

THE POWER OF LOCAL OWNERSHIP

Community Minded

Community Proud



Rice Lake Utilities

June, 2004

Community Owned



Reward!
for the capture of an
Energy Star approved
central air conditioner
unit.



Thinking
about
purchasing a
central air
unit?

Rebates are
available on
selected
Energy Star
units. To
find out
which units
may qualify
and how
much of a
rebate you
will receive
for the
purchase of
one of these
units, call
the Energy
Star Hotline
at
1-800-762-
7077.

Sara Randle named Rice Lake Utilities Scholarship Recipient for 2004.

Kristi Nelson, Office Manager, presented a \$500 scholarship on behalf of Rice Lake Utilities to Sara Randle at the Rice Lake High School Academic Awards Banquet held in May. Sara is a 2004 graduate of Rice Lake High School and plans to attend the University of Minnesota to obtain a major in environmental science and minors in global studies and human relations. Sara was active in many clubs and organizations throughout high school and graduated with a grade point average of 3.976.



Local scholarship recipient explains what it means to be a consumer/owner of a municipal utility.

"By being a consumer/owner of Rice Lake Utilities, you share ownership in a business that serves many customers with reliable service. Many years ago, the community established a public power system. They empowered themselves economically on the idea that local ownership and control would ensure lower rates as well as receiving better services. Local ownership is very beneficial to the community. The tax equivalent payments made by Rice Lake Utilities helps to lower Rice Lake citizen's property taxes. It keeps prices down as well as keeping the circulation of money local. The people of our community have a common interest in this business, which is what helps make this system successful. Community ownership eliminates the opportunity for one owner to raise prices to see how much money they can make. The community also benefits through programs such as Wisconsin's Home Energy Assistance Program. This shows that the people who run Rice Lake Utilities care about all citizens".

"Rice Lake Utilities also does an excellent job of educating the public on how to conserve. By doing this, utilities and water are conserved for the public. I plan to go into the environmental field. I take pride in coming from a community that has been influenced to conserve and care for the environment. The main initiative that I receive from Rice Lake Utilities is that they care about the community and therefore the consumer/owner relationship here works very well".



Wisconsin Electrical Update from Scott Reimer, GM/CEO

I thought I would take a few moments to give you a short update regarding the state of electricity in Wisconsin.

"Energy 2010", is the State of Wisconsin's Strategic Energy Assessment. It highlights our growing energy needs and makes assessments on how we meet those needs by 2010. In 2003 the demand for electricity was at 13,803 MW (million watts). By 2010 our demand will have reached 16,326 MW. To meet this demand, Wisconsin utilities will have to generate 15,322 MW and purchase 1,288 MW from Independent Power Producers or IPP's. The demand for electricity is currently growing at a rate of 2.5% per year statewide or about 375 MW. In building to meet this demand, utilities and power producers are planning to invest \$3.66 billion to construct an additional 3,300 MW of available generation. This is a phase of generation building Wisconsin hasn't experienced in 20 years. The assessment indicates that coal and nuclear power will continue to provide the bulk of the generation while plans are to build several large natural gas fired plants to help meet the demands. About 60% of our power comes from coal and 18% comes from nuclear. The balance is made up of renewables, gas and oil. Energy efficiency and load management will be key in managing the growth of electricity while maintaining a vibrant economic structure for Wisconsin. Delivering that electricity is another thing. Wisconsin's electrical transmission grid has been identified as one of the most congested in the country. **The Arrowhead-Weston Transmission Line** will help the situation. With the plans for a new substation in Stone Lake nearly solidified, Northwest Wisconsin can relish the thought that our grid will be enhanced upon completion of this project sometime in 2008. To date, three counties, Washburn, Douglas and Marathon are discussing the topic of easements across county lands. It is hopeful that negotiations within the next few months will lead to settlements of the unresolved issues. Rice Lake Utilities is currently constructing a new substation that will provide the energy we need to foster economic growth for many years to come. If you would like more information on these or other energy related issues, please contact Scott Reimer, GM/CEO at Rice Lake Utilities.

Thank you! Thank you! Thank you!



Rice Lake Utilities would like to thank our consumer/owners who have signed up for our Load Management Program. By participating in this program you will greatly reduce our demand which will help to stabilize power costs, lessen the need for costly new power plants and help protect our environment as well.



Rice Lake Utilities Financial Summary for 2003

(Electric Utility)

Serving 5,117 consumers	
Operating revenues	\$8,957,878
Operating expenses	\$8,214,279
Operating income	\$743,599
Rate of return on rate base	11.85%
Total plant in service	\$11,057,005
Purchased power costs in 2003	\$6,839,325
Tax Equivalent paid to the City of Rice Lake in 2003	\$205,324

(Water Utility)

Serving 3,573 consumers	
Operating revenues	\$875,344
Operating expenses	\$790,642
Operating income	\$84,702
Rate of return on rate base	3.90%
Total plant in service	\$6,997,231
Gals. Pumped in 2003	571,528,000
Tax equivalent paid to the City of Rice Lake in 2003	\$122,124

(Wastewater Utility)

Serving 3,569 consumers	
Operating revenues	\$1,136,211
Operating expenses	\$1,188,022
Operating income	\$(51,811)
Rate of return on rate base	-.92%
Total plant in service	\$11,916,273
Wastewater gallons treated in 2003	570,853,000

RICE LAKE UTILITIES

*Electric * Water * Wastewater*

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