

Feb. 1, 2019

Madison Gas and Electric Co.
Attn. Carrie Anne Renlund, VP & General Counsel
PO Box 1231
Madison, WI 53701-1231

Dear Ms. Renlund,

This letter is to inform you that the proponents listed below of the shareholder resolution titled, "MGE Energy, Inc. Public Report on the Impacts of Acquiring 50 MW of Electrical Production from the Riverside Natural Gas Plant" are withdrawing the resolution from consideration at the May 2019 MGE Energy, Inc. annual shareholder meeting. The following shareholders filed this resolution and agree to its withdrawal:

Beth Esser & Derek Peterson
Marianne Ewig
Patricia Stone & Dennis Phillips
Ron Wolfe

We submitted this resolution as it reflects our concerns with continuing methane emissions from natural gas. These emissions place MGE Energy's emission reduction goals, environmental policy, and shareholder investment at risk.

The acquisition of the 50 MW from the Riverside plant depends on the use of natural gas (methane) as a temporary fuel in meeting the target 2050 CO₂ emission goals. In addition to the CO₂ emitted when it is burned, methane is leaked during production, processing, storage, and distribution. These methane emissions have not been regulated, measured, monitored, mitigated, or disclosed. The IPCC estimates that methane has 25 times the impact of CO₂ over 100 years and 72 times the impact over 20 years on temperature.

Today, MGE Energy's current goals to achieve a CO₂ reduction of 40% by 2030 and 80% by 2050 are not consistent with the 1.5°C scenario which the Intergovernmental Panel on Climate Change (IPCC) October 2018 report concludes is desirable to avoid the worst impacts of climate change. The IPCC report recommends CO₂ emissions should fall to about 45 percent from 2010 levels by 2030, and reach 'net zero' around 2050 to have the best chance of limiting warming to 1.5°C.

The acquisition of 50 MW in a new natural gas plant with an expected operating life of 20-30 years raises appropriate questions for shareholders on how this decision will impact our investments. We look forward to monitoring this situation as it evolves with potential PSCW filings.

We respectfully ask to receive a copy of the notification MGE Energy sends to the SEC withdrawing its no action request as a result of our withdrawal.

Sincerely,

Beth Esser & Derek
Peterson

Marianne Ewig

Patricia Stone & Dennis Phillips

Ron Wolfe

cc: Andrea Reed, Sidley Austin LLP
MGE Board of Directors