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Chugach Electric Association, Inc. OUTLET

May 2016 Number 339

Regulators approve utilities purchase of Beluga River Gas Field

The Regulatory Commission of Alaska approved the purchase of ConocoPhillips' one-third working interest in the Beluga River Unit natural gas field by Chugach and Municipal Light & Power. The RCA issued a decision after a four-day hearing.

The two electric utilities announced the joint purchase in February, in a deal that is estimated to save the residents of Anchorage millions of dollars over the next two decades. The final agreement transfers 70 percent ownership of the ConocoPhillips' interest to ML&P and 30 percent to Chugach. The total purchase price is \$152 million.

"Chugach is grateful to the RCA commissioners and staff for the time and attention they have given this matter, and the quick turnaround of the final decision," said Brad Evans, CEO of Chugach. "This partnership will allow us to secure low-cost and reliable supplies of natural gas for the benefit of ratepayers. This is an important ruling that will have benefits for all of our customers."

The RCA ruling approves the purchase and sale agreement and also allows the utilities to recover the cost of the acquisition in rates. ML&P already owned one-third of the BRU prior to the ruling. Going forward

ML&P will own 56.67 percent, Hilcorp will own 33.33 percent, and Chugach will own 10 percent from the surface down to 7,000 feet. ML&P and Chugach will own 80 percent and 20 percent of the interest below 7,000 feet, respectively. Hilcorp will be

the operator of the field.

Following the ruling, the utilities will now submit the transfer of lease hold interests to the Department of Natural Resources and the Bureau of Land Management for approval.

Candidate forum



Candidates for the Chugach board participated in a forum on April 19. A link to the video of the event is online at www.chugachelectric.com

Election materials mailed

Chugach election materials were mailed to 68,937 members of record in mid-April. This year members will vote to fill two seats on the cooperative's board of directors. Two proposed bylaw changes are also on the ballot.

Election results will be announced at the 2016 Chugach annual meeting, to be held at the Dena'ina Center on the evening of Thursday, May 19. Members have until noon on Monday, May 16 to return a paper ballot by mail or drop box.

The deadline for voting by internet or telephone is noon on May 19. In-person voting is allowed at the annual meeting for those who have not yet voted.

This year will be the last year that paper ballot packets will be routinely mailed to all members. Beginning in 2017, the default for the election will be electronic voting. Paper ballot packets will still be available upon request for members who would prefer that method.

Chugach has been making

a steady transition to electronic elections over the course of time. In 2001, Chugach members approved bylaw changes to broaden the means of voting and the transmittal of election materials. In 2010, Chugach began using the internet as the primary means of distributing the annual report in advance of the annual meeting – though paper copies have remained available.

It was also in 2010 that a change was made to state statutes to permit

electronic voting in electric and telephone cooperative elections. {1032169}

Chugach introduced the choice of electronic voting for the first time in the 2011 election. That year 21 percent of the ballots were cast using the new option of internet voting. In 2014, Chugach expanded its electronic options and offered members the choice of voting by telephone.

In the 2015 election, 37.5 percent of the ballots were cast electronically.

Chugach wins Governor's Innovation in Safety Award

Chugach was presented with the Governor's Innovation in Safety Award for a product conceived and designed by Chugach employees. The award was announced Apr. 7 at the 35th Annual Alaska Governor's Safety & Health Conference at the Dena'ina Center in Anchorage.

The Innovation in Safety Award is presented to a company or group that has demonstrated excellence in innovation in safety and

health systems that protect employees.

Chugach was recognized for the Corflo Reel, which is used to deploy up to 125 feet of heavy casing used to protect electrical conductors during temporary power service. Prior to the invention of the Corflo Reel, Chugach linemen had to hand carry and unravel the 65' to 125' of Corflo lines which can weigh from 60 to 100 pounds. By putting



The Corflo Reel allows crews to work safely and more efficiently.

the Corflo on a reel, the heavy casing is put on the back of a truck and reeled out—decreasing the chance

of injury on the job site, and making the process faster and more efficient.

Right Tree, Right Place

Planting trees and shrubs can provide energy savings in addition to enhancing the beauty and value of your home.

If you are thinking of planting, choose the appropriate tree or shrub to minimize conflicts

between trees and utility lines. And remember, planting in the utility easement can make it difficult for Chugach or other utilities to gain access and to maintain their facilities. The result could mean your landscaping might need to be moved

or trimmed.

Chugach is certified by the National Arbor Day Foundation as a Tree Line USA utility. Chugach staff are available to help customers determine what type of plants and trees should be planted near

utility rights of way. Call Chugach at 762-7660 or log on to our website at www.chugachelectric.com for more information.



Hane Substation progresses

Work continues on the Hane Substation, under construction on the Anchorage Hillside at the intersection of Hane Street and O'Malley Road. Hane is Chugach's newest distribution substation. The facility is being built to

serve the growing demand for electricity in the area and to improve reliability. Construction of the \$10.9 million project began in the summer of 2015. The Hane Substation is expected to be in service later this summer.



Fencing and landscaping at the new Hane Substation.

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

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 equal opportunity/affirmative action employer. Current openings are posted on the employment page at <http://chugachelectric.applicantpro.com>. Chugach only accepts applications for open vacancies.

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

Hours

Main number
Toll free
Member Services
Member Services fax
24-hour payment line
Credit
Power theft hotline
Danger tree hotline
Street light hotline
Underground locates
Regulatory Commission of AK
or
To report a power outage
In Anchorage
Outside Anchorage

Monday - Friday
8 a.m. - 5 p.m.
563-7494
(800) 478-7494
563-7366
762-4678
762-7803
563-5060
762-4731
762-7227
762-7676
811
(800) 390-2782
276-6222
762-7888
(800) 478-7494

Monthly residential service costs

(based on 600 kwh)

Customer charge/month	\$ 8.00
Energy charge \$0.11470 x kwh =	\$68.82
Fuel \$0.04161 x kwh =	\$24.97
Purchased power \$0.00851 x kwh =	\$5.11
FIW renewable energy adj. \$0.00174 x kwh =	\$1.04
<small>(Fuel, Purchased power and Fire Island Wind renewable energy adjustment factors pending Regulatory Commission of Alaska approval)</small>	
Subtotal	\$107.94
2% MOA Undergrounding Charge =	\$ 2.16
Regulatory Cost Charge \$0.000732 x kwh =	\$ 0.44
Total bill	\$110.54