



2014 legislative agenda

Chugach will be discussing a range of issues with legislators during the second session of the 28th Legislature.

Grid unification

For decades much of the planning and operation of the Railbelt generation and transmission system was done by Chugach on behalf of itself and the three other utilities that purchased power under wholesale contracts. With both Homer Electric Association and Matanuska Electric Association choosing to build their own generation and go on their own as their contracts expire, challenges have emerged for the interconnected regional grid.

Chugach has been working with other utilities and the Alaska Energy Authority on

strategies to optimize the reliable generation and transmission of electricity for Alaskans throughout the region. After studying the evolution of grids in the Lower 48, Chugach has determined that creating an Independent System Operator for the Railbelt may be the best way forward. An ISO is a non-profit independent cooperation representing stakeholders that performs vital functions, including:

- Mandate non-discriminatory open access transmission
- Enforce reliability standards
- Plan transmission additions and upgrades
- Manage the interconnection of new generation
- Develop a single transmission charge for the

regional grid

- Resolve transmission congestion
- Maximize generation efficiency

Chugach will be discussing the ISO concept with legislators this session. The best course of action may be legislation directing that the Regulatory Commission of Alaska task the utilities with devising a plan to meet specific objectives like those noted above.

Capital projects

Through its membership in the regional generation & transmission organization known as ARCTEC (Alaska Railbelt Cooperative Transmission & Electric Company), Chugach is supporting funding for the following capital projects:

\$24 million for the State's half of the Battle Creek diversion at the Bradley Lake Hydroelectric Project

\$4.5M to rebuild the 115-kilo-volt transmission line between Silvertip Creek and the Hope Substation

\$4.5M to rebuild the 115-kv transmission line between Powerline Pass and Indian.

\$4M for work on a Fossil Creek Substation on the Eklutna transmission line.

Watana hydro project

Chugach continues to support the efforts by the Alaska Energy Authority to advance plans for a major new hydroelectric project for the Railbelt.

See Legislative, page 2

Copper theft at substation dangerous and costly

In July 2013 Chugach discovered that metal thieves had cut the fence to gain access to the Daves Creek Substation near Cooper Landing. Once inside, they proceeded to cut and remove a number of copper ground wires on electrical structures and equipment within the substation. Ground wires are safety features that ensure that any voltage or current that inadvertently energizes equipment or fencing is safely dissipated through the ground grid. Removing the ground wires creates a potential shock/electrocution hazard

for both utility workers and members of the public. In the Lower 48, thieves have been electrocuted trying to steal metal from substations.

More than likely, the stolen copper was sold for scrap. Utilities around the country have suffered from this type of theft in recent years. Homer Electric Association was also the victim of copper theft at one of its substations on the Kenai Peninsula last year.

For Chugach and its customers, the theft was not just

dangerous. It cost \$9,200 for material and labor to replace the stolen wire and repair the substation. It also caused 80 minutes of outage time for customers in Cooper Landing and Moose Pass.

Chugach and other organizations will be seeking legisla-



In 2013 thieves stole copper ground wires from the Daves Creek Substation near Cooper Landing.

tion to address metals theft in 2014.

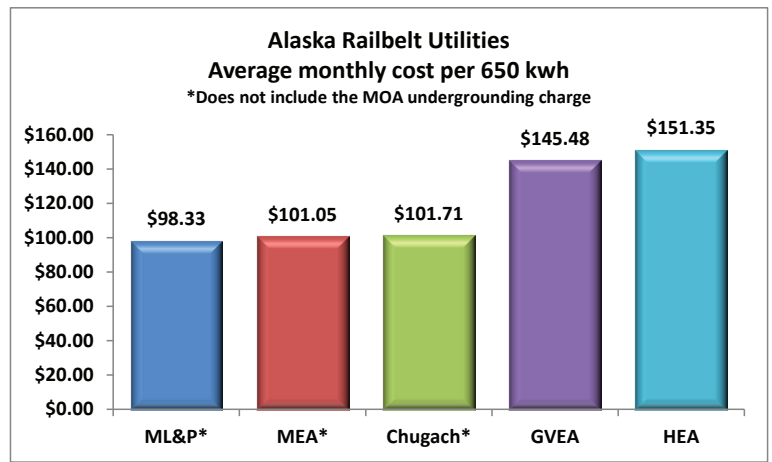
RCA approves rate changes

In January the Regulatory Commission of Alaska approved changes to both base rates and the fuel and purchased power charges for Chugach customers.

The change to base rates was driven by Homer Electric Association leaving the Chugach system when its contract to buy wholesale power expired

at the end of 2013. HEA customers also saw increases in their January bills as the Kenai-Peninsula-based cooperative began paying for natural gas for its power plants.

The graph shows the cost of 650 kwh of residential service for customers of five different Railbelt utilities. {186077}



Check out a 'Kill-A-Watt' Meter today at Chugach



Ever wonder how much electricity your refrigerator or another appliance uses per year? You don't have to wonder any longer.

As a Chugach member, you may borrow a Kill-A-Watt meter for up to two weeks. Any home electrical device, using a standard 120 volt plug, can be inserted into the meter to determine the power consumption and projected cost of

the device on an hourly, daily, weekly or yearly basis.

These easy-to-use devices are a great tool to help inform you how much an appliance, such as your refrigerator, adds to your electric bill, and

whether it's time to upgrade to more efficient products. Stop by the Chugach office to check out your Kill-A-Watt meter today. Please note that the rentals are first come, first serve.

Legislative (cont'd from page 1)

RCA sunset

House Bill 234 would extend the termination date for the RCA to June 30, 2022. Chugach feels the RCA performs a vital public service and its operations should be continued.

Metals theft

Alaska may be the only state

in the nation that has not yet enacted legislation to address metals theft. In 2013 thieves stole copper from a Chugach substation on the Kenai Peninsula (see story, page 1). Chugach has been working with the Associated General Contractors of Alaska and other organizations on proposed legislation.

Annual meeting and election notes

Chugach's annual membership meeting will be held on Thursday, May 22, 2014 at the Dena'ina Civic & Convention Center.

Three directors will be elected to the Chugach board in the upcoming 2014 election. In 2013, members passed a by-law changing board members'

terms from three years to four. As part of that transition, two directors will be elected to 4-year terms and one director to a 3-year term in 2014.

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. 21, 2014.

Candidate nominations 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 762-4177.

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

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.

The Chugach Outlet

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

Monthly residential service costs (based on 650 kwh)	
Customer charge/month	\$ 8.00
Energy charge \$0.09432 x kwh =	\$61.31
Fuel \$0.03807 x kwh =	\$24.75
Purchased power \$0.00881 x kwh =	\$5.73
FIW renewable energy adj. \$0.00239 x kwh =	\$1.55
<small>(Energy charge, Fuel, Purchased power and FIW renewable energy adjustment factors effective Jan. 1, 2014.)</small>	
Subtotal	101.34
2% MOA Undergrounding Charge =	\$ 2.03
Regulatory Cost Charge \$0.000578 x kwh =	\$ 0.38
Total bill	\$103.75

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