

## Chugach members elect two directors

P.J. Hill and Susan Reeves were elected to 3-year terms on the Chugach board of directors. Election results were announced at the annual meeting April 29. About 15 percent of the 66,375 Chugach members of record voted in the election, down from 16 percent in 2009.

Hill is a retired professor and a commercial fisherman.

Reeves is an attorney with Reeves Amodio.

As a cooperative, Chugach is governed by a 7-member board elected by and from its membership. Directors are elected to 3-year, staggered terms.



P.J. Hill

Susan Reeves

A total of 233 Chugach members registered for the annual meeting at the Egan Civic & Convention Center. An estimated 375 people attended the event.

Five proposed bylaw changes were also on the ballot. Members approved all of the changes. They covered non-natural candidate qualifications, member committee terms and service, annual meeting date, board delegation of duties and director voting procedures.

### Board elects officers

Immediately following the annual meeting, the board met to elect officers to serve for the next year.

*Jim Nordlund, Chairman*

*Janet Reiser, Vice-Chair*

*Pat Kennedy, Secretary*

*Susan Reeves, Treasurer*



A total of 233 members registered at the 2010 annual meeting

### Election summary

Members of record for the 2010 election	66,375
Returned mail ballot envelopes	10,159
Validated returned mail ballot envelopes	10,059
Members that registered at the annual meeting	233
In-person ballots issued at the annual meeting	117
In-person ballots cast at the annual meeting	115
Total ballots cast in the 2010 election	10,174
Percentage of members of record that voted	15.3%

### Director election

(two seats on the board to be filled by the two candidates receiving the most votes)

1. Susan Reeves	5,408
2. P.J. Hill	4,929
3. Alex Gimarc	4,746
4. Ricarda "Riki" Lebman	4,472

### Bylaw Amendments

	Yes/No
1. Non-natural candidate qualifications	6,593/2,201
2. Member committee terms & service	7,009/1,752
3. Annual meeting date	7,303/1,464
4. Board delegation of duties	7,029/1,743
5. Director voting procedures	7,039/1,739

## Chugach files new gas supply contract

Chugach is seeking regulatory approval of a newly negotiated contract for natural gas to help the utility meet a portion of its fuel needs in the coming years.

Chugach reached agreement with Marathon Oil Co. on terms for up to 42.3 billion cubic feet of gas over a 2-4 year period of time. The contract calls for two years of firm supply from April 1, 2011 through March 31, 2013, with the potential to extend the contract through the end of 2013 or 2014. The new Marathon contract could help {10055} Chugach meet about half its projected gas requirement in some years.

The fuel would be priced based

upon the New York Mercantile Exchange 12-month future price projection for gas in the Lower 48. The contract price will fall in a range, with a floor of \$5.90 and a ceiling of \$8.90 per thousand cubic feet in the first year. The range can escalate by up to 60 cents per MCF through 2014, but Chugach would earn a 5 percent discount by providing its own gas storage. Chugach's blended price for gas from its four existing suppliers has recently been in the \$4-5 per MCF range.

Chugach uses natural gas from the Cook Inlet Basin to generate about 90 percent of the kilowatt-hours it sells annually. In 2009, Chugach purchased 26 BCF of gas. In addition to generating

power for its own retail customers, Chugach is the wholesale and economy energy power provider for four other Railbelt utilities.

Chugach filed its new contract with the Regulatory Commission of Alaska on April 2. Chugach requested a ruling from the RCA by Oct. 2.

For the past 20 years Chugach has purchased natural gas from

four separate suppliers. Chugach expects to use the last of that gas early in 2011. Last year the RCA approved a new gas supply contract Chugach negotiated with ConocoPhillips that will meet a portion of the utility's requirement until 2016. If the Marathon contract is approved, it and the ConocoPhillips contract will meet Chugach's fuel supply requirements through at least 2013.

## Legislative update

The 26th Legislature came to a close in April. Here is a summary of issues of interest to Chugach.

### GRETC – the Greater Railbelt Energy and Transmission Corporation

The push to create a new corporation to meet the generation and transmission needs of the Railbelt was not successful. After years of work to lay the foundation for the Greater Railbelt Energy and Transmission Corporation, the bills that would have authorized the organization ultimately stalled in House and Senate committees at the end of session.

The rationale for an organization like GRETC emerged from a state-funded study of the Railbelt completed by the Alaska Energy Authority in 2008. The study concluded there would be significant saving to ratepayers if the six Railbelt electric utilities worked together – and with the state – to plan, finance and construct the generation and transmis-

sion assets necessary to power the region in the coming decades.

In 2009, Gov. Palin sponsored legislation to create GRETC. Bills were introduced midway through the legislative session. During the interim, representatives of the governance bodies of the six utilities formed a Joint Utility Task Force that worked with members of the administration to amend the original language and create a draft committee substitute bill all could support. While both the House and Senate versions made some movement through committees, neither made it to the floor of their respective body for vote.

### Cook Inlet Resource Management Plan

For the past few years, Chugach has advanced the idea that the state should develop a plan to ensure natural gas for the Cook Inlet area. Chugach's position is that natural gas is vitally important to the region, and the state should take a

more active role to ensure the needs of area residents – and the regional economy – are met.

Legislators have been increasingly concerned about the issue, and have repeatedly solicited Chugach's point of view. Chugach, ENSTAR and Municipal Light & Power were invited to Juneau in March to present the results of a recent utility-commissioned Cook Inlet gas study.

In response to growing concerns, a bill addressing gas storage and production incentives passed, as did another creating a team to lead the effort for an in-state gas line. The governor signed the gas line bill April 26.

### Electronic voting

A bill allowing electronic voting in co-op elections passed the legislature and will go to the governor for signature. Sen. Linda Menard and Rep. Bob Lynn each sponsored bills

to allow cooperatives to offer their members the option of voting electronically, provided members have amended the organization's bylaws to allow it. In the end, the House version of the bill (HB 336) passed. The legislation was supported by Chugach, several other cooperatives and the Alaska Power Association.

### Energy policy and more

Chugach has supported the creation of a state energy policy addressing the needs of Alaskans.

The legislature approved an energy policy for the state (HB 306) that expresses support for energy efficiency, renewable and alternative energy, a reliable supply of in-state gas, state assistance for energy projects, and a leadership role for the state in energy issues and activities. The legislature also approved SB 220, which grouped a number of energy issues into a single bill.

## Rezoning approved

The Planning & Zoning Commission voted April 5 to approve Chugach's request to rezone its 44-acre headquarters parcel from I-1 to I-2. The Commission action still needs to go before the Anchorage Assembly for approval.

Chugach made the request to ensure the site is properly zoned in the event the Assembly approves changes to Title 21, the municipal land use code. Chugach has oper-

ated a gas-fired power plant at its headquarters complex since the mid 1960s.

Chugach and Municipal Light & Power are building a new, efficient, gas-fired, power plant at the site. Planning, design and permitting for the Southcentral Power Project have been underway for several years. Construction will take place in the coming years with the plant operating in 2013.

## 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.

## 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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**Corporate Mission:** Through superior service, safely provide reliable and competitively priced energy.

**Corporate vision:** Powering Alaska's future

## Electronic annual report

The 2009 Annual Report is available at [www.chugachelectric.com](http://www.chugachelectric.com).

com, or in printed form by calling Member Services at 563-7366.

## Right tree, right place



Chugach is certified by the National Arbor Day Foundation as a Tree Line USA utility. A certified staff arborist can help customers determine what type of plants and trees should be planted near utility rights of way. Call Chugach at 762-7660, or go to [www.chugachelectric.com](http://www.chugachelectric.com).

[chugachelectric.com](http://www.chugachelectric.com) for more planting tips and information for recommended trees and shrubs.

Arbor Day is a day designated to encourage Americans to plant trees. Arbor Day is observed in Alaska on the third Monday in May.

## Excuse our mess

Chugach will be remodeling its Member Services lobby in April and May to better serve our member needs. The lobby will remain open for business on the normal schedule.

### Monthly residential service costs (based on 700 kwh)

Customer charge/month	\$ 8.00
Energy charge \$0.07181 x kwh =	\$50.27
Fuel \$0.04651 x kwh =	\$32.56
Purchased power \$0.00516 x kwh =	\$3.61
(Fuel & purchased power adjustments effective 4/1/10 – 6/30/10)	
<b>Subtotal</b>	<b>\$ 94.44</b>
2% MOA Underground Charge =	\$ 1.89
RCC \$0.000432 x kwh =	\$ 0.30
<b>Total bill</b>	<b>\$96.63</b>

### 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."