



**Electricity Procurement Program Update  
3-1-10**

**Program Overview:**

There was one procurement of electricity executed during this reporting period. Additionally a new price benchmark has been established. This new benchmark reflects a blended final PPL price to compare cost. Additional information concerning this new benchmark is included below. As of the PowerPortfolio Management Report dated 2/25/10, the overall status of the buying group is as follows:

**Buying Group status:**

**2010 supply:** The group is 59% hedged (71% on-peak and 39% off-peak) at a projected price of \$94.31/MWH.

**2011 supply:** The group is 45% hedged (50% on peak and 37% off-peak) at a projected price of \$85.02/MWH.

**Benchmark information:**

Due to a mix of both LP4 and GS3 accounts and their price to compare costs within the buying pool, a blended PPL cost benchmark has been established. The benchmark has been calculated by using a weighted average based on the mix of LP4 and GS3 accounts. This blended price is \$102.88/MWH, which compares favorably to the latest group results.

**Group buying strategy update:**

The group's current buying strategy consists of a 70% hedge for 2010 and a 35% hedge for 2011. 2010 strategic generation pricing targets have been set at 56.00/MWH on-peak and 36.75/MWH off-peak. 2011 strategic generation pricing targets have been set at a blended price 68.25/MWH.

**Additional detail and comments:**

**Invoice Process Training:**

As a reminder, the second Direct Energy Invoice Training Presentation will be held at The Training and Conference Center at IU 13 on March 16 beginning at 1:00 PM. The presentation should last approximately one and half hours. If you attended the first presentation and would like to attend the second session as well, feel free to do so. If you have not already done so, please respond back to Diane Bates at [diane\\_bates@iu13.org](mailto:diane_bates@iu13.org) with your intent to attend.

**Direct Energy additional programs:**

Direct Energy is offering both a Direct Debit Payment Program as well as an Online Bill Viewing capability. A separate email concerning these programs will be forwarded shortly.

**Procurement update:**

As of February 25, 2010 the buying group has executed the following procurements (**pricing indicated is the wholesale price paid for the electricity**)

- 10/1/09: 3 MW of on-peak at 64.00/MWH and 1 MW of off-peak at 42.44/MWH for 2010  
1 MW of on peak at 70.07/MWH and 1 MW of off peak at 46.22/MWH for 2011
- 11/3/09: 6 MW of on-peak at 61.00/MWH and 2 MW of off-peak at 40.50/MWH for 2010  
4 MW of on peak at 69.25/MWH and 1 MW of off peak at 45.75/MWH for 2011
- 11/9/09: 2 MW of on-peak power at 67.39/MWH for 2011
- 12/22/09: 2 MW of on-peak power at 60.99/MWH for 2010 (Feb/Mar)
- 12/23/09: 1 MW of off-peak power at 46.60/MWH for 2010 (Feb/Mar)
- 1/8/10: 1 MW of on-peak power at 67.25/MWH for 2010 (Feb)
- 1/22/10: 1 MW of on-peak power at 64.65/MWH for 2010 (Feb)  
1 MW of off-peak power at 50.40/MWH for 2010 (Feb)
- 2-25-10: 1 MW of on-peak power at 41.50/MWH for 2010 (March)  
1 MW of off-peak power at 51.00/MWH for 2010 (March)  
3 MW of on-peak at 56.10/MWH for 2010 (April-December)  
1 MW of on-peak power at 60.95/MWH for 2011  
1 MW of off-peak power at 41.40/MWH for 2011

After these purchases, the blended results are as follows (**pricing includes the wholesale price of the electricity plus the projected retail adders**):

2010-The group is 59% hedged (71% on-peak and 39% off-peak) at a projected group price of 94.31/MW  
2011-The group is 45% hedged (50% on-peak and 37% off-peak) at a projected group price of 85.02/MW

These blended prices compare to the newly established blended PPL price to compare of 102.88/MWH.