UNITED STATES
SECURITIES AND EXCHANGE COMMISSION
Washington, D. C. 20549

FORM 10-Q

[x] QUARTERLY REPORT PURSUANT TO SECTION 13 OR 15(d) OF THE SECURITIES EXCHANGE ACT OF 1934

For the quarterly period ended March 31, 2011

OR

[ ] TRANSITION REPORT PURSUANT TO SECTION 13 OR 15(d) OF THE SECURITIES EXCHANGE ACT OF 1934

For the transition period from _________ to _________

Commission File Number	Registrant; State of Incorporation; Address; and Telephone Number	IRS Employer Identification No.
1-3016	WISCONSIN PUBLIC SERVICE CORPORATION (A Wisconsin Corporation) 700 North Adams Street P. O. Box 19001 Green Bay, WI 54307-9001 800-450-7260	39-0715160

Indicate by check mark whether the registrant (1) has filed all reports required to be filed by Section 13 or 15(d) of the Securities Exchange Act of 1934 during the preceding 12 months (or for such shorter period that the registrant was required to file such reports), and (2) has been subject to such filing requirements for the past 90 days.

Yes [X] No [ ]

Indicate by check mark whether the registrant has submitted electronically and posted on its corporate website, if any, every Interactive Data File required to be submitted and posted pursuant to Rule 405 of Regulation S-T during the preceding 12 months (or for such shorter period that the registrant was required to submit and post such files).

Yes [ ] No [ ]

Indicate by check mark whether the registrant is a large accelerated filer, an accelerated filer, a non-accelerated filer, or a smaller reporting company. See the definitions of "large accelerated filer," "accelerated filer," and "smaller reporting company" in Rule 12b-2 of the Exchange Act.

Large accelerated filer [ ] Accelerated filer [ ]
Non-accelerated filer [X] Smaller reporting company [ ]

Indicate by check mark whether the registrant is a shell company (as defined in Rule 12b-2 of the Exchange Act).

Yes [ ] No [X]

Indicate the number of shares outstanding of each of the issuer's classes of common stock, as of the latest practicable date:

Common stock, $4 par value,
23,896,962 shares outstanding at
May 2, 2011

WISCONSIN PUBLIC SERVICE CORPORATION

QUARTERLY REPORT ON FORM 10-Q
For the Quarter Ended March 31, 2011

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Commonly Used Acronyms in this Quarterly Report on Form 10-Q

ATC	American Transmission Company LLC
BACT	Best Available Control Technology
CAA	Clean Air Act
EPA	United States Environmental Protection Agency
FTRs	Financial Transmission Rights
GAAP	United States Generally Accepted Accounting Principles
IRS	United States Internal Revenue Service
MISO	Midwest Independent Transmission System Operator, Inc.
N/A	Not Applicable
NOI	Notice of Intent
NOV	Notice of Violation
NYMEX	New York Mercantile Exchange
PSCW	Public Service Commission of Wisconsin
SEC	United States Securities and Exchange Commission
WDNR	Wisconsin Department of Natural Resources
WPS	Wisconsin Public Service Corporation
WRPC	Wisconsin River Power Company

Forward-Looking Statements

In this report, WPS and its subsidiary make statements concerning expectations, beliefs, plans, objectives, goals, strategies, and future events or performance. Such statements are "forward-looking statements" within the meaning of Section 21E of the Securities Exchange Act of 1934, as amended. Forward-looking statements are subject to assumptions and uncertainties; therefore, actual results may differ materially from those expressed or implied by such forward-looking statements. Although WPS and its subsidiary believe that these forward-looking statements and the underlying assumptions are reasonable, they cannot provide assurance that such statements will prove correct.

Forward-looking statements include, among other things, statements concerning management's expectations and projections regarding earnings, regulatory matters, fuel and natural gas costs, sources of electric energy supply, coal and natural gas deliveries, remediation costs, environmental expenditures, liquidity and capital resources, trends, estimates, completion of construction projects, and other matters.

Forward-looking statements involve a number of risks and uncertainties. Some risks that could cause results to differ from any forward-looking statement include those described in Item 1A of WPS's Annual Report on Form 10-K for the year ended December 31, 2010, as may be amended or supplemented in Part II, Item 1A of WPS's subsequently filed Quarterly Reports on Form 10-Q (including this report). Other risks and uncertainties include, but are not limited to:

- Resolution of pending and future rate cases and negotiations (including the recovery of deferred costs) and other regulatory decisions impacting WPS;
- The individual and cumulative impact of recent and future federal and state regulatory changes, including legislative and regulatory initiatives regarding deregulation and restructuring of the electric and natural gas utility industries; financial reform; health care reform; changes in environmental and other regulations, including but not limited to, greenhouse gas emissions, other environmental regulations impacting coal-fired generation facilities, energy efficiency mandates, renewable energy standards, and reliability standards; and changes in tax and other laws and regulations to which WPS and its subsidiary are subject;
- Current and future litigation and regulatory proceedings, enforcement actions or inquiries, including but not limited to, manufactured gas plant site cleanup, third-party intervention in permitting and licensing projects, and compliance with CAA requirements at generation plants;
- The impacts of changing financial market conditions, credit ratings, and interest rates on the liquidity and financing efforts of WPS and its subsidiary;
- The risks associated with changing commodity prices (particularly natural gas and electricity) and the available sources of fuel, natural gas, and purchased power, including their impact on margins, working capital, and liquidity requirements;
- Resolution of audits or other tax disputes with the IRS, Wisconsin Department of Revenue, Michigan Department of Treasury, or other revenue agencies;
- The effects, extent, and timing of additional competition or regulation in the markets in which WPS and its subsidiary operate;
- Investment performance of employee benefit plan assets and the related impact on future funding requirements;
- Changes in technology, particularly with respect to new, developing, or alternative sources of generation;
- Effects of and changes in political and legal developments, as well as economic conditions and the related impact on customer demand, including the ability to adequately forecast energy usage for customers;
- Potential business strategies, including acquisitions and construction or disposition of assets or businesses, which cannot be assured to be completed timely or within budgets;
- The direct or indirect effects of terrorist incidents, natural disasters, or responses to such events;
- The effectiveness of risk management strategies, the use of financial and derivative instruments, and the ability to recover costs from customers in rates associated with the use of those strategies and financial and derivative instruments;

- The risk of financial loss, including increases in bad debt expense, associated with the inability of WPS's and its subsidiary's counterparties, affiliates, and customers to meet their obligations;
- Customer usage, weather and other natural phenomena;
- Contributions to earnings by non-consolidated equity method and other investments, which may vary from projections;
- The effect of accounting pronouncements issued periodically by standard-setting bodies; and
- Other factors discussed elsewhere herein and in other reports filed by WPS and/or Integrys Energy Group from time to time with the SEC.

Except to the extent required by the federal securities laws, WPS and its subsidiary undertake no obligation to publicly update or revise any forward-looking statements, whether as a result of new information, future events, or otherwise.

PART I. FINANCIAL INFORMATION

Item 1. Financial Statements

WISCONSIN PUBLIC SERVICE CORPORATION

CONDENSED CONSOLIDATED STATEMENTS OF INCOME (Unaudited)	Three Months Ended March 31	
(Millions)	**2011**	**2010**
Operating revenues	**$441.8**	$467.0
Cost of fuel, natural gas, and purchased power	**217.6**	224.0
Operating and maintenance expense	**109.1**	112.1
Depreciation and amortization expense	**24.0**	28.6
Taxes other than income taxes	**12.3**	12.5
Operating income	**78.8**	89.8
Miscellaneous income	**2.9**	2.8
Interest expense	**(14.3)**	(13.7)
Other expense	**(11.4)**	(10.9)
Income before taxes	**67.4**	78.9
Provision for income taxes	**23.1**	30.6
Net income	**44.3**	48.3
Preferred stock dividend requirements	**0.8**	0.8
Net income attributed to common shareholder	**$43.5**	$47.5

The accompanying condensed notes are an integral part of these statements.

WISCONSIN PUBLIC SERVICE CORPORATION

CONDENSED CONSOLIDATED BALANCE SHEETS (Unaudited) (Millions)	March 31 2011	December 31 2010
Assets		
Cash and cash equivalents	**$5.9**	$71.4
Accounts receivable and accrued unbilled revenues, net of reserves of $3.6 and $3.1, respectively	**219.1**	203.9
Receivables from related parties	**6.5**	4.2
Inventories	**50.6**	70.4
Regulatory assets	**31.8**	46.0
Materials and supplies, at average cost	**28.8**	25.5
Prepaid federal income tax and taxes receivable	**77.7**	41.6
Prepaid gross receipts tax	**30.2**	39.3
Other current assets	**24.7**	25.8
Current assets	**475.3**	528.1
Property, plant, and equipment, net of accumulated depreciation of $1,234.6 and $1,213.8, respectively	**2,339.8**	2,345.7
Regulatory assets	**377.6**	379.0
Receivables from related parties	**13.5**	13.7
Goodwill	**36.4**	36.4
Other long-term assets	**84.8**	83.1
Total assets	**$3,327.4**	$3,386.0
Liabilities and Shareholders' Equity		
Short-term debt	**$34.1**	$10.0
Current portion long-term debt	**150.0**	150.0
Accounts payable	**98.0**	102.8
Payables to related parties	**13.1**	23.2
Regulatory liabilities	**26.0**	18.5
Other current liabilities	**56.2**	59.1
Current liabilities	**377.4**	363.6
Long-term debt to parent	**8.5**	8.6
Long-term debt	**721.2**	721.1
Deferred income taxes	**460.8**	427.9
Deferred investment tax credits	**9.0**	9.2
Regulatory liabilities	**257.6**	255.9
Environmental remediation liabilities	**75.7**	76.1
Pension and other postretirement benefit obligations	**165.4**	220.4
Payables to related parties	**8.4**	9.0
Other long-term liabilities	**100.6**	95.8
Long-term liabilities	**1,807.2**	1,824.0
Commitments and contingencies		
Preferred stock - $100 par value; 1,000,000 shares authorized; 511,882 shares issued and outstanding	**51.2**	51.2
Common stock - $4 par value; 32,000,000 shares authorized; 23,896,962 shares issued and outstanding	**95.6**	95.6
Additional paid-in capital	**553.4**	626.7
Retained earnings	**442.6**	424.9
Total liabilities and shareholders' equity	**$3,327.4**	$3,386.0

The accompanying condensed notes are an integral part of these statements.

WISCONSIN PUBLIC SERVICE CORPORATION

CONDENSED CONSOLIDATED STATEMENTS OF CAPITALIZATION (Unaudited) (Millions, except share amounts)			March 31 2011	December 31 2010
Common stock equity				
Common stock - $4 par value; 32,000,000 shares authorized;				
23,896,962 shares outstanding			**$95.6**	$95.6
Additional paid-in capital			**553.4**	626.7
Retained earnings			**442.6**	424.9
Total common stock equity			**1,091.6**	1,147.2
Preferred stock				
Cumulative; $100 par value; 1,000,000 shares authorized				
with no mandatory redemption -				
	Series	Shares Outstanding		
	5.00%	131,916	**13.2**	13.2
	5.04%	29,983	**3.0**	3.0
	5.08%	49,983	**5.0**	5.0
	6.76%	150,000	**15.0**	15.0
	6.88%	150,000	**15.0**	15.0
Total preferred stock			**51.2**	51.2
Long-term debt to parent				
	Series	Year Due		
	8.76%	2015	**3.4**	3.4
	7.35%	2016	**5.1**	5.2
Total long-term debt to parent			**8.5**	8.6
Long-term debt				
First Mortgage Bonds				
	Series	Year Due		
	7.125%	2023	**0.1**	0.1
Senior Notes				
	Series	Year Due		
	6.125%	2011	**150.0**	150.0
	4.875%	2012	**150.0**	150.0
	3.95%	2013	**22.0**	22.0
	4.80%	2013	**125.0**	125.0
	6.375%	2015	**125.0**	125.0
	5.65%	2017	**125.0**	125.0
	6.08%	2028	**50.0**	50.0
	5.55%	2036	**125.0**	125.0
Total First Mortgage Bonds and Senior Notes			**872.1**	872.1
Unamortized discount on long-term debt			**(0.9)**	(1.0)
Total			**871.2**	871.1
Current portion			**(150.0)**	(150.0)
Total long-term debt			**721.2**	721.1
Total capitalization			**$1,872.5**	**$1,928.1**

The accompanying condensed notes are an integral part of these statements.

WISCONSIN PUBLIC SERVICE CORPORATION

CONDENSED CONSOLIDATED STATEMENTS OF CASH FLOWS (Unaudited)	Three Months Ended March 31	
(Millions)	**2011**	**2010**
Operating Activities		
Net income	**$44.3**	$48.3
Adjustments to reconcile net income to net cash provided by operating activities		
Depreciation and amortization expense	**24.0**	28.6
Recoveries and refunds of regulatory assets and liabilities	**6.9**	2.9
Deferred income taxes and investment tax credit	**31.5**	18.9
Bad debt expense	**1.0**	0.9
Pension and other postretirement expense	**6.5**	7.1
Pension and other postretirement contributions	**(58.7)**	(0.4)
Other	**6.3**	(13.2)
Changes in working capital		
Collateral on deposit	**1.9**	(1.9)
Accounts receivable and accrued unbilled revenue	**(18.9)**	4.9
Inventories	**19.7**	24.5
Prepaid federal income taxes and taxes receivable	**(36.1)**	30.6
Other current assets	**9.7**	19.2
Accounts payable	**(12.9)**	(21.7)
Other current liabilities	**6.5**	(7.8)
Net cash provided by operating activities	**31.7**	140.9
Investing Activities		
Capital expenditures	**(20.5)**	(23.4)
Proceeds from sale of property, plant, and equipment	**0.6**	0.5
Other	**0.1**	0.7
Net cash used for investing activities	**(19.8)**	(22.2)
Financing Activities		
Short-term debt, net	**24.1**	(7.0)
Payments of long-term debt	**(0.1)**	(0.1)
Dividends to parent	**(25.6)**	(24.9)
Return of capital to parent	**(75.0)**	(15.0)
Preferred stock dividends	**(0.8)**	(0.8)
Net cash used for financing activities	**(77.4)**	(47.8)
Net change in cash and cash equivalents	**(65.5)**	70.9
Cash and cash equivalents at beginning of period	**71.4**	6.0
Cash and cash equivalents at end of period	**$5.9**	$76.9

The accompanying condensed notes are an integral part of these statements.

NOTE 1--FINANCIAL INFORMATION

The condensed consolidated financial statements of WPS have been prepared pursuant to the rules and regulations of the SEC for Quarterly Reports on Form 10-Q and in accordance with GAAP. Accordingly, these condensed consolidated financial statements do not include all of the information and footnotes required by GAAP for annual financial statements. These condensed consolidated financial statements should be read in conjunction with the consolidated financial statements and notes in the WPS Annual Report on Form 10-K for the year ended December 31, 2010.

The condensed consolidated financial statements are unaudited, but, in management's opinion, include all adjustments (which, unless otherwise noted, include only normal recurring adjustments) necessary for a fair presentation of such financial statements. Financial results for this interim period are not necessarily indicative of results that may be expected for any other interim period or for the year ending December 31, 2011.

NOTE 2--CASH AND CASH EQUIVALENTS

Short-term investments with an original maturity of three months or less are reported as cash equivalents.

The following is supplemental disclosure to the WPS Condensed Consolidated Statements of Cash Flows:

	Three Months Ended March 31	
(Millions)	**2011**	**2010**
Cash paid for interest	**$ 5.2**	$ 5.0
Cash paid (received) for income taxes	**31.6**	(28.6)

Construction costs funded through accounts payable and treated as noncash investing activities totaled $3.8 million and $4.4 million at March 31, 2011, and 2010, respectively.

NOTE 3--RISK MANAGEMENT ACTIVITIES

WPS uses derivative instruments to manage commodity costs. None of these derivatives are designated as hedges for accounting purposes. The derivatives include physical commodity contracts, FTRs used by the electric utility segment to manage electric transmission congestion costs, and NYMEX futures and options used by both the electric and natural gas utility segments to mitigate the risks associated with the market price volatility of natural gas costs, the costs of gasoline and diesel fuel used by WPS's utility vehicles, and the cost of coal transportation.

The following tables show WPS's assets and liabilities from risk management activities.

(Millions)	Balance Sheet Presentation *	March 31, 2011 Assets	Liabilities
FTRs	Other Current	**$0.8**	**$0.1**
Natural gas contracts	Other Current	**0.1**	**0.6**
Petroleum product contracts	Other Current	**0.8**	**-**
Coal contract	Other Current	**-**	**1.7**
Coal contract	Other Long-term	**-**	**3.2**
Total	**Other Current**	**$1.7**	**$2.4**
Total	**Other Long-term**	**$ -**	**$3.2**

* All derivatives are recognized on the balance sheet at their fair value unless they qualify for the normal purchases and sales exception. WPS continually assesses its contracts designated as normal and will discontinue the treatment of these contracts as normal if the required criteria are no longer met. Assets and liabilities from risk management activities are classified as current or long-term based upon the maturities of the underlying contracts.

(Millions)	Balance Sheet Presentation *	December 31, 2010 Assets	Liabilities
FTRs	Other Current	$2.2	$0.2
Natural gas contracts	Other Current	0.4	2.3
Petroleum product contracts	Other Current	0.3	-
Coal contract	Other Current	-	1.2
Coal contract	Other Long-term	3.7	-
Total	**Other Current**	$2.9	$3.7
Total	**Other Long-term**	$3.7	$ -

* All derivatives are recognized on the balance sheet at their fair value unless they qualify for the normal purchases and sales exception. WPS continually assesses its contracts designated as normal and will discontinue the treatment of these contracts as normal if the required criteria are no longer met. Assets and liabilities from risk management activities are classified as current or long-term based upon the maturities of the underlying contracts.

The table below shows the unrealized gains (losses) recorded related to derivatives at WPS.

(Millions)	Financial Statement Presentation	Three Months Ended March 31 2011	2010
FTRs	Balance Sheet – Regulatory assets (current)	**$0.1**	$0.8
FTRs	Balance Sheet – Regulatory liabilities (current)	**(1.1)**	(2.1)
Natural gas contracts	Balance Sheet – Regulatory assets (current)	**2.5**	(0.7)
Natural gas contracts	Balance Sheet – Regulatory assets (long-term)	**-**	(0.2)
Natural gas contracts	Balance Sheet – Regulatory liabilities (current)	**(0.1)**	(0.2)
Natural gas contracts	Income Statement – Cost of fuel, natural gas, and purchased power	**0.1**	-
Petroleum product contracts	Balance Sheet – Regulatory liabilities (current)	**0.4**	-
Petroleum product contracts	Income Statement – Operating and maintenance expense	**0.2**	-
Coal contract	Balance Sheet – Regulatory assets (current)	**(0.5)**	N/A
Coal contract	Balance Sheet – Regulatory assets (long-term)	**(3.2)**	N/A
Coal contract	Balance Sheet – Regulatory liabilities (long-term)	**(3.7)**	N/A

WPS had the following notional volumes of outstanding derivative contracts:

	March 31, 2011		December 31, 2010	
Commodity	Purchases	Other Transactions	Purchases	Other Transactions
Natural gas (millions of therms)	**19.0**	**N/A**	100.6	N/A
FTRs (millions of kilowatt-hours)	**N/A**	**2,199.2**	N/A	5,645.3
Petroleum products (barrels)	**28,896.0**	**N/A**	44,648.0	N/A
Coal contract (millions of tons)	**4.7**	**N/A**	4.9	N/A

The following table shows WPS's cash collateral positions:

(Millions)	March 31, 2011	December 31, 2010
Cash collateral provided to others	**$1.0**	$3.7

NOTE 4--SHORT-TERM DEBT AND LINES OF CREDIT

WPS's short-term borrowings consisted of sales of commercial paper and short-term notes.

(Millions, except percentages)	March 31, 2011	December 31, 2010
Commercial paper outstanding	**$24.1**	-
Average discount rate on outstanding commercial paper	**0.25%**	-
Short-term notes payable outstanding	**$10.0**	$10.0
Average interest rate on short-term notes payable outstanding	**0.31%**	0.32%

The commercial paper outstanding at March 31, 2011, matured on April 1, 2011.

The table below presents WPS's average amount of short-term borrowings outstanding based on daily outstanding balances during the quarters ended March 31:

(Millions)	2011	2010
Average amount of commercial paper outstanding	**$10.9**	$ 0.3
Average amount of short-term notes payable outstanding	**10.0**	10.0

WPS manages its liquidity by maintaining adequate external financing commitments. The information in the table below relates to WPS's short-term debt, lines of credit, and remaining available capacity:

(Millions)	Maturity	March 31, 2011	December 31, 2010
Revolving credit facility	04/23/13	**$115.0**	$115.0
Revolving short-term notes payable	05/13/11	**10.0**	10.0
Total short-term credit capacity		**$125.0**	$125.0
Less:			
Letters of credit issued inside credit facilities		**$ 0.2**	$ 0.2
Loans outstanding under credit agreements and notes payable		**10.0**	10.0
Commercial paper outstanding		**24.1**	-
Available capacity under existing agreements		**$ 90.7**	$114.8

At March 31, 2011, WPS was in compliance with all financial covenants related to outstanding short-term debt. WPS's revolving credit agreement contains financial and other covenants, including but not limited to, a requirement to maintain a debt to total capitalization ratio not to exceed 65%, excluding non-recourse debt. Failure to meet these covenants beyond applicable grace periods could result in accelerated due dates and/or termination of the agreement.

NOTE 5--INCOME TAXES

WPS's effective tax rate for the quarters ended March 31, 2011, and 2010, was 34.3% and 38.8%, respectively.

WPS calculates its provision for income taxes based on an interim effective tax rate that reflects its projected annual effective tax rate before certain discrete items.

The effective tax rate for the quarter ended March 31, 2011, was lower than the federal tax rate of 35%, primarily due to wind production tax credits, partially offset by state income taxes.

The effective tax rate for the quarter ended March 31, 2010, was higher than the federal tax rate of 35%, primarily due to the elimination of the tax deduction for employer-paid postretirement prescription drug charges, to the extent those charges will be offset by the receipt of a federal Medicare Part D subsidy, as mandated in the federal Patient Protection and Affordable Care Act and Health Care and Education Reconciliation Act of 2010 (HCR). As a result of the legislation, WPS expensed $4.5 million of deferred income tax benefits during the first quarter of 2010, which were previously recognized as a reduction to the provision for income taxes. Also contributing to the higher effective tax rate in 2010 as compared with the federal tax rate of 35% was the impact of state income taxes. These increases were partially offset by wind production tax credits.

For the quarter ended March 31, 2011, there was not a significant change in WPS's liability for unrecognized tax benefits.

NOTE 6--COMMITMENTS AND CONTINGENCIES

Commodity Purchase Obligations and Purchase Order Commitments

WPS routinely enters into long-term purchase and sale commitments that have various quantity requirements and durations. WPS has obligations to distribute and sell electricity and natural gas to its customers and expects to recover costs related to these obligations in future customer rates.

The obligations described below were as of March 31, 2011.

- WPS's electric utility segment had obligations of $174.4 million related to coal supply and transportation that extend through 2016, obligations of $1,056.5 million for either capacity or energy related to purchased power that extend through 2030, and obligations of $5.4 million for other commodities that extend through 2013.
- WPS's natural gas utility segment had obligations of $373.2 million related to natural gas supply and transportation contracts that extend through 2024.
- WPS also had commitments of $261.3 million in the form of purchase orders issued to various vendors that relate to normal business operations, including construction projects.

Environmental

CAA New Source Review Issues

Weston and Pulliam Plants:
In 2009, the EPA issued an NOV to WPS alleging violations of the CAA's New Source Review requirements pertaining to certain projects undertaken at the Weston and Pulliam generation stations from 1994 to 2009. WPS continues to meet with the EPA and exchange proposals related to a possible resolution. WPS continues to review the allegations but is currently unable to predict the impact on its consolidated financial statements.

On May 20, 2010, WPS received from the Sierra Club an NOI to file a civil lawsuit based on allegations and violations of the CAA at Weston and Pulliam. WPS entered into a Standstill Agreement with the

Sierra Club and has had discussions related to a possible resolution with the Sierra Club in conjunction with the EPA. However, WPS is currently unable to predict the impact on its consolidated financial statements.

Columbia Plant:
In 2009, WPS, along with its co-owners, received from the Sierra Club an NOI to file a civil lawsuit based on allegations that major modifications were made at the Columbia generation station without complying with the CAA. The allegations suggest that Prevention of Significant Deterioration (PSD) permits that imposed BACT limits on emissions from the facility should have been obtained for Columbia.

In September 2010, the Sierra Club filed suit against Wisconsin Power and Light (WP&L), the operator of the Columbia plant, in the Federal District Court for the Western District of Wisconsin, alleging that WP&L violated the CAA with respect to its operation of the Columbia generation station and the Nelson E. Dewey generation station. The parties have entered into a confidentiality agreement and have stayed the proceeding until June 11, 2011, to allow the Sierra Club to participate in settlement negotiations with the EPA, WP&L, and the other co-owners of the Columbia and Edgewater plants, as discussed below. WPS is currently unable to predict the impact on its consolidated financial statements.

Edgewater Plant:
In 2009, WPS, along with its co-owners, received from the Sierra Club a copy of an NOI to file a civil lawsuit against the EPA due to the EPA's failure to take actions against the co-owners and operator of the Edgewater generation station based upon allegations of failure to comply with the CAA. The allegations suggest that PSD permits that imposed BACT limits on emissions from the facility should have been obtained for Edgewater. WP&L is the operator of Edgewater. WPS is currently unable to predict the impact on its consolidated financial statements.

Also in 2009, WPS, along with its co-owners, received from the Sierra Club an NOI to file a civil lawsuit based on allegations that major modifications were made at the Edgewater generation station without complying with the CAA. The allegations suggest that PSD permits that imposed BACT limits on emissions from the facility should have been obtained for Edgewater.

In September 2010, the Sierra Club filed suit against WP&L in the Federal District Court for the Eastern District of Wisconsin, alleging that WP&L violated the CAA with respect to its operation of the Edgewater generation station. The parties have entered into a confidentiality agreement and have stayed the proceeding until May 25, 2011, to allow the Sierra Club to participate in settlement negotiations with the EPA, WP&L, and the other co-owners of the Columbia and Edgewater plants, as discussed below. WPS is currently unable to predict the impact on its consolidated financial statements.

Columbia and Edgewater Plants:
In 2009, the EPA issued an NOV to WP&L relative to its Nelson E. Dewey generation station and to WP&L and the other joint owners of the Columbia and Edgewater generation stations alleging violations of the CAA's New Source Review requirements pertaining to certain projects undertaken at those plants. WP&L is the operator of these plants and, along with the joint owners, exchanged proposals with the EPA related to a possible resolution. WPS is currently unable to predict the impact on its consolidated financial statements.

EPA Settlements with Other Utilities:
In response to the EPA's CAA enforcement initiative, several utilities elected to settle with the EPA, while others are in litigation. The fines, penalties, and costs of supplemental environmental projects associated with settlements involving comparably-sized facilities to Weston and Pulliam range between $7 million and $30 million. The regulatory interpretations upon which the lawsuits or settlements are based may change depending on future court decisions made in the pending litigation.

If it were determined that historic projects at the Weston, Pulliam, Columbia, and Edgewater generation stations required either a state or federal CAA permit, WPS may, under the applicable statutes, be required to:

- shut down any unit found to be operating in non-compliance,
- install additional pollution control equipment and/or impose emission limitations,
- pay a fine, and/or
- conduct a supplemental environmental project.

In addition, under the CAA, citizen groups may pursue a claim.

Weston Air Permits

Sierra Club Weston 4 Construction Permit Petitions:
From 2004 to 2009, the Sierra Club filed various petitions related to the construction permit issued for the Weston 4 generation station, all of which were denied. On June 24, 2010, the Wisconsin Court of Appeals affirmed the Weston 4 air permit, but directed the WDNR to reopen the permit to establish specific visibility limits. WPS is working with the WDNR and the Sierra Club to resolve this issue. In July 2010, the WDNR, WPS, and the Sierra Club filed Petitions for Review with the Wisconsin Supreme Court. WPS and the WDNR objected to the Sierra Club's Petition. On March 15, 2011, the Wisconsin Supreme Court denied all petitions for review. Other than the specific visibility limits issue, all other challenges to the permit are now resolved.

Weston Title V Permit:
On November 29, 2010, the WDNR provided a draft revised permit. WPS objected to proposed changes in the mercury limits and the requirements on the boiler as beyond the authority of the WDNR, and provided technical comments. WPS and the WDNR continue to meet to resolve these issues.

WDNR Issued NOVs:
Since 2008, WPS has received four NOVs from the WDNR alleging various violations of the air permits for the Weston site, Weston 4, Weston 1 and Weston 2, and one NOV for a clerical error involving pages missing from a quarterly report for Weston. Corrective actions have been taken for the events in the five NOVs. Discussions with the WDNR on the severity classification of the events continue. While management believes it is likely that the WDNR will refer the NOVs to the state Justice Department for enforcement, management does not believe that these matters will have a material adverse impact on the consolidated financial statements of WPS.

Other:
In 2006, it came to the attention of WPS that previous ambient air quality computer modeling done by the WDNR for the Weston facility (and other nearby air sources) did not take into account the emissions from the existing Weston 3 facility for purposes of evaluating air quality increment consumption under the required PSD. WPS believes it completed corrective measures to address any identified modeling issues and anticipates issuance of a revised Title V permit that will resolve this issue. WPS currently is not able to make a final determination of the probable cost impact of this issue, if any, on its consolidated financial statements.

Pulliam Air Permit

The renewal of the Title V air permit for the Pulliam generation station was issued by the WDNR in April 2009. On June 28, 2010, the EPA issued an order directing the WDNR to respond to the comments raised by the Sierra Club in its Petition objecting to the Title V permit, which was filed in June 2009. WPS has been working with the WDNR to address the order.

WPS also challenged the Title V permit in a contested case proceeding and Petition for Judicial Review. The Petition was dismissed in an order remanding the matter to the WDNR and on February 11, 2011, the WDNR granted a contested case proceeding on the issues raised by WPS, which included averaging times in the emission limits in the permit. WPS is participating in the contested case proceeding and a hearing has been set for August 31, 2011.

On October 22, 2010, WPS received from the Sierra Club a copy of an NOI to file a civil lawsuit against the EPA based on what the Sierra Club alleges to be the EPA's unreasonable delay in performing its duties related to the grant or denial of the Title V permit. WPS is reviewing all these allegations but is currently unable to predict the impact on its consolidated financial statements.

Columbia Air Permit

In 2009, the EPA issued an order objecting to the Title V air permit renewal issued by the WDNR for the Columbia generation station. The order determined that a project in 2006 should have been permitted as a "major modification." The order directed the WDNR to resolve the EPA's objections within 90 days and "terminate, modify, or revoke and reissue" the Title V permit accordingly.

On July 14, 2010, WPS, along with its co-owners, received from the Sierra Club a copy of an NOI to file a civil lawsuit against the EPA based on what the Sierra Club alleges to be the EPA's unreasonable delay in performing its duties related to the granting or denial of the Title V permit. The Sierra Club alleges that the EPA failed to take actions against the WDNR for its failure to take action regarding the Title V permit as ordered by the EPA.

On September 22, 2010, the WDNR issued a draft construction permit and a draft revised Title V permit. The co-owners submitted comments on these draft permits. In correspondence dated November 24, 2010, the EPA notified the WDNR that the EPA does not believe the WDNR's proposal is responsive to the order and requested a response from the WDNR. On January 24, 2011, the WDNR issued a letter stating that upon review of the submitted public comments, the WDNR has determined not to issue the draft construction permit and draft revised Title V permit that were proposed to respond to the EPA's order. The Sierra Club filed a declaratory action on February 26, 2011, alleging that the WDNR had lost jurisdiction to the EPA based upon the WDNR's actions. On March 8, 2011, the parties were granted a 90-day stay in the proceedings to seek an alternate resolution. WPS is currently monitoring this situation with WP&L. While WPS believes the previously issued air permit is still valid, WPS is currently unable to predict the outcome of this matter and the impact on its consolidated financial statements.

Mercury and Interstate Air Quality Rules

Mercury

The State of Wisconsin's mercury rule, Chapter NR 446, requires a 40% reduction from the 2002 through 2004 baseline mercury emissions in Phase I, beginning January 1, 2010, through the end of 2014. In Phase II, which begins in 2015, electric generating units above 150 megawatts will be required to reduce mercury emissions by 90%. Reductions can be phased in and the 90% target delayed until 2021 if additional sulfur dioxide and nitrogen oxide reductions are implemented. By 2015, electric generating units above 25 megawatts but less than 150 megawatts must reduce their mercury emissions to a level defined by the BACT rule. As of March 31, 2011, WPS estimates capital costs of approximately $19 million, which includes estimates for both wholly owned and jointly owned plants, to achieve the required Phase I and Phase II reductions. The capital costs are expected to be recovered in future rate cases. In March 2011, the EPA issued a draft rule that will regulate emissions of mercury and other hazardous air pollutants. A final rule is expected in November 2011.

Sulfur Dioxide and Nitrogen Oxide

The EPA issued the Clean Air Interstate Rule (CAIR) in 2005 in order to reduce sulfur dioxide and nitrogen oxide emissions from utility boilers located in 29 states, including Wisconsin and Michigan. Subsequently, the United States Court of Appeals (Court of Appeals) issued a decision vacating CAIR, which the EPA appealed, and in 2008, the Court of Appeals reinstated CAIR. The Court of Appeals directed the EPA to address the deficiencies noted in its ruling to vacate CAIR, and the EPA issued a draft CAIR replacement rule for comment on July 6, 2010. The State of Wisconsin's rule to implement CAIR, which incorporates the cap and trade approach, was forwarded to the EPA for final review.

As a result of the Court of Appeals' decision, CAIR is in place for 2011. WPS has not acquired any nitrogen oxide allowances for 2011 and beyond other than those allocated by the EPA and does not expect any material impact as a result of the vacatur and subsequent reinstatement of CAIR. WPS will continue to evaluate the impacts of any subsequent rulemaking.

Due to the reinstatement of CAIR, units affected by the Best Available Retrofit Technology (BART) rule are considered in compliance with BART for sulfur dioxide and nitrogen oxide emissions. Although particulate emissions also contribute to visibility impairment, the WDNR's modeling has shown the impairment to be so insignificant that additional capital expenditures on controls are not warranted.

For planning purposes, it is still assumed that additional sulfur dioxide and nitrogen oxide controls will be needed on existing units. The installation of any controls will need to be scheduled as part of WPS's long-term maintenance plan for its existing units. As such, controls may need to be installed before 2015. On a preliminary basis, and assuming controls are still required, WPS estimates capital costs of approximately $437 million, which includes estimates for both wholly owned and WPS's share of jointly owned plants, in order to meet an assumed 2015 compliance date. This estimate is based on costs of current control technology and current information regarding the final state and federal rules. The capital costs are anticipated to be recovered in future rate cases.

Manufactured Gas Plant Remediation

WPS operated facilities in the past at multiple sites for the purpose of manufacturing and storing manufactured gas. In connection with manufacturing and storing manufactured gas, waste materials were produced that may have resulted in soil and groundwater contamination at these sites. Under certain laws and regulations relating to the protection of the environment, WPS is required to undertake remedial action with respect to some of these materials and is coordinating the investigation and cleanup of the sites subject to EPA jurisdiction under what is called a "multi-site" program. This program involves prioritizing the work to be done at the sites, preparation and approval of documents common to all of the sites, and utilization of a consistent approach in selecting remedies.

WPS is responsible for the environmental remediation of ten manufactured gas plant sites, of which seven have been transferred to the EPA Superfund Alternative Sites Program. Under the EPA's program, the remedy decisions at these sites will be based on risk-based criteria typically used at Superfund sites. As of March 31, 2011, WPS estimated and accrued for $75.7 million of future undiscounted investigation and cleanup costs for all sites. WPS may adjust these estimates in the future, contingent upon remedial technology, regulatory requirements, remedy determinations, and any claims of natural resource damages. As of March 31, 2011, WPS recorded a regulatory asset of $72.8 million, which is net of insurance recoveries received of $22.2 million, related to the expected recovery of both cash expenditures and estimated future expenditures. Under current PSCW policies, WPS may not recover carrying costs associated with the cleanup expenditures.

Management believes that any costs incurred for environmental activities relating to former manufactured gas plant operations that are not recoverable through contributions from other entities or from insurance carriers have been prudently incurred and are, therefore, recoverable through rates. Accordingly, management believes that these costs will not have a material adverse effect on the consolidated financial statements of WPS. However, any changes in the approved rate mechanisms for recovery of these costs, or any adverse conclusions by the various regulatory commissions with respect to the prudence of costs actually incurred, could materially adversely affect rate recovery of such costs.

Greenhouse Gases

WPS is evaluating both the technical and cost implications that may result from future state, regional, or federal greenhouse gas regulatory programs. This evaluation indicates it is probable that any regulatory program which caps emissions or imposes a carbon tax will increase costs for WPS and its customers. The greatest impact is likely to be on fossil fuel-fired generation, with a less significant impact on natural gas storage and distribution operations. Efforts are underway within the utility industry to find a feasible method for capturing carbon dioxide from pulverized coal-fired units and to develop cleaner ways to burn coal.

The EPA began regulating greenhouse gas emissions under the CAA in January 2011, by applying the BACT requirements associated with the New Source Review program to new and modified larger greenhouse gas emitters. Technology to remove and sequester greenhouse gas emissions is not commercially available at scale; hence, the EPA issued guidance that defines BACT in terms of improvements in energy efficiency as opposed to relying on pollution control equipment. In December 2010, the EPA announced its intent to develop new source performance standards for greenhouse gas emissions for new and modified, as well as existing, electric utility steam generating units. The EPA plans to propose standards in 2011 and finalize standards in 2012. Efforts have been initiated to develop state and regional greenhouse gas programs, to create federal legislation to limit carbon dioxide emissions, and to create national or state renewable portfolio standards. Currently there is no applicable federal or state legislation pending that specifically addresses greenhouse gas emissions.

A risk exists that such legislation or regulation will increase the cost of producing energy utilizing fossil fuels. However, WPS believes the capital expenditures being made at its generation units are appropriate under any reasonable mandatory greenhouse gas program and that future expenditures related to control of greenhouse gas emissions or renewable portfolio standards by WPS will be recoverable in rates. WPS will continue to monitor and manage potential risks and opportunities associated with future greenhouse gas legislative or regulatory actions.

NOTE 7--GUARANTEES

The following table shows outstanding guarantees at WPS:

(Millions)	Total Amounts Committed at March 31, 2011	Less Than 1 Year	Over 1 Year
Standby letters of credit [1]	**$0.3**	$0.3	$ -
Other guarantee [2]	**0.5**	-	0.5
Total guarantees	**$0.8**	$0.3	$0.5

(1) At WPS's request, financial institutions have issued standby letters of credit for the benefit of third parties that have extended credit to WPS. These amounts are not reflected on the Condensed Consolidated Balance Sheets.

(2) Issued for workers compensation coverage in Michigan. This amount is not reflected on the Condensed Consolidated Balance Sheets.

NOTE 8--EMPLOYEE BENEFIT PLANS

The following table shows the components of WPS's net periodic benefit cost for the three months ended March 31:

	Pension Benefits		Other Postretirement Benefits	
(Millions)	**2011**	**2010**	**2011**	**2010**
Service cost	**$ 3.2**	$2.7	**$1.8**	$1.7
Interest cost	**9.2**	9.2	**3.9**	3.7
Expected return on plan assets	**(11.5)**	(9.7)	**(3.6)**	(3.5)
Amortization of transition obligation	**-**	-	**0.1**	-
Amortization of prior service cost (credit)	**1.2**	1.2	**(0.9)**	(0.9)
Amortization of net actuarial loss	**2.2**	1.4	**0.9**	0.5
Regulatory deferral *	**-**	1.1	**-**	(0.3)
Net periodic benefit cost	**$ 4.3**	$5.9	**$2.2**	$1.2

* The PSCW authorized WPS to recover its net increased 2009 pension costs and to refund its net decreased 2009 other postretirement benefit costs as part of the limited rate case re-opener for 2010. Amortization and recovery/refund of these costs occurred in 2010.

WPS records transition obligations, prior service costs (credits), and net actuarial losses that have not yet been recognized as a component of net periodic benefit cost as net regulatory assets.

Contributions to the plans are made in accordance with legal and tax requirements and do not necessarily occur evenly throughout the year. For the three months ended March 31, 2011, $58.6 million of contributions were made to the pension plans, and contributions made to the other postretirement benefit plans were not significant. WPS expects to contribute an additional $3.7 million to its pension plans and $10.9 million to its other postretirement benefit plans during the remainder of 2011, dependent upon various factors affecting WPS, including its liquidity position and the impact of tax law changes.

NOTE 9--VARIABLE INTEREST ENTITIES

WPS has a variable interest in an entity through a power purchase agreement relating to the cost of fuel. This agreement contains a tolling arrangement in which WPS supplies the scheduled fuel and purchases capacity and energy from the facility. This contract expires in 2016. As of March 31, 2011 and December 31, 2010, WPS had approximately 500 megawatts of capacity available under this agreement.

WPS evaluated this variable interest entity for possible consolidation. In this case, WPS has considered which interest holder has the power to direct the activities that most significantly impact the economics of the variable interest entity; this interest holder is considered the primary beneficiary of the entity and is required to consolidate the entity. For a variety of reasons, including qualitative factors such as the length of the remaining term of the contracts compared with the remaining lives of the plants and the fact that WPS does not have the power to direct the operations and maintenance of the facilities, WPS determined it is not the primary beneficiary of this variable interest entity.

At March 31, 2011, the assets and liabilities on the Condensed Consolidated Balance Sheets that related to the involvement with this variable interest entity pertained to working capital accounts and represented the amounts owed by WPS for current deliveries of power. WPS has not provided or guaranteed any debt or equity support, liquidity arrangements, performance guarantees, or other commitments associated with this contract. There is no significant potential exposure to loss as a result of its involvement with the variable interest entity.

NOTE 10--FAIR VALUE

Fair Value Measurements

The following tables show WPS's assets and liabilities that were accounted for at fair value on a recurring basis, categorized by level within the fair value hierarchy.

	March 31, 2011			
(Millions)	**Level 1**	**Level 2**	**Level 3**	**Total**
Risk management assets				
FTRs	**$ -**	**$ -**	**$0.8**	**$0.8**
Natural gas contracts	**0.1**	**-**	**-**	**0.1**
Petroleum products contracts	**0.8**	**-**	**-**	**0.8**
Total	**$0.9**	**$ -**	**$0.8**	**$1.7**
Risk management liabilities				
FTRs	**$ -**	**$ -**	**$0.1**	**$0.1**
Natural gas contracts	**0.6**	**-**	**-**	**0.6**
Coal contract	**-**	**-**	**4.9**	**4.9**
Total	**$0.6**	**$ -**	**$5.0**	**$5.6**

	December 31, 2010			
(Millions)	**Level 1**	**Level 2**	**Level 3**	**Total**
Risk management assets				
FTRs	$ -	$ -	$2.2	$2.2
Natural gas contracts	0.4	-	-	0.4
Petroleum products contracts	0.3	-	-	0.3
Coal contract	-	-	3.7	3.7
Total	$0.7	$ -	$5.9	$6.6
Risk management liabilities				
FTRs	$ -	$ -	$0.2	$0.2
Natural gas contracts	2.3	-	-	2.3
Coal contract	-	-	1.2	1.2
Total	$2.3	$ -	$1.4	$3.7

The risk management assets and liabilities listed in the tables include NYMEX futures and options, as well as financial contracts used to manage transmission congestion costs in the MISO market. NYMEX contracts are valued using the NYMEX end-of-day settlement price, which is a Level 1 input. The valuation for FTRs is derived from historical data from MISO, which is considered a Level 3 input. For more information on WPS's derivative instruments, see Note 3, "*Risk Management Activities.*" There were no transfers between the levels of the fair value hierarchy during the three months ended March 31, 2011.

The following tables set forth a reconciliation of changes in the fair value of items categorized as Level 3 measurements:

	Three Months Ended March 31, 2011		
(Millions)	**FTRs**	**Coal Contract**	**Total**
Balance at the beginning of period	**$2.0**	**$2.5**	**$4.5**
Net realized loss included in earnings	**(0.2)**	**-**	**(0.2)**
Net unrealized loss recorded as regulatory assets or liabilities	**(1.0)**	**(7.0)**	**(8.0)**
Net purchases	**-**	**-**	**-**
Net sales	**(0.1)**	**-**	**(0.1)**
Net settlements	**-**	**(0.4)**	**(0.4)**
Balance at the end of period	**$0.7**	**$(4.9)**	**$(4.2)**

	Three Months Ended March 31, 2010
(Millions)	**FTRs**
Balance at the beginning of period	$3.1
Net realized loss included in earnings	(0.3)
Net unrealized loss recorded as regulatory assets or liabilities	(2.0)
Net purchases and settlements	0.5
Balance at the end of period	$1.3

Unrealized gains and losses on FTRs and the coal contract are deferred as regulatory assets or liabilities. Therefore, these fair value measurements have no impact on earnings. Realized gains and losses on FTRs, as well as the related transmission congestion costs, are recorded in cost of fuel, natural gas, and purchased power on the Condensed Consolidated Statements of Income.

Fair Value of Financial Instruments

The following table shows the financial instruments included on WPS's Condensed Consolidated Balance Sheets that are not recorded at fair value.

	March 31, 2011		December 31, 2010	
(Millions)	**Carrying Amount**	**Fair Value**	**Carrying Amount**	**Fair Value**
Long-term debt	**$871.2**	**$912.9**	$871.1	$924.3
Preferred stock	**51.2**	**49.4**	51.2	46.9

The fair values of long-term debt are estimated based on the quoted market price for the same or similar issues, or on the current rates offered to WPS for debt of the same remaining maturity. The fair values of preferred stock are estimated based on quoted market prices when available, or by using a perpetual dividend discount model.

Due to the short-term nature of cash and cash equivalents, accounts receivable, accounts payable, notes payable, and outstanding commercial paper, the carrying amount for each such item approximates fair value.

NOTE 11--MISCELLANEOUS INCOME

WPS's total miscellaneous income was as follows:

(Millions)	Three Months Ended March 31 2011	2010
Equity earnings on investments	**$2.6**	$2.7
Other	**0.3**	0.1
Total miscellaneous income	**$2.9**	$2.8

NOTE 12--REGULATORY ENVIRONMENT

Wisconsin

2011 Rates

On January 13, 2011, the PSCW issued a final written order for WPS authorizing an electric rate increase of $21.0 million calculated on a per unit basis. However, the rate order assumed declining sales volumes, which results in lower total revenues and margins. The $21.0 million included $20.0 million of recovery of prior deferrals, the majority of which relates to the recovery of the 2009 electric decoupling deferral, and excluded the impact of a $15.2 million estimated fuel refund (including carrying costs) from 2010. The PSCW rate order also required an $8.3 million decrease in natural gas rates, which included $7.1 million of recovery for the 2009 decoupling deferral, resulting in lower natural gas revenues and margins. The new rates reflect a 10.30% return on common equity, down from a 10.90% return on common equity in the previous rate order, and a common equity ratio of 51.65% in WPS's regulatory capital structure.

The order also addressed the new Wisconsin electric fuel rule, which was finalized on March 1, 2011. The new fuel rule is effective retroactive to January 1, 2011, and requires the deferral of under-recovered and over-recovered fuel and purchased power costs that exceed a 2% price variance from the cost of fuel and purchased power included in rates. Under-collections and over-collections deferred in the current year will be recovered or refunded in a future rate proceeding. As of March 31, 2011, no amounts were deferred.

On May 2, 2011, WPS filed a rate reopener with the PSCW for limited items, and requested an electric rate increase of $33.7 million and a natural gas rate increase of $1.1 million, to be effective January 1, 2012.

2010 Rates

On December 22, 2009, the PSCW issued a final written order for WPS authorizing an electric rate increase of $18.2 million, offset by an $18.2 million refund of 2009 and 2008 fuel cost over-collections, and a retail natural gas rate increase of $13.5 million, effective January 1, 2010. Based on an order issued on April 1, 2010, the remaining $10.0 million of the total 2008 and 2009 fuel cost over-collections, plus interest of $1.3 million, were refunded to customers in April and May 2010, and the 2010 fuel cost over-collections were made subject to refund as of that date. As of March 31, 2011, the balance of the 2010 fuel cost over-collections to be refunded to customers throughout 2011 was $12.4 million, which was recorded as a short-term regulatory liability.

NOTE 13--SEGMENTS OF BUSINESS

At March 31, 2011, WPS reported three segments. WPS manages its reportable segments separately due to their different operating and regulatory environments. Its principal business segments are the regulated electric utility operations and the regulated natural gas utility operations. The other segment includes nonutility activities, including equity earnings from WPS's investments in WRPC and WPS Investments, LLC, which holds an interest in ATC.

The table below presents information for the respective periods pertaining to WPS's reportable segments:

(Millions)	Regulated Utilities Electric Utility	Regulated Utilities Natural Gas Utility	Regulated Utilities Total Utility	Other	Reconciling Eliminations	WPS Consolidated
Three Months Ended March 31, 2011						
Operating revenues	**$293.4**	**$150.3**	**$443.7**	**$0.4**	**$(2.3)**	**$441.8**
Depreciation and amortization expense	**20.3**	**3.7**	**24.0**	**0.1**	**(0.1)**	**24.0**
Miscellaneous income (expense)	**0.1**	**(0.1)**	**-**	**2.9**	**-**	**2.9**
Interest expense	**11.1**	**2.6**	**13.7**	**0.6**	**-**	**14.3**
Provision for income taxes	**10.1**	**12.2**	**22.3**	**0.8**	**-**	**23.1**
Preferred stock dividend requirements	**0.6**	**0.2**	**0.8**	**-**	**-**	**0.8**
Net income attributed to common shareholder	**22.3**	**19.5**	**41.8**	**1.7**	**-**	**43.5**
Three Months Ended March 31, 2010						
Operating revenues	$305.5	$161.4	$466.9	$0.5	$(0.4)	$467.0
Depreciation and amortization expense	22.8	5.8	28.6	0.1	(0.1)	28.6
Miscellaneous income	0.1	-	0.1	2.7	-	2.8
Interest expense	10.0	2.6	12.6	1.1	-	13.7
Provision for income taxes	15.6	14.7	30.3	0.3	-	30.6
Preferred stock dividend requirements	0.6	0.2	0.8	-	-	0.8
Net income attributed to common shareholder	24.7	21.3	46.0	1.5	-	47.5

Item 2. Management's Discussion and Analysis of Financial Condition and Results of Operations

The following discussion should be read in conjunction with the accompanying condensed consolidated financial statements and related notes and WPS's Annual Report on Form 10-K for the year ended December 31, 2010.

SUMMARY

WPS, a wholly owned subsidiary of Integrys Energy Group, Inc., is a regulated electric and natural gas utility. WPS derives revenues primarily from the distribution and sale of electricity and natural gas to retail customers. WPS also provides wholesale electric service to numerous utilities and cooperatives for resale.

RESULTS OF OPERATIONS

Earnings Summary

(Millions)	Three Months Ended March 31 2011	2010	Change in 2011 Over 2010
Electric utility operations	**$22.3**	$24.7	(9.7)%
Natural gas utility operations	**19.5**	21.3	(8.5)%
Other operations	**1.7**	1.5	13.3 %
Net income attributed to common shareholder	**$43.5**	$47.5	(8.4)%

First Quarter 2011 Compared with First Quarter 2010

WPS recognized net income attributed to common shareholder of $43.5 million for the quarter ended March 31, 2011, compared with $47.5 million for the same quarter in 2010. This $4.0 million decrease in earnings was driven by a combined $11.2 million after-tax decrease in electric and natural gas margins, partially offset by decreased operating expenses of $4.6 million after tax, primarily due to decreased depreciation expense caused by lower depreciation rates approved by the PSCW and lower labor costs due to recent cost management efforts.

Regulated Electric Utility Segment Operations

(Millions, except heating degree days)	Three Months Ended March 31 2011	2010	Change in 2011 Over 2010
Revenues	**$293.4**	$305.5	(4.0)%
Fuel and purchased power costs	**126.6**	128.0	(1.1)%
Margins	**166.8**	177.5	(6.0)%
Operating and maintenance expense	**91.5**	92.9	(1.5)%
Depreciation and amortization expense	**20.3**	22.8	(11.0)%
Taxes other than income taxes	**11.0**	11.0	- %
Operating income	**44.0**	50.8	(13.4)%
Miscellaneous income	**0.1**	0.1	- %
Interest expense	**(11.1)**	(10.0)	11.0 %
Other expense	**(11.0)**	(9.9)	11.1 %
Income before taxes	**$ 33.0**	$ 40.9	(19.3)%
Sales in kilowatt-hours			
Residential	**739.6**	719.1	2.9 %
Commercial and industrial	**1,924.6**	1,894.7	1.6 %
Wholesale	**1,045.3**	1,167.1	(10.4)%
Other	**9.5**	9.7	(2.1)%
Total sales in kilowatt-hours	**3,719.0**	3,790.6	(1.9)%
Weather			
Heating degree days	**3,892**	3,444	13.0 %

First Quarter 2011 Compared with First Quarter 2010

Revenues

Regulated electric utility segment revenues decreased $12.1 million quarter over quarter, driven by:

- An approximate $7 million quarter-over-quarter decrease in revenues primarily due to a decrease in revenues from the previous rate order, which is the result of a lower authorized return on common equity, lower rate base, and other reduced costs reflected in the current rate order. In addition, the current rate order reflected customer growth that did not materialize, which impacts the decoupling mechanism.

- An approximate $6 million decrease in market sales driven by a combination of lower natural gas prices, which lowered MISO prices for electricity, and higher production costs for certain WPS coal-fired generation plants due to increased railroad transportation costs for coal that became effective in 2011. Market sales do not impact margins, as the revenues from these sales are used to reduce fuel and purchased power costs recovered through the power supply cost recovery mechanism.

Margins

Regulated electric utility segment margins decreased $10.7 million quarter over quarter, driven by:

- An approximate $8 million quarter-over-quarter decrease in margins primarily due to a decrease in revenues from the previous rate order, which is the result of a lower authorized return on common equity, lower rate base, and other reduced costs reflected in the current rate order. In addition, the current rate order reflected customer growth that did not materialize, which impacts the decoupling mechanism.

- An approximate $3 million decrease in margins driven by higher quarter-over-quarter fuel and purchased power costs related to retail sales.

Operating Income

Operating income at the regulated electric utility segment decreased $6.8 million quarter over quarter, driven by the $10.7 million decrease in electric margins, partially offset by a $3.9 million decrease in operating expenses.

The decrease in operating expenses was the result of:

- A $2.5 million decrease in depreciation and amortization expense, primarily related to lower software amortization and lower depreciation rates approved by the PSCW effective January 1, 2011.

- A $1.7 million decrease in labor costs as a result of the reduction in workforce implemented as a part of previously announced cost management efforts.

- These decreases were partially offset by a $1.1 million increase in customer assistance expense related to payments made to the Focus on Energy program, which aims to help residents and businesses install cost-effective, energy efficient, and renewable energy products.

Regulated Natural Gas Utility Segment Operations

(Millions, except heating degree days)	Three Months Ended March 31 2011	2010	Change in 2011 Over 2010
Revenues	**$150.3**	$161.4	(6.9)%
Natural gas purchased for resale	**93.1**	96.2	(3.2)%
Margins	**57.2**	65.2	(12.3)%
Operating and maintenance expense	**17.5**	19.0	(7.9)%
Depreciation and amortization expense	**3.7**	5.8	(36.2)%
Taxes other than income taxes	**1.4**	1.6	(12.5)%
Operating income	**34.6**	38.8	(10.8)%
Miscellaneous expense	**(0.1)**	-	N/A
Interest expense	**(2.6)**	(2.6)	- %
Other expense	**(2.7)**	(2.6)	3.8 %
Income before taxes	**$ 31.9**	$ 36.2	(11.9)%
Retail throughput in therms			
Residential	**116.7**	100.3	16.4 %
Commercial and industrial	**65.7**	56.2	16.9 %
Other	**6.1**	6.1	- %
Total retail throughput in therms	**188.5**	162.6	15.9 %
Transport throughput in therms - Commercial and industrial	**107.7**	102.8	4.8 %
Total throughput in therms	**296.2**	265.4	11.6 %
Weather			
Heating degree days	**3,892**	3,444	13.0 %

First Quarter 2011 Compared with First Quarter 2010

Revenues

Regulated natural gas utility segment revenues decreased $11.1 million quarter over quarter, driven by:

- An approximate $18 million decrease in revenues as a result of an approximate 15% quarter-over-quarter decrease in the average per-unit cost of natural gas sold. Prudently incurred natural gas commodity costs are passed directly through to customers in current rates.

- An approximate $5 million decrease in revenues related to the negative impact of a retail natural gas distribution rate decrease effective January 14, 2011. See Note 12, "*Regulatory Environment*," for more information on this rate decrease.

- These decreases were partially offset by an approximate $12 million net increase in revenues as a result of an 11.6% increase in volumes. Higher weather-normalized volumes, which WPS attributes mainly to improved economic conditions, resulted in approximately $12 million of additional revenues. Colder quarter-over-quarter weather during the heating season, as evidenced by the 13.0% increase in heating degree days, drove an approximate $11 million increase in revenues. Partially offsetting these increases was the approximate $11 million unfavorable impact of WPS's decoupling mechanism, which was driven by changes in sales volumes quarter over quarter. In the first quarter of 2011, weather conditions were significantly colder than normal as compared to the same quarter in 2010, resulting in higher sales volumes and anticipated refunds to customers under this decoupling mechanism.

Margins

Regulated natural gas utility segment margins decreased $8.0 million quarter over quarter, driven by:

- The approximate $5 million negative impact of the retail natural gas distribution rate decrease discussed above.
- An approximate $4 million decrease in margins related to natural gas throughput volumes, primarily due to the impact of changes in sales volumes on decoupling quarter over quarter.

Operating Income

Operating income at the regulated natural gas utility segment decreased $4.2 million quarter over quarter, driven by the $8.0 million decrease in natural gas margins, partially offset by a $3.8 million decrease in operating expenses.

The $3.8 million quarter-over-quarter decrease in operating expenses was driven by:

- A $2.1 million decrease in depreciation and amortization expense, primarily related to lower depreciation rates approved by the PSCW, effective January 1, 2011.
- A $0.7 million decrease in labor costs as a result of the reduction in workforce implemented as part of previously announced cost management efforts.

Other Segment Operations

(Millions)	Three Months Ended March 31 2011	2010	Change in 2011 Over 2010
Operating income	**$0.2**	$0.2	- %
Other income	**2.3**	1.6	43.8%
Income before taxes	**$2.5**	$1.8	38.9%

First Quarter 2011 Compared with First Quarter 2010

Income before taxes for other segment operations increased $0.7 million quarter over quarter, driven by a decrease in interest expense related to deferred compensation plans.

Provision for Income Taxes

	Three Months Ended March 31	
	2011	**2010**
Effective Tax Rate	**34.3%**	38.8%

First Quarter 2011 Compared with First Quarter 2010

The decrease in the effective tax rate for the first quarter of 2011, compared with the same quarter in 2010, was primarily related to the elimination of the tax deduction in the first quarter of 2010 for employer-paid postretirement prescription drug charges, to the extent those charges will be offset by the receipt of a federal Medicare Part D subsidy, as mandated in the 2010 federal health care legislation. See "*Liquidity and Capital Resources, Other Future Considerations – Federal Health Care Reform*" for more information. As a result of the legislation, WPS expensed $4.5 million of non-cash deferred income tax benefits during the first quarter of 2010, which were previously recognized as a reduction to the provision for income taxes. Also contributing to the lower effective tax rate was the increase in wind production tax credits in 2011.

LIQUIDITY AND CAPITAL RESOURCES

WPS believes that its cash balances, liquid assets, operating cash flows, access to debt markets, and available borrowing capacity provide adequate resources to fund ongoing operating requirements and future capital expenditures related to expansion of existing businesses and development of new projects. However, WPS's operating cash flows and access to capital markets can be impacted by macroeconomic factors outside of its control. In addition, WPS's borrowing costs can be impacted by short-term and long-term debt ratings assigned by independent credit rating agencies, as well as the market rates for interest.

Operating Cash Flows

During the three months ended March 31, 2011, net cash provided by operating activities was $31.7 million, compared with $140.9 million for the same period in 2010. The $109.2 million period-over-period decrease in net cash provided by operating activities was largely driven by:

- A $60.2 million decrease due to the quarter-over-quarter change in the timing and amount of income tax payments and refunds.
- A $58.3 million quarter-over-quarter increase in contributions to pension and other postretirement benefit plans.

Investing Cash Flows

Net cash used for investing activities was $19.8 million during the three months ended March 31, 2011, compared with $22.2 million for the same period in 2010. The $2.4 million quarter-over-quarter decrease in net cash used for investing activities was primarily driven by a $2.9 million quarter-over-quarter decrease in cash used to fund capital expenditures (discussed below).

Capital Expenditures

Capital expenditures by business segment for the three months ended March 31 were as follows:

Reportable Segment *(millions)*	2011	2010	Change
Electric utility	**$16.3**	$19.3	$(3.0)
Natural gas utility	**4.0**	4.1	(0.1)
Other	**0.2**	-	0.2
WPS consolidated	**$20.5**	$23.4	$(2.9)

The decrease in capital expenditures at the electric utility segment for the quarter ended March 31, 2011, compared with the same quarter in 2010, was primarily due to cash payments made in 2010 relating to the Crane Creek Wind Farm project, which was placed in service for accounting purposes in December 2009.

Financing Cash Flows

Net cash used for financing activities was $77.4 million during the three months ended March 31, 2011, compared with $47.8 million for the same period in 2010. The $29.6 million quarter-over-quarter increase in net cash used for financing activities was primarily driven by a $60.0 million quarter-over-quarter increase in return of capital payments to Integrys Energy Group. Partially offsetting this change was $24.1 million of net borrowings of short-term debt in 2011 compared with $7.0 million of net repayments in 2010.

Significant Financing Activities

WPS had $24.1 million of outstanding commercial paper borrowings at March 31, 2011, and no outstanding commercial paper borrowings at March 31, 2010. WPS had other outstanding short-term debt of $10.0 million at March 31, 2011, and 2010.

Credit Ratings

WPS uses internally generated funds and commercial paper borrowings to satisfy most of its capital requirements. WPS periodically issues long-term debt and receives equity contributions from Integrys Energy Group to reduce short-term debt, fund future growth, and maintain capitalization ratios as authorized by the PSCW.

The current credit ratings for WPS are listed in the table below.

Credit Ratings	Standard & Poor's	Moody's
Issuer credit rating	A-	A2
First mortgage bonds	N/A	Aa3
Senior secured debt	A	Aa3
Preferred stock	BBB	Baa1
Commercial paper	A-2	P-1
Credit facility	N/A	A2

Credit ratings are not recommendations to buy or sell securities and are subject to change, and each rating should be evaluated independently of any other rating.

On January 21, 2011, Standard & Poor's confirmed the "stable" outlook for WPS, while revising the outlook for Integrys Energy Group to "positive" from "stable."

Future Capital Requirements and Resources

Contractual Obligations

The following table shows the contractual obligations of WPS, including its subsidiary, as of March 31, 2011.

(Millions)	Total Amounts Committed	Payments Due By Period 2011	2012 to 2013	2014 to 2015	2016 and Thereafter
Long-term debt principal and interest payments [1]	$1,220.6	$182.5	$ 366.2	$174.4	$ 497.5
Operating lease obligations	21.1	1.1	3.3	1.7	15.0
Commodity purchase obligations [2]	1,609.5	226.2	593.7	302.7	486.9
Purchase orders [3]	261.3	258.7	2.6	-	-
Pension and other postretirement funding obligations [4]	217.9	14.6	94.4	31.7	77.2
Total contractual cash obligations	$3,330.4	$683.1	$1,060.2	$510.5	$1,076.6

(1) Represents bonds and notes issued by WPS. WPS records all principal obligations on the balance sheet.

(2) The costs of commodity purchase obligations are expected to be recovered in future customer rates.

(3) Includes obligations related to normal business operations and large construction obligations.

(4) Obligations for pension and other postretirement benefit plans, other than the Integrys Energy Group Retirement Plan, cannot reasonably be estimated beyond 2013.

The table above does not reflect payments related to the manufactured gas plant remediation liability of $75.7 million at March 31, 2011, as the amount and timing of payments are uncertain. WPS anticipates incurring costs annually to remediate these sites, but management believes that any costs incurred for environmental activities relating to former manufactured gas plant operations that are not recoverable through contributions from other entities or from insurance carriers have been prudently incurred and are, therefore, recoverable through rates. See Note 6, "*Commitments and Contingencies*," for more information about environmental liabilities. In addition, the table does not reflect any payments for the March 31, 2011, liability of $4.3 million related to uncertain tax positions, as the amount and timing of payments are uncertain. See Note 5, "*Income Taxes*," for more information on uncertain tax positions.

Capital Requirements

As of March 31, 2011, construction expenditures for WPS for the three-year period 2011 through 2013 were anticipated to be as follows:

(Millions)	
Environmental projects	$316.8
Electric and natural gas distribution projects	123.5
Electric and natural gas delivery and customer service projects	32.8
Other projects	123.9
Total capital expenditures	$597.0

All projected capital and investment expenditures are subject to periodic review and may vary significantly from the estimates depending on a number of factors, including but not limited to, industry restructuring, regulatory constraints and requirements, changes in tax laws and regulations, market volatility, and economic trends.

Capital Resources

Management exercises discretion regarding the liquidity and capital resource needs of its business segments. This includes the ability to prioritize the use of capital and debt capacity, to determine cash management policies, to utilize risk management policies to hedge the impact of volatile commodity prices, and to make decisions regarding capital requirements. WPS plans to meet its capital requirements for the period 2011 through 2013 primarily through internally generated funds, debt financings, and equity infusions from Integrys Energy Group. WPS plans to maintain current debt to equity ratios at appropriate levels to support current credit ratings and corporate growth. Management believes WPS has adequate financial flexibility and resources to meet its future needs.

Under an existing shelf registration statement, WPS may issue up to $250.0 million of senior debt securities with amounts, prices, and terms to be determined at the time of future offerings. In December 2008, WPS issued $125.0 million of 6.375%, 7-year Senior Notes under this shelf registration statement.

At March 31, 2011, WPS was in compliance with all covenants related to outstanding short-term and long-term debt and expects to be in compliance with all such debt covenants for the foreseeable future. WPS's long-term debt obligations contain covenants related to payment of principal and interest when due and various financial reporting obligations. Failure to comply with these covenants could result in an event of default, which, if not cured or waived, could result in acceleration of outstanding debt obligations.

See Note 4, "*Short-Term Debt and Lines of Credit*," for more information on WPS's credit facilities and other short-term credit agreements, including short-term debt covenants.

Other Future Considerations

Decoupling

The PSCW approved the implementation of decoupling on a four-year trial basis, effective January 1, 2009, for WPS's natural gas and electric residential and small commercial and industrial sales. Decoupling allows WPS to adjust rates going forward to recover or refund differences between the actual and authorized margin per customer impact of variations in volumes. The mechanism does not adjust for changes in volume resulting from changes in customer count. This decoupling mechanism includes an annual $14.0 million cap for electric service and an annual $8.0 million cap for natural gas service. Amounts recoverable from or refundable to customers are included in rates upon approval in a rate order.

Climate Change

The EPA began regulating greenhouse gas emissions under the CAA in January 2011, by applying the BACT requirements associated with the New Source Review program to new and modified larger greenhouse gas emitters. Technology to remove and sequester greenhouse gas emissions is not commercially available at scale; hence, the EPA issued guidance that defines BACT in terms of improvements in energy efficiency as opposed to relying on pollution control equipment. In December 2010, the EPA announced its intent to develop new source performance standards for greenhouse gas emissions for new and modified, as well as existing, electric utility steam generating units. The EPA plans to propose standards in 2011 and finalize standards in 2012. Efforts have been initiated to develop state and regional greenhouse gas programs, to create federal legislation to limit carbon dioxide emissions, and to create national or state renewable portfolio standards. Currently there is no applicable federal or state legislation pending that specifically addresses greenhouse gas emissions.

A risk exists that such legislation or regulation will increase the cost of producing energy utilizing fossil fuels. However, WPS believes the capital expenditures being made at its generation units are appropriate under any reasonable mandatory greenhouse gas program and that future expenditures related to control of greenhouse gas emissions or renewable portfolio standards by WPS will be recoverable in rates. WPS will continue to monitor and manage potential risks and opportunities associated with future greenhouse gas legislative or regulatory actions.

All of WPS's generation and distribution facilities are located in the upper Midwest region of the United States. The same is true for all of WPS's customers' facilities. The physical risks posed by climate change for these areas are not expected to be significant at this time. Ongoing evaluations will be conducted as more information on the extent of such physical changes becomes available.

Federal Health Care Reform

In March 2010, the Patient Protection and Affordable Care Act and the Health Care and Education Reconciliation Act of 2010 (HCR) were signed into law. HCR contains various provisions that will affect the cost of providing health care coverage to active and retired employees of WPS and their dependents. Although these provisions become effective at various times over the next 10 years, some provisions that affect the cost of providing benefits to retirees were reflected in 2010.

Most notably, there is a provision of HCR that, beginning in 2013, eliminates the tax deduction for employer-paid postretirement prescription drug charges to the extent those charges will be offset by the receipt of a federal Medicare Part D subsidy. As a result, WPS was required to eliminate a portion of its deferred tax asset related to postretirement benefits. The total amount of the deferred tax asset that was reduced for the loss of the deduction in 2010 was $4.5 million, all of which flowed through to net income as a component of income tax expense in 2010. WPS expects to seek recovery in rates for the income impacts of this tax law change. If recovery in rates becomes probable, income tax expense would be reduced in that period, but at this time WPS is not able to predict how much will ultimately be recovered in rates.

Other provisions of HCR include the elimination of certain annual and lifetime maximum benefits, broadening of plan eligibility requirements, elimination of pre-existing condition restrictions, an excise tax on high-cost health plans, changes to the Medicare Part D prescription drug program, and numerous other changes. WPS began participation in the Early Retiree Reinsurance Program that became effective on June 1, 2010. WPS continues to assess the extent to which the provisions of the new law will affect its future health care and related employee benefit plan costs.

Dodd-Frank Wall Street Reform and Consumer Protection Act (Dodd-Frank Act)

The Dodd-Frank Act was signed into law in July 2010. Although a few provisions were effective with the passing of the act, the majority of the rules to implement the provisions will be finalized and become effective over the 18 months following the signing of the act. Depending on the final rules, certain provisions of the Dodd-Frank Act relating to derivatives could increase capital and/or collateral requirements. Final rules for these provisions are expected in 2011. WPS is monitoring developments related to this act and their impacts on its future results of operations, cash flows, and financial position.

Recent Tax Law Changes

In December 2010, President Obama signed into law The Tax Relief, Unemployment Insurance Reauthorization, and Job Creation Act of 2010. This act includes tax incentives, such as an extension and increase of bonus depreciation, the extension of the research and experimentation credit, and the extension of treasury grants in lieu of claiming the ITC or production tax credit for certain renewable energy investments. In September 2010, President Obama signed into law the Small Business Jobs Act of 2010. This act includes tax incentives, such as an extension to bonus depreciation and changes to listed property, that affect WPS. WPS anticipates that these tax law changes will likely result in $40.0 million to $50.0 million of reduced cash payments for taxes during 2011 through 2012. These incentives may also have the effect of reducing WPS's utility rate base and, thus, future earnings relative to prior expectations. WPS is evaluating the most appropriate manner to deploy the additional cash, which may include, among other things, making incremental contributions to its various employee benefit plans and funding additional capital investments.

CRITICAL ACCOUNTING POLICIES

WPS has reviewed its critical accounting policies for new critical accounting estimates and other significant changes. WPS found that the disclosures made in its Annual Report on Form 10-K for the year ended December 31, 2010, are still current and that there have been no significant changes.

Item 3. Quantitative and Qualitative Disclosures About Market Risk

WPS's market risks have not changed materially from the market risks reported in its 2010 Annual Report on Form 10-K.

Item 4. Controls and Procedures

Evaluation of Disclosure Controls and Procedures

WPS's management, with the participation of WPS's Chief Executive Officer and Chief Financial Officer, has evaluated the effectiveness of the design and operation of WPS's disclosure controls and procedures (as such term is defined in Rules 13a-15(e) and 15d-15(e) under the Securities Exchange Act of 1934, as amended (the Exchange Act)) as of the end of the period covered by this report and has concluded that, as of the end of such period, WPS's disclosure controls and procedures were effective to ensure that information required to be disclosed by WPS in the reports that it files or submits under the Exchange Act is recorded, processed, summarized, and reported within the time periods specified in the SEC's rules and forms and is accumulated and communicated to WPS's management, including its Chief Executive Officer and Chief Financial Officer, as appropriate to allow timely decisions regarding required disclosure.

Changes in Internal Control

There were no changes in WPS's internal control over financial reporting (as such term is defined in Rules 13a-15(f) and 15d-15(f) under the Exchange Act) during the quarter ended March 31, 2011, that have materially affected, or are reasonably likely to materially affect, its internal control over financial reporting.

PART II. OTHER INFORMATION

Item 1. Legal Proceedings

For information on material legal proceedings and matters related to WPS and its subsidiary, see Note 6, "*Commitments and Contingencies.*"

Item 1A. Risk Factors

There were no material changes in the risk factors previously disclosed in Part I, Item 1A of WPS's 2010 Annual Report on Form 10-K, which was filed with the SEC on February 24, 2011.

Item 6. Exhibits

The documents listed in the Exhibit Index are attached as exhibits or incorporated by reference herein.

SIGNATURE

Pursuant to the requirements of the Securities Exchange Act of 1934, the registrant, Wisconsin Public Service Corporation, has duly caused this report to be signed on its behalf by the undersigned thereunto duly authorized.

Wisconsin Public Service Corporation

Date: May 4, 2011

/s/ Diane L. Ford
Diane L. Ford
Vice President and Corporate Controller

(Duly Authorized Officer and Chief Accounting Officer)

WISCONSIN PUBLIC SERVICE CORPORATION
EXHIBIT INDEX TO FORM 10-Q
FOR THE QUARTER ENDED MARCH 31, 2011

Exhibit No.	Description
12	Computation of Ratio of Earnings to Fixed Charges and Ratio of Earnings to Fixed Charges and Preferred Stock Dividend Requirements
31.1	Certification of Chief Executive Officer Pursuant to Section 302 of the Sarbanes-Oxley Act and Rule 13a-14(a) or 15d-14(a) under the Securities Exchange Act of 1934 for Wisconsin Public Service Corporation
31.2	Certification of Chief Financial Officer Pursuant to Section 302 of the Sarbanes-Oxley Act and Rule 13a-14(a) or 15d-14(a) under the Securities Exchange Act of 1934 for Wisconsin Public Service Corporation
32	Written Statement of the Chief Executive Officer and Chief Financial Officer Pursuant to 18 U.S.C. Section 1350 for Wisconsin Public Service Corporation

Exhibit 12

WISCONSIN PUBLIC SERVICE CORPORATION
COMPUTATION OF RATIO OF EARNINGS TO FIXED CHARGES AND
RATIO OF EARNINGS TO FIXED CHARGES AND PREFERRED STOCK DIVIDEND REQUIREMENTS

(Millions, except ratios)	Three Months Ended March 31 2011	For the Years Ending December 31 2010	2009	2008	2007	2006
EARNINGS						
Net Income from continuing operations	**$44.3**	$135.0	$120.4	$132.3	$113.3	$102.1
Provision for income taxes	**23.1**	78.0	68.0	73.1	66.8	58.3
Income from continuing operations before income taxes	**67.4**	213.0	188.4	205.4	180.1	160.4
Less: Undistributed earnings of less than 50% owned affiliates	**(0.4)**	(1.7)	(1.8)	(2.2)	(2.5)	(3.2)
Adjusted income from continuing operations before income taxes	**67.0**	211.3	186.6	203.2	177.6	157.2
Total fixed charges as defined	**14.8**	56.9	58.5	48.1	45.3	42.3
Total earnings as defined	**$81.8**	$268.2	$245.1	$251.3	$222.9	$199.5
FIXED CHARGES						
Interest expense	**$14.3**	$54.4	$54.0	$44.0	$43.5	$40.4
Allowance for funds used during construction	**-**	0.3	2.0	1.8	0.3	0.2
Interest factor applicable to rentals	**0.5**	2.2	2.5	2.3	1.5	1.7
Total fixed charges as defined	**$14.8**	$56.9	$58.5	$48.1	$45.3	$42.3
Preferred stock dividend requirements *	**1.3**	5.2	4.9	4.8	4.9	4.9
Total fixed charges and preferred stock dividend requirements	**$16.1**	$62.1	$63.4	$52.9	$50.2	$47.2
RATIO OF EARNINGS TO FIXED CHARGES	**5.5**	4.7	4.2	5.2	4.9	4.7
RATIO OF EARNINGS TO FIXED CHARGES AND PREFERRED STOCK DIVIDEND REQUIREMENTS	**5.1**	4.3	3.9	4.7	4.4	4.2

* Represents preferred stock dividend requirements of WPS computed by dividing the preferred stock dividend requirements by 100% minus the income tax rate.

Exhibit 31.1

Certification of Chief Executive Officer
Pursuant to Section 302 of the Sarbanes-Oxley Act and Rule 13a-14(a)
or 15d-14(a) under the Securities Exchange Act of 1934

I, Lawrence T. Borgard, certify that:

1. I have reviewed this Quarterly Report on Form 10-Q of Wisconsin Public Service Corporation;

2. Based on my knowledge, this report does not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements made, in light of the circumstances under which such statements were made, not misleading with respect to the period covered by this report;

3. Based on my knowledge, the financial statements, and other financial information included in this report, fairly present in all material respects the financial condition, results of operations and cash flows of the registrant as of, and for, the periods presented in this report;

4. The registrant's other certifying officer and I are responsible for establishing and maintaining disclosure controls and procedures (as defined in Exchange Act Rules 13a-15(e) and 15d-15(e)) and internal control over financial reporting (as defined in Exchange Act Rules 13a-15(f) and 15d-15(f)) for the registrant and have:

   a) Designed such disclosure controls and procedures, or caused such disclosure controls and procedures to be designed under our supervision, to ensure that material information relating to the registrant, including its consolidated subsidiaries, is made known to us by others within those entities, particularly during the period in which this report is being prepared;

   b) Designed such internal control over financial reporting, or caused such internal control over financial reporting to be designed under our supervision, to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles;

   c) Evaluated the effectiveness of the registrant's disclosure controls and procedures and presented in this report our conclusions about the effectiveness of the disclosure controls and procedures, as of the end of the period covered by this report based on such evaluation; and

   d) Disclosed in this report any change in the registrant's internal control over financial reporting that occurred during the registrant's most recent fiscal quarter (the registrant's fourth fiscal quarter in the case of an Annual Report) that has materially affected, or is reasonably likely to materially affect, the registrant's internal control over financial reporting; and

5. The registrant's other certifying officer and I have disclosed, based on our most recent evaluation of internal control over financial reporting, to the registrant's auditors and the audit committee of the registrant's board of directors (or persons performing the equivalent functions):

   a) All significant deficiencies and material weaknesses in the design or operation of internal control over financial reporting which are reasonably likely to adversely affect the registrant's ability to record, process, summarize and report financial information; and

   b) Any fraud, whether or not material, that involves management or other employees who have a significant role in the registrant's internal control over financial reporting.

Date: May 4, 2011

/s/ Lawrence T. Borgard
Lawrence T. Borgard
President and Chief Executive Officer

Exhibit 31.2

Certification of Chief Financial Officer
Pursuant to Section 302 of the Sarbanes-Oxley Act and Rule 13a-14(a)
or 15d-14(a) under the Securities Exchange Act of 1934

I, Joseph P. O'Leary, certify that:

1. I have reviewed this Quarterly Report on Form 10-Q of Wisconsin Public Service Corporation;

2. Based on my knowledge, this report does not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements made, in light of the circumstances under which such statements were made, not misleading with respect to the period covered by this report;

3. Based on my knowledge, the financial statements, and other financial information included in this report, fairly present in all material respects the financial condition, results of operations and cash flows of the registrant as of, and for, the periods presented in this report;

4. The registrant's other certifying officer and I are responsible for establishing and maintaining disclosure controls and procedures (as defined in Exchange Act Rules 13a-15(e) and 15d-15(e)) and internal control over financial reporting (as defined in Exchange Act Rules 13a-15(f) and 15d-15(f)) for the registrant and have:

   a) Designed such disclosure controls and procedures, or caused such disclosure controls and procedures to be designed under our supervision, to ensure that material information relating to the registrant, including its consolidated subsidiaries, is made known to us by others within those entities, particularly during the period in which this report is being prepared;

   b) Designed such internal control over financial reporting, or caused such internal control over financial reporting to be designed under our supervision, to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles;

   c) Evaluated the effectiveness of the registrant's disclosure controls and procedures and presented in this report our conclusions about the effectiveness of the disclosure controls and procedures, as of the end of the period covered by this report based on such evaluation; and

   d) Disclosed in this report any change in the registrant's internal control over financial reporting that occurred during the registrant's most recent fiscal quarter (the registrant's fourth fiscal quarter in the case of an Annual Report) that has materially affected, or is reasonably likely to materially affect, the registrant's internal control over financial reporting; and

5. The registrant's other certifying officer and I have disclosed, based on our most recent evaluation of internal control over financial reporting, to the registrant's auditors and the audit committee of the registrant's board of directors (or persons performing the equivalent functions):

   a) All significant deficiencies and material weaknesses in the design or operation of internal control over financial reporting which are reasonably likely to adversely affect the registrant's ability to record, process, summarize and report financial information; and

   b) Any fraud, whether or not material, that involves management or other employees who have a significant role in the registrant's internal control over financial reporting.

Date: May 4, 2011

/s/ Joseph P. O'Leary
Joseph P. O'Leary
Senior Vice President and Chief Financial Officer

Exhibit 32

**Written Statement of the Chief Executive Officer and Chief Financial Officer
Pursuant to 18 U.S.C. Section 1350**

Solely for the purposes of complying with 18 U.S.C. Section 1350, as adopted pursuant to Section 906 of the Sarbanes-Oxley Act of 2002, we, the undersigned Chief Executive Officer and Chief Financial Officer of Wisconsin Public Service Corporation (the "Company"), hereby certify, based on our knowledge, that the Quarterly Report on Form 10-Q of the Company for the quarter ended March 31, 2011, (the "Report") fully complies with the requirements of Section 13(a) of the Securities Exchange Act of 1934 and that information contained in the Report fairly presents, in all material respects, the financial condition and results of operations of the Company.

/s/ Lawrence T. Borgard
Lawrence T. Borgard
President and Chief Executive Officer

/s/ Joseph P. O'Leary
Joseph P. O'Leary
Senior Vice President and Chief Financial Officer

Date: May 4, 2011