In return, participants pay a monthly fee plus the cost of their electricity usage. Participants can control and track the chargers remotely via Wi-Fi from a smartphone.

MGE is installing chargers at participants’ homes.

Saratoga, Iowa. MGE secured the rights to the construction-ready site last year from the site’s initial developer. The site is well situated due to its strong winds and proximity to transmission infrastructure.

Charge@Home, MGE is enrolling participants in a study to learn more about charging sessions and how technology can best work for our customers.

west of Madison near a new pilot program for home charging. Through solar energy without having solar panels on their roofs. Participants paid an up-front fee and pay a kilowatt-hour charge for the solar power. The clean, renewable solar electricity helps the environment by reducing greenhouse gas emissions.

Recently, we introduced New wind farm proposed manufacturers.

Electric vehicles is one example of how we’re partnering to grow investments in renewable energy.

MGE is working to grow the electric vehicle market through a number of initiatives—from a workplace charging program for employers to partnerships with electric car manufacturers.

Our innovative model for community-sourced solar the City of Middleton’s new operations center.

Our new Shared Solar installation recently came online. This 500-kilowatt solar array extends over $107 million project could begin in 2018.

For more details, visit mge.com/Saratoga.

Under MGE’s Energy 2030 framework, we have set the goal of supplying 30% of our retail electric sales with renewable energy by 2030. Working together with our customers, we can reach our shared goal of a cleaner energy future.

Moving forward with sustainable measures under our Energy 2030 framework

Solid earnings

Vote your proxy shares

This spring, you will receive your MGE Energy proxy. We encourage all shareholders to exercise their right and responsibility to vote their shares. Whether you own shares through a brokerage firm or are directly registered with MGE Energy, we want your vote.

We make voting easy. You can return your vote form through the mail, or you can vote by phone or a designated proxy voting website. Watch for your proxy and vote.

VOTE YOUR SHARES

Executive leadership

As of March 1, 2017, Gary Wolter retired as President and CEO of MGE Energy and MGE. Wolter continues as Chairman of the boards of both companies. Jeffrey Keebler assumed the roles of President and CEO and was appointed to the boards of both companies. Keebler started with MGE in 1995. He most recently served as Senior Vice President - Energy Supply and Planning.

This transition in executive leadership reflects the company’s thoughtful succession planning. The company remains committed to its mission as a community energy company.

- Gary J. Wolter, Chairman

Jeffrey M. Keebler, President and CEO

MGE Energy, Inc.

1313 John Q. Hammons Drive

Middleton, WI 53562

For more details, visit mgeenergy.com.

MGE is a member-owned cooperative and a community energy company.

Building your community energy company of the future

Comments from the Chairman and the CEO

Annual Meeting to be held May 16

Shareholders are invited to attend the 2017 MGE Energy Annual Meeting on Tuesday, May 16.

Doors open at 9 a.m., and the meeting begins at 11 a.m. Lunch will follow.

The meeting will be held at the Marriott Madison West, 1313 John Q. Hammons Drive, Middleton, Wis. Shareholders of record on March 10, 2017, will receive an invitation in their proxy mailing this spring.

INTERIM REPORT

MARCH 15, 2017

Strong total return

Annual total return provides a snapshot of your investment's performance. Total return is the combination of stock price appreciation and reinvested dividends.

Five-Year Total Annual Return

(MGE) is matching a market outperformance with strong, diversified performance and solid earnings

Building your community energy company of the future
Moving forward with sustainable measures under our Energy 2030 framework

Our regulated utility, Madison Gas and Electric (MGE), is moving toward a more sustainable future under its Energy 2030 framework. Energy 2030 sets goals for increasing investments in renewable energy and for reducing carbon emissions by 40% from 2005 levels by 2030. As technologies evolve, we are adding value for our stakeholders—investors, customers and communities.

New wind farm proposed

MGE is proposing to construct, own and operate its largest wind farm to date. This 66-megawatt wind farm would be located about 200 miles west of Madison near Saratoga, Iowa. MGE secured the rights to the construction-ready site last year from the site’s initial developer. The site is one example of how we’re partnering to grow investments in renewable energy.

Solar project completed

Our new Shared Solar installation recently came online. This 500-kilowatt solar array extends over an area larger than a football field on the roof of the City of Middleton’s new operations center.

Strong total return

Annual total return provides a snapshot of your investment’s performance. Total return is the combination of stock price appreciation and reinvested dividends.

If you invested $1,000 in MGE Energy five years ago and consistently reinvested your dividends, your investment would have grown to $2,414 by the close of 2016. Over the last five years, MGE Energy’s total return has outpaced the national indices of the S&P 500, EEI investor-Owned Electric Utilities and the Russell 2000.

Solid earnings

MGE Energy reported earnings of $2.18 per share in 2016, compared to $2.06 per share in 2015. The higher earnings resulted from increased electric consumption due to a warmer summer in 2016 versus 2015 and due to an increase in the number of electric and gas residential customers.

For the fourth quarter of 2016, MGE Energy reported earnings of 42 cents per share, compared to 32 cents per share for the same period in the prior year. The higher earning resulted from increased electric consumption due to a warmer summer in 2016

Approval, construction of the approximately 1,150-megawatt wind farm would be located about 200 miles west of Madison near Saratoga, Iowa. MGE secured the rights to the construction-ready site last year from the site’s initial developer. The site is one example of how we’re partnering to grow investments in renewable energy.

Solar project completed

Our new Shared Solar installation recently came online. This 500-kilowatt solar array extends over an area larger than a football field on the roof of the City of Middleton’s new operations center.

Strong total return

Annual total return provides a snapshot of your investment’s performance. Total return is the combination of stock price appreciation and reinvested dividends.

If you invested $1,000 in MGE Energy five years ago and consistently reinvested your dividends, your investment would have grown to $2,414 by the close of 2016. Over the last five years, MGE Energy’s total return has outpaced the national indices of the S&P 500, EEI investor-Owned Electric Utilities and the Russell 2000.

Solid earnings

MGE Energy reported earnings of $2.18 per share in 2016, compared to $2.06 per share in 2015. The higher earnings resulted from increased electric consumption due to a warmer summer in 2016 versus 2015 and due to an increase in the number of electric and gas residential customers.

For the fourth quarter of 2016, MGE Energy reported earnings of 42 cents per share, compared to 32 cents per share for the same period in the prior year. The higher earning resulted from increased electric consumption due to a warmer summer in 2016. Compared to $2.06 per share in 2015.

Under MGE’s Energy 2030 framework, we have set the goal of supplying 30% of our retail electric sales with renewable energy by 2030. Working together with our customers, we can reach our shared goal of a cleaner energy future.

Electric vehicles

MGE is working to grow the electric vehicle market through a number of initiatives—from a workplace charging program for employers to partnerships with electric car manufacturers.

Recently, we introduced a new pilot program for home charging. Through Charge@Home, MGE is enrolling participants in a study to learn more about charging sessions and how technology can be best used for our customers.

MGE is installing chargers at participants’ homes. In return, participants pay a monthly fee plus the cost of their electricity usage. Participants can control and track the chargers remotely via Wi-Fi from a smartphone.

Comments from the Chairman and the CEO

Strong total return

Annual total return provides a snapshot of your investment’s performance. Total return is the combination of stock price appreciation and reinvested dividends.

If you invested $1,000 in MGE Energy five years ago and consistently reinvested your dividends, your investment would have grown to $2,414 by the close of 2016. Over the last five years, MGE Energy’s total return has outpaced the national indices of the S&P 500, EEI investor-Owned Electric Utilities and the Russell 2000.

Solid earnings

MGE Energy reported earnings of $2.18 per share in 2016, compared to $2.06 per share in 2015. The higher earnings resulted from increased electric consumption due to a warmer summer in 2016 versus 2015 and due to an increase in the number of electric and gas residential customers.

For the fourth quarter of 2016, MGE Energy reported earnings of 42 cents per share, compared to 32 cents per share for the same period in the prior year. The higher earning resulted from increased electric consumption due to a warmer summer in 2016.