

**BOARD OF EDUCATION
BEEVILLE INDEPENDENT SCHOOL DISTRICT**

Agenda Item No. _____

Date: August 15, 2006

Subject: Update on electricity cost
and savings

Submitted by: Erasmo Rodriguez

Related Pages: 3

Supt's Approval:

INFORMATION

BACKGROUND INFORMATION:

Beeville ISD is one of 123 school districts in Texas that has a locked price of \$.0495 per kilowatt-hour until May of 2007. In May of 2004 our district had the option of contracting electricity services for a period of 12, 24 or 36 months. Recognizing that since deregulation of electricity, our district has had pricing under \$.05. We opted to sign a 36 month contract at \$.0495. As mentioned above this price is guaranteed through May of 2007.

Attached you will find information from Energy for Schools on plans for future contracts and a savings analysis for electricity services between June of 2005 – May 2006.

ITEMS ADDRESSED:

Update on electricity cost and savings by participating in Service Center Region 4 Aggregation Group and Energy for Schools.

RECOMMENDED ACTION:

Information only

BUDGETARY INFORMATION:

No cost to budget, information only



July 13, 2006

Dr. John Hardwick, Jr.
Superintendent
Beeville Independent School District
2400 N. Saint Mary's St.
Beeville, Texas 78102-2494

Dear Dr. Hardwick, Jr.:

We hope that your summer is going well. Attached is an estimated savings analysis for your district for the period June 2005-May 2006. To estimate the savings we compared your Energy for Schools contract rate for that period to the market average for the same twelve-month period. The market average was calculated using a twelve-month contract term rate priced on the first day of each of the months. Our members with long-term contracts experienced significant savings since they had a fixed rate contract and didn't have to execute new contracts during that time period. As you can see from the line graph, the market was extremely volatile during that twelve month period, and, in the late fall of 2005, exceeded \$0.11 cents per kilowatt-hour. We hope this information is helpful. It demonstrates well what our aggregation group has been able to accomplish through volume purchasing and long-term contracts.

We have seen some improvement in the current market and forward prices also continue to improve. We plan to open Pool 10 in September of this year and will have the documents to you by August 1st. Pool 10 will be for May 2007 forward electricity contracts and all of our 141 school districts are now aligned with that date. The new contract will be served under our agreement with the Texas General Land Office, which will provide the significant discounts outlined in the information we sent you earlier. As in the past we will provide you with multiple term and pricing options.

Please contact me at 713-996-7750 or fdelaro@energyforschools.org if you have questions.

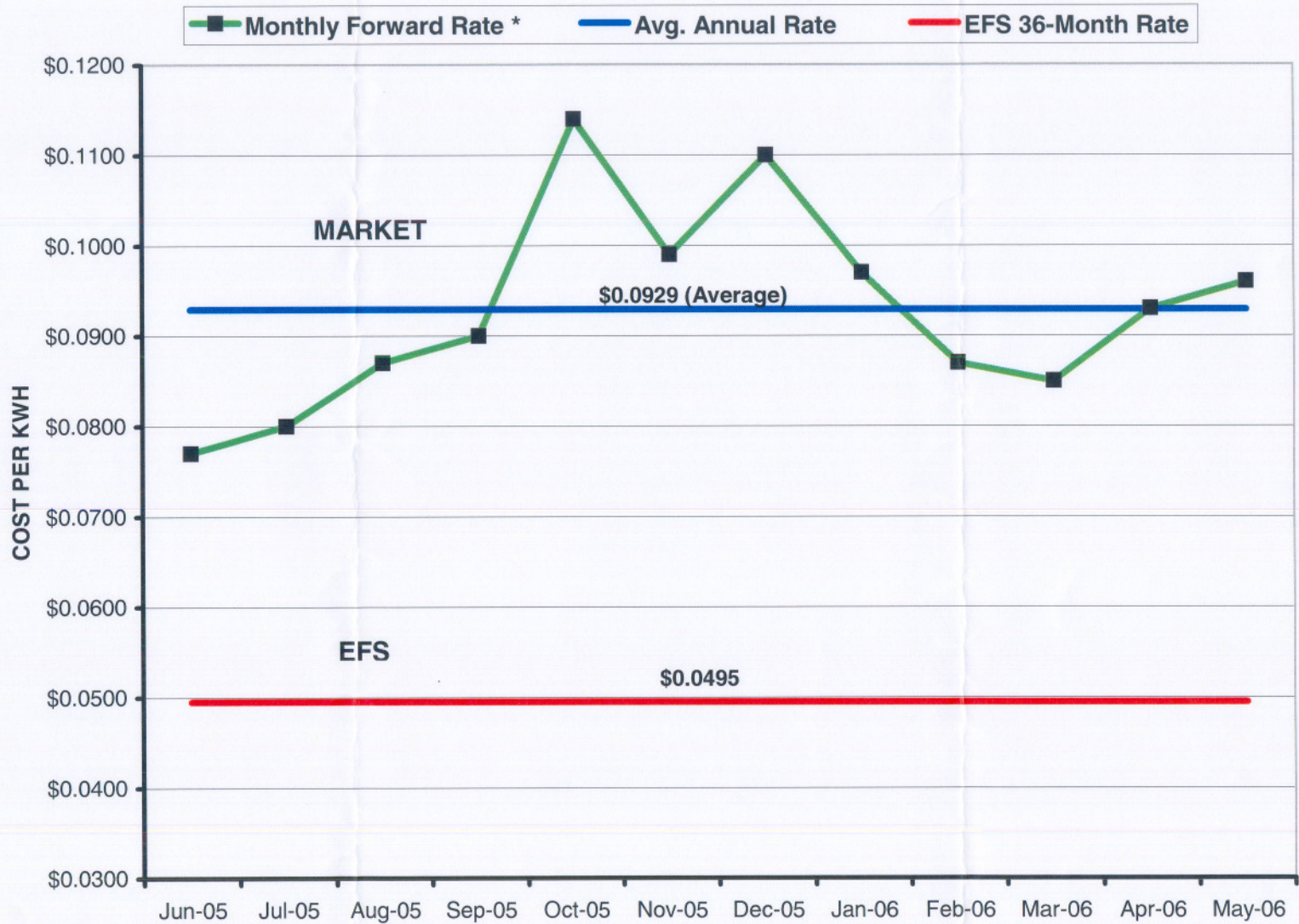
Sincerely,

Frank DeLaro
Energy for Schools

Attachments

EFS ELECTRICITY RATES COMPARED TO MARKET RATES

June 2005 - May 2006



* The Monthly Forward Rate is the 12-month contract term rate priced on the first day of each month.