



Building your community energy company of the future



Gary J. Wolter,
MGE Energy Chairman,
President and
Chief Executive Officer

41st annual dividend increase reflects our commitment

In August, we marked 41 years of consecutive dividend increases. The regular quarterly dividend is now \$0.3075, which raises the current annual dividend rate by 5 cents to \$1.23 per share.

Compared to combination utility holding companies nationwide, MGE Energy

is one of only four to increase its dividend for 41 or more consecutive years. No other Wisconsin utility holding company can match our history of dividend increases. We have paid dividends for more than 100 consecutive years.

According to Zack's Investment Research, MGE Energy's recent dividend hike "is in sync with the company's customer-focused business model."

"MGE Energy's main affiliate, Madison Gas and Electric (MGE), is making impressive strides with regard to its framework Energy 2030," Zacks stated.

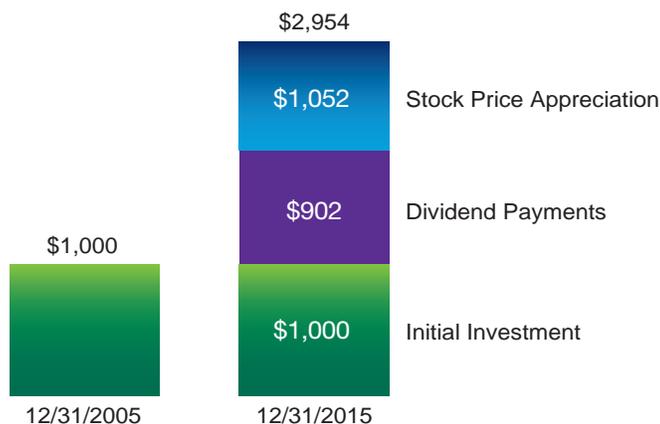
Energy 2030 aims to meet 25% of total retail electric sales with renewable sources by 2025, which will increase to 30% by 2030. The framework includes the goal of reducing carbon dioxide emissions by 40% by

2030 from 2005 levels, as well as reducing peak energy usage to minimize long-term costs. (See article on reverse side.)

Energy 2030 also reaffirms the company's commitment to energy reliability, which remains top in the nation. (See article on reverse side.)

On average, our shareholders keep MGE Energy stock for 10 years or longer. If you invested \$1,000 in MGE Energy 10 years ago, stock price appreciation and reinvested dividends would bring your investment value to \$2,954 by the end of 2015.

MGEE 10-Year Cumulative Total Return



MGE launches new Energy 2030 resources

Energy 2030 is our framework for a smart, sustainable energy future. Energy 2030 continues MGE's long-term direction toward sustainability with more renewable resources and reduced carbon emissions.

We announced Energy 2030 in November 2015 after extensive community engagement. Then, in April 2016, we held our Community Energy Workshop to hear additional community input on how to advance our framework. Now, we have launched a new website to keep our stakeholders informed about our Energy 2030 progress. We invite you to visit energy2030together.com.

The utility industry is at the crossroads of a new energy world. Customers can take advantage of new technology like smart thermostats and appliances. Technology also is transforming our electric grid. We are investing in advanced sensors and equipment to provide better information for our new Integrated Distribution Management System. This online system combines different programs into a comprehensive, single tool that provides real-time analysis to prevent and minimize electric outages.

Energy 2030 will require additional new investments, which may include new solar and wind generation and new systems for providing customer information.



Greater use of renewable resources

30% renewable energy by 2030 with 25% by 2025

Reduced carbon dioxide emissions

40% reduction by 2030 from 2005 levels



Electric reliability ranked No. 1

MGE's electric service reliability was ranked No. 1 in the nation for the fewest number of outages, according to a nationwide utility industry survey.

On average, MGE customers experience one power outage every three years compared to a nationwide average of 1.3 outages per year.

In addition, MGE was ranked second in the nation for the shortest outages—only 31 minutes on average per year compared to the nationwide average of four hours.

The survey is based on 2015 statistics.

In this survey of more than 90 electric utilities, MGE has ranked in the top four utilities in the country for both the fewest minutes and the shortest outages in each of the last nine years—including 2007 and 2013 when MGE was ranked No. 1 for both measures.

“We put our community and customers in the forefront when making local energy decisions—with an emphasis on safety and reliability,” said Craig Fenrick, Senior Vice President – Energy Operations. “Our dedicated employees work hard to maintain and upgrade our systems to keep them dependable.”



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Learn more at mgeenergy.com

- Stock price
- Online account access
- Stock purchase plan
- Company news
- Dividends and earnings

Inside View

The *Inside View* is published periodically to provide investors with information about MGE Energy. MGE Energy's primary asset, Madison Gas and Electric (MGE), provides highly reliable gas and electric service and promotes economic development in south-central and western Wisconsin.