



Stoughton Utilities

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Serving Electric, Water & Wastewater Since 1886

News Release

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FOR IMMEDIATE RELEASE

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Stoughton Utilities Will Pass Anticipated Tax Savings to Customers

Stoughton Utilities acted recently on a measure that is anticipated to reduce wholesale electric costs. The utility will pass the savings on to local customers.

The Board of Directors for WPPI Energy, which is Stoughton's wholesale power supplier, resolved during its March 8 meeting to adjust WPPI Energy's wholesale rates for 2018 because the board anticipates WPPI Energy will benefit from a lower federal corporate tax rate. The action is projected to lower wholesale electric costs for the local utility.

"We supported this measure because it will benefit local residents and businesses," said Brian Hoops, Assistant Utilities Director. "Stoughton Utilities operates on a not-for-profit basis, so the savings we receive will flow back to our customers."

As a member-owner of WPPI Energy, Stoughton is represented on the Board of Directors by Utilities Director Robert Kardasz. Assistant Director Brian Hoops serves as the community's board alternate. Brian Hoops participated in the March 8 meeting and voted in support of the measure.

Corporate Income Tax Savings

WPPI Energy and its member utilities anticipate delivering cost savings related to a new federal law decreasing the corporate income tax rate. Even though it does not pay federal income taxes, Stoughton Utilities and WPPI Energy purchases power and transmission service from companies that do, and the transactions are structured so that some of those companies' tax savings would be passed through to WPPI Energy.

In 2018, the impact of these savings is expected to lower WPPI Energy's wholesale rate to member utilities by an estimated 3 percent.

Local Customers Benefit

Locally owned, not-for-profit Stoughton Utilities will pass along these savings to customers via the Power Cost Adjustment Clause (PCAC) on their monthly bills. The PCAC reflects monthly variations in wholesale costs driven by seasonal changes, fluctuations in customer demand, increasing fuel costs, and other factors.

“The PCAC ensures that the cost of the power we purchase, as well as any wholesale cost savings, are passed through to customers at neither a profit nor a loss,” Hoops said.

Founded in 1886, Stoughton Utilities serves electric customers in Stoughton and the surrounding area, and wastewater and water customers in Stoughton.