

CHIPPEWA VALLEY ELECTRIC COOPERATIVE

NEWSLETTER

MAY 2006

NEW RATES APPROVED

At the March Board meeting, your Board made a final review of a comprehensive rate study. From that study, the Board implemented an increase on all of our retail rates.

This increase will be approximately 15% over our current rates. This increase is being driven by the exorbitant delivery cost of coal to our wholesale generation cooperative. Dairyland Power Cooperative, our wholesale power supplier, has seen its delivery rates doubled by the railroads beginning January 1st. That delivery increase has caused Chippewa Valley Electric's wholesale electricity cost to increase by over 25%.

Therefore to maintain the cooperative's financial integrity the corresponding retail rate increase was needed.

The residential rate, under which most members are billed, is being changed to a two tiered rate. What that means is there will be a lower price per kilowatt hour once a customer uses over 1,000 kWh within the monthly billing period. The multi-tiered rate more accurately reflects the cost to provide service to an account. As can be expected, there is a high cost associated just to have the electric lines, meters and transformers installed to make electricity available. Once the electricity

starts being used those fixed costs remain the same, so the amount of margins needed to recapture those fixed cost drops as more electricity is used by the account.

The dual fuel rate is also changing. The higher summer season rate differential is being reduced from a six month period to being only the months of June, July and August. The remainder of the year will be at the lower winter heating rate. The winter dual fuel rate even after the rate increase remains very competitive with fuel oil and propane for home heating.

Below this article are the new rates shown in comparison with the old rates.

Rate A - Residential Service			Rate H - Dual Fuel Heating		
	New Rate	Current Rate		New Rate	Current Rate
Facility Charge	22.00	17.00	Facility Charge	2.50	2.00
kWh Usage:			kWh Usage:		
First 1,000 kWh	.095	.077	Jun, Jul, Aug	.075	.047
Excess kWh	.088	.077	Sept - May	.050	.037
Rate W - Small Three Phase			Rate M - Seasonal Large Power (Irrigation)		
	New Rate	Current Rate		New Rate	Current Rate
Facility Charge	40.00	30.00	Facility Charge	44.00	44.00
kWh Usage:			Annual Demand Charge / KW	23.50	14.00
First 1,000 kWh	.095	.08	Peak Demand Charge / KW	47.20	25.67
Excess kWh	.088	.08	kWh Usage:	.050	.045
Rate L - Dusk/Dawn Lighting			Rate X - Large Power		
	New Rate	Current Rate		New Rate	Current Rate
Light Rental	8.00	7.75	Facility Charge	50.00	50.00
			Monthly Demand Charge / KW	8.70	6.00
			kWh Usage:	.062	.062
			Sept - May		.037

CONSERVE-CONSERVE-CONSERVE

You are going to become very tired of reading about the need to conserve electricity in this newsletter and in our monthly magazine, but I feel very strongly that conservation is our best option at this point. We know the price of electricity is going to increase soon and we've already seen the costs of other goods and services skyrocket in the past couple years.

In order for us to live within our budget, we'll need to cut back where ever possible to keep our monthly expenses at a level we can handle.

I'm going to make an effort to make it easier for you to make changes that will help cut expenses without making life too difficult. By printing some energy saving information in each newsletter and magazine, I hope

you will find at least a few ideas that will work for you.

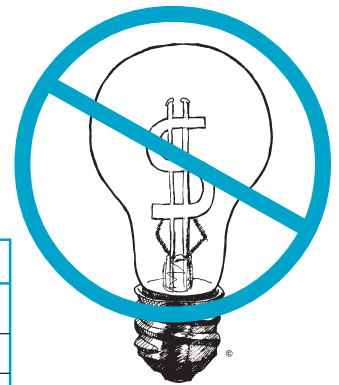
Below is a chart that spells out how much you can save by simply changing light bulbs. Remember, you'll see the most saving if you stick to changing bulbs in fixtures that are on at least 4 hours a day. Don't worry about changing bulbs in closets, storage areas or any area where lights are only on for short periods of time.

INCANDESCENT VS. FLUORESCENT BULBS

This comparison shows two types of bulbs giving off the same amount of light and burning for four hours per day for the lifetime of the fluorescent bulb (10,000 hours).

You'll be on your 14th incandescent bulb when your fluorescent bulb finally burns out - in about 7 years.

Bulb Type	75W incandescent	23W Compact Fluorescent
Purchase Price	\$0.75	\$9.00
Life of the Bulb	750 hours	10,000 hours
Number of Hours Burned per Day	4 hours	4 hours
Number of Bulbs Needed over 6.85 years	14	1
Total Cost of Bulbs	\$10.50	\$9.00
Lumens (amt of light output)	1,200	1,400
Total Cost of Electricity Over 6.85 years (9.3 cents/kWh total)	\$69.95	\$21.45
Your Total Cost Over 6.85 years	\$80.45	\$30.45
Total Savings with the Compact Fluorescent - \$50.00		



"...you'll see the most saving if you stick to changing bulbs in fixtures that are on at least 4 hours a day."

SOME PEOPLE ARE SHOCKED BY WHAT THEY FIND IN THEIR YARDS

BE SAFE

Call Diggers Hotline before you start digging.



Toll-free: 1-800-242-8511

Milwaukee area:
(414) 259-1181

TDD for Hearing Impaired:
1-800-542-2289



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