



News

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Wisconsin Energy Corporation reaches agreement to sell Edison Sault Electric

MILWAUKEE - Wisconsin Energy Corporation (NYSE:WEC) announced today that it has reached a definitive agreement to sell Edison Sault Electric Company, one of its regulated utility subsidiaries, to Cloverland Electric Cooperative of Dafter, Mich., for \$61.5 million.

Under the agreement, the ownership share in American Transmission Company (ATC) currently held by Edison Sault will be retained by Wisconsin Energy. The purchase price represents a premium of approximately \$2 million as compared to the net book value of Edison Sault's assets, excluding the ATC ownership share.

"This agreement is a positive step forward for customers of Edison Sault as well as our stockholders," said Gale Klappa, president and chief executive officer of Wisconsin Energy. "The service areas of Cloverland and Edison Sault are contiguous. Both organizations know each other well and work together on a daily basis. As a result, they'll be able to gain efficiencies that will benefit customers across this region of northern Michigan."

Klappa added that Edison Sault has not requested a base rate increase in almost 25 years. "Without this transaction, Edison Sault would have needed to request higher retail rates in the not too distant future. The combination of the two utility operations should allow these increases to be mitigated," Klappa said.

To assure a continuing, reliable source of energy for Edison Sault's customers, the existing wholesale power arrangement between Wisconsin Electric and Edison Sault will be extended by another 12 years to 2030.

Edison Sault has 59 employees and serves more than 22,000 customers in the eastern U.P.

– more –

Proceeds from the sale will be used to help fund the construction of new facilities and to reduce Wisconsin Energy's debt.

The sale is subject to approval by Cloverland's membership and is subject to normal regulatory approvals, including reviews by the Michigan Public Service Commission, the Federal Energy Regulatory Commission and the Rural Utility Service, as well as customary closing conditions. Assuming timely approvals, the transaction could be completed by mid-year 2010.

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 other major subsidiary, We Power, designs, builds and owns electric generating plants.

Wisconsin Energy Corporation (www.wisconsinenergy.com), a component of the S&P 500, has more than \$12 billion of assets, approximately 5,000 employees and 48,000 stockholders of record.

Established in 1938, Cloverland Electric Cooperative is a not-for-profit utility located in Michigan's Upper Peninsula delivering safe, reliable and affordable electricity to approximately 19,500 homes and businesses in Chippewa, Mackinac, Luce, and Schoolcraft counties. The cooperative is headquartered in Dafer and maintains district offices in DeTour and Newberry. In addition to its principal electric business, Cloverland Electric operates a Lighthouse.Net, a wholly-owned subsidiary providing broadband service to the Upper Peninsula. For more information, visit www.cloverland.com.

Forward-Looking Statements

Certain statements contained herein are "forward-looking statements" within the meaning of the Private Securities Litigation Reform Act of 1995. These statements are based upon management's current expectations and are subject to risks and uncertainties that could cause actual results to differ materially from those contemplated in the statements. Readers are cautioned not to place undue reliance on these forward-looking statements. Forward-looking statements include, among other things, statements concerning management's expectations and projections regarding the timing of completion of the sale. In addition to the assumptions and other factors referred to specifically in connection with these statements, factors that could cause actual results to differ materially from those contemplated in any forward-looking statements include, among others, delays in receiving the regulatory approvals necessary for closing, timely satisfaction of the closing conditions to which the sale is subject and other factors described under the heading "Factors Affecting Results,

Liquidity and Capital Resources" in Management's Discussion and Analysis of Financial Condition and Results of Operations and under the headings "Cautionary Statement Regarding Forward-Looking Information" and "Risk Factors" contained in Wisconsin Energy Corporation's Form 10-K for the year ended Dec. 31, 2008 and other factors described in Wisconsin Energy's subsequent reports filed with the Securities and Exchange Commission. In some cases, forward-looking statements may be identified by reference to a future period or periods or by the use of forward-looking terminology such as "anticipates," "believes," "estimates," "expects," "forecasts," "guidance," "intends," "may," "objectives," "plans," "possible," "potential," "projects" or similar terms or variations of these terms. We expressly disclaim any obligation to publicly update or revise any forward-looking statements, whether as a result of new information, future events or otherwise.

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