

FOR IMMEDIATE RELEASE

Prepared by: Ellis County Communications
101 W. Main Street
Waxahachie, TX 75165

Contact: Diana Buckley, 972-825-5087, Diana.Buckley@co.ellis.tx.us

County joins pool to save on electricity

Ellis County Commissioners held a workshop on Monday, just prior to the regularly scheduled meeting of the Commissioners' Court. Don Lee, executive director of the Texas Conference of Urban Counties (CUC), gave a presentation regarding the organization's Aggregation Project, also known as the Public Power Pool, or P³.

Lee started with a quick overview, which he termed an oversimplification, of the differences in the electric utility before deregulation and after deregulation.

"Before deregulation, TXU generated, transmitted, distributed and provided retail service – which is basically billing and costing – and it was a regulated monopoly," Lee said. "After deregulation, no longer does the Public Utility Commission regulate everything. It regulates only transmission and distribution."

Under deregulation, generators of electrical power compete on the wholesale market for business with retailers, and retailers then compete on the retail market. All suppliers pay the transmission and distribution utility that is still regulated by the State.

"In other states and other deregulated areas, they have a transparent wholesale market – you know what the price is for all the power in the state all the time," said Lee. "Not in Texas. The majority of the power that is generated is bought by retailers in contracts that have terms saying not to disclose the price. So most of the wholesale power is in a non-transparent contract, which makes price discovery for customers more difficult."

P³ staff did a comparison between Ellis County's current contract for power and P³'s current contract for power.

"This comparison was based on the premise that Ellis County signed an agreement to join Public Power Pool for a two-year term at the same time they signed their current contract for electricity," stated P³ Program Manager David Quin. "Under the (County's existing contract), the rate was established at \$87.50/MWh. Had Ellis County been a member of Public Power Pool during this period of time, the County's accounts would have yielded a comparative price of \$85.85."

Other variables could have lowered that price even further, to \$83.05/MWh, according to Quin's memo. Currently, Lee indicated, electricity futures are priced at \$110/MWh.

"What we face overall in the coming years, as far as energy costs, is that they are going up dramatically," said County Judge Chad Adams when the matter was taken up during the Court's regular session. "I think that we as a county, in our budget process, can expect to pay more, but this will buffer us a little more from a volatile energy market."

The Court voted unanimously to enter into an interlocal agreement with P³, which will send out a request for quote covering a 36 month period beginning in January 2009. Ellis County's participation in the contracted price would begin upon the conclusion of the County's current contract for electrical service, in May 2009.

Commissioner Heath Sims, pct. 3, was appointed as the County's representative to P³.

Another long discussion centered around a presentation by Captain John Knight of the Ellis County Sheriff's Department regarding proposed upgrades to the radio system used for law enforcement, fire service and public works.

"In the last few months, we have been doing an in-depth study of our radio system, trying to identify the problems so we can see what to do to solve them," Knight said.

He explained that geographical formations in the County make line-of-sight radio coverage difficult at best and provided the Commissioners with several maps showing different configurations that might improve communications.

"I know we've got some problems, and we've had a lot of them brought out by the rural fire departments, but I think there's a bigger picture here," said Sims. "Before we spend any money, I believe we need to look at a central dispatch deal."

In its action, the Court voted to have Knight proceed with preparation of a request for proposals, indicating at the same time a consensus that Sims should join Commissioner Bill Dodson, pct. 2, in talks with other jurisdictions to gauge interest in interlocal cooperation on the issue.

In other business, the Court:

- Approved a lease extension with Marty Zmolik for the building in Ennis that is currently used by Community Supervision and Corrections, pending a discussion of price and availability;
- Granted a variance to subdivision rules and regulations regarding the fire hydrant regulation, to allow two 4.5 acre lots to be replatted into a single 9 acre lot with one existing dwelling;
- Took no action on two other proposed variances;
- Discussed potential changes to an ordinance that governs the depth for underground utility lines that are installed in the County's right-of-way along roadways;
- Awarded purchase of outdated law books to Cox-Smith Attorneys, Inc. for the sum of \$50, following an auction process.