



the **switch**

MID Energy Resources Update Newsletter
Winter 2001–2002 Edition

Current News

The Energy Resources Division of the Merced Irrigation District has had quite a ride during 2001. In May, we celebrated our fifth anniversary in the retail electric delivery business. Our first customer was Foster Farms with MID delivered power beginning on May 16, 1996. Since then the District has made remarkable progress in establishing itself as a retail electric system and also survived the shock of the 2000–2001 energy crisis.

An initial goal of the District was

to establish a retail distribution system that would provide the District an infrastructure to utilize the low cost hydroelectric Power from the New Exchequer Project in 2014 upon expiration of the PG&E contract. We have

By Garith Krause,
Assistant General Mgr.
Energy Resources

moved aggressively over the past five years to meet that goal.

The District has financed the development of electric distribution facilities that provide the foundation the ability to incorporate hydroelectric power into our energy resource mix which will result in lower cost energy to MID electric customers.

The District's distribution system is completely independent of the PG&E system, but the District does work very closely with the Turlock and Modesto Irrigation Districts for power supplies, and support as requested. *Article continues inside*





Regional Issues:

The year 2001 was a challenging one for the MID Energy Resources Division as it was for our customers. Every homeowner and businessperson was well aware of the potential for rolling blackouts and power outages. “Keeping the lights on” as they say, became our main objective. Fortunately, through good planning and a number of financial arrangements, we were able to avoid the crunch and ordeal that other Investor Owned Utilities experienced.

Early in 2001 the District restructured its outstanding debt, which allow us to stabilize our costs while obtaining electricity for our customers at rates that are below competing Investor Owned Utilities. We encouraged energy conservation measures through

Keeping the Lights On

consultation with new project developers, promoted conservation to existing customers and instituted management practices that allowed our division to operate efficiency and effectively, holding down costs.

At MID we are committed to providing our customers with low cost, reliable power. We have avoided the mistakes of others by not entering into 10 year, long-term contracts which ultimately will drive up rates. We believe that the MID Energy Resources Division is in the best possible position to continue to keep its rates low to customers while providing exceptional customer service. |



Switching Over

Ability to meet deadline wins contract |

MID Energy Resource Division's ability to meet Walgreens' construction deadline to keep the development of the new shopping complex at Bellevue and Shaffer roads in Atwater on time won the contract. When another Investor Owned Utility couldn't deliver on time, Walgreens turned to MID.

The extension of MID's electrical services into the Five Corners Atwater development was aided by the current service in a residential subdivision close to Bellevue and Shaffer roads and current service contracts with the

new Buhach Colony High School.

MID is being considered to provide the electrical service for additional developments within the Five Corners area including the McDonald's restaurant and Food4Less store. MID already provides electricity to both corporations in the Merced area.

MID's Energy Resources Division is continuing to grow rapidly in both residential and commercial venues. Serving Eastern Merced County with reliable and low-cost power has been a hallmark of the Division since its inception in 1996. |

Take shorter showers. *Showers account for 2/3 of your water heating costs. Cutting your showers in half will reduce water heating costs by 33%.*

Only wash full loads in your dishwasher and clothes washer. *Using cold water settings on your clothes washer reduces your washer's energy use by 75%.*

Energy-Saving Tips

Using your energy wisely this winter will help to save you money. These are a few simple and no-cost suggestions that you can do at home. |

Keep your fireplace damper closed unless there's a fire burning. *Closing the damper prevents up to 8% of your furnace-heated air from going up the chimney.*

Keep your thermostat at a comfortable level. *For every degree you lower your heat in the 60-degree to 70-degree range, you save up to 5% on heating costs.*

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The District's customer base is now up to about 750 customers and growing. The District has commitments from builders for the use of MID power in their developments that total over 2,500 residential housing units. The current customer base represents a connected peak load total of about 75 megawatts and is very close to the original business plan projections.

For 2001, the District's total power deliveries will be about 286,000 megawatt hours (mWh) which will make

MID the 25th largest Utility out of 47 in the State of California. It places MID between the City of Azusa (#26) and City of Lodi (#24).

Future growth is expected to be steady, but not as dramatic as it was in the first five years. The District's excellent service, high reliability, and flexibility in responding to needs have been well-received by its current customers. The District's success in developing its system is turning into a high demand from developers and other retail customers for our service and we look forward to serving Eastern Merced County throughout 2002. |

Watt's New with Jim Duncan?



Quick Bio:

Employed with MID since 1999.

Married to Bonnie for 39 years.

Two children, David, 26 and Danelle, 33.

Holds a B.S. in Business from CSU Bakersfield.

In each edition of The Switch, we will profile an outstanding member of our Energy Resources Team. For this edition we chose Jim Duncan:

Jim joined the Merced Irrigation District, Energy Resources Division in January of 1999. As a line foreman, Jim is responsible for managing the crew as well as installing, servicing and maintaining overhead and underground electrical lines and distribution system equipment.

Currently, his team is working on several underground projects in the cities of Merced and Atwater.

Jim grew up in Bakersfield and prior to joining MID, Jim gained extensive experience in electrical construction, including 29 years with PG&E and held a lineman position

with the City of Lodi. He also spent three years in the outside construction industry.

Jim spent his early years in the United States Army where he served as a telephone repairman and was stationed throughout the U.S. and overseas.

“Jim was hired to the District for his many years of experience with PG&E and his ability to develop a highly skilled crew,” said Garith Krause, Assistant General Manager, of MID’s Energy Resources Division. “Jim has done an excellent job in operating the districts electrical system and deserves recognition for his outstanding service.”

On the weekends, Jim enjoys spending time with his wife and family. |

Contact us at the MID!

This newsletter is produced by the Merced Irrigation District Energy Resources Division, the real choice for our Communities' future. We can be reached as noted below:

Merced Irrigation District
720 West 20th Street
Merced, CA 95344-0288
Phone: 209.722.5761
Web: www.mercedid.org
E-mail: electricmercedid@mercedid.org