

Date: October 3, 2011
 To: Members of Association Power
 From: David Quin, Program Manager, Association Power
 Re: Monthly Savings Update

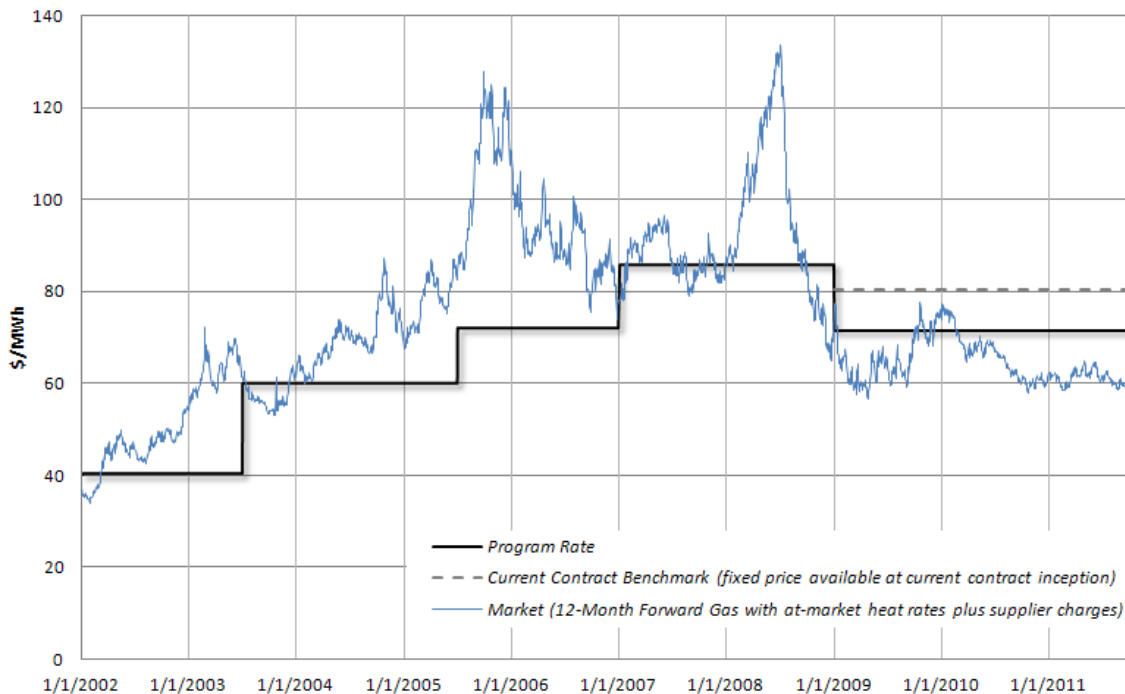
HISTORIC SAVINGS

- AP members have saved **\$6,394,071** against market rates (the 12 month forward gas price with at-market heat rates plus supplier charges) since program inception in 2002.

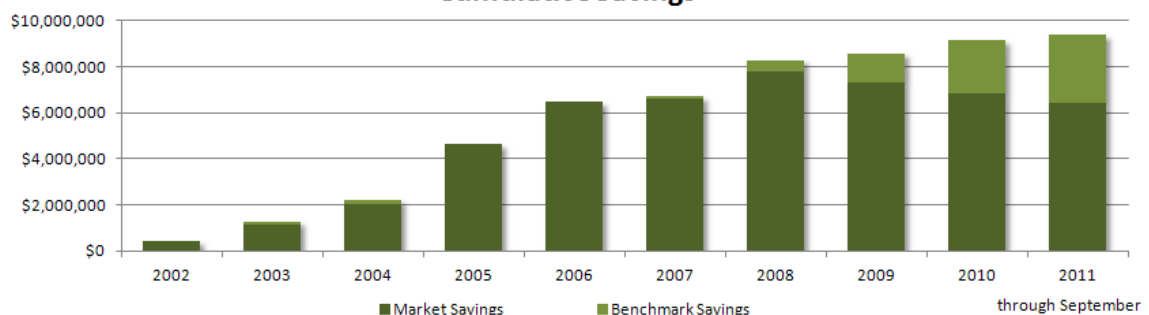
CURRENT CONTRACT SAVINGS

- Under our current 2009-13 contract, AP members have saved **\$2,553,035** since 2009, reflecting an 11.5% savings against the benchmark rate (the price available on the date the current contract transacted).
- Current energy rate averages \$76.34 vs. \$66.96 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



<i>Year</i>	<i>Total Cost</i>	<i>Market Rate</i>		<i>Benchmark Rate</i>	
		<i>Discount</i>	<i>Savings</i>	<i>Discount</i>	<i>Savings</i>
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	\$10,946,889	-\$3.99	-\$453,330	\$9.00	\$1,022,865
2011	\$8,252,520	-\$4.14	-\$472,874	\$6.53	\$745,777
			<u>\$6,394,071</u>		<u>\$3,029,092</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