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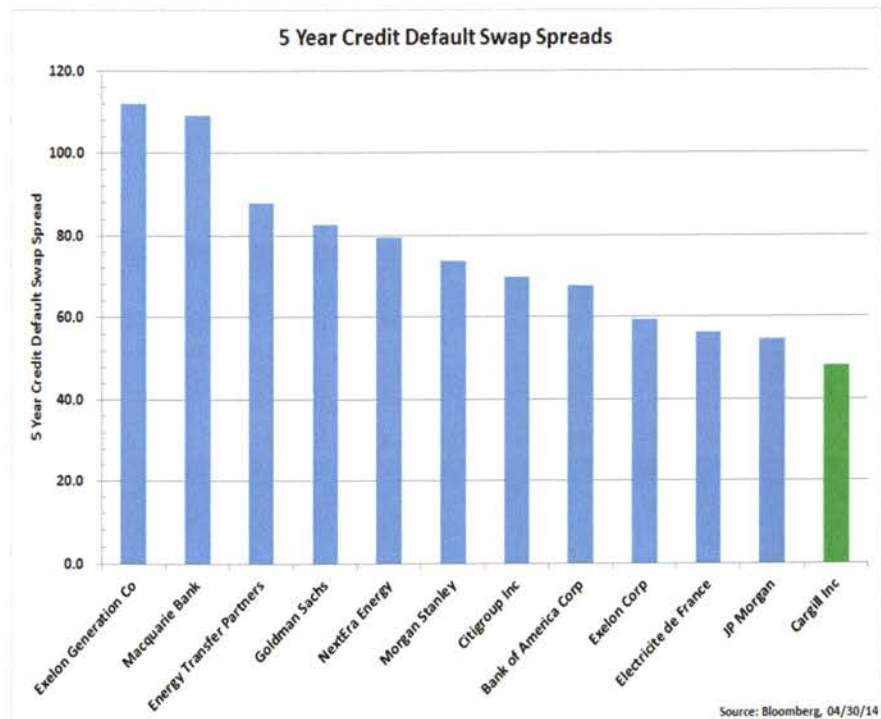
Thank you for the opportunity to work with the City of Socorro to secure wholesale electric supply. Cargill is confident that we can provide unmatched value in this effort due to our extensive physical energy commodity experience, integrated approach to the physical energy supply chain, and investment grade balance sheet. We look forward to working together and developing a successful working partnership. Before discussing the details of our offer, I would first like to provide some general information on Cargill and its capabilities.

Introduction to Cargill

Cargill is an A rated (Moody's "A2", S&P "A", Fitch "A") company that has been in business since 1865 and employs 153,000 people in 67 countries.

As reflected in the credit default swap market (see chart), Cargill's credit strength exceeds our rating - we trade better than many higher rated entities.

For fiscal year ending May 31, 2015, Cargill reported revenues of \$120.4 billion and net income of \$1.58 billion.



Section 1 – Corporate Information

Cargill, Inc.

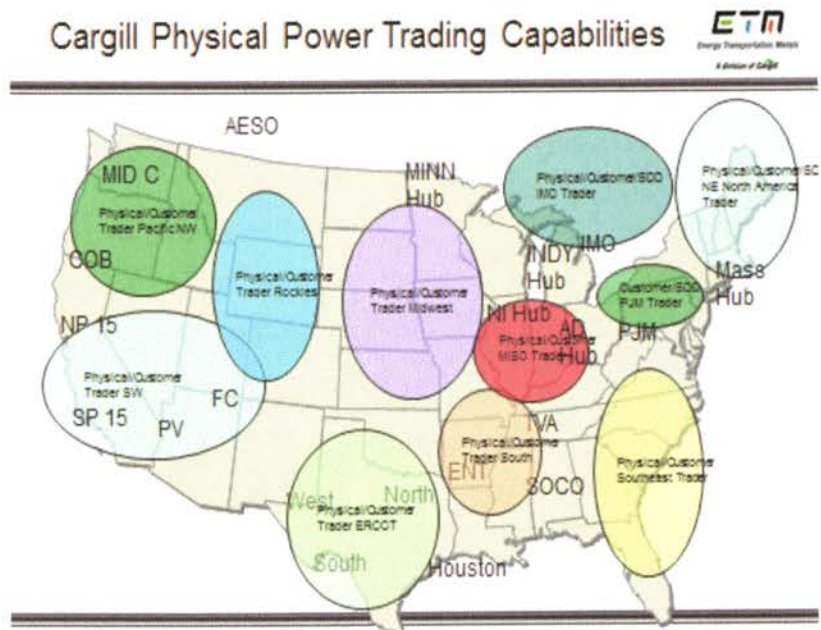
Cargill is an international producer and marketer of food, agricultural, financial and industrial products and services and is one of the world's largest privately held companies. Cargill has ~153,000 employees and has been in business for 150 years.

Cargill is composed of 69 business units (organized into 6 platforms) focused on four global themes – (1) Agriculture & Animal Nutrition, (2) Food, (3) Financial Services, and (4) Energy, Transportation, and Metals (“ETM”). All activities related to this energy management opportunity would be executed by ETM. ETM employs approximately 1,100 employees with commercial management hubs in Calgary, Houston, Minneapolis, Geneva, and Singapore. ETM has a broad capability set in energy that encompasses power, natural gas, crude, products, natural gas liquids, and petrochemicals. Our approach to commodities trading is rooted in a deep understanding of the physical markets and supply chains and this approach is evident in the evolution of our power and natural gas trading businesses. Because of our global reach and ability to package physical commodity with risk management solutions, Cargill is able to offer innovative solutions without jeopardizing a secure physical supply. Our aspiration at ETM is to be the premier customer focused trading business in the markets we serve. We believe this focus on the customer is a hallmark of Cargill and differentiates us from our competitors.

Cargill Power Markets, LLC

Power Marketing Capabilities

Our power marketing and trading team consists of 24 professionals (with, on average, 12 years of direct power market experience). This includes an 8 person hourly/scheduling desk, a 10 person physical trading desk, a 3 person term trading team, and a 3 person marketing team. We are enabled with approximately 400 market participants, are members of every ISO (AESO, CAISO, ERCOT, ISONE, MISO, NYISO, PJM and SPP), and



transact in every NERC region in the U.S. Cargill transacted 49 million MWH of physical power in 2014. Cargill executes physical power business through Cargill Power Markets, LLC ("CPM", a Wisconsin limited liability corporation) and credit support is provided by Cargill, Inc. Cargill has been active in the North American power markets since 1997. Our approach has been/is to intimately understand the physical markets and physical flows and utilize that knowledge for the benefit of our customers. Historically, CPM has had one of the largest portfolios of firm transmission in the U.S. As such, we developed a very broad customer base and utilized our physical capabilities to generate significant value for both Cargill and our customers. Cargill has been active in power markets for the last 19 years.

Section 2 – Sales

Overview of Team Capabilities and Expertise

CPM has a dedicated team of professionals with significant experience and expertise managing this portfolio to ensure a seamless transition for the City of Socorro. The key Cargill personnel are highlighted below.

Power Trading Team:

- *Mitch Edwards, CPM West Desk Head*
 - 13 years combined power and gas trading experience at Cargill, 15 years in the energy industry.
 - Vast knowledge of WECC heat-rates and fundamental trading.
 - Primarily focused on physical/financial power in WECC
 - Manages transmission portfolio and physical spreads out 5 years.

- *Bryan Keir, CPM West Desk Trader*
 - 13 years of power trading experience at Cargill, 15 years in the energy industry.
 - Solid understanding of CAISO market fundamentals and drivers.
 - Vast knowledge of Rockies and Southwest power grid.
 - Long term relationships (greater than 10+ years) with majority of wholesale entities in WECC.

- *John Ivey, CPM Director West Energy Marketing & Origination*
 - 18 years of industry energy marketing and trading experience; 11 years at Cargill.
 - Extensive customer network across the US and Canada – particularly strong in west power and gas.
 - Experience in various facets of the industry: trading, marketing, risk management, origination.

➤ *24 Hours desk staffed by a team of 8 employees*

All three of individuals have vast experience in the Southwest and Rockies. We trade on a daily and term basis with all major participants at all major locations within the Southwest. We are very active in physical markets and have transacted at PV, Four Corners, San Juan, Westwing, Mead, Mona, McCulloch, Pinnacle Peak, Ault, Midway, Dave Johnson, Craig and others. We also have experience transacting across the DC ties including Sidney, Lamar, Eddy and Blackwater. Our business was primarily built around flowing physical power to meet customer needs.

Below are some specific examples of our energy experience that may be relevant when evaluating our ability to meet your needs:

- CPM performs all wholesale power trading activities in US on behalf of Alcoa. This entails:
 - Northwest - CPM buys energy for Intalco and Wenatchee smelters in Washington. Typically 320 MWs RTC for Intalco and a mix of buys and sales from Wenatchee. This is balancing a variable hydro energy contract. Scheduling 75 MWs of BPA power daily to Intalco over 403 MWs of BPA transmission reserved long term by Intalco. Scheduling the 95 MWs and Wenatchee needs on remaining transmission. BPA contract gives right of BPA to execute a reserve call in which Intalco reduces load between 8-50 MWs with 10 minutes' notice via a direct call to plant. CPM is then notified and schedules a payback of the lost energy over the next 2 LL periods. Alcoa currently has an Imbalance Capacity program with BPA in which BPA initiates a variable (8-50 MWs) curtailment at Intalco by modifying a capacity tag which alarms via OATI to CPM which then has 10 minutes to call and have Intalco reduce load for mostly balance of hour.
 - Indiana - Submit daily bid and offers to MISO on behalf of Warrick and downloading results for plant. Buying replacement power for unit outages and derates for Warrick. Occasional forward power sales and buys of an economic opportunity nature.
 - Yadkin Hydro Sales in NC - Responsible for all sales out of Yadkin. Facility is merchant hydro that operates on a weekly cycle. Significant fuel variability (rainfall) causes most sales to be conservatively short term (DA & RT).

- Another example is the dispatch of a 3000 MW portfolio of generation resources in Southern California. The units were within the SoCal Edison load pocket. Unit management of this portfolio entailed making decisions each day about whether to dispatch the units and for how long. The plants were bid

into the ISO on a daily basis. Cargill's 24 hr desk managed any real time supply disruptions.

Section 3 – Authorization

CPM holds a wholesale power license; CPMLLC Tariff FERC ER02-2551 is the original docket # referencing our tariff. CPM is also an active member of WSPP and of the Western Electricity Coordinating Council (WECC). Verification of the above can be found at the following websites:

<http://etariff.ferc.gov/TariffSearch.aspx>,

http://www.wspp.org/members_organizations.php,

<https://www.wecc.biz/Membership/Pages/Default.aspx>.

Section 4 - Socorro's needs

According to the RFI, Socorro is seeking information on the cost of serving a 5-10 year full requirements power supply contract at either San Juan 345kV or Four Corners 345 kV. Cargill would like to provide Socorro with a price for the Load #3 option: Total City Load. A full requirements sale includes a fixed shaped block forward sale of energy, scheduling services and real time balancing of energy needs. Our offer price includes all the costs of meeting Socorro's load at Four Corners (We would consider San Juan if the customer prefers) including a fixed forward block of energy, real time balancing and scheduling services. We would integrate any existing and future renewable resources that Socorro acquires into the energy and capacity needs we supply. There is not any minimum or maximum monthly demand levels assumed in this proposal. Cargill anticipates meeting the anticipated hourly needs of Socorro on a DA prescheduled basis and then using our 24 hour desk to manage real time variations as they arise. We perform a similar service for Alcoa and we anticipate no difficulty in performing this service for Socorro. Our offer does not include the cost of ancillary services or the cost of transmission from Four Corners to Socorro's system.

The services provided in our proposal include:

- Deliver physically firm, fixed and shaped blocks of energy at Four Corners.
- Manage and mitigate real time imbalances between resources and load.
- Integrate your existing and future renewable generation energy products into your resource needs
- Provide analysis of real-time and long-term load and resource requirements.
- Submit Transmission Service Requests on behalf of Socorro on the OATi WestTrans system.
- Schedule energy delivery and issue all applicable E-Tags.

Cargill will provide all services for the Load #3 option at the prices listed below:

5 ½ year term - July 1, 2017 – December 31, 2022 - \$39.50/MWhr

7 ½ year term - July 1, 2017 – December 31, 2024 - \$41.00/MWhr

These offers are indicative.

It is important to stress that Cargill is flexible about the scope of services offered. If we are selected in this RFI and then eventual RFP, we anticipate being partners with Socorro establishing a municipality and would work with you to help make the transition as easy and seamless as possible. Cargill is flexible about the scope of services offered. The above listed services are just one variation of the services we can perform. As you move forward in this RFI process, we are willing to make modifications to your needs as they arise.

We believe that our offer to Socorro for a full suite of requested services is strong and reflects our exceptional strength in the western physical power markets and commitment to customers combined with the balance sheet strength and integrity of Cargill. We hope we have illustrated to you why Cargill should be the supplier of choice and long-term partner for Socorro. Thank you for the opportunity to respond to your request and we look forward to further discussions.



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