

OUTLET

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Chugach construction season underway

Summer means construction season in Alaska, and Chugach has several projects underway this year. All across Anchorage you will see Chugach crews working to improve power delivery and reliability to our customers.

Hane Substation to be completed this year

Work continues on Chugach's newest distribution station, the Hane Substation. Located on the Anchorage Hillside at the corner of Hane Street and O'Malley Road, Chugach is building the substation to serve the growing demand for electricity in the area and to ensure reliability.

The \$10.9 million project began in the summer

of 2015 with installation of electrical equipment throughout the winter months. Commissioning of the substation will continue through the summer and it includes terminating and testing wiring, control system checkouts, and more.

Project eases congestion on Dimond Blvd.

Chugach relocated overhead lines to allow for the extension of 92nd Avenue east of the Old Seward Highway, connecting with the southbound New Seward Highway. The state project will improve access between the Old and New Seward Highways, relieving some of the congestion at Dimond Blvd.

Klatt and Johns Road Undergrounding of Distribution Lines

The Alaska Department of Transportation has a project installing a new roundabout at the intersection of Klatt and John's Road in South Anchorage. To accommodate this project, Chugach will be relocating its overhead distribution lines and installing them underground where they are in conflict with the project design. The project starts this summer and the Chugach portion of the project will be completed before winter. The total expected cost for this project is approximately \$700,000 and is reimbursable to Chugach as part of the state's highway improvement project.

Old Seward Highway Undergrounding of Distribution Lines

Chugach will be going out to bid later this summer for undergrounding a half-mile of existing overhead distribution lines along the east side of the Old Seward Highway from Tudor Road to International Road in the vicinity of the Peanut Farm Restaurant. This project will improve system capacity for existing and new load growth, in addition to improving reliability. The total estimated cost for this project is approximately \$2.5 million. It is expected to be complete by year-end.

IN THE COMMUNITY

Saluting the Military



Chugach was proud to support Military Appreciation Week in Anchorage. Each year, the Anchorage Chamber of Commerce sponsors a week of events recognizing Anchorage's military community. Chugach sponsored a table at the annual Military Appreciation Luncheon and invited Chugach employees who are military veterans to represent the company.

Alaska Run for Women



Team High Voltage is proud to support the Alaska Run for Women. This great community run/walk raises money for breast cancer research, programs, and overall women's health. Chugach is a long-time supporter of this fun and important event.

Recent RCA activity

Some ongoing and pending proceedings at the Regulatory Commission of Alaska will affect the bills of Chugach customers.

2014 Rate Case nearly complete

Chugach's June 2014 Test Year general rate case is nearing completion, after more than a year since its initial filing with the RCA in February 2015. As a result, Chugach expects members active between May 2015 and June 2016 to see a one-time refund on their August or September bills, due to differences between interim versus final rates effective during the rate case period. In addition, final rates from this case were effective July 5 for Chugach retail and

wholesale members.

At the same time, a new line item will appear on bills as "Gross Revenue Tax." This tax is not a new cost to members. It was previously included in the energy charge, but is now being separately identified to provide clearer accounting treatment and more transparency. The Gross Revenue Tax is paid by electric cooperatives to the State of Alaska at its established rate of \$0.0005 per kWh (1/20th of a cent). The tax totals 30 cents on an average residential customer bill of 600 kWh.

SRF Update

At its June 30 meeting, the Chugach Board of Directors approved re-entry into the

Simplified Rate Filing (SRF) process. Chugach has used SRF in the past to make moderate adjustments (increases or decreases) to energy and demand rates. Under SRF, the Chugach board has the major responsibility for evaluating rate adjustments. Any rate changes still need to be approved by the RCA.

The Chugach board approved a 4.2 percent increase to demand and energy rates at the June 30 meeting. On a total retail customer bill basis, which includes fuel and purchased power costs, the impact is approximately 2.5 percent. The increase is largely driven by lower sales, which impacts Chugach's ability to recover

fixed costs associated with generating, transmitting, and distributing electricity. If approved by the RCA, this increase will go into effect mid-August.

While SRF provides a means to make quarterly changes to demand and energy rates, it will not change the way Chugach adjusts its fuel and purchased power charges. These rates will continue to be adjusted on a quarterly basis as part of Chugach's Fuel and Purchased Power Cost Rate Adjustment process. For more information on SRF, please visit <http://www.chugachelectric.com/inside-chugach/regulatory-affairs/simplified-rate-filing>.

Chugach hosts utility leaders in Girdwood

A group of electric utility executives met in Girdwood to discuss issues affecting the generation and transmission components of the electric utility industry. The meeting drew about three dozen chief executives, plus representatives of affiliated organizations, from around

the country. They discussed operational, financial, environmental, fuel supply and security issues affecting the electric utility industry.

The event was a meeting of the National G&T Managers' Association. The acronym stands for generation and transmission, two core functions in the utility



industry. Chugach served as the host utility for the

conference at the Hotel Alyeska in June.

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 Monday - Friday 8 a.m. - 5 p.m.

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 811

Regulatory Commission of AK (800) 390-2782

or 276-6222

To report a power outage In Anchorage 762-7888

Outside Anchorage (800)478-7494

Monthly residential service costs (based on 600 kwh)

Customer charge/month	\$ 8.00
Energy charge \$0.11356 x kwh =	\$68.14
Fuel \$0.04346 x kwh =	\$26.08
Purchased power \$0.00731 x kwh =	\$4.39
FIW renewable energy adj. \$0.00201 x kwh =	<u>\$1.21</u>
<small>(Fuel, Purchased power and Fire Island Wind renewable energy adjustment factors effective July 5, 2016 are subject to approval by the Regulatory Commission of Alaska.)</small>	
Subtotal	\$107.82
2% MOA Undergrounding Charge =	\$ 2.16
Gross Revenue Tax	\$ 0.30
Regulatory Cost Charge \$0.000675 x kwh =	<u>\$ 0.41</u>
Total bill	\$110.69