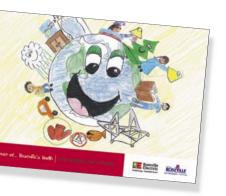
January 2005 A newsletter to inform the customers of Roseville Electric

Kids' Pictures Tell the Story

A picture is worth a thousand words when Roseville students tell our story of conservation. Their pictures once again grace our 2005 Student Art Calendar, a joint effort of Roseville Electric and Roseville's Environmental Utilities Department. This year's calendar is bigger and better than ever, but it's still free and available at the city's public counters.



The theme for this year, Roseville's Youth Using Energy and Water Wisely, was tackled by hundreds of kindergarten through 8th grade students who entered the contest through the utilities or their schools. Judges faced some tough decisions, but finally decided on the 13 pictures featured on the calendar's cover and with each of the 12 months. Winning students will be recognized by Mayor Gina Garbolino on January 19, 2005 at the Roseville City Council meeting. Each student will receive a framed certificate and a \$25 gift certificate. Their teachers will also receive a gift certificate.

We only wish there were more months in the year to feature all the talented students who entered their artwork. Thank you to all students who participated!

Winners of Roseville Electric and Environmental Utilities 2005 Student Art Calendar Contest:

Alexies Caldito Camba, 6th Grade Redmund Caldito Camba, 3rd Grade Sara Chehrazi, 5th Grade Kendall Derry, 1st Grade



John Munoz Dighero, 1st Grade Kaitlin Friedman, 4th Grade Joe Griffin, 5th Grade Amanda Haack, 5th Grade Jessica Mah, 6th Grade Stacy Miller, 3rd Grade Tracy Tiu, 8th Grade Austin Wiberg, 5th Grade Muriel Zug, 4th Grade

WHAT'S NEW

RE Named Most Reliable for Fourth Year

For the fourth consecutive year, Roseville Electric has received PA Consulting Group's ReliabilityOne™ Award. The award recognizes Roseville Electric as the best municipal power provider in the country for utilities that serve less than 100,000 customers.

"Employees throughout our organization focus on reliability as our most critical measure of success," said Utility Director Tom Habashi. "This award recognizes the day-in, day-out effort that it takes to provide our customers with the level of excellence they desire and deserve."

The prestigious award 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.

Public Power: At Your Service

By Tom Habashi, Utility Director

As a Roseville Electric customer, you may have heard us talk about public power from time to time and wondered what that means. If so, you're not alone. We've found over the years that the phrase "public power" confuses people and that we often fail to explain the difference between a public power provider such as Roseville Electric or SMUD and an investor-owned utility (IOUs) such as PG&E. The

following items spell out some of those differences and the benefits publicly owned utilities provide:



1. We exist solely to serve customers. Roseville Electric is a department of the City of Roseville, similar to the police and fire departments. We were established almost 100 years ago to provide service to our community, which gives us a very different motivation than

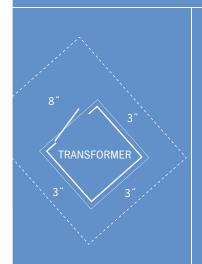
an investor-owned utility created to generate profits for investors.

2. We invest in our community.

At Roseville Electric, we charge only what we need to cover the cost of buying power and maintaining a dependable delivery system and do not reap a profit to boost earnings per share. Any funds we collect that exceed our operating costs go back to our customers through lower rates, system improvements, rebates on energy-saving measures, and other initiatives that directly benefit our community.

PUBLIC POWER: CONTINUED ON BACK PAGE

WE NEED A LITTLE SPACE PLEASE



You can help us maintain our national reputation for reliability by providing clear access to power lines and equipment located on your property.

Underground — Remember the 8!

Newer neighborhoods receive power through underground electrical lines. Instead of climbing power poles, linemen gain access to these lines through the green transformer boxes found near the street. To ensure easy access, Roseville Municipal Code requires eight feet of clearance in front of the box door and three feet from all other sides.

Overhead — Keep the lines open

If you live in a neighborhood with overhead lines, watch for tree branches that come too close. A tree branch hitting against a power line can create a spark that results in a fire. While we maintain an aggressive tree-trimming program, if you see a branch that is growing close, please call 79-POWER and tell us about it. We'll dispatch a trimming crew to take care of the problem. Please DON'T try to trim the branch yourself!

Have a Question? Call Us. If you have a question about landscaping near power poles, lines, or transformer boxes, we're here to help. Please feel free to call 79-POWER if you have any questions about clearances.



MOVING UP? SCALING DOWN? GET THE ADVANTAGE HOMES™ EDGE

If it's time for a change, look for builders displaying the Advantage HomesTM logo. Advantage Homes don't look any different, but they are packed with energy-efficiency measures that surpass California's already rigorous building standards. Roseville Electric's Advantage Homes program offers three levels of efficiency to bring you greater comfort during winter and summer months and up to 35 percent savings on summer energy bills — maybe even more!

Advantage Homes Gold features include:

- Properly sized, high-efficiency central air conditioner rated at SEER 13/EER 11 or SEER 14/EER 12 if window area exceeds 20 percent. Two-story homes or homes larger than 2500 square feet include zoned heating and air conditioning systems.
- · Carefully designed, insulated and sealed ducts
- Added ceiling insulation
- Low-E2 high-efficiency windows

Advantage Homes Platinum level includes all the efficiency measures offered in the Advantage Homes Gold level plus high-efficiency central air conditioning rated at SEER 14/EER 12 or SEER 14/EER 13 if window area is greater than 20 percent. Homeowners can potentially save up to 40 percent on their summer energy bills.

ADVANTAGE HOMES: CONTINUED ON BACK PAGE



UPDATE:

Roseville Energy Park

On December 1, 2004, the Roseville Energy Park's power generation facility moved another step ahead when the California Energy Commission (CEC) staff issued their recommendation for approval. Following the recommendation, Roseville Electric is requesting a hearing to discuss some recommendations made by the CEC Staff. A site visit, pre-hearing conference and Workshop is expected in early January to be followed by a hearing in February 2005. At the hearing, both the CEC Staff and Roseville Electric (RE) will present expert testimony before two of the CEC commissioners. The commissioners will then write a proposed decision that will be presented to the full five-member commission for a final decision, which is expected as early as March 2005.

HVAC Rebates and Low-Interest Financing Available Now!

Visit our Web site to find out more www. rosevilleelectric.org or call us at 79-POWER

Add a Little Green to Your Energy Picture.

Sign up now for Roseville Electric's Green Energy program and start feeling good about getting your energy from renewable clean energy sources, such as solar, wind and landfill gas. It's a simple way to make a difference.

Visit the Green Energy section of our Web site at www.RosevilleElectric.org or call us at 79-POWER (797-6937).



ADVANTAGE HOMES: CONTINUED FROM FRONT PAGE

Advantage Homes Diamond level provides all the efficiency measures included in the Advantage Homes Gold and Platinum levels plus high-efficiency central air conditioning using environmentally friendly refrigerant with an EER 13 or greater. Diamond-level homes also have a radiant barrier if the window area exceeds 20 percent. At the Diamond level, homeowners potentially could save more than 40 percent on their summer energy bills.

What does the Advantage HomeTM logo mean to you? A home that offers greater comfort than standard-built homes, provides long-term savings, and yields a higher resale value. Find out more about the Advantage Homes program jointly sponsored with SMUD by visiting the Web site at www.advantagehomesgold.info.

For information about the Advantage Homes Platinum or Diamond levels that provide even greater energy savings, or to ask about the Advantage Homes Solar Option, call (916) 774-5624.

PUBLIC POWER: CONTINUED FROM FRONT PAGE

- 3. Open-book policies are our standard business practice. Our citizens have access to all meetings and records, and they have the ultimate voice through their vote. Our open-door, open-book policies stem not from regulations but from an inherent desire to be responsive to customers.
- 4. Our customers are in control. Local control of electric utilities gives our customers a voice, and it's one we listen to. If our customers are upset with rates or some aspect of service, they can talk to us directly.
- 5. We're building for tomorrow. Being responsive to customers is not a today-only notion. It includes taking responsibility for resource planning, load forecasting, and risk management so that we continue to serve customers with rates they can afford to pay and reliability they can depend on. Our plans for building a local power generation facility within the city reflect that forward-thinking process.
- **6.** We believe in green energy. We actively promote and support Green Energy programs and seek to buy as much of our power from renewable sources as we can economically afford. We're also building local solar power generation facilities, such as the rooftop system on Fire Station #6 and the proposed one-megawatt solar-generation facility on the Roseville Energy Park site.

All of us who work at Roseville Electric feel fortunate to work for an organization whose sole objectives are to provide reliable power, affordable rates, and excellent customer service.



FREE TREE-PRUNING CLINICS OFFERED

Get your trees ready for a healthy growing season by giving them a proper trimming. The Roseville Shade Tree Program, sponsored by Roseville Electric, is offering free Tree-Pruning Clinics throughout the winter. To find out the times and locations, visit the Shade Tree Program section of our Web site at www.RosevilleElectric.org or call the Shade Tree Calendar at 774-5647 x 2.

ELECTRIC DISPATCH

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FIND US ON THE WEB: WWW.ROSEVILLEELECTRIC.ORG



RECYCLED PAPER