

Bradley bonds refinanced

Chugach customers will see a benefit from a refinancing of the bonds that helped pay for the Bradley Lake hydroelectric project. The 120-megawatt project is the largest hydroelectric plant in the Railbelt, and its power flows to utilities throughout the region.

Bradley Lake is a state-owned project near the head of Kachemak Bay near Homer. It went online in 1991. A creative financing plan was developed to fund Bradley Lake when the decision was

made in the 1980s to build the project. The state grant-funded half of the project and sold bonds to pay the other half, with the utilities agreeing to pay the annual debt service in proportion to the amount of power they take from the project – and to continue payments after the bonds are retired to provide a revenue stream to the state in recognition of the grant funding.

Chugach takes 30.4 percent of the output of the plant for its retail customers and pays 30.4

percent of the principal and interest payments on the bonds.

The original bonds had a call provision allowing them to be refinanced, and with inter-Bradley Lake est rates low Chugach and the other utilities approached the Alaska Energy Authority with a proposal



to issue replacement bonds and lower the debt service ultimately paid by customers. An offering was put together,

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Vegetation management an ongoing program

With more than 2,200 miles of line in operation, vegetation management in easements and rights of way is an important program for Chugach.

Keeping the area under power lines clear helps prevent outages and improves access for maintenance crews.

Although more and more power lines have gone underground in recent years, about 54 percent of Chugach's distribution system is made up of overhead lines, as is most of the 533 miles of transmission line Chugach operates.

Chugach's staff arborist manages a program that clears easements and rights of way on a regular cycle to keep up with the growth of trees and shrubs. Currently, 504 miles of overhead primary distribution line is prioritized for clearing on a 3-year cycle. In other words,

every year 168 miles of line will be cleared. With most distribution lines in 20-foot wide easements, this equates to nearly 17.7 million square feet of clearing annually. This work is done by hand clearing where access is limited. Where access and terrain allow Chugach's contractor uses a special mower/mulcher. This efficient machine is quiet, doesn't throw the cuttings, and leaves behind a mulch that helps suppress the re-growth of woody plants.

Transmission lines are higher off the ground in generally wider easements, so the time between reclearings is longer. Still, on average more than 50 miles of line must be cleared every year to keep up with the 7-8 year clearing cycle.

Chugach also has an ongoing "danger tree" program to remove trees which could fall into the line but are outside

the easement or right of way. Possible danger trees are reported by crews in the field or called in to a hotline (762-7227). Chugach's arborist evaluates potential danger trees on a case-by-case basis and – with property owner permission – cuts those deemed a threat to the line. Chugach pays for the cost of cutting danger trees, with the property owner responsible for the downed timber. Beetle-killed spruce and other trees that threaten reliability are widespread along Chugach's power line easements. In 2009 alone, Chugach cut more than 9,000 danger trees.

Chugach's vegetation management program isn't all about cutting and clearing. It also includes educational components to help minimize future conflicts. These efforts include nursery gift certificates for members attending

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Arborist Chris O'Brien discusses a danger tree at the home of Chugach member Bill Pedersen.



Improved service center reopens

Chugach's remodeled Member Services lobby is open for business. The project was designed to better serve customers and improve traffic flow.

'It's using how much?'

Curious about how much electricity that old refrigerator uses? Find out by borrowing an electricity use monitor. Chugach has two different devices – the "Kill A Watt" and "Watts Up?" The monitors are available on loan to any Chugach customer for up to two weeks.

These devices are a quick and easy way to measure how much electricity your various appliances and entertainment equipment use. The devices

can display consumption by kilowatt-hour, electricity expenses by day, week, month or year, and voltage and amperage readings.

Chugach has been loaning the monitors for the past few months. They had been so popular with customers, Chugach recently bought additional units. {68542}

To borrow a monitor, contact Member Services at 563-7366.

Member number hide-n-seek

Find your member number (in brackets) in the Outlet and get a \$100 credit on your electric bill.

Call Chugach's service center at 563-7366 to claim your prize.

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and on June 15 \$28.8 million of bonds were sold at coupon rates of 2.5-5 percent. The bonds have an average interest rate of 4.77 percent and will be fully amortized by 2021. The sale closed on July 1.

The refinancing produced sav-

ings with a net present value of \$2.3 million. Chugach's 30.4 percent share of the savings equates to \$714,325. The result of the bond transaction will be lower-priced hydro-power from the Bradley Lake project for years to come.

Vegetation (cont'd from page 1)

the annual meeting, public presentations, printed materials, coordinated efforts with federal, state and municipal foresters, Arbor Day activities and the development of a list of trees and shrubs recommended for planting near power lines (see http://www.chugachelectric.com/energy/tree_line_usa.html).

For more than a decade Chugach has been recognized annually as a Tree Line

USA Utility. The program is sponsored by the Arbor Day Foundation, in cooperation with the National Association of State Foresters. According to the foundation, it recognizes utilities that demonstrate practices that protect and enhance America's urban forests. The Tree Line USA program promotes the dual goals of safe, reliable electric service and abundant, healthy trees across utility service areas.

Appliance rebate program



Alaskans with disabilities have the opportunity to qualify for a special appliance rebate program being funded by a grant from the

U.S. Department of Energy and administered statewide by the Alaska Housing Finance Corporation. The federal program, designed to encourage Americans to use energy-efficient appliances, kicked

off in Alaska this past March and is scheduled to remain in effect through February 2012, or until the money runs out. Eligibility is limited to Alaskans who have a condition that meets the legal definition for a disability or who receive or are eligible to receive benefits for that disability. For details, visit AHFC's website at www.ahfc.state.ak.us/home/index.cfm or call the AK Rebate Call Center at 1-877-257-3228 to get an application.

Contact us

Main number 563-7494
Toll free (800) 478-7494
Member Services 563-7366
Member Services fax 762-4678
24-hour payment line 762-7803
Credit 563-5060
Power theft hotline 762-4731
Danger tree hotline 762-7227
Street light hotline 762-7676
Underground locates 278-3121
Regulatory Commission of AK (800) 390-2782
or 276-6222
To report a power outage
In Anchorage 762-7888
Outside Anchorage (800) 478-7494

Hours

Main office:
Monday - Friday
8 a.m. - 5 p.m.

Member Services lobby: 5601 Electron Drive
Monday - Friday
8 a.m. - 6 p.m.

Member Services phone:
Monday - Friday
8 a.m. - 6 p.m.

The Chugach Outlet

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Monthly residential service costs (based on 700 kwh)

Customer charge/month	\$ 8.00
Energy charge $\$0.07181 \times \text{kwh} =$	\$50.27
Fuel $\$0.040680 \times \text{kwh} =$	\$28.48
Purchased power $\$0.005830 \times \text{kwh} =$	\$ 4.08
<small>(Fuel & purchased power adjustments effective 7/1/10 - 9/30/10)</small>	
Subtotal	\$ 90.83
2% MOA Underground Charge =	\$ 1.82
RCC $\$0.000552 \times \text{kwh} =$	\$ 0.39
Total bill	\$93.04

Personnel policy

"It is a policy of Chugach Electric Association, Inc., to recruit, hire, train, compensate and promote persons without regard to race, color, religion, national origin, sex, marital status, pregnancy, parenthood, disability, veterans status, age or any other classification protected by applicable federal, state, or local law." Chugach is also an affirmative action employer."