

## REFERENDUM ANNOUNCEMENT

An election will be held in the City of Menasha, Calumet and Winnebago Counties on **April 6, 2010**, the following proposed referendum question will appear on the ballot:

**“Shall the City of Menasha sell its electric utility assets to WPPI Energy for the price and upon the terms approved by the Public Service Commission of Wisconsin?”**

There will be a Public Meeting on Monday, **March 29, 2010 at 6:00 p.m.** at the City Library to discuss the referendum and the details of the transaction.

The proposed sales transaction with WPPI is governed by Wisconsin law. There are three approvals required in order to complete the sale: 1) approval of the common council; 2) approval of the Public Service Commission of Wisconsin; and 3) approval of the voters by referendum. All three approvals must occur in order for the sale of the electric utility assets to WPPI. The common council and the Public Service Commission have approved the transaction.

If you vote “yes” it will allow the City to sell the electric utility assets to WPPI for approximately \$18 million. The agreement with WPPI will then allow the City to lease back the assets in order to continue to operate the electric utility. Monthly lease payments will be made to WPPI over twenty years, at which time the City will reacquire the assets for a nominal amount.

If you vote “no” the City will not be allowed to sell the electric utility assets to WPPI to proceed with the transaction.

The common council approved the transaction as the best opportunity to achieve a reasonable resolution of the bondholders’ claims and the claims of other Steam Facility creditors and to help to protect the future financial health of the City. If the transaction closes, it will provide a substantial source of funds for settling steam utility related claims. So far, the City has reached an agreement with all three steam utility customers that raised claims. Payment on the last agreement entered into – with Sonoco – is due at the time of closing the WPPI transaction or by September 15, 2010, whichever occurs first. The City is still in litigation with BAN holders in Indiana and Wisconsin. Those cases have not yet been resolved.

The City of Menasha Electric Utility is a founding member of WPPI Energy, which has been in existence for almost thirty years. WPPI members are customer-owned utilities like Menasha’s. Menasha is one of forty-one Wisconsin members of WPPI. Through WPPI Energy, Menasha Electric Utility and other customer-owned utilities share resources and own generation facilities to provide electricity to their residential and business customers.

For more information about the WPPI transaction please call your alderperson or the Mayor. The resolution adopted by the common council is on the City's website. The proposed Agreements with WPPI are also located on the City's website for review.

**Please – get out and vote!** Let your voice be heard on this issue.