



The Madison metro area's solid economy gets national attention (see page 2).

## MGEE's financial performance receives high ranking



Gary J. Wolter,  
MGE Energy Chairman,  
President and Chief  
Executive Officer

MGE Energy's financial performance recently was listed among the top 40 gas and electric companies in the nation and as No. 1 in Wisconsin by the journal *Public Utilities Fortnightly*.

This is MGE Energy's fourth consecutive year on the list. Each year, MGE Energy has moved up higher in the ratings and is currently ranked 24th in the nation.

The journal reviewed shareholder value from 2007 to 2010. Over the four-year period, MGE Energy ranked 11th for return on assets among the 82 energy companies in the Fortnightly survey. MGE Energy's assets grew by 18% from \$1.1 billion to \$1.3 billion during the four-year period.

The top 40 ranking looks at profitability, dividend yield, cash flow, return on equity, return on assets and sustainable growth.

The publication cited the value of investing in solid companies, like utilities, during uncertain economic times, stating: "In times like these, many investors retreat to the stocks of utilities like those in our annual top-40 ranking."

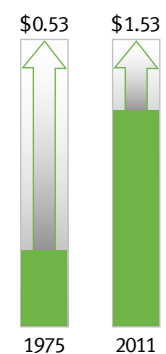
## Dividend increases for 36 years

MGE Energy increased its dividend for the 36th consecutive year. Since 1975, the annual dividend rate has grown from \$0.53 to \$1.53 per share. The company has paid dividends continuously since 1909.

MGE Energy is listed as a "Dividend Achiever" by Mergent, Inc., a financial information publisher for more than a century. Only about 6% of the 3,700-plus dividend-paying companies nationwide have increased dividends annually for at least 10 years.

For more information, see [mgeenergy.com/dividends](http://mgeenergy.com/dividends).

Annual Dividend Rate  
(per share)



## Madison's economy achieves high national rankings

Our strong local economy has scored well on a number of national surveys. Policom Corp., an independent economic research firm, ranked Madison's economy 12th among 366 metro areas. The firm has rated Madison in the top 20 for the past nine years. The report notes the highest ranked areas have had rapid, consistent economic growth in both size and quality for an extended period of time.

Madison was also rated as the best city nationwide for educated workers by the online news site 24/7 Wall St. The rating was based on a Brookings Institution study. Madison was cited as a major educational hub that produces qualified workers prepared for jobs that require secondary education. According to the Brookings Institution, metro areas with educated workers often have lower unemployment rates.

Forbes recently listed Madison as the third best city for young professionals. Forbes cited our job growth, low unemployment, large college-educated population and reasonable cost of living.



Madison receives high rankings for its strong economy and low unemployment.

## MGE crews help hurricane-ravaged East Coast



MGE sent 10 line technicians to help restore power on the East Coast after Hurricane Irene hit in late August.

Madison Gas and Electric (MGE), our main subsidiary, sent 10 line technicians and a supervisor to Connecticut after Hurricane Irene blasted the Eastern Seaboard. MGE responded as part of a mutual assistance request from United Illuminating Co. The utility, based in New Haven, Conn., made the request after 158,000 customers lost power, more than half its customer base. All MGE expenses were reimbursed by the host utility.

The MGE crews left Madison in five bucket trucks on Aug. 30 and worked five 16-hour days.

The hurricane left millions of people without power and caused billions of dollars in damage in 11 East Coast states. The hurricane's widespread destruction left many without power for days. MGE received many letters of thanks from Connecticut residents. Here is one excerpt:

"We would like you to know how impressed we were with your workers ... Remarkably, they restored our power within 30 to 40 minutes. For the first time in eight days we had lights in our homes, hot water for showers and laundry, TV, pre-season football and refrigeration ... They obviously know their jobs extremely well."

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The *Inside View* is published periodically to provide investors with information about MGE Energy. MGE Energy's primary asset, Madison Gas and Electric, provides highly reliable gas and electric service and promotes economic development in south-central and western Wisconsin.