

For Immediate Release

June 29, 2007

**ACES POWER TO REVIEW AUSTIN ENERGY'S RISK MANAGEMENT PROCEDURES  
Two Projects Include Assessment of Texas Nodal Market Hedging Strategies**

Carmel, Indiana

ACES Power Marketing (APM) – a nationally recognized wholesale energy risk management and transaction execution service company – has signed two agreements with Austin Energy. Under the first agreement, APM will provide an analysis of how Austin Energy's energy risk management practices will be impacted as ERCOT transitions to a locational marginal pricing (LMP) market in the 2008 timeframe. Under the second agreement, APM will conduct an independent review of the overall effectiveness and structure of Austin Energy's Energy Risk Management Program.

"We've helped several of our Owners and Customers transition successfully from a traditional market structure to an LMP market and we are looking forward to utilizing our experience to help Austin Energy," said Jennifer Perrenot, APM Director of Business Development. "Also, we have broad expertise in developing and reviewing risk management policies for entities like Austin Energy that are focused on hedging energy risk and do not speculate in the market."

ACES Power Marketing, headquartered in Carmel, Indiana, began its operations in February of 1999 and is owned by fifteen power supply cooperatives across the U.S. It also provides services to over 30 customers including cooperatives, municipals, irrigation and public water agencies, financial institutions and independent power producers.

APM's business strategy is unique in the energy marketing and trading industry. It operates as an energy risk management and hedge manager, developing strategies, implementing trading controls, and managing transaction execution for multiple entities as their legal agent. APM's business process allows its customers to actively participate in the hedging strategy by collectively utilizing APM's infrastructure and resources to assess risks and execute specific, customized portfolio strategies. APM does not transact for its own account, nor does it speculate in the market for its owners or customers.

Austin Energy is the nation's 10th largest community-owned electric utility, serving 360,000 customers and a population of more than 800,000. Austin Energy provides service within the City of Austin, Travis County and a small portion of Williamson County. As a publicly owned power company and a city department, Austin Energy returns profits to the community annually to help fund City services such as fire, police, EMS, parks and libraries. The utility has provided \$1.3 billion in profits to the community since 1976.

Austin Energy's diverse 2600-megawatt (MW) generation mix includes nuclear, coal, natural gas and renewable energy sources. Austin Energy created and runs the top performing renewable energy program in the nation, owns the nation's first and largest green building program and is home to one of the nation's most comprehensive residential and commercial energy efficiency programs.

Questions for ACES Power Marketing can be directed to John Sturm, Vice President of Corporate Development, at 317-344-7034 or [johnst@acespower.com](mailto:johnst@acespower.com).

Questions for Austin Energy can be directed to Ed Clark, Public Information at 512-322-6514 or [ed.clark@austinenergy.com](mailto:ed.clark@austinenergy.com).

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