

**Martha Salazar**


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**From:** Martha Salazar [martha.salazar@co.hidalgo.tx.us]  
**Sent:** Monday, August 16, 2010 11:56 AM  
**To:** 'valde.guerra@co.hidalgo.tx.us'; 'raul.silguero@co.hidalgo.tx.us'  
**Cc:** 'darlene.betancourt@co.hidalgo.tx.us'; 'oscarg.garza@co.hidalgo.tx.us'  
**Subject:** FW: Hidalgo County Indicative Blend and Extend Price  
**Importance:** High  
**Attachments:** Authorized representative letter.pdf

Messrs. Guerra & Silguero:

I received a call this morning from Ruben de los Santos-Reliant Energy. He advises me that if we want to start enjoying reduced energy bills on the September meter readings, we need to approve this option I sent you. Please advise so as to place on CC agenda of 8-24-10.

Marty

PS We need to save now.

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**From:** Martha Salazar [mailto:martha.salazar@co.hidalgo.tx.us]  
**Sent:** Wednesday, August 11, 2010 1:11 PM  
**To:** 'valde.guerra@co.hidalgo.tx.us'; 'raul.silguero@co.hidalgo.tx.us'  
**Cc:** 'Darlene Betancourt'  
**Subject:** FW: Hidalgo County Indicative Blend and Extend Price  
**Importance:** High

Messrs. Guerra & Silguero:

In an attempt to assist in this very critical budgetary crisis, I have asked our current energy provider to propose to amend and extend our current agreement with new pricing that appears to net us nearly a \$.01 decrease. In addition with the market continuing to fall, Mr. de los Santos advises that if pricing is better in 12 months, we would be able to amend again and secure lower pricing. Let me know what you think so as to place on CC agenda.

Marty

PS Our current agreement will expire 5-31-13 (originally a 60 month contract).

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**From:** De Los Santos, Ruben [mailto:RDelossantos@reliant.com]  
**Sent:** Wednesday, August 11, 2010 12:10 PM  
**To:** martha.salazar@co.hidalgo.tx.us  
**Subject:** Hidalgo County Indicative Blend and Extend Price

Dear Mrs. Salazar,

Below is a current indicative Blend and Extend electricity price for the Hidalgo County. This price is based upon a blending of current price and term with a future price and term, thereby lowering price with meter reads that occur beginning September 1, 2010. These are bundled energy prices similar to the current Hidalgo County current agreement.

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**Current Electricity price: 12.634 per kWh**

**Indicative Blend and Extend prices beginning with meter reads on or after September 1, 2010:**

8/19/2010

**30 month: 11.678 – expiration 12-31-15**

**Approximate savings through the end of existing term: \$479,257.**

**Approximate Annual savings: \$178,049.**

The reason for the ability to blend and extend is fairly simple, current future prices are lower than the Hidalgo County current price, which allows for this blend and extend opportunity to exist.

**Pro Blend and Extend:**

- Avoidance of potential increases in the market due to Hurricane disruption in the producing zone -- if you recall we saw this happen in 2004 due to Hurricane Ivan and in 2005 due to Hurricane Katrina 2008.
- Economic Rebound – part of the current high storage levels are due to our slow economy, however, if/when economy does rebound, there is a good chance that commodity price will increase.

**Con Blend and Extend:**

- Market drops and a lower price is available in the near future prior to current contract expiration

Please let me know if you would like to see a blend and extend amendment. **In order for the price change to be effective by the month of September the amendment would have to be executed before the end of August.**

**Advantages of contracting with the GLO:**

1. No GRT/PUCT fees – The GLO does not collect Gross Receipt Tax and PUCT fees. This is a 2.167% of the combined energy and TDSP charges for all accounts in incorporated areas.
2. Unlimited bandwidth (or swing)
3. No per account fees – The GLO/Reliant does not assess a per account fee. Many providers will assess a per account fee which ends up becoming a substantial cost.
4. No Aggregation / Consultation fee
5. Easy to Add / Delete Accounts.
6. HB 3693 – GLO/Reliant provides assistance with reporting requirements per HB 3693.
7. GLO Revenues go to available school fund – all GLO revenues are deposited in the Permanent School Fund, which are distributed to school districts throughout the state

TEXAS



GENERAL LAND OFFICE

JERRY PATTERSON, COMMISSIONER

July 9, 2010

**RE: Authorized Representative of the Texas General Land Office**

Dear Customer:

In an effort to provide you with excellent service and competitive prices, the Texas General Land Office ("GLO") is pleased to confirm that GLO currently has two authorized representatives to market the State Energy Marketing Program ("SEMP"), Reliant Energy and Cavallo Energy Texas.

Should you have any questions regarding the SEMP, we also invite you to contact the GLO directly. Please feel free to contract me at [bryce.bales@glo.state.tx.us](mailto:bryce.bales@glo.state.tx.us) or at the phone number listed below.

Sincerely,

Bryce C. Bales, CPA  
Director, Energy Marketing  
Texas General Land Office  
512.463.4033

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