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PRESS RELEASE

Lodi Electric Utility Announces Electricity Purchases

LODI (July 13, 2007) -- An electricity purchase Thursday by the Lodi Electric Utility will result in \$440,000 in savings for ratepayers.

The utility purchased 39,500 megawatt-hours of electricity to cover some its needs from November through March at an average cost of \$69.99 per MWH, well under the average price of \$81.29 forecasted in Lodi Electric's budget. The utility now has commitments from energy suppliers for 92.5 percent of the city's power requirements for the 2007-2008 fiscal year that began July 1.

With the recently established Energy Cost Adjustment, the Lodi Electric Utility passes on power supply costs and savings to ratepayers as they occur. The 39,500 MWH will cost \$2.77 million instead of \$3.21 million.

"The power purchases made Thursday will have a positive impact on electricity rates in Lodi during this winter," Lodi Electric Utility Director George Morrow said. "The transactions will result in an average savings of \$8 per residential customer."

The November and December power delivery contracts are with Powerex Corporation, and the January-through-March deliveries with Cargill Power Markets, LLC. Both entities are well-established power marketers that have previously sold electricity to the Northern California Power Agency, a consortium of municipal utilities. NCPA assisted Lodi Electric in the purchases by obtaining price quotes from six bidders.

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