

The Power Cost Adjustment Clause

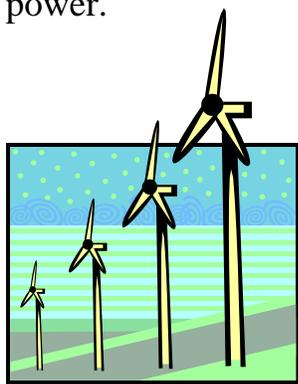
What this fuel charge adjustment means to you and your bill

You may wonder what the Power Cost Adjustment Clause (PCAC) on your electric bill is. This is not a new charge. The PCAC has been authorized by the Public Service Commission of Wisconsin for the municipal utilities and small investor-owned utilities. The PCAC is an automatic adjustment clause that allows a utility to adjust customer's monthly bills either upward or downward to reflect the utilities average cost of purchasing power that is either above or below the approved average cost that is authorized by the Public Service Commission of Wisconsin and reflected in the utility's base rates.

The PCAC varies monthly depending on the wholesale cost Sun Prairie Utilities pays to purchase electricity to meet all of our customers' needs. Since we do not own our own electric generating resources, our nonprofit utility depends on contracts with others to deliver the electricity that lights our homes and powers our businesses.



Some months the PCAC is a positive amount and appears as a charge. Other months it is a negative amount and appears as a credit. During times of peak demand for electricity - such as the summer and winter months - the cost to purchase power is typically higher. In general, the cost to generate power is rising throughout the utility industry. That is largely a result of needed improvements that are being made to the transmission system and the construction of new generating facilities to keep up with a growing demand for power.



What can you do? The best way to minimize the impact of increasing electric costs is to reduce your electricity usage. Check out our "Electric Efficiency" section at www.sunprairieutilities.com for energy saving tips. If you have any questions regarding the PCAC or your bill please contact Sun Prairie Utilities at 837-5500.