

WISCONSIN ENERGY CORP
Form DEF 14A
March 22, 2013
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UNITED STATES
SECURITIES AND EXCHANGE COMMISSION
WASHINGTON, D.C. 20549
SCHEDULE 14A

Proxy Statement Pursuant to Section 14(a) of the Securities Exchange Act of 1934 (Amendment No.)

Filed by the Registrant

Filed by a Party other than the Registrant

Check the appropriate box:

- Preliminary Proxy Statement
- Confidential, for use of the Commission Only (as permitted by Rule 14a-6(e)(2))**
- Definitive Proxy Statement
- Definitive Additional Materials
- Soliciting Material Pursuant to (S) 240.14a-11(c) or (S) 240.14a-12

Wisconsin Energy Corporation

(Name of Registrant as Specified In Its Charter)

(Name of Person(s) Filing Proxy Statement, if other than the Registrant)

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NOTICE OF ANNUAL MEETING OF STOCKHOLDERS

March 22, 2013

To the Stockholders of Wisconsin Energy Corporation:

On behalf of the Board of Directors, you are cordially invited to attend Wisconsin Energy Corporation's 2013 Annual Meeting of Stockholders to be held in Rothschild, just south of Wausau, in north central Wisconsin. To attend, you must pre-register and present photo identification at the door. Instructions on how to pre-register are provided on page P-10. Directions to the meeting location are included on page P-64. Interested stockholders may take a shuttle bus tour of our Biomass Cogeneration Plant construction site in Rothschild following the Meeting. If you are not able to attend, you may listen to a live webcast available on our Website at: www.wisconsinenergy.com/invest/annualmtg.htm. An archive of the webcast will be available on the site for approximately 12 months following the meeting. **Regardless of whether you plan to attend, please take a moment to vote your proxy.**

Wisconsin Energy's Annual Meeting will be held as follows:

WHEN: Thursday, May 2, 2013

10:00 a.m., Central time

WHERE: Stoney Creek Inn

Northwoods Conference Center

1100 Imperial Avenue

Rothschild, WI 54474

ITEMS OF BUSINESS: Elect nine directors for terms expiring in 2014.

Ratify Deloitte & Touche LLP as independent auditors for 2013.

Advisory vote on compensation of the named executive officers.

Consider any other matters that may properly come before the meeting.

RECORD DATE: February 21, 2013

VOTING BY PROXY: Your vote is important. You may vote:

using the Internet;

by telephone; or

by returning the proxy card in the envelope provided.

This year we are pleased to take advantage of Securities and Exchange Commission rules that allow companies to deliver proxy materials to their stockholders through the Internet. On or about March 22, 2013, we began mailing to many of our stockholders a notice instead of a paper copy of the proxy statement and 2012 Annual Report. The notice contains instructions on how to access our proxy materials and vote online. If you receive the notice or paper copies of the materials, consider signing up to receive them electronically in the future by following the instructions contained on page P-11. By delivering our proxy materials electronically, we can provide our stockholders with the information they need in a cost effective manner.

Important Notice Regarding the Availability of Proxy Materials for the Stockholder Meeting to Be Held on May 2, 2013 The Proxy Statement and 2012 Annual Report are available at:

www.envisionreports.com/wec

By Order of the Board of Directors,

Susan H. Martin

Executive Vice President, General Counsel and Corporate Secretary

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WEC 2013 Annual Meeting Proxy Statement

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PROXY SUMMARY

This summary highlights the information contained elsewhere in these proxy materials. This summary does not contain all of the information that you should consider, and you should read the entire proxy statement carefully before voting.

Company Profile

Wisconsin Energy Corporation (WEC or the Company) is one of the nation’s premier energy companies with more than \$14 billion of assets and a diversified portfolio of businesses engaged in electric generation and the distribution of electricity, natural gas and steam. Wisconsin Energy’s principal utilities, Wisconsin Electric Power Company and Wisconsin Gas LLC, serve more than 1.1 million electric customers in Wisconsin and Michigan’s Upper Peninsula and approximately 1.1 million natural gas customers in Wisconsin. These utilities operate under the trade name We Energies. The Company’s other major subsidiary, We Power, designs, builds and owns electric generating plants. Headquartered in Milwaukee, WEC is a component of the S&P 500 with approximately 4,500 employees and more than 41,000 registered stockholders.

Annual Meeting of Stockholders

Provided below are important details regarding the Company’s upcoming Annual Meeting.

Date and Time: Thursday, May 2, 2013; Check-in begins at 8:30 a.m., Central time; meeting begins at 10:00 a.m., Central time.

Place: Stoney Creek Inn/Northwoods Conference Center
1100 Imperial Avenue, Rothschild, WI 54474
www.stoneycreekinn.com/hotel/travel/wausau/home.do

Live Webcast: Listen to a live webcast at: www.wisconsinenergy.com/invest/annualmtg.htm

Record Date: February 21, 2013

Identification: Pre-registration is required. For entry into the meeting, each stockholder will be required to present a government-issued photo identification, such as a driver’s license, state identification card or passport. Information on how to pre-register can be found on page P-10.

Voting: Stockholders of record as of the record date are entitled to vote using one of the options below. Stockholders who hold shares in street name through an intermediary must obtain a legal proxy from their broker, bank or other nominee granting the right to vote.

Call toll-free

Internet at

at 800-652-8683

Mail

In person at

www.investorvote.com/wec

signed proxy card

the Annual Meeting

Voting Matters

There are three items of business for which the Company is soliciting a stockholder vote in conjunction with the Annual Meeting:

Proposal Item	Board Vote Recommendation	Page
1. Election of Directors – Terms Expiring in 2014	FOR each Nominee	P-19

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2. Ratification of Deloitte & Touche LLP as Independent Auditors for 2013	FOR	P-28
3. Advisory Vote on Compensation of the Named Executive Officers	FOR	P-61

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WEC 2013 Annual Meeting Proxy Statement

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2012 Business Highlights

Despite a challenging economic environment, 2012 was an exceptional year for WEC. Financially, WEC delivered solid earnings growth, generated strong cash flow and made significant progress toward a dividend payout that is more competitive with its peers. The Company also achieved milestones in customer satisfaction, employee safety and reliability. More specifically, the Company's achievements in 2012 included:

Earnings per share of \$2.35, the highest in the Company's history.

Increasing the dividend by 15.4% effective with the first quarter payment in 2012.

Returning almost \$300 million to stockholders during 2012 through dividends and repurchases under the share repurchase program approved by the Board of Directors in 2011.

WEC common stock trading at an all-time high of \$41.48 per share on August 1, 2012.

Being named the most reliable utility in the Midwest for the eighth time in the past 11 years.

Achieving the best customer satisfaction ratings since the operations of Wisconsin Electric and Wisconsin Gas merged in 2000.

Achieving the best overall safety results in Company history.

Completing the Air Quality Control System at the older Oak Creek generating units, on time and under budget.

Being named one of the 100 best corporate citizens in the United States by Corporate Responsibility magazine for the fifth consecutive year.

Five-Year Performance Return

The graph below shows a comparison of the cumulative total return, assuming reinvestment of dividends, over the past five years had \$100 been invested at the close of business on December 31, 2007, in each of Wisconsin Energy common stock, a Custom Peer Group Index, and the Standard & Poor's 500 Index (S&P 500):

Wisconsin Energy Corporation

Five-Year Cumulative Return Chart

Table of Contents**2012 Executive Compensation Highlights**

Compensation awarded to, earned by or paid to the Company's named executives during 2012 is set forth in the Summary Compensation Table on page P-41 and described in the Compensation Discussion and Analysis beginning on page P-29 in this proxy statement. The table below is an overview of total direct compensation received by our named executives in 2012, which indicates the significance of incentive compensation relative to base salary. The table does not include all of the information included in the Summary Compensation Table.

Name	Salary(\$)	Annual Incentive Awards(\$)	Long-Term Incentive Awards(\$)	Total Direct Compensation(\$)
Gale E. Klappa	1,209,393	2,951,811	4,754,312	8,915,516
Frederick D. Kuester ⁽¹⁾	705,828	1,382,830	2,299,941	4,388,599
Kristine A. Rappé ⁽²⁾	420,117	587,547	620,978	1,628,642
Allen L. Leverett	652,856	1,293,839	2,199,420	4,146,115
James C. Fleming ⁽¹⁾	118,101	191,157	963,539	1,272,797
Robert M. Garvin	363,300	466,272	376,614	1,206,186
J. Patrick Keyes	345,400	413,593	204,917	963,910

⁽¹⁾ Mr. Kuester and Mr. Fleming retired effective January 4, 2013 and April 1, 2012, respectively.

⁽²⁾ Ms. Rappé elected to conclude her employment effective February 28, 2013, in connection with an organizational restructuring.

Proposals to be Voted on by Stockholders**Proposal 1: Election of Directors (page P-19)**

Each Director is elected annually to serve a one-year term. The Board met six times during 2012 with an average board and committee meeting attendance during the year of 94.8%. The Corporate Governance Committee has evaluated each individual director nominee listed below and confirmed that he or she has the skills, education, experience and qualifications required to help further the success of the Company's business and represent stockholder interests.

Name	Age	Director Since	Occupation	Committee Memberships
John F. Bergstrom*	66	1987	Chairman and Chief Executive Officer, Bergstrom Corporation	A, C (Chair), E
Barbara L. Bowles*	65	1998	Retired Vice Chair, Profit Investment Management	A, G (Chair), E
Patricia W. Chadwick*	64	2006	President, Ravengate Partners, LLC	A, F
Curt S. Culver*	60	2004	Chairman and Chief Executive Officer, MGIC Investment Corporation	G, F (Chair)
Thomas J. Fischer*	65	2005	Principal, Fischer Financial Consulting LLC	A (Chair), C
Gale E. Klappa	62	2003	Chairman of the Board, Chief Executive Officer and President, Wisconsin Energy Corporation	E (Chair)
Henry W. Knueppel*	64	2013	Retired Chairman and Chief Executive Officer, Regal Beloit Corporation	A, G
Ulice Payne, Jr.*	57	2003	Managing Member, Addison-Clifton, LLC	C, F, E
Mary Ellen Stanek* Independent Director *	56	2012	Managing Director and Director of Asset Management, Baird Financial Group	F

Board Committees: A = Audit and Oversight Committee; C = Compensation Committee; G = Corporate Governance Committee; E = Executive Committee; F = Finance Committee.

Table of Contents**Proposal 2: Ratification of Deloitte & Touche LLP as Independent Auditors (page P-28)**

The Audit and Oversight Committee believes it is important for stockholders to ratify the selection of the independent auditing firm Deloitte & Touche LLP to remain as the Company's independent auditors for 2013. The following table shows the fees paid to Deloitte & Touche LLP for services provided for fiscal years 2012 and 2011.

	2012	2011
Audit Fees	\$ 1,766,200	\$ 1,702,600
Audit-Related Fees	36,000	
Tax Fees		9,400
All Other Fees		4,668
Total	\$ 1,802,200	\$ 1,716,668

Proposal 3: Advisory Vote on Executive Compensation (page P-61)

Stockholders are again being asked to cast a non-binding advisory vote on the Company's named executives' compensation. At the 2012 Annual Meeting of Stockholders, the Company's stockholders approved the compensation of the named executive officers with 90.1% of the votes cast. In evaluating this proposal, we recommend that you review the Compensation Discussion and Analysis beginning on page P-29, which describes in greater detail the Company's compensation philosophy and programs, and describes how and why the Compensation Committee arrived at the 2012 executive compensation levels.

The primary objective of the executive compensation program is to provide a competitive, performance-based plan that enables the Company to attract and retain key individuals and to reward them for achieving both the Company's long-term and short-term goals. The program has been designed to provide a level of compensation that is strongly dependent upon the achievement of short-term and long-term goals that are aligned with the interests of the Company's stockholders and customers. To that end, a substantial portion of pay is at risk and generally, the value will only be realized upon strong corporate performance.

The Company generally compensates named executive officers through a mix of compensation elements, which primarily include the following compensation:

Component	Form	Terms	Page
Base Salary	Cash	Established annually and based upon level of experience, performance, responsibility and contribution to the results of the Company's operations.	P-31
Annual Incentive Awards	Cash	Short-Term Performance Plan: Annual award based upon the achievement of pre-established stockholder, customer and employee-focused objectives.	P-32
		Short-Term Dividend Equivalents: Annual award approved by the Compensation Committee and tied to company performance.	P-34
Long-Term Incentive Awards	Equity	Annual awards approved by the Compensation Committee and tied to Company performance and stockholder value. For 2012, included: 70% performance units	P-34

15% stock options

15% restricted stock

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WEC 2013 Annual Meeting Proxy Statement

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PROXY STATEMENT

This proxy statement is being furnished to stockholders beginning on or about March 22, 2013, in connection with the solicitation of proxies by the Wisconsin Energy Corporation (WEC or the Company) Board of Directors (the Board) to be used at the Annual Meeting of Stockholders on Thursday, May 2, 2013 (the Meeting) at 10:00 a.m., Central time, at the Stoney Creek Inn in the Northwoods Conference Center located at 1100 Imperial Avenue, Rothschild, WI 54474, and at all adjournments or postponements of the Meeting, for the purposes listed in the Notice of Annual Meeting of Stockholders.

ANNUAL MEETING BUSINESS

On what Proposals am I voting?

Proposal 1: Election of nine directors for terms expiring in 2014. The Board recommends a vote **FOR** each of the nominees. The nine individuals will be elected as directors if the number of votes cast in person or by proxy at the Meeting favoring such nominee s election exceeds the number of votes cast opposing that nominee s election.

Proposal 2: Ratification of Deloitte & Touche LLP as independent auditors for 2013. The Board recommends a vote **FOR** this proposal. Ratification of the independent auditors requires the affirmative vote of a majority of the votes cast in person or by proxy at the Meeting.

Proposal 3: Advisory vote on compensation of the named executive officers, commonly referred to as a Say on Pay vote. The Board recommends a vote **FOR** this proposal. Approval, on a non-binding, advisory basis, of the compensation of the named executive officers requires the affirmative vote of a majority of the votes cast in person or by proxy at the Meeting. Because your vote is advisory, it will not be binding on the Board or the Company. However, the Board will review the voting results and take them into consideration when making future decisions regarding executive compensation.

The Company is not aware of any other matters that will be voted on. If a matter does properly come before the Meeting, the persons named as the proxies in the form of proxy will vote the proxy at their discretion.

VOTING INFORMATION AND ANNUAL MEETING ATTENDANCE

Who can vote?

Common stockholders as of the close of business on the Record Date, February 21, 2013, can vote. Each outstanding share of WEC common stock is entitled to one vote upon each matter presented. A list of stockholders entitled to vote will be available for inspection by stockholders at WEC s principal business office, 231 West Michigan Street, Milwaukee, Wisconsin 53203, prior to the Meeting. The list also will be available at the Meeting.

How do I vote?

There are several ways to vote:

By Internet. The Company encourages you to vote this way.

By toll-free, touch-tone telephone.

By completing and mailing your proxy card.

By written ballot at the Meeting.

If you wish to vote through the Internet or by telephone, please follow the instructions on your Notice, proxy card or the information forwarded to you by your bank or broker, as applicable. The Internet and telephone voting facilities will close at 10:59 p.m., Central time, on Wednesday, May 1, 2013.

If you are a participant in WEC s Stock Plus Investment Plan (Stock Plus) or own shares through investments in the WEC Common Stock Fund or WEC Common Stock ESOP Fund in WEC s 401(k) plan, your proxy will serve as voting instructions for your shares held in those plans. The administrator for Stock Plus and the trustee for the 401(k) plan will vote your shares as you direct. If a proxy is not returned for shares held in Stock Plus, the administrator will not vote those shares. If a proxy is not returned for shares held in the 401(k) plan, the trustee will vote those shares in the same proportion that all shares in the WEC Common Stock Fund or WEC Common Stock ESOP Fund, as the case may be, for which voting instructions have been received, are voted.

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If you are a beneficial owner and your bank or broker holds your shares in its name, they are permitted to vote your shares in the ratification of the independent auditors even if the broker does not receive voting instructions from you. However, for matters considered non-routine, which includes proposals 1 and 3, your broker or other record holder of your shares will not be permitted to vote your shares unless you provide voting instructions. If your shares are held in the name of a broker, bank or other holder of record, you are invited to attend the Meeting, but may not vote at the Meeting unless you have first obtained a proxy executed in your favor from the holder of record.

What does it mean if I get more than one proxy?

It means your shares are held in more than one account. Please vote all proxies to ensure all of your shares are counted.

What constitutes a quorum?

As of the Record Date, there were 228,726,456 shares of WEC common stock outstanding. In order to conduct the Meeting, a majority of the outstanding shares entitled to vote must be represented in person or by proxy. This is known as a quorum. Abstentions and shares which are the subject of broker non-votes will count toward establishing a quorum.

Can I change my vote?

You may change your vote or revoke your proxy at any time prior to the closing of the polls, by:

entering a new vote by Internet or phone;

returning a later-dated proxy card;

voting in person at the Meeting; or

notifying WEC's Corporate Secretary by written revocation letter.

The Corporate Secretary is Susan H. Martin. Any revocation should be filed with her at WEC's principal business office, 231 West Michigan Street, P. O. Box 1331, Milwaukee, Wisconsin 53201.

Attendance at the Meeting will not, in itself, constitute revocation of a proxy. All shares entitled to vote and represented by properly completed proxies timely received and not revoked will be voted as you direct. If no direction is given in a properly completed proxy, the proxy will be voted as the Board recommends.

Who conducts the proxy solicitation?

The Board is soliciting these proxies. WEC will bear the cost of the solicitation of proxies. WEC contemplates that proxies will be solicited principally through the use of the mail, but employees of WEC or its subsidiaries may solicit proxies by telephone, personally or by other communications, without compensation apart from their normal salaries. It is not anticipated that any other persons will be engaged to solicit proxies or that compensation will be paid for that purpose. However, WEC may seek the services of an outside proxy solicitor in the event that it believes such services would be beneficial.

Who will count the votes?

Computershare, which also will serve as Inspector of Election, will tabulate the vote.

What must I do to attend