

Chugach Electric Association's

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www.chugachelectric.com

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Chair
Alan Christopherson



Secretary
Dave Cottrell



Treasurer
Elizabeth Vazquez



Director
Bruce Davison



Director
Uwe Kalenka



Director
Ray Kreig



Director
Jeff Lipscomb



Interim CEO
Bill Stewart

Without reducing reliability, safety and quality service Chugach has made a commitment to reducing expenses in 2005. In line with the board's goal to reduce expenses while the cost of fuel continues to rise, Chugach managers were asked to look at ways each department's 2005 expenses could be safely reduced to allow for cost savings.

With the completion of the third quarter and the busy summer construction season coming to a close, Chugach department managers have a good idea of what expense items could be reduced for 2005. Reductions in expenses, coupled with revenues slightly above budgeted levels, will improve the bottom line and provide increased margins that can fund future capital credit retirements.

Among the steps already taken was a freeze on travel and new hires. Each depart-

ment head reviewed his or her expenses for items that they could, with certainty, project to come in lower than budgeted for 2005. New projections of remaining expenditures were made resulting in **cost savings of over a million dollars.**

"We are pleased that Chugach management and staff have found ways to reduce expenditures."

At the Oct. 26 Finance Committee meeting, staff presented the proposed reductions to the 2005 budget. The board endorsed the 2005 proposed cost reductions and encouraged management to continue its efforts to further improve efficiencies.

Chair Alan Christopherson said, "The Chugach board has a responsibility to the cooperative's membership to keep a close eye on costs. We must all work to maintain the lowest costs possible without jeopardizing delivery of safe, reliable power. We are pleased that Chugach management and staff have found ways to reduce expenditures. In light of the ever-increasing cost of fuel we need to ensure that we save money in other areas to help offset the higher fuel prices. Any expense savings is a major step in cost containment."

In December's Outlet we will discuss the 2006 budget and the impact of rising fuel costs as well as the amount of the members' capital credit retirement. 🍊

Utilities restart study to lower generation and transmission costs

The Railbelt utilities have taken steps to restart, after a one-year suspension, a previous investigation into the feasibility of forming a Railbelt generation and transmission (G&T) entity. The objective is to strive to achieve lower costs, and more reliable power production and transmission of energy. Chugach, Matanuska, Homer and Golden Valley Electric associations and City of Seward Electric participated in the first joint meeting in October.

The first collaborative task will be to mathematically model an integrated utility G&T. The second task is to identify obstacles and look for ways to overcome them. Findings are expected in early 2006. By working together, the utilities will develop more information for decision-making regarding previously identified options to save costs which otherwise would be paid in customer rates. 🍊

Board activities

- October meeting 2005 Voted Alan Christopherson as Chairman.
- Agreement on Railbelt energy fund with HEA, MEA, AIDEA – Breakdown of relations on this issue with neighboring utilities and the state repaired. **Chugach to receive \$12.5 million for needed sub-transmission project if passed by next legislature.**
- Chugach Board passes motion that the "JAA Board operate under open meetings principals to the maximum extent possible." That means, open to the general public, not just utility board members and also that it be made a state statute change, not a policy, bylaw or agreement change of the JAA. If this entity achieves its promise, tens of billions in electric rates will flow through it over its 30-to-50 year life. Its governing board must be accountable and available for public observation of its activities.

Board of Director meeting minutes and director contact www.chugachelectric.com

- Joint board meeting of Railbelt utilities discussed Joint Action Agency, Fire Island Wind Project, Integrated Resource Planning. 🍊

Volunteers needed

Chugach is looking for members interested in serving on its 2006 Bylaws, Election and Nominating committees.

Members interested in applying for an appointment should submit an application and a resume. Applications for the committees must be submitted by 5 p.m. on Monday, Nov. 21. For more information and to obtain a committee application call Chugach's Public Relations Department at 762-4736, or visit Chugach's web site at www.chugachelectric.com. 🍊



Safety tips

- Do not handle electric equipment in wet areas.
- Do not turn electricity back on if you smell gas.
- Report downed power lines and broken gas lines immediately. 🍊

AutoPay
CHECKING

SIT BACK, RELAX,
IT'S AUTOMATIC

Contact us

Main number	563-7494
Toll free	(800) 478-7494
Customer service	563-7366
Customer service fax	762-4678
Business and commercial	762-7876
Credit	563-5060
Power theft hotline	762-4731
Danger tree hotline	762-7227
Regulatory Commission of Alaska	
(800) 390-2782	or 276-6222
To report a power outage	
In Anchorage	762-7888
Outside Anchorage	(800) 478-7494

Residential service costs

Customer charge	\$8.42/month
Energy charge	9.282¢
Fuel adjustment	2.046¢
Regulatory cost charge	.0433¢
Total per kilowatt-hour	11.3713¢

A residential customer using 700 kilowatt hours of energy would pay \$89.47 per month, that includes the 2 percent underground compliance component.

Corporate Mission

Through superior service, safely provide reliable and competitively priced energy.

Hours

Member Service lobby:
5601 Electron Drive
Monday - Friday
8 a.m. - 6 p.m.

Member Service phone:
Monday - Friday
8 a.m. - 9 p.m.

Main office:
Monday - Friday
8 a.m. - 5 p.m.

The Chugach Outlet

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