

MGE Energy, Inc.

Code of Ethics

General

MGE Energy, Inc., and its subsidiaries have a continuing policy of dedicating themselves to honesty, integrity, and fairness in conducting all their business. The company expects its directors, officers, and employees to comply with all laws and regulations and to act in accordance with the highest moral and ethical standards in matters with each other and with customers, vendors, and those who do business with or seek to do business with the company.

Each of the company's directors, officers, and employees ("Covered Person") has a duty to adhere to this Code of Ethics. If a Covered Person is unable to determine whether proposed conduct involves a legal or ethical issue or a violation of this Code of Ethics, he or she should seek guidance from the Legal Department, Internal Audit Department, or Human Resources Department. No one has the authority to amend or to make exceptions to this Code of Ethics other than the Board of Directors. Any waivers granted by the Board of Directors with respect to directors or executive officers will be disclosed to shareholders, along with the reasons for the waiver.

Conflict of Interest

All Covered Persons should avoid any activity, investment, or interest that might reflect unfavorably upon the integrity or good name of themselves or the company. Conflict between the private interests of a Covered Person and the legitimate business interests of the company generally arises whenever the personal interests or investments of that Covered Person run contrary to the responsibilities he or she owes the company. In the performance of their duties for the company, Covered Persons have a duty to act in the best interests of the company. It is inconsistent with this Code for a business decision to be made on any basis other than in the best interests of the company.

Insider Information

Each Covered Person has an individual responsibility to safeguard confidential information that has been obtained in connection with the performance of his or her duties. Confidential information about company

business is the property of the company and may be used or disclosed to an authorized person only in the discharge of a person's responsibilities. As a matter of law, all Covered Persons are prohibited from buying or selling company securities based on confidential information.

Confidential information includes all significant financial and operating information, such as proposed or advance plans, service contracts, construction of facilities, earnings, dividends, employee personal information, managerial changes, organizational changes, and customer information.

This directive in no way limits the right of any Covered Person to report any violation of the laws of the United States, of the state of Wisconsin, or of the rules and regulations established by the company.

Gifts, Gratuities, and Favors

No Covered Person or any member of his or her immediate family shall accept cash, gifts, loans, gratuities, entertainment, trips, employment of household members, or other favors having more than a nominal value that could influence or appear to influence that person's impartial performance of his or her duties to the company or that could place him or her under an obligation to a party dealing (or attempting to deal) with the company.

Immediate family members include spouse, children, stepchildren, parents, stepparents, brothers, sisters, stepbrothers, stepsisters, and mothers-and fathers-in-law. Household members mean persons who live in the same home.

No Covered Person shall give gifts, loans, favors, or entertainment to anyone in the course of doing company business except for company-sponsored promotional programs and reciprocal business meals.

Proper Accounting and Reporting

All Covered Persons are required to maintain true and accurate records of business transactions for which they are responsible. In addition, all Covered Persons are required to take all reasonable steps to ensure that the reports the company files with the

Securities and Exchange Commission and its other public communications contain full, fair, accurate, timely, and understandable disclosure.

Outside Employment

The company expects each employee to devote full attention to its interest during regular hours of employment and for whatever additional time that may be required. Employees shall not engage in any outside employment that could affect their performance, objectivity, and independence of their judgment or conduct in carrying out their duties and responsibilities to the company. The primary loyalty and interest of all employees regarding their employment must remain with the company at all times. Employees may not hold outside employment during their expected working hours.

Government Relations

The company intends to be in strict compliance with all laws and regulations applicable to its business. In some instances, such laws and regulations may be ambiguous and difficult to interpret. In such cases, advice should be obtained from the Legal Department.

Political Contributions and Political Office

The company is legally prohibited from making certain direct or indirect contributions of corporate funds or resources to any political party or candidate for political office in connection with any federal election or with any state or local election in Wisconsin and most other states. Employee personal contributions and participation in the activities of an Employee Political Action Committee (EPAC) or conduit are permitted.

The company permits and encourages employees to seek public office provided the responsibilities of the office do not interfere or conflict with the employee's work performance or duties. Company employees holding public offices must openly disqualify themselves from any public-office action in which they know the company has an interest. The company will not grant any special privileges or monetary support in connection with political campaign activities.

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Company Property

All employees have the responsibility of safeguarding company property that is entrusted to their care or used in the performance of their jobs. Accordingly, all employees have an obligation to guard against internal theft, falsification of records, or any other misuse of company property.

Reporting Illegal or Unethical Behavior

Each Covered Person must promptly bring to the attention of the General Counsel or file a report with EthicsPoint® (at www.ethicspoint.com or phone 1-866-384-4277), our anonymous employee compliance hotline, any information he or she may have concerning evidence of a material violation of the securities or other laws, rules, or regulations applicable to the company and the operation of its business, by the company or any of its agents or employees, or of a violation of this Code of Ethics, including any actual or apparent conflicts of interest between personal and business interests. Confidentiality will be maintained to the fullest extent possible.

A Covered Person will not be penalized for making a good-faith report of violations of this Code or other illegal or unethical conduct, nor will the company tolerate retaliation of any kind against anyone who makes a good-faith report. A Covered Person who submits a false report of a violation, however, will be subject to disciplinary action. If you report a violation and in some way also are involved in the violation, the fact that you stepped forward will be considered.

If the result of an investigation indicates that corrective action is required, the Board of Directors will decide, or designate appropriate persons to decide, what actions to take, including, when appropriate, legal proceedings and disciplinary action up to and including termination, to rectify the problem and avoid the likelihood of its recurrence.



Approved by the MGE Energy Board of Directors
November 19, 2010.

Reaffirmed by the MGE Energy Audit Committee
November 18, 2011.