

WISCONSIN ENERGY CORP
Form 11-K
June 17, 2014

UNITED STATES
SECURITIES AND EXCHANGE COMMISSION
WASHINGTON, D.C. 20549
FORM 11-K

ANNUAL REPORT PURSUANT TO SECTION 15(d) OF THE
SECURITIES EXCHANGE ACT OF 1934
For the fiscal year ended December 31, 2013

OR

TRANSITION REPORT PURSUANT TO SECTION 15(d) OF THE
SECURITIES EXCHANGE ACT OF 1934
For the transition period from _____ to _____

Commission File Number 001-09057

A. Full title of the plan and the address of the plan, if different from that of the issuer named below:

Wisconsin Energy Corporation Employee Retirement Savings Plan

B. Name of issuer of the securities held pursuant to the plan and the address of its principal executive office:

Wisconsin Energy Corporation
231 West Michigan Street
P.O. Box 1331
Milwaukee, WI 53201

Financial Statements and Exhibits:

(a) Financial Statements:

Wisconsin Energy Corporation Employee Retirement Savings Plan

Report of Independent Registered Public Accounting Firm.

Statements of Net Assets Available for Benefits as of December 31, 2013 and 2012.

Statements of Changes in Net Assets Available for Benefits for the Years Ended December 31, 2013 and 2012.

Notes to Financial Statements.

Form 5500, Schedule H, Part IV, Line 4i -- Schedule of Assets (Held at End of Year) as of December 31, 2013.

(b) Exhibits:

23.1 Consent of Independent Registered Public Accounting Firm -- CliftonLarsonAllen LLP

SIGNATURES

Pursuant to the requirements of the Securities Exchange Act of 1934, the Committee which administers the plan has duly caused this annual report to be signed on its behalf by the undersigned hereunto duly authorized.

Wisconsin Energy Corporation Employee Retirement Savings Plan
Name of Plan

Date: June 17, 2014 By: /s/Lisa R. George
Lisa R. George, Director Total Compensation & Benefits for Wisconsin Energy Corporation and Chairman of the Employee Benefits Committee

WISCONSIN ENERGY CORPORATION
EMPLOYEE RETIREMENT SAVINGS PLAN
Milwaukee, Wisconsin

FINANCIAL STATEMENTS AND
SUPPLEMENTAL SCHEDULE
December 31, 2013 and 2012

WISCONSIN ENERGY CORPORATION
EMPLOYEE RETIREMENT SAVINGS PLAN

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Report of Independent Registered Public Accounting Firm

Employee Benefits Committee
Wisconsin Energy Corporation
Employee Retirement Savings Plan
Milwaukee, Wisconsin

We have audited the accompanying statements of net assets available for benefits of Wisconsin Energy Corporation Employee Retirement Savings Plan (the Plan) as of December 31, 2013 and 2012, and the related statements of changes in net assets available for benefits for the years then ended. These financial statements are the responsibility of the Plan's management. Our responsibility is to express an opinion on these financial statements based on our audits.

We conducted our audits in accordance with the standards of the Public Company Accounting Oversight Board (United States). Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. The Plan is not required to have, nor were we engaged to perform, an audit of its internal control over financial reporting. Our audits included consideration of internal control over financial reporting as a basis for designing audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Plan's internal control over financial reporting. Accordingly, we express no such opinion. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audits provide a reasonable basis for our opinion.

In our opinion, the financial statements referred to above present fairly, in all material respects, the net assets available for benefits of Wisconsin Energy Corporation Employee Retirement Savings Plan as of December 31, 2013 and 2012, and the changes in net assets available for benefits for the years then ended in conformity with accounting principles generally accepted in the United States of America.

Our audits were made for the purpose of forming an opinion on the basic financial statements taken as a whole. The accompanying supplemental schedule is presented for purposes of additional analysis and is not a required part of the basic financial statements but is supplementary information required by the Department of Labor's Rules and Regulations for Reporting and Disclosure under the Employee Retirement Income Security Act of 1974. This supplemental schedule is the responsibility of the Plan's management. The supplemental schedule has been subjected to the auditing procedures applied in the audits of the basic financial statements and, in our opinion, is presented fairly, in all material respects, in relation to the basic financial statements taken as a whole.

/s/CliftonLarsonAllen LLP

Milwaukee, Wisconsin
June 17, 2014

WISCONSIN ENERGY CORPORATION EMPLOYEE RETIREMENT SAVINGS PLAN

STATEMENTS OF NET ASSETS AVAILABLE FOR BENEFITS

AS OF December 31, 2013 and 2012

(In Thousands)

	2013		2012
ASSETS			
Participant directed investments, at fair value	\$1,362,068		\$1,164,750
Notes receivable from participants	20,131		19,781
Total net assets available for benefits, at fair value	1,382,199		1,184,531
Adjustment from fair value to contract value	(2,468)	(4,573
NET ASSETS AVAILABLE FOR BENEFITS	\$1,379,731		\$1,179,958

The accompanying notes are an integral part of the financial statements.

WISCONSIN ENERGY CORPORATION EMPLOYEE RETIREMENT SAVINGS PLAN

STATEMENTS OF CHANGES IN NET ASSETS AVAILABLE FOR BENEFITS
FOR THE YEARS ENDED DECEMBER 31, 2013 AND 2012

(In Thousands)

	2013	2012
ADDITIONS TO NET ASSETS ATTRIBUTED TO:		
Contributions:		
Participants	\$40,084	\$39,760
Company	14,213	14,097
Rollover	1,671	2,045
Total contributions	55,968	55,902
Investment income:		
Interest and dividends	48,122	33,312
Net appreciation	191,708	91,068
Total investment income	239,830	124,380
Interest income from notes receivable from participants	858	968
Other income	346	—
Total additions	297,002	181,250
DEDUCTIONS FROM NET ASSETS ATTRIBUTED TO:		
Benefits paid to participants	97,159	77,990
Administrative expenses	70	43
Total deductions	97,229	78,033
NET INCREASE	199,773	103,217
NET ASSETS AVAILABLE FOR BENEFITS:		
BEGINNING OF YEAR	1,179,958	1,076,741
END OF YEAR	\$1,379,731	\$1,179,958

The accompanying notes are an integral part of the financial statements.

WISCONSIN ENERGY CORPORATION EMPLOYEE RETIREMENT SAVINGS PLAN

NOTES TO FINANCIAL STATEMENTS
FOR THE YEARS ENDED DECEMBER 31, 2013 AND 2012

1. DESCRIPTION OF PLAN

The following description of the Wisconsin Energy Corporation (the "Company") Employee Retirement Savings Plan (the "Plan") is provided for general information purposes only. More complete information regarding the Plan's provisions may be found in the Plan document.

General -- The Plan is a defined contribution plan covering all non-represented employees who are employed by a participating company and represented employees who are represented by a union which elected to participate in the Plan; and who are projected to complete at least 1,000 hours of service within one year from their hire date. The Plan is subject to the provisions of the Employee Retirement Income Security Act of 1974, as amended ("ERISA").

The Plan assets are held in a trust as maintained by Fidelity Management Trust Company (the "Trustee").

The Plan maintains an employee stock ownership plan for participants who are not represented by a union or who are represented by a union that elected to participate in the employee stock ownership plan.

The Plan offers a Roth 401(k) option where contributions are made on an after-tax basis. Upon distribution, Roth contribution earnings are tax-free.

The Plan has an auto-enrollment feature for all newly hired management employees and certain represented employees, other than temporary and seasonal employees. These employees will be enrolled automatically in the Plan at a rate of 3% of their 401(k) eligible wages unless they make an alternate election. In addition, these 401(k) account contributions will increase automatically by 1% in each subsequent year up to 6%. If employees enroll, or are automatically enrolled, in the Plan, but do not designate a desired investment strategy, the Trustee will direct the employee's contributions into a target retirement date-based Fidelity Freedom Fund.

Contributions -- Contributions are subject to certain limitations of the Internal Revenue Code ("IRC"). Participants are allowed to make pre-tax and post-tax contributions of up to 75% of their base wages, as defined, up to a maximum of \$17,500. Participants may also contribute amounts representing distributions from other qualified defined benefit or defined contribution plans ("rollovers"). Additionally, each participant over age 50 may elect to make catch up contributions subject to certain limitations of the IRC.

The Company matches participant contributions of management employees equal to 100% of the first 1% and 50% of the next 6%. This Company match is also in effect for those represented employees whose unions have adopted this change. Those employees whose union had not adopted this match rate received a Company match equal to 50% of participant contributions of up to 6% of wages as defined in the Plan. Effective January 1, 2014, all participating employees receive Company matching contributions equal to 100% of the first 1% and 50% of the next 6%.

The Company approved a Plan amendment to modify plan provisions effective January 1, 2014. An employee designated by the Company as a temporary or seasonal employee shall not be automatically enrolled and, instead, must make an affirmative election to participate in the Plan.

An employee designated as a temporary or seasonal employee shall not be eligible for Company match contributions.

Company match contributions are invested in the same manner as the investment elections set by the participant for his or her pre-tax contributions. Participants may designate a different investment election for Company contributions than those designated for the participant's contributions. If such investment elections have not been set by the participant, the Company match will be invested in a target retirement date-based Fidelity Freedom Fund.

Participant Accounts -- Individual accounts are maintained for each of the Plan's participants to reflect the participant's contributions and related Company contributions, as well as the participant's share of the Plan's income and any related administrative expenses. Allocations are based on the proportion that each participant's account balance has to the total of all participants' account balances.

Vesting -- Participants are immediately vested in their contributions plus actual earnings thereon. Upon completion of one year of service or upon attainment of 59-1/2 years of age while in the service of the Company, participants become 100% vested in the Company's matching contributions. Forfeited balances of terminated participants' non-vested accounts are used to reduce future Company contributions or to pay Plan expenses. At December 31, 2013 and 2012, forfeited non-vested accounts totaled \$28,888 and \$24,766, respectively. Total forfeitures used to reduce Company contributions were \$350 and \$30,742 in 2013 and 2012, respectively. No forfeitures were used to pay Plan expenses in 2013 and 2012.

Investment Options -- The participants' deposits and the Company's contributions are paid to the Trustee who invests the deposits, as directed (in whole percentages) by the participant, within prescribed limitations, into various investment funds offered by the Trustee, which includes Company common stock.

Benefit Payments -- A participant may take a distribution due under the Plan as a single lump-sum cash payment or installment payments over a period not extending beyond the life expectancy of the participant. The full value of a participant's account is automatically distributed through a lump-sum cash payment to the employee or designated beneficiary upon retirement, termination of employment or death, for account balances less than \$1,000. Balances between \$1,000 and \$5,000 are rolled over into an IRA in the employee's name if they have not provided direction for distribution. As the Plan is primarily designed to meet long-term financial needs, employees may permanently withdraw amounts from their accounts under the terms of the Plan's financial hardship withdrawal guidelines. Additionally, participants may withdraw all or a portion of the value of their after-tax contributions; however, these withdrawals are limited to once per Plan year per participant.

Participant Loans -- Participants may borrow from their fund accounts a minimum of \$1,000 up to the lesser of 50% of their account balance or \$50,000, minus any outstanding loan balances over the past 12 months. Loans are repayable monthly over periods not to exceed five years. The interest rate charged on participant loans is fixed at the beginning of each loan at the then current prime rate plus 1%. The interest paid by a participant on their loan balance is credited directly to their individual account. Interest rates on participant loans ranged from 4.25% to 5.00% at December 31, 2013, and from 4.25% to 8.25% at December 31, 2012.

2. ACCOUNTING POLICIES

Basis of Accounting and Use of Estimates -- The financial statements of the Plan are prepared on the accrual basis of accounting.

The accompanying financial statements have been prepared in accordance with accounting principles generally accepted in the United States of America. This requires the Plan's management to make estimates and assumptions that affect the reported amounts of assets and liabilities and changes therein, and disclosure of contingent assets and liabilities. Actual results could differ from those estimates.

Investment Valuation and Income Recognition -- Investments are stated at fair value using methodologies described in Note 9 -- Fair Value Measurements.

Investment contracts held by a defined-contribution plan are required to be reported at fair value. Contract value is the amount participants would receive if they were to initiate permitted transactions under the terms of the Plan and, thus, is the relevant measurement attribute for that portion of the net assets available for benefits of a defined-contribution plan attributable to fully benefit-responsive investment contracts. The Statements of Net Assets Available for Benefits present the fair value of the investment contracts as well as the adjustment of the fully benefit-responsive investment contracts from fair value to contract value as required by generally accepted accounting principles (GAAP).

The Plan provides for investments in mutual funds, collective trusts, synthetic investment contracts and Company stock. Investment securities are exposed to various risks, including, but not limited to, interest rate, market and credit risks. Due to the level of risk associated with certain investment securities, it is at least reasonably possible that significant changes in the values of investments will occur in the near term.

Investment transactions are recorded on the trade date. Interest is recorded as earned. Dividends are recorded on the ex-dividend date.

Administrative Expenses -- Substantially all administrative expenses of the Plan are paid by the Company, except for loan origination fees which are paid by the borrowing participant and charged against the fund from which the borrowings are made.

Payment of Benefits -- Benefit payments to participants are recorded upon distribution.

Notes Receivable from Participants -- Notes receivable from participants are measured at their unpaid principal balance plus accrued interest. Delinquent participant loans are reclassified as distributions based upon the terms of the Plan document.

3. INVESTMENTS

As of December 31, 2013 and 2012, the Plan held 7,850,174 and 8,265,465 shares, respectively, in the Company Common Stock Funds. The Company Common Stock Funds are unitized and in total held 7,664,529 and 8,058,803 units as of December 31, 2013 and 2012, respectively.

The following presents individual investments that represent 5 percent or more of the Plan's net assets as of December 31 (in thousands):

	2013	2012
Company Common Stock Fund		
Wisconsin Energy Corporation ESOP Fund	\$327,691	\$303,061
Blended Rate Income Fund (BRIF)*	130,775	135,238
Mutual Funds		
Fidelity Growth Company	186,238	143,137
Fidelity Low-Priced Stock	96,383	74,926
MFS Value R5	91,473	