



To Our Customers:

Madison Gas and Electric (MGE) filed a request with the Public Service Commission of Wisconsin (PSCW) in August to increase its electric rates by 3.37% effective Jan. 1, 2009. (This request represents a reduction in a previous request filed with the PSCW in May.) This rate increase is primarily due to increases in the cost of fuel for electric generation and increased pension costs.

The proposed changes in electric rates for the various customer classes are: residential, 2.53% increase; small commercial and industrial, 3.10% increase; large commercial and industrial, 4.37% increase. A typical residential electric customer using 600 kilowatt-hours per month would see a monthly increase of \$2.19 under MGE's modified proposal.

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. MGE works 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 PSCW has scheduled a hearing on the proposal for Thurs., Oct. 2, 2008 at 9 a.m.

The hearing will be held at:

Amnicon Falls Hearing Room
Public Service Commission Building
610 N. 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 608-267-1473