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Merced College Gives Good Grades to MID Electric Services' Low-Cost Power

MERCED, Calif. – Merced College has tested Merced Irrigation District Electric Services against the competition and decided its low-cost power makes the grade when it comes to delivering bottom-line savings and reliability.

After a side-by-side comparison of offerings from MID Electric Services and PG&E Energy Services -- which will serve most other community colleges in California under a combined agreement -- Merced College has opted to energize with MID power.

An independent public utilities consultant for the college -- Jenkins, Larsen & Associates -- said the PG&E Energy Services proposal, though of benefit to the vast majority of community colleges statewide, "simply pales in comparison to the opportunity presented by the Merced Irrigation District proposal."

Larry Johnson, Vice President, District Administrative Services for Merced College, said the decision to go with MID came down to savings.

"Their track record shows that they have reliability, and we'll receive real savings, so that's why we went with MID Electric Services," said Johnson.

"We're in a real growth mode," explained Johnson. "As we expand our facilities to meet the needs of more students, it's important that we contain and control our energy costs."

Although not a deciding issue, the fact that Merced College could go with a locally based power provider was a bonus, said Johnson.

Because it can provide its customers an exemption from Competitive Transition Charges (CTCs) -- which most customers of the state's big utilities must pay for the next few years -- Merced Irrigation District can deliver electricity at a savings of 20 percent to 30 percent, according to Garith Krause, MID Assistant General Manager, Finance and Electric Services.

"We're excited about teaming up with Merced College," said Krause. "They're going to enjoy the benefits of low-cost power already being enjoyed by the City of Livingston and Livingston schools and businesses."

Krause said serving Merced College would also allow MID Electric Services to set a great example of value and reliability for the new UC Merced campus to consider when it seeks out a power provider. "We believe we're the long-term, competitive, local choice," said Krause.

Other major new customers to sign up with MID Electric Services are Cal-Almond and Livingston Farmers Association, almond processors outside of Livingston, said Krause. Both are expected to be hooked up to the MID power system by August, in time for the almond harvest.

"This demonstrates the capability of MID to serve agricultural businesses in our expanding service area," said Krause. "As more customers connect up with our expanding power distribution system, these significant savings on energy will be a real shot in the arm for eastern Merced County."

"Our customers pay less for electricity, so they can devote resources to other things, like providing more services, or being more competitive in business," he added.

In Livingston, Paul's Exxon Station on Livingston/Cressey Road will soon be energized with MID power, as will the Main Street Plaza shopping center, Livingston Middle School and Livingston High School. They join customers already receiving MID low-cost power in that community, including the Sam's Food City shopping center, Foster Poultry Farms, the City of Livingston and other local schools.

Livingston is the starting point for MID's 33-mile power distribution system, which is designed to deliver reliable, low-cost power to parts of Atwater, Winton, Merced and the entire the Castle Airport Aviation and Development Center.

Full-scale construction of the first portion of the 115-kilovolt loop is scheduled to start this month. MID expects to energize the 115-kilovolt line to Castle by late summer, with customers in the Merced area reached after that. Plans call for the entire loop to be completed in 1999, connecting the Merced area back to Livingston.

In addition to Merced College, future MID Electric Services customers outside of Livingston currently include Castle and Richwood Meat Company, and agreements with many more potential customers are in the works.