



# Bold goals

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## Community focus

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Together we build a  
strong energy future.

# MGE Energy

## 2019 annual report

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Financials: Form 10-K

### MGE Energy, Inc.

MGE Energy is an investor-owned public utility holding company headquartered in the state capital of Madison, Wis. MGE Energy is the parent company of Madison Gas and Electric Co. The utility provides natural gas and electric service in south-central and western Wisconsin. Assets total approximately \$2 billion. In 2019, revenue was approximately \$569 million. See the Corporate Profile on the inside back cover.

### About the cover

Our complex world increasingly depends on safe, reliable, affordable and sustainable energy to power our daily lives and our local economy. As your community energy company, Madison Gas and Electric (MGE) is a critical services provider and community partner, dedicated to serving our customers and to enriching the areas we serve, including the evolving Capitol East District near our corporate headquarters in downtown Madison, Wis.



## MGE Energy (MGEE)

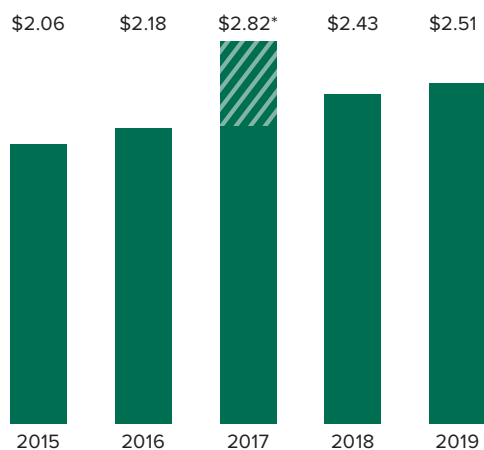
### Year at a Glance

(Thousands, except per share amounts and shares outstanding)

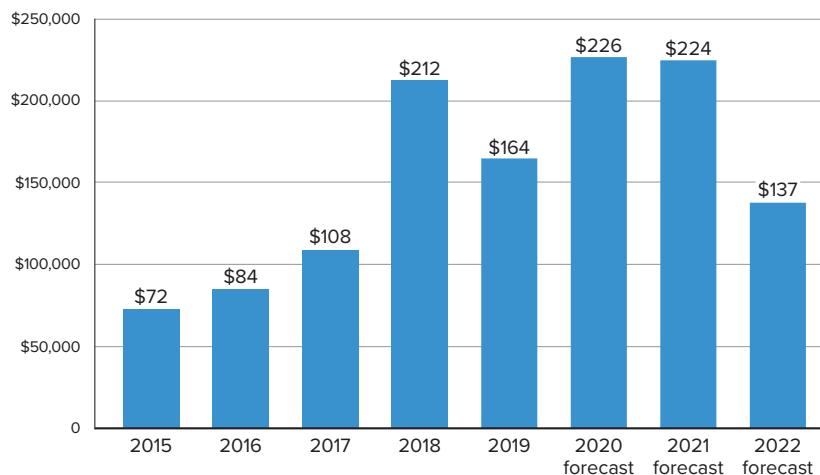
	2019	2018	Increase/(Decrease)	% Change
Total Market Value (Dec. 31)	\$ 2,732,561	\$ 2,078,715	\$ 653,846	31.5
Market Price Per Share (Dec. 31)	\$ 78.82	\$ 59.96	\$ 18.86	31.5
Book Value Per Share	\$ 24.68	\$ 23.56	\$ 1.12	4.8
Average Shares Outstanding	34,668,370	34,668,370	-	0.0
Shares Outstanding at Year-End	34,668,370	34,668,370	-	0.0
Operating Revenues	\$ 568,855	\$ 559,768	\$ 9,087	1.6
Net Income	\$ 86,874	\$ 84,219	\$ 2,655	3.2
Basic and Diluted Earnings Per Share	\$ 2.51	\$ 2.43	\$ 0.08	3.3
Dividends Declared Per Share	\$ 1.38	\$ 1.32	\$ 0.06	4.5
Dividend Payout Ratio	55.0%	54.3%	0.7%	1.3
Total Assets	\$ 2,081,664	\$ 1,988,618	\$ 93,046	4.7
Total Retail Electric Sales (kWh)	3,213,882	3,289,425	(75,543)	-2.3
Total Gas Deliveries (therms)	291,786	282,700	9,086	3.2

For detailed financial information, see the 2019 MGE Energy Form 10-K.

**Earnings Per Share**  
(2015 – 2019)



**Capital Expenditures**  
(in millions)



\* Includes one-time tax benefit of 62 cents per share due to tax act.



# Letter to our shareholders

We are working toward net-zero carbon electricity for the benefit of all those we serve.

“MGE is committed to ensuring our ongoing transition to cleaner energy sources will serve all customers while building customer and shareholder value.”

Your community energy company is delivering on its vision of a more sustainable future, driven by cost-effective, clean energy investments and partnerships to grow the use of new technologies, such as electric vehicles (EV) and smart thermostats, with all customers.

Our goals are bold. Madison Gas and Electric (MGE) was among the first utilities to announce a goal of net-zero carbon electricity by 2050. MGE's target reflects our commitment to long-term sustainability and to our customers and the communities that rely on a robust community grid for safe, reliable, affordable and sustainable energy.

To achieve deep decarbonization, we are partnering with those we serve to decarbonize our electricity generation, building clean energy projects and expanding customer programs, like Shared Solar. We are engaging around energy efficiency, joining forces to make smart thermostats available to lower-income households, and we are working to grow the use of EVs with new tools and forward-thinking collaborations. MGE is seizing opportunities to build long-term value for our customers and loyal shareholders.

Chairman, President and CEO Jeff Keebler at the restored Garver Feed Mill in the city of Madison.

## Strong financial performance

In 2019, we reported earnings of \$2.51 per share, compared to \$2.43 per share in 2018. Earnings for 2019 were positively impacted by an increase in owned renewable generation assets, namely our Saratoga Wind Farm, and colder weather in the first quarter of 2019.

We understand the importance of dividend growth and stock price appreciation for our investors. MGE Energy has increased the dividend for 44 consecutive years and paid dividends for more than 110 years. No other Wisconsin utility or utility holding company matches our history of dividend increases. The financial publisher Mergent consistently recognizes MGE Energy as a “Dividend Achiever.”

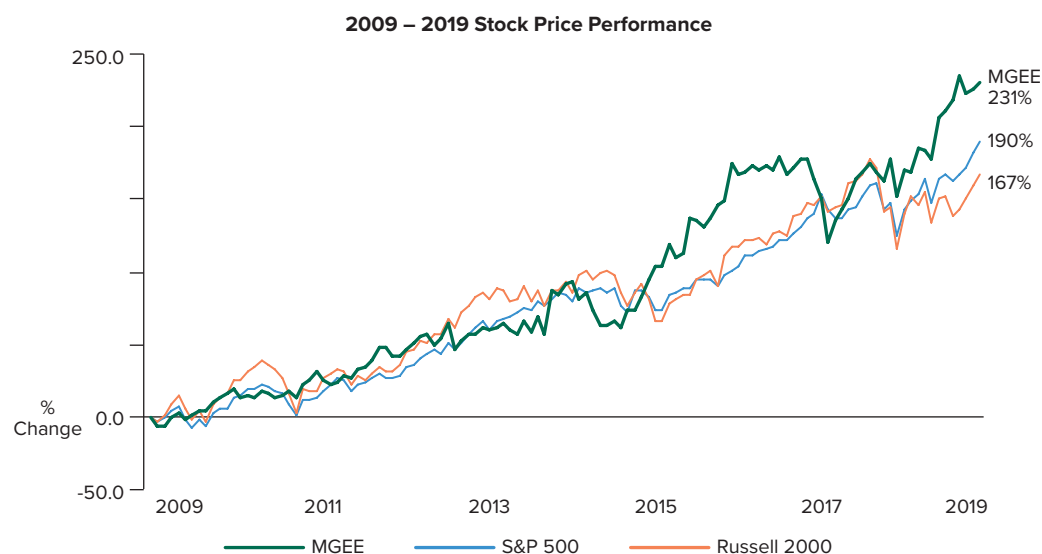
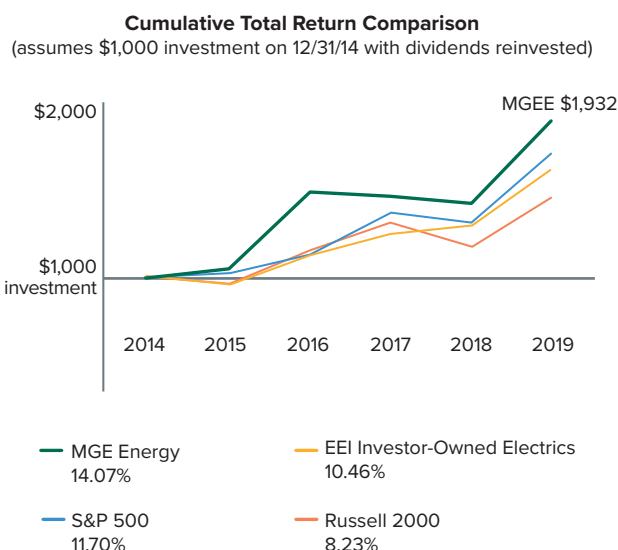
In 2019, your Board of Directors increased the annual dividends paid per share by 4.5% to \$1.38. In the last five years, shareholders have seen 24% dividend growth.

We also have seen steady appreciation in our stock price. MGE Energy shares closed 2019 at \$78.82, which is an increase from \$59.96 at the close of 2018. Throughout the last five years, the price of MGE Energy stock has outpaced the national indices of the S&P 500 and the Russell 2000. In the last 10 years, our stock price has more than tripled.

An important indicator of your investment’s performance, total return is the combination of stock price appreciation

and reinvested dividends. Throughout the last five years, MGE Energy’s annualized total return was 14%, outpacing the Russell 2000, S&P 500 and EEI Investor-Owned Electric Utilities. A \$1,000 investment in MGE Energy, with dividends reinvested, would have grown to \$1,932 during the five years ending Dec. 31, 2019.

MGE continues to maintain the highest credit ratings of any investor-owned combination utility in the nation from Standard & Poor’s (S&P) and Moody’s. Value Line also gives MGE Energy top marks for investment safety and its highest grades for financial strength.



MGE Energy compared to the S&P 500 and the Russell 2000.

### MGE Top Credit Quality

<b>S&amp;P</b> Corporate Credit: <b>AA-</b> Outlook: <b>Stable</b>
<b>Moody's</b> Secured: <b>Aa2</b> Unsecured: <b>A1</b> Outlook: <b>Stable</b>

### MGEE Value Line Ratings

Safe Investment <b>No. 1</b>
Financial Strength <b>A+</b>





**Top left:** Debbie and Allen Guilette, surrounded by their family, host two wind turbines on their property for MGE's Rosiere Wind Farm, which celebrated 20 years in operation in 2019. **Top right:** MGE works with Madison-based kitchen appliance manufacturer Sub-Zero Group, Inc., to support the company's energy goals and partnered to implement an electric vehicle workplace charging program. We also are working with the company's energy team to power Sub-Zero's expanding campus near Madison with solar energy under MGE's innovative Renewable Energy Rider. **Bottom left:** MGE's network of more than 40 public charging stations, all powered by green energy, includes this new Level 2 charging station at the Garver Feed Mill, a restored historic property on Madison's near east side. **Bottom right:** Electric system operations crews return to the massive Judge Doyle Square construction project in downtown Madison after crews installed four transformers in an underground vault to serve the site as part of MGE's downtown network.

## Sustainable energy for future generations

Twenty years ago, MGE built the largest wind farm east of the Mississippi River, our 11-megawatt (MW) Rosiere Wind Farm. MGE worked with several landowners, including Debbie and Allen Guilette, to bring the wind farm to 30 acres in Kewaunee County, Wis. Rosiere came online in 1999 as one of the first wind farms in the entire upper Midwest. MGE has extended its contract with landowners who host the 17 turbines, which will continue to generate clean energy for years to come.

MGE is building upon its record of industry leadership, continuing to grow its use of clean energy generation. In 2015, MGE introduced its Energy 2030 framework for a more sustainable future. The framework lays out foundational objectives, one of which reinforces our commitment to ensuring all our customers benefit from MGE's transition to cleaner energy sources. Since 2015, MGE has announced an estimated \$350 million in cost-effective, utility-scale wind

and solar generation, equating to a roughly 600% increase in owned renewable capacity that will serve all customers with renewable energy.

Our 66-MW, \$108 million Saratoga Wind Farm came online in early 2019. In the fall, representatives from the City of Middleton and the Middleton-Cross Plains Area School District joined MGE to break ground on a 5-MW solar array at the Middleton Municipal Airport. The nearly \$9 million Morey Field Solar project is one of four solar projects in development in 2020.

MGE is partnering with Dane County to serve its operations with solar energy from a proposed 9-MW array to be built this year at Dane County Regional Airport. MGE will own the solar infrastructure, lease the land at the airport from Dane County and sell the energy to the County. The \$16 million project helps MGE and the County reach their clean energy goals.

MGE also is investing an estimated \$195 million in the Badger Hollow Solar Farm and the Two Creeks Solar project. In February 2020, MGE obtained preliminary approval from state regulators to purchase another 50 MW from the second phase of Badger Hollow, expected in 2021. The two Wisconsin projects will deliver 150 MW of cost-effective, clean energy to our community grid.

Anticipating the needs of and exceeding the expectations of our customers are part of our mission and our long-term growth. With customer service a top priority, MGE developed our Renewable Energy Rider (RER). It gives MGE the ability to tailor a renewable energy solution to meet a customer's specific energy needs.

MGE is working with family-owned Sub-Zero Group, Inc., maker of Sub-Zero, Wolf and Cove premium kitchen appliances. Under an RER agreement, MGE will supply the company's manufacturing facilities and expanding operations in Fitchburg, Wis., with electricity from the nearby O'Brien Solar Fields. If approved, the proposed project of up to 20 MW just outside of Madison is expected to serve a number of large MGE customers under RER agreements.

MGE also is moving forward RER agreements with the City of Madison and the Madison Metropolitan School District, both of which would be served by a proposed 7-MW solar array to be built near Madison in 2021. The RER program grows locally based clean energy and advances large customers' sustainability goals.

### Top-ranked reliability to support our local economy

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MGE remains a national leader in electric reliability. We continue to invest in our systems and capabilities to meet our fundamental obligation as a critical services provider. We also are investing to enable and to manage a dynamic, resilient electric grid that supports new technology such as distributed energy sources like solar and battery storage.

For 2018, MGE's electric service reliability ranked number one in the country for the fewest number of electric outages, according to an annual industry survey of more than 80 electric utilities. MGE has ranked in the top three utilities in the country for the fewest number of outages in each of the last 12 years, according to the survey.

Our safe, reliable natural gas service helps to maintain the health of our community. In late January 2019, the Madison

area, like much of the Midwest, experienced record cold temperatures, leading to three days of historic gas usage on our distribution system. MGE's Energy Supply and Trading department actively monitors the weather as well as interstate pipeline conditions and system load to ensure natural gas deliveries to MGE's system keep up with customer demand.

### Driving the enterprise forward

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In recent years, we have introduced Enterprise Forward, our multiyear, enterprise-wide initiative to replace and upgrade internal systems, enabling MGE's transition to a digital, integrated utility. These improvements include enhancing the customer experience with increased capabilities to communicate with customers and to offer the customized programs, products and services expected of a community energy company for the future.

Our internal technological transformation is underway alongside our transition to greater sustainability. Our net-zero carbon electricity goal is based on the latest climate science from the Intergovernmental Panel on Climate Change (IPCC), which identifies pathways and actions needed to limit global warming to 1.5° Celsius. Our strategies are consistent with those identified by the international IPCC, and MGE is working with renowned climate experts from the University of Wisconsin-Madison's Nelson Institute for Environmental Studies to evaluate our goal for achieving deep decarbonization to ensure it is consistent with the IPCC assessment.

Accomplishing net-zero carbon electricity will require the use of technologies not yet cost-effective or commercially available on a large scale, such as battery storage, but technology is evolving rapidly. Our net-zero carbon goal reflects our vision and signals our direction, but it does not determine our pace. We are working today as aggressively and cost-effectively as we can toward deep decarbonization for the benefit of our customers, shareholders and greater community. We thank you for your investment in this journey with us toward a stronger, more sustainable future.



Jeffrey M. Keebler  
Chairman, President and Chief Executive Officer



# Delivering a cleaner future

We are seizing opportunities to invest in cost-effective renewable energy in pursuit of our goals.



The sun rises over the rural landscape surrounding our Saratoga Wind Farm's 33 turbines. The Iowa wind farm produces enough carbon-free electricity to serve about 47,000 households.

Our investments in large-scale clean generation help to ensure all customers benefit from sustainable energy.

All of the turbines at our newest, largest wind farm began generating carbon-free electricity in February 2019. MGE's Saratoga Wind Farm, located in Howard County, Iowa, about 200 miles west of Madison, is the company's fourth wind farm. More than 30 turbines dot the rural landscape, delivering clean electricity to the grid.

At nearly 500-feet tall, Saratoga's modern turbines stretch higher to take advantage of faster wind speeds. The blades sweep an area longer than a football field. The larger blades help to increase the amount of energy captured from the wind, which increases Saratoga's efficiency compared to other wind farms. The towers' individual footprints, however, measure only 18 feet across, allowing local farmers to continue to cultivate the land surrounding them.

Within the last 12 years, we have grown our wind capacity from 11 megawatts (MW) to 153 MW. Wind power has decreased in cost, increased in efficiency and carries no fuel costs, all of which help MGE to deliver on our commitment to provide safe, reliable, affordable and sustainable energy to all customers. MGE continues to seek additional opportunities to grow our investment in wind power.





## Community partners help us grow local clean energy.

Growing our use of renewable energy is one of our strategies for achieving deep decarbonization and our goal of net-zero carbon electricity by 2050. By partnering with large customers, such as municipalities, local schools, businesses and others, we can advance shared sustainability goals.

One such example is our partnership with the City of Middleton and the Middleton-Cross Plains Area School District (MCPASD). Thirty percent of MGE's 5-megawatt (MW) Morey Field Solar project at the Middleton Municipal Airport will serve the City and the school district under Renewable Energy Rider agreements with MGE. Our Renewable Energy Rider is designed for large customers seeking a customized clean energy solution. The customer pays for costs associated with sourcing the renewable generation and for distributing the energy to the customer.

One MW of the Morey Field Solar array will serve nine local school buildings. The superintendent says the district's support for clean energy fits with its mission to educate students as members of their local community as well as the broader, global society.

A 0.5-MW share will serve the City, helping Middleton reach its near-term goal of 25% renewable energy for City operations by 2025 and 100% by 2035. The Morey Field Solar project builds upon MGE's existing clean energy partnership with the City. In early 2017, MGE's first Shared Solar project, located on the roof of Middleton's Municipal Operations Center, began serving Shared Solar participants.



## Large solar projects capture the power of the sun for all.

A key, foundational objective in our clean energy transition is ensuring all customers benefit from the use of new, sustainable technologies. Like wind turbine technology, the cost of utility-scale solar has decreased, dropping about 80% in less than 10 years, and the technology has improved in productivity. Our investments in large, cost-effective solar projects deliver carbon-free energy to all customers.

MGE is purchasing 150 MW of solar capacity from two Wisconsin projects. The Badger Hollow Solar Farm is located in southwestern Wisconsin where the Bishop family has farmed for decades. The family is leasing some of its land for the 300-MW project. Brad Bishop says payments from the project will help to keep the farm in the family for future generations.

MGE will own 100 MW of the Badger Hollow Solar Farm. MGE also is investing in 50 MW from the 150-MW Two Creeks Solar project in northeastern Wisconsin. Both Two Creeks Solar and the Badger Hollow Solar Farm will feature native ground cover to attract pollinators and to enhance wildlife habitat.

**Top:** Dr. Dana Monogue, Superintendent of the Middleton-Cross Plains Area School District, and Gurdip Brar, Mayor of the city of Middleton, stand in the library at Kromrey Middle School, one of nine buildings that will be powered by clean energy through the district's and the City's partnership with MGE.

**Bottom:** Brad Bishop (far right) is leasing part of his family's farm to the 300-MW Badger Hollow Solar Farm in Iowa County, Wis. He says payments from the project will help keep the farm in the family for future generations.



# Building new connections with our customers

Our new and emerging customer offerings foster relationships around energy technologies.

Energy efficiency is considered a key strategy for achieving deep decarbonization.

MGE is advancing new technologies in partnership with our customers to help manage our collective use of energy. By employing new technologies to help customers save—whether through remote management of smart thermostats or electric vehicle (EV) home charging stations—we can better manage our grid, our environmental impact and long-term costs for all customers and help participating customers use energy efficiently.

Last summer, we launched MGE Connect™, an expansion of our smart thermostat demand response pilot program. With nearly 1,000 customers enrolled using a variety of smart thermostats, MGE tests the use of these Wi-Fi-connected devices to help manage the grid during summertime periods of peak electricity demand. Working with our partner, EnergyHub®, we are able to make minor temperature increases to household air conditioners during these periods with minimal, if any, impact on comfort.

Lauren and Kuba Krzyzostaniak signed up for MGE Connect after moving into their home on Madison's near east side. Lauren, who works from home, says she barely noticed the remote thermostat adjustments, which can last two to four hours. Customers can opt out of the adjustments at any time.

Lauren and Kuba Krzyzostaniak participate in MGE's smart thermostat program, MGE Connect, which enables MGE to make minor temperature adjustments to household thermostats during summertime periods of peak energy use. The program tests the potential for using smart devices to help manage the grid.





**Top:** MGE's Residential and Community Services team works to engage customers directly. Last summer, energy experts partnered with the Madison Area Chinese Community Organization to host workshops where attendees could learn about and sign up for our Shared Solar program.

**Bottom:** Mark Sheppard, Environment, Health and Safety Manager, and Jay Sandvick, Senior Automation/Controls Engineer, worked to implement a workplace charging program at Madison-Kipp Corp. with help from MGE.

## Shared Solar makes it easier than ever for customers to go solar.

MGE's Residential and Community Services team works with our residential customers and community organizations to understand their needs and to share information about energy efficiency, electric and gas safety, and new programs, such as our unique community solar program, Shared Solar.

Building on the success of our first Shared Solar project, MGE is expanding the optional program with a 5-megawatt solar array at Middleton Municipal Airport. Seventy percent of the solar project will serve the program. With minimal up-front cost, Shared Solar offers customers who either cannot or choose not to install solar panels themselves the opportunity to power their home or business with locally generated solar from MGE.

MGE partnered in summer with the Madison Area Chinese Community Organization to host multiple workshops introducing the expansion of the popular program. Partnerships such as this enable MGE to better communicate our programs, products and services with our diverse customer base. Dozens of people attended to hear from MGE energy experts about the convenience and affordability of Shared Solar.

The solar project, known as Morey Field Solar, will feature panels capable of tracking the sun throughout the day, resulting in about 25% more energy harvested compared to fixed panels. The program's share of the array will serve the equivalent of approximately 1,100 households.

## Our EV charging program enhances sustainability in the workplace.

It's fair to say Jay Sandvick is an electric vehicle (EV) enthusiast. He has driven an EV for almost 10 years. He used his background and expertise to work with MGE to launch an EV workplace charging program at Madison-Kipp Corporation (MKC), a Madison-based maker of high-pressure, aluminum die castings and other components used in various manufacturing industries, including transportation.

MGE helped Sandvick initiate an employee survey and determine the optimal charging equipment and location at the 120-year-old business. The survey revealed high interest in offering workplace charging with 50% of respondents reporting they would consider an EV if they could charge at work.

Sandvick and other MKC employees and guests keep their EVs charged at the charging station outside of the office. Sandvick says the chargers have generated more awareness of and discussion at the company about the benefits of EVs.

MKC is one of a growing number of local businesses embracing EV charging for both sustainability and employee recruitment and retention. MGE seeks to partner with all of our customers to enable the use of new technologies to meet customers' needs and to achieve our long-term goals.

# Driving opportunity

We are partnering in new ways to grow our business.

Our collaborations with Lyft and other partners help to spread awareness of the benefits of “going electric.”

The use of ridesharing services, such as Lyft, has increased dramatically in recent years. It’s common to see ridesharing drivers operating at Dane County Regional Airport, which sees about two million travelers each year.

MGE is partnering with Lyft to grow the use of electric vehicles (EV) in the Madison area. MGE and Lyft are offering a \$500 bonus to new EV drivers who sign up to drive with Lyft.

The largest contributor of U.S. greenhouse gas (GHG) emissions, transportation accounts for 29% of GHG emissions in the U.S. The electrification of transportation is a key strategy for reducing carbon emissions. Our partnership with Lyft helps to reduce emissions, grow the use of EVs and highlight their benefits. Riders get to experience first-hand what EVs have to offer.

MGE also continues to facilitate charging options across our community, including at Dane County Regional Airport where Lyft drivers and others will be able to charge at a DC fast-charging station powered by green energy. DC fast chargers typically provide 60 to more than 80 miles of range in about 20 minutes.

MGE is partnering with the ridesharing company Lyft to grow the use of electric vehicles (EV). EV drivers at Dane County Regional Airport will be able to charge at a new DC fast-charging station from MGE.



## We are helping to educate our community's next generation.



The City of Madison's Fleet Service building served as the backdrop for a one-of-a-kind fall field trip for students from James Madison Memorial High School. The students, enrolled in engineering and consumer auto classes, visited to see and to learn about the City's growing fleet of EVs and the future of transportation.

MGE, the City of Madison, the Madison Metropolitan School District (MMSD) and Madison College teamed up to facilitate the daylong field trip, which included a stop at MGE. Gathered by MGE's public DC fast charger, students learned from MGE staff in Energy Products and Services about the different levels of EV charging. MGE has a public charging network of more than 40 green-powered charging stations, including four DC fast chargers.

MGE has a long history of partnering with our community and its schools to offer our youth lessons in safety, energy efficiency, renewable energy and new technologies. We continue to work with MMSD teachers and staff to bring an EV curriculum into the schools. The program uses real-world EV charging station data to help students learn about sustainability, STEM disciplines and sustainable transportation.

## Our team works to enable EV charging where it's most popular.



The number of EVs on the road continues to grow. One of the reasons for their increasing popularity—convenience. Driving an EV means no more trips to the gas station to fill up when drivers can “fuel up” from the convenience of their home. More than 80% of EV charging happens at home.

Sabrina Guger understands the value of offering EV charging where people live. She manages several downtown Madison properties for Urban Land Interests (ULI), a longtime developer and provider of hundreds of residential rental units in the city of Madison.

Guger oversees Nine Line at the Yards across from Monona Bay. The 80-unit building features underground parking with EV charging for tenants. Guger worked with MGE to install EV charging stations at several ULI buildings after getting requests from residents and prospective tenants. “People want to charge when they're home,” Guger says.

MGE works with many property managers, developers and owners of apartment buildings who say offering EV charging helps them to stay competitive. MGE staff help these customers navigate the process for getting a charging station installed and a charging program for tenants underway.

**Top:** MGE's Jim Jenson and Debbie Branson, City of Madison Fleet Program Manager Tyson Roessler and Memorial High School Teacher Miles Tokheim gave local high school students a look at the future of transportation with a daylong EV field trip.

**Bottom:** Sabrina Guger, Property Manager for Urban Land Interests, worked with MGE to launch EV charging at several Madison apartment buildings.



A woman with long blonde hair, wearing a light-colored patterned cardigan and green pants, is sitting on a large, dark, textured rock. She is smiling and looking towards the camera. In the background, there is a tall, white metal windmill structure with a red flag on top. The windmill is surrounded by lush green foliage and a building with a light-colored facade. Two young girls are visible in the background, one in a blue dress and one in a pink dress, looking at something in their hands. The scene is outdoors and appears to be a rooftop garden or exhibit area.

# Powering community

We work to fuel innovation and inspiration to enrich our community in many ways.

The MGE Foundation helps to support community resources for all to enjoy.

Our community's next generation can get a hands-on lesson in renewable energy and new energy technologies at the Madison Children's Museum (MCM). With support from the MGE Foundation, the museum's new Rooftop Ramble exhibit features an interactive solar flower installation and a whimsical repurposed windmill, which powers a water feature.

Sustainability is a core value at the museum. Cheryl DeWalt, Environmental Education Manager at the MCM, says improvements to its newly renovated green roof ensure "sustainability for all," providing access and opportunity for all young people to explore the museum's "paradise in the sky."

Inside the rooftop clubhouse, a child-sized electric vehicle (EV)—complete with its own charging station—serves to spark lessons about EVs and sustainable transportation.

The MGE Foundation averages more than a million dollars in charitable contributions annually to our community's nonprofits. The foundation is proud to support the MCM's mission of educating our youth through discovery and fun.

Cheryl DeWalt, Environmental Education Manager at the Madison Children's Museum, says the renewable energy exhibits on the museum's green roof, recently renovated with support from the MGE Foundation, are popular with visitors.





### Safe, reliable natural gas helps to keep our economy growing.

American Packaging Corporation (APC) operates its 170,000-square-foot printing facility in DeForest, Wis., seven days a week, 24 hours a day. The three-year-old, \$50 million investment uses natural gas to help power technically advanced rotogravure printing presses. MGE collaborated with APC before and during construction to design a gas delivery system that meets APC’s critical needs for consistent, high-volume service with an eye toward expansion.

With \$500 million in annual sales, the company provides consumer brands with flexible packaging for everything from food and beverage items to health care, wellness and beauty products. APC continues to advance new and sustainable technologies, such as its “recycle ready” family of products.

The company’s rapid growth in recyclable and compostable packaging is already fueling another expansion in DeForest. Construction is underway for an additional 126,000 square feet of production space that should be ready by mid-2020. MGE is committed to working with our community’s businesses to provide safe, reliable, affordable and sustainable energy that meets their needs and grows a healthy local economy.

### We partner to foster innovation by our community’s entrepreneurs.

The city of Madison enjoys a robust entrepreneurial community driven, in part, by the area’s expanding biohealth industry. In 2019, the business incubator Forward BIOLABS expanded on the city’s west side in University Research Park, a longtime hub of innovation and affiliate of the University of Wisconsin-Madison.

The MGE Foundation continues to support research, innovation and economic development through its support of Forward BIOLABS. The life sciences incubator provides fully equipped and supported co-working lab space, eliminating the need for new and emerging biohealth companies to lease, equip and operate their own labs. More than a dozen companies call Forward BIOLABS home.

Forward BIOLABS cofounder and CEO Jessica Martin Eckerly says biohealth start-ups face unique, capital-intensive challenges, which the turnkey lab at Forward BIOLABS is designed to address.

“Our member companies are seeking to solve critical health care problems and to develop solutions that save lives,” Eckerly says. “Forward BIOLABS enables young companies to focus their efforts on growing efficiently, giving member companies access to a supportive environment, resources and relationships to help them advance cutting-edge technologies.”

As member companies graduate from Forward BIOLABS, companies may transition into the 100,000-square-foot MGE Innovation Center, established in 1989 at University Research Park.

**Top:** American Packaging Corporation relies on safe and reliable natural gas service from MGE to help power its 170,000-square-foot facility in DeForest, Wis. Press Operator Megan Westphal keeps the presses running to deliver customized flexible packaging solutions.

**Bottom:** Jessica Martin Eckerly, cofounder and CEO of Forward BIOLABS, stands in laboratory space at the new business incubator on the city of Madison’s west side. With support from the MGE Foundation, Forward BIOLABS offers turnkey, state-of-the-art laboratory space to help young biohealth start-ups grow into successful companies.

# Corporate leadership

## Directors of MGE Energy and MGE



**Marcia M. Anderson**

Retired Clerk of Court of U.S. Bankruptcy Court - Western District of Wis., retired Major General in the U.S. Army  
Age 62  
Director since 2018



**James G. Berbee**

Former Chairman and CEO of Berbee Information Networks Corp., physician and Chair of the Wisconsin Alumni Research Foundation  
Age 56  
Director since 2018



**Mark D. Bugher**

Retired Director of University Research Park, University of Wisconsin-Madison  
Age 71  
Director since 2010



**Londa J. Dewey**

Chief Executive Officer of QTI Management Services, Inc., a human resources and staffing company  
Age 59  
Director since 2008



**F. Curtis Hastings**

Retired Chairman of J. H. Findorff & Son, Inc., commercial and industrial general contractors  
Age 74  
Director since 1999



**Jeffrey M. Keebler**

Chairman, President and Chief Executive Officer of MGE Energy, Inc., and Madison Gas and Electric Co.  
Age 48  
Director since 2017



**James L. Possin**

Certified Public Accountant and tax consultant with James L. Possin CPA, LLC. Former partner at Grant Thornton LLP  
Age 68  
Director since 2009



**Thomas R. Stolper**

Former Executive Vice President and Director of ProActive Solutions USA LLC, management consultant at Purple Cow Organics and Deibel Laboratories  
Age 71  
Director since 2008



**Gary J. Wolter**

Former Chairman, President and Chief Executive Officer of MGE Energy, Inc., and Madison Gas and Electric Co.  
Age 65  
Director since 2000

Note: Ages as of Dec. 31, 2019.

For detailed information on board members, see the MGE Energy Proxy Statement.



## Officers of MGE Energy and MGE



**Jeffrey M. Keebler<sup>1</sup>**  
 Chairman, President and  
 Chief Executive Officer  
 Age 48  
 Years of Service, 24



**Jeffrey C. Newman<sup>1</sup>**  
 Executive Vice President,  
 Chief Financial Officer,  
 Secretary and Treasurer  
 Age 57  
 Years of Service, 35



**Lynn K. Hobbie**  
 Executive Vice President -  
 Marketing and  
 Communications  
 Age 61  
 Years of Service, 34



**Cari Anne Renlund**  
 Vice President and  
 General Counsel  
 Age 46  
 Years of Service, 5



**Donald D. Peterson**  
 Vice President -  
 Energy Technology  
 Age 60  
 Years of Service, 37



**Jared J. Bushek**  
 Vice President - Finance  
 and Chief Information  
 Officer  
 Age 39  
 Years of Service, 9



**Tamara J. Johnson**  
 Vice President -  
 Accounting and Controller  
 Age 55  
 Years of Service, 26



**Gregory A. Bollom**  
 Assistant Vice President  
 and Regulatory  
 Consultant  
 Age 59  
 Years of Service, 37



**Marshall S. Heyworth**  
 Assistant Vice President -  
 Human Resources  
 Age 63  
 Years of Service, 6



**James J. Lorenz**  
 Assistant Vice President -  
 Electric Operations  
 Age 53  
 Years of Service, 32



**Scott R. Smith**  
 Assistant Vice President -  
 Business and Regulatory  
 Strategy  
 Age 48  
 Years of Service, 3



**Ted L. Wadzinski**  
 Assistant Vice President -  
 Gas Operations  
 Age 55  
 Years of Service, 8

1. Officers of MGE Energy and MGE. All others are MGE officers.  
 Note: Ages and years of service as of Dec. 31, 2019.

# Shareholder information

## 2020 Annual Shareholder Meeting

Tuesday, May 19, 2020  
Madison Marriott West  
1313 John Q. Hammons Drive  
Middleton, Wis.

## Stock Listing

- MGE Energy common stock trades on The Nasdaq Stock Market®
- Stock symbol: MGEE
- Listed in newspaper stock tables as MGE

## Shareholder Account Information

Please notify us promptly if:

- A stock certificate is lost or stolen.
- A dividend check or statement is not received within 10 days of the scheduled payment date.
- Your name or address changes.

## Online Account Access

MGE Energy's transfer agent, Computershare, provides registered shareholders with secure online account access. Shareholders may view share balances, account statements, tax documents and market value as well as perform various transactions.

Visit [computershare.com/mgee](https://computershare.com/mgee) for more information.

To contact Computershare by mail:  
MGE Energy Shareholder Services  
c/o Computershare Trust Company, N.A.  
PO Box 505005  
Louisville KY 40233-5005

For overnight delivery:  
MGE Energy Shareholder Services  
c/o Computershare Trust Company, N.A.  
462 South 4th Street, Suite 1600  
Louisville KY 40202

By email:  
[web.queries@computershare.com](mailto:web.queries@computershare.com)

By phone:  
Toll-free: (800) 356-6423  
Madison area: (608) 252-4744

## MGE Energy Online

Registered shareholders also can access their account information by visiting the MGE Energy website. Go to [mgeenergy.com](https://mgeenergy.com) and click the Shareholder Login link.

## MGE Energy Shareholder Services

Madison-based staff are available to assist shareholders in person at our corporate headquarters by appointment between the hours of 9:00 a.m. and 4:00 p.m. (CT) Monday through Friday. We are located at 623 Railroad St. in Madison, Wis.

## 2020 Expected Record and Dividend Payment Dates

MGEE Common Stock	
Record Dates	Payment Dates
March 1	March 15
June 1	June 15
Sept. 1	Sept. 15
Dec. 1	Dec. 15

## Direct Stock Purchase and Dividend Reinvestment Plan

The Direct Stock Purchase and Dividend Reinvestment Plan provides a low-cost alternative to traditional retail brokerage methods of purchasing, holding and selling MGE Energy, Inc., Common Stock.

To review the Prospectus and to enroll, visit [computershare.com/mgee](https://computershare.com/mgee) or contact Computershare to request an enrollment package. This is not an offer to sell or a solicitation to buy any securities. Any stock offering will be made by Prospectus only.

## Materials Available

More financial information is available upon request or on our website, [mgeenergy.com](https://mgeenergy.com), including the Direct Stock Purchase and Dividend Reinvestment Plan.

## Sign Up For Electronic Delivery

You may choose to receive email alerts when annual meeting invitations, proxy materials, the annual report and newsletters are available on our website. Shareholders can sign up by visiting [mgeenergy.com/paperless](https://mgeenergy.com/paperless).

## Independent Registered Public Accounting Firm

PricewaterhouseCoopers LLP

## Corporate Responsibility

MGE Energy is committed to being a responsible corporate citizen in meeting the needs and interests of our customers, shareholders and community.

Our Board provides oversight with respect to the company's long-term strategic plans and business initiatives; environmental and sustainability performance; enterprise-wide risk assessment and management; major capital projects and investments, new technologies, and industry changes; and fiscal and budget matters.

Visit [mgeenergy.com/corpgov](https://mgeenergy.com/corpgov) for more information.

# Corporate profile

## MGE Energy, Inc.

MGE Energy is the parent company of Madison Gas and Electric Co. (MGE) and its divisions, which serve natural gas and electric customers in south-central and western Wisconsin.

MGE Transco Investment, LLC, holds an ownership interest in ATC, LLC, which invests in transmission assets, primarily within Wisconsin.

MGEE Transco, LLC, holds an ownership interest in ATC Holdco, which invests in transmission assets outside ATC, LLC, service territory.

MGE Power, LLC, owns assets in the West Campus Cogeneration Facility at Madison, Wis., and the Elm Road Generating Station at Oak Creek, Wis.

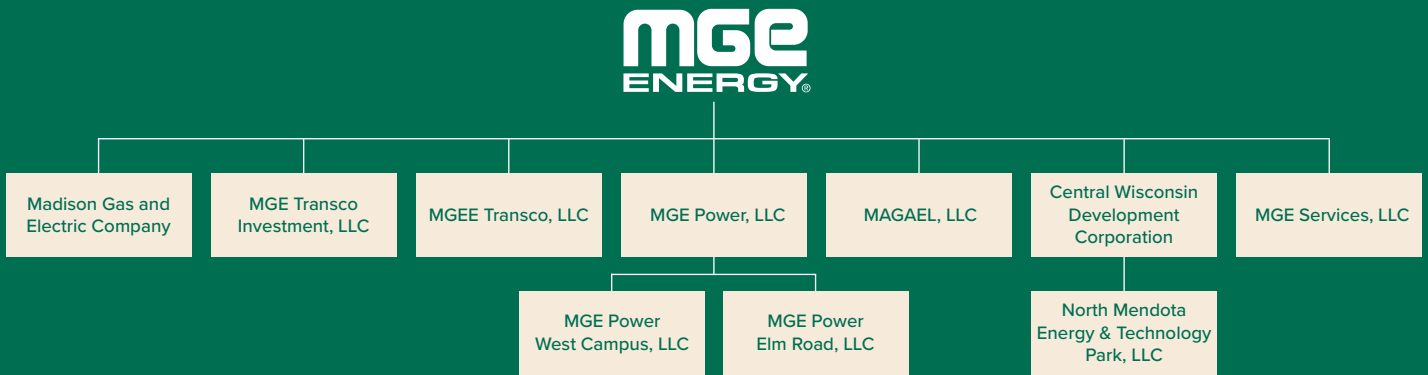
MAGAEL, LLC, holds title to properties acquired for future utility plant expansion.

Central Wisconsin Development Corp. promotes business growth in MGE's service area.

North Mendota Energy & Technology Park, LLC, owns property and serves as the development entity for the property.

MGE Services, LLC, provides construction and other services.

[Learn more at mgeenergy.com](http://mgeenergy.com)



## MGE Electric Services

### Generation and Distribution

Customers: 155,000

Population: 331,000

Area: 264 square miles

**Communities served:** Cross Plains, Fitchburg, Madison, Maple Bluff, McFarland, Middleton, Monona and Shorewood Hills

**Generating facilities:** Blount Generating Station, West Campus Cogeneration Facility, Shared Solar at Middleton, solar units and combustion turbines at Madison, natural gas combustion turbine at Marinette, Rosiere Wind Farm in Kewaunee County, Two Creeks Solar in Manitowoc County (under construction), Forward Energy Center wind farm in Dodge and Fond du Lac counties, Columbia Energy Center at Portage, Elm Road Generating Station at Oak Creek, Top of Iowa Wind Farm in north-central Iowa, Saratoga Wind Farm in northeast Iowa and Badger Hollow Solar Farm in Iowa County (under construction)

## MGE Natural Gas Services

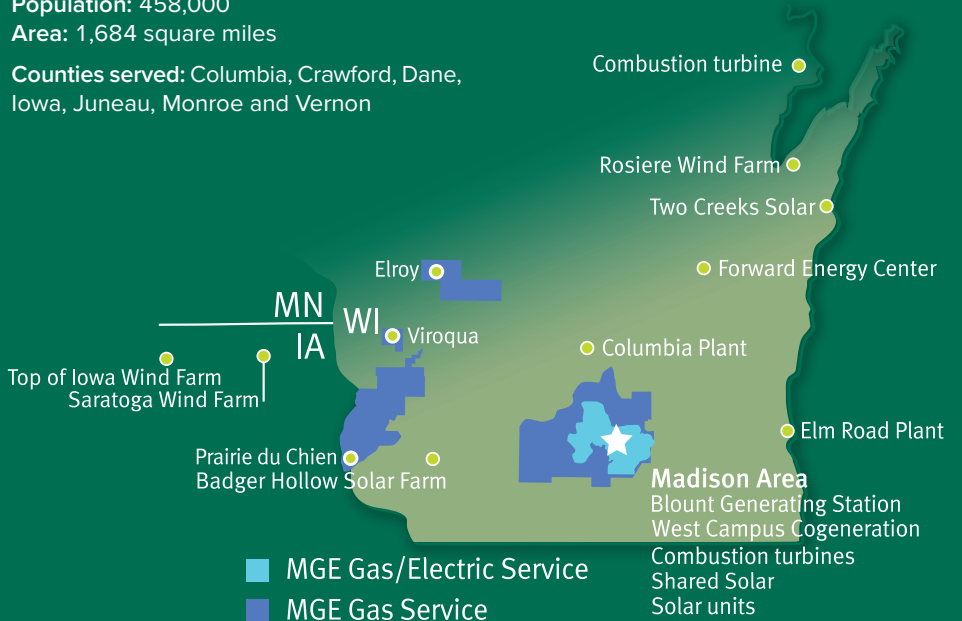
### Purchase and Distribution

Customers: 163,000

Population: 458,000

Area: 1,684 square miles

**Counties served:** Columbia, Crawford, Dane, Iowa, Juneau, Monroe and Vernon



[Learn more at mge.com](http://mge.com)





## **Building your community energy company for the future.**

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Learn more at [mgeenergy.com](https://mgeenergy.com)

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P.O. Box 1231  
Madison, WI 53701-1231