



For Immediate Release

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**ACES POWER MARKETING AND WESTERN FUELS ASSOCIATION FORM ALLIANCE
Kansas Co-op will Test Suite of Fuel Procurement and Risk Management Services**

Carmel, Indiana

ACES Power Marketing (APM), a nationally recognized wholesale energy risk management and transaction execution service company, and Western Fuels Association (Western Fuels), a national fuel supply cooperative, have formed an Alliance to offer a suite of fuel procurement and risk management services on a test case basis. The Alliance is designed to offer new services to all members and customers of both organizations. The test case will utilize Sunflower Electric Power Cooperative in Hays, Kansas, currently a member of both APM and Western Fuels.

“Western Fuels and APM are a good fit because we are both part of the cooperative program,” said Duane Richards, CEO of Western Fuels. “Using a test case is a good way for us to review and fine-tune the service offerings, before we offer them broadly.”

The purpose of the Alliance is for APM and Western Fuels to jointly develop and market a suite of services including contracting for physical fuel supply, hedging fuel price risk utilizing financial products (where applicable), developing power supply strategies and offering other risk management services. Some of the specific services which will be part of the test case include: enhancing APM’s portfolio software model to capture all fuel impacts and risks; issuing and evaluating RFP’s for fuel supply; negotiating fuel supply and railroad transportation contracts; recommending and executing financial hedges for fuel supply and transportation costs; developing a comprehensive power supply strategy; and evaluating transaction capture systems.

“Given the types of energy portfolios that most of our owners and customers have, an Alliance with an organization like Western Fuels, with broad expertise in physical fuel procurement and transportation, will enhance APM’s existing capabilities,” said David Tudor, President and CEO of APM. “APM believes this alliance will prove to be significant as our members and customers work to develop additional energy assets.”

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.

Western Fuels is a not-for profit cooperative that supplies coal and coal transportation services to consumer-owned electric utilities throughout the Great Plains, Rocky Mountain and Southwest regions. Serving a wide variety of public power entities ranging from rural electric generation and transmission cooperatives to municipal utilities, Western Fuels offers its members diverse and extensive expertise in coal mining, coal procurement and transportation management.

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