



MGE and Shareholder Group Embark on Unique Collaboration Evaluating Renewable Energy

Madison Gas and Electric and a group of nine shareholders who put forward two proxy resolutions for consideration at this year's annual MGE Energy shareholder meeting on May 19, 2015, have come to an agreement, resulting in the withdrawal of both resolutions.

The agreement allows the parties (MGE and the nine shareholders identified) to engage in a study and a meaningful discussion about the role of renewable technologies in our collective energy future.

"MGE has been and remains committed to the use of renewable technologies and has a history of engagement with customers, shareholders and others throughout the community," Chairman, President and CEO Gary Wolter said. "We are already working collaboratively with Clean Wisconsin and the Citizens Utility Board. I'm pleased we were able to sit down with this group of concerned shareholders and come to an agreement that reflects shared priorities. I'm optimistic that through the sharing of information, productive dialogue and ongoing collaboration, as well as our upcoming Community Energy Conversations, we'll be able to address sustainable energy solutions in the best interests of MGE customers, shareholders and our community."

"MGE's support of the renewable energy study demonstrates what can be achieved when engaged shareholders and companies collaborate," Beth Esser and Don Wichert, two of the shareholders who filed the proxy resolutions said. "We are gratified that MGE, as a local company, is making a good faith effort to work with us to address our concerns about a clean energy future and reliable investment."

The agreement, in summary, includes the following:

- A commitment from MGE to increase the use of renewable energy sources as part of a continued strategy to a cleaner energy future;
- MGE will work with an expert, in consultation with the shareholder group, to study adding substantial and measurable amounts of renewable energy to MGE's supply mix, including regular meetings with the identified shareholder group to review the study's progress and findings;
- A reaffirmation from MGE's Chairman at the 2015 Annual Shareholder Meeting of the company's commitment to the study and to the transition to a cleaner energy future;
- Support of, and participation by the shareholder group in, MGE's Community Energy Conversations;

- MGE will continue to prepare its Environmental Responsibility Report at least biennially and the Board will continue to review the progress toward meeting MGE's existing corporate goal of maintaining or improving its culture of environmental stewardship when considering executive compensation.

The original resolutions requested that environmental and business sustainability be explicitly considered in determining executive compensation and that MGE evaluate providing 25% renewable energy by 2025.

MGE CEO Wolter and the Shareholder Group jointly agreed, "The study, together with the more extensive Community Energy Conversations, will help inform a transition to a strong, sustainable, cleaner energy future for our community."

For more information, contact:

Steve Schultz, MGE Corporate Communications, 608-252-7219, sbschultz@mge.com
Dana Brueck, MGE Corporate Communications, 608-252-7282, dbrueck@mge.com
Beth Esser, MGE Shareholder Group, 608-239-1353, beth_esser@hotmail.com
Don Wichert, MGE Shareholder Group, 608-395-9720, joule1066@att.net

About MGE

MGE generates and distributes electricity to 143,000 customers in Dane County, Wis., and purchases and distributes natural gas to 149,000 customers in seven south-central and western Wisconsin counties. MGE's parent company is MGE Energy, Inc. (Nasdaq: MGEE). The company's roots in the Madison area date back more than 150 years.

About MGE Shareholder Group

In 2014, several Madison-area shareholders of MGE Energy, Inc., came together because they believe MGE should be a national leader in clean energy. As shareholders, they support sustainable business practices that also serve to protect their long-term investments.