

# Restructuring Today



1-800-486-8201

Tuesday April 24 2007

## Aggregation strategy targets small Texas towns for savings

Reproduced from the April 24 issue of Restructuring Today with the permission of the publisher, GHI LLC (+1-202-298-8201, [www.restructuringtoday.com](http://www.restructuringtoday.com)).

LEGACY Energy Management Solutions announced the aggregation of 65 municipal utility districts (MUDs) in Texas, saving the small customers about \$2 million a year.

MUDs are development vehicles -- created then absorbed by a municipality.

"We're helping the development vehicles that are down here in Texas to manage their costs for their tax payers," LEGACY CEO John Elders told us.

Most of the customers in the deal use

less than 1 mw, so by joining forces they get access to much cheaper ways of buying power, Elders said.

"We were able to put them in a floating-gas contract so we could manage the gas risk.

"We're managing the large group of small users as if it were a very large user."

The number of small utility districts makes this deal unique.

Similar deals generally go after larger customers LEGACY is offering the

MUDs access to its PowerViews software that gives them a web-based reporting system for finding out their historical consumption, demand and expenditures.

The MUDs' energy is "professionally managed" including constant feedback on consumption, said Elders.

The Texas market is set up in a way that lets customers to aggregate easily but the lack of public knowledge on the cost-cutting strategy was a barrier, Elders said.