



PRESS RELEASE

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Lower MPU Electric Bills Beginning September

Manitowoc Public Utilities (MPU) customers will notice lower electric bills in the coming months between 2.0 and 4.5% depending on customer energy usage. The reduction is the result of multiple factors: continued low natural gas prices; investor-owned power suppliers having their corporate tax rate decrease from 35 percent to 21 percent and lower energy prices in the market.

“As a municipally-owned utility, MPU is exempt from state and federal income taxes.” explained MPU CEO and General Manager Nilaksh Kothari. “MPU purchases a portion of the overall power supply portfolio through agreement with Great Lakes Utilities – a municipal electric company in WI with 12 municipal electric utilities as its members. The savings from the tax rate changes are flowing through as lower purchased power costs from Great Lakes Utilities.”

Great Lakes Utilities (GLU) is a municipal electric company created to obtain low cost and reliable electric power for its members. GLU buys power from the power producers that have benefited from the federal Tax Cuts. These power producers are regulated and required to pass along these savings to their wholesale customers. MPU is also regulated and hence, these savings are required to be passed along to retail customers.

“The savings will flow through MPU’s Power Cost Adjustment Clause (PCAC) on the MPU bill”, states Kothari. The PCAC is a true-up mechanism that automatically adjusts

customers' bills to reflect changes in power supply costs. "The pass-through on the PCAC will be phased-in beginning with the September billing, and will be fully implemented in November", Kothari said. "Overall savings on electric bills will range from 2 to 4.5 percent, depending on customers' energy use."

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