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Contact: Garith Krause
Merced Irrigation District
(209) 722-5761
garithk@mercedid.org

Merced County Board Approves Switch to Merced ID Electricity

Four County Facilities in the City of Merced Will Be Energized With Reliable, Low-Cost Power Saving Taxpayers Thousands

MERCED, Calif. – Highlighting the momentum of new Merced Irrigation District Electric Services customer hookups and sign-ups in 1999, the Merced County Board of Supervisors today approved a contract with the competitive local public power resource. Four county facilities in downtown Merced -- the Administrative Building, the Jail, the Library and the County Courthouse -- could be connected to MID's new underground electric distribution circuits by January 2000. Supervisors voted 3-2 to approve the contract.

Garith Krause, MID Assistant General Manager, Finance & Electric Services, said the District has always envisioned serving Merced County and other public agencies with public power. The County is expected to save \$190,000 annually on its electric bill, which means taxpayer resources can be devoted to other essential needs.

"This is an example of the District fulfilling its mission of benefiting the people and communities of eastern Merced County, in this case by directly reducing the taxpayers' expense for electric power," said Krause. "This also demonstrates how we can provide power at extremely competitive rates to compete for large PG&E customers."

"We believe the District's commitment to safe, responsive, reliable and economical service will retain these customers, and continue to attract new customers as our system grows with the competitive electric market of the 21st century."

Merced Irrigation District Electric Services serves both public agencies, including city of Livingston facilities, as well as businesses, including three of the top employers in the region, Foster Farms in Livingston and Pacific Telesis and Sun Garden-Gangi in the Atwater area.

"These leading businesses and agencies have weighed MID against the competition and they've voted by signing on the bottom line," said Krause.

Scores of new customers have been energized or signed up for service from MID Electric Services this year through freshly built underground connections in the city of Merced area. Most of the 100,000 feet of underground electric circuits have been installed. These new distribution circuits tap into MID's regional power transmission loop.

Krause said the District's Business Plan goals for expanding electric service are being met. The District is on pace to more than double power delivery contracts in 1999, from 20 megawatts to potentially 50-55 MW under contract by year's end.

With continued expansion of service in the year 2000, MID could exceed projections for use of its legislated allotment of Competitive Transition Charge (CTC) exemptions. These exemptions are part of the state's transition to a competitive electric market, and they allow significantly increased savings for MID customers during the transition period, expected to last about two more years.

"These CTC exemptions are a finite resource that we provide customers on a first-come, first-served basis. The sooner customers can take advantage of these, the greater the savings," explained Krause. "After the transition period, we expect to remain the competitive choice based on price, reliability and service."

A wholesale hydroelectric power generator for 70-plus years, MID has been delivering electricity to retail customers for more than 3 1/2 years with rock-solid reliability, said Krause. To date, Krause estimates that MID Electric Services has saved customers over \$8 million on their electric bills. All electric consumers benefit from the competitive electric market, economic growth is encouraged, and local resources remain under responsive local oversight, Krause added.