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INTERSTATE COMMERCE COMMISSION

CERTIFICATE

I, MARGARET M. PEARSON, Notary Public, State of Wisconsin, hereby certify that I have compared the attached copy of the Twenty-Seventh Supplemental Indenture dated April 15, 1988 with the original instrument and found the copy to be complete and identical in all respects to the original.

Executed on this 9th day of December 1992.



Margaret M. Pearson
Notary Public, State of Wisconsin
My Commission expires March 19, 1995
Telephone: (414) 221-2235

(SEAL)

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Conformed Copy

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RECORDATION CD _____ FILED FEB

WISCONSIN ELECTRIC POWER COMPANY

DEC 10 1992 - 11 25 AM

TO

INTERSTATE COMMERCE COMMISSION

FIRST WISCONSIN TRUST COMPANY

As Trustee

TWENTY-SEVENTH SUPPLEMENTAL INDENTURE

DATED

April 15, 1988

First Mortgage Bonds,
9.85% Series due April 15, 2023

WISCONSIN ELECTRIC POWER COMPANY
Twenty-Seventh Supplemental Indenture dated April 15, 1988

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SUPPLEMENTAL INDENTURE, dated the 15th day of April, Nineteen hundred and eighty-eight (1988) made by and between WISCONSIN ELECTRIC POWER COMPANY, a corporation organized and existing under the laws of the State of Wisconsin (hereinafter called the "Company"), party of the first part, and FIRST WISCONSIN TRUST COMPANY, a corporation organized and existing under the laws of the State of Wisconsin (hereinafter called the "Trustee"), as Trustee under the Mortgage and Deed of Trust dated October 28, 1938, hereinafter mentioned, party of the second part;

WHEREAS, the Company has heretofore executed and delivered to the Trustee its Mortgage and Deed of Trust dated October 28, 1938, as amended June 1, 1946, May 1, 1952, April 1, 1958, December 1, 1980 and January 15, 1988 (said Mortgage and Deed of Trust, as so amended, being hereinafter sometimes referred to as the "Original Indenture" and, together with all supplemental indentures thereto, being sometimes referred to herein collectively as the "Indenture"), to secure the payment of the principal of and the interest and premium, if any, on all Bonds at any time issued and outstanding thereunder, and to declare the terms and conditions upon which Bonds are to be issued thereunder; and indentures supplemental thereto dated October 28, 1938, June 1, 1946, March 1, 1949, June 1, 1950, May 1, 1952, May 1, 1954, April 15, 1956, April 1, 1958, November 15, 1960, November 1, 1966, November 15, 1967, May 15, 1968, May 15, 1969, November 1, 1969, July 15, 1976, January 1, 1978, May 1, 1978, May 15, 1978, August 1, 1979, November 15, 1979, April 15, 1980, December 1, 1980, September 15, 1985, December 15, 1986, and January 15, 1988 respectively, have heretofore been entered into between the Company and the Trustee; and

WHEREAS, Bonds have been issued by the Company under said Mortgage and Deed of Trust and indentures supplemental thereto prior to the date hereof as follows:

(1) \$55,000,000 principal amount of First Mortgage Bonds, 3 1/2% Series due 1968, all of which have been redeemed prior to the date of execution hereof;

(2) \$50,000,000 principal amount of First Mortgage Bonds, 2 5/8% Series due 1976, all of which have been retired for sinking fund purposes or paid at maturity prior to the date of execution hereof;

(3) \$10,000,000 principal amount of First Mortgage Bonds, 2 7/8% Series due 1979, all of which have been retired for sinking fund purposes or paid at maturity prior to the date of execution hereof;

(4) \$15,000,000 principal amount of First Mortgage Bonds, 2 3/4% Series due 1980, all of which have been retired for sinking fund purposes or paid at maturity prior to the date of execution hereof;

(5) \$12,500,000 principal amount of First Mortgage Bonds, 3 1/4% Series due 1982, all of which have been retired for sinking fund purposes or paid at maturity prior to the date of execution hereof;

(6) \$20,000,000 principal amount of First Mortgage Bonds, 3 1/8% Series due 1984, all of which have been retired for sinking fund purposes or paid at maturity prior to the date of execution hereof;

(7) \$30,000,000 principal amount of First Mortgage Bonds, 3 7/8% Series due 1986, all of which have been retired for sinking fund purposes or paid at maturity prior to the date of execution hereof;

(8) \$30,000,000 principal amount of First Mortgage Bonds, 4 1/8% Series due 1988, all of which have been retired for sinking fund purposes or paid at maturity prior to the date of execution hereof;

(9) \$30,000,000 principal amount of First Mortgage Bonds, 5% Series due 1990, which are described in the Supplemental Indenture dated November 15, 1960, of which \$26,605,000 principal amount remain outstanding at the date of execution hereof;

(10) \$30,000,000 principal amount of First Mortgage Bonds, 5 7/8% Series due 1996, which are described in the Supplemental Indenture dated November 1, 1966, of which \$27,726,000 principal amount remain outstanding at the date of execution hereof;

(11) \$40,000,000 principal amount of First Mortgage Bonds, 6 7/8% Series due 1997, which are described in the Supplemental Indenture dated November 15, 1967, of which \$37,580,000 principal amount remain outstanding at the date of execution hereof;

(12) \$35,000,000 principal amount of First Mortgage Bonds, 6 7/8% Series due 1998, which are described in the Supplemental Indenture dated May 15, 1968, of which \$33,360,000 principal amount remain outstanding at the date of execution hereof;

(13) \$40,000,000 principal amount of First Mortgage Bonds, 7 1/4% Series due 1999, which are described in the Supplemental Indenture dated May 15, 1969, of which \$38,929,000 principal amount remain outstanding at the date of execution hereof;

(14) \$40,000,000 principal amount of First Mortgage Bonds, 8 3/8% Series due November 1, 1999, which are described in the Supplemental Indenture dated November 1, 1969, of which \$39,230,000 principal amount remain outstanding at the date of execution hereof;

(15) \$60,000,000 principal amount of First Mortgage Bonds, 8 3/4% Series due July 15, 2006, which are described in the Supplemental Indenture dated July 15, 1976, of which \$59,897,000 remain outstanding at the date of execution hereof;

(16) \$25,000,000 principal amount of First Mortgage Bonds, 6.10% Serial Series 1978A, which are described in the Supplemental Indenture dated May 1, 1978, all of which remain outstanding at the date of execution hereof;

(17) \$1,000,000 principal amount of First Mortgage Bonds, 6.25% Serial Series 1978B, which are described in the Supplemental Indenture dated May 1, 1978, all of which remain outstanding at the date of execution hereof;

(18) \$80,000,000 principal amount of First Mortgage Bonds, 8 7/8% Series due 2008, which are described in the Supplemental Indenture dated May 15, 1978, of which \$79,934,000 remain outstanding at the date of execution hereof;

(19) \$12,000,000 principal amount of First Mortgage Bonds, 6.45% Series 1979A, which are described in the Supplemental Indenture dated August 1, 1979, all of which remain outstanding at the date of execution hereof;

(20) \$4,000,000 principal amount of First Mortgage Bonds, 6.45% Series 1979B, which are described in the Supplemental Indenture dated August 1, 1979, all of which remain outstanding at the date of execution hereof;

(21) \$10,000,000 principal amount of First Mortgage Bonds, 6.50% Serial Series 1979C, which are described in the Supplemental Indenture dated August 1, 1979, all of which remain outstanding at the date of execution hereof;

(22) \$50,000,000 principal amount of First Mortgage Bonds, 10.2% Series due 1982, all of which have been paid at maturity prior to the date of execution hereof;

(23) \$70,000,000 principal amount of First Mortgage Bonds, 11.40% Series due April 15, 1987, all of which have been retired for sinking fund purposes or redeemed prior to the date of execution hereof;

(24) \$80,000,000 principal amount of First Mortgage Bonds, 13 3/4% Series due December 1, 1986, all of which have been retired for sinking fund purposes or paid at maturity prior to the date of execution hereof;

(25) \$100,000,000 principal amount of First Mortgage Bonds, 11 1/2% Series due September 15, 2015, which are described in the Twenty-Third Supplemental Indenture dated September 15, 1985, of which \$68,700,000 remain outstanding at the date of execution hereof;

(26) \$29,000,000 principal amount of First Mortgage Bonds, 9 3/4% Series 1985A due September 15, 2015, which are described in the Twenty-Fourth Supplemental Indenture dated September 15, 1985, all of which remain outstanding at the date of execution hereof;

(27) \$10,000,000 principal amount of First Mortgage Bonds, 9 3/4% Series 1985B due September 15, 2015, which are described in the Twenty-Fourth Supplemental Indenture dated September 15, 1985, all of which remain outstanding at the date of execution hereof;

(28) \$7,350,000 principal amount of First Mortgage Bonds, 9 3/4% Series 1985C due September 15, 2015, which are described in the Twenty-Fourth Supplemental Indenture dated September 15, 1985, all of which remain outstanding at the date of execution hereof;

(29) \$100,000,000 principal amount of First Mortgage Bonds, 8 1/2% Series due 2016, which are described in the Twenty-Fifth Supplemental Indenture dated December 15, 1986, all of which remain outstanding at the date of execution hereof; and

(30) \$100,000,000 principal amount of First Mortgage Bonds, 9 5/8% Series due 2018, which are described in the Twenty-Sixth Supplemental Indenture dated January 15, 1988, all of which remain outstanding at the date of execution hereof;

and

WHEREAS, the Company is entitled at this time to have authenticated and delivered additional Bonds on the basis of the net bondable value of property additions not subject to an unfunded prior lien, upon compliance with the provisions of Section 4 of Article III of the Original Indenture; and

WHEREAS, the Company desires by this Supplemental Indenture to provide for the creation of a new series of bonds under the Original Indenture, to be designated "First Mortgage Bonds, 9.85% Series due April 15, 2023 (hereinafter called the "New Bonds"); and the Original Indenture provides that certain terms and provisions, as determined by the Board of Directors of the Company, of the Bonds of any particular series may be expressed in and provided for by the execution of an appropriate supplemental indenture; and

WHEREAS, the Original Indenture provides that the Company and the Trustee may enter into indentures supplemental to the Original Indenture to convey, transfer and assign to the Trustee and to subject to the lien of the Original Indenture additional properties acquired by the Company; and to add, to the covenants and agreements of the Company contained in the Original Indenture, other covenants and agreements thereafter to be observed; and

WHEREAS, the Company, in the exercise of the powers and authority conferred upon and reserved to it under the provisions of the Original Indenture and pursuant to appropriate resolutions of its Board of Directors, has duly resolved and determined to make, execute and deliver to the Trustee a supplemental indenture in the form hereof for the purposes herein provided; and

WHEREAS, all conditions and requirements necessary to make this Supplemental Indenture a valid, binding and legal instrument have been done, performed and fulfilled and the execution and delivery hereof have been in all respects duly authorized;

NOW, THEREFORE, THIS INDENTURE WITNESSETH:

That, in consideration of the premises and of the mutual covenants herein contained and of the acceptance of this trust by the Trustee and of the sum of One Dollar duly paid by the Trustee to the Company at or before the time of the execution of this Supplemental Indenture, and of other valuable considerations, the receipt whereof is hereby acknowledged, and in order further to secure the payment of the principal of and interest (and premium, if any) on all Bonds at any time issued and outstanding under the Original Indenture and all indentures supplemental thereto, according to their tenor, purport and effect, the Company has executed and delivered this Supplemental Indenture and has granted,

bargained, sold, warranted, aliened, remised, released, conveyed, assigned, transferred, mortgaged, pledged, set over, ratified and confirmed and by these presents does grant, bargain, sell, warrant, alien, remise, release, convey, assign, transfer, mortgage, pledge, set over, ratify and confirm unto First Wisconsin Trust Company, as Trustee, and to its successors in trust under the Indenture forever, all and singular the properties described in Schedule A to this Supplemental Indenture (in addition to all other properties heretofore specifically subjected to the lien of the Indenture and not heretofore released from the lien thereof);

TO HAVE AND TO HOLD all said properties, real, personal and mixed, mortgaged, pledged, and conveyed by the Company as aforesaid, or intended so to be, unto the Trustee and its successors and assigns forever;

SUBJECT, HOWEVER, to the exceptions and reservations and matters herein recited, to existing leases other than leases which by their terms are subordinate to the lien of the Indenture, to existing liens upon rights-of-way for transmission or distribution line purposes, as defined in Article I of the Original Indenture, and any extensions thereof, and subject to existing easements for streets, alleys, highways, rights-of-way and railroad purposes over, upon and across certain of the property described in Schedule A to this Supplemental Indenture, and subject also to all the terms, conditions, agreements, covenants, exceptions and reservations expressed or provided in the deeds or other instruments, respectively, under and by virtue of which the Company acquired the properties described in Schedule A to this Supplemental Indenture, and to undetermined liens and charges, if any, incidental to construction or other existing permitted liens as defined in Article I of the Original Indenture;

IN TRUST, NEVERTHELESS, upon the terms and trusts in the Original Indenture and the indentures supplemental thereto, including this Supplemental Indenture, set forth, for the equal and proportionate benefit and security of all present and future holders of the Bonds and coupons issued and to be issued thereunder, or any of them, without preference of any of said Bonds and coupons of any particular series over the Bonds and coupons of any other series, by reason of priority in the time of the issue, sale or negotiation thereof, or by reason of the purpose of issue or otherwise howsoever, except as otherwise provided in Section 2 of Article IV of the Original Indenture;

PROVIDED, HOWEVER, and these presents are upon the condition that, if the Company, its successors or assigns, shall pay or cause to be paid unto the holders of the Bonds the principal and interest (and premium, if any) to become due in respect thereof at the times and in the manner stipulated therein and in the Indenture, and shall keep, perform and observe all and singular the covenants and

promises in the Bonds and in the Indenture expressed as to be kept, performed and observed by or on the part of the Company, then this Supplemental Indenture and the estate and rights hereby granted shall cease, determine and be void, otherwise to remain in full force and effect;

AND IT IS HEREBY COVENANTED, DECLARED AND AGREED, by and between the parties hereto, for the benefit of those who shall hold the Bonds, or any of them, to be issued under the Indenture, as follows:

ARTICLE I.
DESCRIPTION OF NEW BONDS.

SECTION 1. The thirty-first series of Bonds to be executed, authenticated and delivered under and secured by the Indenture shall be the New Bonds. The New Bonds shall, subject to the provisions of Section 1 of Article II of the Original Indenture, be designated as "First Mortgage Bonds, 9.85% Series due April 15, 2023" of the Company. The New Bonds shall be executed, authenticated and delivered in accordance with the provisions of, and shall in all respects be subject to, all of the terms, conditions and covenants of the Original Indenture and of this Supplemental Indenture.

The New Bonds shall mature on April 15, 2023, and shall bear interest at the rate of nine and eighty-five one-hundredths per cent per annum, payable semi-annually on the fifteenth days of April and October in each year (each such April 15 and October 15 being hereinafter called an "interest payment date"). The New Bonds shall be payable as to principal and interest in any coin or currency of the United States of America which at the time of payment is legal tender for public and private debts, and shall be payable (as well the interest as the principal thereof) at the agency of the Company in the City of Milwaukee, Wisconsin; provided, however, at the option of the Company, payment of interest on any New Bond may be made by check, mailed to the person entitled thereto at such address as shall appear on the transfer register. The interest paid on a New Bond on any interest payment date, will, with certain exceptions, be payable to the person in whose name such New Bond is registered at the close of business on the last business day which is more than ten business days prior to such date.

The interest so payable on any interest payment date shall be paid to the persons in whose names the New Bonds are registered at the close of business on the last business day (hereinafter called the "record date") which is more than ten days prior to such interest payment date, a "business day" being any day which is not a day on which banks in the City of Milwaukee, Wisconsin, are

authorized by law to close; except that if the Company shall default in the payment of any interest due on such interest payment date, such defaulted interest shall be paid to the persons in whose names the New Bonds are registered on the date of payment of such defaulted interest, or at the election of the Company at the close of business on a special record date for the payment of such defaulted interest established by notice given by mail by or on behalf of the Company not less than fifteen days preceding such special record date.

Except as provided hereinafter, every New Bond shall be dated as of the date of its authentication and delivery, or if that is an interest payment date, the next day, and shall bear interest from the interest payment date next preceding its date or from April 15, 1988, whichever is later. Notwithstanding Section 6 of Article II of the Original Indenture, any New Bond authenticated and delivered by the Trustee after the close of business on the record date with respect to any interest payment date and prior to such interest payment date shall be dated as of the date next following such interest payment date and shall bear interest from such interest payment date; except that if the Company shall default in the payment of any interest due on such interest payment date, such Bond shall bear interest from the interest payment date to which interest on such Bond has been paid or April 15, 1988, whichever is later.

SECTION 2. The New Bonds shall be registered bonds without coupons, of the denomination of \$1,000 and any multiple of \$1,000, numbered consecutively from R1 upwards.

SECTION 3. The New Bonds and the Trustee's Certificate to be endorsed on the New Bonds shall be substantially in the following forms respectively:

[FORM OF BOND]

WISCONSIN ELECTRIC POWER COMPANY
(Incorporated under the laws of the State of Wisconsin)
FIRST MORTGAGE BOND, 9.85% SERIES DUE APRIL 15, 2023

No. R..... \$.....

WISCONSIN ELECTRIC POWER COMPANY, a corporation organized and existing under the laws of the State of Wisconsin (hereinafter called the "Company", which term shall include any successor corporation as defined in the Amended Indenture mentioned on the reverse side hereof), for value received, hereby promises to pay to or registered assigns, on the fifteenth day of April, 2023 the sum of _____ Dollars, in any coin or currency of the United States of America which at the time of payment is legal tender for public and private debts, and to pay

interest thereon in like coin or currency from the April 15 or October 15 next preceding the date of this Bond or from April 15, 1988 whichever is later, at the rate of nine and eighty-five one-hundredths percent per annum, payable semi-annually, on the fifteenth days of April and October in each year until maturity, or, if this Bond shall be duly called for redemption, until the redemption date, or, if the Company shall default in the payment of the principal hereof, until the Company's obligation with respect to the payment of such principal shall be discharged as provided in the Amended Indenture. The interest so payable on any April 15 or October 15 will, subject to certain exceptions provided in the Supplemental Indenture of April 15, 1988 referred to on the reverse side hereof, be paid to the person in whose name this Bond is registered at the close of business on the last business day which is more than ten days prior to such April 15 or October 15. Both principal of, and interest on, this Bond are payable at the agency of the Company in the City of Milwaukee, Wisconsin; provided, however, at the option of the Company, payment of interest on this Bond may be made by check, mailed to the person entitled thereto at such address as shall appear on the transfer register.

This Bond shall not be entitled to any benefit under the Amended Indenture or any indenture supplemental thereto, or become valid or obligatory for any purpose, until First Wisconsin Trust Company, the Trustee under the Amended Indenture, or a successor trustee thereto under the Amended Indenture, shall have signed the form of certificate endorsed hereon.

Additional provisions of this Bond are set forth on the reverse hereof and such provisions shall for all purposes have the same effect as though fully set forth at this place.

IN WITNESS WHEREOF, Wisconsin Electric Power Company has caused this Bond to be signed in its name by its President or a Vice President, manually or in facsimile, and its corporate seal (or a facsimile thereof) to be hereto affixed and attested by the manual or facsimile signature of its Secretary or an Assistant Secretary.

Dated,

WISCONSIN ELECTRIC POWER COMPANY,

By.....
President

Attest:

.....
Secretary

[FORM OF TRUSTEE'S CERTIFICATE]

This Bond is one of the Bonds, of the series designated therein, described in the within-mentioned Amended Indenture and Supplemental Indenture of April 15, 1988.

First Wisconsin Trust Company,
Trustee,

By.....
Authorized Officer

[TEXT APPEARING ON REVERSE SIDE OF BOND]

This Bond is one of a duly authorized issue of Bonds of the Company (herein called the "Bonds"), in unlimited aggregate principal amount, of the series hereinafter specified, all issued and to be issued under and equally secured by a mortgage and deed of trust, dated October 28, 1938, executed by the Company to First Wisconsin Trust Company (herein called the "Trustee"), as Trustee, as amended by the indentures supplemental thereto dated June 1, 1946, May 1, 1952, April 1, 1958, December 1, 1980 and January 15, 1988, between the Company and the Trustee (said mortgage and deed of trust, as so amended, being herein called the "Amended Indenture") and all indentures supplemental thereto, to which Amended Indenture and all indentures supplemental thereto reference is hereby made for a description of the properties mortgaged and pledged, the nature and extent of the security, the rights of the bearers or registered owners of the Bonds, of the Company and of the Trustee in respect thereto, and the terms and conditions upon which the Bonds are, and are to be, secured. To the extent permitted by, and as provided in, the Amended Indenture, modifications or alterations of the Amended Indenture, or of any indenture supplemental thereto, and of the rights and obligations of the Company and of the holders of the Bonds and any coupons appertaining thereto may be made with the consent of the Company by an affirmative vote of not less than 75% in amount of the Bonds entitled to vote then outstanding, at a meeting of Bondholders called and held as provided in the Amended Indenture, and by an affirmative vote of not less than 75% in amount of the Bonds of any series entitled to vote then outstanding and affected by such modification or alteration, in case one or more but less than all of the series of Bonds then outstanding under the Amended Indenture are so affected; provided, however, that no such modification or alteration shall be made which will affect the terms of payment of the principal of, or interest or premium (if any) on, this Bond, which are unconditional. The Bonds may be issued in series, for

various principal sums, may mature at different times, may bear interest at different rates and may otherwise vary as in the Amended Indenture provided. This Bond is one of a series designated as the "First Mortgage Bonds, 9.85% Series due April 15, 2023" (herein called "Bonds of April 15, 2023 Series") of the Company, issued under and secured by the Amended Indenture and all indentures supplemental thereto and described in the Twenty-Seventh Supplemental Indenture dated April 15, 1988 (hereinafter called the "Supplemental Indenture of April 15, 1988"), executed by the Company to the Trustee.

Under a provision of the Supplemental Indenture of December 1, 1980, to become effective at such date as no Bonds remain outstanding of any series created on a date prior to December 1, 1980, the percentage vote referred to in the preceding paragraph will be changed from 75% to 66 2/3%. Under another provision of said Supplemental Indenture, to become effective on the earlier of such date and the date such other provision shall have been adopted by the affirmative vote of the holders of Bonds described in the preceding paragraph, any approval of Bondholders referred to in the preceding paragraph may be by written consent in lieu of a meeting. Each holder of this Bond, by his acceptance hereof, shall have, inter alia, thereby consented to such provisions, as well as to the other amendments and additions to the Amended Indenture contained in the Supplemental Indenture of December 1, 1980 and the Supplemental Indenture of January 15, 1988, and shall have irrevocably appointed the Company, with full power of substitution, to attend any meeting of Bondholders convened to consider any of the amendments or additions to the Amended Indenture contained in such Supplemental Indentures of December 1, 1980 and January 15, 1988 and to vote this Bond in favor of any resolution or resolutions proposing any such amendment or addition.

The Bonds of April 15, 2023 Series are subject to redemption at any time or from time to time prior to maturity, at the option of the Company, either as a whole or in part, upon payment of the redemption prices applicable to the respective periods set forth below, together, in each case, with accrued interest to the redemption date; provided, however, that prior to April 15, 1993 no Bonds of April 15, 2023 Series may be redeemed, directly or indirectly, from the proceeds of or in anticipation of any refunding operation involving the incurring of debt which has an effective interest cost to the Company, computed in accordance with generally accepted financial practice, of less than 10.02% per annum; all subject to the conditions and as more fully set forth in the Amended Indenture and the Supplemental Indenture of April 15, 1988.

Redemption Prices Expressed as Percentages of the Principal
Amount of the Bonds

<u>If Redeemed during the 12-Month Period Ending April 14</u>	<u>Redemption Price</u>	<u>If Redeemed during the 12-Month Period Ending April 14</u>	<u>Redemption Price</u>
1989	108.68	2007	100.87
1990	108.25	2008	100.44
1991	107.82	2009	100.00
1992	107.38	2010	100.00
1993	106.95	2011	100.00
1994	106.51	2012	100.00
1995	106.08	2013	100.00
1996	105.65	2014	100.00
1997	105.21	2015	100.00
1998	104.78	2016	100.00
1999	104.34	2017	100.00
2000	103.91	2018	100.00
2001	103.48	2019	100.00
2002	103.04	2020	100.00
2003	102.61	2021	100.00
2004	102.17	2022	100.00
2005	101.74	2023	100.00
2006	101.31		

Notice of redemption shall be mailed, not less than thirty days nor more than sixty days prior to the redemption date, to all registered owners of the Bonds to be redeemed, at their addresses as the same shall appear on the transfer register of the Company; all subject to the conditions and as more fully set forth in the Amended Indenture and the Supplemental Indenture of April 15, 1988. Any notice so mailed shall be conclusively presumed to have been duly given, whether or not the owner receives it.

In case an event of default, as defined in the Amended Indenture, shall occur, the principal of all the Bonds at any such time outstanding under the Amended Indenture and all indentures supplemental thereto may be declared or may become due and payable, upon the conditions and in the manner and with the effect provided in the Amended Indenture. The Amended Indenture provides that such declaration may in certain events be waived by the holders of a majority in principal amount of the Bonds outstanding.

This Bond is transferable by the registered owner hereof, in person or by duly authorized attorney, on the books of the Company to be kept for that purpose at the agency of the Company in the City of Milwaukee, Wisconsin, upon surrender and cancellation of this Bond and on presentation of a duly executed written instrument

of transfer, and thereupon a new registered Bond or Bonds of the same series, of the same aggregate principal amount and in authorized denominations, will be issued to the transferee or transferees in exchange herefor; and this Bond, with or without others of like series, may in like manner be exchanged for one or more new registered Bonds of the same series of other authorized denominations but of the same aggregate principal amount; all subject to the terms and conditions set forth in the Amended Indenture.

No recourse shall be had for the payment of the principal of, or the interest on, this Bond, or for any claim based hereon or on the Amended Indenture or any indenture supplemental thereto, against any incorporator, or against any stockholder, director or officer, as such, past, present or future, of the Company, or of any predecessor or successor corporation, either directly or through the Company or any such predecessor or successor corporation, whether for amounts unpaid on stock subscriptions or by virtue of any constitution, statute or rule of law, or by the enforcement of any assessment or penalty or otherwise, all such liability, whether at common law, in equity, by any constitution, statute or otherwise, of incorporators, stockholders, directors or officers, as such, being released by every owner hereof by the acceptance of this Bond and as part of the consideration for the issue hereof, and being likewise released by the terms of the Amended Indenture.

SECTION 4. Until the New Bonds in definitive form are ready for delivery, the Company may execute, and upon its request in writing the Trustee shall authenticate and deliver, in lieu thereof, New Bonds in temporary form, as provided in Section 9 of Article II of the Original Indenture. Such New Bonds in temporary form may, in lieu of the statement of the specific redemption prices required to be set forth in such Bonds in definitive form, include a reference to this Supplemental Indenture for a statement of such redemption prices.

ARTICLE II. ISSUE OF NEW BONDS.

SECTION 1. The principal amount of New Bonds which may be authenticated and delivered hereunder is not limited except as the Original Indenture limits the principal amount of Bonds which may be issued thereunder.

SECTION 2. New Bonds for the aggregate principal amount of One Hundred Million Dollars (\$100,000,000), being the initial issue of New Bonds, may forthwith be executed by the Company and delivered to the Trustee and shall be authenticated by the Trustee and delivered (either before or after the filing or recording

hereof) to or upon the order of the Company, upon receipt by the Trustee of the resolutions, certificates, instruments and opinions required by Sections 3 and 4 of Article III and by Article XVIII of the Original Indenture.

ARTICLE III.
REDEMPTION.

SECTION 1. The New Bonds shall, subject to the provisions of Article V of the Original Indenture, be redeemable at any time or from time to time prior to maturity, at the option of the Board of Directors of the Company, either as a whole or in part, upon payment of the redemption prices applicable to the respective periods set forth in the form of New Bonds in Section 3 of Article I hereof, together, in each case, with accrued interest to the redemption date; provided, however, that prior to April 15, 1993, no New Bonds may be redeemed, directly or indirectly, from the proceeds of or in anticipation of any refunding operation involving the incurring of debt which has an effective interest cost to the Company, computed in accordance with generally accepted financial practice, of less than 10.02% per annum.

SECTION 2. Notice of redemption shall be sufficiently given if mailed, postage prepaid, not less than thirty days and not more than sixty days prior to the date fixed for redemption, to the registered owners of the Bonds to be redeemed, at their addresses as the same shall appear on the transfer register of the Company. Any notice so mailed shall be conclusively presumed to have been duly given, whether or not the owner receives it.

ARTICLE IV.
ADDITIONAL PARTICULAR COVENANTS OF THE COMPANY.

The Company hereby covenants, warrants and agrees:

SECTION 1. That, so long as any New Bonds are outstanding, the Company will not make any restricted payment on its Common Stock, as such term is defined in Section 2 of this Article IV, if, after giving effect to such restricted payment,

(a) the aggregate of all restricted payments made by the Company during the period commencing January 1, 1988 and ending on the last day of the third month preceding the month in which such restricted payment is made,

shall exceed

(b) the sum of \$569,007,613 at December 31, 1987 plus the net income of the Company during such period applicable to the Common Stock of the Company.

SECTION 2. The terms "restricted payment" and "restricted payment on its Common Stock", as such terms are used in this Article IV, shall mean and include the declaration and payment of any dividend on the Common Stock of the Company (other than dividends payable solely in shares of Common Stock), the making of any other distribution on and the acquisition for value of any shares of its Common Stock (except in exchange for shares of Common Stock).

SECTION 3. That the Company is lawfully seized and possessed of all of the mortgaged property described in Schedule A to this Supplemental Indenture; that it has good right and lawful authority to mortgage the same as provided in this Supplemental Indenture; and that such mortgaged property is, at the actual date of the initial issue of the New Bonds, free and clear of any deed of trust, mortgage, lien, charge or encumbrance thereon or affecting the title thereto prior to the Indenture, except as set forth in the granting clauses of the Indenture or this Supplemental Indenture.

ARTICLE V.

SECTION 1 OF ARTICLE IV LIMITED.

The provisions of Section 1 of Article IV above shall be binding upon the Company and effective so long, but only so long, as any New Bonds are outstanding.

ARTICLE VI.

THE TRUSTEE.

The Trustee hereby accepts the trusts hereby declared and provided, and agrees to perform the same upon the terms and conditions in the Original Indenture and in this Supplemental Indenture set forth, and upon the following terms and conditions.

The Trustee shall not be responsible in any manner whatsoever for or in respect of the validity or sufficiency of this Supplemental Indenture or the due execution hereof by the Company or for or in respect of the recitals contained herein, all of which recitals are made by the Company solely.

ARTICLE VII.
MISCELLANEOUS PROVISIONS.

All terms contained in this Supplemental Indenture and not defined herein shall, for all purposes hereof, have the meanings given to such terms in Article I of the Original Indenture.

Although this Supplemental Indenture for convenience and for the purpose of reference is dated April 15, 1988, the actual date of execution by the Company and by the Trustee is as indicated by their respective acknowledgments hereto annexed.

This Supplemental Indenture may be simultaneously executed in any number of counterparts, each of which when so executed shall be deemed to be an original; but such counterparts shall together constitute but one and the same instrument.

IN WITNESS WHEREOF, said Wisconsin Electric Power Company has caused this Supplemental Indenture to be executed on its behalf by its President or one of its Vice Presidents, and its corporate seal to be hereto affixed and said seal and this Supplemental Indenture to be attested by its Secretary or one of its Assistant Secretaries; and said First Wisconsin Trust Company, in evidence of its acceptance of the trust hereby created, has caused this Supplemental Indenture to be executed on its behalf by its President or one of its Vice Presidents, and its corporate seal to be hereto affixed and said seal and this Supplemental Indenture to be attested by its Secretary or one of its Assistant Secretaries; all as of the fifteenth day of April, One thousand nine hundred and eighty-eight.

[CORPORATE SEAL]

WISCONSIN ELECTRIC POWER COMPANY,

By /s/ J. G. REMMEL
J. G. Remmel
Vice President.

Attested:

/s/ J. H. GOETSCH
J. H. Goetsch
Secretary.

Signed, sealed and delivered by
WISCONSIN ELECTRIC POWER
COMPANY in the presence of:

/s/ J. W. FLEISSNER
J. W. Fleissner

/s/ SANDRA L. HALGERSON
Sandra L. Halgerson
As Witnesses.

[CORPORATE SEAL]

FIRST WISCONSIN TRUST COMPANY,

By /s/ S. WAGNER
S. Wagner
Vice President.

Attested:

/s/ PATRICK J. O'CALLAGHAN
Patrick J. O'Callaghan
Assistant Secretary.

Signed, sealed and delivered by FIRST
WISCONSIN TRUST COMPANY in the
presence of:

/s/ F. G. GINGRASSO
F. G. Gingrasso

/s/ D. J. MAYER
D. J. Mayer
As Witnesses.

STATE OF WISCONSIN,
COUNTY OF MILWAUKEE. ss.:

On this 21st day of April, 1988, before me personally appeared J. G. REMMEL and J. H. GOETSCH, to me personally known, who, being by me severally duly sworn, did say: that J. G. REMMEL is a Vice President and J. H. GOETSCH is Secretary of WISCONSIN ELECTRIC POWER COMPANY, and that the seal affixed to the foregoing instrument is the corporate seal of said corporation and that said instrument was signed and sealed on behalf of said corporation by authority of its Board of Directors; and said J. G. REMMEL and J. H. GOETSCH severally acknowledged said instrument to be the free act and deed of said corporation.

/s/ LYNN M. MEIDAM
Lynn M. Meidam

Notary Public
State of Wisconsin
My Commission is permanent
[Seal of Notary Public]

STATE OF WISCONSIN,
COUNTY OF MILWAUKEE. ss.:

On this 21st day of April, 1988, before me personally appeared S. WAGNER and PATRICK J. O'CALLAGHAN, to me personally known, who, being by me severally duly sworn, did say: that S. WAGNER is a Vice President and PATRICK J. O'CALLAGHAN is an Assistant Secretary of FIRST WISCONSIN TRUST COMPANY, and that the seal affixed to the foregoing instrument is the corporate seal of said corporation and that said instrument was signed and sealed on behalf of said corporation by authority of its Board of Directors; and said S. WAGNER and PATRICK J. O'CALLAGHAN severally acknowledged said instrument to be the free act and deed of said corporation.

/s/ WILLIAM CARUSO
William Caruso

Notary Public
State of Wisconsin
My Commission expires February 12, 1989
[Seal of Notary Public]

STATE OF WISCONSIN,
COUNTY OF MILWAUKEE. ss.:

J. G. REMMEL, being duly sworn, says: that he is a Vice President of WISCONSIN ELECTRIC POWER COMPANY, the Mortgagor named in the foregoing instrument; that he has knowledge of the facts with regard to the making of said instrument and of the consideration therefor; that the consideration for said instrument was and is actual and adequate; and that the same was given in good faith for the purpose in such instrument set forth, namely, to define the terms and conditions of the series of First Mortgage Bonds provided for therein.

/s/ J. G. REMMEL
J. G. Remmel

Sworn to before me this 21st day of
April, 1988.

/s/ LYNN M. MEIDAM
Lynn M. Meidam

Notary Public
State of Wisconsin
My Commission is permanent
[Seal of Notary Public]

This instrument was drafted by Robert H. Gorske and Norris Darrell, Jr. on behalf of Wisconsin Electric Power Company.

SCHEDULE A

PARCELS OF REAL ESTATE

WISCONSIN

The following described parcels of real estate, all of which are located in the State of Wisconsin in the respective counties hereinafter specified:

SHEBOYGAN COUNTY

Edgewater Power Plant - 25% interest in Unit 5, Tracts 2 & 3:

TRACT #2 (Coal Handling Area): Part of Government Lots 1 and 2 of Section 2, Township 14 North, Range 23 East, City of Sheboygan and Town of Wilson, Sheboygan County, Wisconsin, described by: Commencing at the North Quarter corner of said Section 2; thence South 1 degree 22.7 minutes West (true bearing) 1404.34 feet along the North-South Quarter line of Section 2 to its intersection with the centerline of Black River Road; thence South 41 degrees 41.0 minutes East 837.8 feet along the centerline of Black River Road, now vacated; thence North 89 degrees 39.3 minutes East 163.20 feet to the Southwesterly wall of the Edgewater Generating Station Unit 5 car thawing shed and the point of beginning; thence North 31 degrees 50.9 minutes West 283.59 feet along said Southwest wall; thence North 58 degrees 09.1 minutes East 43.71 feet along the Northwesterly end of said car thawing shed end line extended to a retaining wall; thence South 31 degrees 50.9 minutes East 32.21 feet along said retaining wall; thence South 58 degrees 24.9 minutes East 22.36 feet along said retaining wall; thence South 31 degrees 50.9 minutes East 273.00 feet along said retaining wall; thence South 78 degrees 35.1 minutes East 46.69 feet along said retaining wall; thence South 31 degrees 50.9 minutes East 235.34 feet along said retaining wall extended to a point 25.00 feet Northeasterly of, measured at right angles to the centerline of the conveyor from the car hopper to the sampling house; thence South 45 degrees 14.2 minutes East 235.45 feet parallel to said conveyor centerline to the Northerly margin of a road; thence North 61 degrees 27.5 minutes East 64.65 feet along said Northerly margin; thence North 45 degrees 18.6 minutes East 196.83 feet along said Northerly margin; thence North 8 degrees 58.0 minutes East 173.41 feet along said Northerly margin; thence North 55 degrees 26.9

minutes East 131.76 feet along said Northerly margin to a point 14.00 feet West of, measured at right angles to the centerline of the conveyor from the reclaim hopper to the crusher house; thence North 1 degree 47.9 minutes West 453.88 feet parallel to the last said centerline to the foundation of the conveyor take-up tower; thence South 88 degrees 12.1 minutes West 4.00 feet along said foundation; thence North 1 degree 47.9 minutes West 100.39 feet along said foundation line extended to the foundation of conveyor bent K-B; thence South 88 degrees 12.1 minutes West 4.00 feet along last said foundation; thence North 1 degree 47.9 minutes West 54.18 feet to the Southerly wall of the crusher house; thence South 71 degrees 21.8 minutes West 23.71 feet along last said wall; thence North 18 degrees 38.2 minutes West 77.25 feet along the Westerly wall of said crusher house; thence North 71 degrees 21.8 minutes East 88.72 feet along the Northerly wall line of said crusher house extended to a chain link fence; thence South 18 degrees 25.5 minutes East 289.90 feet along said chain link fence; thence South 1 degree 51.8 minutes West 53.59 feet along said chain link fence; thence South 68 degrees 42.7 minutes West 27.96 feet along said chain link fence; thence South 11 degrees 35.7 minutes East 295.70 feet along said chain link fence to the line of the Southerly margin of the aforesaid road extended Northeasterly; thence South 11 degrees 12.4 minutes East 516.28 feet along said chain link fence; thence South 10 degrees 05.9 minutes East 108.66 feet along said chain link fence to the line of the Southerly margin of a 20 foot wide road extended Northeasterly; thence South 48 degrees 38.8 minutes West 416.33 feet along said Southerly margin to its intersection with the Northeasterly margin of a 10 foot wide road lying Northeasterly of and parallel to the car hopper area railroad tracks; thence North 43 degrees 20 minutes West 88.33 feet to the Southwest corner of the car hopper; thence North 31 degrees 50.9 minutes West 64.08 feet along the Southwesterly wall of the car hopper; thence North 58 degrees 09.1 minutes East 14.33 feet along the Northwesterly wall of the car hopper to the Southwesterly wall of the thawing shed; thence North 31 degrees 50.9 minutes West 86.58 feet along last said wall to the point of beginning, containing 9.78 acres.

TRACT #3 Description For 550 Ft. Stack: Part of Government Lot 1 of Section 2, Township 14 North, Range 23 East, City of Sheboygan, Sheboygan County, Wisconsin, described as follows: Commencing at the Northwest Corner of said Government Lot 1; thence South 57 degrees 55.4 minutes East (true bearing) 524.58 feet; thence South 58 degrees 12.2 minutes East, 177.90 feet along the Northeasterly edge of the Edgewater Generating Station entrance road; thence Southeasterly 324.82 feet along the edge of said road on a curve concave Southwesterly, having a radius of 470.37 feet and being subtended by a chord bearing South 38 degrees 25.2 minutes East, 318.40 feet; thence South 18 degrees 38.2 minutes East, 145.79 feet along the edge of said road to its intersection with Column Line 25

projected South 71 degrees 21.8 minutes West; thence North 71 degrees 21.8 minutes East, 151.31 feet along Column Line 25 to Column Line D; thence South 18 degrees 38.2 minutes East, 18.50 feet along Column Line D to Column Line 24; thence North 71 degrees 21.8 minutes East, 129.10 feet along Column Line 24 to Column Line H; thence South 18 degrees 38.2 minutes East, 18.50 feet along Column Line H to Column Line 23; thence North 71 degrees 21.8 minutes East 116.87 feet along Column Line 23; thence South 18 degrees 38.2 minutes East 216.46 feet to the center of a circular chimney 54 feet in diameter and the subject of this description, containing .053 acres.

WISCONSIN ELECTRIC POWER COMPANY

Data Relative to Recording and Filing of
Twenty-Seventh Supplemental Indenture
Dated April 15, 1988

This Twenty-Seventh Supplemental Indenture dated April 15, 1988
was recorded in the offices of the Registers of Deeds for the Counties
listed below in the States of Wisconsin and Michigan, as follows:

WISCONSIN

Counterpart No.	County	Date Recorded	Time	Reel or Volume	Beginning Image or Page	Ending Image or Page	Document Number
4	Brown	April 25, 1988	10:28AM	13099	01	28	1151899
23	Calumet	April 25, 1988	11:45AM	1143	6	33	195038
24	Dane	April 25, 1988	11:01AM	11338	65	92	2077314
25	Dodge	April 25, 1988	8:01AM	655	173	200	709345
5	Florence	April 25, 1988	8:30AM	84	877	904	230072
26	Fond du Lac	April 25, 1988	8:02AM	969	796	823	451236
6	Forest	April 25, 1988	9:15AM	52	973	1000	135096
27	Jefferson	April 25, 1988	10:00AM	715	792	819	840052
28	Kenosha	April 25, 1988	8:31AM	1308	653	680	799349
29	Manitowoc	April 25, 1988	10:54AM	776	432	459	641430
7	Marinette	April 25, 1988	8:44AM	2674	03	30	474664
30	Milwaukee	April 25, 1988	8:45AM	2203	104	131	6163901
8	Oconto	April 25, 1988	9:00AM	560	146	172	370643
9	Outagamie	April 25, 1988	10:30AM	8399	1	28	935348
31	Ozaukee	April 25, 1988	9:50AM	614	76	103	401768
32	Portage	April 25, 1988	8:00AM	506	101	128	412421
33	Racine	April 25, 1988	8:11AM	1909	639	666	1254402
34	Rock	April 25, 1988	9:23AM	346	372	399	1069532
10	Shawano	April 25, 1988	8:00AM	649	623	650	418761
35	Sheboygan	April 25, 1988	9:53AM	1078	800	827	1167638
11	Vilas	April 25, 1988	8:00AM	520	218	245	248362
36	Walworth	April 25, 1988	8:21AM	426	889	916	161169
37	Washington	April 25, 1988	8:58AM	981	291	318	526377
38	Waukesha	April 25, 1988	8:45AM	991	797	824	1476001
39	Waupaca	April 25, 1988	8:00AM	653	71	98	455430
40	Waushara	April 25, 1988	10:45AM	371	476	503	288131
41	Winnebago	April 25, 1988	8:48AM	-	-	-	699742
42	Wood	April 25, 1988	7:58AM	537	643	670	681301

MICHIGAN

Counterpart No.	County	Date Recorded	Time	Reel, Volume or Liber	Beginning Image or Page	Ending Image or Page	Document Number
12	*Alger	April 25, 1988	1:00PM	78	311	338	-
13	*Baraga	April 25, 1988	11:30AM	29	138	165	-
14	*Delta	April 25, 1988	9:00AM	302	283	310	13627
15	Dickinson	April 25, 1988	8:54AM	163	299	325	433
16	Gogebic	April 25, 1988	11:45AM	245	583	610	6616B
17	*Houghton	April 25, 1988	12:20PM	104	189	216	-
18	Iron	April 25, 1988	9:10AM	142	263	290	-
19	*Marquette	April 25, 1988	11:05AM	405	701	728	378
20	Menominee	April 25, 1988	9:09AM	291	777	804	621
21	*Ontonagon	April 25, 1988	10:00AM	69	146	173	-
22	*Schoolcraft	April 25, 1988	2:15PM	68	539	566	-

In order to comply with the Michigan Statutes, as amended, relative to making effective mortgage liens on personal property located in the State of Michigan, the Twenty-Seventh Supplemental Indenture dated April 15, 1988 was filed with the Secretary of State of the State of Michigan in Lansing, Ingham County, on April 22, 1988 at 3:28 p.m. Eastern Daylight Time as file number 87023-A.

*Eastern Daylight Time was in effect for these seven counties and Ingham County on April 25, 1988. All other listed counties in Wisconsin and Michigan were on Central Daylight Time.