

THE POWER OF LOCAL OWNERSHIP

Community Minded

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June, 2010

Xcel Energy receives approval from the Federal Energy Regulatory Commission (FERC) for a rate increase

Xcel Energy has been granted a wholesale power supply increase of nearly 20% by the Federal Energy Regulatory Commission (FERC) that will go into effect July 1st, 2010 (*subject to refund if the wholesale group is successful in negotiating a lower cost*) and will be passed along through the power cost adjustment clause (PCAC) on the August 25th billing statements. The municipal wholesale group which includes Rice Lake Utilities along with nine other municipal electric utilities in Wisconsin and Michigan are opposed to this increase and have made several appeals to get the increase reduced. However, FERC has approved this increase which is a formula rate and is considered desirable because it reflects the true cost of service versus a negotiated rate. Rice Lake Utilities and the rest of the wholesale group is continuing to vigorously oppose the increase. Rice Lake Utilities along with the rest of the wholesale group will be researching alternative power supplies which may include market based rates. Currently the wholesale customers of Xcel Energy have some of the lowest electric rates in the state of Wisconsin and even after this significant increase, the wholesale groups electric rates will continue to be in the lowest 20% of all municipal utilities in the state of Wisconsin.



Rising energy costs may seem to be out of our control but there are low-cost or no-cost ways to reduce your energy consumption and save energy dollars:

NO COST: Program your thermostat to work around your family's schedule, set it a few degrees higher in the summer or a few degrees lower in the winter. Check your furnace filters monthly. Pull the curtains or shades in the summer months to keep the sun's rays from overheating the interior of your home. Turn down the thermostat on your hot water heater or simply try using less hot water. Unplug appliances when not in use, electronic devices still use electricity when off to run features such as clock displays, remote controls and indicator lights.

LOW COST: Install a programmable thermostat, with proper use it could save you about \$180 a year in energy costs. Change your existing incandescent bulbs to fluorescent. Fluorescent bulbs use 75% less energy than incandescent bulbs. Seal your air ducts. As much as 20% of the air moving through your home's duct system is lost due to leaks and poor connections. Have your HVAC system serviced annually to ensure it's running at optimum efficiency for money and energy savings.

We can all do our part in helping to keep rates low and protecting our environment by being a conscious energy user and conserving when we can. To find out ways to lower your energy use and save money log onto www.focusonenergy.com or call 1-800-762-7077.

Rice Lake Utilities Financial Summary For 2009

(Electric Utility)

Serving 5,400 consumers	
Operating revenues	\$11,052,836
Operating expenses	\$10,511,872
Operating income	\$540,964
Rate of return on rate base	6.12 %
Total plant in service	\$14,375,334
Purchased power costs in 2009	\$8,874,584
Tax Equivalent paid to the City of Rice Lake in 2009	\$207,753

(Water Utility)

Serving 3,792 consumers	
Operating revenues	\$1,058,507
Operating expenses	\$968,156
Operating income	\$90,351
Rate of return on rate base	2.95%
Total plant in service	\$9,492,427
Gals. Pumped in 2009	506,061,000
Tax equivalent paid to the City of Rice Lake in 2009	\$141,582

(Wastewater Utility)

Serving 3,790 consumers	
Operating revenues	\$1,094,829
Operating expenses	\$1,481,520
Operating income	\$(386,691)
Rate of return on rate base	-11.40%
Total plant in service	\$13,090,191
Wastewater gallons treated in 2009	500,178,000



Every year Rice Lake Utilities makes a payment in lieu of taxes (PILOT) to the City of Rice Lake. PILOTS are made to compensate a local government for some or all of the tax revenue that it loses

because of the nature of the ownership or use of a particular piece of real property. PILOTS made by Rice Lake Utilities helps to lower property taxes for the citizens of Rice Lake.

Emily Thoreson chosen as Rice Lake Utilities 2010 scholarship winner



Kristi Nelson, Rice Lake Utilities Office Manager presented a \$500 scholarship on behalf of Rice Lake Utilities to Emily at the Rice Lake High School Academics Awards Banquet held on June 4th.

Emily is a 2010 graduate of Rice Lake High School and plans to attend college in the fall to double major in English and communications with a minor in speech language-hearing science. Her goal is to become a speech therapist at the University of Minnesota in the Twin Cities one day. Emily was active in soccer, swimming, gymnastics and track and field. Emily also participated in choir, band, jazz band and show choir. She was also a member of the National Honor Society and volunteered for many various community programs.

Rice Lake Utilities would like to say congratulations to Emily and the entire class of 2010!



In Observance of the 4th of July, Rice Lake Utilities will be closed on Monday, July 5th. Our phone lines will still be answered by Gold Cross Services in Eau Claire who will dispatch personnel in an emergency. All non-emergency matters will be handled on Tuesday, July 6th.

RICE LAKE UTILITIES

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