

## Regional energy conservation drill reduces load

Regional governments and utilities in Southcentral Alaska conducted a tri-borough energy conservation test between 6-8 p.m., Wednesday, Oct. 20. The utilities estimated an energy load reduction of between 2-4 percent. The results are consistent with the those from a test performed in 2009.

Electricity cutbacks were measured by comparing demand for power during the test to that for the same time on the days before and after the exercise.

Natural gas savings were estimated by analyzing the consumption trends from before, after and during the test.

As part of the measuring process, the utilities commissioned a phone survey. Of the 408 Southcentral residents surveyed, 69 percent said they were aware

of a possible natural gas delivery problem, 55 percent were aware of the Oct. 20 conservation test, and 27 percent said they participated in the exercise. Of the people who reported taking steps, the most common things done were postponing laundry and dishes, turning off unnecessary lights and electronics, and lowering the thermostat.

An overall contingency plan had been prepared in 2009 by Chugach, other utilities, the Municipality of Anchorage and the Matanuska-Susitna and Kenai Peninsula boroughs that outlines responses to deal with a potential shortfall of natural gas. The plan identifies a number of actions that can and have been taken to resolve short-term delivery problems.

However, there could be times when the utilities might need the

## Reservoir levels back to normal

Dry weather in September and October counteracted the summer boost to area hydroelectric project reservoirs.



Cooper Lake reservoir

An article in the September Outlet reported on how the unusually wet summer had raised reservoir levels at the three Southcentral hydro projects above their normal levels. As of mid-August, the Bradley Lake level was 11 feet above its 15-year average, while both the Cooper Lake and Eklutna Lake reservoirs were 4 feet above their 10-year averages.

However, both September and October were drier than normal. According to National Weather

## RCA ruling paves the way for better financing

*'... it is in the public interest to provide cost recovery assurance'*

A recent historic decision by the Regulatory Commission of Alaska should lead to lower-cost financing as Chugach prepares to issue at least \$150 million in new debt instruments before the end of the year.

Chugach's 2010 financing package is part of a comprehensive effort to take advantage of current low interest rates. Part of the

funds raised will be used to pay for Chugach's portion of the new Southcentral Power Project and part will go to refinance existing debt.

Chugach went to the Commission in June seeking confirmation that its share of the major expenditures for SPP would be recoverable in future rates. Although a new concept for Alaska, actions

CONDITION	MEANING	CUSTOMER ACTION
Green	Stable	Use energy wisely; be conservation minded Your utilities can provide tips on saving energy
Yellow	Caution	Set thermostat to 65 degrees in living areas, and 40 in the garage Lower water heater setting to "warm" or "vacation" Minimize usage of natural gas range Postpone doing laundry and dishes Turn off unnecessary lights and electronics
Red	Alert	Set thermostat at 60 degrees in living areas (55 if away) Turn water heater gas valve to "pilot" Do not use natural gas fireplaces, decorative heaters or gas grills Consolidate household activities into as few rooms as possible

*If a gas delivery problem develops, emergency managers might issue an alert using this Energy Watch chart.*

help of the public to help reduce the demand for gas. An Energy Watch plan uses a stoplight type of chart that recommends specific actions consumers can take based on colors. Green means the demand for gas is stable and customers should use energy wisely. Condition yellow – the condition tested in the conservation drill – asks customers to use a number of options to cut back on energy use, and condition red takes the cutbacks even further.

Service records, this year the Anchorage-area got about one and a quarter inches of rain during that period, compared to the nearly 5 inches of rain normally seen over the course of those two months.

As a result, at the end of October lake levels at the three projects were at their normal levels going into winter.

## Chugach's loss



*The co-op lost a dedicated long-time member when director Pat Kennedy passed away Oct. 23. Pat served for many years on the Chugach board of directors. First elected in 1993, and again in 1996 and 1999, Pat completed her first nine years of service in 2002. After a break of several years, Pat was again elected to the board in 2009. In her many years on the board she served in most leadership positions – including president – and on most committees. She knew a great deal about Chugach and its history.*

*Pat's passing was sudden and unexpected, leaving a void in our organization where an outgoing, smart, compassionate, cheerful, community-minded member of the cooperative had been. At the celebration of her life I was struck by the fact she was active in many areas and had touched many lives as a teacher, counselor and lawyer – but most of all as a parent and foster parent to a large extended family. These many, many people will miss her.*

*As will Pat's Chugach family.*

*- Bradley Evans, Chugach CEO*

like this have been taken by regulatory bodies in other states. Elsewhere, utilities have found that rulings like the one taken by the RCA have helped secure lower cost financing. When prospective lenders have a signal that rates will be set at a level that ensures repayment, it lowers the risk of the issue and in turn the interest rates the borrower has to pay.

On Oct. 5, the RCA concluded that Chugach may include in future rates \$197 million in expenses attributable to three principal contracts to build SPP when the plant becomes used and useful. The RCA found "it is in the public interest to provide cost recovery assurance" to Chugach regarding these costs.

## Weather affects power sales

In recent years, Chugach has observed many trends (efficiency, energy pricing, volcanic activity) resulting in reduced electric sales. Weather also affects power sales. This year, warmer than normal weather in January and February resulted in lower than expected power sales across consumer classes, including wholesale members.

On a monthly basis, energy consumption in the Railbelt generally reflects seasonal changes in temperature and hours of darkness. Chugach sales are highest in the winter months when heating systems are in use. Even though most Railbelt Alaskans do not heat with electric resistance

units, it is electricity that powers the pumps and fans for hot water boilers and forced-air furnaces.

According to the records of the national Weather Service, daily low temperatures in Anchorage were generally higher in January. February was mixed, but had a number of days on which the temperature was significantly higher than normal.

Through the end of September, kilowatt-hour sales were lower than budgeted in all but one category. Chugach retail sales were down about 1 percent, with wholesale sales down just under 2 percent. Within those broad categories sales were lower than budgeted to all customer classes.

Both residential and commercial customer sales were down for Chugach retail customers, and all three of Chugach's wholesale customers (other utilities that buy power for sales to their retail customers) bought less power than anticipated. Sales to Homer Electric Association were down 3.7 percent, Matanuska Electric Association sales were down just under half a percent and sales to the City of Seward were 2.5 percent below budget. HEA sales were down in part due to additional water in the Bradley Lake reservoir, providing the Kenai Peninsula utility with more hydro power.

Overall, firm kilowatt-hour sales were down 1.4 percent through September. {292596}

One bright spot in the budget was economy energy sales to Golden Valley Electric Association. When the budget was set in 2009 a new contract hadn't yet been achieved with the Fairbanks-based utility and so no sales were projected in the budget. An agreement was achieved, and through the first nine months of 2010 Chugach sold 219 million kilowatt-hours to GVEA - nearly three times the amount of power the Interior utility bought in all of 2009. Margins from economy energy sales flow to all other Chugach customers and result in a lower-than-otherwise fuel cost on monthly bills.

## Planting creates a buffer



Chugach recently planted trees atop an earthen berm along its Minnesota Drive fence to create a landscaped screen between the road and its new Operations storage yard. The new yard consolidated equipment from other storage yards to make way for construction of the Southcentral Power Project, a joint project by Chugach and Municipal Light & Power to build a 183-megawatt power plant. SPP is expected to be completed by the end of 2012.



Save time.  
Save resource.  
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**Go green** with billing  
and payment options from Chugach.

## Board to fill vacancy

Currently there is a vacancy on the Chugach board of directors. Per the bylaws, the board will fill the vacant seat by appointing a person to serve until next May's election.

For more information see [www.chugachelectric.com](http://www.chugachelectric.com) or call 762-4791.

## Member Services news

Chugach's paperless billing option is saving members time, resources and money. Members can sign up for paperless billing, receive an electronic billing notification, sign on to a secure web portal to view the bill and pay using a number of options. Those who sign up for paperless billing will receive a one-time \$5 credit on their account. Members currently receiving an electronic bill have automatically received a \$5 credit on their statement.

Members can also use another payment option as many banks and credit unions offer bill payment services at no charge, First National Bank Alaska will accept payments on current bills at no charge, and for a small fee, any Walmart location will accept payments on your current bill.

For a complete list of Chugach billing and payment options go to [www.chugachelectric.com](http://www.chugachelectric.com).

**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

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

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

Customer charge/month	\$ 8.00
Energy charge \$0.07181 x kwh =	\$50.27
Fuel \$0.042980 x kwh =	\$30.09
Purchased power \$0.004070 x kwh =	\$ 2.85
<small>(Fuel &amp; purchased power adjustments effective 10/1/10 - 12/31/10)</small>	
<b>Subtotal</b>	<b>\$ 91.21</b>
2% MOA Underground Charge =	\$ 1.82
RCC \$0.000552 x kwh =	\$ 0.39
<b>Total bill</b>	<b>\$93.42</b>