

For Immediate Release

May 14, 2007

**ACES POWER MARKETING EXPANDS PRESENCE IN CALIFORNIA  
Signs Deals with City of Pasadena and Southern California Public Power Authority**

Carmel, Indiana

ACES Power Marketing (APM) – a nationally recognized wholesale energy risk management and transaction execution service company – has signed an agreement with Pasadena Water & Power (Pasadena) and the Southern California Public Power Authority (SCPPA), to provide a suite of energy portfolio management services to Pasadena and potentially other SCPPA members in the future.

“APM offers a broad range of energy portfolio risk management services, experience in the CAISO markets and a successful track record with other clients,” said Phyllis Currie, General Manager of Pasadena Water & Power. “With this agreement we expect to achieve the best of both worlds – significantly improving our energy risk management capabilities, while minimizing the cost impacts of California’s changing market place.”

This innovative deal creates an opportunity for all SCPPA members to easily contract with APM for customized risk management and transaction execution services. Through the SCPPA agreement, Pasadena will be utilizing many of APM’s services, including portfolio management and hedging strategies, transaction execution and scheduling, generation bidding, origination, trading controls and settlements.

“The variety of services offered by APM, the expertise of the company, and the complete flexibility for each SCPPA member to choose only the services they need make this transaction something we are very pleased to announce,” said SCPPA Executive Director Bill Carnahan.

“We appreciate the opportunity to provide services to Pasadena and potentially other SCPPA members,” said APM President and CEO David Tudor. “This type of arrangement is consistent with APM’s overall long-term growth strategy. We want our owners and customers to benefit from the economies of scale we achieve, but we also want our growth to occur in a well-designed, efficient and controlled fashion. These agreements highlight APM’s flexible approach to growing its business.”

ACES Power Marketing, headquartered in Carmel, Indiana, began its operations in February of 1999 and is owned by fifteen power supply cooperatives. 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.

The City of Pasadena, a world-class model of a successful urban community, led by Mayor Bill Bogaard and City Manager Cynthia Kurtz, is located ten miles northeast of downtown Los Angeles and has a population of about 147,000. Major attractions include the Rose Bowl and the annual Tournament of Roses parade, NASA's Jet Propulsion Laboratory and the California Institute of Technology. Pasadena Water & Power celebrated 100 years of service to the City of Pasadena in 2006.

The Southern California Public Power Authority is a joint power authority consisting of ten municipal utilities and one irrigation district. SCPPA members deliver electricity to approximately 2 million customers over an area of 7,000 square miles, with a total population of 4.8 million. The Members include the municipal utilities of the cities of Anaheim, Azusa, Banning, Burbank, Cerritos, Colton, Glendale, Los Angeles, Pasadena, Riverside, Vernon, and the Imperial Irrigation District. SCPPA was formed in 1980 to finance the acquisition of generation and transmission resources for its members. Currently, SCPPA has three generation projects and three transmission projects, bringing power from Arizona, New Mexico, Utah, and Nevada. SCPPA's role has evolved over the years to include legislative advocacy at the state and national levels, and cooperative efforts to reduce member costs and improve efficiency.

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 Pasadena Water and Power can be directed to Eric Klinkner, Assistant General Manager, at 626-744-4478 or [eklinkner@cityofpasadena.net](mailto:eklinkner@cityofpasadena.net).

Questions for SCPPA can be directed to Bill Carnahan, Executive Director, at 626-793-9364 or [bcarnahan@scppa.org](mailto:bcarnahan@scppa.org).

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