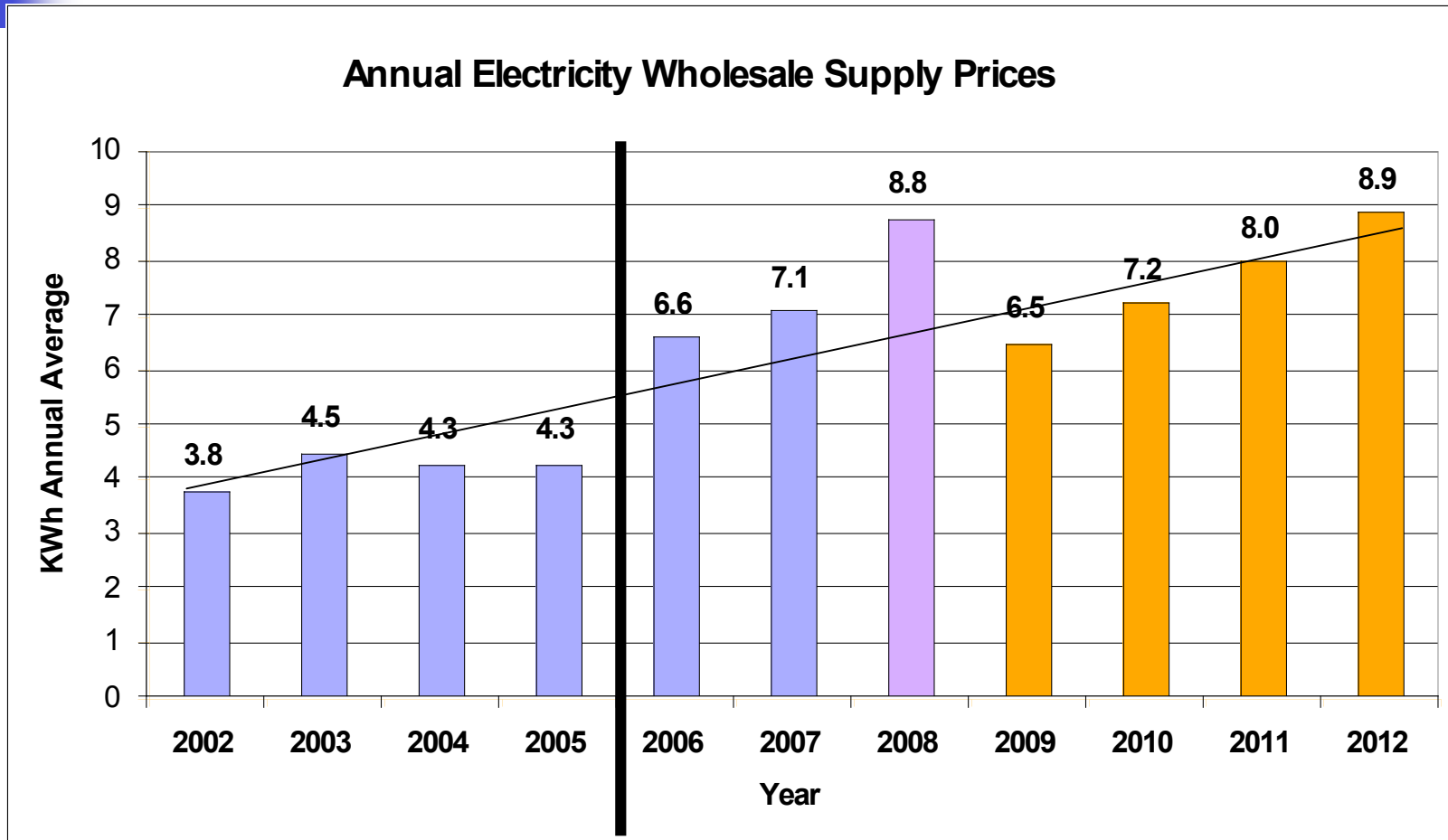


Buying Energy in a Deregulated Market

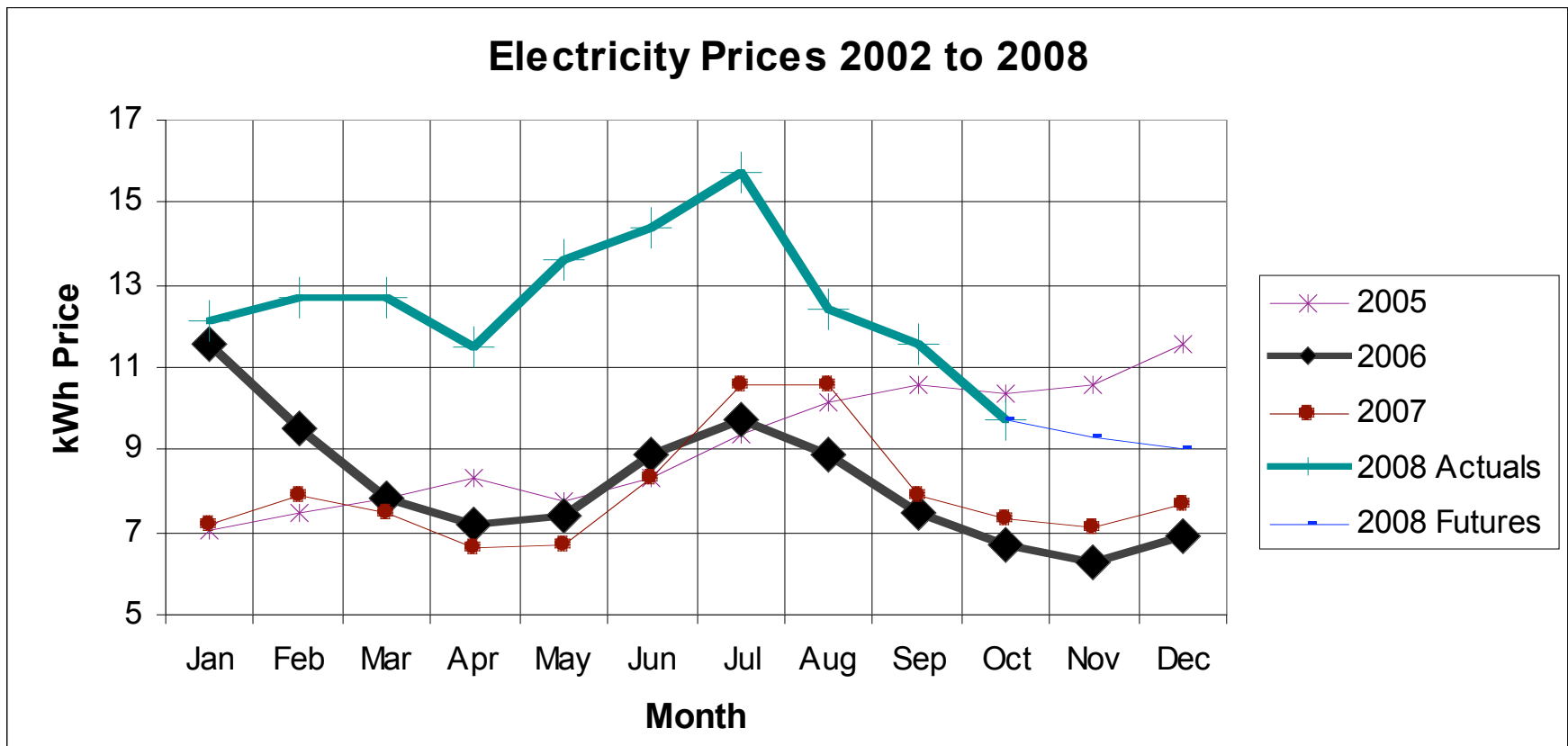
Chamber of Commerce

Energy Purchasing Cooperative

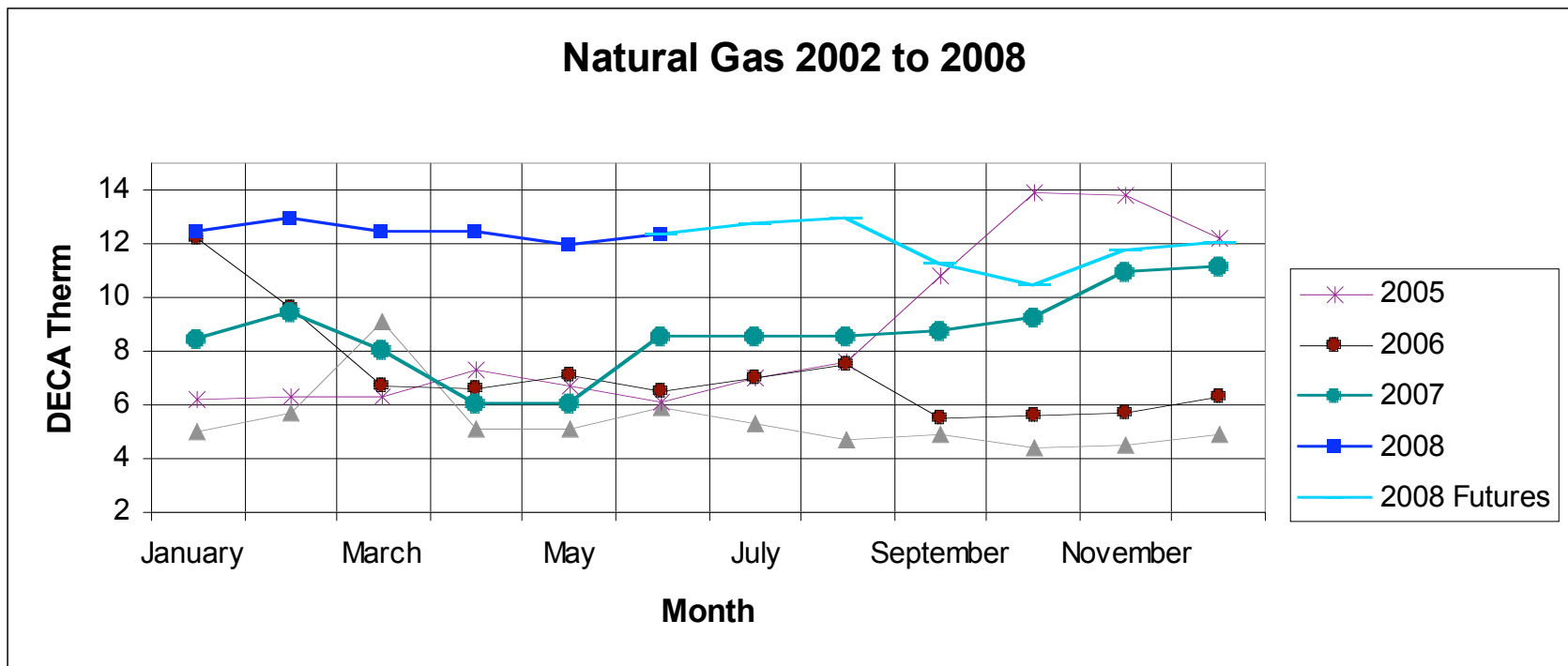
Wholesale Electricity Price



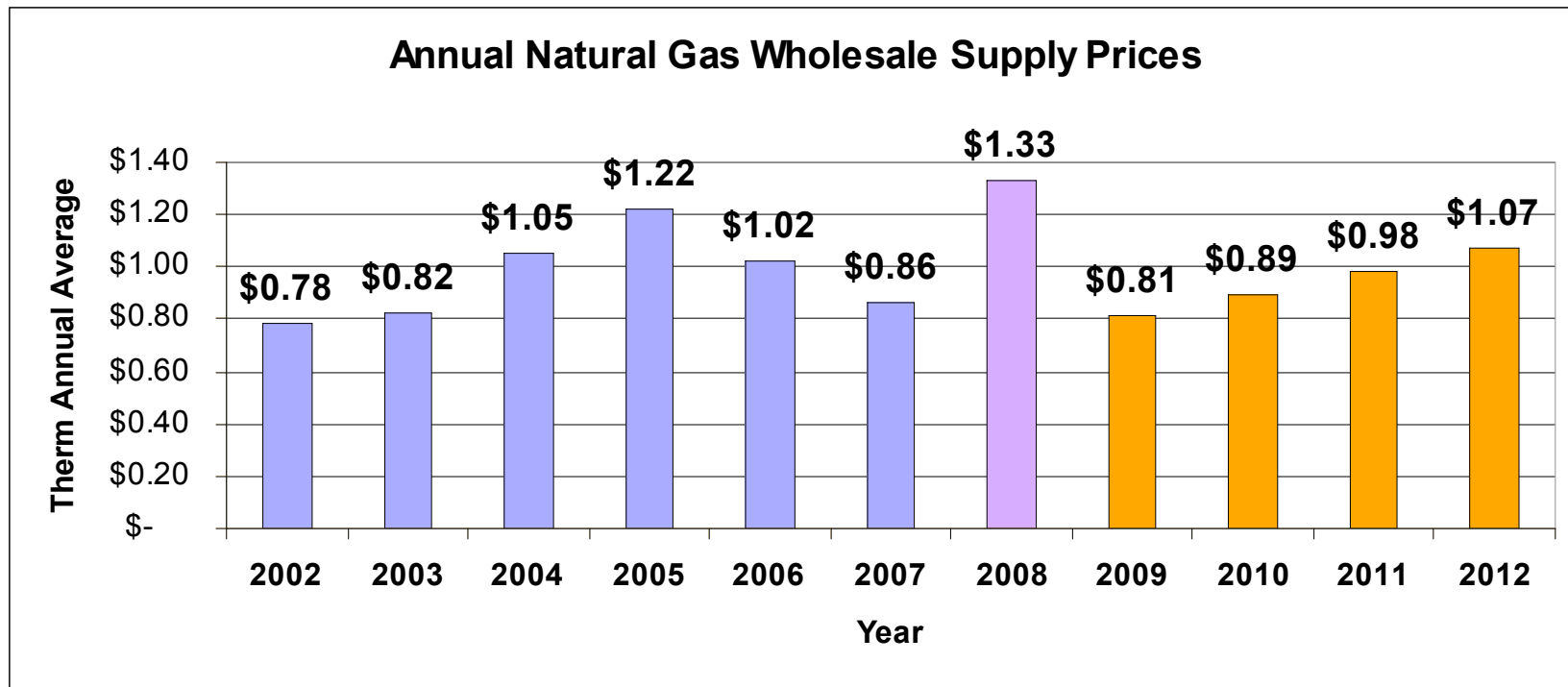
Electricity Rates



Natural Gas Market Rates



Natural Gas Wholesale Price - Bar Chart





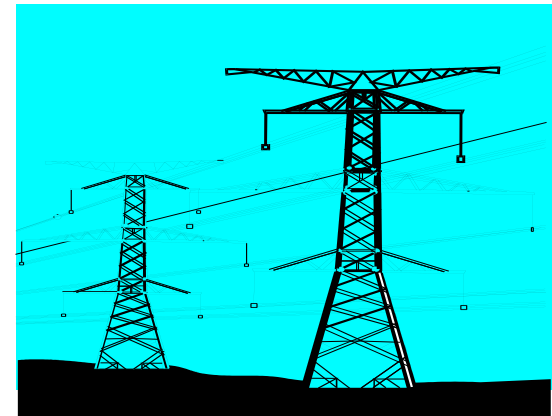
Keys To Managing Energy

- Plan
- People
- Performance
- Projects
- **Procurement**

Electricity Delivery & Distribution

- Pipes & Wires Services - **Regulated**
- Electricity Distribution Company (EDC)
 - Ameren
 - ComEd
 - Municipal Utilities

Not included



- You will continue to have a relationship with your EDC as the distribution service provider

Electricity Supply Services

- Generated Energy or Power - **Deregulated**
- Qualified Suppliers – Providing Service
 - Ameren Energy Marketing
 - Constellation New Energy
 - Direct Energy Services
 - Mid America Energy





Electricity Prior to January 2007

	6.7 cents per kWh	
Generation -- Supply	4.7 cents per kWh	Ameren
Delivery Services	2.0 cents per kWh	Ameren



Electricity

Ameren Rate Classifications

DS 1 – Residential (Not in Cooperative Program)

■ **DS 2 – Small Commercial**

■ **DS 3 – Mid-sized Commercial**

■ **DS 4 – Large Accounts over 3
Megawatts load**

- Accounts that opted to not remain with Ameren by November 2006 can be in the cooperative
- Accounts that opted to remain with Ameren can return after June 1, 2008

DS 5 – Outdoor Lighting (No price option at this time)

Electricity Default Rate - DS 2

	9.45 cents per kWh	
Generation -- Supply	7.45 cents per kWh	Default Rate or New Supplier
Delivery Services	2.0 cents per kWh	Ameren



Natural Gas Delivery & Distribution

- **Regulated**
- Natural Gas Distribution Company
 - Ameren IP, CILCO, CIPS
 - Peoples Gas
 - Nicor
 - North Shore Gas
 - Mid America
 - Atmos
- You will continue to have a relationship with your distribution service provider



Natural Gas Supply Services

- **Deregulated**
- Qualified Suppliers – Providing Service
 - Dominion Retail – Prairie State
 - MX Energy
 - Prairie Point Energy
 - Spark Energy Service
 - Mid America
 - Direct Energy

Natural Gas Account Model

\$1.25 to \$1.80 per therm

Supply Commodity	\$0.76 to \$0.87 per therm	Default Service or New Supplier
Basis - Transportation & Fees	\$0.24 per therm	Default Service or New Supplier
Delivery Services	\$0.25 per therm	EDC



Natural Gas Default Service Rates

- “Default Service” for an account that does not select a supplier
- **Pass-thru market rates monthly**
- **Limited to 20% change per month**
- **Actual market rates take up to two months to adjust due to the 20% limit**
- Historic rate review should be used to establish a “**upset price**” for evaluation of price offers from suppliers for all accounts



Purchasing Options

- Negotiate with one or more supplier
- Join a procurement group
- Form a procurement group



Decisions and Directions

Remain with AMEREN and budget for an increase

Or

Select a licensed supplier and contract to receive the best price possible

- Manage the Price Increase
- Long-term Budget Stability



Advantages of Joining the Chamber Cooperative

- Member Education and Program Focus on an Issue of Local, State and National Concern
- Increased Purchasing Power
- Receive a competitive price for electricity
- Share in the costs to prepare a bid
- Share technical support and expertise
- Eliminate the need for the individual to go through the process alone
- Be proactive
- Value added service to members



Coop Application Process

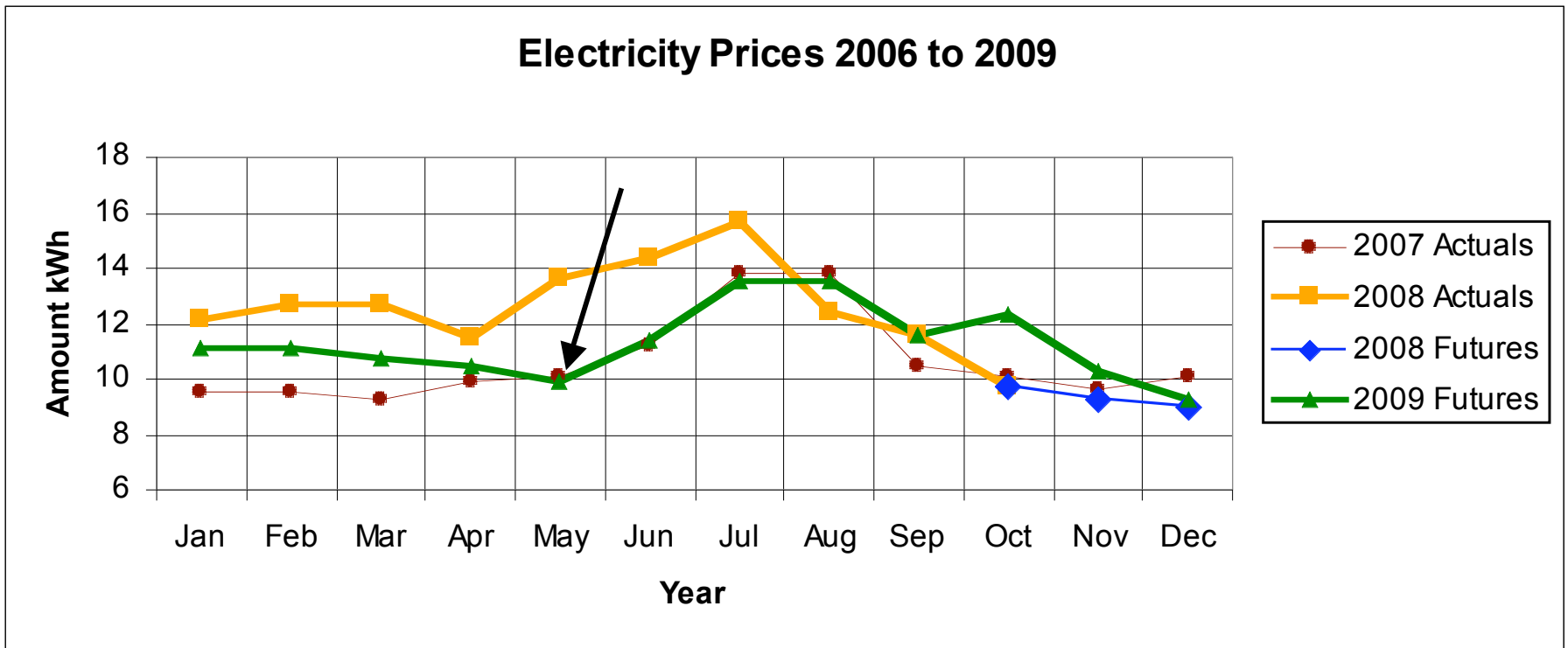
- Application based on a members location
- Fee for each location
 - \$300.00 Electricity
 - \$200.00 Natural Gas
- Location can have multiple accounts
- Complete the Application Packet
- Provide a copy of the latest bill for each account included on the application
- Remain in the Coop through the end of the Request for Proposal Process
- Required to complete a credit authorization with each of the potential supplier



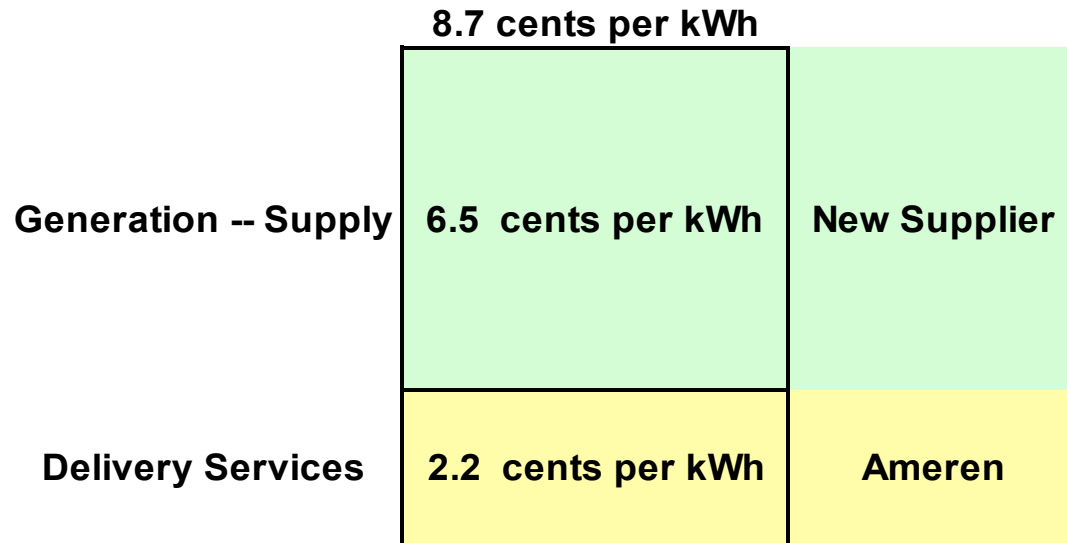
Your Responsibilities

- Agree to make a decision on acceptance of the final price offer **on the day prices are offered**
- “Accept or Reject” the final offer - it is your option
- **Each Member Location Owner will contract directly with the new supplier for each account**
- If a you reject the offer you will return or remain with the EDC

Electricity Projection



Electricity Projected Market Rate





Natural Gas Projected Market Rate

	\$1.05 to \$1.60 per therm	
Supply Commodity	\$0.56 to \$0.67 per therm	Default Service or New Supplier
Basis - Transportation & Fees	\$0.24 per therm	Default Service or New Supplier
Delivery Services	\$0.25 per therm	EDC



Natural Gas Contract Options

- **Pilot Test – First Time Co-op Program**
- Fixed fee
- Start October 2009



Price Offer - Bid Day Process

- Email Alert Week Before
- Confirmation Email Tuesday with Price Offer
- Contracts will be sent by the Supplier by Email overnight on Tuesday
- Wednesday by noon - are all Contracts Received
- Chamber & CQI can send contract again and fax if requested
- We need to hear back from you on bid day by noon if you are having any problems
- Email questions to CQI
- **Must accept or reject on day contracts are offered**
- Check address and account numbers
- Sign and fax back to Supplier
- Offer open until 5:00 pm

- **Contracts start on each accounts METER READ DATE**



Next Steps

- **Join the Cooperative**
 - Step One:
 - Fill Out the Application Form/Authorization Form,
 - Step Two:
 - Compile a List of Account Numbers at this Location – Enter data on the ATTACHMENT A – Worksheet,
 - Step Three:
 - Submit a copy of the most recent utility bill for each account shown on ATTACHMENT A, Step Two (Required)
 - Step Four:
 - Submit Payment and return all pages and copies of your bills to the Chamber
- **Deadline: May 15, 2009: Noon**