

Chugach prices likely to remain relatively stable for some months

Although there will be some changes in the rates to different components of their bills, retail customers of Chugach Electric Association are unlikely to see major changes in their electric costs during the coming months.

On Nov. 14 Chugach implemented a 1.7 percent base demand and energy rate decrease to retail customers. The change is the result of a review of Chugach's revenues and expenses under a Simplified Rate Filing for the 12-month period ending June 2011. The rate request was approved by the Regulatory Commission of Alaska.

All customers pay a per-kilowatt-hour energy charge for the total amount of kilowatt-hours they use in a month. Larger commercial

customers – as well as other utilities that purchase wholesale power – also pay a per-kilowatt demand charge based upon their maximum draw during a 15-minute period of time in the billing month.

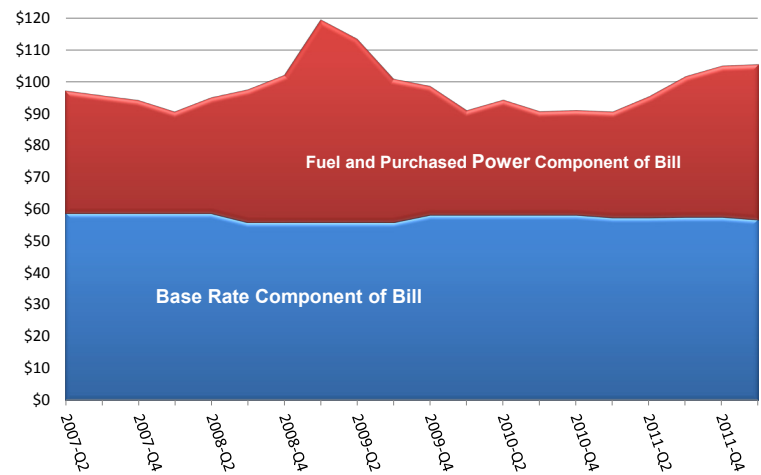
The effect of the base rate decreases vary, depending upon customer type and monthly consumption. A Chugach residential customer using 700 kilowatt-hours will see their bills drop by about 85 cents.

Wholesale demand and energy rates charged to Matanuska Electric Association and Seward Electric System will decrease 1.9 percent and 5.8 percent, respectively. Homer Electric Association's demand and energy rates will increase 2.4 percent.

See prices, page 2

Chugach's Monthly Residential Bill Total

Based on 700 kWh Consumption



AEA files for Watana permit

The Alaska Energy Authority has taken an initial step toward permitting for a major new hydroelectric project for the Railbelt. AEA filed a Preliminary Permit Application with the Federal Energy Regulatory Commission for what it calls the Susitna-Watana Hydroelectric Project on Oct. 27.

The action creates a priority position for the agency while it continues to study the site and prepare a license application.

The site for the dam is about halfway between Anchorage and Fairbanks on the upper Susitna River. The Watana project is

planned to have 600 megawatts of installed capacity powered by a reservoir approximately 2 miles wide and 39 miles long. A dam would raise the water up to 557 feet to the maximum elevation of the lake. Transmission lines would connect the project to the Alaska Intertie along the Parks Highway.

AEA intends to file a Preliminary Application Document with FERC on Dec. 29. It will identify project details, resources and anticipated impacts and establish a framework for the licensing process.

Southcentral Power Project update



Work continues on the Southcentral Power Project under construction at Chugach's headquarters near Minnesota Drive and International Airport Road. At its November meeting, the Chugach board heard that the project is on schedule, with engineering 91 percent complete and construction 34 percent complete. SPP is a joint project with Municipal Light & Power to construct a new, efficient, combined-cycle, gas-fired power plant. The cost and output of the 183-megawatt project will be shared 70/30 between Chugach and ML&P, respectively. SPP construction will continue throughout 2011 and 2012. The plant is expected to be in commercial operation by December 2012. The cost of SPP will be largely offset by using less fuel. At current projections, customers of ML&P and Chugach are expected to save \$27 million in avoided fuel costs in 2013, the plant's first full year of operation.

Chugach and Anchorage School District partner on LED project

For the second year in a row, Chugach, the Anchorage School District and ASD Science Technology Engineering and Math (STEM) department worked in partnership to promote energy efficiency, conservation and provide a real-world learning opportunity to students.

This year, 26 fourth-grade classrooms from nine schools in Chugach's service area participated in the holiday LED light exchange program, directly related to their curriculum on electricity. In all, more than 600 students participated in the program.

LED stands for light-emitting diode. Bulbs using LED technology rely on semiconductors instead of filaments to produce light. Unlike incandescent bulbs, LEDs do not

waste as much energy through heat output. LEDs are finding their way onto store shelves more regularly because they are nearly 80 percent more efficient than standard incandescent bulbs. A 50-bulb holiday incandescent light string consumes 19-23 watts, compared to an LED holiday light string that uses between 3-5 watts.

Students in each class were able to bring in their old incandescent light strings and have them replaced with new, more efficient LED light strings, courtesy of Chugach. The students also participated in their classrooms by measuring power consumption with a digital meter and also learned about electrical terminology and fuel sources. A team from Chugach visited each school, explaining the project, and

worked with students to encourage energy efficiency in their homes and classrooms.

Participating elementary schools included: Baxter, Bear Valley, Gladys Wood, Kasuun, Muldoon, O'Malley, Sand Lake, Scenic Park, and Willow Crest.

Classrooms collecting the most light strings at each school had an opportunity to win several prizes, including a field trip to Chugach's headquarters, cash and pizza parties for their classroom. {45347}

Also, the three schools collecting the most incandescent light strings received \$500 apiece to help implement energy efficiency and conservation measures at their school.



Chugach staff explain how light is produced, the differences between LED and incandescent light bulbs, measuring electricity and conserving electricity to fourth-grade students in the Anchorage School District.

For more information, contact Chugach's Energy Efficiency and Conservation Specialist at 762-4336 or smartpower@chugachelectric.com.

Overhead-to-underground project



Chugach crews recently converted a section of 25-kilovolt distribution line that serves the community of Whittier from overhead-to-underground in Portage Valley. The section of line crosses an avalanche path capable of producing large avalanches. In spring of 2009 an avalanche (insert) tore down several spans of line, wrecking poles and wire and causing costly and lengthy repairs while leaving Whittier without power for several days. This project was funded by the Hazardous Mitigation Grant Program (HMGP). The program channels FEMA funds through the state to prevent problems before they happen. The purpose of the HMGP is to reduce the loss of life and property due to natural disasters. In recent years, Chugach has received four such



grants for various projects. Two new grants, totaling \$1.7 million, are in the final stages of approval.

Prices (cont'd from page 1)

The new base rates are expected to remain in effect for at least 6 months.

Also on Nov. 14, Chugach filed with the RCA its proposed first quarter changes to the fuel and purchased power charge on customers' bills. Because natural gas prices have remained relatively flat, the charge is projected to rise only slightly. A Chugach residential customer using 700 kwh of service would see their monthly bill increase by \$1.31.

The RCA has up to 45 days to act on Chugach's proposed changes to the fuel and purchased power charge. If approved, the new rates would be in effect from Jan. 1 – March 31, 2012.

The net effect of the two actions (base rate changes and proposed fuel and purchased power charge adjustment) means the cost of service will remain relatively flat through March. Additional rate news will be provided as the year progresses.



Give the gift of light

Chugach gift certificates are available year-round in any amount. Certificates may be used to pay any Chugach account. Call Member Services at 563-7366 for more information.

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

5601 Electron Drive
Monday - Friday
8 a.m. - 5 p.m.

The Chugach Outlet

A Publication of Chugach Electric Association, Inc.
5601 Electron Drive • P.O. Box 196300 • Anchorage, Alaska 99519-6300

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://chugachelectricapplications.com>. Chugach only accepts applications for open vacancies.

Monthly residential service costs (based on 700 kwh)

Customer charge/month	\$ 8.00
Energy charge \$0.06962 x kwh =	\$48.73
Fuel \$0.06409 x kwh =	\$44.86
Purchased power \$0.00379 x kwh =	\$ 2.65

(Fuel & purchased power adjustments effective 10/1/11 - 12/31/11)

Subtotal	\$ 104.24
2% MOA Undergrounding Charge =	\$ 2.08
RCC \$0.000492 x kwh =	\$ 0.34
Total bill	\$106.66

CHUGACH
POWERING ALASKA'S FUTURE

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.