

# FISCAL YEAR 2010

## FIRST QUARTER HIGHLIGHTS

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### Financial Highlights

Energy sales to members were 1,258,972 megawatt-hours (MWh) in the first quarter of 2010. This is 8,199 MWh or 0.6% less than the same period a year ago. Included in the energy sales to members in the first quarter of 2010 are sales to a new member totaling 3,459 MWh.

Total operating revenues for the first quarter of 2010 were \$100,457,173 which was 6.3% more than the same period a year ago. Total operating expenses for the first quarter of 2010 were \$96,702,624 or 3.7% more than the same period a year ago. The increase in operating expenses was primarily a result of higher purchased power and fuel expenses.

### Power Supply Update

In the first quarter of 2010, WPPI Energy's 20% share of Boswell 4 generated a total of 203,941 MWh at an average capacity factor of 88%. Unit 4 was offline for four days in February to repair several tube leaks.

This compares to generation of 192,367 MWh and an average capacity factor of 83% in the first quarter of 2009.

### News Highlights

On Feb. 2, 2010 Unit 1 of the Elm Road Generating Station (ERGS), the newest coal-fired power plant in Wisconsin, began commercial operation. WPPI Energy is an owner in the ERGS, along with We Energies and Madison Gas & Electric Company. WPPI Energy owns 8.33 percent of this 1,230-megawatt supercritical coal generation project located in Oak Creek. During the first quarter a post-turnover outage occurred to resolve punch list items and start-up issues.

### Company Profile

WPPI Energy is a regional power company serving 51 customer-owned electric utilities. Through WPPI Energy, these public power utilities share resources and own generation facilities to provide reliable, affordable electricity to more than 195,000 homes and businesses in Wisconsin, Upper Michigan and Iowa.

# FINANCIAL STATEMENTS

## Statements of Net Assets (Unaudited)

March 31	2010	2009
<b>ASSETS</b>		
Current assets	\$ 132,484,879	\$ 149,910,983
Non-current assets	179,672,942	196,374,789
Deferred costs	31,505,771	35,310,446
Electric plant, equipment and land, net	113,825,991	111,733,951
Construction work in progress	230,741,351	190,413,077
<b>Total assets</b>	<b>\$ 688,230,934</b>	<b>\$ 683,743,246</b>
<b>LIABILITIES AND NET ASSETS</b>		
Current liabilities	\$ 49,452,810	\$ 44,063,107
Deferred credits and other liabilities:		
Operating reserves and accrued liabilities	18,696,445	21,627,813
Rate stabilization	43,023,088	42,943,546
Total deferred credits and other liabilities	61,719,533	64,571,359
Long-term debt, net	407,109,679	415,191,197
Net assets	169,948,912	159,917,583
<b>Total liabilities and net assets</b>	<b>\$ 688,230,934</b>	<b>\$ 683,743,246</b>

## Statements of Revenues, Expenses, and Changes in Net Assets (Unaudited)

Quarter Ended March 31	2010	2009*
Operating revenues	\$ 100,457,173	\$ 94,538,662
Operating expenses:		
Purchased power	84,712,117	82,467,767
Fuel expense	4,034,547	3,294,450
Other power production	1,272,089	1,061,375
Administration and general	3,735,980	3,991,650
Depreciation and amortization	1,944,230	1,779,182
Taxes	1,003,661	635,404
Total operating expenses	96,702,624	93,229,828
<b>Operating income</b>	<b>3,754,549</b>	<b>1,308,834</b>
Investment income	3,182,489	3,734,603
Interest expense	(3,768,603)	(2,582,104)
Other non-operating revenues (expenses), net	(1,131,693)	(434,076)
<b>Change in net assets</b>	<b>\$ 2,036,742</b>	<b>\$ 2,027,257</b>

\*Certain 2009 financial statement amounts have been reclassified to conform with the 2010 presentation.

## WPPI Energy is the power supplier for the following customer-owned utilities:

Wisconsin	Evansville	Menasha	Plymouth	Two Rivers	Michigan	Iowa
Algoma	Florence	Mount Horeb	Prairie du Sac	Waterloo	Alger Delta CEA	Independence
Black River Falls	Hartford	Muscoda	Reedsburg	Waunakee	Baraga	Maquoketa
Boscobel	Hustisford	New Glarus	Richland Center	Waupun	Crystal Falls	Preston
Brodhead	Jefferson	New Holstein	River Falls	Westby	Gladstone	
Cedarburg	Juneau	New London	Slinger	Whitehall	L'Anse	
Columbus	Kaukauna	New Richmond	Stoughton		Negaunee	
Cuba City	Lake Mills	Oconomowoc	Sturgeon Bay		Norway	
Eagle River	Lodi	Oconto Falls	Sun Prairie			