

# Power Line/ Pipe Line

Midwest's Largest Energy Purchasing Pool

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Quarterly Newsletter  
Spring 2004

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## President's Perspective

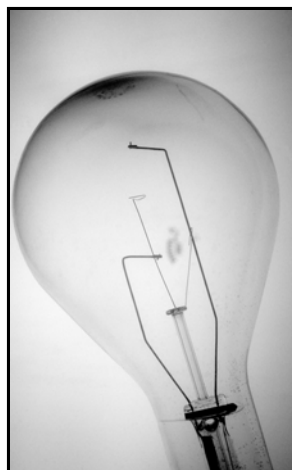
By Dr. David F. Grace, President, Superintendent, Lincoln Elem. SD 156, Calumet City, IL

Dear Members,

As our school year comes to a close, it is important to remember why we are here and celebrate the savings we have brought to our school districts through the IEC energy supply savings! The IEC delivered more than 438,075,225 Kilowatt Hours of electricity to schools during 2003. Savings to school districts (net savings actually seen through reduced bills) by region for the period from January 2003 through December 2003 are as follows:

<u>Region</u>	<u>Savings</u>
<b>Ameren Region</b>	\$ 790,342
<b>ComEd Region</b>	\$1,599,886
<b>Illinois Power Region</b>	\$ 457,126

Membership in the IEC last year saved school districts in Illinois approximately \$2,847,354 in electric costs without members having to change or cut anything! We are all faced with deficit budgets and rising costs. It is nice to be able to point out to our Boards that we have saved significant amounts by wisely purchasing energy through such a cost savings pool. We are still adding school districts each month and if you know of any neighboring school districts that are not receiving their electric or natural gas supply from the IEC, share your experiences with them and



encourage them to contact us to begin saving in their district as well.

On the natural gas side of the IEC, we will deliver more than 24,798,350 therms of natural gas to approximately 739 schools in 2004. This represents a growing part of the market in the Nicor, North Shore and Peoples regions of northern Illinois. Over

the five month period from October through February, the IEC was able to save member school districts approximately \$325,834 on their natural gas purchases. This savings has been the result of the IEC out performing the market by purchasing natural gas at a discount to the then current pricing.

Participation in the IEC has been rewarding for school children in Illinois. Savings enable our districts to provide more services and improve the quality of educational opportunities for their students.

Competition has enabled school districts to experience significant savings in both electric and natural gas supply over the past year(s). We are confident that, with your help, we will be able to continue to experience savings for our schools. Enjoy your summer and I look forward to seeing many of you next fall.

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# Ameren Energy Marketing – Your Partner in Electric Choice

*By Kristi Fitzanko, Electric Program Administrator, Central Illinois Light Co. (CILCO), Peoria, IL*

## **UPDATE – Accounts Payable**

You should have received a bill insert informing you of a change in the mailing address. Payments will no longer be received in the Peoria office. Instead, all payments should be mailed to the following address:

**Ameren Energy Marketing**  
**P O Box 932926**  
**Atlanta, GA 31193-2926**

### **If you would like to overnight your check, please send to:**

Wachovia  
Ameren Energy Marketing  
Lockbox: 932926  
3585 Atlanta Ave  
Hapeville, GA 30354

### **For ACH:**

ABA Number: 053101561  
Acct. Number: 2079900111536

### **For Fed. Wire:**

ABA Number: 053000219  
Acct. Number: 2079900111536  
Acct. Name: Ameren Energy Marketing General  
Bank Name/Address: Wachovia / Charlotte, NC 31193-2926

To insure payments are applied correctly and in a timely manner, we request that you send the bill stub with your payment. Thanks!

## **UPDATE – ComEd Service Area**

We are again in a position to offer savings to new school districts and to current members who have additional accounts. Current members will continue to see savings. Please contact Ronald C. Steigerwald at 847-567-3051. or fax a copy of your most current bill to 847-634-8254.

## **UPDATE – Illinois Power Service Area**

We are still offering savings through an Illinois Power backed supply. If you are interested in a Savings Analysis, please contact Ronald C. Steigerwald at 847-567-3051.

## **UPDATE – AmerenCIPS Service Area**

Our current supply arrangement extends for another year. Current members can add new schools and/or additional accounts. If you are interested in a Savings Analysis, please contact Ronald C. Steigerwald at 847-567-3051.

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# Natural Gas Program Update

*By John Nania, Natural Gas Program Administrator for the IEC, Peoples Energy Services, Naperville, IL*

The natural gas program has been in service for two years. There are now 758 schools enrolled and a total of 88 school districts. The total annualized volume is approximately 26,000,000 therms (the average school uses just under 39,000 therms). The idea behind beginning the consortium was to leverage the buying power of all the member schools to get better rates, reduce the effort involved for individual schools managing their own programs, and to minimize the risk associated with buying such a volatile commodity.

Now that the group has been operating for two years we are in a position to report our progress.

When looking at the savings, we compare ourselves to what you would have paid another marketer had you been with them. This is a conservative approach. Our other approach would be to compare your savings to what you would have paid the utility which would inflate savings greatly. Since our inception, we have saved schools at least \$404,320. During the current fiscal year total savings have been \$250,502. By either standard, these are outstanding results.

The process of converting over many accounts from other marketers has gone extremely well and in most instances was seamless. In many cases, we found

that members had wrong rates at the utility and we were able to create additional savings not included in the above numbers. We also found that many members owned inventory valued in the thousands. We were able to provide refunds for this inventory, freeing up huge amounts of much needed capital. We have also stream-lined the billing process putting all the bills from the utility and the gas together on one easy-to-understand invoice.

We have maintained a very disciplined strategy regarding risk. Although this past winter was actually much warmer than normal, we had record prices and

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# The Illinois Energy Consortium Has Expanded Its Natural Gas Program

By Ronald C. Steigerwald, Statewide Marketing Director for the IEC, Buffalo Grove, IL

The Illinois Energy Consortium has expanded its new natural gas program into the Illinois Power region. Hopefully you received the broadcast fax announcing this break through and the fax is not sitting in someone's inbox.

Drop whatever you are currently doing and gather up last month's bill for each gas meter and fax it to Ronald C. Steigerwald at 847-634-8254. Ron will then have Peoples Energy, the IEC's natural gas program administrator, determine what your savings would be if you joined the IEC's natural gas program.

The IEC continues its pursuit of looking at other areas of the State for further expansion. Currently, we are studying two other regions for possible expansion. Keep your eyes on your fax machines and watch your e-mails for updates.

## Thank You

Several things have occurred this spring that has made it difficult for our electric Program Administrator, Ameren-Cilco, to do your electric analysis. The same was true for a short time in the Illinois Power area when Illinois Power was up for sale. Hopefully, everyone is aware of the fact that Ameren purchased Illinois Power.

If all went well, everyone that has sent us their information for an analysis of savings has received it. I have called, and left messages when appropriate as a double check.

The Illinois Energy Consortium would also like to **thank** our membership for their patience over the last **five years** and for their continued support and belief in the Consortium. We will continue to pursue legislative changes for

electricity and natural gas with the hopes that there would be additional savings for school districts.

We would also like to **thank** the Gas Technology Institute in Des Plaines, Illinois for putting on a great workshop for the IEC members and guests. Those in attendance left the workshop with piles of information and some complimentary software to help them save more energy and dollars.

And a great big **thank you** to Latham & Associates, Bob Latham and Louie Ervin, Ameren-Cilco's Kris Fitzanko and Peoples Energy's John Nania and Jean Beacom for their expertise and help in keeping the Illinois Energy Consortium a strong and viable organization that continues to help school districts save money.

Finally, a big **thank you** to the Board of Directors and the three sponsoring organizations for believing they could help public schools save money that could go back to the children of the state. Each of these three organizations had to put up their organization's dollars to get the IEC off the ground and running like it is.

## Legislative Update

The IEC had a meeting with a State Representative and is in the process of securing sponsorship for its electric and natural gas bill. Once we receive this support we move to the next step, which is the passage of both pieces of legislation.

## Any Changes in Your District's Facilities?

Each year at this time we like to remind members and prospective members to let us know of any additions or new buildings being

added to your school districts. This helps our program administrators to determine your savings. We want to make sure we are comparing "apples to apples." If you do not tell us this information, your savings calculation will not be accurate.

## Billing Nightmares?

Have you received an incorrect bill from your supplier, Coop, broker, etc. in the last several months? Then why put up with it? The billing of the Illinois Energy Consortium is one of the many selling points of joining the consortium. Your Accounts Payable Department will love it, plus, your Buildings and Grounds Department will still have the detailed information they need. Join the Consortium today. Do not wait.

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## Natural Gas Program Update

**continued from page 2**

we were successful in beating them. More importantly, had prices gone up dramatically, you would not have felt the effect other than in increased usage. Your prices were protected.

Our newest members include:

Geneva CUSD #304  
Forest Ridge SD #142  
Nippersink SD #2  
Orangeville CUSD 203  
West Harvey-Dixmoor SD #147  
Crystal Lake CSD #47  
Oak Lawn CHSD 229

**Welcome aboard.**

# IEC Electric Program by Service Area

By Kristi Fitzanko, Electric Program Administrator, Central Illinois Light Co. (CILCO), Peoria, IL

Service Area	Savings	# of Districts	# of Accounts	Meters (Avg
	June 03-May 04			2.5 meters/acct.)
Ameren/CIPS	\$ 703,845.59	79	241	603
ComEd	\$2,831,663.77	154	610	1,525
Illinois Power	\$ 765,385.87	40	85	212
Total	\$4,300,895.23	273	936	2,340

Address Service Requested



Illinois Energy Consortium  
 Marketing Services  
 Illinois ASBO  
 Northern Illinois University (IA-103)  
 108 Carroll Ave.  
 Dekalb, Illinois 60115-2829  
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