

Business Partners

Winter 2006 A newsletter to inform the customers of Roseville Electric

Rising Natural Gas Prices May Affect Us All

Dear Customer,

When it comes to oil and gas prices, we experience the same sense of concern that most Americans feel at the gas pump. Much of the power we purchase comes from power generation facilities that use natural gas-fired turbines to create electricity, which makes it more expensive for us to purchase power when natural gas prices rise. While we do our best to control the things we can influence, such as investing in the latest technologies for electricity distribution and expending tremendous effort on maintenance to protect reliability, there's little we can do to affect natural gas prices that continue to climb.

Six months ago we made cost projections that were well within reason—until hurricanes and other unforeseen events sent natural gas prices higher than expected. Looking ahead, we know that the contracts we have in place will hold our wholesale power prices stable through June 2006. Between now and when those agreements expire, we will have to renegotiate contracts that may likely come with higher price tags, reflecting the natural gas cost increases.

Given the high natural gas prices and our need to negotiate new contracts we expect our wholesale electricity costs may go up, which in turn may result in higher rates for our customers. As a not-for-profit municipal power provider with a tradition of keeping our rates among the lowest in the state, we will continue to do what we can to keep you informed about the situation and to keep your rates as low as possible.

Sincerely,

Tom Habashi Utility Director





Six Ways to Beat Rising Energy Costs

As mentioned in this newsletter, rising natural gas prices may eventually impact the rates we charge customers. Regardless of whether rates rise, energy is an expense you can reduce through measures that will benefit your business for many years to come.

- ① If you're building, adding on, or remodeling, take advantage of our New Construction Program that provides extra-incentive rebates to customers who incorporate energy-saving measures during the design phase.
- Upgrade lighting to take advantage of the many new technologies that combine excellent light quality with low energy consumption.
- 3 Turn off energy using equipment when it isn't being used or needed.
- Check out the rebates available when you replace aging heating and air conditioning systems with new highefficiency models.
- Ensure your heating and air conditioning systems are operating at maximum efficiency by putting them through a full maintenance check, including checking for leaky air ducts.
- (5) Take advantage of our rebate program when you install a cool roof that reflects summer heat, keeping building interiors cooler and lowering air conditioning use.

Roseville Electric provides many rebate incentives to help cover the cost of upgrading to higher-efficiency equipment.

More information on our rebates and additional ways to reduce consumption is available in the commercial section of our Web site at www.RosevilleElectric.org.

RE Named #1 for Reliability Five Years in a Row

Roseville Electric is proud to receive the prestigious ReliabilityOne Award for the fifth consecutive year. Presented annually by PA Consulting Group, the honor recognizes Roseville Electric as the best municipal power provider in the country for utilities that serve less than 100,000 customers.

"As a five time winner, Roseville Electric's customers are fortunate to benefit from their sustained commitment to reliable performance," said Derek HasBrouck, member of PA's Management Group. "All around, they've shown outstanding dedication to reliable electric service, with the lowest outage rates."

Roseville Electric customers experienced power outages almost six times less than other utilities and power was restored eight times faster. In addition, Roseville Electric customers enjoy rates that are up to 40 percent less than charged by the large investor-owned utility in the region.

According to Roseville Electric Utility Director Tom Habashi, "Keeping rates down and reliability high are our two primary goals.

Low rates result from careful planning and good timing. Reliability is a team effort that takes commitment and daily dedication from everyone who works here. We know we have a great team that we're proud of, receiving this award is a wonderful acknowledgement of the job they do every day."

PA Consulting Group is a leading global management, systems and technology consulting firm that operates in more than 35 countries. In selecting ReliabilityOne Award recipients, the firm follows an in-depth benchmarking process that includes an external, independent review of the processes, systems and procedures in place to capture, analyze, and report outage performance data. The assessment process for the award is designed to recognize utilities that have taken an extra step to ensure their reliability reporting processes are accurate. The quantitatively driven process uses industrystandard reliability statistics and is based on a Transmission and Distribution Benchmarking Program, the most comprehensive and



New Construction, Additions, and Major Remodels



New Construction

Program Rewards Energy-Saving Design

Though California's new Title 24 Energy Efficiency Standards took effect in October 1, 2005, the state is already developing the next set of standards projected to take effect in 2008. Keeping ahead of the standards is an excellent way to ensure long-term property values, while reducing energy costs. To help our customer stay at the leading edge of energy-saving design, Roseville Electric's tiered incentive program provides the highest rebate amounts to projects that incorporate energy reduction during the design phase.

The New Construction Program covers lighting, mechanical, envelope and whole-building Title 24-approach methods and is available to owners and architects designing new buildings, adding on to existing structures, or undertaking major remodeling projects. Our goal is to provide incentives that help commercial customers create the most energy-efficient projects possible. Energy-smart buildings remain competitive for leasing and resale, help Roseville remain attractive to new businesses and residents, and keep our community's energy use as low as possible.

To find out more about the New Construction Program, visit the commercial rebates section of our Web site at www.RosevilleElectric.org or contact Program Manager Mark Riffey at (916) 746-1667 or e-mail mriffey@roseville.ca.us.

Green Roseville:

A Fresh New Way Your Business

Can Make a Difference

Roseville Electric is proud to offer you a new choice in energy. Green Roseville is an easy and cost-effective way to support 100% renewable energy for your business. Here's an opportunity to demonstrate your business' commitment to local, clean and newly developed renewable energy, to gain significant recognition within the community, and to support a successful community-based program.

The Community Benefits of Green Roseville.

The Green Roseville program provides community benefits like helping to clean the air, supports local renewable energy development and reduces our dependency on fossil fuels. When you choose Green Roseville for your business, it sends a strong message that your business supports the community and cares about the environment. Many of your customers and employees may already be choosing renewable energy for their homes through our popular Green Roseville residential program. Recent trends indicate that consumers value a business making smart choices for the environment. Green Roseville Business Leaders have the opportunity to enhance their public image and visibility in the community-all smart business moves!

Purchasing renewable energy is one of the easiest things a business can do to help the environment. For as little as \$15.00 per month, an average Green Roseville Business Leader could:

- Use 100% Green Roseville (97.5% wind and 2.5% solar power) for energy needs.
- Support local city solar power installations and utilize regional new wind-generated electricity.
- Reduce emissions and dependence on conventional electricity sources. The average Green Roseville Business Partner will prevent over 20,000 pounds of carbon dioxide from being emitted annually; the environmental equivalent to planting 1,000 trees each year!

Shared Marketing Benefits

Businesses are often impressed by the valuable marketing and public relations benefits available to Green Roseville Business Leaders. When you commit to Green Roseville, we'll commit to you! We'll make sure the community knows you are supporting renewable energy by promoting your business name in the following ways:

- Quarterly "Thank You" newspaper advertisements in the Press Tribune.
- The "Green Roseville Business Leaders" list on Roseville Electric's Web site.
- Posters and handouts at upcoming events such as Downtown Tuesday Nights, Earth Day events, street fairs, and others.
- The Green Roseville newsletter, distributed to Green Roseville residential, nonprofit, commercial, and institutional program participants.

In addition, your business location will qualify for special recognition, too, including a Green Roseville lobby recognition poster, window decal and magnet to let customers and employees know of your commitment to renewable energy.

Green Roseville was designed for you.

How does the program work? Participation in Green Roseville is easy and flexible. There are no capital expenditures and no implementation costs. For most small commercial customers, the average cost is \$15.00 per month. For larger energy users, custom programs are available and affordable!

Let us highlight your business. Simply call us at 797-6937 (79-POWER), or email GreenRoseville@Roseville.ca.us or visit www.RosevilleElectric.org



Roseville Electric's Green Energy Program

WORKSHOP CORNER

Reserve Your Place: Free Commercial AC Workshops

Air Handling Systems

January 24, 2006 8:30 a.m. to 4:30 p.m. Lunch provided

Chilled Water and Cooling Towers

February 9th, 2006 8:30 a.m. to 4:30 p.m. Lunch provided

These classes complement each other for a complete understanding of commercial facilities' air conditioning systems and how to minimize their operating cost.

Air Handling Systems introduces system components including constant and variable air volumes, adjustable speed drives, ventilation, economy cycles, and other energy-conservation opportunities. Also features an in-class exercise to analyze typical variable air volume retrofit economics.

Chilled Water and Cooling Towers

emphasizes strategies for owning and operating an energy-efficient system and explores components, controls, and operating concepts for the energy and water components of the system. The chilled water system accounts for the major portion of the overall energy consumed. The class will discuss new technologies that can reduce this cost by more than half.

Please call Beth Poore at 916-746-1659 or e-mail bpoore@roseville.ca.us to register for the workshop. Location details will be provided upon registration.



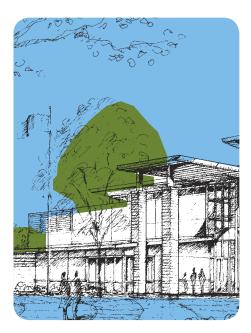
Hands-On Roseville Utility Exploration Center to Feature New Ideas and Technology

When the recently named Roseville Utility
Exploration Center opens in early 2007, residents
and businesses will have a central place to
find out about the latest resource-saving
innovations through displays, demonstrations
and workshops. There are many emerging ideas
for conserving natural resources and the center
will provide a regional gathering place for the
business community to see and learn about
recent advances.

The center will feature a Learning Lab with audiovisual equipment and a flexible format that will allow multiple uses. The space will also feature an area where different technologies, such as new ideas in lighting, can be installed to allow people to see what they look like and how they are applied. In addition, the center incorporates an outdoor area where workshop participants can perform practical experiments outside, as well as within the Learning Lab area.

The center is a joint project of Roseville Electric and the City of Roseville's Environmental Utilities Departments and is designed to allow people to learn about ways to save water, energy, and landfill space. In addition to serving the regional business community, the center will feature programs that allow area schoolchildren and residents to participate in interactive learning activities.

In addition to the new name, the Roseville
Utility Exploration Center now has a descriptive
tagline: "Protecting tomorrow's resources today."
A variety of sponsorship opportunities are
available to individuals and businesses that want
to take part in this exciting new endeavor. To
find out more, contact Marty Bailey at Roseville
Electric by calling (916) 774-5617 or e-mailing
mbailey@roseville.ca.us.



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