



Legislature addresses energy

Lawmakers in Juneau wasted no time in addressing energy issues, scheduling hearings early in session to look into the Cook Inlet natural gas situation and other issues. Both the Senate Resources Committee and the House Special Committee on Energy devoted meetings to fuel security and energy costs. At different hearings, a presentation team outlined the results of studies of declining gas production in the region and the steps Southcentral utilities (including Chugach) are taking to ensure they have fuel to meet customers' needs. Utilities expect to complete their analysis of alternatives in the first quarter of 2013.

The options being considered include the marine import of



Senate and House committees held multiple meetings to consider the projected shortfall of natural gas in the Cook Inlet area in the next few years. Chugach's generation mix is about 88 percent natural gas-fired, 10 percent hydro and 2 percent wind.

either liquefied or compressed natural gas (LNG or CNG), trucking LNG from the North Slope or even using diesel-fired generation in Southcentral for a few years. An economic analysis is part of the effort.

A projected shortfall of natural gas in the Cook Inlet area isn't the only energy topic under consideration in Juneau this year.

With forecast revenues lower than in recent years, proposed capital spending is lower as well. Despite that, there are still proposals that will be beneficial for Railbelt electric consumers. The budget submitted by Gov. Parnell includes \$95 million for the Alaska Energy Authority to continue to move the Susitna-Watana hydroelectric project forward. Another \$13.7 million was included for work on several projects that will lead to an improved regional transmission system.

Chugach is also proposing funding for five projects with broad public benefits. Three of these are along the transmission line between Anchorage and the Kenai Peninsula. The 90-mile line, currently energized at 115-kilovolts, was built by Chugach in 1962 and provides the sole path for electricity from the state-owned Bradley Lake hydroelectric project to move to utilities north of the peninsula. One proposed project would rebuild about 2.5 miles of



Among other things this legislative session, Chugach is seeking funding to continue rebuilding a section of the sole transmission line linking Anchorage and the Kenai Peninsula. The line is a key part of the regional transmission system, allowing energy from the state-owned Bradley Lake hydroelectric project to move to Railbelt utilities.

line to 230-kv standards, another would allow right of way clearing in preparation to rebuild another section and a third would upgrade a substation along the way. All three projects are consistent with plans for the regional grid developed by the Alaska Energy Authority.

Within the Anchorage Bowl another proposed project would provide alternate feeds for three elementary schools that were off for an additional day following a September windstorm. The final project would partially fund a joint State-Municipal-Chugach project to convert older streetlights in Oceanview to new, efficient LED lighting – including adding them to some streets currently without any streetlights.

Do we have your number?

During power disruptions, Chugach activates an interactive voice response system that lets customers report an outage without waiting to talk to a member services representative. The system works by associating a phone number with a service location. Callers are prompted to key in their phone number and the IVR searches for a match between the number and a property. It's important that members keep their Chugach record updated if they've changed numbers or moved from land lines to cell phones. Call (907) 563-7366 to see what phone number ties to your record (and change it if necessary).

Fire Island update

Between the time they first generated energy for Chugach customers in August and the end of the year, wind turbines on Fire Island generated more than 18,000 megawatt-hours of electricity. More than a third of the energy was generated in December alone.

The 6,265 Mwhs generated in December provided electricity sufficient to meet the average monthly consumption of approximately 9,600 residential, 5,700 small commercial or 250 large commercial customers.

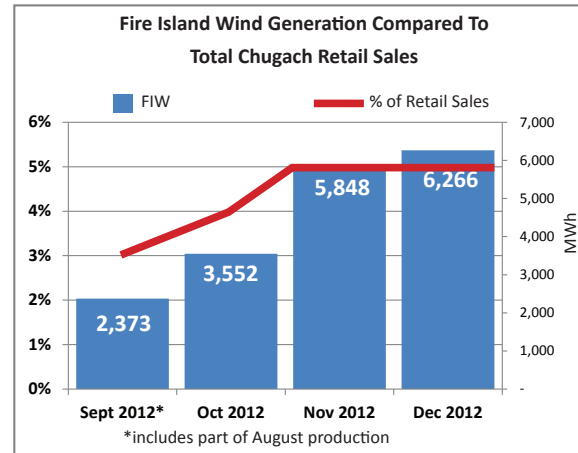
Chugach buys wind power from an independent power producer, Fire Island Wind LLC (a subsidiary of Cook Inlet Region, Inc.) which

owns the turbines on the island. Currently the price for wind power is higher than from other sources. As natural gas prices rise, wind power from Fire Island is expected to be less expensive over the 25-year life of the flat-priced contract. {209637}

Costs associated with Fire Island wind power are recovered from Chugach retail customers. A new line item on the monthly billing statement appeared in October. It's noted as the "FIW Renewable Energy Adj." and represents the cost difference between Fire Island wind power and other generation.

More information on the charge and wind power is available at

www.chugach-electric.com. Clicking the Fire Island button on the left side of the homepage will take you to background on the project and a detailed table showing the impact on the bills of customers in different rate classes. Currently, an average residential customer using 650 kilowatt-hours per month will see an additional \$1.19 on their bill from the Fire Island Wind adjustment.



The Fire Island Wind project has eleven 1.6 megawatt turbines, for a combined capacity of 17.6 megawatts. The chart shows Fire Island Wind generation compared to Chugach's total retail sales.

An average small commercial customer at 1,100 kwh will see \$2.01 and an average large commercial customer at 25,000 kwh will see \$45.75.

Chugach members eligible for 2013 credit union benefits

Chugach has been selected by the Denali Alaskan Federal Credit Union for its "Select Employer Group Spotlight" in the first quarter of 2013. Like Chugach, the credit union is a member-owned cooperative. Chugach has a long-standing relationship with Denali Alaskan, and the credit union extends membership in the

financial organization to Chugach members and employees.

The SEG promotion provides enhanced benefits throughout 2013 to Chugach members and employees. These include waiver of the membership fee, free checks, a free safe deposit box and an extra 0.25% interest on

CDs. For more information, go to www.denalifcu.org/servlet/download?id=819, or use the QR code below.



Annual Meeting and Election notes

Chugach's Annual Membership meeting will be held on Thursday, May 16, 2013 at the Dena'ina Civic & Convention Center.

Two directors will be elected to the Chugach board in the upcoming 2013 election. Members who are interested in either meeting with and being considered by the Nominating Committee or running by petition as a director candidate should call 762-4791 to obtain a candidate packet. Candidate applications and resumes for the Nominating Committee's review must be received by 5 p.m., Friday, Feb. 15, 2013. The petition deadline is 5 p.m., Friday, Mar. 15, 2013.

Nominations or petitions should be submitted to:

Tom Schulman
PO Box 196300
Anchorage, AK 99519-6300
tom_schulman@chugachelectric.com

More information and forms may be found at www.chugachelectric.com or by calling 762-4791.

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	278-3121
Regulatory Commission of AK or	(800) 390-2782 276-6222
To report a power outage	
In Anchorage	762-7888
Outside Anchorage	(800) 478-7494

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.

The Chugach Outlet

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Monthly residential service costs (based on 650 kwh)

Customer charge/month	\$ 8.00
Energy charge \$0.08655 x kwh =	\$56.26
Fuel \$0.03506 x kwh =	\$22.79
Purchased power \$0.01433 x kwh =	\$9.31
FIW renewable energy adj. \$0.00206 x kwh =	<u>\$1.34</u>
<small>(Proposed Fuel, Purchased power and FIW renewable energy effective 2/4/13 - 3/31/13, subject to Regulatory Commission of Alaska approval)</small>	
Subtotal	\$ 97.70
2% MOA Undergrounding Charge =	\$ 1.95
RCC \$0.000568 x kwh =	<u>\$ 0.37</u>
Total bill	\$100.02

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.

CHUGACH
POWERING ALASKA'S FUTURE