



City of Columbus, WI
Department of Utilities & Public Works

From the Office of the Director of Utilities
& Public Works

Date: September 24, 2026
To: Utility Commission
From: Columbus Utility Staff

Re: Consideration of Resolution Recommending that the Columbus Utility Commission Approve Amendment #3 to Long-Term Power Supply Contract for Participating Members

The City of Columbus has been a member-owner of WPPI Energy (WPPI) since its inception in 1980. That year, 23 municipally owned electric utilities formed WPPI. The goal was to obtain power supply for our community at reasonable, stable costs over an extended period. Prior to WPPI we were subject to frequent wholesale rate hikes from investor-owned utilities (IOU's).

In 1989, WPPI members (including Columbus) took another step to long-term energy cost stabilization when the City approved a 35-year (until 2024) all-requirements power supply contract. This allowed WPPI to purchase and own all, or a portion of, energy generation facilities.

With changes to the industry and the need to control cost by owning generation, Amendment #1 was approved in 2002. Although the 35-year agreement still had 22 years remaining, this 13-year extension (until 2037) enabled WPPI to purchase and finance long-term power supply resources. The financing made available by the extension allowed for the purchase of additional generating facilities including a wholly owned gas peaking plant in Kaukauna. WPPI was also able to contract for wind, nuclear and gas power supplies under purchased power agreements and become a transmission owner.

Amendment #2 was approved in 2015 to extend our agreement to purchase WPPI power another 18 years (until 2055). As with the previous amendment, the extension allowed for additional renewable energy contracts and partial ownership of new transmission facilities.

WPPI Energy is requesting another 18-year extension (until 2073) to the long-term power supply contract under Amendment #3. The energy industry is experiencing significant growth due in large part to electrification in transportation and industry as well as rapid

development of data centers to support AI and other advances in technology. This growth has led to constraints in the energy and capacity markets as well as additional opportunities to continue to invest in transmission assets. To continue to source reliable and reasonably priced power supply, WPPI must remain proactive by seeking both its own as well as shared opportunities to obtain capacity and generation options and to continue to invest up to at least its load-share ratio in transmission.

Effective participation in the energy industry necessitates long-term planning given the extensive development time and high cost to develop such long-lived assets. Extending the financing period for these investments (often 30-40 years) spreads these costs over a lengthy period resulting in greater rate predictability and stability for ratepayers. Thus, the need to extend the current contract to 2073.

Columbus and its ratepayers have benefited from our 46-year ownership/partnership with WPPI. As indicated above, WPPI has a proven record of being proactive in making strategic moves to stay competitive in the industry. They have proven over time their mission to listen and respond to the needs of the members.

Beyond power supply, the services provided by WPPI to its member communities place us on at least even ground with the most technically advanced IOU's. These are services that our community would likely not be able to afford on its own. WPPI's joint purchasing program ensures that competitive pricing is available for all members to again place us on equal footing with much larger entities.

Our ownership in WPPI is the key component in the low energy rates our community members pay compared to almost all other non-municipal utilities in the state. A typical Columbus Utility (CU) residential customer pays 35% less per month for energy than a similar customer in the neighboring IOU territory. Of course, low rates only have value if the power is on. Reliability and redundancy in CU's distribution ranks in the top 10% of energy providers in our region. Competitive rates and reliable service attract businesses and visitors to our community, while at the same time ensuring that our residents are not burdened by high costs and poor service. The relationship between WPPI and the City of Columbus has served us well for the last forty-six years. Because we have a strong presence within the organization and a say in the direction of the business, we expect the next four decades plus will be equally successful for our community.

Staff advises that the Utility Commission recommend the City Council's approval of the resolution to accept Amendment #3 to the Long-Term Power Supply Contract With WPPI.

Thank you for your consideration.