

Mississippi Public Service Commission

NEWS RELEASE

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Cooperative Energy realizes millions in savings for members through MISO membership

Accelerates reliability, lower rates for members

HATTIESBURG, Miss. – Cooperative Energy’s 2012 decision to join MISO, a regional transmission organization (RTO), has yielded millions in savings for Members of the not-for-profit electric cooperative based on information provided by MISO and internal assessments. MISO efficiently regulates, controls, monitors, and manages the use of the bulk electric system, which allows member utilities to buy and sell power across each other’s interconnected grids.

At the request of the Mississippi Public Service Commission, Cooperative Energy’s staff recently conducted an analysis to quantify the benefits of MISO membership for its 11 Member electric distribution systems and the nearly one million Mississippians served by those systems.. During its first full three years of operation in MISO, savings by the cooperative are estimated to be \$140 million.

“It is great to see these savings for members and the positive economic impact low-cost, reliable power has in our state,” Southern District Public Service Commissioner Sam Britton said. “I look forward to seeing the benefits of this partnership and the value it provides continue into the future.”



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"I and my fellow Commissioners are always looking for ways to keep customers' power bills low," said Brandon Presley, Northern District commissioner and MPSC chairman. "MISO has given us access to cheaper power, which in turn lowers bills and puts more money back in the pockets of the people who drive Mississippi's economy."

"We congratulate Cooperative Energy on the success of their partnership with MISO," Central District Commissioner Cecil Brown said. "The savings in energy costs they have brought to their members is a welcome result of thoughtful planning and leadership."

The \$140 million savings is primarily attributed to the efficient use of generation resources in the MISO footprint allowing Cooperative Energy to purchase low-cost energy to meet load requirements while providing the ability to efficiently dispatch its generation resources helping lower overall costs to Members.

"The \$140 million savings is significant for our Members and validates our Board's decision to pursue MISO membership," said Jim Compton, Cooperative Energy president and CEO. "As a not-for-profit electric utility, these savings directly result in lower rates for our members. In addition to cost savings, membership in MISO has provided additional benefits such as better overall market transparency and improved transmission planning processes which will provide better transmission reliability over the long-term."

Independent studies commissioned by Cooperative Energy five years ago concluded that membership in MISO would prove beneficial for the wholesale electric provider. At that time, MISO President and CEO John Bear assured that a move to MISO would mean "greater reliability and lower costs for its (Cooperative Energy) Member systems" and their members.

"MISO is proud to help Cooperative Energy deliver affordable and reliable power to the people of Mississippi," said Kent Fonvielle, executive director for MISO South. "Our focus every day is on creating greater value for our member partners and ultimately savings for their customers by providing access to the lowest-cost and most reliable energy resources. We look forward to our continued partnership and increased benefits in the years ahead."

Cooperative Energy elected to join MISO after fellow utility, Entergy Mississippi (EMI), made the decision to transition into the RTO. A significant portion of Cooperative Energy's service territory is served by EMI's transmission system; so any changes to the EMI system impacts Cooperative Energy from both a reliability and economics perspective.

"Reliable and affordable electric service are the cornerstones of our business," said Compton. "Our Board's decisions to join MISO and to purchase the transmission switching assets on the EMI system are both



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directly enhancing our ability to better provide our Members with electricity their members can afford and depend on.”

MISO ensures reliable operation of, and equal access to high-voltage power lines in 15 states and the Canadian province of Manitoba. MISO manages one of the world’s largest energy markets, with \$25 billion in gross annual market charges. MISO was approved as the nation's first regional transmission organization in 2001. The non-profit 501(C)(4) organization is governed by an independent Board of Directors and is headquartered in Carmel, Ind. Membership is voluntary.

Cooperative Energy serves as the only not-for-profit wholesale electric power provider headquartered in Mississippi. In this role, Cooperative Energy generates and transmits electricity for 11 Member distribution systems located in the southern and western portions of the state. Cooperative Energy and its 11 Member cooperatives provide power to more than 423,000 homes and business across the state.

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