



Green Power Tomorrow – Price Change in 2011



Buying Green Power Makes a Difference – Thank You

By participating in Green Power Tomorrow you have made a difference in the kind of electricity we supply. MGE investments in wind power increased 12 times (8.22 MW to 104.7 MW) since this program began in 1999. And, solar power capacity has nearly tripled since 2008. These investments would not have been made without the support of customers like you who choose to pay for the additional cost of these resources.

By adding more renewable energy to our electricity supply, we are:

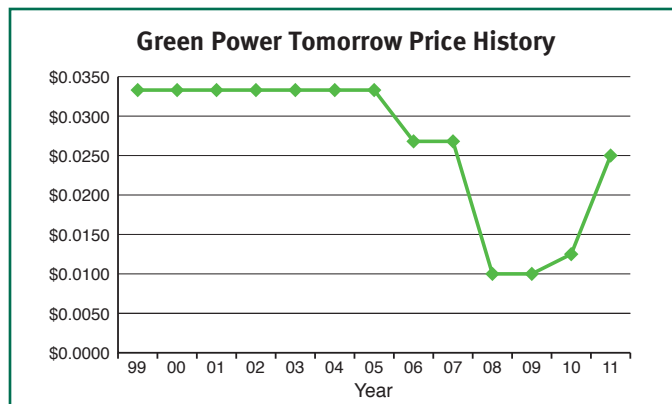
- Addressing global climate change.
- Reducing the environmental impacts of developing fossil fuel resources.
- Reducing our dependence on scarce energy sources.
- Reducing our dependence on foreign energy sources.

Price Premium to Increase in 2011

The cost to support Green Power Tomorrow will change from 1.25 cents to 2.5 cents extra per kilowatt-hour (kWh). The new price will be reflected in your bill when our new rates become effective Jan. 1, 2011.

The average residential customer using 550 kWh per month buying 100% green power to offset all their electricity-generated carbon dioxide emissions will see their monthly cost go from \$6.88 extra to \$13.75.

Why is the price going up?



The price premium for Green Power Tomorrow (GPT) is based on the difference in cost of the renewable resources supplying GPT and the average cost of all energy supplied to the grid in our region. When the program began in 1999, the premium was 3.33 cents per kWh. It was lowered to 2.68 cents in 2006 and lowered again to 1 cent in 2008. Since 2008, the cost to produce electricity from conventional generation in our region has been low, largely due to low natural gas costs.

The Public Service Commission of Wisconsin (PSCW) periodically reviews the difference in energy costs and adjusts the cost of GPT accordingly. The PSCW decided to require MGE to increase the GPT price premium to 2.5 cents per kWh. This price increase reflects the current cost difference between electricity in our region and green power supplying GPT.

(continued on reverse)

Choose Your Participation Level

Your voluntary support for green power has been and continues to be important as MGE invests in new renewable projects and makes decisions about future investments.

You can easily see what this change will mean for your bill. Go to www.mge.com/newprice and enter your address to see your new monthly green power cost. If you wish you can also adjust your participation level with this same tool. Or, if you prefer, call 252-7117 and our staff will help you.