

THE POWER OF LOCAL OWNERSHIP

Community Minded

Community Proud

Community Owned



June, 2008

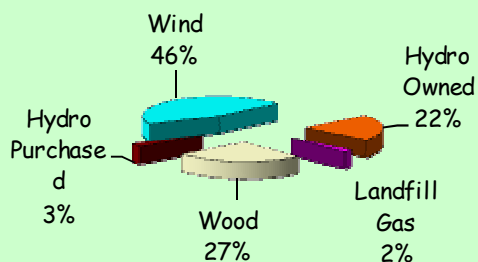


You can now recycle your compact fluorescent bulbs at Rainbow Ace Home Center located on Hammond Ave. in Rice Lake. For more info regarding mercury in CFL's including proper disposal options and what to do if a bulb breaks, log onto focusonenergy.com for a free fact sheet.

What Kind of Power Do You Have?

At Rice Lake Utilities we purchase our power from Xcel Energy and then distribute it to you, our consumer/owner. 10% of the purchased power is from renewable resources. Of the renewable portion, 46% comes from wind, making them the #1 wind producer in the nation, 27% is wood/refuse-derived fuel, 2% is developed from landfill gas and 25% is hydro generated. Energy suppliers are not only producing power for our ever increasing demand for energy, they are also faced with the task of developing and utilizing new ways to reduce our environmental impact on the world, which is why Rice Lake Utilities is proud to be a power partner with Xcel Energy. Xcel Energy is not only implementing new generation technologies, they are making power plant improvements to existing facilities. Rice Lake Utilities and Xcel Energy believe that environmental leadership is, and has to be, a fundamental part of everything we do. "Conserving Resources For Our Children's Tomorrow" is not only our slogan, it's our way of doing business.

Percentages of Renewable Energy Purchased by RLU from Xcel Energy



James Byrnes
Named Rice Lake
Utilities 2008
Scholarship Winner

Scott Reimer, GM/CEO of Rice Lake Utilities presented a \$500 scholarship on behalf of Rice Lake Utilities to James at the Rice Lake High School Academic Awards Banquet held in May. James is a 2008 graduate of Rice Lake High School and plans to attend the University of St. Thomas in the fall to major in Biology and Spanish. Good luck James!!!

MEUW Names a New President

Scott Reimer, GM/CEO of Rice Lake Utilities was named President of the Municipal Electric



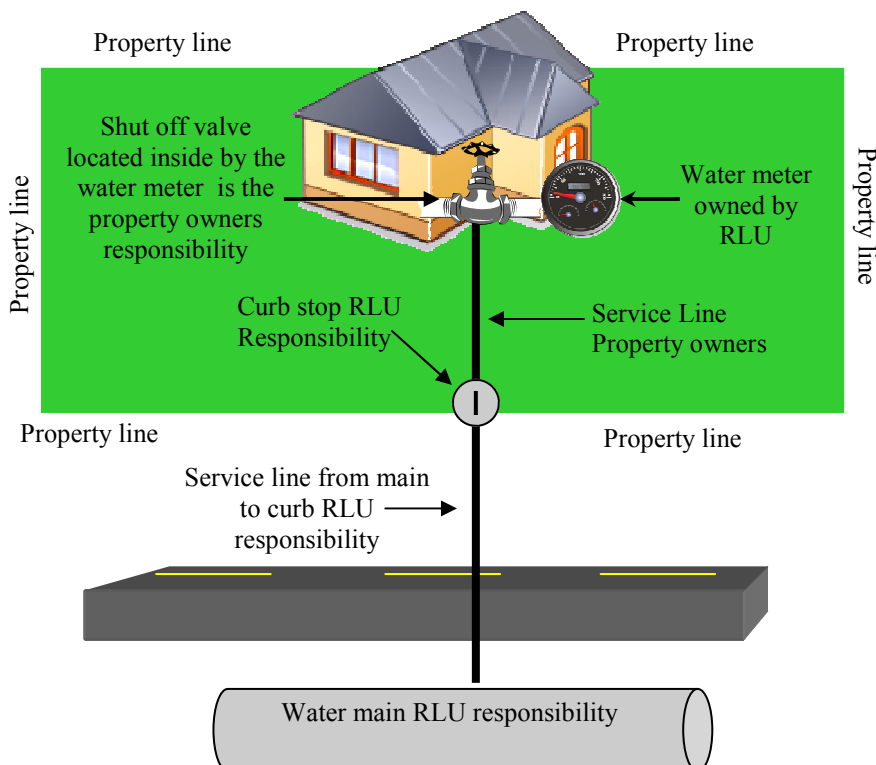
Utilities of Wisconsin at their annual conference held in June. The MEUW is a state association of 82 communities that own and operate a not-for-profit electric utility. Collectively, MEUW member utilities distribute roughly 11% of the state's electricity, provide service to a quarter of a million customers, and have annual revenues of \$359 million.

Congratulations Scott!

Water Leaks-Who's Responsible??????

Rice Lake Utilities operates a water distribution system consisting of more than 60 miles of lines serving more than 3700 consumer/owners. Our water personnel strive to maintain a high quality distribution system but even with the best maintenance, a system of this size will occasionally experience a leak. The two biggest causes for leaks are the corrosion of aging pipes and mother nature. Pipes carrying water to our consumer/owners can expand during hot weather and contract during cold weather which causes stress on the water lines and can in turn break the line. Other factors that cause a line to break are soil shifting and excessive pressure.

In the unfortunate event of a water leak, Rice Lake Utilities is responsible for repairs and replacements of water mains in the street and up to the curb stop, which is usually located at the curb. This is how we turn the water off and on from the main. The homeowner is responsible for the water service beginning with the service line from the curb stop, along with all internal plumbing, including the shut off valve. The water meter (which measures how much water is being used by the consumer/owner) is owned by RLU, however the consumer/owner is responsible for the environment around a water meter (such as protecting the meter from freezing and making sure the meter is accessible for occasional servicing). If you happen to notice a water leak please contact Rice Lake Utilities and we will assist you in determining who's responsible for the leak and answer any questions or concerns that you may have.



Rice Lake Utilities Financial Summary For 2007

(Electric Utility)

| | |
|---|------------------|
| Serving | 5,324 consumers |
| Operating revenues | \$11,770,338 |
| Operating expenses | \$11,646,528 |
| Operating income | \$123,810 |
| Rate of return on rate base | 1.46% |
| Total plant in service | \$13,469,408 |
| Purchased power costs in 2007 | \$9,818,061 |
| Tax Equivalent paid to the City of Rice Lake in 2007 | \$205,324 |

(Water Utility)

| | |
|---|------------------|
| Serving | 3,762 consumers |
| Operating revenues | \$1,023,740 |
| Operating expenses | \$831,096 |
| Operating income | \$192,644 |
| Rate of return on rate base | 6.99% |
| Total plant in service | \$8,689,177 |
| Gals. Pumped in 2007 | 565,549,000 |
| Tax equivalent paid to the City of Rice Lake in 2007 | \$130,464 |

(Wastewater Utility)

| | |
|------------------------------------|-----------------|
| Serving | 3,748 consumers |
| Operating revenues | \$1,179,911 |
| Operating expenses | \$1,375,205 |
| Operating income | \$(195,294) |
| Rate of return on rate base | -5.5% |
| Total plant in service | \$12,442,320 |
| Wastewater gallons treated in 2007 | 581,597,000 |

RICE LAKE UTILITIES

Electric * Water * Wastewater

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