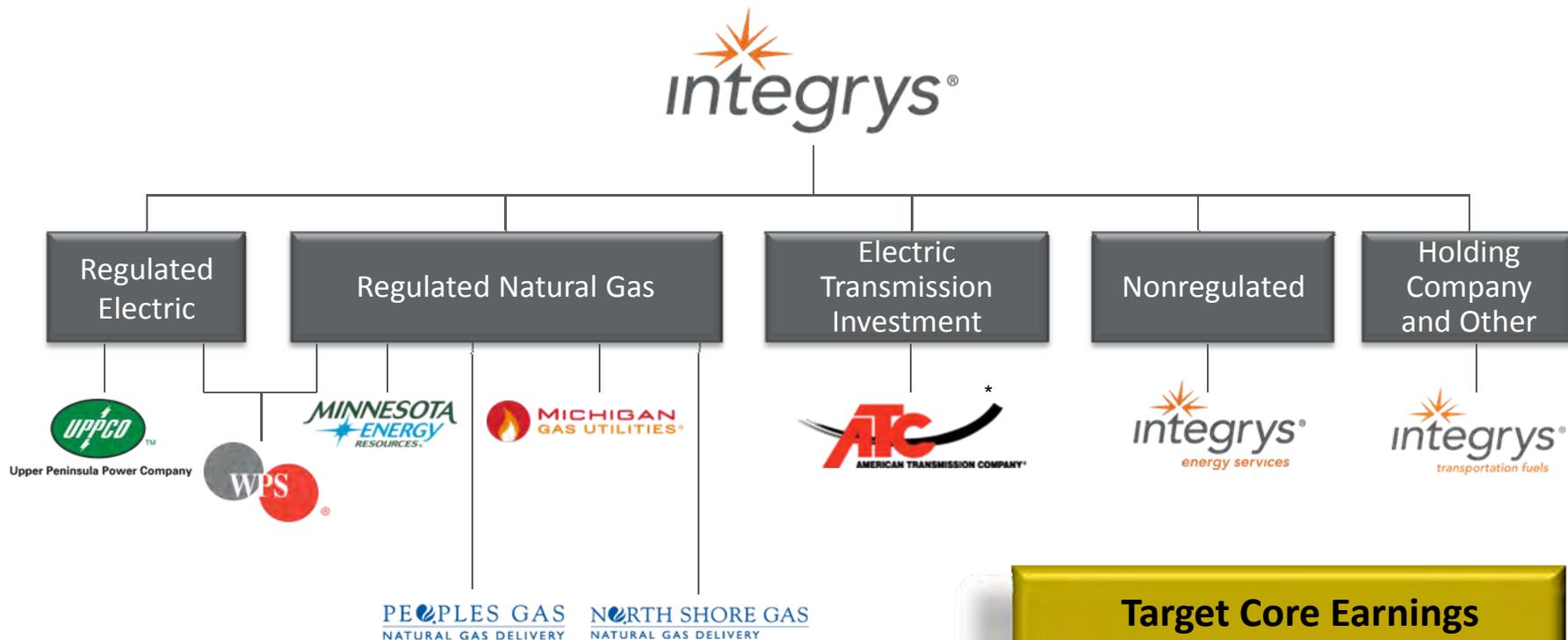


In this presentation, IntegrYS Energy Group and its subsidiaries make statements concerning its expectations, beliefs, plans, objectives, goals, strategies, and future events or performance. Such statements are “forward-looking statements” within the meaning of Section 21E of the Securities Exchange Act of 1934, as amended. Forward-looking statements are not guarantees of future results and conditions, but rather are subject to numerous management assumptions, risks, and uncertainties. Therefore, actual results may differ materially from those expressed or implied by these statements. Although we believe that these forward-looking statements and the underlying assumptions are reasonable, we cannot provide assurance that such statements will prove correct.

Forward-looking statements involve a number of risks and uncertainties. Some risks that could cause actual results to differ materially from those expressed or implied in forward-looking statements include those described in Item 1A of our Annual Report on Form 10-K for the year ended December 31, 2011, as may be amended or supplemented in Part II, Item 1A of its subsequently filed Quarterly Reports on Form 10-Q. Other risks and uncertainties are set forth in greater detail in these aforementioned filings with the United States Securities and Exchange Commission, as well as other documents filed with the same from time to time and in Slide 43 in the Appendix. You are encouraged to read and understand the disclaimers set forth in these filings.

All forward-looking statements included in this presentation are based upon information presently available, and we, except to the extent required by the federal securities laws, undertake no obligation to update or revise publicly any forward-looking statements to reflect new information or current events.

Integrys Energy Group, Inc. – A Leading Midwest Energy Company



* Integrys Energy Group owned approximately 34% of American Transmission Company, LLC at December 31, 2011.



IntegrYS Energy Group Strategy



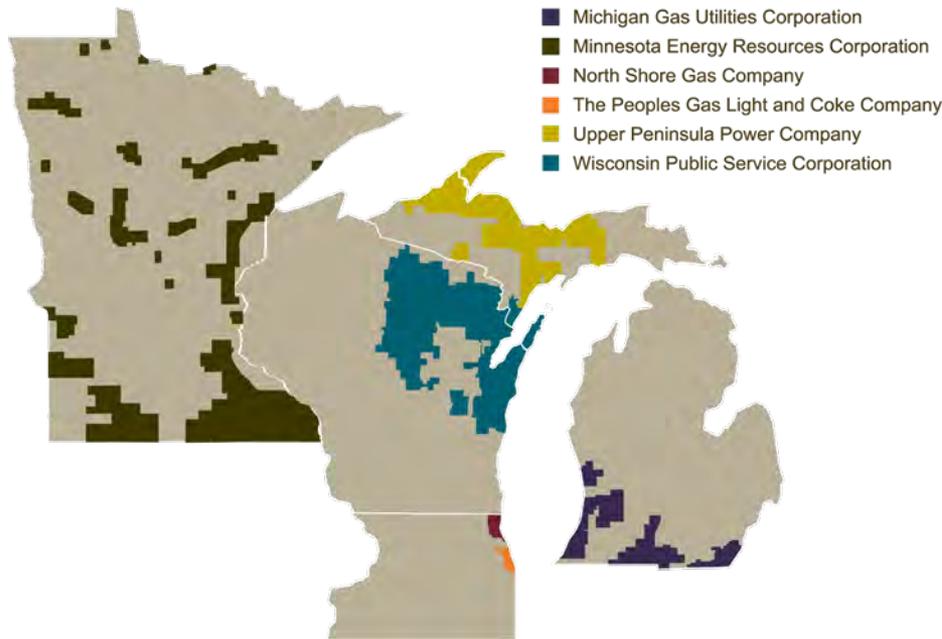
- Provide customers with the best value in energy and related services
 - Focus on operational excellence
- An operator of regulated, Midwestern utilities – environmental retrofits (electric) and infrastructure (natural gas) investments drives rate base growth
- Equity ownership (34%) in the American Transmission Company
- Nonregulated operations leverage core skill sets
 - Retail natural gas and retail electric marketing with no wholesale or trading creates more desirable risk profile
 - Solar and renewable energy projects
 - Compressed natural gas transportation fuel products and services
- Diversified business portfolio to enhance earnings stream



2011 Annual Report & Form 10-K

It's Worth the Energy!

Strategy – Regulated Operations



- Initiatives in place to enable regulated utilities to earn near their allowed returns on equity
 - Cost management
 - Timely and regular rate case filings when appropriate
 - Risk-stabilizing mechanisms in place
- Regulatory support for investing in capital projects
 - Investments involving environmental compliance and infrastructure approved by state commissions
- Continued investment in American Transmission Company
- Commitment to operational excellence with focus on delivering safe, reliable, and outstanding customer service

Regulated Investment Growth Opportunities



- Major electric utility projects and capital expenditure plans:
 - Environmental emission controls on coal plants in Wisconsin; \$500 million to \$1 billion over the next 10 years
- Major natural gas utility projects and capital expenditure plans:
 - Pipeline infrastructure in Illinois (Peoples Gas); \$2.5 billion over the next 20 years
- American Transmission Company
 - 10-year plan – \$3.8 billion to \$4.4 billion in capital expenditures – largely self-funded
 - IntegrYS Energy Group’s share – 34%
 - Growth expectations outside current geographic footprint (joint venture with Duke Energy)



Electric Transmission Investment Overview – American Transmission Company



2011 projects at a glance

Began construction

- 1 Rockdale-West Middleton** – 32-mile, 345-kV line serving Dane County
- 2 Brodhead-South Monroe** – 18-mile, 69-kV line rebuild serving Brodhead and Monroe areas
- 3 Clear Lake-Woodmin** – 7.2-mile, 115-kV line serving Minocqua and Woodruff areas

Continued construction

- 4 Canal-Dunn Road** – 8-mile, 69-kV line serving northern portion of Door County

Public outreach/regulatory phase

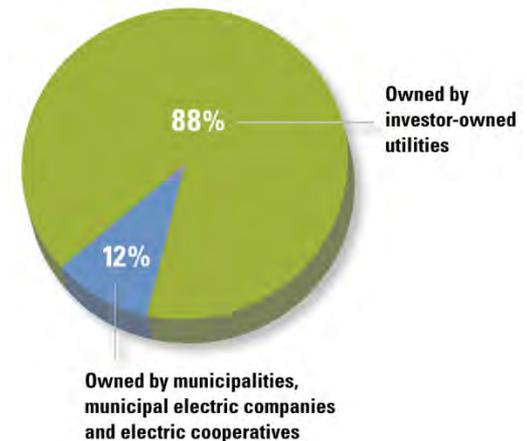
- 5 Badger Coulee** – 150- to 170-mile, 345-kV line and new substation to upgrade and reinforce the grid in western Wisconsin and the region
- 6 Western Milwaukee County Electric Reliability Project** – two 138-kV lines to reinforce the system and serve proposed new substation in Western Milwaukee County
- 7 Barnhart-Branch River** – project reinforcing 345-kV network in eastern Wisconsin
- 8 Chandler-Old Mead Road** – 6-mile, double-circuit 138-kV line and new substation serving Escanaba, Mich., area
- 9 Pleasant Prairie-Zion Energy Center** – 5.3-mile, 345-kV line connecting and strengthening transmission in southeastern Wisconsin and northern Illinois

Source of above and to the right: ATC 2011 Annual Report, pages 15 and 7; accessible at: http://www.atcllc.com/ATC2012AR_web.swf.



- Authorized return on equity: 12.2% on 50% equity
 - Rate design includes:
 - Annual true-up mechanism
 - Current return on construction work-in-progress
- We are a 34% equity owner; Integrus Energy Group's investment in ATC at December 31, 2011:
 - \$439.4 million gross
 - \$309.7 million net of deferred income taxes

Ownership



American Transmission Company: Projected Investment in Plant, Debt Ratings



Source of map above: <http://www.datcllc.com/projects/>

Projects outside current service area, such as DATC projects to the left, are expected to provide additional growth.

ATC (excludes any potential DATC projects)

Investment in plant

(Net Property, Plant and Equipment)
Dollars in Billions

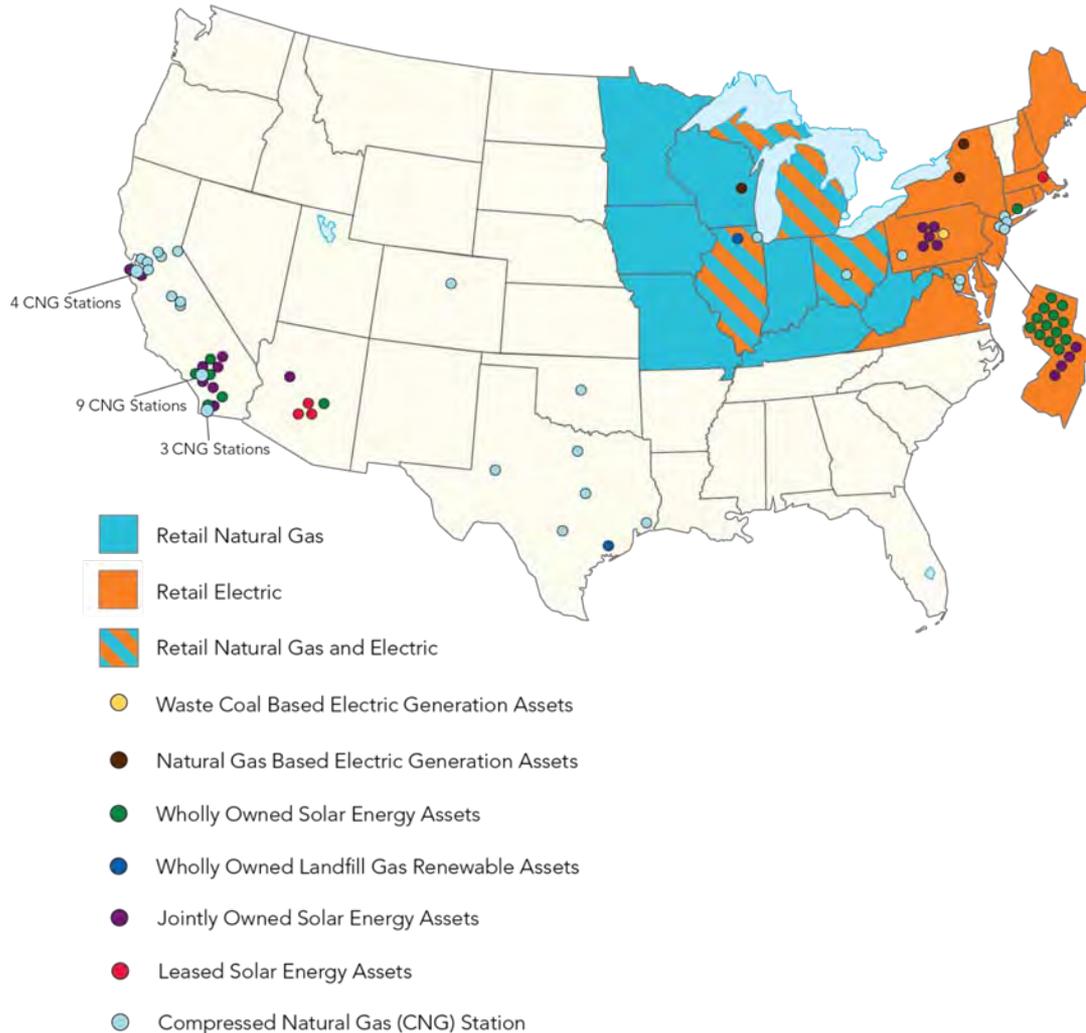


Source of above: ATC 2011 Annual Report, p. 15; accessible at: http://www.atcllc.com/ATC2012AR_web.swf.

Debt ratings

	Fitch	Moody's	S&P
Commercial Paper	F1	P-1	A-1
Senior Notes	A+	A1	A+

Strategy – Nonregulated Operations



- **IntegrYS Energy Services**
 - Scope and scale with a lower risk profile leading to controlled growth in the future
 - Retail natural gas and electric marketing in the northeast quadrant of the United States
 - Solar and other renewable energy projects within selected markets in the United States
- **IntegrYS Transportation Fuels, LLC**
 - Compressed natural gas transportation fuels – provide private and public refueling infrastructure and operations
- **Focused on achieving net income targets driven by desired customer mix, volumes, unit margins, and cost control**

Highlights



- Continued execution of our business plan
 - Our portfolio of businesses, operational excellence initiatives, and cost control efforts will assist us in achieving our 2012 consolidated financial objectives
 - Our 34% ownership in American Transmission Company will continue to contribute to earnings
- Our 2012 guidance for diluted earnings per share – adjusted on a consolidated basis may be more toward the lower end of the \$3.35 to \$3.55 range
- We expect to achieve a 4% to 6% growth rate on an average annualized basis, with 2011 as the base year, through 2015

As Presented on May 3, 2012 – Not Updated





APPENDIX



First Quarter 2012 Financial Results; 2012 Guidance



- Consolidated diluted earnings per share – adjusted \$1.55 for the 3 months ended March 31, 2012 versus \$1.57 for same period in 2011
 - Estimated weather impact, after tax
 - \$8 million for regulated natural gas utilities (\$0.10 per share)
 - Net of decoupling for regulated utilities
 - \$2 million for IntegrYS Energy Services (\$0.02 per share)
-
- 2012 Guidance: Diluted earnings per share – adjusted of \$3.35 to \$3.55 on a consolidated basis
 - Expect that we may be in the lower end of the range

As Presented on May 3, 2012 – Not Updated

First Quarter 2012: Regulated Operational Update



- Natural gas
 - Increased our Accelerated Main Replacement activity in Chicago
 - 25 miles of main installed in 1Q12 compared with none in 1Q11
 - Expect to complete about 200 miles of main installation in 2012 compared with 154 miles in 2011
- Electric
 - Environmental retrofit project at jointly owned Columbia power plant continues
 - Planning to seek regulatory approval for Weston 3 environmental retrofits so the project can begin in 2013
- Rate cases
 - Filed for rate increase at Wisconsin Public Service effective 1Q13
 - Verbal order issued for Minnesota Energy Resources rate case with final written decision expected in second half of 2012

First Quarter 2012: Nonregulated Operational Update



■ IntegrYS Energy Services

- Customer retention as compared to the beginning of 2012
 - Number of customers 97%
 - Volume 86%
 - Margin 95%
- Contracted volumes for 2012 at March 31, 2012 for the balance of 2012 are up versus 2011 at March 31, 2011
- Retail electric direct mass marketing in Illinois
 - Non-aggregation customers increased from 33,000 at December 31, 2011 to 44,000 at March 31, 2012
 - Aggregation customers under contract increased from 44,000 at December 3, 2011 to 74,000 at March 31, 2012
 - 85,000 additional customers coming on line in 3Q12

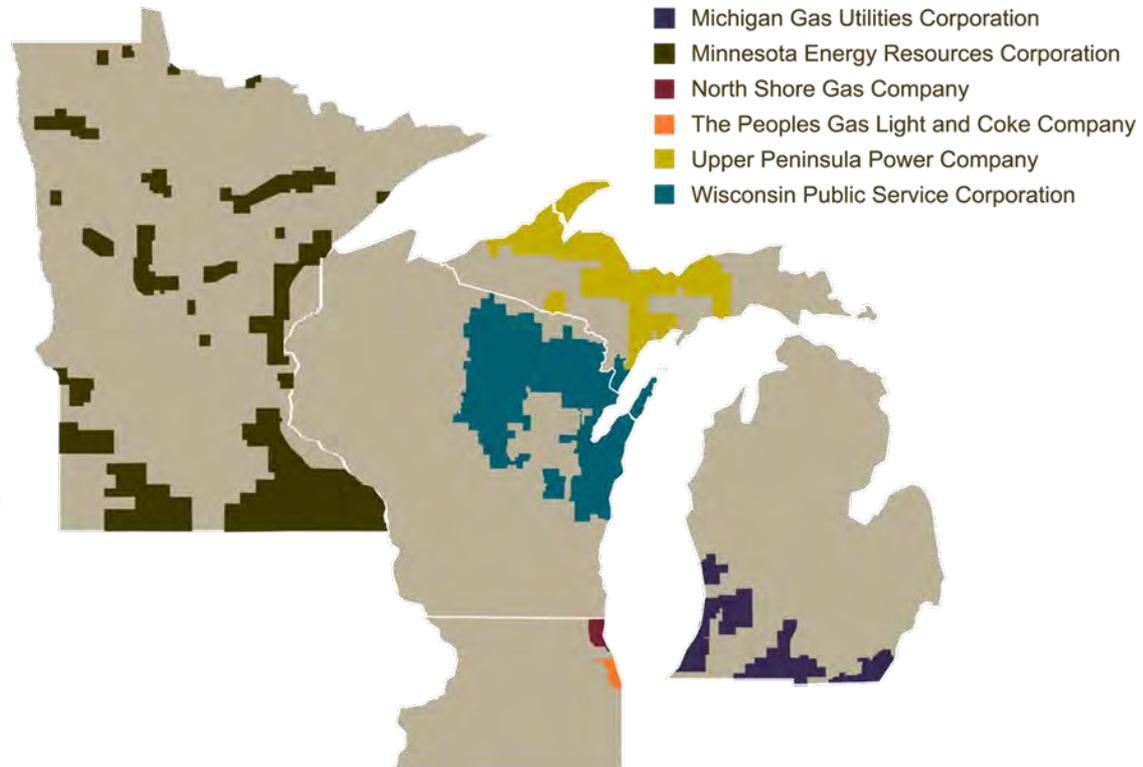
- Continual improvements to productivity, efficiency and compliance
- Focus on reliability and safety
- Enhanced enterprise risk management processes
- Minimize cost impact on customers while building investor value
- Cost savings built into incentive compensation structure
 - Aligns employees and customers
 - More appealing to regulators

Measuring performance benchmarks:

- Sourcing
- Systems
- Work processes
- HR systems

Regulated Utilities – Management Focus

- Collaborative and productive relationships with all stakeholders
- Continuous operational improvements
- Safe and reliable service
- Energy conservation and environmental stewardship



Regulated Utilities – Statistics



	PGL ♦	NSG ♦	MERC	MGU ♦	WPS ♦		UPPCO
As of 12-31-2011							
Electric Customers					441,000		52,000
Natural Gas Customers	826,000	158,000	213,000	166,000	319,000		
Generation capacity (megawatts)					2,174.9		
Natural gas storage (billion cubic feet)							
Employees	1,077	163	217	157	1,304		115
For the period ending 12-31-2011							
Annual electric volumes (million megawatt-hours)					15.6		0.9
Annual natural gas throughput (billion cubic feet)	172.1	35.5	74.7	29.9	74.8		
Retail as of 12-31-2011 (Estimated)	Natural Gas	Electric	Electric				
Rate base/investment (\$ millions) - Illinois	1,245	182					
Rate base/investment (\$ millions) - Wisconsin					343	1,234	
Rate base/investment (\$ millions) - Michigan				142	4	31	113
Rate base/investment (\$ millions) - Minnesota			185				
Wholesale as of 12-31-2011 (Estimated)							
Rate base/investment (\$ millions)						205	5

♦ Some form of decoupling in regulatory rate structure; covers about 85% to 90% of our total regulated customers.

Regulated Utilities – Regulatory Rate Base and Return on Equity



	PGL ♦  NATURAL GAS DELIVERY	NSG ♦  NATURAL GAS DELIVERY	MERC  MINNESOTA ENERGY RESOURCES	MGU ♦  MICHIGAN GAS UTILITIES	WPS ♦ 		UPPCO 
	Natural Gas	Natural Gas	Natural Gas	Natural Gas	Natural Gas	Electric	Electric
Retail last authorized, IL/MN							
Rate base/investment (\$ millions)	1,359	188	189.3				
Allowed ROE	9.45%	9.45%	10.21%				
Authorized regulatory equity %	49.00%	50.00%	48.77%				
Date of decision	1/10/2012	1/10/2012	6/29/2009				
Retail last authorized, MI							
Rate base/investment (\$ millions)				190 ⁽¹⁾	2	14	176 ⁽³⁾
Allowed ROE				10.75%	14.25%	10.60%	10.20%
Authorized regulatory equity %				47.27% ⁽¹⁾	42.40%	56.39%	45.74%
Date of decision				12/16/2009	6/7/1983	12/4/2007	12/20/2011
Retail last authorized, WI							
Rate base/investment (\$ millions)					347	1,294	
Allowed ROE					10.30%	10.30%	
Authorized regulatory equity %					51.65%	51.65%	
Date of decision					1/13/2011	1/13/2011	
Wholesale last authorized							
Rate base/investment (\$ millions)						168 ⁽²⁾	3 ⁽⁴⁾
Allowed ROE							-
Authorized regulatory equity %							-
Date of decision							-

Notes:

♦ Some form of decoupling in regulatory rate structure; covers about 85% to 90% of our total regulated customers.

- (1) The MGU rate case was settled with no stated rate base value. \$190 million corresponds to MGU's filed amount with deferred taxes included in the capital structure. Rate base would be \$179 million, and the common equity ratio would be 50.26%, with deferred taxes in rate base.
- (2) Service provided under FERC Tariff and Market-Based Rate Contracts, each of which is formula based.
- (3) The UPPCO rate case was settled with no stated rate base value. \$176 million corresponds to UPPCO's filed amount, with deferred taxes included in the capital structure. Rate base would be \$146 million, and the common equity ratio would be 54.90%, with deferred taxes in rate base.
- (4) Primarily Distribution Service served under the Joint Tariff for the Sales of Ancillary Services ("JAST").

Utility Net Income – Adjusted Overage (Shortfall)



(Millions)	2009A			2010A			2011A			2012E		
	Natural Gas Utility	Electric Utility	Total	Natural Gas Utility	Electric Utility	Total	Natural Gas Utility	Electric Utility	Total	Natural Gas Utility	Electric Utility	Total
Average Utility Equity	\$ 1,192.5	\$ 965.6	\$ 2,158.1	\$ 1,187.1	\$ 926.4	\$ 2,113.5	\$ 1,163.5	\$ 915.5	\$ 2,079.0	\$ 1,113.6	\$ 932.1	\$ 2,045.7
Utility Net Income	\$ 77.4	\$ 94.1	\$ 171.5	\$ 90.8	\$ 113.2	\$ 204.0	\$ 96.8	\$ 101.8	\$ 198.6	\$ 106.4	\$ 90.9	\$ 197.3
Utility ROE	6.49%	9.75%		7.65%	12.22%		8.32%	11.12%		9.56%	9.75%	
Allowed Utility Net Income	\$ 123.1	\$ 105.2	\$ 228.3	\$ 123.4	\$ 101.0	\$ 224.4	\$ 119.7	\$ 94.3	\$ 214.0	\$ 108.8	\$ 95.9	\$ 204.7
Utility Net Income Overage (Shortfall)	\$ (45.7)	\$ (11.1)	\$ (56.8)	\$ (32.6)	\$ 12.2	\$ (20.4)	\$ (22.9)	\$ 7.5	\$ (15.4)	\$ (2.4)	\$ (5.0)	\$ (7.4)

2009A data removes impact of goodwill impairment and restructuring charges.

2010A data removes impact of restructuring charges and the unfavorable impact of the Health Care Reform Act on deferred income taxes.

2011A data removes impacts of restructuring charges, changes in Michigan tax law, and the favorable reversal of a portion of the impact of the Health Care Reform Act on deferred income taxes.

2012E data assumes the utility net income at the midpoint of 2012 guidance for earnings per share - adjusted .

As Presented on February 29, 2012 – Not Updated

Wisconsin Public Service – 2012 General Rate Case



- Filed on March 30, 2012 for new rates effective January 1, 2013
- Requested for Wisconsin jurisdiction:
 - \$85.1 million (9.2%) increase in retail electric rates and \$12.8 million (3.7%) increase in retail natural gas rates
 - Rate base – \$1,184 million Wisconsin electric retail and \$334 million Wisconsin natural gas retail
 - Return on Equity – 10.30% with equity component of 52.37% (major parties agreed that this is a non-contested issue)
- Reasons for rate increase request:
 - Non-recovery of fixed costs (electric and natural gas)
 - General inflation (electric and natural gas)
 - Increased fuel costs to generate electricity (electric)
 - Increased charges for the electric transmission system (electric)
 - Increased generation maintenance costs (electric)
 - Increased costs to maintain integrity of pipelines (natural gas)
 - Manufactured gas plant clean-up costs (natural gas)
- Other requests:
 - Permanent decoupling rider
 - Limited reopener for 2014 for:
 - Fuel and related items (electric)
 - Pension and benefits (electric and natural gas)
 - Sales (electric and natural gas)
 - 2012 decoupling results (electric and natural gas)
 - Columbia environmental upgrades (electric)
 - System Modernization Reliability Project (electric)
- Website:
http://psc.wi.gov/apps40/dockets/content/detail.aspx?dockt_id=6690-UR-121

Schedule for Rate Case 6690-UR-121

September 28, 2012	Intervenor and Commission Staff direct testimony
October 12, 2012	Rebuttal testimony and exhibits
October 17, 2012	Hearings
November 8, 2012	Initial brief
November 21, 2012	Reply brief
November 26, 2012	Briefing memorandum
Early December 2012	Commission verbal decision
Late December 2012	Commission written decision
January 1, 2013	Anticipated new rates effective

Upper Peninsula Power Rate Case



- Financial summary (rate case filed June 30, 2011)
 - \$7.7 million, 7.65%, increase in retail electric rates for 2012
 - Rate base \$179 million (Corporate, assumes deferred taxes as zero-cost capital)
 - Return on equity 10.75% requested
 - Equity component * 45.74% (assumes deferred taxes as zero-cost capital)
- Key items addressed
 - Capital investment association with Federal Energy Regulatory Commission mandated upgrades at hydroelectric facilities
 - Reduced wholesale sales
 - Increased employee benefit costs
 - General inflation
- Negotiated settlement approved on December 20, 2011 for new rates effective January 1, 2012
 - Rate increase \$4.2 million, or 4.17%
 - Rate base \$179 million (corporate, assumes deferred taxes as zero-cost capital)
 - Return on equity 10.20%
 - Equity component * 45.74% (assumes deferred taxes as zero-cost capital)
 - Decoupling eliminated for 2012, but a weather-normalized decoupling approved for 2013
 - Will not file another rate case for new rates to be implemented prior to January 1, 2014
- Website: <https://efile.mpsc.state.mi.us/efile/viewcase.php?casenum=16317>

* The UPPCO rate case was settled with no stated rate base value. \$179 million corresponds to UPPCO's filed amount, with deferred taxes included in the capital structure. Rate base would be \$149 million, and the common equity ratio would be 54.90%, with deferred taxes in rate base.

Minnesota Energy Resources Rate Case



- Financial Summary – Rate Case filed November 30, 2010
 - \$15.2 million, 5.18%, increase in retail natural gas rates for 2011
 - Interim rate increase of \$7.5 million, 2.6% increase in retail natural gas rates effective February 1, 2011
 - Rate base \$195 million
 - Return on equity 11.25%
 - Equity component 50.20%
- Other Requests
 - Uncollectibles expense tracking mechanism
 - Revenue stability mechanism
 - Regulatory accounting treatment for the re-measurement of deferred tax balances caused by the enactment of health care reform legislation in 2010
- Summary of Verbal Order
 - \$11 million, 4.3%, increase in retail natural gas rates for 2011
 - Rate base \$190 million
 - Return on equity 9.7%
 - Equity component 50.48%
 - Other Recommendations:
 - Approval of non-weather normalized decoupling plan capping surcharges and credits at 10%
 - Deferral of decision for regulatory accounting treatment for the re-measurement of deferred tax balances caused by the enactment of health care reform legislation in 2010 until Minnesota Energy Resources' next rate case
- Schedule – New rates effective Fall 2012
- Website: <https://www.edockets.state.mn.us/Efiling/search.jsp>

Peoples Gas and North Shore Gas Rate Cases – As Filed



- Filed on February 15, 2011 for new rates effective in January 2012
 - Peoples Gas
 - Base Rate Revenue Requirement Increase \$125.4 million (24.7% increase in margin)
 - Rate Base/Investment \$1,415.5 million
 - Return on Equity 11.25%
 - Equity Component 56%
 - Riders:
 - Extension of decoupling rider to permanent
 - Continuation of Rider ICR (infrastructure cost recovery mechanism)
 - North Shore Gas
 - Base Rate Revenue Requirement Increase \$8.7 million (11.4% increase in margin)
 - Rate Base/Investment \$186.9 million
 - Return on Equity 11.25%
 - Equity Component 56%
 - Riders:
 - Extension of decoupling rider to permanent
 - Key Drivers in Both Rate Cases
 - Maintaining and upgrading delivery infrastructure
 - Cost of capital
 - Loss in net sales volumes
 - General administrative and back office expenses
 - Employee pension and health care expenses
 - Key dates
 - Order issued on January 10, 2012
 - Results on following page
 - Websites:
 - Rate cases: <http://www.icc.illinois.gov/docket/casedetails.aspx?no=11-0281>

Peoples Gas and North Shore Gas Rate Cases – Summary of Positions



Summary of Positions After Illinois Commerce Commission Staff and Other Government and Consumer Interveners Filed Their Testimony and Final Order Received

PEOPLES GAS

	IntegrYS	Staff Rebuttal	Interveners Rebuttal	ICC Decision
Rate Increase	\$125.4 M	\$46.8 M	\$53.0 M	\$57.8 M
Rate Base/Investment	\$1.415 M	\$1.341 M	\$1.272 M	\$1.359 B
Return on Equity	11.25%	8.75%	7.09%-8.94%	9.45%
Equity Component	56%	49%	Unaddressed	49%
Decoupling Rider	Permanent	Permanent with Modifications	Terminate	Permanent

NORTH SHORE GAS

	IntegrYS	Staff Rebuttal	Interveners Rebuttal	ICC Decision
Rate (Decrease)Increase	\$8.7 M	\$0.004 M	\$0.445 M	\$1.9 M
Rate Base/Investment	\$186.9 M	\$181.2 M	\$176.0 M	\$187.5 M
Return on Equity	11.25%	8.75%	7.09%-8.94%	9.45%
Equity Component	56%	50%	Unaddressed	50%
Decoupling Rider	Permanent	Permanent with Modifications	Terminate	Permanent

Rate Case Award History



Rate Case Filed For Year	PGL	NSG	MERC	MGU	WPS		UPPCO
	Natural Gas	Natural Gas	Natural Gas	Natural Gas	Electric	Natural Gas	Electric
1995					X - Forward		X - Historical
1996	X - Forward	X - Forward					
1997				X	X - Forward	X - Forward	
1998							Acquired
1999					X - Forward	X - Forward	
2000					X - Fuel Only		
2001					X - Forward	X - Forward	
2002					X - Forward	X - Forward	X - Historical
2003			X	X - Forward	X - Forward	X - Forward	
2004					X - Forward	X - Forward	
2005					X - Forward	X - Forward	Land sale gain sharing in lieu of rate case
2006			Acquired	Acquired	X - Forward	X - Forward	X - Historical
2007	Acquired	Acquired			X - Forward	X - Forward	
2008	X - Historical	X - Historical	X - Historical		X - Fuel Only		
2009				X - Historical	X - Forward	X - Forward	
2010	X - Forward	X - Forward	X - Historical	X - Historical	X - Limited Reopener	X - Limited Reopener	X - Historical
2011			X - Historical (Interim)		X - Forward	X - Forward	X - Historical

Forward = Forward Test Year; Historical = Historical Test Year

Innovative Ratemaking by Regulators



Risk Reducing Measure In Place	PGL	NSG	MERC	MGU	WPS		UPPCO
	Natural Gas	Natural Gas	Natural Gas	Natural Gas	Electric	Natural Gas	Electric
Bad Debt Rider	2009 State Mandate – recovery back to 2008			Approved in 2009 rate case settlement			Approved in 2009 rate case settlement for 2010. Terminated after December 2010 business.
Decoupling	Permanent effective in 2012 – annual recovery		Non-weather normalized decoupling, annual recovery, with 10% surcharge/credit cap effective Fall 2012	Effective January 1, 2010	4-year pilot program approved in 2009 rate case – deferred recovery \$14 million cap; requested modified decoupling without cap in 2012 rate case	4-year pilot program approved in 2009 rate case – deferred recovery \$8 million cap; requested modified decoupling without cap in 2012 rate case	Eliminated in 2012, weather-normalized approved for 2013 – deferred recovery
Fuel Cost Recovery	1-for-1 PGA recovery of prudent fuel costs				Fuel window – recovery/refund subject to $\pm 2\%$	1-for-1 PGA recovery of prudent fuel costs	1-for-1 PSCR recovery of prudent fuel costs
Manufactured Gas Plant Site Clean-up Costs	Yes – immediate recovery		No MGP sites	Yes – deferred recovery	N/A	Yes – deferred recovery	N/A
Formula-Based Rates on Wholesale Electric					Yes		Yes

MGP = Manufactured gas plant
 PGA = Purchased gas adjustment
 PSCR = Power supply cost recovery

State Regulatory Commissions in Jurisdictions Served by Integrys Energy Group



Commissioner Term Listing

	Party Affiliation	Appointed By	Initial Date Appointed	Confirmed	Term Expires	Of Note
Illinois - 5-year terms, party split required, appointment by governor, confirmation by State Senate						http://www.icc.illinois.gov/cc/
Doug Scott, Chair	Democrat	Governor Quinn	03-11-2011	Yes	01-20-2014	
Lula Ford	Democrat	Governor Blagojevich	01-01-2003	Yes	01-21-2013	
Erin O'connell-Diaz	Republican	Governor Blagojevich	01-21-2003	Yes	01-09-2013	
Ann McCabe	Republican	Governor Quinn	03-16-2012	Yes	03-16-2017	
John Colgan	Democrat	Governor Quinn	11-15-2009	Yes	01-19-2015	
Michigan - Staggered 6-year terms, party split required, appointment by governor, confirmation by State Senate						http://www.michigan.gov/mpsc/0,1607,7-159-16400-40504--,00.html
John Quackenbush, Chair	Republican	Governor Snyder	09-15-2011	Yes	07-02-2017	
Orjiakor Isiogu	Democrat	Governor Granholm	09-09-2007	Yes	07-02-2013	
Greg White	Independent	Governor Granholm	12-04-2009	Yes	07-02-2015	
Minnesota - Staggered 6-year terms, party split required, appointment by governor						http://www.puc.state.mn.us/PUC/aboutus/commissioners/index.html
Vacant	Democrat					
Dr. David Boyd	Republican	Governor Pawlenty	07-10-2007		01-05-2015	Served for three years as Chairman of the Commission.
Phyllis Reha, Vice Chair	Democrat	Governor Ventura	05-16-2001		01-01-2013	
J. Dennis O'Brien	Republican	Governor Pawlenty	02-07-2008		01-06-2014	
Betsy Wergin	Republican	Governor Pawlenty	08-01-2008		01-04-2016	
Wisconsin - Staggered 6-year terms, appointment by governor, confirmation by State Senate						http://psc.wi.gov/aboutUs/organization/commissioners.htm
Phil Montgomery, Chair	Republican	Governor Walker	04-04-2011	Yes	03-01-2017	Chairman is appointed by the Governor for a two-year term.
Eric Callisto	Democrat	Governor Doyle	05-27-2008	Yes	03-01-2015	Served as Chair of the Commission from May 2008 through February 2011.
Ellen Nowak	Republican	Governor Walker	07-05-2011	Yes	03-01-2013	

Capital Expenditures



Planned Capital Expenditures by Company (Millions)	2012	2013	2014	Total
Wisconsin Public Service	\$234	\$390	\$328	\$ 952
Peoples Gas	279	343	254	876
Upper Peninsula Power	16	19	13	48
Minnesota Energy Resources	19	17	17	53
North Shore Gas	35	25	25	85
Michigan Gas Utilities	13	11	11	35
Subtotal for Utilities	\$596	\$805	\$648	\$2,049
IntegrYS Energy Services	16	42	41	99
IntegrYS Business Support	29	13	54	96
IntegrYS Transportation Fuels, LLC	16	23	32	71
Total Anticipated Capital Expenditures	\$657	\$883	\$775	\$2,315
American Transmission Company (equity contribution)	\$ 14	\$ 5	\$ 0	\$ 19
INDU Solar, LLC (equity contribution)	\$ 45	\$ 0	\$ 0	\$ 45

As Presented on May 3, 2012 – Not Updated

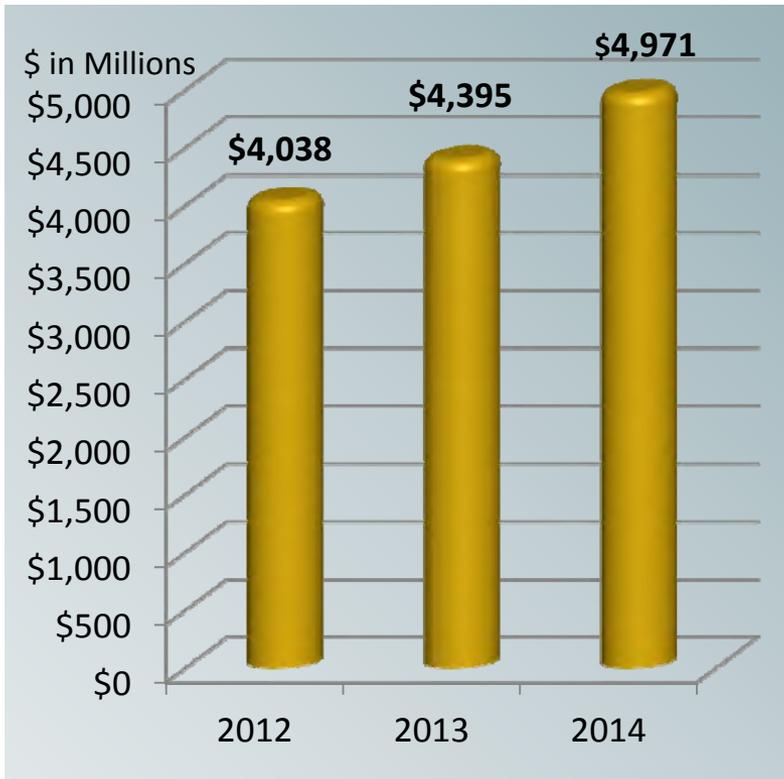
Estimated Utility Depreciation



Depreciation by Company (Millions)	2012	2013	2014	Total
Wisconsin Public Service	\$ 96	\$102	\$113	\$311
Peoples Gas	90	98	102	290
Upper Peninsula Power	8	9	9	26
Minnesota Energy Resources	11	11	11	33
North Shore Gas	10	11	11	32
Michigan Gas Utilities	8	9	9	26
Total for Utilities	\$223	\$240	\$255	\$718

As Presented on May 3, 2012 – Not Updated

Projected Rate Base 2012 – 2014



Projected rate base consists of:

- Accumulated capital expenditures (+)
- Accumulated working capital (+)
- Accumulated net benefit plan additions and other rate base items (+)
- Accumulated depreciation (-)
- Accumulated deferred income taxes (-)

- For 2012, bonus tax depreciation is between 50% and 100%, depending on project start and end dates.
- For 2013, bonus tax depreciation will be between 0% and 50%, depending on project start and end dates
- As a result, bonus tax depreciation will dampen rate base growth through 2013, but increase cash flow.
- Redeploying capital for benefit of customers and shareholders (e.g., increased funding to our employee benefit plans to reduce employee benefit expense in the future and increase rate base).

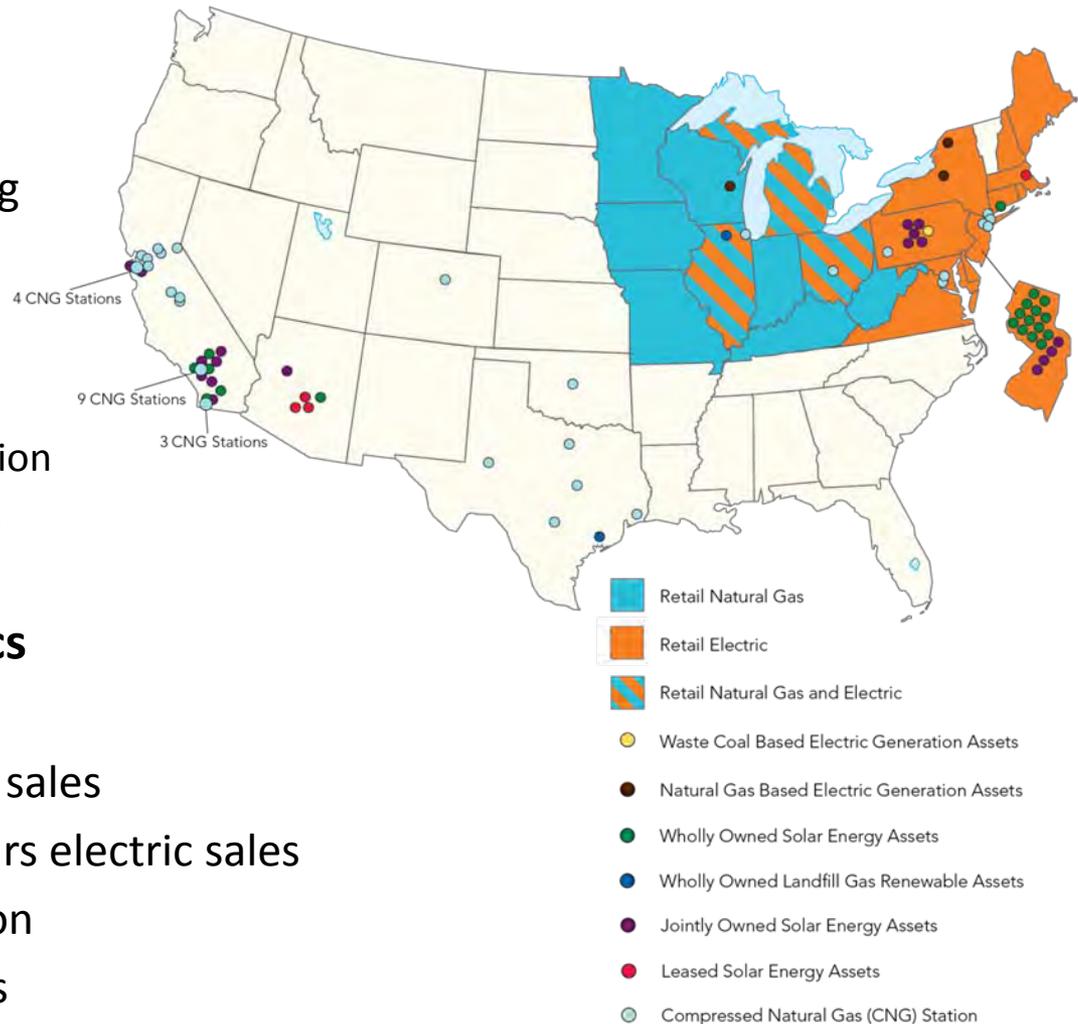
As Presented on May 3, 2012 – Not Updated

■ Operations

- Retail natural gas marketing
- Retail electric marketing
- Direct mass marketing
- Power generation
 - Legacy merchant generation
 - Solar/renewable facilities

■ December 31, 2011 statistics

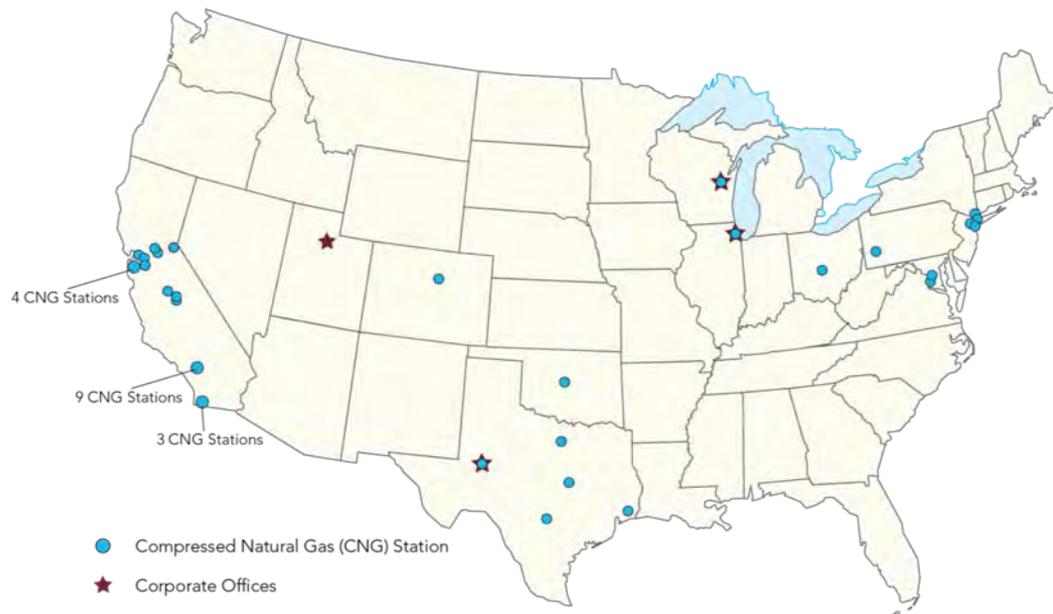
- 276 employees
- 125.5 billion cubic feet gas sales
- 12.4 million megawatt-hours electric sales
- 267.7 megawatts generation
- Retail presence in 21 states



IntegrYS Transportation Fuels, LLC



- Acquired two companies, Pinnacle and Trillium, with established expertise (20 years)
- Business to Business Compressed Natural Gas solutions source
 - Compressed natural gas fuel products and services to large fleet operators
 - Provide refueling infrastructure and operations to public and private access stations
- IntegrYS value-add
 - Gas utility expertise
 - Investor and operator of physical assets
 - Commodity procurement and delivery management



Compressed Natural Gas Operations

- In January 2012, Standard & Poor's upgraded corporate credit rating to A- from BBB+ with a stable outlook
- Provide adequate capital levels at a reasonable cost and maintain current credit ratings; see Appendix Slide 41 for credit rating details
- Long-term debt
 - Transactions completed in 2012
 - North Shore Gas – \$28 million, rate 3.43%, maturity 15 years, closed on April 3, 2012
 - Additional transactions expected in 2012
 - Wisconsin Public Service – approximately \$250 to \$300 million
 - Peoples Gas – approximately \$75 million
- No new common stock in 2012

Diluted Earnings Per Share – Adjusted



Diluted Earnings Per Share Information – Non-GAAP Financial Information

Actual Quarter Results for Periods Ended March 31, 2012 and 2011

	Three Months Ended March 31	
	2012	2011
Diluted EPS	\$1.25	\$1.56
Special Items (net of taxes):		
Net noncash losses related to derivative and inventory accounting activities	0.33	-
Discontinued operations	(0.03)	-
Restructuring expense	-	0.01
Diluted EPS – adjusted	\$1.55	\$1.57
Average Shares of Common Stock – Diluted (<i>in millions</i>)	79.2	78.6

Special Items by Segment – Adjusted Earnings (Loss) – First Quarters 2012 and 2011



Net income (loss) attributed to common shareholders is adjusted by reportable segment for the financial impact of special items for the quarters ended March 31, 2012 and 2011.

March 31, 2012 (Millions)	Natural Gas Utility	Electric Utility	Electric Transmission Investment	IntegrYS Energy Services		Holding Company and Other	IntegrYS Energy Group Consolidated
				Core	Other		
Net income (loss) attributed to common shareholders	\$78.6	\$24.3	\$13.3	\$5.8	\$(25.9)	\$2.8	\$ 98.9
<u>Special Items (net of taxes)</u>							
Net noncash (gains) losses related to derivative and inventory accounting activities	(0.1)	-	-	-	25.9	-	25.8
Discontinued operations	-	-	-	-	-	(1.9)	(1.9)
Adjusted earnings	\$78.5	\$24.3	\$13.3	\$5.8	\$ -	\$0.9	\$122.8

March 31, 2011 (Millions)	Natural Gas Utility	Electric Utility	Electric Transmission Investment	IntegrYS Energy Services		Holding Company and Other	IntegrYS Energy Group Consolidated
				Core	Other		
Net income (loss) attributed to common shareholders	\$77.2	\$25.1	\$11.4	\$11.6	\$(0.8)	\$(1.8)	\$122.7
<u>Special Items (net of taxes)</u>							
Net noncash losses related to derivative and inventory accounting activities at IntegrYS Energy Services	-	-	-	-	0.4	-	0.4
Discontinued operations	-	-	-	-	(0.1)	-	(0.1)
Restructuring expense	-	0.1	-	-	0.6	-	0.7
Net gain on dispositions related to IntegrYS Energy Services' strategy change	-	-	-	-	(0.1)	-	(0.1)
Adjusted earnings (loss)	\$77.2	\$25.2	\$11.4	\$11.6	\$ -	\$(1.8)	\$123.6

Non-GAAP Financial Information

Special Items by Segment – Diluted Earnings Per Share – Adjusted – First Quarters 2012 and 2011



Diluted earnings per share is adjusted by reportable segment for the financial impact of special items on diluted earnings per share for the quarters ended March 31, 2012 and 2011.

March 31, 2012	Natural Gas Utility	Electric Utility	Electric Transmission Investment	Integrus Energy Services		Holding Company and Other	Integrus Energy Group Consolidated
				Core	Other		
Diluted EPS	\$0.99	\$0.31	\$0.17	\$0.07	\$(0.33)	\$0.04	\$1.25
<u>Special Item (net of taxes)</u>							
Net noncash losses related to derivative and inventory accounting activities	-	-	-	-	0.33	-	0.33
Discontinued operations	-	-	-	-	-	(0.03)	(0.03)
Diluted EPS – adjusted	\$0.99	\$0.31	\$0.17	\$0.07	\$ -	\$0.01	\$1.55

March 31, 2011	Natural Gas Utility	Electric Utility	Electric Transmission Investment	Integrus Energy Services		Holding Company and Other	Integrus Energy Group Consolidated
				Core	Other		
Diluted EPS	\$0.98	\$0.32	\$0.14	\$0.15	\$(0.01)	\$(0.02)	\$1.56
<u>Special Items (net of taxes)</u>							
Net noncash losses related to derivative and inventory accounting activities at Integrus Energy Services	-	-	-	-	-	-	-
Discontinued operations	-	-	-	-	-	-	-
Restructuring expense	-	-	-	-	0.01	-	0.01
Net gain on dispositions related to Integrus Energy Services' strategy change	-	-	-	-	-	-	-
Diluted EPS – adjusted	\$0.98	\$0.32	\$0.14	\$0.15	\$ -	\$(0.02)	\$1.57

Non-GAAP Financial Information

Guidance – 2012

Diluted Earnings Per Share - Adjusted



2012 Diluted EPS Guidance

	Potential 2012	
	Low Scenario	High Scenario
Regulated natural gas utility segment	\$1.33	\$ 1.36
Regulated electric utility segment	1.12	1.18
Electric transmission investment segment	0.64	0.66
IntegrYS Energy Services		
Core	0.43	0.47
Other	-	-
Holding company and other segment	(0.14)	(0.09)
Diluted EPS	\$3.38	\$ 3.58
Average Shares of Common Stock – Diluted (in millions)	79.3	79.3

Non-GAAP Financial Information

Information on Special Items:

Diluted earnings per share guidance is adjusted for special items and their financial impact on the diluted earnings per share guidance for 2012.

Diluted EPS

\$3.38 **\$3.58**

Special Items (net of taxes)

Discontinued operations (0.03) (0.03)

Diluted EPS – adjusted

\$3.35 **\$ 3.55**

Average Shares of Common Stock – Diluted (in millions)

79.3 **79.3**

As Presented on May 3, 2012 –
Not Updated

Key Assumptions for 2012:

- Operational improvements
- Availability of generation units
- Normal weather conditions for the rest of the year
- Not estimating the impact of derivative and inventory accounting activities and not projecting any other special items for the remainder of 2012

2012 Earnings Per Share Guidance – Adjusted – Presented on May 3, 2012 vs. February 29, 2012



Non-GAAP Financial Information

	Guidance Presented May 3, 2012 2012		Guidance Presented February 29, 2012 2012		Variance 2012	
	Low	High	Low	High	Low	High
	Diluted EPS - GAAP					
Regulated Natural Gas Utility Segment	\$1.33	\$1.36	\$1.33	\$1.36	\$ -	\$ -
Regulated Electric Utility Segment	1.12	1.18	1.12	1.18	-	-
Electric Transmission Investment Segment	0.64	0.66	0.64	0.66	-	-
IntegrYS Energy Services						
Core	0.43	0.47	0.43	0.47	-	-
Other	-	-	-	-	-	-
Holding Company and Other Segment	(0.14)	(0.09)	(0.17)	(0.12)	0.03	0.03
Diluted EPS - GAAP	\$3.38	\$3.58	\$3.35	\$3.55	\$0.03	\$0.03
Special items net of taxes:						
Discontinued operations	(0.03)	(0.03)	-	-	(0.03)	(0.03)
Diluted EPS - Adjusted	\$3.35	\$3.55	\$3.35	\$3.55	\$ -	\$ -
Average Shares of Common Stock - Diluted (millions)	79.3	79.3	79.3	79.3	-	-

Key Assumptions for 2012:

- Operational improvements
- Availability of generation units
- Normal weather conditions for the rest of the year
- Not estimating the impact of derivative and inventory accounting activities and not projecting any other special items for the remainder of 2012

As Presented on May 3, 2012 – Not Updated

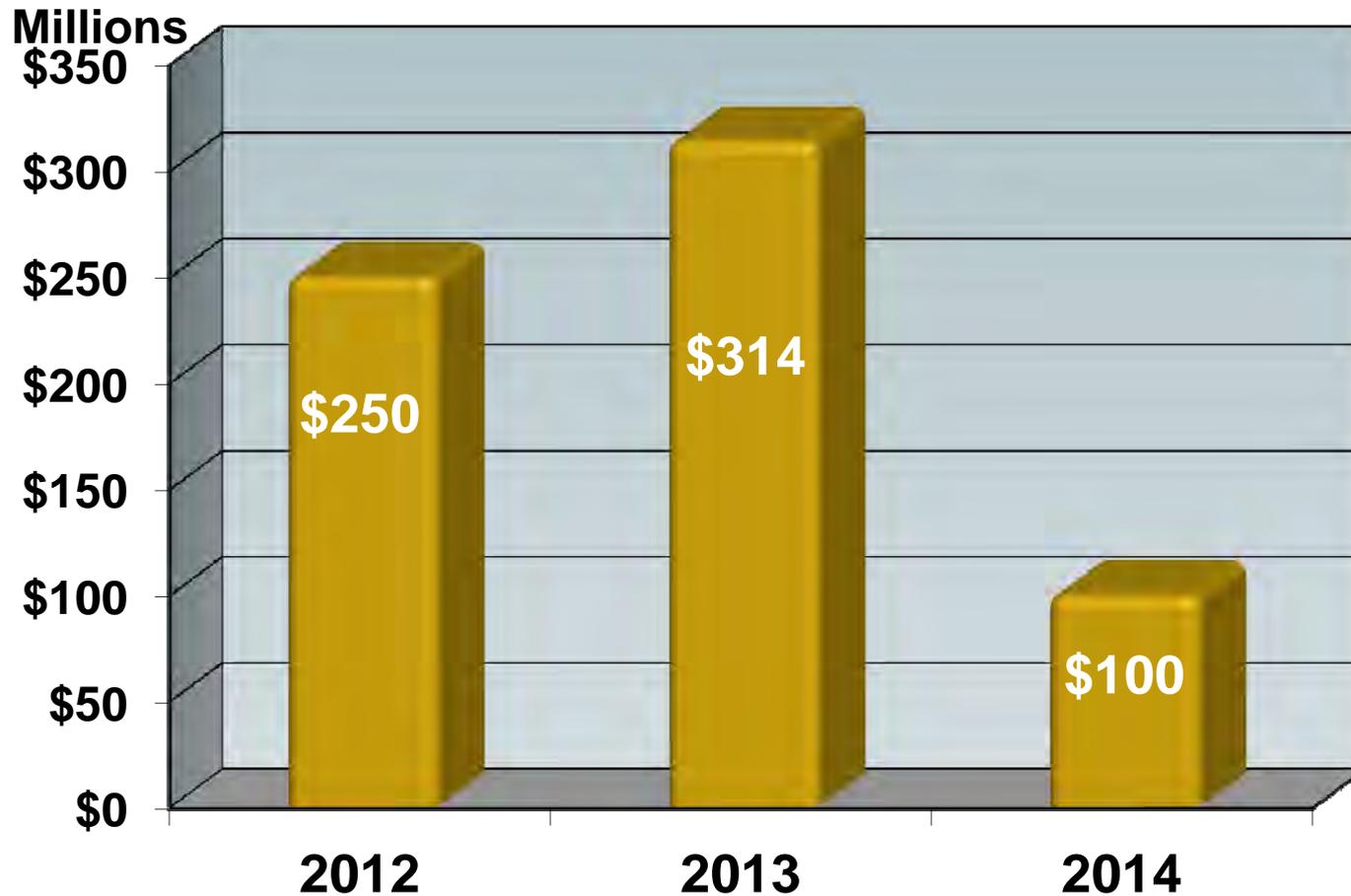
IntegrYS Credit Ratings



	Standard & Poor's	Moody's
IntegrYS Energy Group		
Issuer credit rating	A-	N/A
Senior unsecured debt	BBB+	Baa1
Commercial paper	A-2	P-2
Credit facility	N/A	Baa1
Junior subordinated notes	BBB	Baa2
Wisconsin Public Service		
Issuer credit rating	A-	A2
First mortgage bonds	N/A	Aa3
Senior secured debt	A	Aa3
Preferred stock	BBB	Baa1
Commercial paper	A-2	P-1
Credit facility	N/A	A2
Peoples Gas		
Issuer credit rating	A-	A3
Senior secured debt	A-	A1
Commercial paper	A-2	P-2
North Shore Gas		
Issuer credit rating	A-	A3
Senior secured debt	A	A1

N/A = Not Applicable

IntegrYS Long-Term Debt Maturities



71 Consecutive Years of Dividends



Annual Dividend per Share

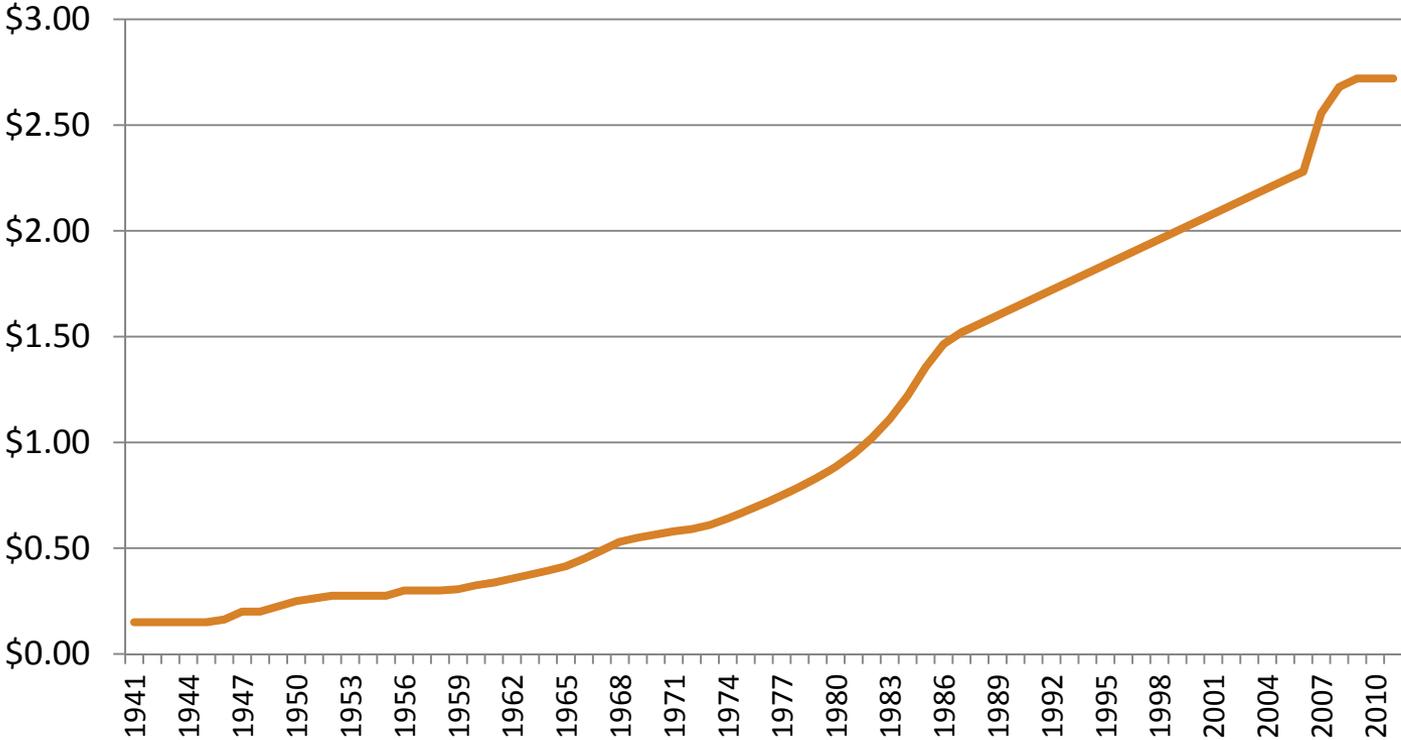


Chart has been adjusted for stock splits on June 22, 1964 and July 15, 1987.

Disclosure of Full Forward-Looking Statements



In this presentation, we make statements concerning our expectations, beliefs, plans, objectives, goals, strategies, and future events or performance. These statements are “forward-looking statements” within the meaning of Section 21E of the Securities Exchange Act of 1934, as amended. Forward-looking statements are not guarantees of future results and conditions, but rather are subject to numerous management assumptions, risks, and uncertainties. Therefore, actual results may differ materially from those expressed or implied by these statements. Although we believe that these forward-looking statements and the underlying assumptions are reasonable, we cannot provide assurance that such statements will prove correct.

Forward-looking statements involve a number of risks and uncertainties. Some risks that could cause actual results to differ materially from those expressed or implied in forward-looking statements include those described in Item 1A of our Annual Report on Form 10-K for the year ended December 31, 2011, as may be amended or supplemented in Part II, Item 1A of our subsequently filed Quarterly Reports on Form 10-Q, and those identified below:

- The timing and resolution of rate cases and related negotiations, including recovery of deferred and current costs and the ability to earn a reasonable return on investment, and other regulatory decisions impacting our regulated businesses;
- Federal and state legislative and regulatory changes relating to the environment, including climate change and other environmental regulations impacting coal-fired generation facilities and renewable energy standards;
- Other federal and state legislative and regulatory changes, including deregulation and restructuring of the electric and natural gas utility industries, financial reform, health care reform, energy efficiency mandates, reliability standards, pipeline integrity and safety standards, and changes in tax and other laws and regulations to which we and our subsidiaries are subject;
- Costs and effects of litigation and administrative proceedings, settlements, investigations, and claims, including manufactured gas plant site cleanup, third-party intervention in permitting and licensing projects, compliance with Clean Air Act requirements at generation plants, and prudence and reconciliation of costs recovered in revenues through automatic gas cost recovery mechanisms;
- Changes in credit ratings and interest rates caused by volatility in the financial markets and actions of rating agencies and their impact on our and our subsidiaries’ liquidity and financing efforts;
- The risks associated with changing commodity prices, particularly natural gas and electricity, and the available sources of fuel, natural gas, and purchased power, including their impact on margins, working capital, and liquidity requirements;
- The timing and outcome of any audits, disputes, and other proceedings related to taxes;
- The effects, extent, and timing of additional competition or regulation in the markets in which our subsidiaries operate;
- The ability to retain market-based rate authority;
- The risk associated with the value of goodwill or other intangible assets and their possible impairment;
- The investment performance of employee benefit plan assets and related actuarial assumptions, which impact future funding requirements;
- The impact of unplanned facility outages;
- Changes in technology, particularly with respect to new, developing, or alternative sources of generation;
- The effects of political developments, as well as changes in economic conditions and the related impact on customer use, customer growth, and our ability to adequately forecast energy use for all of our customers;
- Potential business strategies, including mergers, acquisitions, and construction or disposition of assets or businesses, which cannot be assured to be completed timely or within budgets;
- The risk of terrorism or cyber security attacks, including the associated costs to protect our assets and respond to such events;
- The risk of failure to maintain the security of personally identifiable information, including the associated costs to notify affected persons and to mitigate their information security concerns;
- The effectiveness of risk management strategies, the use of financial and derivative instruments, and the related recovery of these costs from customers in rates;
- The risk of financial loss, including increases in bad debt expense, associated with the inability of our and our subsidiaries’ counterparties, affiliates, and customers to meet their obligations;
- Unusual weather and other natural phenomena, including related economic, operational, and/or other ancillary effects of any such events;
- The ability to use tax credit and loss carryforwards;
- The financial performance of American Transmission Company and its corresponding contribution to our earnings;
- The effect of accounting pronouncements issued periodically by standard-setting bodies; and
- Other factors discussed in reports we file with the United States Securities and Exchange Commission.

Except to the extent required by the federal securities laws, we undertake no obligation to publicly update or revise any forward-looking statements, whether as a result of new information, future events, or otherwise.

Non-GAAP Financial Information

We prepare financial statements in accordance with accounting principles generally accepted in the United States (GAAP). In addition, we disclose and discuss “diluted earnings per share (EPS) – adjusted,” and “adjusted earnings (loss),” which are non-GAAP financial measures. Management uses these measures in its internal performance reporting and for reports to the Board of Directors. We disclose these measures in our quarterly earnings releases, on investor conference calls, and during investor conferences and related events. Management believes that diluted EPS – adjusted and adjusted earnings (loss) are useful measures for providing investors with additional insight into our operating performance. These measures allow investors to better compare our financial results from period to period as they eliminate the effects of certain items that are not comparable. This additional information is not meant to be considered in isolation or as a substitute for our results of operations prepared and presented in conformance with GAAP. A reconciliation of non-GAAP information to GAAP information is included on the slide where the information appears.