



Massachusetts Municipal Wholesale Electric Company

NEWS RELEASE

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MMWEC signs with trading partner to launch Energy Price Risk Management Program

LUDLOW, Mass. – February 13, 2007 – As part of its effort to address energy price risks for municipal utilities, the Massachusetts Municipal Wholesale Electric Company (MMWEC) has entered into an agreement with The Energy Authority (TEA), a public power energy trading and risk management organization.

MMWEC is in the process of implementing an Energy Price Risk Management Program that offers municipal utilities an organized, disciplined and objective approach to managing the financial risks that come with energy and fuel price uncertainty. The program's price risk management plans, tailored to reflect the risk tolerance levels of individual municipal utilities, will involve the use of futures, swaps, insurance and other financial and physical hedging tools to manage fuel and energy price risk.

Under the agreement, TEA will serve as MMWEC's trading partner and provide support for MMWEC's financial hedging transactions. TEA was founded in 1997 in response to changes in the electric utility marketplace and today provides a wide range of energy trading, risk management and other services to 39 public power utilities throughout the United States.

"MMWEC's Energy Price Risk Management Program will bring greater stability and more consistently competitive prices to the municipal utility power supply," said MMWEC General Manager Glenn O. Steiger. "TEA will be providing valuable support and assistance as MMWEC gets this program up and running," Steiger said. "Over time, we will be able to provide the full range of program services with MMWEC staff resources."

Development of the Energy Price Risk Management Program has required the coordinated efforts of MMWEC's Supply and Trading Division, the Financial and Risk Management Services Division and the Information Systems Department. The Risk Oversight Committee of MMWEC's Board of Directors has monitored development and approved various components of the program, which is scheduled for implementation in March 2007.

MMWEC is a non-profit, public corporation and political subdivision of the Commonwealth of Massachusetts that provides a variety of power supply, financial and other services to the state's consumer-owned, municipal utilities.