

NIMEC MEMBERS LOCK IN \$8 MILLION IN SAVINGS

The long awaited deregulation of ComEd officially arrived in January. In the newly deregulated environment, electric rates are set by the market annually, as opposed to the ICC. Because ComEd had agreed to freeze their rates for the previous 9 years, the new 2007 market rates are much higher than 2006.

Municipalities that continue to purchase power from ComEd in 2007 (via the market rate) have seen their rates for water accounts soar 35% to 60%, while lighting costs have increased 20-25%. Residential rates have jumped 24%.

In early October, NIMEC organized a bidding process for its memberships' water accounts. The results were better than expected. Total savings for the 65 members will exceed \$5 million over the 17 month term, an average of \$80,000 in savings per municipality.

Medium sized villages will realize a 15% savings, while larger municipal members will enjoy a 35% savings over the 2007 ComEd market rates.

Since the initial bid offering, an additional 35 government members have joined NIMEC and taken their accounts to bid. About 10 new municipalities are joining NIMEC each month.

NIMEC membership now totals 120. NIMEC has negotiated pricing for \$25 million of power purchases. NIMEC members have locked in savings of \$9.1 million.

Recently, NIMEC began working with municipalities in Ameren territory. NIMEC has helped four Ameren customers purchase their electricity from third party electric suppliers. Savings in the Ameren territory are less than those in ComEd territory, but are still averaging 5% to 8%, compared to Ameren's 2007 rates.

Any municipality desiring to join the co-op and realize similar savings is invited to do so. Every month, NIMEC groups together new co-op members and takes their accounts to bid. All NIMEC contracts end in May 2008.

In the Spring of 2008, these new members will then be included with all other co-op members when the next annual bid is conducted. At that time, it is estimated that 150 - 200 members' volumes will be aggregated and bid collectively. The combined purchasing power will enable NIMEC to negotiate even greater savings for all members.