

May 4, 2020

Financial Highlights	<p>In the first quarter 2020, WPPI Energy's change in net position was a loss of \$1,570,117 compared to a loss of \$1,013,082 in the first quarter 2019. Due to seasonal wholesale rates that include a higher demand charge during the summer months, WPPI Energy anticipates increased revenues and change in net position during the summer months.</p> <p>Energy sales to members totaled 1,183,779 megawatt-hours (MWh) in the first quarter of 2020. This is 57,540 MWh or 4.6% less than the same period a year ago. Weather was colder than normal in the first quarter 2019 increasing MWh sales, and warmer than normal in the first quarter 2020 decreasing MWh sales year-over-year. In addition, increased self-generation by an industrial customer contributed to lower energy sales for the quarter. Energy sales were also impacted by COVID-19 related shutdowns for the last couple of weeks in March 2020.</p> <p>Total operating revenues for the first quarter in 2020 were \$93,380,299 or 9.1% lower than the same period a year ago. Total operating expenses for the first quarter in 2020 were \$96,357,376 or 7.6% lower than the same period a year ago. The decrease in operating revenues is primarily due to lower MWh sales to members and a lower average cost of power sold to members in the first quarter of 2020 compared to 2019. The decrease in operating expenses in the first quarter 2020 compared to 2019 is driven by lower purchased power expenses.</p>
Power Supply Update	<p>WPPI Energy's 20% share of Boswell Unit 4 generated 169,488 MWh of electricity at an average capacity factor of 66.3% during the first quarter of 2020. This compares to 92,226 MWh generated at an average capacity factor of 36.5% in the first quarter of 2019. Boswell Unit 4 was offline for seven weeks in the first quarter of 2019 to repair numerous leaks in the hot reheat steam piping. WPPI Energy's 8.33% share of the Elm Road Generating Station units generated 179,755 MWh at an average capacity factor of 77.9% in the first quarter of 2020. In the same quarter a year ago, the units generated 162,073 MWh at an average capacity factor of 71.1%. Unit 2 was offline for 18 days in January of this year to repair a boiler tube leak.</p>
News Highlights	<p>Responding to COVID-19. While the coronavirus pandemic presents significant challenges and changes for everyone, WPPI's commitment to its membership is steadfast. WPPI is taking action to protect our most important priority: the health and safety of our staff, members and the general public. We also remain fully prepared and equipped to continue supplying and meeting our membership's needs for reliable, competitive wholesale power, service and support programs.</p> <p>Moody's Affirms WPPI's A1 Rating. On March 25, Moody's affirmed WPPI's A1 rating with a stable outlook.</p> <p>WPPI Members Recognized for Safety, Reliability. More than one-third of WPPI member utilities earned the American Public Power Association's (APPA) Safety Award of Excellence for safe operating practices in 2019. In addition, Kaukauna Utilities and Menasha Utilities earned APPA's Reliable Public Power Provider designation, which lasts for three years.</p>
Company Profile	<p>WPPI Energy is a regional power company serving 51 locally owned, not-for-profit electric utilities. Together through WPPI Energy, these public power utilities share resources and own generation facilities to provide reliable, affordable electricity to more than 200,000 homes and businesses in Wisconsin, Michigan's Upper Peninsula and Iowa.</p>

This report and other information about WPPI Energy can be found at www.wppienergy.org.

FINANCIAL STATEMENTS

Statements of Net Position (Unaudited)

March 31,	2020	2019
Assets		
Current assets	\$ 131,994,029	\$ 140,855,526
Non-current assets	266,081,045	256,746,827
Electric plant, equipment, and land, net	366,289,476	380,094,964
Construction work in progress	4,488,406	4,215,678
Total assets	768,852,956	781,912,995
Deferred Outflows of Resources	23,260,280	19,330,689
Liabilities		
Current liabilities	49,618,771	53,881,404
Non-current liabilities	12,532,833	8,038,210
Long-term debt, net	342,266,006	365,341,598
Total liabilities	404,417,610	427,261,212
Deferred Inflows of Resources	85,475,755	83,344,514
Net Position	\$ 302,219,871	\$ 290,637,958

Statements of Revenue, Expenses and Changes in Net Position (Unaudited)

	Quarter Ended March 31,	
	2020	2019
Operating Revenues	\$ 93,380,299	\$ 102,710,966
Operating Expenses		
Purchased power	59,585,431	68,147,180
Transmission	15,708,596	15,592,881
Fuel expense	7,058,564	6,058,427
Operation and maintenance	3,633,151	3,096,183
Customer service and administrative and general	4,403,165	5,306,442
Depreciation and amortization	4,209,342	4,208,400
Taxes	1,759,127	1,834,398
Total operating expenses	96,357,376	104,243,911
Operating Income	(2,977,077)	(1,532,945)
Non-Operating Revenues (Expenses)		
Investment income	3,940,343	3,837,273
Interest expense	(4,005,680)	(4,232,105)
Other	1,472,297	914,695
Total non-operating revenues (expenses), net	1,406,960	519,863
Change in Net Position	\$ (1,570,117)	\$ (1,013,082)

Some 2019 amounts were reclassified to conform to the 2020 presentation.

WPPI ENERGY IS THE POWER SUPPLIER FOR THE FOLLOWING LOCALLY-OWNED UTILITIES

WISCONSIN

Algoma
Black River Falls
Boscobel
Brodhead
Cedarburg
Columbus
Cuba City
Eagle River

Evansville
Florence
Hartford
Hustisford
Jefferson
Juneau
Kaukauna
Lake Mills
Lodi

Menasha
Mount Horeb
Muscodia
New Glarus
New Holstein
New London
New Richmond
Oconomowoc
Oconto Falls

Plymouth
Prairie du Sac
Reedsburg
Richland Center
River Falls
Slinger
Stoughton
Sturgeon Bay
Sun Prairie

Two Rivers
Waterloo
Waunakee
Waupun
Westby
Whitehall

MICHIGAN

Alger Delta CEA
Baraga
Crystal Falls
Gladstone
L'Anse

Negaunee
Norway
IOWA
Independence
Maquoketa
Preston

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