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Madison Water Utility
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MEMORANDUM

Date: August 4, 2026

To: Mayor Satya Rhodes Conway
City of Madison Common Council
City of Madison Finance Committee
City of Madison Water Utility Board

From: Pete Holmgren, P.E. – Chief Engineer, Water Utility
Joseph Grande – Acting Interim General Manager, Water Utility

Subject: Authorizing the Water Utility General Manager to enter into Interruptible Electric Service Agreements with Madison Gas & Electric Co. at Water Utility Sites

RECOMMENDATION

Staff recommend authorizing the Water Utility General Manager to enter into "Interruptible Electric Service Agreements" with Madison Gas & Electric Co. (MGE) at Madison Water Utility (MWU) sites.

BACKGROUND

MWU installs emergency standby generators at its facility sites to improve reliability in the event of an emergency. These generators make the locations eligible for interruptible electric rates. Under the interruptible rate schedules approved by the Public Service Commission of Wisconsin (PSC), MGE offers a discounted rate for electrical service in exchange for allowing electrical service to be interrupted. Electrical power from the City-owned emergency generators provide electrical power to the designated facility during service interruption.

In addition to some MWU sites, the City has other existing interruptible service agreements with MGE and Alliant Energy Corporation for generators at other sites such as Madison Metro facilities and the Monona Terrace.

MWU has determined that it is cost effective and desirable to enter into interruptible rate electric service agreements with MGE at any site with a City-owned generator, including sites not yet in operation, provided adequate backup generator service capacity could exist to keep the site operational.

FISCAL IMPACTS

No additional funds are required. Estimated monthly savings will accrue at each location with an electric service agreement with an interruptible service rider based upon approved tariff schedules.

All electric rate schedules and general interruptible service agreement terms and conditions are approved by the PSC, and those rate schedules for MGE require that customers subject to rate schedules Cg-2, Cg-4, Cg-6, Cg-8 and Sp-3 who wish to use the interruptible industrial service rates enter into three-year contracts with MGE as provided for by rate schedules Is-3 and Is-4.

These rates are all subject to amendment from time to time by the PSC.

LEGISLATIVE PATH

1. Common Council (Intro): 8/4/2026
2. Finance Committee: 8/25/2026
3. Water Utility Board: 8/31/2026
4. Common Council (Final): 9/8/2026

ATTACHMENTS

1. Memo (this document)