WPS RESOURCES CORPORATION

700 North Adams Street, P. O. Box 19001, Green Bay, Wisconsin 54307-9001

NOTICE OF ANNUAL MEETING OF SHAREHOLDERS
TO BE HELD MAY 3, 2001

Our Annual Meeting will be held on Thursday, May 3, 2001, at 10:00 A.M., CDT, at the Weidner Center, on the campus of the University of Wisconsin — Green Bay, 2420 Nicolet Drive, Green Bay, Wisconsin. Our shareholders are asked to vote to:

1. Re-elect two directors, Richard A. Bemis and Robert C. Gallagher, to three-year terms or until successors have been elected;
2. Approve the WPS Resources Corporation 2001 Omnibus Incentive Compensation Plan;
3. Approve the Amended and Restated WPS Resources Corporation Deferred Compensation Plan;
4. Approve the WPS Resources Corporation Non-Employee Director Deferred Compensation and Deferred Stock Unit Plan; and
5. Transact any other business properly brought to the Annual Meeting.

If you held shares in WPS Resources at the close of business on March 6, 2001, you are entitled to vote at the Annual Meeting.

You may vote your shares in person at the Annual Meeting, by completing and mailing the enclosed proxy, calling toll-free (877) 550-2959, or over the Internet at http://www.proxyvoting.com/wps. We request that you vote in advance whether or not you attend the Annual Meeting. You may revoke your proxy prior to the vote at the Annual Meeting or by voting your shares in person at the meeting. Please review the attached Proxy Statement and follow the directions closely in exercising your vote.

WPS RESOURCES CORPORATION

BARTH J. WOLF
Secretary and Manager — Legal Services

Green Bay, Wisconsin
March 19, 2001

The enclosed proxy is solicited by the Board of Directors. Your vote is important no matter how large or small your holdings. To assure your representation at the meeting, please complete, sign exactly as your name appears, date, and promptly mail the enclosed proxy card in the postage-paid envelope provided or use one of the alternative voting options provided.

PROXY STATEMENT

This proxy statement, the accompanying Notice of Annual Meeting of Shareholders and proxy card were first mailed to shareholders on or about March 19, 2001 and are furnished in connection with the solicitation of proxies by the Board of Directors of WPS Resources Corporation.

FREQUENTLY ASKED QUESTIONS

Q: Why have I received this material?

A: Our Board of Directors has sent you this proxy material and invitation to the Annual Shareholders Meeting to ask for your vote as a WPS Resources' shareholder to re-elect two members of the Board of Directors and approve the listed executive and director compensation plans.

Q: How are Directors elected?

A: A plurality of votes cast is required for the election of directors. At the Annual Meeting we will be electing two directors. ''Plurality'' means that if there are more than two nominees, the two individuals who receive the largest number of votes will be elected as directors. The total votes cast must represent a quorum of the shares eligible to vote. Votes withheld will not be cast and will not affect the election of directors, except to the extent that the failure to vote for an individual results in another individual receiving a larger number of votes.

Q: What constitutes a quorum?

A: A quorum is the number of shares that must be in attendance at a meeting to lawfully conduct business. Votes of a majority of the shares entitled to vote will constitute a quorum. As of the record date, we had 26,564,491 shares eligible to vote. Votes of 13,282,246 shares will constitute a quorum.

Q: Are there any other issues to be voted on?

A: Our Board of Directors is also requesting shareholders to approve two compensation plans applicable to executives and one compensation plan applicable to directors of WPS Resources at this Annual Meeting. The affirmative vote of a majority of the votes cast is required for approval of these proposed compensation plans, provided that a majority of the outstanding shares of WPS Resources' common stock are voted on the proposal.

Q: Do I need to attend the Annual Meeting in order to vote?

A: No. You can vote by completing and mailing the enclosed proxy card or using one of the other voting options available. You may also vote at the Annual Meeting in person by submitting your proxy card at the meeting.

Q. Who can vote?

A: Anyone who owns WPS Resources common stock as of the close of business on March 6, 2001 can vote. Each of your shares will be entitled to one vote.

Q: How do I vote?

A: You may vote your shares in any one of three different methods:

1) Complete, sign, and date each proxy card you receive and return it in the prepaid envelope;

2) Vote your proxy over the telephone by calling (877) 550-2959; or

3) Voting over the Internet at http://www.proxyvoting.com/wps.

Complete instructions on how to vote your shares over the telephone or Internet are provided on your proxy card. Your completed proxy will be voted in accordance with your instructions. If you return your proxy card and do not mark any selections, your proxy will be voted for the re-election of Richard A. Bemis and Robert C. Gallagher and for approval of each of the proposed compensation plans. You have the right to change your vote any time before the meeting by:

1) notifying us in writing,

2) revoting over the telephone or Internet, or

3) returning a later-dated proxy card.

You may also change your vote by voting in person at the Annual Meeting.

By voting your shares you also authorize your shares to be voted on any other business which may properly come before the Annual Meeting in accordance with the best judgement of the appointed proxies, Larry L. Weyers and Barth J. Wolf.

You may vote over the telephone or the Internet until midnight Eastern Time on May 2, 2001.

Q: Do I need to return the proxy card if I vote over the telephone or Internet?

A: If you vote your proxy over the Internet or telephone you *should not* mail your proxy card. If you mail your proxy card in, it will be counted as if you intended to change your vote.

Q: How are shares held in the Employee Stock Ownership Plan Trust voted?

A: If you own stock in the Wisconsin Public Service Employee Stock Ownership Plan you are provided a proxy card which, when returned, will serve as voting instructions to the plan trustee. The trustee of the plan is State Street Bank and Trust Company in Boston, Massachusetts. The trustee will vote the plan shares in the manner indicated on the proxy card submitted. The trustee will vote any shares for which proxy cards are not submitted by participants in the same proportion as the shares for which proxy cards were submitted.

Q: Who are the largest shareholders?

A: We do not have a single shareholder of our common stock holding more than 5% of the outstanding shares.

Q: When are the 2002 shareholder proposals due?

A: In order to be included in next year's proxy statement, shareholder proposals must be submitted in writing by November 20, 2001. Proposals should be submitted to Barth J. Wolf, Secretary and Manager — Legal Services, WPS Resources Corporation, P. O. Box 19001, Green Bay, WI 54307-9001.

Re-election of Directors

Our Board of Directors is made up of nine directors. The nine directors are divided into three classes. Each year one class of directors is elected to a three-year term. In addition to the eight directors listed below the Board of Directors has appointed, contingent on completion of the merger, William F. Protz, Jr., (age 56) formerly a director of Wisconsin Fuel and Light Company as an additional Class C director as required by the merger agreement between WPS Resources and Wisconsin Fuel and Light. The merger is expected to be completed in April 2001.

Directors nominated for re-election are:

Class A — Term Expiring in 2001

Name	Age	Principal Occupation	Director Since
Richard A. Bemis	59	President and Chief Executive Officer, Bemis Manufacturing Company, Sheboygan Falls, WI (manufacturer of toilet seats, contract plastics, and wood products)	1983
Robert C. Gallagher	62	President and Chief Executive Officer, Associated Banc-Corp, Green Bay, WI, since 2000; President and Chief Operating Officer, Associated Banc-Corp, Green Bay, WI, since 1998; Chairman and Chief Executive Officer, Associated Bank, Green Bay, WI and Vice Chairman, Associated Banc-Corp, Green Bay, WI 1981 - 1998	1992

Each of the Class A directors has served in the same or another position with the employer indicated for at least five years.

The Board of Directors has no reason to believe that any of these nominees will be unable or unwilling to serve as a director if elected. If any nominee is unable or unwilling to serve, the shares represented by proxies solicited by the Board will be voted for the election of such other person as the Board may recommend.

Clarence R. Fisher, Class A director and former President and Chief Executive Officer of Upper Peninsula Power Company, retired from the Board of Directors effective February 1, 2001.

Current directors not standing for re-election this year are:

Class B — Term Expiring in 2002

Name	Age	Principal Occupation	Director Since
A. Dean Arganbright	70	Retired Chairman, President, and Chief Executive Officer, Wisconsin National Life Insurance Company, Oshkosh, WI	1972
James L. Kemerling	61	President and Chief Executive Officer, Riiser Oil Company since 1999; Consultant, Wausau, WI, 1996 - 1999; Chairman, President, and Chief Executive Officer, The Specialty Packaging Group, Inc., Wausau, WI (manufacturer of composite cans), 1994 - 1996	1988
John C. Meng	56	Chairman of the Board, Schreiber Foods, Inc. since October 1999; Chairman, President and Chief Executive Officer, Schreiber Foods, Inc. May 1999 - October 1999; President and Chief Executive Officer, Schreiber Foods, Inc., 1989 - 1999	2000

Mr. Arganbright, who is retired, served in the same or another position with Wisconsin National Life Insurance Company for at least five years prior to his retirement.

Class C — Term Expiring in 2003

Name	Age	Principal Occupation	Director Since
Michael S. Ariens	69	Chairman, Ariens Company, Brillion, WI (manufacturer of outdoor power equipment)	1974
Kathryn M. Hasselblad-Pascale	53	Managing Partner, Hasselblad Machine Company, LLP, Green Bay, WI (manufacturer of automatic screw machine products)	1987
Larry L. Weyers	55	Chairman, President, and Chief Executive Officer of WPS Resources	1996

Each of the Class C directors has served in the same or another position with the employer indicated for at least five years.

The following table lists the Board committees, their members as of December 31, 2000, and the number of Board and Board Committee meetings for 2000:

Director (* Chairman)	Board	Audit	Compensation and Nominating	Financial	Strategic Action Planning
A. Dean Arganbright	X	X	X*		
Michael S. Ariens	X	X			X*
Richard A. Bemis	X	X*			
Clarence R. Fisher	X				X
Robert C. Gallagher	X	X	X	X	
Kathryn M. Hasselblad-Pascale	X	X	X		X
James L. Kemerling	X	X		X*	
John C. Meng	X	X		X	
Larry L. Weyers	X*				
Number of Meetings in 2000	**9**	**2**	**8**	**2**	**1**

All directors attended a minimum of 77% of all meetings in 2000, including meetings of the Board and each committee of which they are members.

Other directorships held by our directors include the following:

Richard A. Bemis — W. H. Brady Company, Milwaukee, WI

Robert C. Gallagher — Associated Banc-Corp, Green Bay, WI

James L. Kemerling — Badger Paper Mills, Inc., Peshtigo, WI

John C. Meng — Associated Banc-Corp, Green Bay, WI

Audit Committee

The Audit Committee currently consists of all seven non-employee directors of WPS Resources. The members include Richard A. Bemis, Chairman, A. Dean Arganbright, Michael S. Ariens, Robert C. Gallagher, Kathryn M. Hasselblad-Pascale, James L. Kemerling, and John C. Meng. The Audit Committee has adopted a charter and it is attached to this Proxy Statement as Appendix A. WPS Resources securities are listed on the New York Stock Exchange and are governed by its listing standards. All members of the Audit Committee meet the independence standards of Section 303.01(B)(2)(a) of Regulation S-K and the standards of the New York Stock Exchange including the requirements for financial literacy. For a detailed listing of the duties and responsibilities of the Committee see the attached Audit Committee Charter.

Compensation and Nominating Committee

The Compensation and Nominating Committee consists of three non-employee directors. Its function is to define and establish an executive compensation strategy for WPS Resources and to recommend to the Board compensation, bonuses, and benefits to be paid directors, officers and other key employees. The Committee also:

- recommends candidates to be nominated for election as directors at the Annual Meeting,
- recommends candidates to fill any vacancies on the Board, and
- approves officer changes.

If you would like to propose someone to serve as a director, you can do so by contacting the WPS Resources Secretary. As provided in the WPS Resources by-laws any proposed nominees and appropriate biographical information must be submitted to the Secretary, between January 10, 2002 and February 4, 2002 for consideration at the 2002 Annual Meeting.

Board Compensation

In 2000, each non-employee director received:

- a $17,500 annual retainer,
- $900 for each Board meeting attended,
- $200 for each telephonic Board meeting attended, and
- $850 for each Board committee meeting attended.

Employee directors receive no compensation for serving as directors.

Beneficial Ownership

This table indicates the $1 Par Value Common Stock and Stock Options the officers and directors of WPS Resources own as of January 1, 2001. We believe that the following table is an accurate representation of beneficial owners of more than 5% of any class of our securities. The table is based upon reports on Schedules 13G filed with the Securities and Exchange Commission and other information believed to be reliable.

Name and Title		Amount and Nature of Shares Beneficially Owned January 1, 2001		
		Aggregate Number of Shares Beneficially Owned (9)	Number of Shares Subject to Stock Options	Percent of Shares
A. Dean Arganbright Director		6,010	3,000	*
Michael S. Ariens Director	(1)	12,455	3,000	*
Richard A. Bemis Director		9,189	3,000	*
Clarence R. Fisher Director President and CEO Upper Peninsula Power Company	(2)	18,298	22,817	*
Robert C. Gallagher Director		12,714	3,000	*
Kathryn M. Hasselblad-Pascale Director	(3)	8,309	3,000	*
James L. Kemerling Director	(4)	5,834	3,000	*
John C. Meng Director	(5)	13,721	3,000	*
Larry L. Weyers Director Chairman, President, and CEO WPS Resources Corporation		89,705	210,840	*
Patrick D. Schrickel Executive Vice President WPS Resources Corporation	(6)	37,089	83,550	*
Phillip M. Mikulsky Senior Vice President — Development WPS Resources Corporation		29,706	55,392	*
Daniel P. Bittner Senior Vice President and Chief Financial Officer WPS Resources Corporation	(7)	31,929	26,064	*
All 22 directors and officers as a group	(8)	374,247	580,764	1.4

* Less than 1% of WPS Resources outstanding shares of common stock

None of the persons listed beneficially owns shares of any other class of our equity securities, except Mr. Arganbright's spouse who owns 10 shares of Wisconsin Public Service Preferred Stock 5% Series ($100 par value).

(1) Includes 3,326 shares held by M&M Ariens, Inc.

(2) Includes 5,516 shares held in joint tenancy.

(3) Includes 2,187 shares owned by spouse.

(4) Includes 800 shares held in an individual retirement account.

(5) Includes 10,000 shares held in joint tenancy.

(6) Includes 200 shares held as custodian for children.

(7) Includes 617 shares held in joint tenancy.

(8) Includes 16,497 shares held in joint tenancy and 240 shares held as custodian for children.

(9) Aggregate Number of Shares Beneficially Owned includes shares of common stock held in the Employee Stock Ownership Plan and Trust, the Wisconsin Public Service Corporation Deferred Compensation Trust, and all stock options which are exercisable within six months of December 31, 2000. Each director or officer has sole voting and investment power with respect to the shares reported, unless otherwise noted. No voting or investment power exists related to the stock options reported until exercised.

Section 16(a) Beneficial Ownership Reporting Compliance

Section 16(a) of the Securities Exchange Act of 1934 requires executive officers, directors, and persons who beneficially own more than 10% of our common stock to file reports of changes in ownership of our common stock with the Securities and Exchange Commission. We have reviewed statements of beneficial ownership furnished to us and written representations made by our officers and directors. To our knowledge, all required individuals complied on a timely basis with all Section 16(a) filing requirements in 2000.

Summary Compensation Table

This table shows cash and other compensation paid to or earned by each of the Named Executive Officers for the last three fiscal years. Named Executive Officers include the Chief Executive Officer and the next four most highly compensated executive officers for 2000.

		Annual Compensation			Long-Term Compensation: Awards		Long-Term Compensation: Payouts	
(a)	(b)	(c)	(d)	(e)	(f)	(g)	(h)	(i)
Name and Title	Year	Salary ($) (4)	Bonus ($)	Other Annual Compen-sation ($) (5)	Restricted Stock Awards ($)	Securities Underlying Options (#)	LTIP Payouts ($)	All Other Compen-sation ($) (6)
Larry L. Weyers	2000	346,066	5,319	15,186	0	74,840	0	345,714
Chairman, President,	1999	404,167	2,376	10,031	0	136,000	0	130,098
and CEO (1)	1998	393,214	0	9,390	0	0	0	46,893
Patrick D. Schrickel	2000	271,018	75,766	14,881	0	27,550	0	48,098
Executive Vice President	1999	253,282	27,935	9,830	0	56,000	0	36,657
	1998	239,389	0	9,201	0	0	0	17,367
Clarence R. Fisher	2000	230,494	61,129	0	0	817	0	10,547
President and Chief	1999	224,430	21,986	0	0	22,000	0	34,595
Executive Officer (2)(3)	1998	60,316	0	0	0	0	0	0
Phillip M. Mikulsky	2000	164,986	40,644	7,431	0	21,392	0	85,786
Senior Vice President —	1999	152,767	15,000	4,909	0	34,000	0	55,986
Development	1998	141,264	0	4,595	0	0	0	38,440
Daniel P. Bittner	2000	162,236	6,287	10,510	0	4,064	0	127,777
Senior Vice President and	1999	154,068	4,970	6,943	0	22,000	0	98,509
Chief Financial Officer	1998	151,735	0	6,499	0	0	0	63,213

All officers of WPS Resources Corporation unless otherwise noted.

(1) Mr. Weyers assumed the duties of Chairman on February 12, 1998.

(2) Officer of Upper Peninsula Power Company.

(3) Only reported compensation is that paid by WPS Resources, Wisconsin Public Service, or by Upper Peninsula Power since its acquisition by WPS Resources.

(4) In addition to base salary, these amounts include Elective Deferred Compensation in the Reserve Account, and Mandatory Deferred Compensation.

(5) These amounts reflect Above-Market Earnings on Elective Deferred Compensation. Perquisites for the Chief Executive Officer and the four Named Executive Officers were less than $50,000 or 10% of the total of salary and bonus for the year and, accordingly, are not listed.

(6) All Other Compensation as reported in the table above is:

Name and Title	Year	Contributions to Employee Stock Ownership Plan ($)	Above Market Earnings on Mandatory Deferred Compensation ($)	Elective Deferred Compensation in the Stock Account ($)
Larry L. Weyers	2000	3,122	5,261	337,331
Director, Chairman, President and CEO	1999	2,496	3,475	124,127
	1998	3,140	3,253	40,500
Patrick D. Schrickel	2000	3,138	6,420	38,540
Executive Vice President	1999	1,377	4,241	31,039
	1998	1,662	3,970	11,735
Clarence R. Fisher	2000	3,093	0	7,454
President and Chief Executive Officer	1999	2,524	0	32,071
Upper Peninsula Power Company	1998	0	0	0
Phillip M. Mikulsky	2000	2,717	2,138	80,931
Senior Vice President — Development	1999	2,270	1,412	52,304
	1998	2,623	1,322	34,495
Daniel P. Bittner	2000	2,733	5,335	119,709
Senior Vice President and Chief Financial	1999	2,412	3,524	92,573
Officer	1998	2,863	3,299	57,051

Individual employment and severance agreements exist with ten executives including the officers of WPS Resources listed in the Summary Compensation Table above. The agreements are intended to retain the services of these officers in the event of a change in control of WPS Resources. Each agreement entitles the officer to a continuation of salary and benefits for a maximum period of three years after a change in control. Each employment and severance agreement also provides a cash termination payment should there be a termination of the officer's employment after a change of control or in anticipation of a change in control. Generally, total termination payments provided are not to exceed the present value of 2.99 times the executive's average annual salary including annual bonuses for the five years immediately preceding a change of control. Certain executives including some of the Named Executive Officers may receive termination payments in excess of 2.99 times average annual salary. The termination payments replace all other severance payments to which the executive may be entitled under current severance agreements.

Option Grants to Named Executives in Last Fiscal Year

Individual Grants					
(a) Name	(b) Number of securities underlying Options/SARs granted	(c) Percent of total options/SARs granted to employees in fiscal year	(d) Exercise or base price ($/Sh)	(e) Expiration date	(f) Grant date present value $
Larry L. Weyers	74,840	36.08%	$34.750	12/14/2010	$327,051
Patrick D. Schrickel	27,550	13.28%	$34.750	12/14/2010	$120,394
Clarence R. Fisher	817	0.39%	$34.750	12/14/2010	$ 3,570
Phillip M. Mikulsky	21,392	10.31%	$34.750	12/14/2010	$ 93,483
Daniel P. Bittner	4,064	1.96%	$34.750	12/14/2010	$ 17,760

All options reported above were granted in 2000 and will vest at a rate of 25% per year beginning on December 14, 2001 and ending on December 14, 2004. The year-end closing price of our stock was $36.81. There were no stock appreciation rights granted to any employee in 2000.

The grant date present value in column (f) is based on an option value of $4.37 per option. This value was calculated using the standard Black-Scholes Model. For purposes of determining the value of these options the following assumptions were made:

Annual dividend yield	5.93%
Volatility	20.40%
Risk free rate of return	5.23%
Time of exercise	10 years

The annual dividend yield was based on a dividend of $2.06 per share and a stock price of $34.750 on the date of grant. The risk free rate of return equals the interest rate on 10-year treasuries on December 14, 2000. Due to the lack of experience with the plan the time of exercise was assumed to be the maximum exercise period of the options. Expected volatility is based on the monthly price of WPS Resources common stock over the three years prior to December 14, 2000.

Aggregated Options in Last Fiscal Year and FY-End Option Values

			Number of securities underlying unexercised options/SARs at fiscal year end (#)	Value of unexercised in-the-money options/SARs at fiscal year end ($)
(a) Name	(b) Shares acquired on exercise(#)	(c) Value Realized ($)	(d) Exercisable/ Unexercisable	(e) Exercisable/ Unexercisable
Larry L. Weyers	0	0	34,000/176,840	235,790/861,540
Patrick D. Schrickel	0	0	14,000/ 69,550	97,090/348,023
Clarence R. Fisher	0	0	5,500/ 17,317	38,143/116,111
Phillip M. Mikulsky	0	0	8,500/ 46,892	58,948/220,910
Daniel P. Bittner	0	0	5,500/ 20,564	38,143/122,799

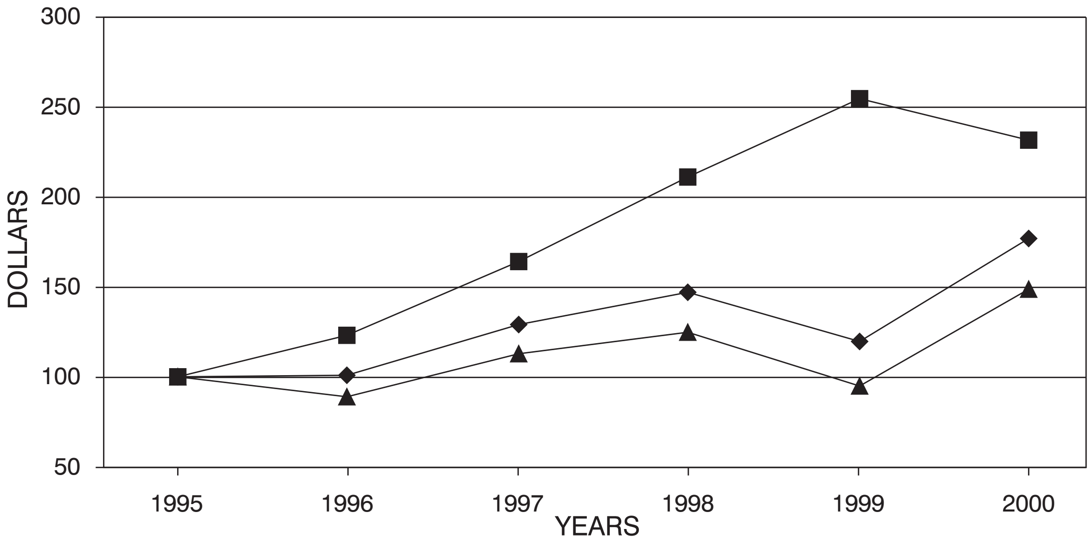
There were no SARs granted to any employees in 2000.

COMPARATIVE FIVE-YEAR INVESTMENT PERFORMANCE GRAPH

The following graph presents a five-year comparison of:

- WPS Resources' Common Stock cumulative total return
- Standard & Poor's (''S&P'') 500 Index; and
- Edison Electric Institute (''EEI'') 100 Index for the last five fiscal years.

Comparison of Five-Year Cumulative Total Return (1)



	1996	1997	1998	1999	2000
WPSR	89	113	125	95	149
S&P 500 Index	123	164	211	255	232
EEI 100 Index	101	129	147	120	177

Assumes $100 invested on December 31,1995 in WPSR Common Stock, S&P 500 Index & EEI 100 Index

(1) Total return assumes reinvestment of dividends.

Audit Committee Report (1)

February 8, 2001

The Audit Committee has reviewed and discussed with management the audited financial statements of WPS Resources as of and for the year ended December 31, 2000. In addition, we have discussed with Arthur Andersen LLP, the independent accountants for WPS Resources, the matters required by Statement on Auditing Standards No. 61.

The Audit Committee also has received the written disclosures and the letter from Arthur Andersen LLP required by Independence Standards Board Standard No. 1, and has discussed the firm's independence with respect to WPS Resources. We have also discussed with management of WPS Resources and Arthur Andersen such other matters and received such assurances from them as we deemed appropriate.

Based on the foregoing review and discussions and relying thereon, we have recommended to the WPS Resources' Board of Directors the inclusion of the Audited Financial Statements in the WPS Resources' Annual Report for the year ended December 31, 2000 on Form 10-K.

Audit Committee

A. Dean Arganbright
Michael S. Ariens
Richard A. Bemis
John C. Meng
Robert C. Gallagher
Kathryn M. Hasselblad-Pascale
James L. Kemerling

(1) This report is not to be deemed ''soliciting material'' or deemed to be filed with the Securities and Exchange Commission or subject to Regulation 14A of the 1934 Act, except to the extent specifically requested by WPS Resources or incorporated by reference in documents otherwise filed.

PRINCIPAL ACCOUNTING FIRM FEES

The aggregate fees billed to WPS Resources and its affiliates for the year ended December 31, 2000 by its principal accounting firm, Arthur Andersen LLP are:

Audit Fees	$598,001
Financial Information Systems Design and Implementation Fees	—
All Other Fees	171,071
TOTAL	$769,072

Board Compensation and Nominating Committee Report

The Compensation and Nominating Committee of the Board of Directors establishes and administers the executive compensation programs of WPS Resources and its subsidiaries. The Committee consists of three non-employee members of the Board of Directors.

The integrated executive compensation programs are designed to:

- establish a connection between increasing shareholder value and executive compensation;
- attract, retain, motivate, and develop a highly competent executive staff; and
- achieve a balance between base pay, short-term and long-term incentives.

To underscore the importance of linking executive and shareholder interests, the Committee instituted stock ownership guidelines in 1996 for executive officers and other members of senior management. In 2000, the Committee approved changes to these guidelines effective in 2001. The target level for the Chief Executive Officer was increased from two times annual salary to three times annual salary. The target level for the President and Chief Operating Officer remains at two times annual salary while the guideline for Senior Vice Presidents increases from one to two times annual salary. A target level for Vice Presidents was established at one times annual salary and for other executives at one half times annual salary. Each employee subject to the guidelines is expected to achieve the ownership target by January 1, 2006, or within five years from the date on which the employee became subject to the guidelines, whichever is later. Common Stock beneficially held in an executive's Employee Stock Ownership Plan account, Common Stock equivalents earned through non-qualified deferred compensation programs and any other beneficially owned Common Stock, including that earned through incentive plan awards, are included in determining compliance with the guidelines. Shares that executives have the right to acquire through the exercise of stock options are not included in the calculation of stock ownership for guideline purposes.

The executive compensation program consists of:

- annual base salary;
- annual at risk short-term variable pay bonus; and
- long-term incentive plan stock options and stock performance awards.

Base Salary

Base salary for the Chief Executive Officer, other Named Executive Officers, and other officers is determined through a market-based analysis of compensation of similar executive positions throughout the utility industry. The Committee targets the 50^{th} percentile of data from comparable utility industry companies. In general, any executive's position relative to the market target is a function of that executive's background and experience. Market targets are reviewed annually.

Short-Term Variable Pay Plan

In 2000, annual incentive compensation bonuses were provided through the Short-Term Variable Pay Plan, adopted in 1999, and are based on attaining defined performance goals relating to:

Utility Operations:

- safety — the number and severity of accidents,
- system reliability — number and length of power outages,
- customer satisfaction — compared to competitors,
- net income, and
- rate levels — a comparison of rates relative to competitors.

Non-utility Operations:

- asset growth, and
- net income.

The Board believes it is important to establish performance targets and incentives as a means to direct executive efforts for optimizing performance and to attain competitive total compensation levels.

Long-Term Incentive Plan

In 2000, long-term incentive compensation was provided through a Stock Option Plan approved by shareholders at the 1999 Annual Shareholders' Meeting.

All employee option grants will have per share exercise prices equal to the fair market value of a share of WPS Resources Common Stock on the later of the date the options are granted or the date the plan is approved by shareholders. One quarter of the options vest each year on the grant anniversary date and have a ten-year term from the date of the grant.

Short-term variable pay and long-term incentive pay target award levels will be based on a competitive analysis of similarly sized utility and general industry companies that takes into consideration the market level of long-term incentives, as well as the competitiveness of the total compensation package. Award ranges, as well as individual award levels, are established based on responsibility level and market competitiveness. Generally, award levels were targeted to the median of the range of such awards paid by comparable companies.

The Compensation and Nominating Committee reserves the right to recommend revised compensation levels after considering qualitative and quantitative facts and circumstances surrounding actual or projected financial results and the appropriate balance between base salary, annual incentive programs and long-term incentive programs.

CEO Compensation and Evaluation

The determination of the CEO's salary, short-term incentive payments and long-term incentive payments followed all of the policies and calculations set forth above. The Chief Executive Officer's annual base salary was $449,434 for 2000. At the October 2000 meeting, the Compensation and Nominating Committee reviewed the compensation of our Chief Executive

Officer and the other executive officers. Consistent with the market-based executive compensation goals, the Chief Executive Officer's annual base salary for 2001 was set at $498,931. The new base compensation value for the Chief Executive Officer compares to the market median of base salaries of $535,000, as reported in the 2000 Towers Perrin Energy Industry Data Base by utilities with revenues generally comparable to those of WPS Resources. The survey also reported median total cash compensation (including both base and short-term incentive compensation) of $861,000. This compares to the total payments for both base and short-term incentive compensation received by the Chief Executive Officer related to 2000 compensation of $657,253.

The award for Mr. Weyers under the Short-term Variable Pay Plan in 2000, was based on corporate and strategic goal achievement measured against predetermined standards. Each plan year, the Committee determines the performance levels and targets for Mr. Weyers. In 2000, that apportionment was 75 percent for corporate utility performance and 25 percent for strategic, non-regulated business performance. Corporate utility performance is measured based on Company-wide targets in customer satisfaction, system reliability, safety, WPS rates vs. peer company rates, and net income established at the beginning of the year. Non-regulated business goals are measured based on the achievement of the strategic goals of asset growth and net income. As a result of company performance in 2000, the Short-term Variable Pay award for Mr. Weyers was 42 percent of annual salary.

Additionally, the Chief Executive Officer was granted stock options for 74,840 shares with a value at the date of grant of $327,051 for total 2000 compensation of $984,304. This compares to the 2000 Towers Perrin Survey, which reported market median total compensation of $1.66 million.

Policy on Deductibility of Compensation

Section 162(m) of the Internal Revenue Code limits the tax deduction for compensation paid to the CEO or other Named Executive Officers to $1,000,000 unless certain requirements are met. These requirements are:

- the Committee consist entirely of outside directors,
- compensation in excess of $1,000,000 must be based upon the attainment of performance goals approved by shareholders, and
- the Committee must certify the attainment of the applicable performance goals.

The Committee does not expect total cash compensation payable or salaries, as defined by section 162(m) of the Internal Revenue Code to exceed $1,000,000 for any individual in 2001. The Committee does intend to meet all these requirements for any compensation that may be paid in the future in excess of $1,000,000 and is requesting shareholder approval of the applicable incentive based compensation plans at this annual meeting.

A. Dean Arganbright
Robert C. Gallagher
Kathryn Hasselblad-Pascale

Executive Benefit Plans

The Short-Term Variable Pay Plan provides annual incentives for a limited group of executives including each of the Named Executive Officers listed in the Summary Compensation Table. The plan provides for various levels of bonus payments based in part on a utility performance target and in part on a non-utility performance target. The utility performance portion of the bonus is based on five key measures of performance: system reliability, safety, customer satisfaction, rates, and net income. Asset growth and net income benchmarks determine the non-utility performance portion. The Compensation and Nominating Committee has full authority and discretion to determine the plan participants and the amount and allocation of payments to plan participants. The Compensation and Nominating Committee must approve all awards.

The 1999 WPS Resources Stock Option Plan provides long-term incentive compensation. The plan was approved by shareholders at the 1999 Annual Shareholders' Meeting. Options for a total of 244,416 shares of WPS Resources Common Stock were granted in 2000 to a group of 21 executives. The options have an exercise price of $23.1875 and $34.75 per share. Twenty-five percent of these options vest each year beginning on the first anniversary of the date of grant. The Compensation and Nominating Committee selects the participants in the plan. The Committee considers any factor it deems appropriate in selecting participants and determining their respective benefits.

The WPS Resources Corporation Deferred Compensation Plan provides benefits to 51 executives, including the Chief Executive Officer and each of the Named Executives. The plan consists of:

- mandatory salary deferrals, and
- voluntary salary deferrals.

Mandatory Salary Deferrals. An amount equal to 7% of a participant's base compensation is credited to the Deferred Compensation Plan. The amount deferred is credited to the Stock Account and treated as if fully invested in our common stock. Mandatory salary deferrals were discontinued, effective January 1, 2001.

Voluntary Salary Deferrals. Plan participants may elect to defer any bonus paid during the year and up to 30% of their annual base compensation. The amount is credited, for record keeping purposes, to the Deferred Compensation Plan. The voluntary salary deferral is credited to the Stock Account or the Reserve Account at the election of the participant. Amounts deferred after January 1, 1996 in the Reserve Account are credited with earnings, at the greater of 6% per annum or a rate equal to 70% of our return on common shareholder equity. Voluntary Salary Deferrals made prior to January 1, 1996 are credited with a higher earnings rate. The Compensation and Nominating Committee may revise the earnings rate applicable to the Reserve Account or the manner in which the rate is calculated, but the rate may not be reduced below 6% per annum. In addition, the Compensation and Nominating Committee may permit a participant to defer in excess of 30% of the participant's salary.

A proposed restated deferred compensation plan, which shareholders are requested to approve at the May 3, 2001 Annual Meeting, is described later in this proxy statement.

The Deferred Compensation Plan contains several provisions that take effect in the event of a change in control of WPS Resources or Wisconsin Public Service.

Upon a change in control, the minimum earnings rate for Voluntary Salary Deferrals credited to the Reserve Account is the greater of 6% per annum or two percentage points above the prime lending rate of Firstar Bank, N.A., or its successor. Upon a change in control, contributions to the Deferred Compensation Trust are required in an amount sufficient to fully fund the benefits accrued by participants in the Deferred Compensation Plan through the funding date. The Deferred Compensation Trust becomes an irrevocable trust upon a change of control. The trust assets remain subject to the claims of creditors until distributed to plan participants in accordance with each participant's election regarding distribution.

A change in control means any of the following events:

(1) The acquisition by any person (other than WPS Resources, its subsidiaries, its employee benefit plans, or their fiduciaries) of beneficial ownership of 30% of the voting power of WPS Resources Common Stock outstanding;

(2) One-half or more of our Directors are not ''Continuing Directors.'' To be a continuing director, an individual must have been a director on May 1, 1997, or nominated, elected, or approved by a majority of directors meeting the definition of a Continuing Director;

(3) Any merger, consolidation, or reorganization of WPS Resources with any other corporation resulting in less than one-half of the outstanding securities of the surviving or resulting entity being owned by our former shareholders. For this purpose shares owned by certain persons who are shareholders or affiliated with a party to such transaction or are substantial shareholders of a party to such a transaction are excluded.

(4) Any merger or share exchange involving WPS Resources in which we are not the controlling or surviving corporation, except a merger in which our shareholders have the same proportionate ownership of the surviving corporation as they held in WPS Resources immediately prior to such merger;

(5) Any sale, lease, exchange, or other transfer (in one transaction or a series of related transactions) of all, or substantially all, of our assets other than to a wholly-owned subsidiary of WPS Resources; or

(6) Approval by our shareholders of any plan or proposal for the liquidation or dissolution of WPS Resources.

The WPS Resources Corporation Pension Restoration and Supplemental Retirement Plan (''Supplemental Retirement Plan'') provides benefits to 51 executives, including the Chief Executive Officer and each of the Named Executives. The plan consists of:

- protection restoration benefits; and
- supplemental retirement benefits.

Pension Restoration Benefit. The Supplemental Retirement Plan will provide a benefit to Plan participants to the extent that the participant's benefits under our qualified Retirement Plan are limited because of certain legal restrictions or are unavailable because the participant deferred compensation under the Deferred Compensation Plan.

Supplemental Retirement Benefit. The Supplemental Retirement Plan provides supplemental monthly payments to certain Plan participants. The benefit is payable if the participant retires or terminates employment after having attained age 55 and having completed at least 10 years of credited service (5 years in the event of termination following a change in control). An eligible participant with 15 or more years of credited service will receive a monthly benefit equal to 60 percent of the participant's Final Average Earnings, reduced by the monthly qualified Retirement Plan benefit and Pension Restoration benefit to which the participant is entitled or would be entitled to if the participant had elected an annuity form of payment. For this purpose, Final Average Earnings means one thirty-sixth of the base salary and annual bonus paid to the participant during the month in which occurs the participant's termination of employment and the immediately preceding 35 months, or during the three calendar years immediately preceding the calendar year in which occurs the participant's termination of employment. If the participant has fewer than 15 years of credited service, the 60 percent target benefit percentage is reduced by 4 percent for each year by which the participant's years of credited service is less than 15, e.g., the target benefit percentage for a participant with 12 years of service is 48 percent. Monthly benefit payments commence with a payment for the month following the month in which occurs the participant's termination of employment and continue until a total of 180 monthly payments have been made. If the participant dies after benefit commencement but prior to receiving 180 monthly payments, payments will continue to the participant's beneficiary until a total of 180 monthly payment have been made. If the participant dies prior to benefit commencement but after having completed 10 or more years of credited service, monthly payments will be made to the participant's beneficiary. If a participant dies prior to completing 10 years of credited service, no benefits are payable. Benefits that commence prior to the participant's attainment of age 62 are subject to an additional reduction for early commencement. Under certain circumstances, the participant may elect an actuarially equivalent lump sum in lieu of the monthly annuity that would otherwise be payable.

Wisconsin Public Service maintains 401(k) Plans and an Employee Stock Ownership Plan. Substantially all employees of WPS Resources and its affiliates are eligible to participate in a 401(k) Plan and the Employee Stock Ownership Plan. In 2000, each 401(k) plan participant could defer up to $10,500 in the plan. All contributions to the plan are deferred on a pre-tax basis.

In 2000, the Employee Stock Ownership Plan was, in part, a leveraged program with the loan being guaranteed by Wisconsin Public Service. Loan proceeds were used to purchase Common Stock. As the loan was repaid, shares became available for allocation to participants. The shares available were allocated to those employees currently contributing to our 401(k) Plans. In 2000, the loan was paid in full and the leveraged portion of the Employee Stock Ownership Plan came to an end. Beginning in 2001 any shares needed for the Employee Stock Ownership Plan are acquired directly from WPS Resources.

The Pension Plan is a non-contributory defined benefit plan. Contributions to the plan related to specific plan participants cannot be calculated. The plan is fully funded and no contributions were made to the plan in 2000. The Pension Plan was amended in 2000 with changes to be effective January 1, 2001. The Pension Plan provides a lump sum benefit equal to the participant's Final Average Pay multiplied by the sum of the participant's benefit percentages. A participant's benefit percentage is 9 percent for each of the first 10 years of credited service, 12 percent for each year of credited service between 11 and 20, and 15 percent for each year of credited service in excess of 20. Lower benefit percentages apply for participants hired on or after December 31, 2000. Participants actively employed on January 1, 2001 also receive a one-time transition credit in connection with the transition from the prior plan formula.

The benefit accrued by a participant may be converted from a lump sum into an actuarially equivalent annuity with monthly payments. The spouse of a married participant who elects (or is deemed to have elected) annuity payments may be entitled to survivor benefits in the event the participant predeceases the spouse.

A participant's benefit will never be less than the benefit accrued by the participant under the Pension Plan as in effect on December 31, 2000.

Final Average Pay is the average of the 5 highest calendar year's compensation within the 10 year period immediately preceding the participant's termination of employment.

The following table shows the lump sum retirement benefit payable at the normal retirement age of 62 for specified salary levels and years of service under the provisions of the Pension Plan in effect January 1, 2001, assuming termination of employment on that date:

Pension Plan Table
Lump Sum Retirement Benefits at
January 1, 2001
For Years of Service Indicated

Final Average Pay	15 Years	20 Years	25 Years	30 Years	35 Years	40 Years
$200,000	$ 507,900	$ 641,400	$ 800,000	$ 950,000	$1,100,000	$1,250,000
250,000	634,875	801,750	1,000,000	1,187,500	1,375,000	1,562,500
300,000	761,850	962,100	1,200,000	1,425,000	1,650,000	1,875,000
350,000	888,825	1,122,450	1,400,000	1,662,500	1,925,000	2,187,500
400,000	1,015,800	1,282,800	1,600,000	1,900,000	2,200,000	2,500,000
450,000	1,142,775	1,443,150	1,800,000	2,137,500	2,475,000	2,812,500
500,000	1,269,750	1,603,500	2,000,000	2,375,000	2,750,000	3,125,000
550,000	1,396,725	1,763,850	2,200,000	2,612,500	3,025,000	3,437,500
600,000	1,523,700	1,924,200	2,400,000	2,850,000	3,300,000	3,750,000

Compensation for pension purposes differs from the amounts in the annual compensation columns of the Summary Compensation Table for the Chief Executive Officer and all Named Executive Officers. Pension Compensation for the Named Executive Officers is:

Name and Title	2000 Pension Compensation ($)	Years of Service
Larry L. Weyers Director, Chairman, President, and CEO	561,751	15
Patrick D. Schrickel Executive Vice President(1)(2)(3)	331,884	35
Clarence R. Fisher President and Chief Executive Officer	281,920	38
Phillip M. Mikulsky Senior Vice President — Development	236,010	30
Daniel P. Bittner Senior Vice President and Chief Financial Officer	263,772	36

Annual benefits payable from the Pension Plan are subject to a maximum limitation of $135,000 for 2000 under the Internal Revenue Code. The amount of compensation considered for purposes of the Pension Plan is limited to $170,000 for 2000 under the Internal Revenue Code. The Supplemental Retirement Plan provides additional monthly pension benefits for Supplemental Retirement Plan participants to compensate for any loss of benefit payable under the Pension Plan caused by the maximum benefit limitation, compensation limitation, or any Salary Deferral under the Deferred Compensation Plan. Retirement benefits presented in the Pension Plan Table above include the Pension Restoration Benefit described above. Amounts were accrued during 2000 for the unfunded future payment.

APPROVAL OF PROPOSED 2001 OMNIBUS INCENTIVE COMPENSATION PLAN

The Board of Directors of WPS Resources has adopted the WPS Resources Corporation 2001 Omnibus Incentive Compensation Plan (the ''Compensation Plan''), subject to approval by the holders of Common Stock at the WPS Resources 2001 Annual Meeting of Shareholders.

The Compensation Plan provides both short-term (annual) and long term incentive awards for eligible employees. Annual incentive awards are paid in cash and take the form of annual performance rights. Long term incentive awards are stock-based, and may take the form of performance stock rights (''Final Awards''), stock options (''Options''), stock appreciation rights (''SARs''), or other stock-based awards, such as restricted stock (''Other Stock Awards''). Final Awards, Options, SARs, and Other Stock Awards are sometimes collectively referred to as (''Plan Awards''). Final Awards are defined as awards ultimately issued pursuant to an annual performance right or a performance stock right.

Material Terms of the 2001 Omnibus Incentive Compensation Plan

The following summary description of the Compensation Plan is subject in all respects to the full text of the Compensation Plan which is filed as an exhibit to the WPS Resources Annual Report on Form 10-K for the year ended December 31, 2000. A copy of the Compensation Plan will be furnished without charge to any person entitled to receive a copy of the WPS Resources Form 10-K upon written request addressed to the attention of Barth J. Wolf, Secretary. See the second paragraph under the caption ''ANNUAL REPORTS'' herein.

Purpose:

The Compensation Plan is designed to:

- attract and retain executives and other key employees of outstanding training, experience and ability;
- motivate key employees by means of performance-related incentives to achieve performance goals; and
- enable key employees to participate in the growth and financial success of the Company.

Stock Subject to the Plan:

The total number of shares of the Company's Common Stock available for awards under the Compensation Plan will be 2,000,000 shares subject to adjustment for stock splits, stock dividends and certain other transactions or events affecting the Company's Common Stock. During any calendar year during any part of which the Compensation Plan is in effect, a maximum of 150,000 shares of the Company's Common Stock may be subject to Options or SARs that may be granted to an individual, who on the last day of a taxable year, is the chief executive officer of the Company or any of the other four highest compensated officers of the Company and its subsidiaries (each a ''Covered Executive'') and a maximum of 50,000 shares of the Company's Common Stock may be granted as Final Awards pursuant to Performance Stock Rights (as described below) to any Covered Executive. In each case the maximum number is subject to adjustment for stock splits, stock dividends and certain other transactions and events. Upon approval of this compensation plan the 1999 WPS Resources Corporation Stock Option Plan will not issue any additional stock options, although the plan will continue to exist for purposes of the existing outstanding options.

Administrator:

The Compensation and Nominating Committee of the Company's Board of Directors or any other committee which the Board may appoint, which in either case consists of not less than two members of the Board who meet the ''outside'' director requirements of Section 162(m) of the Internal Revenue Code (the ''Code'') and the ''non-employee director'' requirements of Rule 16b-3(b)(3) under the Securities Exchange Act of 1934 (the ''Exchange Act'') (either referred to as the ''Committee'') will administer the Compensation Plan. The Compensation Plan authorizes the Committee to establish rules and regulations as it may deem appropriate for the proper administration of the Compensation Plan, and to make determinations under and interpretations of the Compensation Plan and to take other steps in connection with the Compensation Plan and Plan Awards as it may deem necessary or advisable, in each case in its sole discretion. The Board may also exercise any authority granted to the Committee except to the extent that the grant or exercise of authority by the Board would cause any qualified performance-based award to cease to qualify for exemption under Section 162(m) of the Code. The Committee may delegate any or all of its powers and duties under the Compensation Plan, including its authority to make awards under the Compensation Plan or to grant waivers of Compensation Plan conditions to one or more other committees as it shall appoint provided the Committee may not delegate its authority to:

- act on matters affecting any participant who is subject to the reporting requirements of Section 16(m) of the Exchange Act, or the liability provisions of Section 16(b) of the Exchange Act; or
- amend or modify the Compensation Plan.

Performance Rights and Final Awards:

The Committee may from time to time grant or authorize the granting of, Annual Performance Rights under the Compensation Plan to such officers or other employees of the Company or any of its subsidiaries, or of any joint venture in which the Company or any of its subsidiaries has a substantial equity interest (each, an ''Employee'') as the Committee may select. An Annual Performance Right is the right to receive up to the amount described in a participant's award agreement, taking into account the Target Award and the Performance Formula, upon the attainment of one or more specified Performance Goals, subject to the terms and conditions of the award agreement and the Compensation Plan. The Target Award is the amount of compensation or the number of shares of the Company's Common Stock to be earned by a participant if all the Performance Goals are achieved. Performance Goals for Covered Executives will be a performance measure that is based upon one or more of the following business criteria which the Committee establishes with respect to the Company and/or any of its subsidiaries or a division, business unit or component of the Company or a subsidiary: asset change, asset turnover, return on sales, capital employed in the business, capital spending, cash flow, cost structure improvements, complexity reductions, customer loyalty, diversity, earnings growth, earnings per share, economic value-added, environmental health, safety, increase in customer base, market share, net cash balance, net income, net income margin, net operating cash flow, operating profit margin, operations and maintenance reduction, productivity, response time, profits before tax, quality/customer satisfaction, return on assets, return on capital, return on equity, return on net operating assets, return on sales, revenue growth, sales margin, sales volume, system reliability, total shareholder return, variable margin and working capital. Performance goals for a participant who is not a Covered Executive may be based on one or more of the business criteria described above or any other criteria based on individual, business unit, subsidiary, group or Company performance selected by the Committee. A Performance Formula is applied to the Performance Goals in determining the percentage, not to exceed 200%, of the Target Award earned by the participant with respect to a Plan Award.

A Final Award of $1 Million is the maximum amount that may be granted to a Covered Executive with respect to one or more Annual Performance Rights during any calendar year during any part of which the Compensation Plan is in effect.

Prior to the grant of any Performance Right, the Committee will determine the terms of the Performance Right including:

- the Target Award,
- one or more Performance Goals to measure performance,
- the Performance Formula to apply against the Performance Goals in determining the amount of compensation earned under the Performance Right as a percentage of the Target Award, and
- the Performance Period (the period for which performance with respect to one or more Performance Goals is to be measured).

The Performance Period may not commence more than 90 days prior to the date of grant of the Performance Right. Within 90 days of commencement of a Performance Period, the Committee may establish a minimum threshold objective for any Performance Goal, which if not met, would result in no Final Award being made to any Participant with respect to the Performance Goal. During and after the Performance Period but prior to determination of the Final Award, the Committee may adjust the Performance Goals, Performance Formula and Target Award and otherwise modify the terms of a Performance Right granted to a participant who is not a Covered Executive. Each Annual Performance Right will be evidenced by an award agreement in a form determined by the Committee.

As soon as practicable, following the completion of the Performance Period relating to any Annual Performance Right, the Committee will determine the extent to which the participant achieved the Performance Goals and the amount of compensation to be awarded as a Final Award. The Committee may in its sole discretion reduce the amount of any Final Award or increase the amount of any Final Award awarded to any participant who is not a Covered Executive. Any determination shall take into account:

- the extent to which the Performance Goals were, in the Committee's sole opinion, achieved;
- individual performance by the participant during the performance period; and
- such other factors as the Committee may deem relevant, including changes in circumstances or unforeseen events.

The Final Award will be payable to the participant in cash unless the participant elects to defer its payment pursuant to the WPS Resources Corporation Deferred Compensation Plan.

Performance Stock Rights and Final Awards:

The Committee may from time to time grant or authorize the granting of Performance Stock Rights to such Employees as the Committee may select and for such number of shares of the Company's common stock as it may designate subject to the limitations specified in the Compensation Plan. A Performance Stock Right is the right to receive, without payment to the Company, up to the number of shares of the Company's common stock described in the participant's award agreement, taking into account the Target Award and the Performance Formula upon the attainment of one or more Performance Goals, subject to the terms of the award agreement and the Compensation Plan.

Prior to the grant of any Performance Stock Right, the Committee will determine the terms of the Performance Stock Right, including the Target Award, Performance Goal, the Performance Formula and the Performance Period. The Committee at any time prior to granting the Final Award will also determine the period of time, if any, during which the disposition of shares of the Company's common stock issuable under the Performance Stock Rights will be restricted. The Committee may also determine that any participant will be entitled to receive Dividend Equivalents, *i.e.,* payment of the same amount of cash as he or she would have received as cash dividends during the Performance Period if the participant had owned the number of shares of the Company's common stock equal to the Target Award. Dividend Equivalents may be paid in cash on dividend payment dates or at the time of the Final Award or in shares of the Company's common stock, all as the Committee may determine. Final Awards are made in the manner previously described with respect to Annual Performance Rights but are payable in shares of the Company's common stock unless the participant elects to defer payment pursuant to the WPS Resources Corporation Deferred Compensation Plan.

Tentative Performance Share Grants
2001 Omnibus Incentive Compensation Plan

Name and Position	Dollar Value ($)	Target Award (shares)
Larry L. Weyers Director, Chairman, President, and CEO	430,456	11,694
Patrick D. Schrickel Executive Vice President	158,467	4,305
Clarence R. Fisher President and Chief Executive Officer Upper Peninsula Power Company	0	0
Phillip M. Mikulsky Senior Vice President — Development	123,056	3,343
Daniel P. Bittner Senior Vice President and Chief Financial Officer	0	0
Executive Group (all 16 officers as a group)	1,165,000	31,649
Non-Executive Director Group	0	0
Non-Executive Officer Employee Group	0	0

The dollar values of the performance share grants presented in the table above are based on the year-end WPS Resources common stock price of $36.81.

Options:

The Committee may from time to time authorize the granting of Options to officers and other key salaried Employees as the Committee may select. Each Option will be a nonqualified stock option unless the Committee at the time of grant designates the Option as an ''incentive stock option'' as such term is defined in Section 422 of the Code (''ISO'').

Option Price:

The Committee will determine the per share option price which will be not less than the fair market value of the Company's common stock on the date of the grant of the Option.

Option Period:

The Committee will determine the term of each Option. The term of an Option, however, may not exceed a period of ten (10) years from the date of its grant.

Exercise of Option:

Unless the Committee shall provide otherwise, the participant may make any payment for shares of the Company's common stock purchased upon exercise of an Option granted under the Compensation Plan in cash, by delivery of shares of the Company's common stock which have been beneficially owned by the participant for at least six months or by a combination of cash and stock, at the election of the participant. The Committee may also permit payment through a cashless exercise executed through a broker.

ISO's Option Period Maximum Value:

Options which are ISOs may be exercised no later than three months after termination of employment by reason of death, early or normal retirement or total and permanent disability. The aggregate fair market value of the stock for which an ISO is exercisable for the first time by a participant during any calendar year under the Compensation Plan or any other plan of the Company or any subsidiary may not exceed $100,000. To the extent the fair market value of the shares of the Company's common stock attributable to ISOs first exercisable in any calendar year exceeds $100,000, the excess portion of the ISO will be treated as a nonqualified option.

SARs:

The Company may grant SARs in tandem with Options or separate from any Option granted under the Compensation Plan. SARs entitle the participant to receive an amount equal to the excess of the fair market value of one share of the Company's common stock on the date of exercise over the per share grant or option price multiplied by the number of shares in respect of which the participant exercises the SARs. If the Committee grants SARs independent of an Option, the grant price of the SARs will be not less than the fair market value of a share of the Company's common stock on the date of grant multiplied by the number of shares subject to the SARs. Upon exercise of SARs, the Company may pay the participant in cash, Company common stock or a combination of stock and cash.

In the case of a SAR issued in tandem with an Option, the total number of shares of the Company's common stock which a participant may receive upon exercise of a SAR for stock may not exceed the total number of shares subject to the related Option or portion of Option. The total amounts of cash which a participant may receive upon exercise of a SAR for cash may not exceed the fair market value on the date of exercise of the total number of shares subject to the related Option or portion of Option.

With respect to Options issued in tandem with SARs, the right of a participant to exercise the SAR will be cancelled if and to the extent the participant exercises the related Option, and the right of a participant to exercise an Option will be cancelled if and to the extent the participant exercises the related SAR.

Stock and Other Stock-Based Awards:

The Committee may from time-to-time grant to officers and other key salaried Employees as the Committee may select other stock-based awards which may include awards of restricted stock, ''stock units,'' phantom stock and options containing terms differing from options otherwise granted pursuant to the Compensation Plan. The Committee has authority to determine all terms and conditions of the other stock-based awards including whether the awards will be payable in cash, stock or otherwise.

Cash Awards to Employees of Foreign Subsidiaries, Branches or Joint Ventures:

The Committee may provide for special terms, include cash payments and other substitutes for the previously described awards under the Compensation Plan for participants who are foreign nationals or who are employed outside the United States of America to accommodate differences in local law, tax policy or custom.

Conditions to Payment of Compensation Plan Awards:

If a Compensation Plan participant's employment terminates for any reason other than death, while any award to the participant under the Plan is outstanding and the participant has not received the compensation or stock covered by the award or the full benefit of the award, the participant will receive the remaining stock, compensation or benefit only if the participant continues to make himself or herself available upon request at reasonable times and on a reasonable basis to consult with, supply information to, and otherwise cooperate with the Company or any of its subsidiaries with respect to any matter previously handled by him or her or under his or her supervision and the participant refrains from engaging in any activity that is directly or indirectly in competition with any activity of the Company or any of its subsidiaries. The Committee may waive any forfeiture of Compensation Plan awards if it determines that there has not been and will not be any substantial adverse effect on the Company or any of its subsidiaries.

All rights of a participant under any award granted under the Compensation Plan will cease as of the date the Committee determines that the participant at any time acted in a manner inimical to the Company or any of its subsidiaries.

The Committee will make appropriate arrangements for deposit of any taxes and other amounts required to be withheld by federal, state or local law prior to distribution of cash, stock or other stock-based awards to any participant.

Transferability of Awards, Options and SARs:

No Annual Performance Right or Stock Performance Right, or until the expiration of any restriction period, no shares of the Company's common stock covered by any Final Award may be transferred, pledged, assigned or otherwise disposed of by a participant except as permitted by the Compensation Plan, without the consent of the Committee, otherwise than by will or the laws of descent and distribution. The Committee may permit the use of stock included in any Final Award as partial or full payment upon exercise of any stock option granted by the Company prior to the expiration of any restriction period relating to the Final Award.

Unless the Committee determines otherwise under the Compensation Plan no Option or SAR or other stock-based award granted under the Compensation Plan may be transferred by a participant otherwise than by will or the laws of descent and distribution, and during the lifetime of a participant any Option or SAR or other stock-based award granted under the Compensation Plan to a participant shall be exercisable only by the participant or his or her guardian or legal representative.

A participant may file with the Company a written designation of a beneficiary or beneficiaries under the Compensation Plan subject to any limitations the Committee may from time to time prescribe.

Change in Control:

Unless the Committee determines otherwise at the time of grant, upon the occurrence of a Change in Control:

- any awards outstanding under the Compensation Plan that are not vested will become fully vested if vesting is based solely upon length of employment or will become fully vested at the Target Level (or if greater, the then projected Final Award) prorated for the portion of the Performance Period then elapsed,
- any restrictions or other conditions applicable to outstanding Compensation Plan awards will then lapse, and
- any of those awards will immediately be paid to the participant.

Change of Control means the occurrence of any one of the following:

- any person (other than an employee benefit plan of the Company or of any subsidiary of the Company and fiduciaries and certain other parties related to any of these plans) becomes the beneficial owner of securities of the Company representing at least 30% of the combined voting power of the Company's then outstanding securities;
- one-half or more of the members of the Company's Board of Directors ceases to be a ''Continuing Director'', *i.e.*, an individual who was a member of the Board on May 1, 1997, a successor to a Continuing Director who is recommended to succeed a Continuing Director by a majority of the Continuing Directors then on the Company's Board of Directors or additional directors elected by a majority of the Continuing Directors;
- completion of any merger, consolidation or reorganization of the Company with any other corporation as a result of which less than 50% of the outstanding voting

securities of the surviving or resulting entity are owned by the former shareholders of the Company other than a shareholder who is an affiliate or associate of any party to such consolidation or merger;

- completion of any merger of the Company or share exchange involving the Company in which the Company is not the continuing or surviving corporation other than a merger of the Company in which each of the holders of the Company's common stock immediately prior to the merger have the same proportional ownership of common stock of the surviving corporation immediately after the merger;
- completion of any sale, lease, exchange or other transfer (in one transaction or a series of related transaction) of all or substantially all of the assets of the Company to a person other than a wholly owned subsidiary of the Company; or
- approval by the shareholders of the Company of any plan or proposal for the liquidation or dissolution of the Company.

Amendment, Termination:

The Board of Directors of the Company may, from time to time, amend or modify the Compensation Plan or any outstanding award under the Compensation Plan as necessary or desirable to implement Compensation Plan Awards or may terminate the Compensation Plan or any provision of the Compensation Plan. No such action of the Board, however, without the approval of the shareholders of the Company may:

- increase the total number of shares of the Company's common stock with respect to which awards may be granted under the Compensation Plan or certain individual limits specified in the Compensation Plan,
- extend the terms of the Compensation Plan beyond December 31, 2010,
- permit any person while a member of the Committee or any other committee of the Board administering the Plan to be eligible to receive or hold an award under the Compensation Plan; or
- permit the Company to decrease the grant price of any outstanding Option or SAR.

No amendment to or termination of the Compensation Plan or any provision of the Compensation Plan and no amendment of any outstanding award may without the consent of the participant adversely affect any outstanding award under the Compensation Plan.

Federal Income Tax Consequences

The Federal income tax consequences described in this section are based on laws and regulations in effect on the date of this proxy statement and future changes in those laws and regulations may affect the tax consequences described below. No discussion of state income tax treatment has been included.

Nonqualified Stock Options:

Options granted under the Compensation Plan which do not qualify as ISOs will, in general, be subject to the following Federal income tax treatment:

- The grant of a nonqualified option does not give rise to any income tax consequences to either the Company or the participant.
- The exercise of a nonqualified option generally results in ordinary taxable income to the participant in the amount equal to the excess of the fair market value of the shares at the time of exercise over the option price. A deduction from taxable income is allowed to the Company in an amount equal to the amount of ordinary income recognized by the participant.
- Upon a subsequent taxable disposition of shares, a participant recognizes short-term or long-term capital gain (or loss) depending on the holding period, equal to the difference between the amount received and the tax basis of the shares, usually the fair market value at the time of exercise.

Incentive Stock Options:

Options granted under the Plan which constitute ISOs will, in general, be subject to the following Federal income tax treatment:

- The grant of an ISO does not give rise to any income tax consequences to either the Company or the participant.
- No deduction is allowed to the Company on a participant's exercise of an ISO.
- A participant's exercise of an ISO does not result in ordinary income to the participant for regular tax purposes, but may result in the imposition of or an increase in alternative minimum tax. If shares acquired upon exercise of an ISO are not disposed of within the same taxable year of the ISO exercise, the excess of the fair market value of the shares at the time the ISO is exercised over the option price is included in the participant's computation of alternative minimum taxable income in the year of exercise.
- If shares acquired upon the exercise of an ISO are disposed of within two years of the date of the option grant, or within one year of the date of the option exercise, the participant recognizes ordinary taxable income at the time of the disposition to the extent that the fair market value of the shares at the time of exercise exceeds the option price, but not in an amount greater than the excess, if any, of the amount realized on the disposition over the option price. Capital gain (long-term or short-term depending upon the holding period) is recognized by the participant at the time of such a disposition to the extent that the amount of proceeds from the sale exceeds the fair market value at the time of the exercise of the ISO. Capital loss (long-term or short-term depending upon the holding period) is recognized by the participant at the time of such a disposition to the extent that the fair market value at the time of the exercise of the ISO exceeds the amount of proceeds from the sale. The Company is entitled to a deduction in the taxable year in which the disposition is made in an amount equal to the amount of ordinary income recognized by the participant.

- If shares acquired upon the exercise of an ISO are disposed of after the later of two years from the date of the option grant or one year from the date of the option exercise in a taxable transaction, the participant recognizes long-term capital gain or loss at the time of the disposition in an amount equal to the difference between the amount realized by the participant on the disposition and the participant's basis in the shares. The Company will not be entitled to any income tax deduction with respect to the ISO.

Stock Appreciation Rights:

Any SAR granted under the Compensation Plan, will in general, be subject to the following Federal income tax treatment:

- The grant of a SAR does not give rise to any income tax consequences to either the Company or the participant.
- Upon the exercise of a SAR, the participant recognizes ordinary income equal to the amount of any cash plus the fair market value of any shares of common stock received. The Company is generally allowed a deduction in an amount equal to the income recognized by the participant.

Performance Rights and Performance Stock Rights:

Any Performance Right or Performance Stock Right granted under the Compensation Plan will, in general, be subject to the following Federal income tax treatment:

- The grant of a Performance Right or Performance Stock Right does not give rise to any tax consequences to either the Company or the participant.
- Upon payment of cash pursuant to a Performance Right, the participant recognizes ordinary income equal to the amount of the payment and the Company is generally allowed a deduction in an equal amount.
- Upon the issuance of the Company's common stock pursuant to a Performance Stock Right, generally the participant recognizes ordinary income equal to the fair market value of the shares received, or if received subject to certain restrictions, the fair market value of the shares when no longer restricted. The participant recognizes ordinary income on the receipt of Dividend Equivalents.
- A deduction from taxable income is allowed to the Company in an amount equal to the amount of ordinary income recognized by the participant with respect to the Performance Stock Right.

Internal Revenue Code Sections 162(m) and 280G:

Section 162(m) of the Internal Revenue Code limits the Company's income tax deduction for compensation paid in any taxable year to certain executive officers to $1,000,000 per individual. Amounts in excess of $1,000,000 are not deductible unless one of several exceptions apply. The Committee intends to grant awards under the Compensation Plan that are designed, in most cases, to qualify for one such exception, the performance-based compensation exception. Grants of Options and SARs as well as Annual Performance Rights and Performance Stock Rights can be structured so as to qualify for this exception. The

Company does not anticipate that Section 162(m) will have a material impact on its ability to deduct compensation payable under the Compensation Plan. Section 280G of the Internal Revenue Code limits the Company's income tax deduction in the event there is a change in control of the Company. Accordingly, all or some of the amount which would otherwise be deductible may not be deductible with respect to those Annual Performance Rights, Performance Stock Rights, Options and SARs that become immediately exercisable in the event of a change in control of the Company.

Other Disclosures

Market Price of Common Stock:

The closing price of a share of the Company's common stock on the New York Stock Exchange on March 1, 2001 was $35.05.

New Plan Benefits:

The Company cannot determine the number of awards under the Compensation Plan to be received by all current executive officers as a group and all other key employees as a group. In 2000, however, 21 employees received option grants under the current stock option plan. See ''Option Grants to Named Executives in Last Fiscal Year'' for information relating to the stock options rights granted to the Company's five most highly compensated executive officers. The number and nature of the Compensation Plan awards will be determined by the Committee pursuant to the terms of the Compensation Plan.

Required Vote:

The affirmative vote of a majority of the votes cast on the proposal by the holders of the Company's common stock is required for approval and ratification of the Plan, provided that a majority of the outstanding shares of the Company's common stock are voted on the proposal. Nonvotes as well as abstentions to vote on the proposal to approve the Deferred Compensation Plan may prevent the proviso from being satisfied. Assuming such proviso is satisfied, any shares not voted (whether by abstention, broker nonvote or otherwise) will have no impact on the vote.

The Board recommends that you vote ''FOR'' the approval of the 2001 Omnibus Incentive Compensation Plan. Proxies solicited by the Board of Directors will be voted ''FOR'' approval and ratification of the proposed 2001 Omnibus Incentive Compensation Plan unless the shareholder has specified otherwise.

APPROVAL OF PROPOSED AMENDED AND RESTATED DEFERRED COMPENSATION PLAN

On February 8, 2001, the Board of Directors of WPS Resources adopted the WPS Resources Corporation Deferred Compensation Plan as amended and restated effective January 1, 2001 (the ''Deferred Compensation Plan'') subject to approval by the holders of Common Stock of WPS Resources at the 2001 Annual Meeting of Shareholders of WPS Resources. The Deferred Compensation Plan, if approved by the Shareholders, will replace the current deferred compensation plan of WPS Resources, which was approved by the shareholders at WPS Resources' 1995 Annual meeting. The Deferred Compensation Plan will differ from the current deferred compensation plan of the Company in the following principal respects:

- participating employees will be able to defer payment of performance share awards under the Company's 2001 Omnibus Incentive Compensation Plan;
- mandatory base salary deferrals are eliminated;
- the maximum voluntary deferral of base compensation is increased from 30% to 75%;
- participating employees will be able to revise deemed investment elections quarterly rather than annually and will be able to reallocate certain deferrals of compensation to hypothetical investment accounts at quarterly intervals;
- participating employees will be credited with 105% of the amount of any annual bonus award which the participating employee elects to defer into the Incentive Stock Unit Account created under the Deferred Compensation Plan;
- the maximum number of authorized but previously unissued shares of Company common stock which may be issued under the Deferred Compensation Plan is increased from 100,000 shares to 150,000 shares;
- the definition of ''change in control'' and the consequences of a change in control have been modified;
- a provision relating to special death benefits has been eliminated from the Deferred Compensation Plan and replaced with term insurance coverage;
- supplemental retirement benefits are now covered by a separate plan; and
- if a participating employee's deferrals of base compensation and annual bonus under the Deferred Compensation Plan result in the employee receiving a reduced matching contribution under WPS Resources' Employee Stock Ownership Plan (because the employee had less compensation considered for purposes of WPS Resources' 401(k) and Employee Stock Ownership Plans), the employee will receive a matching contribution credit, in the form of stock units, under the Deferred Compensation Plan.

If the Deferred Compensation Plan is not approved by the shareholders, the current deferred compensation plan of WPS Resources will remain in effect.

The following summary description of the Deferred Compensation Plan is subject in all respects to the full text of the Deferred Compensation Plan which is filed as an exhibit to WPS Resources' Annual Report on Form 10-K for the year ended December 31, 2000. A copy of the Deferred Compensation Plan will be furnished without charge to any person entitled to receive a copy of WPS Resources' Form 10-K upon written request addressed to the attention of Barth J. Wolf, Secretary of WPS Resources. See the second paragraph under the caption ''ANNUAL REPORTS'' herein.

The Deferred Compensation Plan permits key employees of WPS Resources and its subsidiaries and affiliates to defer a portion of their base compensation, annual bonus awards and long term performance awards under WPS Resources' 2001 Omnibus Incentive Compensation Plan and to allocate the amount deferred among the hypothetical investment accounts available under the Deferred Compensation Plan. An additional account has been established for amounts deferred prior to January 1, 1996, under a prior deferred compensation program of Wisconsin Public Service Corporation. Amounts in this account are treated as if invested at interest. The accounts are bookkeeping accounts which serve solely as a device for determining the amount of benefits accumulated by a participant and do not create or imply an obligation on the part of WPS Resources to fund such benefits.

Objective: The purpose of the Deferred Compensation Plan is to attract and retain key management employees possessing a strong interest in the successful operation of WPS Resources or its subsidiaries or affiliates and encourage their continued loyalty, service and counsel to WPS Resources and its subsidiaries and affiliates.

Eligibility and Participation: Eligibility is limited to executives of WPS Resources, its subsidiaries, or affiliates. ''Executive'' for this purpose means a common law employee of WPS Resources or any direct or indirect subsidiary of WPS Resources and certain employees of entities in which WPS Resources or one of its subsidiaries holds an ownership interest who has been designated by the Compensation and Nominating Committee of WPS Resources' Board of Directors (''Committee'') as being eligible to participate in the Deferred Compensation Plan. As of January 1, 2001, there were 51 employees who would be eligible to participate in the Deferred Compensation Plan.

Administration: The Committee will administer and interpret the Deferred Compensation Plan and supervise preparation of compensation deferral elections and forms.

Deferral of Compensation: A participating employee may elect to defer up to 75% (or such lesser percentage as may be established by the Committee) of the participant's base compensation, in increments of 1% and may defer up to 100% (or such lesser percentage as may be established by the Committee) in increments of 1% of any annual cash bonus that is awarded and would otherwise be paid to the participating employee for any year and of any performance shares awarded to the participating employee under WPS Resources' 2001 Omnibus Incentive Compensation Plan. Base Compensation means the base monthly salary or wage payable by a participating employer for services performed, prior to deferrals under the Deferred Compensation Plan and contributions by the participant to any other employee benefit plan maintained by a participating employer, but excludes extraordinary payments, such as overtime, bonuses, meal allowances, reimbursed expenses, termination pay, moving pay, commuting expense, severance pay, non-elective deferred compensation payments or accruals, stock options, and the value of employer-provided fringe benefits or coverage.

Matching Contribution Credits: If a participating employee's deferrals of base compensation and annual bonus under the Deferred Compensation Plan result in the employee receiving a reduced matching contribution under WPS Resources' Employee Stock Ownership Plan (because the employee had less compensation considered for purposes of WPS Resources' 401(k) plan and Employee Stock Ownership Plan), the employee will receive a matching contribution credit, in the form of stock units, under the Deferred Compensation Plan. The matching contribution credit will equal the difference (if any) between the matching contribution actually received by the employee under the Employee Stock Ownership Plan and the matching contribution that the employee would have received under the Employee Stock Ownership Plan if base compensation and annual bonus amounts deferred by the employee under the Deferred Compensation Plan had instead been payable to the employee and had the employee's deferral election under WPS Resources' 401(k) plan applied to such amounts.

Hypothetical investment accounts are established as devices for determining the amount of benefits accumulated by a participating employee under the Deferred Compensation Plan and prior deferred compensation programs, including the following accounts:

Reserve Account A has been credited with the reserve account balance accumulated by a participating employee as of December 31, 1995, under a prior deferred compensation program of Wisconsin Public Service Corporation. Except for attributed earnings, no further contributions or credits of any kind will be made to this account. Balances of participating employees in Reserve Account A are credited with an interest equivalent for each month at a rate equal to the greater of (i) 0.5% or (ii) $1/12^{th}$ of the consolidated return on equity of WPS Resources and all of its consolidated subsidiaries (''ROE'') for the twelve month period ended on the preceding September 30 for the months of January through March and October through December and for the twelve month period ended on the preceding March 31 for the months of April through September. The ROE for the year ended December 31, 2000 was 12.4%. Alternative (ii) will not apply to a participating employee who terminates employment with a participating employer prior to age 55 and prior to a change of control as defined below, unless the Committee determines otherwise.

Reserve Account B is credited with that portion of deferrals of base compensation and annual bonus awards which a participating employee elects to allocate to this account. Participant's balances in Reserve Account B will be credited with an interest equivalent for each month at a rate equal to the greater of (i) 0.5% or (ii) 70% of $1/12^{th}$ of the ROE for the twelve month period ended on the preceding September 30 for the months of January through March and October through December and for the twelve month period ended on the preceding March 31 for the months of April through September. Alternative (ii) will not apply to a participating employee who terminates employment with a participating employer prior to age 55 and prior to a change of control as defined below, unless the Committee determines otherwise.

The Committee may revise the interest equivalent rate for Reserve Accounts A and B or the manner in which such rate is calculated, but may not reduce the rate below 6% per annum.

Incentive Stock Unit Account is a buy only account limited to that portion of deferrals of annual bonus awards which the participating employee elects to allocate to this account, deferrals of performance share awards under WPS Resources' 2001 Omnibus Incentive Compensation Plan and/or matching contribution credits.

Base Stock Unit Account is credited with that portion of a deferral of base compensation which a participating employee elects to allocate to this account.

The Committee may establish additional hypothetical investment accounts from time to time. Each month deferrals to the Incentive Stock Unit Account and the Base Stock Unit Account and dividends payable on stock units and in the month of December any matching credits under WPS Resources' Employee Stock Ownership Plan will be converted for record keeping purposes, into whole and fractional stock units with fractional units calculated to four decimal places based on the average purchase price of all shares of Company Common Stock purchased during that month by or on behalf of the WPS Resources Corporation Deferred Compensation Trust and the WPS Resources Corporation Stock Investment Plan. In any month in which there are no open-market purchases for that trust or plan, the conversion will be based upon the closing price of a share of WPS Resources' common stock on the last day in that month in which WPS Resources' common stock is traded as reported in the New York Stock Exchange Composite Transactions in the *Wall Street Journal*. Participating employees electing to allocate deferrals to, or otherwise receiving credits under, the two stock accounts will have no rights of a shareholder resulting from the stock units in their accounts. WPS Resources may, however, elect to have shares of Company common stock purchased by the Trust in an amount equal to a portion of the stock units in the stock accounts. Although participants under the Plan will have no proprietary interest in shares purchased by the Trust and will remain general unsecured creditors of WPS Resources with respect to amounts deferred under the Deferred Compensation Plan, shares held by the Trust for purposes of exercising voting rights are allocated proportionately to the share units in the respective stock accounts of participating employees and voted in accordance with the instructions of such participants.

A participating employee's Incentive Stock Account will be credited with an amount equal to 105% of the amount of any annual bonus award which the participating employee elects to defer and allocates to the Incentive Stock Unit Account. Elections to defer annual bonus awards must be made each year on or before April 1. Elections to defer long term incentive awards must be made on or before April 1 of the year in which the performance period begins. The Committee may establish alternate requirements with respect to the timing of deferral elections.

Participating employees may elect as to the beginning of each calendar quarter to reallocate the amounts deemed invested in Reserve Account B and the Base Stock Unit Account in whole multiples of 10% or other percentage which the Committee may determine all in accordance with rules prescribed by the Committee.

All reallocation elections by a participating employee who is subject to Section 16 of the Exchange Act, however, are subject to review by the Committee prior to implementation. Further, the following are prohibited: elections to reallocate the deemed investments into WPS Resources Stock Units within six months of an election to reallocate deemed investments out of WPS Resources Stock Units and elections to reallocate the deemed investments out of WPS Resources Stock Units within six months of an election to reallocate deemed investments into WPS Resources Stock Units. These prohibited transactions are void. The Committee may restrict additional transactions, or impose other rules and procedures, to the extent deemed desirable by the Committee in order to comply with the Exchange Act.

Set forth below for certain individuals and groups, are the amounts of compensation which were deferred in 2000, the amount of 2000 deferred income on all current and prior year deferrals, and the number of common stock units which were allocated with respect to deferrals (including dividends attributable to the common stock units) in 2000.

WPS Resources Corporation Deferred Compensation Plan (prior to Restatement)

	Dollar Value ($)		
Name and Position	**Deferral**	**Income on Deferrals**	**Number of Stock Units**
Larry L. Weyers Director, Chairman, President, and CEO	249,047	88,972	9,854
Patrick D. Schrickel Executive Vice President	51,655	71,201	2,184
Clarence R. Fisher President and Chief Executive Officer Upper Peninsula Power Company	29,878	2,966	1,241
Phillip M. Mikulsky Senior Vice President — Development	87,895	48,226	2,979
Daniel P. Bittner Senior Vice President and Chief Financial Officer	113,352	70,329	4,841

Distributions from Deferred Compensation Plan Accounts are made in 1 to 15 annual installments, as elected by the participating employee and commence within 60 days following the end of the calendar year in which occurs the participating employee's retirement or termination of employment or service unless the employee has selected a later commencement date (which may be no later than the first distribution period following the employee's attainment of age 72). A participating employee may modify a distribution election but such revision will take effect only if the participant remains employed by WPS Resources or a subsidiary or affiliate of WPS Resources for twelve consecutive months following the revised election. For purposes of determining distribution amounts, share units in the Stock Account will be valued on the basis of the closing price as reported in the *Wall Street Journal* as New York Stock Exchange Composite Transactions on January 21 (or if not a trading day the next preceding trading day) of each year.

Distributions attributable to a participating employee's stock accounts will be made in cash and/or whole shares of common stock of WPS Resources as determined by the Committee in its sole discretion. Distributions attributable to Reserve Account A and Reserve Account B are made in cash. Unless a participant otherwise elects, income tax on each distribution will be withheld from the cash portion of the distribution and Company common stock will be used to satisfy withholding obligations only to the extent that the cash portion of the distribution is insufficient.

The Deferred Compensation Plan provides that, subject to adjustment as described below, the total number of authorized but previously unissued shares of common stock of WPS Resources which may be distributed to participants pursuant to the Deferred Compensation Plan is 150,000, which number is not reduced by or as a result of (i) any cash distributions pursuant to the Deferred Compensation Plan or (ii) the distribution to participants pursuant to the Deferred Compensation Plan of any outstanding shares of common stock of WPS Resources purchased by or on behalf of the Trust. In the event of any merger, reorganization, consolidation, recapitalization, separation, liquidation, stock dividend, split-up, share combination or other change in the corporate structure of WPS Resources affecting its common stock, adjustment will be made in the number and class of shares which may be distributed pursuant to the Deferred Compensation Plan as may be determined to be appropriate and equitable by the Committee in its sole discretion.

The Deferred Compensation Plan is intended to operate in full compliance with the insider trading liability rules under Section 16 of the 1934 Act. The Committee will administer the Deferred Compensation Plan so that transactions under the Deferred Compensation Plan will be in compliance with Section 16 of the 1934 Act and will have the right to restrict any transaction or impose other rules and requirements to the extent it deems necessary or desirable for that compliance.

Special Rules Applicable in Event of Change of Control:

The Board of Directors of WPS Resources may amend the Deferred Compensation Plan in anticipation of a ''change of control''. These amendments may include the elimination of stock units and the reallocation of the value of the stock units to Reserve Account B or the termination of the Deferred Compensation Plan and the distribution of accrued benefits to participating employees or their beneficiaries in a lump sum.

Unless the Deferred Compensation Plan is terminated by WPS Resources' Board of Directors, upon a change in control, the rate of interest equivalent to be credited to Reserve Account A and Reserve Account B will be the greater of the rate of interest equivalent calculated based upon the consolidated return on equity to common shareholders of WPS Resources or any successor corporation and all subsidiaries and a rate equal to 2% above the prime lending rate of Firstar Bank N.A. or its successor. With respect to Reserve Account B, the alternative minimum rate based on the prime lending rate of Firstar Bank N.A. or its successor will cease to apply on the third anniversary of the change in control for participating employees who are then actively employed by WPS Resources or any successor to WPS Resources or affiliate of a successor company.

Following a change in control WPS Resources may not, without the written consent of any affected participating employees or beneficiary of a deceased participating employee, amend or take action to terminate the Deferred Compensation Plan that would:

- decrease the number or type of investment options,
- cause an account to be valued less frequently than quarterly,
- impair or limit a participating employee's right to reallocate account balances,
- decrease the interest credited under Reserve Account A or Reserve Account B, or
- eliminate distribution options or terminate distribution elections then in effect.

Except as otherwise provided in an employment contract of a participating employee total payments under the Deferred Compensation Plan will be limited to one dollar less than the maximum amount that would cause the payment to constitute an ''excess parachute payment'' and subject the participating employee to the tax imposed by Section 4999 of the Internal Revenue Code.

Amendment: Except as otherwise described above with respect to amendments following a change in control, the Board may, at any time, amend or terminate the Deferred Compensation Plan without the consent of the participants or beneficiaries of participants, provided, however, that no amendment or termination may reduce any account balance accrued on behalf of a participating employee to the date of such amendment or termination.

Unfunded Plan: The Deferred Compensation Plan is unfunded for purposes of the Internal Revenue Code and the Employee Retirement Income Security Act of 1934 (''ERISA''), and the Trust established to facilitate payments under the Deferred Compensation Plan will be consistent with the ''unfunded'' status of the Deferred Compensation Plan. The right of a participant to receive a distribution under the Deferred Compensation Plan will be an unsecured claim.

Required Vote: The affirmative vote of a majority of the votes cast on the proposal by the holders of WPS Resources' Common Stock is required for approval of the Deferred Compensation Plan provided that a majority of the outstanding shares of WPS Resources' common stock are voted on the proposal. Non-votes as well as abstentions to vote on the proposal to approve the Deferred Compensation Plan may prevent the proviso from being satisfied. Assuming, however, that the proviso is satisfied, any shares not voted (whether by abstention, broker non-vote or otherwise) will have no impact on the vote.

The Board recommends that you vote ''FOR'' approval of the Deferred Compensation Plan. Proxies solicited by the Board of Directors will be voted ''FOR'' approval of the Deferred Compensation Plan, unless the shareholder has specified otherwise.

APPROVAL OF PROPOSED NON-EMPLOYEE DIRECTOR DEFERRED COMPENSATION AND DEFERRED STOCK UNIT PLAN

On February 8, 2001, the Board of Directors of WPS Resources adopted the WPS Resources Corporation Non-Employee Deferred Compensation and Deferred Stock Unit Plan effective January 1, 2001 (the ''Director Deferred Compensation Plan'') subject to approval by the holders of Common Stock at the 2001 Annual Meeting of Shareholders of WPS Resources. The Director Deferred Compensation Plan, if approved by the Shareholders, will replace the portion of the current deferred compensation plan of WPS Resources applicable to non-employee directors, which was approved by the shareholders of WPS Resources at WPS Resources' 1995 Annual meeting. The Director Deferred Compensation Plan will differ from the comparable provisions of the current deferred compensation plan of WPS Resources in the following principal respects:

- participating directors will be able to reallocate amounts of director fees deferred among hypothetical investment accounts;
- the Board of Directors of WPS Resources may direct that a portion of director fees be paid in deferred stock units;
- the maximum number of authorized but previously unissued shares of Company common stock which may be issued under the Director Deferred Compensation Plan is 100,000 shares;
- the definition of ''change in control'' and the consequences of a change in control have been modified.

If the Director Deferred Compensation Plan is not approved by the shareholders, the portion of the current deferred compensation plan and WPS Resources stock option plan applicable to non-employee directors will remain in effect.

The following summary description of the Director Deferred Compensation Plan is subject in all respects to the full text of the Director Deferred Compensation Plan which is filed as an exhibit to WPS Resources' Annual Report on Form 10-K for the year ended December 31, 2000. A copy of the Director Deferred Compensation Plan will be furnished without charge to any person entitled to receive a copy of WPS Resources' Form 10-K upon written request addressed to the attention of Barth J. Wolf, Secretary of WPS Resources. See the second paragraph under the caption ''ANNUAL REPORTS'' herein.

The Director Deferred Compensation Plan permits non-employee directors of WPS Resources and designated subsidiaries and affiliates to defer a portion of their director fees and to allocate the amount deferred among hypothetical investment accounts available under the Director Deferred Compensation Plan. An additional account has been established for amounts deferred prior to January 1, 1996, under a prior deferred compensation program of Wisconsin Public Service Corporation. Amounts in this account are treated as if invested at interest. The accounts are bookkeeping accounts which serve solely as a device for determining the amount of benefits accumulated by a participant and do not create or imply an obligation on the part of WPS Resources to fund such benefits.

Objective: The purpose of the Director Deferred Compensation Plan is to attract and retain well qualified persons to serve as non-employee directors of WPS Resources and designated subsidiaries and affiliates and closely align the interests of Directors with those of shareholders.

Administration: The Compensation and Nominating Committee of WPS Resources' Board of Directors (''Committee'') will administer and interpret the Director Deferred Compensation Plan and supervise preparation of compensation deferral elections and forms.

Deferred Compensation: A non-employee director may elect to defer up to 100% of the director fee otherwise payable to the director by WPS Resources or its subsidiaries or affiliates, in increments of 1%. Director fees are those fees, other than fees designated for the deferred stock unit feature of the Director Deferred Compensation Plan, payable to a director for services rendered on the Board of Directors of WPS Resources (including attendance fees and fees for serving as a committee chair) or for service on the board of directors of a subsidiary or affiliate of WPS Resources.

Hypothetical investment accounts are established as devices for determining the amount of benefits accumulated by a participant under the Director Deferred Compensation Plan and prior deferred compensation programs, to-wit:

Reserve Account A has been credited with the reserve account balance accumulated by a participant as of December 31, 1995, under a prior deferred compensation program of Wisconsin Public Service Corporation. Except for attributed earnings, no further contributions or credits of any kind will be made to this account. Balances of participating directors in Reserve Account A are credited with an interest equivalent for each month at a rate equal to the greater of (i) 0.5% or (ii) $1/12^{th}$ of the consolidated return on equity of WPS Resources and all consolidated subsidiaries and affiliates (''ROE'') for the twelve month period ended on the preceding September 30 for the months of January through March and October through December and for the twelve month period ended on the preceding March 31 for the months of April through September. The ROE for the year ended December 31, 2000 was 12.4%.

Reserve Account B is credited with that portion of deferrals of director fees which a non-employee director elects to allocate to this account. Director balances in Reserve Account B will be credited with an interest equivalent for each month at a rate equal to the greater of (i) 0.5% or (ii) 70% of $1/12^{th}$ of the ROE for the twelve month period ended on the preceding September 30 for the months of January through March and October through December and for the twelve month period ended on the preceding March 31 for the months of April through September.

The Committee may revise the interest equivalent rate for Reserve Accounts A and B or the manner in which such rate is calculated, but may not reduce the rate below 6% per annum.

WPS Resources Stock Account is credited with that portion of a deferral of director fees which a non-employee director elects to allocate to this account.

Deferred Stock Unit Account is a ''buy only'' account credited with deferred stock units allocated to a non-employee director by WPS Resources.

The Committee may establish additional hypothetical investment accounts from time to time.

Each month deferrals to the WPS Resources Stock Unit Account and dividends payable on stock units will be for record keeping purposes, converted into whole and fractional stock units with fractional units calculated to four decimal places based on the average purchase price of all shares of Company Common Stock purchased during that month by or on behalf of the WPS Resources Corporation Company Deferred Compensation Trust and the WPS Resources Corporation Stock Investment Plan. In any month in which there are no open-market purchases for that trust or plan, the conversion will be based upon the closing price of a share of WPS Resources' common stock on the last day in that month on which WPS Resources' common stock is traded as reported in the New York Stock Exchange Composite Transactions in the *Wall Street Journal*. Participating directors will have no rights of a shareholder resulting from the stock units in their accounts. WPS Resources may, however, elect to have shares of Company common stock purchased by the Trust in an amount equal to a portion of the stock units in the stock account. Although participants under the Director Deferred Compensation Plan will have no proprietary interest in shares purchased by the Trust and will remain general unsecured creditors of WPS Resources with respect to amounts deferred under the Director Deferred Compensation Plan, shares held by the Trust for purposes of exercising voting rights are allocated proportionately to the share units in the respective directors' stock accounts and voted in accordance with the instructions of such directors.

Non-employee directors may elect as to the beginning of each calendar quarter to reallocate the amounts deemed invested in Reserve Account B and the WPS Resources Stock Unit Account in whole multiples of 10% or other percentage which the Committee may determine all in accordance with rules prescribed by the Committee.

All reallocation elections, however, are subject to review by the Committee prior to implementation. Further, the following are prohibited: elections to reallocate the deemed investments into WPS Resources Stock Units within six months of an election to reallocate deemed investments out of WPS Resources Stock Units and elections to reallocate the deemed investments out of WPS Resources Stock Units within six months of an election to reallocate deemed investments into WPS Resources Stock Units. These prohibited transactions are void. The Committee may restrict additional transactions, or impose other rules and procedures, to the extent deemed desirable by the Committee in order to comply with the Exchange Act.

The Board of Directors of WPS Resources may from time to time direct that a portion of the remuneration to be earned by a director for service on the Board shall be credited under the Director Deferred Compensation Plan in the form of WPS Resources Stock Units to the Deferred Stock Unit Account. The Board's direction may provide either for the direct credit of Deferred Stock Units or for the mandatory deferral of a prescribed amount of cash remuneration that will be converted into WPS Resources Stock Units. If the Board of Directors directs that a director be credited with WPS Resources Stock Units with a prescribed value, the value to be credited will be converted, for record keeping purposes, into whole and fractional WPS Resources Stock Units, with fractional units calculated to four decimal places. The conversion will be accomplished by dividing the value to be converted by the average purchase price of all shares of WPS Resources Stock purchased during that month by or on behalf of the WPS Resources Deferred Compensation Trust and the WPS Resources Corporation Stock Investment Plan. In any month in which there are no open-market purchases for that trust or plan, the conversion will be based upon the closing price of a share of WPS Resources' common stock on the last day in that month on which WPS Resources' common stock is traded as reported in the New York Stock Exchange Composite Transactions in the *Wall Street Journal*. Any dividends that would have been payable on the stock units credited to a Director's Deferred Stock Unit Account had such stock units been actual shares of WPS Resources Stock will be converted, for record keeping purposes, into whole and fractional stock units based on the average purchase price of all shares of WPS Resources Stock purchased by or on behalf of the Trust and the WPS Resources Corporation Stock Investment Plan during the month in which the dividend is paid.

Set forth below for certain directors, are the amounts of compensation which were deferred in 2000, the amounts of deferred income on deferrals in 2000, and the number of common stock units which were allocated with respect to deferrals (including dividends attributable to the common stock units) in 2000.

WPS Resources Corporation Deferred Compensation Plan (prior to Restatement)

	Dollar Value ($)		
Name	**Deferral**	**Income on Deferrals**	**Number of Stock Units**
Michael S. Ariens	31,858	35,948	1,409
A. Dean Arganbright	0	35,350	0
Richard A. Bemis	29,208	34,420	1,314
Robert C. Gallagher	38,408	24,416	1,666
Kathryn Hasselblad-Pascale	0	0	0
James L. Kemerling	30,461	19,947	221
John C. Meng	21,925	589	721

Distributions from Director Deferred Compensation Plan Accounts are made in 1 to 15 annual installments, as elected by the director and commence within 60 days following the end of the calendar year in which occurs the director's termination of service on the Board of Directors of WPS Resources unless the director has selected a later commencement date (which shall be no later than the first distribution period following the director's attainment of age 72). A director may modify a distribution election but such revision will take effect only if the director remains an active member of the Board of Directors of WPS Resources or a subsidiary or affiliate of WPS Resources for twelve consecutive months following the revised election. For purposes of determining distribution amounts, share units in the stock account will be valued on the basis of the closing price as reported in the *Wall Street Journal* as New York Stock Exchange Composite Transactions on January 21, (or if not a trading day the next preceding trading day) of each year.

Distributions attributable to the stock accounts will be made in cash and/or whole shares of common stock of WPS Resources as determined by the Committee in its sole discretion. Distributions attributable to Reserve Account A and Reserve Account B are made in cash.

The Director Deferred Compensation Plan provides that, subject to adjustment as described below, the total number of authorized but previously unissued shares of common stock of WPS Resources which may be distributed to participants pursuant to the Director Deferred Compensation Plan is 100,000, which number is not reduced by or as a result of (i) any cash distributions pursuant to the Director Deferred Compensation Plan or (ii) the distribution to directors pursuant to the Director Deferred Compensation Plan of any outstanding shares of common stock of WPS Resources purchased by or on behalf of the Trust. In the event of any merger, reorganization, consolidation, recapitalization, separation, liquidation, stock dividend, split-up, share combination or other change in the corporate structure of WPS Resources affecting its common stock, adjustment will be made in the number and class of shares which may be distributed pursuant to the Director Deferred Compensation Plan as may be determined to be appropriate and equitable by the Committee in its sole discretion.

The Director Deferred Compensation Plan is intended to operate in full compliance with the insider trading liability rules under Section 16 of the 1934 Act. The Committee will administer the Director Deferred Compensation Plan so that transactions under the Director Deferred Compensation Plan will be in compliance with Section 16 of the 1934 Act and shall have the right to restrict any transaction or impose other rules or requirements to the extent it deems necessary or desirable for that compliance.

Special Rules Applicable in Event of Change of Control: The Board of Directors of WPS Resources may amend the Director Deferred Compensation Plan in anticipation of a ''change of control''. These amendments may include the elimination of stock units and the reallocation of the value of the stock units to Reserve Account B or the termination of the Director Deferred Compensation Plan and the distribution of accrued benefits to directors or their beneficiaries in a lump sum.

Unless the Director Deferred Compensation Plan is terminated by WPS Resources' Board of Directors, upon a change in control, the rate of interest equivalent to be credited to Reserve Account A and Reserve Account B will be the greater of the rate of interest equivalent calculated based upon the consolidated return on equity to common shareholders of WPS Resources or any successor corporation and all subsidiaries and a rate equal to 2% above the prime lending rate of Firstar Bank N.A. or its successor. With respect to Reserve Account B, the alternative minimum rate based on the prime lending rate of Firstar Bank N.A. or its successor will cease to apply on the third anniversary of the change in control for directors who are then actively serving on the Board of Directors of WPS Resources or any subsidiary or affiliate of WPS Resources.

Following a change in control WPS Resources may not, without the written consent of any affected director or beneficiary of a deceased director, amend or take action to terminate the Director Deferred Compensation Plan that would:

- decrease the number or type of investment options,

- cause accounts to be valued less frequently than quarterly,
- impair or limit a director's right to reallocate account balances,
- decrease the interest credited under Reserve Account A or Reserve Account B, or
- eliminate distribution options or terminate distribution elections then in effect.

Amendment: Except as otherwise described above with respect to amendment following a change in control, the Board may, at any time, amend or terminate the Director Deferred Compensation Plan, provided, however, that no amendment or termination may reduce any account balance accrued to the date of such amendment or termination.

Director Rights Unsecured: The right of a director or beneficiary of a director to receive a distribution under the Director Deferred Compensation Plan will be an unsecured claim, and they will have no right in any amount credited to an account or to specific assets of WPS Resources or its affiliates. The right of a director or beneficiary to the payment benefits under the Director Deferred Compensation Plan may not be assigned, encumbered or transferred except by will and the laws of descent and distribution. The rights of a director under the Director Deferred Compensation Plan are exercisable during the director's lifetime only by the director or his guardian or legal representative.

Required Vote: The affirmative vote of a majority of the votes cast on the proposal by holders of WPS Resources' Common Stock is required for approval of the Director Deferred Compensation Plan provided that a majority of the outstanding shares of WPS Resources' common stock are voted on the proposal. Non-votes as well as abstentions to vote on the proposal to approve the Director Deferred Compensation Plan may prevent such proviso from being satisfied. Assuming, however, that the proviso is satisfied, any shares not voted at such meeting (whether by absentee broker non-votes or otherwise) will have no impact on the vote.

The Board recommends that you vote ''FOR'' approval of the Director Deferred Compensation Plan. Proxies solicited by the Board of Directors will be voted ''FOR'' approval of the Director Deferred Compensation Plan, unless the Shareholder has specified otherwise.

COMMON SHARE PURCHASE RIGHTS

On December 16, 1996 all shareholders were granted one stock right for each share of WPS Resources common stock they own. These stock rights may be redeemed or, under the provisions described below, exchanged for shares of WPS Resources common stock as provided in the Rights Agreement dated December 12, 1996. All rights will expire on December 11, 2006. These stock rights are intended to enhance the ability of the Board of Directors to protect shareholders and WPS Resources if there is an attempt to gain control of WPS Resources that is not in the best interests of its shareholders.

The Rights are not presently exercisable. Each stock right will provide a shareholder the right to purchase one share of common stock at an exercise price of $85. The exercise price of $85 is subject to adjustment. Ten days after any person or group of affiliated or associated persons acquires 15% or more of our common stock or announces a tender offer for 15% or more of our common stock, each stock right becomes exercisable. Each shareholder will then be entitled to purchase shares at the then current exercise price with a market value of twice the current exercise price. Any inadvertent acquisition of 15% or more of our common stock will not cause these stock rights to be exercisable, if there is prompt divestiture of shares to reduce holdings below 15%. Shares required by the exercise of these rights will be provided from authorized and unissued common shares or treasury shares. The exercise of these stock rights will have the effect of diluting the shares being acquired by an entity attempting to acquire WPS Resources. The stock rights directly provide shareholders the ability to resist any attempt to gain control of WPS Resources that they feel is not in their best interest. Stock rights do not become exercisable if the acquisition of 15% or more of our common stock is by WPS Resources, its subsidiaries or benefit plans. Rights on shares held by a person or group of affiliated or associated persons acquiring 15% or more of our stock will be null and void. A Summary of Rights to Purchase Common Shares is available to shareholders upon request.

OTHER BUSINESS

At the time this Proxy Statement went to press, no proposals meeting the requirements of the Securities and Exchange Commission for inclusion in this proxy had been submitted by shareholders for consideration at our May 3, 2001 Annual Shareholders Meeting. If any shareholder proposals are properly presented at the Annual Meeting, the persons named as proxies will vote upon them in accordance with their best judgment.

Our officers, directors, and employees may solicit proxies by correspondence, telephone, electronic communications, or in person, but without extra compensation. Banks, brokers, nominees, and other fiduciaries may be reimbursed for reasonable charges and expenses incurred in forwarding the proxy soliciting material to and receiving proxies from the beneficial owners.

ANNUAL REPORTS

Our 2000 Annual Report, including the financial statements and the report of its independent public accountants, Arthur Andersen LLP, is enclosed with this proxy statement. The Board has reappointed Arthur Andersen LLP to serve as our independent public accountants for calendar year 2001. Representatives of Arthur Andersen LLP will be at the Annual Meeting and will have a chance to make a statement if they desire. They will also be available to respond to your questions.

An annual report is filed with the Securities and Exchange Commission on Form 10-K. If you are a shareholder and would like to receive a copy of our 2000 Form 10-K, without exhibits, please write to Barth J. Wolf, Secretary and Manager — Legal Services, at WPS Resources Corporation, P.O. Box 19001, Green Bay, Wisconsin 54307-9001.

FUTURE SHAREHOLDER PROPOSALS

The deadline for submission of shareholder proposals, for inclusion in the proxy statement for our 2002 Annual Meeting of Shareholders is November 20, 2001. Proposals must be submitted in compliance with Securities and Exchange Commission regulations. The Securities and Exchange Commission requirements are defined in Rule 14a-8 of the Securities Exchange Act of 1934. As provided in the WPS Resources by-laws any nominations for directors or other business (except shareholder proposals submitted pursuant to Rule 14a-8) must be received between January 10, 2002 and February 4, 2002 or they will be considered untimely. Persons named in proxies solicited by the Board of Directors of WPS Resources for its 2002 Annual Meeting of Shareholders may exercise discretionary voting power with respect to any such proposal.

WPS RESOURCES CORPORATION

BARTH J. WOLF
Secretary and Manager — Legal Services

APPENDIX A

WPS RESOURCES CORPORATION

CHARTER

AUDIT COMMITTEE
OF THE BOARD OF DIRECTORS

Purpose

The Audit Committee (''Committee''), as an independent oversight function, shall provide assistance to the Corporate Board of Directors (''Board'') in fulfilling the Board's responsibilities to the shareholders. The Committee shall provide this assistance by monitoring the Corporation's internal control system and financial reporting process, and by maintaining a free and open means of communication between the Board, the external auditors, the internal auditors, and management of the Corporation. The Committee shall foster a candid, active, and substantive dialogue by raising necessary and difficult issues and asking pertinent and probing questions of management, external auditors, and internal auditors on a regular basis.

Composition

1. The Committee shall be comprised of three or more directors, as determined by the Board, each of who shall meet the independence requirements of the rules of the New York Stock Exchange. Each Committee member shall be free from any relationship that, in the opinion of the Board, would interfere with the exercise of the Committee member's independent judgment.
2. Each Committee member shall have a working familiarity with basic financial and accounting practices, and at least one member of the Committee shall have accounting or related financial management expertise.

Meetings

1. The Committee shall meet two times per year or more frequently as circumstances require. The Committee may ask members of management or others to attend meetings and provide pertinent information as necessary.
2. The Committee shall meet privately, at least annually, with each of these groups: management, the external auditors, internal auditors, and as a Committee.
3. The Committee shall maintain minutes of meetings and periodically report to the Board on significant results of its activities.

Oversight Areas

1. The Committee shall oversee the processes that management has established, including policies and procedures, to assure:
   - An adequate system of internal control is functioning within the Corporation.

- The reliability and integrity of the accounting policies, financial reporting, and disclosure practices of the Corporation.
- Management has an understanding of the Corporation's business risks.
- Enforcement and monitoring of compliance with the Corporation's Code of Conduct, which includes the Corporation's compliance with all applicable laws and regulations.

2. The Committee shall oversee the external audit process by:
   - Ensuring that the external auditor understands that the external auditor is ultimately accountable to the Committee and the Board.
   - Selecting, evaluating, and, if necessary, replacing the external auditor.
   - Reviewing and appraising the efforts of the external auditor.
   - Ensuring that the external auditor submits the written disclosures and letter required by Independence Standards Board Standard No. 1, Independence Discussions with Audit Committees, and, on a periodic basis, a formal written statement delineating all relationships between the external auditor and the Corporation.
   - Reviewing and discussing with the external auditor issues arising in the audit related to Statement on Auditing Standards (''SAS'') 61, Communication with Audit Committees; SAS 89, Audit Adjustments; and SAS 90, Audit Committee Communications.
   - Dialoguing with the external auditor with respect to any disclosed relationships or services that may impact the objectivity and independence of the external auditor.
3. The Committee, along with the Board, shall oversee the duties and results of the internal audit function to ensure that the internal audit function operates effectively and efficiently.
4. The Committee shall review and discuss the annual audited financial statements with management and recommend to Board that the statements be included in the Corporation's 10-K.
5. The Committee shall annually prepare a report to shareholders and shall cause the Corporation to include it in its annual proxy statement, as required by the Securities and Exchange Commission.
6. The Committee shall cause the Corporation to include a copy of the Committee's Charter in the Corporation's annual proxy statement, at least once every three years.
7. The Committee shall review and reassess the adequacy of this Charter at least annually.
8. The Committee shall periodically perform self-assessment of the Committee's performance.
9. The Committee shall be empowered to retain independent counsel and other professionals to assist in the conduct of any investigation.
10. The Committee shall perform any other activities consistent with this Charter, the Corporation's articles of incorporation and by-laws, and the governing law, as the Committee or the Board deems necessary or appropriate.