

IMGA **gas NEWS**

Interstate Municipal Gas Agency

March / April, 2008

Issue 38

2008 ANNUAL MEETING APPROACHES QUICKLY

Have you registered for the 2008 IMGA Annual Meeting yet? If not, contact IMGA by phone at 217-438-IMGA, by email at choward@imga.org, or by fax at 217-438-6100.

The 2008 Annual Meeting will be held on Wednesday, April 30th at the Northfield Inn and Suites in Springfield, IL. IMGA has reserved a block of rooms at a discounted rate of \$69 a night. Be sure to reserve your room today by calling the hotel directly at 866-577-7900.

We invite you to come and enjoy a hearty breakfast buffet, compliments of BP Canada, which will be followed by our business meeting. The morning session will feature Lance Etcheverry of JP Morgan Securities discussing the market forces that have lead us this past year into the disorderly conditions we now face in the prepay bond market. This year's luncheon will be a delicious prime rib buffet brought to us by Panhandle Eastern Pipeline. The afternoon will offer a choice of two sessions. The first will focus on operator qualifications and will be presented by Gerry Lee of APGA Security and Integrity Foundation with Darin Burk of the ICC as our guest. The second will feature Marty Melchi of BP Canada discussing the technical aspects of natural gas pricing. Representatives from Tennergy and Panhandle Eastern Pipeline will also be in attendance. The event is free for all IMGA members.

CORN BELT ENERGY CORPORATION RETURNS AS NATURAL GAS PURCHASER

IMGA is pleased to announce that Corn Belt Energy Corp has signed a one year contract and will begin purchasing gas on May 1, 2008.

Corn Belt Energy Corp, with main offices located in Downs Crossing, serves both residential and commercial customers in Northern and Central IL, providing both electrical and natural gas services. Established in 1938, Corn Belt Electric Cooperative's main objective was to provide electrical services to farmers in the McLean County area. In 1999, Corn Belt Electric Cooperative merged with Illinois Valley Electric Cooperative out of Princeton to form Corn Belt Energy Corp. Since their merger, Corn Belt Energy has grown to provide energy to more than 30,000 customers in 18 counties in IL.

Corn Belt Energy Corp previously purchased natural gas from IMGA during the 2002 to 2006 period. We welcome them back to the Agency!

MUNI-BONDS HAVE NOT BEEN THIS LOW SINCE THE LATE 1800s

Municipal bonds have not been as cheap as they are today since the 1860s and 1870s. Back then the causes were Civil War difficulties and railroad excesses. Per an analyst from J.P. Morgan Securities Inc., today the cause is due to technical factors and liquidity drought in the debt market. The following is an excerpt from "US Fixed Income Markets Weekly" provided by J.P. Morgan Securities Inc.:

The municipal market had indeed been a very quiet area until February, when a massive failure of the ARS market brought it to the center of the financial entropy. The resulting eye-poppingly high ratios, TOB unwinding, and large involvement of nontraditional investors are only some of the consequences. More structural changes are to be expected, which may take years to come.

On the issuers' side, the near- to intermediate-term effort will be concentrated on restructuring of ARSs and some VRDOs as the high-single-digit yields continue to bite into their financial positions. At the same time, as housing prices continue to move lower and the economy slips into a recession, budget conditions in the state and local governments are expected to deteriorate, which should be more visible later this year. The role of bond insurers should continue to wane, especially as rating agencies are mulling over the plan to assign global credit ratings to municipal bonds. As liquidity cost increases and ratios stay high for a prolonged period of time, issuers may increasingly lean toward fixed coupon bonds.

IMGA Member Communities

Aledo, Illinois
Auburn, Illinois
Bethany, Illinois
Chester, Illinois
Cobden, Illinois
Corning, Iowa
Creal Springs, Illinois
Divernon, Illinois
Enfield, Illinois
Findlay, Illinois
Franklin, Illinois
Grayville, Illinois
Karnak, Illinois
Livermore, Kentucky
Louisville, Illinois
Milford, Illinois
New Boston, Illinois
Perryville, Missouri
Pinckneyville, Illinois
Pittsfield, Illinois
Pleasant Hill, Illinois
Riverton, Illinois
Rossville, Illinois
Tamms, Illinois
Thebes, Illinois
Waverly, Illinois
Westville, Illinois
White Hall, Illinois
Winchester, Illinois

IMGA Eligible Utility

Corn Belt Energy Corporation

IMGA WELCOMES NEW STAFF MEMBER



On March 4th, Jeanna Martin began as the new Operations Analyst at IMGA. Jeanna's duties include assisting with procurement of gas supply and administration of the risk management program, managing and balancing interstate pipeline gas flow, and overseeing the daily financial activity of the Agency.

Jeanna has a degree in Accounting from Western Illinois University and graduated with Honors. She has worked in the accounting field for five years. Jeanna resides in Springfield with her husband, their dog Noah and cat Nigel. Jeanna enjoys playing volleyball and softball and watching American Idol and Lost.

When you see Jeanna's cheery face at the annual meeting, please make sure to introduce yourself.

DIVERNON GAS OPERATOR POSITION

The Village of Divernon is accepting resumes for a Gas Operator within the Public Works Department. Candidates must possess knowledge of federal Pipeline Safety Regulations and have a minimum of two years experience in a municipal gas operation. The person in this position will be responsible for servicing all lines, installing and servicing meters and regulators, meter reading, conducting all required tests and surveys, making all inspections, keeping all required records, attending required training, meetings and preparing all required reports. Position will report to the Public Works Superintendent. Minimum starting salary \$35,000.00. Benefits include health insurance, IMRF retirement, vacation, sick and personal days. Send resume to Village of Divernon, Gas Manager Position, 50 E. Brown St., Divernon, IL 62530. Applications will be sent after resume is received.

Interstate Municipal Gas Agency
1310 West Jefferson
Auburn, IL 62615