



To Our Customers:

Madison Gas and Electric (MGE) filed an application with the Public Service Commission of Wisconsin (PSCW) in June asking for an increase in electric rates for 2007. MGE is working hard to control costs and operate efficiently, particularly during this time of building infrastructure. MGE held the line on most costs not related to meeting the growing demand for electricity.

The application seeks an overall increase of 1.34% in electric rates. The proposed changes in electric rates for the various customer classes are: residential, 1.74% increase; small commercial and industrial, 1.34% increase; large commercial and industrial, 0.96% increase. A typical residential electric customer using 600 kilowatt-hours per month would see a monthly increase of \$1.40 under MGE's proposal.

The requested electric rate increase is the net effect of increased costs associated with the need for new electric generation infrastructure and a decrease in electric generation fuel costs.

The proposed changes will affect customers differently depending on their electric use patterns. No changes will be effective until approved by the PSCW. The changes approved by the PSCW may vary from those proposed by MGE.

The PSCW has scheduled a hearing on the proposal for Monday, October 30, 9 a.m.

The hearing will be held at:

Amnicon Falls Hearing Room
Public Service Commission Building
610 North Whitney Way
Madison, Wis.

If you have questions about the proposal or hearing, please call:

- MGE at (608) 252-7222 or 1-800-245-1125
- PSCW at (608) 266-5481