

CRAIN'S

CHICAGO BUSINESS.

CHICAGOBUSINESS.COM | APRIL 28, 2008

The power brokers

In 1997, the Illinois Legislature deregulated the state's electricity market, hoping that competition among suppliers would drive down costs for businesses and residents.

The state phased in the law, allowing businesses to start shopping around in 1999 and residential customers in 2002. Now, 98% of Illinois' largest industrial companies buy electricity from 34 alternative suppliers certified to sell to Illinois businesses.

BlueStar Energy Services Inc. was one of the first such suppliers to cash in. Last year, its revenue was \$171.1 million, up from \$600,000 in 2002, the year it was founded.

Before starting BlueStar, Guy Morgan, 44, and Aaron Rasty, 35, ran UtiliQuote.com Inc., a Chicago consultancy that helped companies shop around for the lowest energy prices. It wasn't long before they realized there was more money in becoming power peddlers themselves.

BlueStar, like other alternative energy suppliers, buys power from electricity generators like coal plants on the wholesale market and resells it to customers. It tries to beat prices local utilities like Commonwealth Edison Co. and Ameren Corp. charge by purchasing power daily in hopes of securing the lowest rates.

Depending on the market and patterns of electricity use, a company could save nothing or could cut its bill up to 50% with BlueStar. On average, BlueStar customers save 5% to 13%, Mr. Morgan says.

By contrast, the utilities purchase most of their electricity once a year, regardless of price. (Illinois' utilities, which do not generate electricity themselves, make their money on the delivery, dulling the incentive to seek the lowest prices.)

BlueStar also advises customers on how to reduce energy use and retrofits lighting systems, a move that can reduce electric bills by 5% to 20%. And, for those willing to pay a little more, it sells green energy generated by the sun, wind, plants and moving water.

"Electricity's a commodity that everybody uses, so the market's huge," Mr. Morgan says.

BlueStar expects its marketshare to get even bigger this year. It's started selling electricity in the deregulated markets of Maryland and Washington, D.C., and applied for certification as an alternative supplier in New York and Michigan. The company also is vying to win over Illinois' 4.5 million residential customers, who buy one-third of the electricity purchased in the state.

Residents have been allowed to buy electricity from alternative suppliers since 2002, but the discounted rates the state required ComEd and Ameren to charge during the 10-year deregulation transition period made that cost-prohibitive. When the rate freeze ended in January 2007, electric bills jumped an average of 22% for ComEd's residential customers and 40% for Ameren's. BlueStar says now it's able to compete.

Samantha Stainburn

CRAIN'S LIST CHICAGO'S LARGEST PRIVATELY HELD COMPANIES

Ranked by 2007 revenue

Company	Phone	Web address	Address	Top executive	Revenue 2007 2006 (millions)	% change	Full-time employees Chicago/ worldwide	Type of business
170	CONTINENTAL ELECTRICAL CONSTRUCTION CO.;	(847) 677-1600	5900 Howard Ave.	David A. Witz	\$173.0	47.9%	625	Electrical and network technology contracting
			Skokie 60077	President	\$117.0		625	
171	UNITED SCRAP METAL INC.	(708) 780-6800	1545 S. Cicero Ave.	Marsha Serlin	\$172.9	23.7%	170	Metal buyer and recycler
			Cicero 60804	CEO	\$139.8		170	
172	NEW! BLUESTAR ENERGY SERVICES INC.;	(312) 628-8645	363 W. Erie St. 7th floor Chicago 60610	Guy H. Morgan CEO	\$171.1 \$55.0	211.1%	20 61	Retail electric supplier
173	ROSE PACKING CO. ¹	(847) 381-5700	65 S. Barrington Road	Dwight Stiehl	\$169.0	8.3%	650	Pork processing
			Barrington 60010	President	\$156.0		700	
174	NUTRASWEET CO.	(312) 873-5000	222 Merchandise Mart Plaza, Suite 936 Chicago 60654	Craig Petray CEO	\$168.0 \$165.8	1.3%	15 350	Food ingredient manufacturer
175	BIGGERS CHEVROLET/ISUZU INC.	(847) 742-9000	1385 E. Chicago St.	Jim Leichter	\$165.0	1.9%	125	Automotive sales, services, financing, leasing
			Elgin 60120	President, CEO	\$162.0		125	

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Crain's list of privately held companies, while the most comprehensive available, makes no pretense of being a complete list of private companies in the Chicago area because of the right of such companies to withhold information. Information for this list is provided by the companies, and Crain's takes their word for sales and employee figures, except where noted. Cooperatives are included in the definition of privately held companies. Included in this list are companies headquartered in the six-county region: Cook, McHenry, DuPage, Kane, Lake and Will counties. Revenue figures are for calendar year, and employee totals are as of 12/31/07, unless otherwise noted. Crain's estimates shown in gray. * Company estimate. NA: Not available. NC: No change. 1. Fiscal year ends in September. 2. Fiscal year ends in March. 3. Fiscal year ends in August. 4. Fiscal year ends in January. 5. Barbara Turf will assume CEO position 5/08. 6. Fiscal year ends in July. 7. Figures include only U.S. operations and not international membership firms. 8. Fiscal year ends in June. 9. Previously listed as Midwest Air Technologies Inc., which merged with four other related companies. 1107. 10. Previously listed as Wilton Industries Inc. 11. Fiscal year ends in May. 12. Fiscal year ends in February. 13. Fiscal year ends in October. 14. Fiscal year ends in April. 15. Fiscal year ends in November. 16. Previously listed as CPH Holdings Corp.; name changed 4/07.

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