

Outlet

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Moving forward with ML&P acquisition

Work continues on the acquisition of Municipal Light & Power (ML&P) by Chugach, five months after voters approved the ballot initiative allowing the Municipality of Anchorage (MOA) to sell the utility. In April, 65 percent of Anchorage voters said yes to the acquisition.

Negotiations between Chugach and the MOA are ongoing, and teams have been meeting throughout the summer. As work continues toward finalizing the Asset Purchase Agreement (APA), due diligence is underway, and the teams are meeting regularly.

According to the ballot language approved by voters, the acquisition must be approved by Anchorage

Assembly ordinance by December 31, 2018. With that in mind, the Chugach Board of Directors and the Assembly have requested the APA be provided to them before the end of October, to allow adequate time for review, public discussion, and approval. Once the Chugach Board and the Assembly approve the final terms, the Regulatory Commission of Alaska will then review the acquisition. If approved, it is anticipated ML&P employees and members will become part of Chugach in mid-to-late 2019.



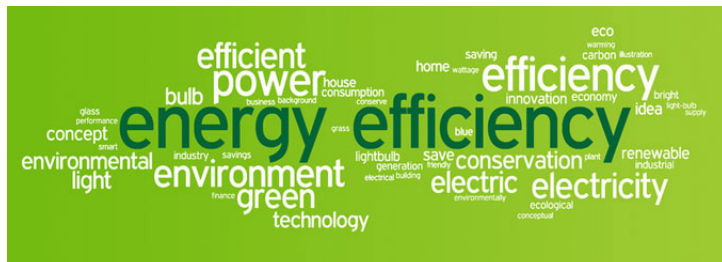
Impacts of lower energy use

According to the Energy Information Administration, historical data shows that there has been a decline in U.S. residential electricity sales in the last few years. This trend is also seen in Southcentral Alaska, and data specifically for Chugach Electric shows that despite increasing numbers of residential members, electricity sales have been declining. Since 2004, the average usage per residential member has dropped 14 percent. While a portion of this difference is attributed to factors such as weather, the primary driver is energy efficiency.

Members are reducing their electric energy use, which reduces their bills. It also reduces the total amount of natural gas used by the utility which translates to a direct reduction in the amount a member pays on their electric bill. The reduced use of fuel decreases the carbon dioxide and other greenhouse gasses emitted from burning natural gas, conserves local natural gas supply, and increases the overall proportion of hydroelectric and wind energy in the system. While the fuel costs may decrease, the costs for infrastructure and operations, shown

as the energy and demand charges on the bill, must still be recovered through rates. The infrastructure and operating costs are divided by the number of kilowatt-hours sold, resulting in a slightly higher rate if less electricity is used by the membership.

In a recent survey, Chugach asked its members if they thought their usage would likely go up, go down, or stay the same in the next three years. Surprisingly, 62.5 percent of members indicated their usage would stay the same, while 19 percent thought their usage would increase. Only 18.5 percent indicated their usage would go down. Only time will tell if members' usage assumptions are correct. Meanwhile, Chugach supports energy efficiency and is here to help members understand their electric energy usage better.



Celebrating national co-op month

October is National Cooperative Month and Chugach is excited to celebrate the cooperative difference.

A cooperative is a way to organize a business. Chugach was formed as a cooperative to serve its member-owners. In many ways, cooperatives are like any other business; but seven tenets (known as the Rochdale Principles) set them apart from other businesses.

- Voluntary and open membership
- Democratic member control
- Members' economic participation
- Autonomy and independence
- Education, training, and information
- Cooperation among cooperatives
- Concern for Community



Volunteers needed

Chugach is looking for members to serve on its Annual Meeting committees. A successful meeting depends upon volunteers who staff the Nominating, Bylaws, and Election committees. The next Annual Meeting is Tuesday, May 21, 2019. {86896}

Interested members will need to submit an application and conformance form. For more information call 762-4177, or visit Chugach's website at www.chugachelectric.com/media/annual-meeting. Applications are due Oct. 26, 2018.

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National Drive Electric Week

Chugach participated in National Drive Electric Week, a nationwide celebration to heighten awareness of the widespread availability of plug-in vehicles and highlight the benefits of all-electric and plug-in hybrid-electric cars, trucks, motorcycles, and more.

Watson, Chugach's Electric Vehicle, was on display at various locations for members and the public to stop and hear about the benefits of electric vehicles.



Watson in Girdwood



As the weather gets cooler, you can find opportunities to reduce your home energy use and stay warm. Here are some easy steps to save energy and money.

- Replace inefficient lighting
- Find and seal air leaks
- Clean your gutters
- Maintain your heating system
- Use a programmable thermostat

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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.

