

A Resolution to Place Referendum on the April 6, 2010 spring Election Ballot to Sell
Electric Utility Assets to WPPI Energy

Introduced by Mayor Merkes

WHEREAS, On December 7, 2009, the Common Council of the City of Menasha adopted Resolution No. R-30-09, Resolution of the City of Menasha Common Council Authorizing A Preliminary Asset Sale Agreement With WPPI Energy Inc. For The Sale Of Certain City of Menasha Electric Utility Assets, and

WHEREAS, Resolution No. R-30-09, authorized the sale of City of Menasha electric utility assets to WPPI Energy ("WPPI") as well as the leaseback by the City of certain of those assets from WPPI (the "Transaction") and directed the Mayor and the City Clerk to take all other necessary actions in support of the Transaction, and

WHEREAS, An application to approve the Transaction was filed with the Public Service Commission of Wisconsin ("PSCW") as required by Wis. Stat. §§ 66.0817 and 196.80, and

WHEREAS, At its February 12, 2010 open meeting, the PSCW voted to approve the Transaction, and

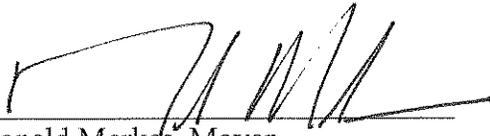
WHEREAS, The Common Council, the Menasha Utilities Commission and the PSCW have each determined that the interests of the City of Menasha and its residents will be best served by the Transaction, and

WHEREAS, Pursuant to Wis. Stat, § 66.0817, the question of the sale of the electric utility assets must be submitted to the electors of the City of Menasha, and

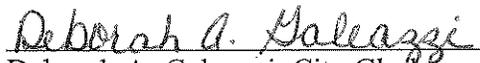
WHEREAS, Under the proposed Transaction, electric utility distribution assets and the utility administration building located at 321 Milwaukee Street, Menasha, will be sold to WPPI and then be leased-back to the City for 20 years at net book value. The City will buy back the assets at the end of the lease term for a nominal sum. Ownership interests in American Transmission Company will be included in the sale. The total purchase price is approximately \$18,156,818. Money from the sale must be used to: (1) defease, redeem or satisfy existing electric utility debt; (2) establish a capital acquisition fund of \$1 million; (3) establish a lease reserve fund equal to one year's lease payments to WPPI; (4) establish an adequate working capital fund; (5) reimburse WPPI for external legal and consulting expenses relating to the transaction; and (6) satisfy claims of the holders of the revenue bond anticipation notes and other creditors of the City's steam facility. Among other requirements, the Transaction is conditioned upon Menasha obtaining a global settlement of all of the outstanding issues relating to its steam utility and the steam revenue anticipation notes.

NOW THEREFORE BE IT RESOLVED by the Common Council of the City of Menasha, That a Referendum be placed on the April 6, 2010 Spring Election Ballot, as follows: "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? Answer: Yes or No."

Passed and approve this 15th day of February, 2010.


Donald Merkes, Mayor

Attest:


Deborah A. Galeazzi, City Clerk