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MID Electric Services Tells Future Customers It's Time to Stake Claim to Benefits of Low-Cost Power

Electric Partners Forum Highlights Year of Accomplishments

MERCED, Calif. – Merced Irrigation District Electric Services staff members told an audience of local business owners and other prospective customers Friday that the benefits of low-cost power are nearly at their doorstep.

Approximately 40 members of the local business community heard this news at the second-annual MID Electric Partners Forum, held at the Castle Airport Aviation and Development Center's Aviation Challenge.

Garith Krause, MID Assistant General Manager, Finance and Electric Services, told business owners along MID's developing transmission and distribution system -- including those located in the City of Merced area – that the District's vision of providing reliable electric power at competitive prices to eastern Merced County is now becoming a reality.

“We've got the money in the bank to build the transmission and distribution system that will provide you with low-cost power, and we're moving ahead to reach customers as soon as possible,” said Krause.

It's time for prospective MID customers to secure cost-savings for themselves by signing up for electric service, said Krause.

Compared to a year ago, when MID's new power system was essentially in the planning stages, much has been accomplished, explained Krause. MID has:

- assumed responsibility for electric operations at Castle;
- completed construction of nearly one-third of its 115-kilovolt transmission loop;
- obtained 34 miles of rights-of-ways for the entire loop (from Livingston to Merced and back);
- started construction of the Cooper Substation in Merced;

- obtained more than \$37 million in financing needed to build the power system, and received commitments from 125 commercial customers.

Load projections show up to 75 megawatts of electricity could be delivered to MID customers by December 1999. Not only will these customers receive cost savings of from 20 percent to 30 percent, but the availability of low-cost power will benefit the local economy and provide additional revenues for the District to relicense its hydroelectric facilities, explained Krause.

Additional customers in Livingston and new customers in the Castle Center, Merced and Atwater are scheduled to be energized with low-cost power next year. Customers in each city will be served by local distribution loops, which in turn connect to the larger, regional transmission loop. The loop design of the system provides the greatest reliability.

“Merced Irrigation District is a valuable asset for eastern Merced County,” said Krause. “We’re locally managed by an elected Board of Directors, we’re responsive to local residents, and we keep economic benefits close to home.”

A key incentive for potential customers to sign up sooner, rather than later, is that significant near-term electric cost savings are based on MID’s 75-megawatt exemption from Competitive Transition Charges (CTCs). Customers of the large, investor-owned utilities must pay CTCs during the several-year transition to a competitive electric market.

“The CTC exemption is perishable and it is limited. We will be working with our potential customers to secure these savings,” said Krause

Customer commitments will also help determine, in part, how MID’s electric distribution system develops.

Cesar Ancheta, Manager of Business Development, who works with Electric Services customers, said now is the time for customers to make the commitment.

“It’s real. It’s happening,” said Ancheta. “We want to bring these benefits to you and to our communities.”

Also at the forum, local business owners were updated on the process of hooking up with MID Electric Services as it expands its retail power delivery system and reaches customers in the Merced area.

Energy experts also discussed the ongoing transition to a competitive, deregulated energy marketplace, Direct Access options and new technology in the industry.