



## ML&P deal remains a priority

Four months after Anchorage voters overwhelmingly approved the sale of ML&P to Chugach, officials from Chugach and the Municipality of Anchorage (MOA) are meeting weekly to finalize a sales agreement. Chugach is conducting its due diligence as part of the process of arriving at a final sales figure, and there is a great deal of information to gather from the MOA. The process is taking longer than Chugach initially expected, as there are many pieces to the acquisition. The ballot language approved by voters requires final Assembly approval by December 31, 2018, but both parties are aiming to have a final deal well before that.

In June, the Chugach Electric Board of Directors passed a resolution saying they will undertake a process to approve the Asset Purchase Agreement on or by October 24. Chugach is also attending

monthly meetings of the Assembly's Enterprise and Utility Oversight Committee keeping Assembly members updated. We are all working to get it done in late summer/early fall so there is plenty of time for thoughtful review and discussion by our board, the Assembly, and the public.

Meanwhile, as talks with the MOA continue, there is a lot of work being done inside Chugach to prepare for the acquisition of ML&P. An Integration Management Office has been set up to identify and manage the savings from the acquisition as well as how the two utilities will integrate and function as one organization. The goal is to have a transparent, seamless process with no disruption to member services. For more information go to [www.poweranchorage.com](http://www.poweranchorage.com)

## DeBarr Substation rebuild underway

Chugach Transmission & Substation Engineering is in the process of rebuilding the DeBarr Substation in East Anchorage. The substation is 50-years-old, and the equipment is reaching the end of its useful life. The project will retire and replace all of the major equipment, improving efficiency and reliability. {0000072452}

Design of the new substation, meeting current safety codes and standards, is complete. Demolition work began in April, and construction got underway in May. Chugach is purchasing new equipment for the project, including a new transformer and switchgear with new 15 kV and 38 kV breakers. The new transformer arrived in late July, and the switchgear is set to arrive in August.

The project has received support from both the Northeast Community Council and the Planning

and Zoning Commission. A resolution was passed by the Planning and Zoning Commission in mid-July to approve a major amendment to the Conditional Use permit for the substation. It is anticipated the work will be complete and the substation will be back on line by the end of the year.



## Chugach participates in National Drive Electric Week

Buckle up and get ready for National Drive Electric Week September 8 – 16. This year, Chugach will be participating in the nationwide effort to increase awareness of full-electric and plug-in hybrid electric cars.

Additionally, you'll find Chugach's full-electric Chevy Bolt, named Wattson, on display around the community Monday, Wednesday and Friday. Watch for **"Where's Wattson"** information and clues on our social media channels that week. We'd be thrilled to have you come and take a look at our electric vehicle. Normally Wattson lives at our headquarters building on Electron Drive, where you are invited to stop by anytime.



Wattson at the EV charging station at Chugach headquarters. The station is available for public use.

*Save the date!*

## Member Appreciation Day - October 5, 2018

Hot dog BBQ • Bucket truck rides • Power plant tours • Educational booths  
Energy bike • Prize drawings • Activities for the kids • And more...

### Capital Credit allocation notices mailed

Chugach members who received electric service in 2017 will soon be receiving capital credit allocation letters. The amount of the allocation will also be printed on your July or August billing statement. The total allocation for retail members in 2017 was just over \$6 million.

Each year, Chugach allocates annual operating margins—revenues remaining after expenses are paid—to members receiving service during the year. These margins are allocated based on the amount of electric service a member purchases each year,

compared to the total service purchased by all members. Capital credits are used by Chugach to provide safe, reliable electric service by investing in substations, poles, lines, and other critical infrastructure. Essentially, they are used as operating funds until they are returned to members via a retirement process. The process of retiring capital credits is determined and approved by the Chugach Board of Directors. The allocations for 2017 will be paid out as a check or a bill credit in approximately 25 years.

### Rate changes

Chugach is a participant in the Simplified Rate Filing process for routine adjustments to demand and energy rates. Based on a recent SRF that was filed with the Regulatory Commission of Alaska, Chugach's base demand and energy rates are increasing 1.8 percent, effective August 1, 2018. Because the rate change is only applied to demand and energy components, the impact on a total customer bill is less. For a residential customer using 600 kWh, the monthly bill will increase from \$120.30 to \$121.57, or about 1.1 percent. The RCA and the Chugach Board of Directors have approved this rate change.



So far this year, Chugach's EV Charging Station has dispensed nearly 1.5 MWh to power electric vehicles. The station is available for public use.



#### The Outlet

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#### 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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