

Notification of the Chugach Board's Consideration of Simplified Rate Filings

Dear Chugach Member:

The Chugach Board of Directors is considering implementing Simplified Rate Filing (SRF) procedures for base rate adjustments. The purpose of SRF is to establish simplified, expedited filing and rate adjustment procedures for nonprofit electric cooperatives regulated by the Regulatory Commission of Alaska (Commission). If adopted, this change will enable Chugach to make moderate adjustments to demand and energy rates more efficiently than the current process allows.

Under SRF, the Chugach board has the major responsibility for rate adjustments rather than the Commission. While there is no limitation on decreases, base rate increases under SRF are limited to 8 percent in a 12-month period and 20 percent in a 36-month period. Rate adjustments under SRF only impact energy and demand rates. Changes in fuel and purchased power costs will continue to be adjusted on a quarterly basis through the fuel surcharge process. If the Chugach board makes the decision to adopt the SRF method, and if approved by the Commission, Chugach would make filings every 6 months.

Per 3 AAC 48.730, you are being provided notice that the Chugach Board will consider use of this alternative method at two upcoming meetings that will be held in the Chugach board room located at 5601 Electron Drive in Anchorage, Alaska:

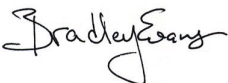
4 p.m. — Nov. 11, 2009
Finance Committee Meeting

4 p.m. — Nov. 19, 2009
Board of Directors Meeting

The board will formally decide whether to proceed with the SRF initiative at its Nov. 19 board meeting.

For more information on SRF,
see www.chugachelectric.com or call (907) 762-4736.

Sincerely,



Bradley W. Evans, Chief Executive Officer
Chugach Electric Association, Inc.