

LONG-TERM COST CONTROL AND STABILITY

For two decades, WPPI's average cost of power to members has been very stable. Power costs in 2004 were only 3 percent higher than the actual average cost to members in 1984. Adjusted for inflation, WPPI's power costs in 2004 were down more than 43 percent from 1984. Our average power costs to members dipped to a low in 1996 and have been increasing gradually since then, but at a rate significantly lower than that of the major Wisconsin utilities.

In 2004, the Public Service Commission of Wisconsin issued a Strategic Energy Assessment, which states that electric rates in Wisconsin have risen an average of 29 percent since 1997. During the same period, the consumer price index rose 15 percent and WPPI's average power cost to members went up by about 15 percent.

Over the next few years, we expect electric costs to increase throughout the state, driven by

new infrastructure and rising natural gas prices. WPPI is committed to the goal of keeping our rate of cost increases lower than the increases of other Wisconsin utilities, to enable our members to maintain competitive rates. And, we believe that smart decisions and strong efficiency and conservation programs can keep Wisconsin as a whole competitive with the other states in the region, as the region faces similar cost pressures in the future.



Brodhead



Richland Center

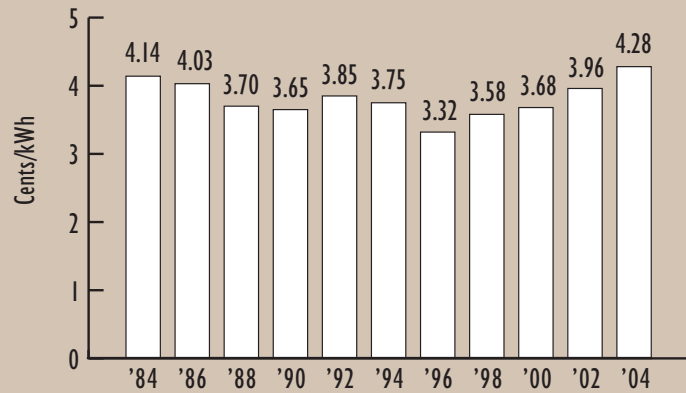
“Richland Center Utilities staff is better equipped to provide outstanding assistance to the customer thanks to our ownership in WPPI. WPPI's assistance helps us maintain the excellent reputation we have already developed in the community. Joint action has also allowed Richland Center to stabilize our rates, and to avoid the wholesale rate increases that the investor-owned utilities continue to request.”

Mayor Rita Kidd
City of Richland Center

LONG-TERM COST CONTROL AND STABILITY

WPPI's lower costs are a reflection of the smart power supply decisions members have made over the past 25 years. The 1979 study that led to the formation of WPPI found that "the best combination of savings and security will come from a strategy of diversification." We remain committed to this conservative strategy — focused on long-term cost control and stability.

Average Power Costs to Members



Slinger



Sturgeon Bay



Hartford