

Cargill Creates Value:

Manufacturer's Largest Energy Expense Reduced by More Than 6%

Expanding Relationships, Reducing Costs

Pleased with Cargill Energy and Risk Management Solutions' success in managing their natural gas load, a major Southwestern home supply manufacturer turned to CERMS for our expertise in controlling electricity costs.

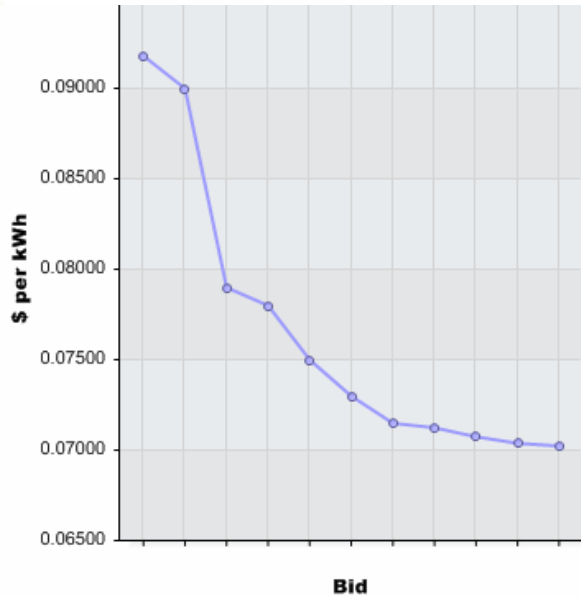
Minimizing Price Exposure in an Upward-Trending Market

With electricity supplying the bulk of the customer's manufacturing power in multiple states, a power contract due to expire, and electricity prices trending upward, CERMS identified a significant opportunity to minimize price exposure. Leveraging our multi-state energy-procurement experience, we recommended holding an online reverse auction to identify the most appropriate and cost-effective supplier for their energy needs.

Making Competition Work to Our Customer's Advantage

The CERMS team gathered interval load data and conducted detailed statistical benchmark analysis to determine the customer's optimal pricing based on load profile, available product alternatives, and load-aggregating opportunities.

We advised our customer on potential suppliers, developed clearly defined RFPs and conducted an online reverse auction to secure the best price through competitive bids. Only creditworthy suppliers, who agreed to Cargill's recommended terms and conditions, were approved by the customer and invited to the auction. By the close of the auction, we were able to negotiate a 12-month contract for a final price that



Over a two-hour auction, 11 competitive bids allowed CERMS to secure a final price that was 23.53% lower than the opening bid.

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Adding Value Through Industry Knowledge & Expertise

Unlike some auction platforms, Cargill Energy and Risk Management Solutions focuses our efforts exclusively on energy markets. That expertise translates into deeper industry knowledge, more accurate benchmarking, better negotiating leverage and more informed regulatory insight. Whether you operate in a regulated or deregulated market, we can give you every possible advantage.

Contact Eric Hoegger, Cargill Energy and Risk Management SolutionsSM, at 952-984-4025 or Eric_Hoegger@cargill.com.

Collaborate.
Cargill worked with a current customer to find new opportunities to reduce costs.

Create.
Our expertise in the energy market – and across states – provided a competitive edge.

Succeed.
Customer's electricity costs were reduced by \$150,000, or 6.3%, over a 12-month term.

CARGILL ENERGY AND RISK MANAGEMENT SOLUTIONSSM

While CERMS has seen similar results on other auctions, past performance is not necessarily indicative of future results.

