

Date: February 1, 2011
 To: Members of Association Power
 From: David Quin, Program Manager, Association Power
 Re: Monthly Savings Update

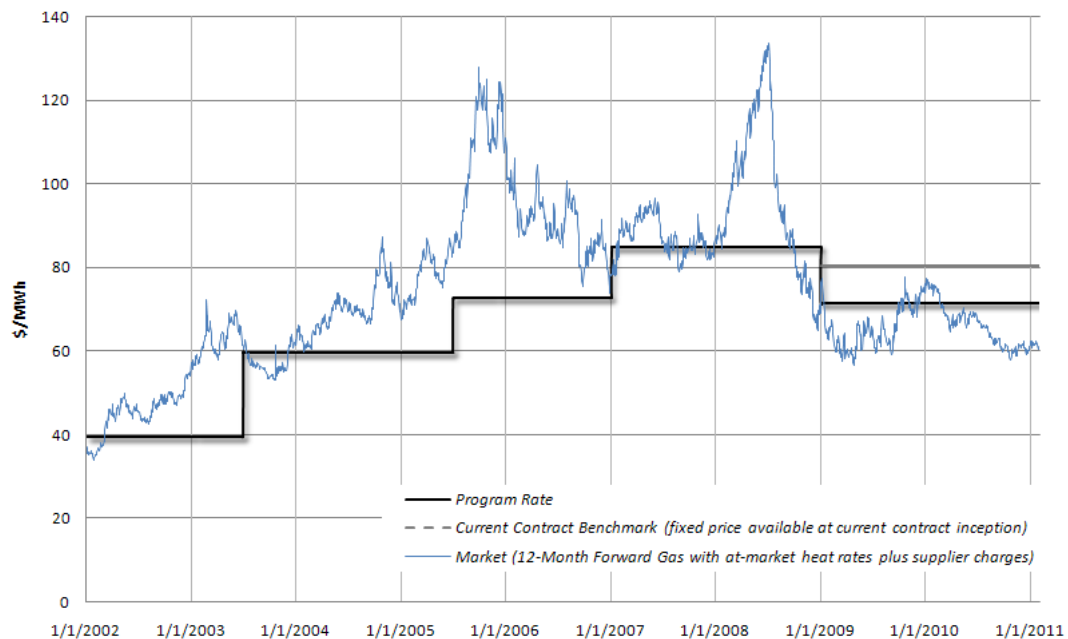
HISTORIC SAVINGS

- AP members have saved **\$6,850,967** against market rates (the 12 month forward gas price with at-market heat rates plus supplier charges) since program inception in 2002.

CURRENT CONTRACT SAVINGS

- Under our current 2009-13 contract, AP members have saved **\$1,851,378** since 2009, reflecting an 11.2% savings against the benchmark rate (the price available on the date the current contract transacted).
- Current energy rate averages \$71.32 vs. \$80.35 available at contract inception; a \$1.0m per year reduction due to our strategic price locking and incremental purchasing program.

Program vs. Market Rates



Cumulative Savings



Year	Total Cost	Market Rate		Benchmark Rate	
		Discount	Savings	Discount	Savings
2002	\$5,642,112	\$4.81	\$416,227	\$0.00	\$0
2003	\$6,764,522	\$7.94	\$715,797	\$1.74	\$157,200
2004	\$7,566,140	\$10.07	\$897,403	\$0.48	\$42,826
2005	\$8,692,125	\$27.36	\$2,616,223	-\$2.67	-\$255,406
2006	\$9,725,508	\$18.21	\$1,827,978	-\$3.31	-\$331,740
2007	\$11,780,471	\$1.52	\$162,199	\$4.30	\$457,982
2008	\$11,719,135	\$11.22	\$1,188,242	\$3.83	\$405,194
2009	\$10,103,542	-\$4.80	-\$503,793	\$7.48	\$784,393
2010	\$10,563,775	-\$3.99	-\$437,464	\$9.00	\$987,067
2011	\$884,348	-\$0.29	-\$31,844	\$0.73	\$79,918
			<u>\$6,850,967</u>		<u>\$2,327,435</u>

Market Rate: The 12 month forward gas price with at-market heat rates plus supplier charges
 Benchmark Rate: The price available on the date the current contract transacted