

Fiscal Note:

This resolution authorizes the issuance of \$19,300,000 Industrial Development Revenue Refunding Bonds, Series 2002B (Madison Gas and Electric Company Project) (the “Series 2002B Bonds”) pursuant to an Indenture of Trust (the “Indenture”), between the City of Madison, Wisconsin (the “Issuer”) and U.S. Bank National Association, as trustee (the “Trustee”). Proceeds from the sale of the Bonds will be made available to Madison Gas and Electric Company (the “Company”) pursuant to a Loan Agreement, between the Issuer and the Company pursuant to Section 66.1103, Wisconsin Statutes, as amended (the “Act”), which authorizes the Issuer to issue industrial development revenue bonds.

The Bonds will be limited obligations of the Issuer and shall not be deemed to constitute a debt or a pledge of the faith and credit of the Issuer, State of Wisconsin, or any political subdivision thereof and will be payable solely from and secured by a pledge of payments to be made by the Company, a corporation organized and existing under the laws of the State of Wisconsin, under an unsecured promissory note (the “Note”) to be delivered to the Issuer in the amount of the Bonds.

This resolution authorizes the execution and delivery of the following related agreements and documents for this refinancing:

1. Loan Agreement executed between the City of Madison (*Issuer*) and Madison Gas and Company (*Company*);
2. Trust Indenture executed between the Issuer and U.S. Bank National Association, as trustee;
3. Bond Purchase Agreement executed between the Issuer, Company and U.S. Bancorp Investments, Inc, as underwriter;
4. Preliminary Official Statement and Official Statement - approval and distribution in connection with the issuance and sale of the Bonds;
5. Bonds provided to the Issuer.

All of the proceeds from the sale of the Bonds will be applied, together with funds provided by the Company, to refinance previously issued \$19,300,000 City of Madison, Wisconsin Industrial Development Revenue Refunding Bonds (Madison Gas and Electric Company Project), Series 2002B for the purpose of generating interest cost savings that will be passed to Company customers. The Company will pay all related costs of issuance relating to the issuance of the Bonds with its own funds.