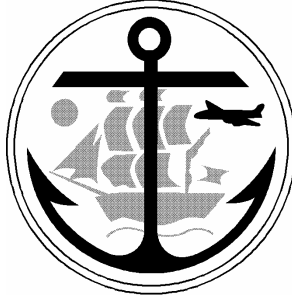


Municipality of
Anchorage



P.O. Box 196650
Anchorage, Alaska 99519-6650
Telephone: (907) 343-7100
Fax: (907) 343-7180
Email : www.muni.org
Mark Begich, Mayor

FOR IMMEDIATE RELEASE
July 6, 2007
2007-57

Contact: Julie Hasquet, 343-7103

Experts Named to Panel to Review ML&P-CEA Merger
Seven-Member Group to Meet in Public to Consider Merits of Joint Operations

Seven Anchorage government and business leaders with expertise in utility and business issues have been appointed to a panel to oversee the analysis of whether a merger or some type of joint operations makes sense for Southcentral Alaska's two largest electric utilities, Municipal Light & Power (ML&P) and Chugach Electric Association (CEA).

To be co-chaired by Mayor Mark Begich and Chugach Electric Board Chair Elizabeth Vazquez, the committee will work with utility consultants and other experts, hold public hearings and determine by this fall whether combining the two utilities in some form makes legal and financial sense and benefits the customers of both utilities and Anchorage residents generally.

"Chugach and I are committed to making certain that the study of costs and benefits of a possible merger is an open and transparent process," Begich said. "We want to ensure that diverse points of view are heard and considered and that the public has an opportunity to participate. This advisory board will help us achieve that goal by bringing specific expertise to the process and by providing a forum for public comment."

"Each of these experts possesses the broad knowledge and expertise to help us determine if merging or some other form of joint operations makes sense for these two utilities," Vazquez said. "We're honored they've volunteered to help a process that we hope will be good for Anchorage electric rate-payers."

Other members of the panel include:

- Robert Ballow, a certified public accountant and real estate investor, former president of the Kuskokwim Corp., and former president and CEO of The Office Place, Inc. Ballow was appointed by the CEA board.

- Mike Barry, former chair of the Alaska Industrial Development and Export Authority and the Alaska Energy Authority boards, is a long-time Anchorage businessman. Barry has been a banker, real estate developer and property manager. He served as Chair of the Alaska Energy Policy Task Force created by the 23rd Alaska legislature. He also was appointed by the CEA board.
- Assemblyman Chris Birch, a former board member of CEA before he was elected to the Assembly in 2005. He was appointed by Assembly Chair Dan Coffey.
- Mark Foster, a private utilities consultant and engineer who was a member of the Alaska Public Utilities Commission between 1990-93 and was the chief operating officer of the Alaska Telephone Utility. Foster was jointly agreed to by the city and CEA board.
- Stephen Pratt, an economist who runs his own consulting firm and is a member of the ML&P Advisory Board. A former senior manager with Alaska Communications Systems, Pratt was appointed by the city.

Last month, Begich and Vazquez signed an agreement which sets up the oversight committee and process for examining whether a utility merger makes sense. At issue is how to provide affordable electricity to residents and businesses in the Anchorage bowl.

When initially formed in 1932, ML&P was the provider to urban residents while CEA later met rural needs. Over time, those distinctions have blurred, with ML&P largely serving downtown, CEA serving most of the rest of Anchorage and the Matanuska Electric Association serving portions of Eagle River and north Anchorage.

All three utilities need to build new generation facilities and combining such efforts could result in substantial savings, Begich said.

Begich today also announced that former Municipal Attorney Fred Boness would serve as project manager for the Municipality on the merger issue.

###