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February, 2017

Rice Lake Utilities submits rate application to adjust electric rates

Rice Lake Utilities has filed an application with the Public Service Commission of Wisconsin (PSCW) to adjust electric rates.

Rice Lake Utilities prides itself on supplying our customers with the highest quality electric service that is possible. While this is costly and takes time and effort, we never want to compromise on our high standards. According to the U.S. Energy Information Administration the U.S. residential electricity price averaged 12.3 cents per kilowatt hour (kWh) in January 2017 and is expected to average 12.5 cents/kWh in the first quarter of 2017. EIA expects the annual average U.S. residential electricity price to increase by 3.0% in 2017 and by 2.4% in 2018.

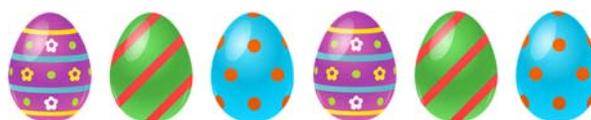
Rice Lake Utilities has also requested a 3% increase. However, even with our increase our electric rates are well below the national average. Our current residential rates per kwh used is roughly 8.8 Cents. After the rate increase we do not expect the amount to be much above 9 cents per kwh. The flat rate will also increase from \$5.00 per month for residential customers. Even after this increase Rice Lake Utilities will remain one of the top ten lowest electric rates in the entire State of Wisconsin.

We do not take this increase lightly and realize that many people are on fixed budgets. However electricity is ever evolving to run our daily lives. The demand for electricity is not going down. New infrastructure needs to be built and with that comes an increase in buying the products needed to build the infrastructure like poles, wires, etc. These products and costs have risen since our last rate increase which was in April of 2011 or six years ago. Without the ability to purchase new poles, wires etc. we are risking the stability of our infrastructure and our customers expectations on the reliability they have come to appreciate.

We strive to maintain a well working electrical distribution system so our customers can enjoy the daily things that they do without unnecessary interruption but this comes at a cost. Fortunately our customers have actually experienced stable or decreasing rates through the power cost adjustment due to the favorable power contract that we have secured until 2022 with the American Electric Power Association. In fact because the power cost is falling slightly starting in January of 2017, the projected 3% increase will feel more like a 2% increase. If you have any questions concerning the electric rate increase please contact Rice Lake Utilities and we will try to answer your questions to the best of our ability.



Rice Lake Utilities will be closed on April 14th in observance of Easter. We will re-open on Monday April 17th.



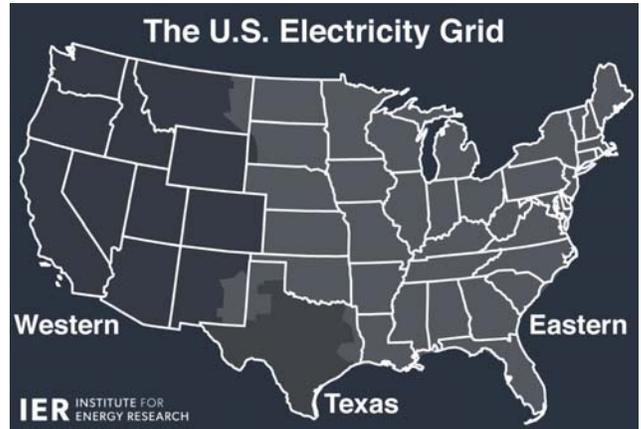
The US Electricity Grid

In the continental U.S., we have three large, independent alternating current grids: the Eastern Interconnection that encompasses everything east of the Rocky Mountains; the Western Interconnection which covers everything from west of the Rockies and the Texas Interconnection, which covers 85 percent of the state of Texas. Each has multiple utilities and independent power producers supplying electricity to the grid and 633 federal power marketers and independent transmission companies. The power grid was established to create power "highways" within each of the major sections to manage the flow of electrical power throughout regions. These three grids are the primary sources for our electricity. The grid serves roughly 148,633,022 customers in the United States.

The three interconnections each represent synchronized machines humming at the same frequency (60 hertz) and are considered the largest machines on the planet. The three power grids are separate from each other but this is changing, with the need for redundancy and reliability the grid is becoming somewhat interconnected to share power in case of emergencies.

The grid is actively monitored 24 hours a day by various grid operators, also called balancing authorities. These balancing authorities work to keep the electric grid in balance at all times by making sure that the supply of electricity meets demand in real time. Currently, no technology exists that can store electricity cost-effectively on a large scale. For that reason, balancing authorities rely on generators to respond to changes in demand at a moment's notice.

The Eastern and Western Interconnections in the United States are also linked with the Canadian power grid. The network structure of the interconnections helps maintain the reliability of the grid by providing multiple routes for power to flow and by allowing generators to supply electricity to many load centers. This redundancy helps prevent transmission line or power plant failures from causing interruptions in service to retail customers.



Plug Into the Facts

Electricity is there to help brew your morning coffee, operate your computer, heat your home, and run your television. We use electricity so often that we seldom think about the dangers.



Take a moment to think about how often you depend upon electricity and answer the following questions. Every question you answer with "no", is an opportunity for you to make your home a safer place to live.

- Are heat producing electrical appliances unplugged when you are not using them?
- Are electrical cords in good condition, not frayed or cracked?

Are electrical outlets overloaded in your home? Never use water on an electrical fire, you could get shocked. If the fire is small, turn the power off and use a multi-purpose (ABC) dry-chemical extinguisher to put out the fire. If you can't turn the power off, or the fire is large, evacuate your home and **dial 9-1-1** from a safe phone.

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