

# On-The-Line

A publication of Northwestern Wisconsin Electric Company

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## RATE INCREASE APRIL FIRST

For the first time since July 2001, NWE's billing statements will reflect a rate increase. The increase is approximately 7.19 percent, but the actual rate increase will vary among each service class as reflected below:

**Urban Residential**  
Average energy use: 579 kwh  
Percent increase: 9.91%  
Dollar Increase: \$6.48

**Rural Residential**  
Average energy use: 678 kwh  
Percent increase: 8.73%  
Dollar Increase: \$7.00

**All Residential**  
Average energy use: 548 kwh  
Percent increase: 9.32%  
Dollar Increase: \$5.85

**General Service**  
Average energy use: 1,228 kwh  
Percent increase: 8.75%  
Dollar Increase: \$13.07



As a regulated utility, NWE must file with the Wisconsin Public Service Commission (PSC) in order to adjust its rates. At that point the PSC will analyze the application and, based on the data provided, determine the final rate increase. Since 2001 many of the costs associated with providing your electric service have risen. As mandated by the PSC, the final rate increase is a direct reflection of the rise in these costs.

## ASK WALLY T. WATTMEISER



Dear Wally:

I receive my NWE electric bills three times per year for my cabin. Should I be getting it every month?

Calvin Cabinowner



## ASK WALLY ANSWER

You may be on the wrong rate plan!

Dear Calvin: This is a question that's always coming and going. The simple answer is that if you use any electricity for more than seven months in any year, then you are not a seasonal customer. Or, stated differently, if you heat the cabin during the winter, you're not a Seasonal customer. You should be getting a monthly bill from NWE. Keep in mind that none of the costs differ from a standard full time rate to a seasonal rate; it's just that you will get a bill each month.



## CASH BACK FOR HOME IMPROVEMENTS

As of April 13, homeowners can earn greater cash back incentives through the Home Performance program being offered to NWE customers. The first step in this program is to have an in-home evaluation done by a trained consultant from Focus on Energy. Once areas for improvement are identified, the program offers cash-back rewards to get the work done. The increased incentives will be for the following:

Interior foundation insulation.....	\$200 (was \$75)
Exterior foundation insulation.....	\$200 (was \$150)
Sidewall cavity insulation.....	\$200 (was \$150)

This program offers cash-back rewards for other measures as well. Contact Focus on Energy at 800-762-7077 for more information or visit [www.focusonenergy.com](http://www.focusonenergy.com).

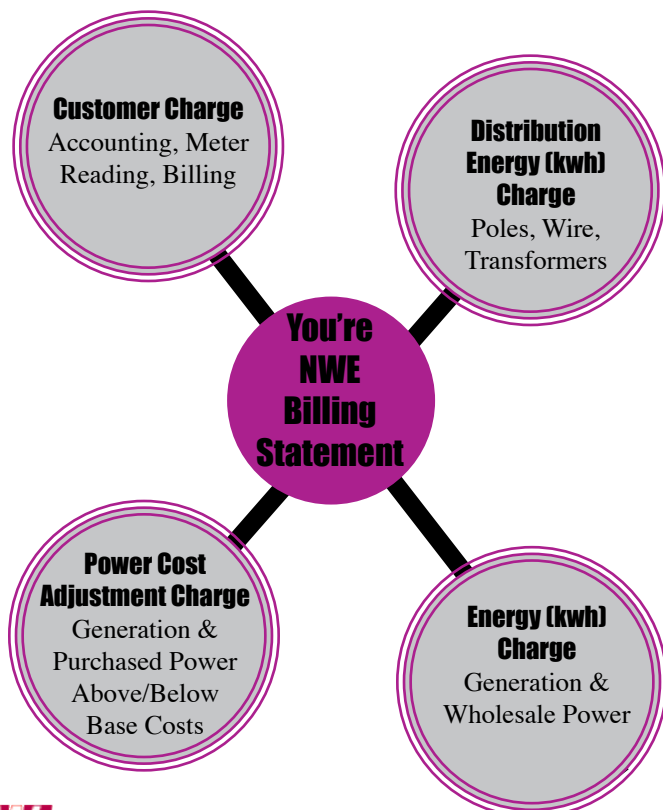


## New Distribution Energy Charge

The total cost of your electric service consists of many components, from the actual generation of the energy to your electric meter recording the usage. The process of identifying these different components and charging accordingly for them is called “unbundling.”

In an effort to match electric rates to their actual cost components, Wisconsin Public Service Commission rate analysts have created rates which are unbundled. These separate components are shown in the diagram to the right.

Starting in April NWE will begin to display the Distribution Energy Charge on your bill. It will accurately reflect the cost of the equipment to serve each customer. These costs are fairly significant due to the fact that NWE serves an average of 13 customers per mile of line with generation (back-up/peaking), transmission, and distribution services. In larger cities, utilities may serve an average of over 30 customers per mile of line. This allows them to spread costs among a greater number of customers. Also, although rural REA's may have fewer customers per mile of line, they generally provide only distribution services to their customers.



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