



Ed Williams Retiring

Ed Williams, a lifelong Delano area resident, has been an employee of the Delano Municipal Utilities going on 35 years. For the past 21 years he has been foreman of the crews.

Ed is married to Pat and together they have raised 5 children.

When Ed started at the utility, most of Delano's electric system was overhead, strings of wire crisscrossing intersections and running down alleys. There were 8 employees and 5 generators in the plant that could easily carry the whole town of approximately 1,950 people. Most of Delano's electric system has been put underground. Several newer generators have been installed totaling 8 generators that can carry a town twice the size of Delano currently.

The water system has gone thru several changes over the years, too. The 500,000 gallon stand-pipe water tower was built in 1969 on the hill behind the high school and since has been replaced with a new 1.5 million gallon water tower on the west side of town. A new water treatment plant was installed in 2006.

Ed was hired by Superintendent John Schultz. He spent most of his early days running engines. At that time the engines ran 16 hours a day. He quickly learned Delano's electric and water systems. Even as the system expanded Ed was able to remember where and how the services and main lines were placed.

Ed's knowledge and expertise will be greatly missed. We wish Ed the best in his retirement.

Please join us at the Delano American Legion on Tuesday, November 18th for a retirement dinner party honoring this long time Delano Municipal Utilities employee and Delano area resident. Social time starts at 5:30 p.m. with dinner at 6:30 p.m. Dinner tickets are \$15.00 per person. Money needs to be in the Utility office at 11 Bridge Avenue West by 11:00 a.m. on Friday, November 7, 2008.

DELANO MUNICIPAL UTILITIES ANNOUNCES NEW WHOLESALE POWER ARRANGEMENT

The Delano Municipal Utilities in cooperation with The Central Minnesota Municipal Power Agency (CMMPA) has completed discussions with one of its power suppliers, Northern States Power Company (NSP), and has been able to secure lower wholesale electric rates for its customers. The arrangement is projected to save Delano Municipal Utilities and other CMMPA's members \$12 million over the remainder of the current agreement. The new methodology in the arrangement will allow the utility to keep its historical flexibility to use their own diesel, hydro, wind and landfill gas generators to provide power to their respective customers, as well as buy power from the regional Midwest Independent Transmission System Operator, Inc. (Midwest ISO) energy market and participate in additional large-scale energy resource projects developed by CMMPA on its behalf.

“We are very pleased that NSP has been willing to work with us,” said Bob Schulte, CMMPA, Interim CEO. “We have a long history with NSP as our power supplier and have benefited from close coordination over the years. With the recent development of the new Midwest ISO energy market, the rules of power marketing have been turned upside-down. We are pleased that our power supplier was willing to work with us to develop rate methodologies that are more in-line with the changes that have happened in the electric utility industry.”

After the Midwest ISO energy market became operational in 2005, the DMU and other CMMPA members noticed dramatic changes in their electric rates from NSP. CMMPA initiated an extensive review of the factors that could cause such a shift in rates. For the past two years, CMMPA has worked with NSP to review the methodology that was then in-place, and to research new methodologies.

The CMMPA Members affected by this new arrangement are the cities of Delano, Glencoe, Granite Falls, Janesville, Kenyon, Mountain Lake and Windom. The wholesale electric rates for the portion of the power that those members purchase from NSP are projected to be reduced by 30% compared to levels that would otherwise occur.

This is one of many efforts that Delano Municipal Utilities, with the help of the CMMPA, have been putting forth to lower our wholesale electric rates. Other efforts include the Nebraska City II power plant, which is projected to be online of May of 2009, and the Big Stone II plant. Big Stone II has overcome several major obstacles in Minnesota with a few left to tackle. Both projects promise lower wholesale electric rates for DMU, which will result in additional savings to our customers. These efforts have started paying off. In six out of the past eight months our power cost adjustments have been negative, making the price per kilowatt paid by our customers lower than our basic rate. In addition, our overall blended electric rate comparison shows that DMU's rates have been lower than our neighboring coop electric rate for the past five months and lower than our neighboring investor owned electric company for two of the past three months. The Delano Municipal Utilities commission and staff thank you for your support, understanding and patience during these times of an unpredictable and sometimes volatile energy market. We will continue to aggressively work finding ways to further reduce our wholesale costs for energy.