



MP, Great River form supply alliance

Great River Energy of Elk River, Minn. and Minnesota Power, Inc. have announced that they intend to combine power supply assets and customer loads for power pool operations. MPEX, a division of Minnesota Power, will provide power trading, least-cost supply and risk management services for the combined operations. Ownership of existing assets and customer supply arrangements will not change.

Jim Van Epps, Great River Energy CEO, and Robert D. Edwards, president of MP Electric, call the alliance a natural strategic fit. "For several months, our two organizations have been discussing the possibility of forming a closer relationship to strengthen our competitive positions," the executives said.

Part of the impetus behind the alliance is the still evolving, volatile wholesale marketplace within the Mid-Continent Area Power Pool (MAPP). The companies believe that by seeking a mutually beneficial optimization of generating assets and creating a larger resource base, they can mitigate risk in the marketplace and create opportunities for both companies. This, in turn, will enhance their competitive positions and help deliver better value to customers.

"This is a great example of two innovative suppliers joining forces to locate the optimal combination of price and contract terms for their customers," said Mike Critchley, president of MPEX.

The companies plan to complete formation of the alliance by the summer of 2000.

Headquartered in Elk River, Minnesota, Great River Energy is a consumer-owned generation and transmission cooperative and Minnesota's second largest utility in terms of generating capacity. Great River Energy provides low-cost electrical energy and related services to its 29 member distribution cooperatives in Minnesota and Wisconsin.

Minnesota Power is a diversified services company with headquarters in Duluth, Minnesota. Minnesota Power holdings include a low-cost electric utility that serves some of the largest industrial loads in the United States; the second largest wholesale automobile auction network in North America; the leading provider of independent auto dealer inventory financing; the largest investor-owned water utilities in Florida and North Carolina and significant real estate holdings in Florida.