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August 21, 2025

Regulatory Commission of Alaska
701 W. 8th Avenue, Suite 300
Anchorage, Alaska 99501

Subject: Tariff Advice No. 578-8; 2025 Wholesale Power Contract between Chugach Electric Association, Inc. and City of Seward d/b/a Seward Electric System

Commissioners:

This tariff filing is transmitted to you in compliance with the Alaska Public Utilities Regulatory Act and Sections 3 AAC 48.200 – 3 AAC 48.430 of the Alaska Administrative Code. Chugach Electric Association, Inc. (Chugach) hereby submits for approval by the Regulatory Commission of Alaska (Commission) a new power sales agreement entitled, “2025 Wholesale Power Contract between Chugach Electric Association, Inc. and the City of Seward d/b/a Seward Electric System” (2025 Agreement). Chugach requests approval of the following tariff sheet:

<u>TARIFF SHEET NUMBER</u>		<u>CANCELS SHEET NUMBER</u>		<u>SCHEDULE OR</u>
<u>ORIGINAL</u>	<u>REVISED</u>	<u>ORIGINAL</u>	<u>REVISED</u>	<u>RULE NUMBER</u>
73	22 nd Revision	73	21 st Revision	Special Contracts

Since July 1, 1961, Chugach has provided electric power to the City of Seward d/b/a Seward Electric System (Seward), under a series of contractual arrangements. Currently, Chugach provides generation and transmission (G&T) service pursuant to the “2022 Wholesale Power Contract for the Sale and Purchase of Electric Power between Chugach Electric Association, Inc. and the City of Seward” (2022 Agreement), dated September 28, 2021. The initial term of the 2022 Agreement expired on December 31, 2024.

On December 27, 2024, Chugach and Seward executed an extension agreement to continue service under the 2022 Agreement until such time as a new agreement could be executed. Chugach and Seward have since finalized the 2025 Agreement, which is hereby submitted under **Attachment A** for Commission review and approval. The Chugach Board of Directors and the Seward City Counsel approved the 2025 Agreement in July 2025.

This filing is not for a new service, does not result in the termination of any existing service, does not conflict with any other schedule or rate contained in Chugach’s operating tariff, and does not adversely impact any customers or the public. Chugach currently provides electric service to approximately 91,000 retail members across 113,000 retail metered locations, in addition to serving one wholesale customer, Seward.

Summary of 2025 Agreement

The 2025 Agreement between Chugach and Seward represents a continuation and refinement of the 2022 Agreement. Like its predecessor, the 2025 Agreement provides interruptible, all-requirements service without reserves, recognizing Seward's Fort Raymond generation capacity in the rate structure. The 2025 Agreement retains the ratemaking and cost recovery framework established in the 2022 Agreement, including recovery of fuel and purchased power costs through adjustment factors, with no changes to base rate principles.

Importantly, the 2025 Agreement incorporates explicit provisions related to the Railbelt Transmission Organization (RTO), which will take effect upon approval of the RTO's Open Access Transmission Tariff (OATT) by the Commission. Under these provisions, Chugach and Seward will be separately responsible for their allocated shares of the RTO's annual transmission revenue requirement, with limited exceptions for Seward's share of legacy transmission agreements and Chugach's Cooper Lake transmission line. In addition, the Agreement introduces a new provision addressing Seward's prospective cruise ship shore power project, requiring the parties to meet and confer to develop a shore power rate that does not unduly disadvantage one cruise ship community over another.

Other notable updates include expanded opportunities for coordination in areas such as vegetation management, cyber security, and dispatch services. The new contract maintains the three-year term with automatic extensions and continues existing arrangements for Seward's share of the Bradley Lake Hydroelectric Project. The 2025 Agreement is substantially similar to the 2022 Agreement, with modifications intended to enhance operational coordination, address evolving system and RTO requirements, and provide flexibility for emerging projects while preserving the legacy pricing structure.

Impact of the 2025 Agreement on Costs and Rates

Based on Chugach's proposed rates in its pending general rate case submitted under Tariff Advice No. 577-8 on August 18, 2025, the 2025 Agreement provides approximately \$8.1 million in base rate revenue to the Chugach system over the initial three-year term of the Agreement. The proposed rates in the general rate case filing are consistent with the 2025 Agreement. The base rates charged under this agreement are set forth in Chugach's Certificate of Public Convenience and Necessity (CPCN) No. 8, Tariff Sheet No. 99 (68th Revision). Additionally, as discussed above, the 2025 Agreement continues to provide that fuel and purchased power costs will be recovered through fuel and purchased power rates rather than through the assessment of a dollar amount based on actual prior period costs. The calculation of fuel and purchased power rates for Seward are set forth in Tariff Sheet Nos. 94, 94.04, and 94.05. No revisions to these tariff sheets are necessary in connection with this filing.

Tariff Sheet Changes

Tariff Sheet No. 73: This tariff sheet has been updated to replace the previous Seward Agreements located under item number one, with the new current 2025 Agreement. The following text has been added to item number one: "2025 Wholesale Power Contract between Chugach Electric Association, Inc. and the City of Seward d/b/a Seward Electric System, dated August 5, 2025." The previous text has been removed accordingly.

Chugach respectfully requests Commission approval of the Agreement as filed to be effective upon the completion of the 45-day statutory notice period, which is October 6, 2025.

Please contact Matthew Clarkson, Chief Legal Officer, at (907) 762-4516 or matthew_clarkson@chugachelectric.com if additional information is needed.

Sincerely,

CHUGACH ELECTRIC ASSOCIATION, INC.



Arthur W. Miller
Chief Executive Officer
P.O. Box 196300
Anchorage, Alaska 99519-6300
Telephone: (907) 762-4758
arthur_miller@chugachelectric.com

Attachments

cc: Kat Sorensen (electronically)
Brian Hickey (electronically)

RCA No. 8 22nd Sheet No. 73



Canceling

21st

Sheet No. 73

Chugach Electric Association, Inc.

SCHEDULE OF SPECIAL CONTRACTS

The following is a listing pursuant to 3 AAC 48.370(26) of all special contracts to which Chugach is a party:

1. 2025 Wholesale Power Contract between Chugach Electric Association, Inc. and the City of Seward d/b/a Seward Electric System, dated August 5, 2025.
2. Second Amendment to the Isolated Operating Agreement for Government-Owned Emergency Generation Facilities between Chugach Electric Association, Inc., and the Anchorage School District, effective January 1, 2018 through December 31, 2027.
3. Second Amended and Restated Operations Agreement for Power Pooling and Joint Dispatch by and between Chugach Electric Association, Inc. and Matanuska Electric Association, Inc., dated December 30, 2024.
4. Mutual Aid/Emergency Service Memorandum of Agreement between Chugach Electric Association, Inc. and Homer Electric Association, Inc., dated March 20, 2025.

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ATTACHMENT A

2025
WHOLESALE POWER CONTRACT
between
CHUGACH ELECTRIC ASSOCIATION, INC.
and the
CITY OF SEWARD d/b/a SEWARD ELECTRIC SYSTEM

PARTIES

This 2025 WHOLESALE POWER CONTRACT (this “Agreement”), dated August 5, 2025, is entered into between Chugach Electric Association, Inc., an electric cooperative association, organized and existing under the laws of the State of Alaska, with its principal place of business located at 5601 Electron Dr., Anchorage, AK 99518 (“Chugach”) and the City of Seward d/b/a Seward Electric System, having its offices at City Hall Annex, 238 5th Avenue, Seward, AK 99664 (“Seward”). Chugach and Seward may hereinafter be referred to as, individually a “Party”, and collectively the “Parties”.

RECITALS

WHEREAS, Chugach has furnished Electric Power (as defined in Section 12) to Seward under various contractual arrangements since July 1, 1961;

WHEREAS, the 2022 Wholesale Power Contract for the Sale and Purchase of Electric Power, dated September 28, 2021, between the Parties (the “2022 Wholesale Power Contract”) had an initial term ending on December 31, 2024;

WHEREAS, the Parties signed an extension agreement on December 27, 2024 to extend the term of the 2022 Wholesale Power Contract until such time as this Agreement is executed by the Parties and approved by the Regulatory Commission of Alaska, an independent agency established pursuant to Alaska Statute 42.04.010 under the Alaska Department of Commerce, Community, and Economic Development (the “Commission”); and

WHEREAS, the Parties desire to continue supplying and purchasing Electric Power pursuant to the terms and conditions of this Agreement.

NOW, THEREFORE, the Parties hereby agree as follows:

SECTION 1 - AGREEMENT

- 1.1 Sale and Purchase of Electric Power. Chugach shall sell and deliver to Seward and Seward shall take and pay for, at the rates provided for in Section 2, all of Seward's Electric Power requirements from Chugach, subject to the terms and conditions provided in this Agreement.

- 1.2 No Dedication of Resources. Other than as expressly agreed herein, nothing in this Agreement shall constitute any (a) sale, lease, transfer, dedication, or conveyance of ownership interest in or to any of Chugach's Generation or Transmission Resources or (b) entitlement to the electric capacity or associated energy from any Generation or Transmission Resource. For the avoidance of doubt, Chugach shall have sole authority and discretion to manage, control, and operate all of its Generation and Transmission Resources.
- 1.3 Electric Power without Reserves. Chugach shall provide Electric Power to Seward without system production Reserves. Seward shall be responsible for providing its own Reserves.
- 1.4 Optional Gas Supply.
- (a) Upon giving twelve (12) months advance written notice to Chugach, Seward may elect to provide its own supply of gas ("Seward Gas") to be used by Chugach to meet Chugach's obligations under this Agreement to generate, sell, and deliver Electric Power to Seward (the "Seward Gas Option"). To affect the Seward Gas Option, the Parties shall endeavor to agree to commercially reasonable terms and conditions for the delivery and use of Seward Gas (in the opinion of the Parties) from the date the Seward Gas Option becomes effective through the remaining Term of this Agreement.
 - (b) To the extent the Seward Gas Option is made effective and an interruption in the Seward Gas supply occurs, Chugach shall be relieved of its obligation to provide Electric Power to Seward along with all liability associated therewith for so long as such interruption continues or has a lasting impact. Chugach shall have no obligation to take, or liability associated with, any Seward Gas that cannot be used by Chugach during (i) an interruption of service pursuant to Section 1.5 or (ii) a Force Majeure Event.
- 1.5 Interruption of Service.
- (a) Chugach may interrupt the provision of Electric Power and any associated services under this Agreement ("Services") to Seward as may be necessary (either completely or in part) in the commercially reasonable opinion of Chugach in order to protect, maintain or otherwise provide continuity of service to Chugach's other firm loads, subject to the following limitations:
 - (i) Chugach will not be obligated, but shall attempt in good faith, to provide reasonable advance notice to Seward of any such interruption of Services. Chugach shall make such notice by calling the emergency services dispatcher for the City of Seward at telephone number +1 (907) 224-3338, or such other number as the Parties may from time to time agree upon in writing;

- (ii) Chugach will not be obligated, but shall attempt in good faith, to purchase replacement Electric Power from other utilities to avoid interruption of Service under this Section 1.5; and
 - (iii) Seward shall promptly reimburse Chugach for all incremental costs incurred in respect of such replacement Electric Power.
 - (iv) Transmission constraints shall not form the basis for interruption of Services.
 - (b) Seward may interrupt or reduce Service to engage in the test running of its own electric power generation resources and shall attempt in good faith to provide advance notice of no fewer than forty-eight (48) hours to Chugach of such interruptions, but in no case shall notification be less than 12 hours. Seward shall make such notice by emailing the Chugach dispatcher at dispatch@chugachelectric.com or calling +1 (907) 762 4661 should email not be functioning or available (the “Chugach Dispatcher”).
 - (c) Seward shall be responsible for all costs of supplying its own Electric Power to meet its system load during any interruption of Services.
- 1.6 Test Running. Subject at all times to Section 1.5, Seward may schedule test running of its own electric power generators. Seward’s electric power generation must be synchronized to the grid and must meet Railbelt scheduling requirements’ unit commitment if it will run in excess of Seward’s load. In such case that Seward’s generation exceeds its load, Chugach will not incur any additional costs. Chugach shall use commercially reasonable efforts to accommodate these scheduled test runs within its broader system management protocols.
- 1.7 Provision of Services to Other Entities.
- (a) Subject at all times to Section 1.5, Seward may provide service from Seward’s generating and storage resources to other entities, including other Alaska Railbelt Transmission Organization (“RTO”) utilities. The scheduling of such services by purchasers shall be coordinated through the Chugach Dispatcher in accordance with applicable scheduling procedures, as determined by Seward and Chugach and in compliance with appropriate system reliability standards. Seward and Chugach shall develop a dispatch protocol and if practicable Chugach will provide dispatch services to Seward for this activity as contemplated in Section 1.12.
 - (b) In the event of curtailment, whether scheduled or unscheduled, Chugach shall have a right of first refusal for any power or ancillary service produced by Seward in lieu of curtailing load. Subject to Chugach’s right, Seward may then offer its resources to any other Railbelt utility being curtailed.

1.8 Delivery Points.

- (a) Subject to Section 1.5, Chugach shall furnish the Electric Power purchased by Seward under this Agreement to Seward at (a) the Daves Creek Substation (located at the north side of Sterling Highway at approximately Mile Post forty-one (41)), (b) near the Lawing Substation (located at approximately mile twenty-five (25) of the Seward Highway), or (c) at such other delivery point(s) as mutually agreed to by the Parties in writing. Title to and risk of loss of Electric Power delivered to Seward shall pass from Chugach to Seward at the delivery points, and Chugach shall have no responsibility for transmission and distribution beyond such delivery points.
- (b) Under certain contingency conditions and at Chugach's sole discretion, Seward may furnish electric service to Chugach at the Delivery Points specified in Section 1.8(a). In such circumstances, title and risk of loss of Electric Power delivered to Chugach shall pass from Seward to Chugach at these Delivery Points and Seward shall have no responsibility for transmission and distribution beyond these Delivery Points.

1.9 Resale of Electric Power Prohibited: Limit on Amount of Electric Power. All Electric Power delivered to Seward under this Agreement shall be used exclusively to serve Seward's retail electric loads as ultimate consumers and end-users of the Electric Power and shall not be resold to any other entity or otherwise used or disposed of, by contractual agreement or otherwise, in any other manner or for any other purpose. To assist in enforcing this provision, the Parties agree that at no time will Seward take, and at no time will Chugach be obligated to supply, Electric Power under this Agreement in amounts in excess of Seward's system demand or requirements calculated at the time Electric Power is delivered to Seward. Nothing contained in this Section 1.9 shall preclude Seward from using Electric Power supplied hereunder to meet its retail electric loads while engaging in contemporaneous off-system sales of Electric Power available to Seward from its own or other electric power sources.

1.10 Agreement for Joint Use and Maintenance of Facilities. The Agreement for Joint Use and Maintenance of Facilities is entered into as of the Effective Date by the Parties and attached hereto as Exhibit A.

1.11 Economy Energy Transactions. In the event of changed market conditions related to economy energy, Seward may request that the Parties meet and confer regarding potential modifications to this Agreement that would allow Seward to meet a portion of its Electric Power needs through market economy energy transactions. The Parties shall negotiate such modifications in good faith; however, Chugach shall not be obligated to accommodate such a modification to the extent Chugach determines and shows with reasonable certainty, that it would cause operational or economic hardship to Chugach.

1.12 Mutual Assistance. The Parties shall continue to work together and discuss potential additional opportunities and arrangements to expand their commercial relationship in

ways that will achieve mutual benefits and efficiencies for both Parties. The Parties believe that given their unique relationship, additional efficiencies could be gained through:

- (a) coordination of right-of-way vegetation management activities through planning, budgeting and collaborative engagement of mutually acceptable Qualified Contractors to perform required maintenance as defined and described in the Joint Use Agreement;
- (b) coordination of employee training activities, where possible, such that Seward employees are given the opportunity to attend Chugach sponsored training events (particularly in the area of safety training);
- (c) coordination regarding electric vehicle charging infrastructure and renewable generation resources;
- (d) coordination and assistance related to dispatch and engineering services for the Fort Raymond power plant;
- (e) coordination and assistance with engineering for Seward substations and RTO cyber security compliance;
- (f) coordination and assistance with advanced metering infrastructure meter installation and connection to Chugach's system;
- (g) to the extent practicable, provision of dispatch services for scheduling services as contemplated in Section 1.7; and

1.13 Shore Power. Should Seward's Shore Power project be put into service during the Term of this Agreement or its optional extensions, the Parties agree to meet and confer and to develop a shore power rate that does not unduly disadvantage one cruise ship community over another.

1.14 Treatment of Small Power Projects.

- (a) *Aggregate Capacity*. The aggregate installed capacity of all Small Power Projects selling electric power and/or energy to Seward shall not exceed 500 kW unless mutually agreed otherwise by the Parties in writing.
- (b) *Metering*. Each Small Power Project selling electric power and/or energy to Seward must be individually metered and such metering information must be available to Chugach for purposes of calculating Seward's monthly invoicing by Chugach in conformance with this Section 1.14.
- (c) *Energy Costs*. Chugach's monthly invoicing to Seward for Electric Power deliveries made pursuant to Section 1.8 shall be reduced by a dollar amount equal

to the kWh received by Seward from Small Power Projects for the relevant period *multiplied by* Chugach's tariff rate for each such billing month. Unless and until an alternative avoided cost calculation is agreed by the Parties, the "Non-firm power rate" in the approved Chugach Tariff Sheet No. 97 (Purchase and Sales Rates for Qualified Cogeneration and Small Power Production Facilities) for each month shall be used to determine the amount by which Chugach's invoicing shall be reduced based upon Seward's purchases from Small Power Projects. Chugach may propose to the Commission an alternative avoided cost calculation to apply to Seward's purchases from Small Power Projects. Prior to filing any such proposal, Chugach shall meet with Seward to discuss how the proposed change, if approved, would affect monthly invoicing. Any changes in the calculation of the avoided cost rate(s) are subject to the standard review and adjudicatory process of the Commission. Seward reserves the right to oppose any such proposal before the Commission.

- (d) *Capacity Costs.* All rates and resulting invoices charged by Chugach to Seward shall be computed as if all of the electric power capacity provided to Seward from Small Power Projects were provided by Chugach. The wholesale billing rates charged by Chugach to Seward shall not be reduced to reflect any contribution of electric power capacity from Small Power Projects.
- (e) *Demand and Energy Related Costs.* Except for the reduction in Chugach's monthly invoicing to Seward computed pursuant to Section 1.14(c), all demand- and energy-related costs, other than fuel and purchased power charged by Chugach to Seward, shall not be reduced to reflect electric capacity or energy provided to Seward from the Small Power Projects.
- (f) *System Costs.* For purposes of Chugach's quarterly Fuel and Purchased Power Cost Adjustment Factor updates, the amounts credited to Seward pursuant to Section 1.14(c) for Seward's purchases of electric capacity and/or energy from Small Power Projects will be considered part of Chugach's system costs. Those costs shall be apportioned to all classes of service, including Seward, consistent with established cost-of-service methodologies.
- (g) *Certain Assurances.* Before allowing a Small Power Project to interconnect with Seward's facilities or equipment or accepting any electric capacity and/or energy from a Small Power Project, Seward shall confirm, to Chugach's satisfaction, its ability to provide Chugach with data that are compliant with and subject to all metering requirements of this Agreement. Seward shall require by contract with each Small Power Project that the Small Power Project shall (i) pay to Chugach the installed cost of the Chugach meters/recorders designated by Chugach as necessary for Chugach to record the energy and capacity supplied by the Small Power Project to Seward; (ii) provide, without charge, a telephone line (dedicated or shared) for telephone access by Chugach to the Chugach meters/recorders; and (iii) provide to Chugach, without charge, full access to any Chugach-owned

meters/recorders on the premises of the Small Power Project and any other rights that Chugach has with respect to other meters under this Agreement.

1.15 Treatment of Net Metered Non-Utility Generation.

- (a) This Agreement shall not be construed to prohibit Seward from purchasing or receiving from a Seward retail customer the electric output from an on-site Eligible Non-Utility Generation facility under a net metering service arrangement with the Seward retail customer, provided that the facility has a nameplate capacity of 25 kW or less, and provided that the total nameplate capacity of all Seward net metered generation facilities does not exceed the greater of two percent (2%) of Seward's average retail demand or the amount permitted under Chugach's operating tariff for its retail members at the time.
- (b) Chugach's rates for Seward's purchases of Electric Power (including both monthly billing demand and determination of contribution to system peak, total system demand and energy requirements) under this Agreement shall be based on actual Chugach billing determinants. In this manner, the impact of net metering installations will be to reduce Seward's billing load and cost responsibility by the amount of actual generation received by Seward from net metered facilities.
- (c) Nothing in Sections 1.14 or 1.15 precludes Chugach from negotiating directly with any Small Power Projects or with any power supplier to purchase electric capacity and/or energy.

SECTION 2 - RATES AND BILLING

- 2.1 General Ratemaking Provision. The rates and charges applicable under this Agreement shall be established, and shall be revised from time to time, in accordance with (a) the substantive ratemaking principles set forth in Section 2.2, and (b) the ratemaking procedures set forth in Section 2.3. This Agreement and rates proposed hereunder shall be submitted to the Commission for advance approval. The schedule of initial base rates under this Agreement are set forth in Chugach CPCN No. 8, Tariff Sheet No. 99 (65th Revision). Chugach shall ensure that during the Term of this Agreement Seward's total cost of Electric Power is not adversely affected by future supply arrangements executed with any third-party purchaser(s) of Electric Power ("Third-Party Transaction"). For clarity, "not adversely affected" means that Seward's total cost of Electric Power would not be higher than it otherwise would have been absent the new Third-Party Transaction. To the extent an adverse effect is determined by Seward to exist, Seward shall notify Chugach of such determination and seek to resolve the issue with Chugach in good faith. Disputes arising hereunder may be submitted to the Commission for resolution by either Party at any time.
- 2.2 Substantive Ratemaking Principles. The rates and charges applicable under this Agreement shall be just and reasonable, not unduly discriminatory, and consistent with the terms and conditions of this Agreement and all other lawful obligations of Chugach.

The rates and charges shall be based on cost-of-service studies designed to ensure that Chugach's total revenue requirement, including, but not limited to generation, transmission, and fuel and purchased power expenses, is divided fairly and appropriately between Chugach's generation transmission, distribution, and customer functions so that no function will significantly or persistently cross-subsidize the other. Fuel and purchased power costs shall be recovered through Chugach's quarterly cost of power adjustment factor rates. All rates charged to Seward shall exclude any costs associated with power purchased by Chugach from the Fire Island Wind Project. Since Chugach is not committing any system production reserves to providing service to Seward under this Agreement, and Seward is relying on its own reserves, no Production Reserve Costs shall be allocated to Seward. Seward is a Railbelt Utility and member of the RTO, as such, from the effective date of the RTO Open Access Transmission Tariff ("OATT"), no transmission costs shall be passed through this agreement except for Seward's allocated share of (1) the transmission costs associated with the RTO Grandfathered Agreements, and (2) the transmission costs associated with Chugach's Cooper Lake transmission line that is used to serve Seward. If Seward provides Electric Service to Chugach under 1.8(b) above, no Seward transmission costs will be passed to Chugach through this Agreement. Chugach and Seward shall be separately responsible to the RTO for their allocated shares of the RTO's Annual Transmission Revenue Requirement ("ATRR") pursuant to the RTO's OATT.

2.3 Ratemaking Procedures. Chugach shall supply and be paid for Electric Power under this Agreement on a total requirements basis, *except that* Production Reserve Costs shall not be allocated to Seward (as discussed below). The following ratemaking and billing provisions shall apply:

- (a) *Allocation of Demand-related Costs.* Demand-related costs will be allocated to Seward for ratemaking purposes in accordance with a methodology that is consistent with the fairness principles set forth in Section 2.2 of this Agreement and will be based on Total System Demand, with the exception that no Production Reserve Costs will be allocated to Seward.
- (b) *Computation of Demand Charges.* To establish demand charges (expressed in dollars per kilowatt/month) for the sale of electric capacity in future rate cases, test period demand-related costs, excluding Production Reserve Costs, will be allocated to Seward based on its proportionate contribution to the overall system peak.
- (c) *Itemized Services for Billing.* Charges for generation and transmission service shall be shown as separate line items on the monthly invoice.
- (d) *Billing Demand and Payment for Capacity.* Seward's billing demand in each month shall be Seward's actual peak demand on the Chugach system for that month.

- (e) *Payment for Energy.* Chugach shall charge and be paid for energy for each monthly billing period in an amount equal to Chugach's then applicable energy charge (excluding fuel and purchased power expenses) *multiplied by* Seward's total system energy requirements for that month, which energy requirements shall be metered at the delivery points set out in Section 1.8. Fuel and purchased power costs will be recovered through Chugach's cost of power adjustment factors, which are reduced by economy energy sales margins and wheeling revenues that would otherwise have been assigned to Seward based on Seward's proportionate share of the total system firm sales on the Chugach system.
- (f) *BRU Contributed Capital Surcharge.* Chugach will charge and be paid a monthly amount equal to the then applicable BRU Contributed Capital Surcharge *multiplied by* actual energy delivered by Chugach to Seward.
- (g) *Customer Charge.* Chugach will charge and be paid a monthly amount equal to the then applicable customer charge *multiplied by* the number of delivery point meters.
- (h) *Good Faith.* The Parties agree to operate their systems in good faith to accomplish the purpose of relying upon the power supply Reserves provided by Seward while providing Seward with a reduced demand cost allocation reflecting the unique nature of the service provided under this Agreement.
- (i) *Billing.* Seward shall pay bills within fifteen (15) days of receipt. In the event any portion of any bill is disputed, pending resolution of the billing dispute, the undisputed portion of each bill shall be paid to Chugach in a timely fashion pending resolution of the disputed amount.
- (j) *Margins (Capital Credits).* Seward shall be entitled to an allocation of margins (capital credits) based on Seward's contribution to Chugach's electric generation and transmission margins consistent with Chugach's bylaws. Upon retirement of patronage capital in a manner consistent with Chugach's bylaws and applicable board policies, such amount retired on behalf of Seward shall be divided and applied equally as an offset (credit) to Seward's subsequent twelve-monthly bills for Electric Power.

2.4 Billing for Bradley Lake.

- (a) Chugach shall be entitled to schedule and receive Seward's share of Electric Power from the Bradley Lake Hydroelectric Project, including any Electric Power associated with the Battle Creek Project (the "Bradley Project") pursuant to the Bradley Lake Hydroelectric Power Agreement for the Sale and Purchase of Electric Power, dated December 8, 1987.

- (b) Chugach may comingle any Electric Power Chugach receives under Section 2.4(a) with all other Electric Power available to Chugach and use such Electric Power to serve Chugach's system load.
- (c) Chugach shall pay the Alaska Energy Authority ("AEA") for Seward's share of costs incurred under the Bradley Project Power Sales Agreement ("Bradley PSA"), which includes applicable optional project work and all required project work. These costs and the attendant energy and capacity from the Bradley Project will be included as a Chugach system resource for ratemaking purposes. This Bradley Lake billing arrangement is strictly for administrative efficiency and is expressly not an assignment of Seward's share of Bradley Project Electric Power to Chugach.
- (d) This Section 2.4 is not intended to alter, amend, or modify any of the Parties' rights and obligations under the Bradley PSA or other agreements related to the Bradley Project. The intent of this arrangement is simply to increase administrative efficiency between the Parties with respect to Seward's share of Bradley Lake Electric Power.

2.5 Transmission Revenue Requirement. Once the RTO OATT is adjudicated and approved, Seward will take services from the RTO pursuant to the terms of the OATT. Except as provided in Section 2.2, Chugach will discontinue transmission cost recovery under this agreement and will recover its costs related to delivery of energy and capacity under this agreement through the RTO OATT to which Seward will be a Network Service Customer.

SECTION 3 - TERM

This Agreement shall continue in full force and effect from the later of August 1, 2025, or the date Commission approval is received pursuant to Section 11.13 (the "Effective Date") for a period of three (3) years (the "Term"). The Term of this Agreement shall automatically extend for two (2) successive three (3) year terms unless either Party provides written notice of termination to the other Party at least one (1) year prior to the expiration of the Term.

SECTION 4 - PROVISIONS RELATING TO ELECTRIC POWER SERVICE

- 4.1 Electric Power. Except when prevented by a Force Majeure Event or when Chugach has interrupted service pursuant to Section 1.5, Chugach shall use its best efforts to deliver a constant and uninterrupted supply of Electric Power to Seward at the delivery points designated in Section 1.8 in the amount of Seward's total demand for Electric Power.
- 4.2 Restoration of Service. In the case of a partial or total loss of service to Seward as a result of problems encountered on the Chugach system, including a Force Majeure Event or interruption pursuant to Section 1.5, Chugach will use its best efforts to promptly restore service in a non-discriminatory manner.

- 4.3 Reciprocal Service. During certain contingency events, subject to its obligation to serve its firm power customers and consistent with past practice, at Chugach's sole discretion, Seward will use its best efforts to supply Chugach loads in the Cooper Landing region using Seward's transmission and distribution system by back feeding the Chugach system, or when islanded, using its own local area generation. Chugach will be responsible for the fuel and non-fuel variable Operations and Maintenance costs of such service on an average basis and will show them as a credit to Seward's monthly invoice.
- 4.4 No Duty to Third Parties. This Agreement shall not create on the part of Seward or Chugach any legal duty owed to the retail, wholesale, or wheeling customers of the other Party, including without limitation, any legal duty to maintain continuity of electric service to third parties or customers. Nothing in the foregoing sentence shall limit the rights afforded Chugach or Seward under this Agreement.
- 4.5 Prudent Utility Practice. The Parties shall design, construct, maintain, operate, and repair their respective facilities and equipment in accordance with Prudent Utility Practice. Seward shall also design, construct, operate, maintain, and repair its facilities and equipment in a manner that ensures satisfaction of the following:
- (a) Seward's load shall not cause sine-wave distortion or large, short-interval demand that will impair service or cause interference with telephone, television, or other facilities, or other utilities' customers.
 - (b) Seward's load shall not result in a deviation from phase balance of more than ten percent (10%) at any time.
 - (c) Seward and Chugach shall each supply their own Volt-Amperes Reactive requirements, as measured at the delivery points designated in Section 1.8, to correct any power factor problems on their respective sides of such delivery point(s). Seward must maintain a minimum ninety percent (90%) power factor. In the event that Seward is unable to meet this power factor requirement, the Parties shall meet and confer regarding a mutually acceptable solution to the problem.
- 4.6 Reserves.
- (a) Chugach shall not be required to provide or maintain Reserves to support Seward's Generation Resources.
 - (b) Seward shall be required to maintain sufficient Reserves to support any and all of its Generation Resources at all times that Seward is operating its Generation Resources in parallel with Chugach's Generation Resources.
 - (c) The Parties shall meet and confer regarding potential modifications to this Section 4.6 in the event of a material increase to Seward's Total System Demand as a result of a new large commercial customer coming onto Seward's system.

- 4.7 Voltage. The Electric Power provided hereunder shall be three-phase, alternating current, at nominal voltages \pm five percent (5%) under normal conditions and \pm ten percent (10%) under emergency conditions. All Parties shall endeavor to maintain proper phase voltage balance on their respective systems. If a problem with voltage occurs, all Parties will use their reasonable best efforts to correct such problems.
- 4.8 Frequency. Chugach shall use its reasonable best efforts to maintain its system frequency at 60 hertz averaged over each twenty-four (24)-hour period.

SECTION 5 - METERING

- 5.1 Performance of Meter Testing. With respect to metering equipment, the Parties shall each:
- (a) make or provide for biennial tests and inspections of all meters and recorders used for billing or invoicing purposes under this Agreement in order to maintain a commercial standard of accuracy;
 - (b) restore to a commercial standard of accuracy any meters found to be inadequate or inaccurate; and
 - (c) provide the other Party with the results of any such test or inspection that shows any inaccuracy more than zero point five percent (0.5%) slow or fast.
- 5.2 Notice of Meter Testing. Each Party shall provide the other Party with written notice at least one (1) week prior to the performance of any meter tests or inspections. Each Party shall be permitted to have representatives present at such meter tests and inspections.
- 5.3 Right to Request Additional Meter Testing. Each Party shall make or provide for additional tests of its meters and recorders at the request of the other Party and in the presence of representatives of the requesting Party. The cost of any additional test requested by such Party shall be borne by the Party owning the equipment if such test shows a meter or recorder is inaccurate by more than zero point five percent (0.5%) slow or fast.
- 5.4 Correction of Meter Errors. Metering errors shall be corrected in the manner applicable to utilities and wholesale customers prescribed in 3 AAC 52.465(d) and (e), as amended from time to time.
- 5.5 Provision of Metering Data. Chugach shall make available to Seward real-time metering data from its meters located at Daves Creek 952, Lawing, and Fort Raymond. Seward shall be responsible for the costs associated with communications and front-end processing equipment required to access and archive this data.

SECTION 6 - FORCE MAJEURE

No Party shall be liable or responsible to the other Party, nor be deemed to have defaulted under or breached this Agreement, for any failure or delay in fulfilling or performing any Term of this Agreement (except for any obligations to make payments to the other Party hereunder), when and to the extent such Party's ("Impacted Party") failure or delay is caused by or results from a Force Majeure Event. The Impacted Party shall give notice to the other Party within three (3) days of the Force Majeure Event, stating the period of time the occurrence is expected to continue. The Impacted Party shall use diligent efforts to end the failure or delay and ensure the effects of such Force Majeure Event are minimized. The Impacted Party shall resume the performance of its obligations as soon as reasonably practicable after the removal of the cause. In the event that the Impacted Party's failure or delay remains uncured for a period of thirty (30) consecutive days following written notice given by it under this Section 6, the other Party may thereafter terminate this Agreement upon ten (10) days' written notice. Seward shall be responsible for meeting its own Electric Power needs when Chugach is unable to supply Electric Power as a result of a Force Majeure Event.

SECTION 7 - INDEMNIFICATION AND LIMITATION OF LIABILITY

- 7.1 Indemnification. Each Party (as an "Indemnifying Party") shall indemnify, defend, and hold harmless the other Party, its managers, officers, directors, representatives, agents, employees, contractors, affiliates, successors and assigns (collectively, the "Indemnified Party") against any and all losses, damages, liabilities, deficiencies, claims, actions, judgments, settlements, interest, awards, penalties, fines, costs, or expenses of whatever kind, including professional fees and reasonable attorneys' fees, that are incurred by the Indemnified Party (collectively, "Losses"), to the extent arising out of any third-party claims alleging:
- (a) material breach by, or non-fulfillment of any provision of this Agreement binding on, the Indemnifying Party or the Indemnifying Party's representatives (as applicable);
 - (b) any negligent or more culpable act or omission of the Indemnifying Party (including any reckless or willful misconduct) in connection with the performance of its obligations under this Agreement;
 - (c) any bodily injury, death of any person, or damage to real or tangible personal property caused by the negligent or more culpable acts or omissions of Indemnifying Party (including any reckless or willful misconduct); or
 - (d) any failure by Indemnifying Party to comply with any applicable federal, state, or local laws, regulations, or codes in the performance of its obligations under this Agreement.

7.2 Notice, Defense, and Settlement of Legal Proceeding.

- (a) If any legal proceeding is instituted, or any claim or demand made, against any Indemnified Party with respect to which the Indemnifying Party may be liable hereunder, the Indemnified Party shall give prompt written notice thereof, within thirty (30) days thereof by certified mail, return receipt requested, and promptly deliver a true copy of any summons or other process, pleading or notice to the Indemnifying Party.
- (b) In any action in which there is no reasonable possibility of joint liability of the Parties to this Agreement, the Indemnifying Party shall have the absolute right, at its sole expense and without the consent of the Indemnified Party, to defend and settle any such legal proceeding, claim or demand. However, the Indemnifying Party shall give notice, if possible, to the Indemnified Party of any proposed settlement. In no event shall the participation of the Indemnified Party in the defense and settlement of any legal proceeding claim or demand interfere with or alter the Indemnifying Party's absolute right to control the defense and/or settlement of the legal proceeding, claim or demand. The Indemnified Party may, if it sees fit, participate in defense of any such legal proceeding, at its own expense.
- (c) Where joint liability of both Parties to this Agreement is a reasonable possibility, no Party which has exposure to joint liability shall be limited in their participation in the action.
- (d) If the Indemnified Party, without the prior consent of the Indemnifying Party (which consent, if requested, shall not be unreasonably withheld), makes any settlement with respect to any such legal proceeding, claim or demand, the Indemnifying Party shall be discharged of any liability hereunder with respect thereto.
- (e) The Indemnifying Party shall pay all reasonable costs incurred by the Indemnified Party in any successful enforcement of this indemnity.

7.3 NO CONSEQUENTIAL OR INDIRECT DAMAGES. NOTWITHSTANDING ANYTHING IN THIS AGREEMENT TO THE CONTRARY, NEITHER PARTY OR ANY OF ITS REPRESENTATIVES SHALL BE LIABLE TO THE OTHER PARTY FOR ANY CONSEQUENTIAL, INDIRECT, INCIDENTAL, SPECIAL, EXEMPLARY, PUNITIVE OR ENHANCED DAMAGES, LOST PROFITS OR REVENUES, OR DIMINUTION IN VALUE, ARISING OUT OF, RELATING TO, OR IN CONNECTION WITH ANY BREACH OF THIS AGREEMENT, REGARDLESS OF (A) WHETHER SUCH DAMAGES WERE FORESEEABLE, (B) WHETHER OR NOT IT WAS ADVISED OF THE POSSIBILITY OF SUCH DAMAGES AND (C) THE LEGAL OR EQUITABLE THEORY (STATUTE, CONTRACT, TORT OR OTHERWISE) UPON WHICH THE CLAIM IS BASED; PROVIDED, HOWEVER, THAT IN NO EVENT SHALL THE FOREGOING LIMITATIONS ON LIABILITY OR

DAMAGES LIMIT THE LIABILITY OF ANY PARTY TO ANY OTHER PARTY FOR THIRD-PARTY CLAIMS FOR WHICH INDEMNIFICATION IS REQUIRED OR IN THE INSTANCES OF FRAUD OR WILFUL MISCONDUCT.

SECTION 8 - INSURANCE

Each Party agrees to use its best efforts to obtain and maintain in full force and effect during the Term of this Agreement, adequate insurance with responsible insurers as may be required by law.

SECTION 9 - DEFAULT AND DISPUTE RESOLUTION

- 9.1 Notice of Default. Upon failure of any Party to perform any obligation hereunder, the Party or Parties to whom such performance is due shall make demand in writing upon the defaulting Party. If such failure, other than a failure to pay Chugach when such payment is due, is not cured within thirty (30) days from the date of such demand it shall constitute a default at the expiration of such period. Chugach's bills to Seward shall constitute written demands for payment for purposes of this Section 9.1 and Seward shall be considered to be in immediate default of their payment obligations if such bills are not fully paid within ten (10) days after they are due.
- 9.2 Performance Pending Resolution of Dispute. Pending resolution of any dispute each Party shall continue to perform its obligations under this Agreement, including the obligations to deliver and receive Electric Power and the obligation to pay bills submitted by Chugach for such Electric Power. All Parties shall be entitled to seek immediate judicial enforcement of this continued performance obligation notwithstanding the existence of a dispute. Application for such enforcement shall be made to the Superior Court for the State of Alaska, in Anchorage.
- 9.3 Consultation to Resolve Disputes. After notice is delivered and before default occurs under Section 9.1, the Parties shall in good faith endeavor to meet promptly and to resolve any dispute through good faith negotiation. If a Party has met its obligation of good faith under this Section 9.3, and if the dispute has not been resolved before default occurs, then that Party shall be entitled at any time thereafter to seek immediate judicial enforcement of this Agreement in the Superior Court for the State of Alaska, in Anchorage, by bringing any suit, action or proceeding, at law or in equity, including without limitation mandamus, injunction, damages and action for specific performance, as may be necessary or appropriate to enforce any covenant, agreement or obligation of this Agreement.
- 9.4 WAIVER OF JURY TRIAL. EACH PARTY ACKNOWLEDGES AND AGREES THAT ANY CONTROVERSY THAT MAY ARISE UNDER THIS AGREEMENT IS LIKELY TO INVOLVE COMPLICATED AND DIFFICULT ISSUES AND, THEREFORE, EACH SUCH PARTY IRREVOCABLY AND UNCONDITIONALLY WAIVES ANY RIGHT IT MAY HAVE TO A TRIAL BY JURY IN RESPECT OF ANY LEGAL ACTION ARISING OUT OF OR RELATING TO THIS AGREEMENT OR THE

TRANSACTIONS CONTEMPLATED HEREBY. EACH PARTY TO THIS AGREEMENT CERTIFIES AND ACKNOWLEDGES THAT (A) NO REPRESENTATIVE OF ANY OTHER PARTY HAS REPRESENTED, EXPRESSLY OR OTHERWISE, THAT SUCH OTHER PARTY WOULD NOT SEEK TO ENFORCE THE FOREGOING WAIVER IN THE EVENT OF A LEGAL ACTION, (B) SUCH PARTY HAS CONSIDERED THE IMPLICATIONS OF THIS WAIVER, (C) SUCH PARTY MAKES THIS WAIVER VOLUNTARILY, AND (D) SUCH PARTY HAS BEEN INDUCED TO ENTER INTO THIS AGREEMENT BY, AMONG OTHER THINGS, THE MUTUAL WAIVERS AND CERTIFICATIONS IN THIS SECTION 9.4.

SECTION 10 - RIGHT OF ACCESS AND REMOVAL

Each Party will have access to the premises, facilities, or property of the other Party at all reasonable times for any purpose necessary or appropriate to the performance of this Agreement. Upon termination of this Agreement in accordance with the provisions hereof, each Party will remove any property or equipment which it may have installed on the premises of the other Party for any purposes hereunder. Seward shall provide Chugach with access to existing metering or allow Chugach to install any metering and equipment necessary or convenient to allow Chugach to track Seward's load and generation during periods of interruption of service from Chugach.

SECTION 11 - MISCELLANEOUS

- 11.1 Waiver. Any waiver at any time by any Party to this Agreement of its rights with respect to any default of the other Party hereto, or with respect to any other matter arising in connection with this Agreement, shall not be considered a waiver with respect to any prior or subsequent default, right, or matter.
- 11.2 Severability. If any term or provision of this Agreement is invalid, illegal, or unenforceable in any jurisdiction, such invalidity, illegality, or unenforceability shall not affect any other term or provision of this Agreement or invalidate or render unenforceable such term or provision in any other jurisdiction. Upon such determination that any term or other provision is invalid, illegal, or unenforceable, the Parties hereto shall negotiate in good faith to modify this Agreement so as to effectuate the original intent of the Parties as closely as possible in a mutually acceptable manner in order that the transactions contemplated hereby be consummated as originally contemplated to the greatest extent possible.
- 11.3 Assignment.
- (a) *General*. Neither Party may assign any of its rights hereunder without the prior written consent of the other Party, which consent shall not be unreasonably withheld, conditioned, or delayed. Any purported assignment in violation of this Section 11.3(a) shall be null and void. No assignment shall relieve the assigning Party of any of its obligations hereunder.

- (b) *Assignment for Security.* Notwithstanding Section 11.3(a), a Party, without the other Party's consent, may assign transfer, mortgage, or pledge its interest in this Agreement as security for any obligation secured by an indenture, mortgage, or similar Lien on its system assets without limitation on the right of the secured Party to further assign this Agreement; provided, however, that no such assignment shall relieve such Party of any obligations hereunder.
- 11.4 Successor and Assigns. This Agreement shall be binding upon and shall inure to the benefit of the Parties hereto and their respective successors and assigns.
- 11.5 No Third-Party Beneficiaries. This Agreement is for the sole benefit of the Parties hereto and their respective successors and assigns and nothing herein, express or implied, is intended to or shall confer upon any other person or entity any legal or equitable right, benefit, or remedy of any nature whatsoever under or by reason of this Agreement.
- 11.6 Notices. Except as provided in Section 1.5, all notices, requests, consents, claims, demands, waivers, and other communications hereunder (each, a "Notice") shall be in writing and shall be deemed to have been given (a) when delivered by hand (with written confirmation of receipt); (b) when received by the addressee if sent by a nationally recognized overnight courier (receipt requested); (c) on the date sent by facsimile or email (with confirmation of transmission) if sent during normal business hours of the recipient, and on the next business day if sent after normal business hours of the recipient; or (d) on the third day after the date mailed, by certified or registered mail (in each case, return receipt requested, postage pre-paid). Notices must be sent to the respective Parties at the following addresses (or at such other address for a Party as shall be specified in a Notice given in accordance with this Section 11.6):

If to Chugach:

Chugach Electric Association, Inc.
5601 Electron Drive
Anchorage, AK 99518
Email: Arthur_Miller@chugachelectric.com;
Matthew_Clarkson@chugachelectric.com
Attn: Arthur Miller, Chief Executive Officer and
Matthew Clarkson, Chief Legal Officer

If to Seward:

City of Seward
PO Box 167
Seward, AK 99664
Email: bhickey@cityofseward.net
jbickling@cityofseward.net
Attn: Brian Hickey, Electric General Manager
Jason Bickling, Asst. City Manager

with a copy to:

Munson, Cacciola & Severin, LLP
1029 W. 3rd Ave #402
Anchorage, AK 99501
Email: kgeorge@bcfaklaw.com
Attn: Kody George, Seward City Attorney

- 11.7 Amendment and Modification. This Agreement may only be amended, modified, or supplemented by an agreement in writing signed by each Party hereto and approved by appropriate governing boards and regulatory agencies.
- 11.8 Entire Agreement. This Agreement, together with any other documents and exhibits incorporated herein by reference, constitutes the sole and entire agreement of the Parties to this Agreement with respect to the subject matter contained herein and therein, and supersedes all prior and contemporaneous understandings, agreements, representations, and warranties, both written and oral, with respect to such subject matter.
- 11.9 Headings. The headings in this Agreement are for reference only and shall not affect the interpretation of this Agreement.
- 11.10 Cumulative Remedies. The rights and remedies under this Agreement are cumulative and are in addition to and not in substitution for any other rights and remedies available at law or in equity or otherwise.
- 11.11 Governing Law. This Agreement and all matters arising out of or relating to this Agreement shall be governed by and construed in accordance with the laws of the State of Alaska without giving effect to any choice or conflict of law provision or rule (whether of the State of Alaska or any other jurisdiction).
- 11.12 Relationship of the Parties. Nothing herein shall be construed to create a joint venture or partnership between the Parties hereto or an employer/employee or agency relationship. Neither Party hereto shall have any express or implied right or authority to assume or create any obligations on behalf of or in the name of the other Party or to bind the other Party to any contract, agreement or undertaking with any third party.
- 11.13 Regulatory Approval. It is the Parties' understanding that this Agreement, as a wholesale power agreement between public utilities governed by AS 42.05.431(b), will not take effect without the prior approval of the Commission, and will at all times after any such approval be subject to the Commission's continuing authority over wholesale power agreements.
- 11.14 Counterparts. This Agreement may be executed in counterparts, each of which shall be deemed an original, but all of which together shall be deemed to be one and the same agreement. A signed copy of this Agreement delivered by facsimile, email or other means of electronic transmission shall be deemed to have the same legal effect as delivery of an original signed copy of this Agreement.

SECTION 12 - DEFINITIONS

As used in this Agreement and the Exhibits hereto, the following capitalized terms have the meanings ascribed to them below, unless and only to the extent the context requires otherwise:

“Electric Power” means electric energy or electric capacity or both but does not include reserve generation capacity. Where the context of this Agreement requires a distinction, electric energy is expressed in kilowatt hours (kWh) or megawatt hours (MWh), and electric capacity is expressed in kilowatts (kW) or megawatts (MW).

“Eligible Non-Utility Generation” means electric generation from one or more of the following sources:

- (a) Solar photovoltaic and solar thermal energy;
- (b) Wind energy;
- (c) Biomass energy, including landfill gas or biogas produced from organic matter, wastewater, anaerobic digesters, or municipal solid waste;
- (d) Hydroelectric, geothermal, hydrokinetic energy or ocean thermal energy; or
- (e) Other sources that generally have similar environmental impacts.

“Force Majeure Event” means any cause beyond the control of a Party hereto and which by the exercise of due diligence that Party is unable to prevent or overcome, including but not limited to an act of God, fire, flood, volcano, epidemic, pandemic, earthquake, explosion, sabotage, an act of the public enemy, civil or military authority, including court orders, injunctions and orders of governmental agencies of competent jurisdiction, insurrection or riot, an act of the elements, failure of equipment, or the inability to obtain or ship equipment or materials because of the effect of similar causes on carriers or shippers. Strikes, lockouts, and other labor disturbances shall be considered Force Majeure Events, and nothing in this Agreement shall require either Party to settle a labor dispute against its best judgment; provided, that during any labor dispute all Parties shall make all reasonable efforts under the circumstances, including, to the extent permitted by law, the use of replacement personnel and/or management personnel and/or other personnel under the provisions of a mutual aid agreement, to ensure, if possible, the continued ability of the Parties to produce, deliver, receive, and distribute the Electric Power that is the subject matter of this Agreement.

“Generation and Transmission Resources” or separately **“Generation Resources”** or **“Transmission Resources”** means all existing and future facilities (whether or not operable, and whether or not operating) used by Chugach for generation and/or transmission of electric power, including, in addition to physical generation and/or transmission facilities and facilities associated with the provision of fuel for electric power generation, Chugach’s rights and obligations to obtain (by purchase, wheeling, or otherwise) electric power generated by other

entities or fuel for the generation of electric power by Chugach, to the extent that the costs of such facilities and rights are allowably included in the rates charged to Chugach's retail consumers.

"Impacted Party" has the meaning given to it in Section 6.

"Indemnifying Party" or **"Indemnified Party"** has the meaning given to it in Section 7.1.

"Losses" has the meaning given to it in Section 7.1.

"Notice" has the meaning given to it in Section 11.6.

"Production Reserve Costs" means those costs allocated to that portion of Chugach's power production capacity that represents available power production capacity (including contract power purchases, but not emergency power purchases) in excess of Chugach's system peak requirements.

"Prudent Utility Practice" means at a particular time any of the practices, methods and acts engaged in or approved by a significant portion of the electric utility industry at such time, or which in the exercise of reasonable judgment in light of facts known at such time, could have been expected to accomplish the desired results at the lowest reasonable cost consistent with good business practices, reliability, safety and reasonable expedition. Prudent Utility Practice is not required to be the optimum practice, method, or act to the exclusion of all others, but rather to be a spectrum of possible practices, methods or acts which could have been expected to accomplish the desired result at the lowest reasonable cost consistent with reliability, safety and expedition. Prudent Utility Practice includes due regard for manufacturer's warranties and the requirements of governmental agencies of competent jurisdiction and shall apply not only to functional parts of the Parties' generation, transmission, and distribution facilities, but also to appropriate structures, landscaping, painting, signs, lighting, and other facilities.

"RTO" means the Alaska Railbelt Transmission Organization.

"Reserves" means the Electric Power needed to avert shortages of capacity and/or energy for the benefit of retail or wholesale consumers that a utility system is obligated to serve and which is available to that system either from facilities or from purchases or other arrangements, which such system is contractually entitled to rely upon for such purposes.

"Services" has the meaning given to it in Section 1.5(a).

"Seward Gas Option" has the meaning given to it in Section 1.4.

"Small Power Projects" means each Eligible Non-Utility Generation facility that has a nameplate capacity of greater than 25 kW, but not greater than 500 kW, is not a net metered generation system, and sells its electric output to Seward.

"Term" has the meaning given to it in Section 3.

“Third-Party Transaction” has the meaning given to it in Section 2.1.

“Total System Demand” means the Seward demand (regardless of whether Seward is receiving power from Chugach or its own generation) registered during that fifteen (15) minute interval for each month in which the sum of each of the following is greatest in that month: (a) the demands metered at the delivery points described in Section 1.8, and (b) the demand on all Seward generation. Seward shall permit Chugach to install, or cause to be installed, suitable metering and registration equipment on its facilities.

“Shore Power” means the supply of electric power from a land-based electric utility to a vessel, enabling the vessel to shut down its own onboard generation systems while berthed, thereby reducing emissions, fuel consumption and noise. Shore Power includes the electric capacity and energy supplied at the dock or terminal and is intended for vessels that require a reliable source of power for operational or standby functions during docking or layovers.


[Signatures on Following Page]

IN WITNESS WHEREOF, the Parties have caused this Agreement to be executed by their respective duly authorized representatives as of the date first above written.

Chugach Electric Association, Inc.


Arthur Miller, Chief Executive Officer

City of Seward d/b/a Seward Electric System


Kat Sorensen, City Manager


Brian Hickey, Electric General Manager

Exhibit A
Agreement for Joint Use and Maintenance of Facilities

Exhibit A

Agreement for Joint Use and Maintenance of Facilities

This Agreement for Joint Use and Maintenance of Facilities (this “Agreement”), dated as of August 5, 2025, is entered into between Chugach Electric Association, Inc., an electric cooperative association, organized and existing under the laws of the State of Alaska, with its principal place of business located at 5601 Electron Dr., Anchorage, AK 99518 (“Chugach”) and the City of Seward d/b/a Seward Electric System, having its offices at City Hall Annex, 238 5th Avenue, Seward, AK 99664 (“Seward”). Chugach and Seward may hereinafter be referred to as, individually a “Party”, and collectively the “Parties”. Capitalized terms not otherwise defined herein shall have the same meanings ascribed to them in the 2025 Wholesale Power Contract entered into on or about the date hereof between the Parties (the “2025 Wholesale Power Contract”) and to which this Agreement is attached.

RECITALS

WHEREAS, the Parties entered into that certain Joint Use Agreement, renewed and effective February 27, 2007, following Order U-06-056(6) (the “2007 JU Agreement”) and pursuant to which Chugach’s distribution circuits were transferred from Chugach’s then-existing electrical distribution poles located in the right-of-way between [Daves Creek] and the [Lawing Substation] to Seward’s newly constructed electrical transmission poles (the “Seward Poles”) located in a new right-of-way covering the same corridor (the “Right-of-Way”);

WHEREAS, further pursuant to the 2007 JU Agreement and as specified in Attachment 1, Chugach owns and operates electrical power distribution underbuild and associated electrical distribution pole attachments (the “Chugach Facilities”) while Seward owns and operates the one hundred and fifteen (115) kilovolt transmission line (the “Seward Facilities”) and, together with the Chugach Facilities, “Facilities”) and Seward Poles (collectively, the “Poles and Facilities”);

WHEREAS, the Parties further extended the purposes and intent of the 2007 JU by entering into a Joint Use Agreement, approved by the Regulatory Commission of Alaska on September 20, 2021, (the “2022 JU Agreement”); and

WHEREAS, the Parties wish to enter into this Agreement in order to further specify and extend the terms and conditions pursuant to which the Parties shall continue to operate and maintain the Poles and Facilities.

NOW, THEREFORE, the Parties hereby agree as follows:

AGREEMENT

1. Scope and General Undertakings

- 1.1. Unless as otherwise provided in this Agreement or the 2025 Wholesale Power Agreement, each Party shall at all times operate and maintain the Poles and

Facilities in conformity with Prudent Utility Practice, the laws of the State of Alaska, the National Electric Safety Code (“NESC”), and any other applicable laws, regulations, codes, and ordinances (collectively, “Performance Requirements”).

2. Term and Termination

- 2.1. Subject to Sections 2.2 and 2.3, this Agreement shall come into full force and effect as of the Effective Date of the 2025 Wholesale Power Agreement until expiration of the Term of the 2025 Wholesale Power Agreement as set forth therein.
- 2.2. The termination of this Agreement shall not terminate any of (a) the access rights (whether public or private) of Chugach to any rights-of-way, including between Daves Creek and Lawing Substations nor (b) the rights of Chugach to attach Chugach Facilities to the Seward Poles.
- 2.3. Upon termination of this Agreement, the Parties shall meet and negotiate in good faith to execute a replacement joint use agreement in order that the operation and maintenance of the jointly used Poles and Facilities continues in a safe, efficient, and coordinated manner.

3. No Charges to Chugach

- 3.1. The Parties agree that Chugach will not accrue, owe or be required to pay any costs, rental fees or otherwise to Seward, its affiliates, or any third parties for the right to attach the Facilities to the Seward Poles, except for those costs specified in this Agreement.

4. Rights-of-Way

- 4.1. Seward shall ensure that Chugach be named as an additional Party to any rights-of-way held by or for the benefit of Seward within which any Seward Poles are located.
- 4.2. Each Party agrees to abide by the terms and conditions of any such rights-of-way.

5. Maintenance and Clearing Costs

- 5.1. Maintenance.
 - (a) Chugach shall be responsible for the repair, replacement, and maintenance of the Chugach Facilities in a safe and serviceable condition in accordance with the Performance Requirements. Seward shall be responsible for the repair, replacement, and maintenance of the Seward

Facilities in a safe and serviceable condition in accordance with the Performance Requirements. Recognizing the joint use of certain Poles and Facilities, collectively, the responsibility for the repair, replacement, and maintenance of the Poles and Facilities, including Right-of-Way Clearing and clearing work, shall be known as the “Maintenance Work” and shall be coordinated amongst the Parties according to this Section 5.1.

- (b) For costs which Seward will incur, it shall have sole authority to determine whether Maintenance Work identified in the Scheduled Maintenance Work Plan will be performed by its own personnel, Chugach (at its discretion), or contracted out to Qualified Contractors. The Parties shall be entitled to engage Qualified Contractors to perform such Maintenance Work on their behalf. For purposes of this Agreement, the phrase “Qualified Contractor” means a contractor that possesses the necessary licenses, experience, equipment, and certificates of fitness to perform such Maintenance Work.
- (c) The Parties shall coordinate regarding Maintenance Work to develop a mutually agreeable five-year maintenance plan for the completion of the Scheduled Maintenance Work (the “Maintenance Plan”). All Maintenance Work, other than Emergency Maintenance Work (as defined below), shall be scheduled in advance with at least sixty (60) days prior written notification (email being sufficient) (“Scheduled Maintenance Work”). The Maintenance Plan shall include the scope, schedule, and estimated budget. For Scheduled Maintenance Work the Parties will coordinate to identify any Qualified Contractor(s) who may be retained to complete the Scheduled Maintenance Work.
- (d) When Emergency Maintenance Work (as defined below) is required, and when practical, the Parties will coordinate before performing the work. If feasible, either Party shall have the opportunity to perform the work. The Party completing the work shall notify the other as soon as reasonably possible after such Emergency Maintenance Work has been completed (but in no event later than thirty (30) days). For purposes of this Agreement, an “Emergency” is any situation deemed by either of the Parties, at their sole discretion, to pose an imminent danger or threat to the Poles and Facilities, property, public safety or public welfare and “Emergency Maintenance Work” shall be construed accordingly.
- (e) To the extent reasonably practicable, taking into consideration cost and availability, Chugach crews or Qualified Contractors performing Maintenance Work shall be lodged in Cooper Landing, Moose Pass, or Seward while the work is being completed.

- (f) The Parties shall use commercially reasonable efforts to minimize disruptions to service provided to the other Party under the 2025 Wholesale Power Agreement during Maintenance Work and provide advance notice to the other Party of any anticipated interruptions from such Maintenance Work.
- (g) The Parties shall ensure that their relevant affiliates, cooperate and coordinate in good faith with the other Party so as to allow the Maintenance Work to be efficiently completed and each Party perform its obligations under this Section 5.1.

5.2. Maintenance and Clearing Costs; Billing.

- (a) Chugach shall be solely responsible for the cost of Maintenance Work associated with the Chugach Facilities. Seward shall be solely responsible for the cost of Maintenance Work associated with the Seward Poles and Seward Facilities. Each Party shall bill the other Party monthly for any such costs incurred in the performance of its obligations under this Agreement for work done in respect to the other Party's Facilities.
- (b) Failure to satisfy the advance notification and planning requirements contained in this Section 5 shall absolve the non-breaching Party of any obligation to any costs incurred by the breaching Party associated with such unnoticed and unplanned work.

6. Third Party Attachments

- 6.1. No third-party attachments to the Seward Poles shall be permitted absent Chugach's prior written consent, such consent not to be unreasonably withheld.
- 6.2. In addition, no third-party attachments to the Seward Poles shall be permitted absent such third-party's agreement to maintain its attachment in accordance with the specifications and requirements of this Agreement.

7. Future Modifications

- 7.1. When either Party desires to change the character of its respective Facilities, such Party will give sixty (60) days advance written notice (email being sufficient) to the other Party of such contemplated change in the character of its Facilities. Any such change in the character of the Facilities shall require the mutual agreement of both Parties, and such agreement may not be unreasonably withheld by either Party. All construction changes required to accommodate changes to Facilities (e.g., new circuits) shall meet the specifications and requirements contained in this Agreement.
- 7.2. If the change in the character of the Facilities requires electrical distribution pole replacements for the sole benefit of Seward, Seward will be responsible for the

setting of the poles and attachment of Seward Facilities to such electrical distribution poles. Chugach will be responsible for the attachment of Chugach Facilities to such electrical distribution poles for which Seward shall reimburse Chugach for the reasonable costs and expenses associated with such attachment.

- 7.3. If the change in the character of the Facilities requires electrical distribution pole replacements for the sole benefit of Chugach, Chugach will be responsible for the setting of such electrical distribution poles and the attachment of the Facilities to such electrical distribution poles.

8. Abandonment and Relocation

- 8.1. If Seward desires at any time to abandon any one or more of the Seward Poles, it shall give Chugach sixty (60) days advance written notice prior to the date on which Seward intends to abandon such pole. If at the expiration of such period Seward has no attachments on such pole but Chugach has not removed all of its attachments therefrom, such pole shall thereupon become the property of Chugach, and Chugach shall hold Seward harmless from all obligation, liability, damages, costs, expenses or charges incurred thereafter but not arising out of or related to events occurring or conditions existing prior to Chugach taking ownership of such pole. Chugach shall pay Seward for such pole an amount as may be mutually agreeable to both Parties. Seward shall further evidence transfer to Chugach of title to the pole by means of a bill of sale (in a form reasonably satisfactory to Chugach in its sole discretion).
- 8.2. Chugach may at any time abandon use of a Seward Pole by giving reasonable notice thereof in writing to Seward and removing therefrom any and all attachments it may have thereon.
- 8.3. Should any of the Seward Poles have to be relocated at the direction of any duly authorized federal, state, or local governmental entity, Seward shall, before making such relocation, give Chugach reasonable advance written notice specifying the date and time such relocation is to be completed. Chugach shall at the time so specified transfer its attachments to the relocated pole. In the event that Seward is reimbursed by any governmental entity or its designated parties for the costs of the relocation of the pole and the attachments thereon, Chugach will be entitled to a proportionate share of that reimbursement. Chugach's share of the reimbursement shall be computed as a product of the amount of reimbursement received multiplied by the ratio of Chugach's costs of relocation of Chugach Facilities to the total cost to Chugach and Seward for the relocation of the Facilities.

9. Damage Reports, Liability, Indemnification/Contribution

9.1. Damage Reports. Each Party shall make an immediate report to the other of any damages caused by the reporting Party to the other Party's Facilities (and those of any other parties on the pole).

9.2. Liability.

Liability under this Agreement in tort or for breach of contract or otherwise as between the Parties for damages to property of the Parties, not involving claims of third parties, shall be as follows:

- (a) Seward shall be liable to Chugach for the reasonable costs for the physical repair of Chugach Facilities damaged due to the negligence, fraud or willful misconduct of Seward (including its affiliates or designated parties acting on its behalf); and
- (b) Chugach shall be liable to Seward for the reasonable costs for the physical repair of Seward Facilities damaged due to the negligence, fraud or willful misconduct of Chugach (including its affiliates or designated parties acting on its behalf).

9.3. Emergency Actions. Either Party may take any actions (or inactions) as may be necessary in its commercially reasonable opinion in order to protect against, ameliorate, or respond to an Emergency. Neither Party shall be liable to the other Party in any respect (including for any costs), or to the other Party's affiliates or designated parties acting on its behalf, for any costs or damages arising from such actions (or inactions) taken in good faith to address the Emergency

10. Collective Bargaining Agreements

10.1. Neither Party will cause or require the other Party to violate any applicable collective bargaining agreement.

11. Application of Terms of 2025 Wholesale Power Contract.

11.1. As an exhibit to the 2025 Wholesale Power Contract between the Parties, this Agreement is incorporated into the general terms of that document and specifically incorporates herein *mutatis mutandis* Sections 6 (Force Majeure), 7 (Indemnification and Limitation of Liability) 8 (Insurance), 9 (Default and Dispute Resolution), 10 (Right of Access and Removal), and 11 (Miscellaneous) by reference. Those provisions shall continue as applicable by reference to this Agreement for the Term regardless of any earlier termination of the 2025 Wholesale Power Contract.

[Signature Page Follows]

IN WITNESS WHEREOF, the Parties have caused this Agreement to be executed by their duly authorized representatives as of the date first written above.

Chugach Electric Association, Inc.

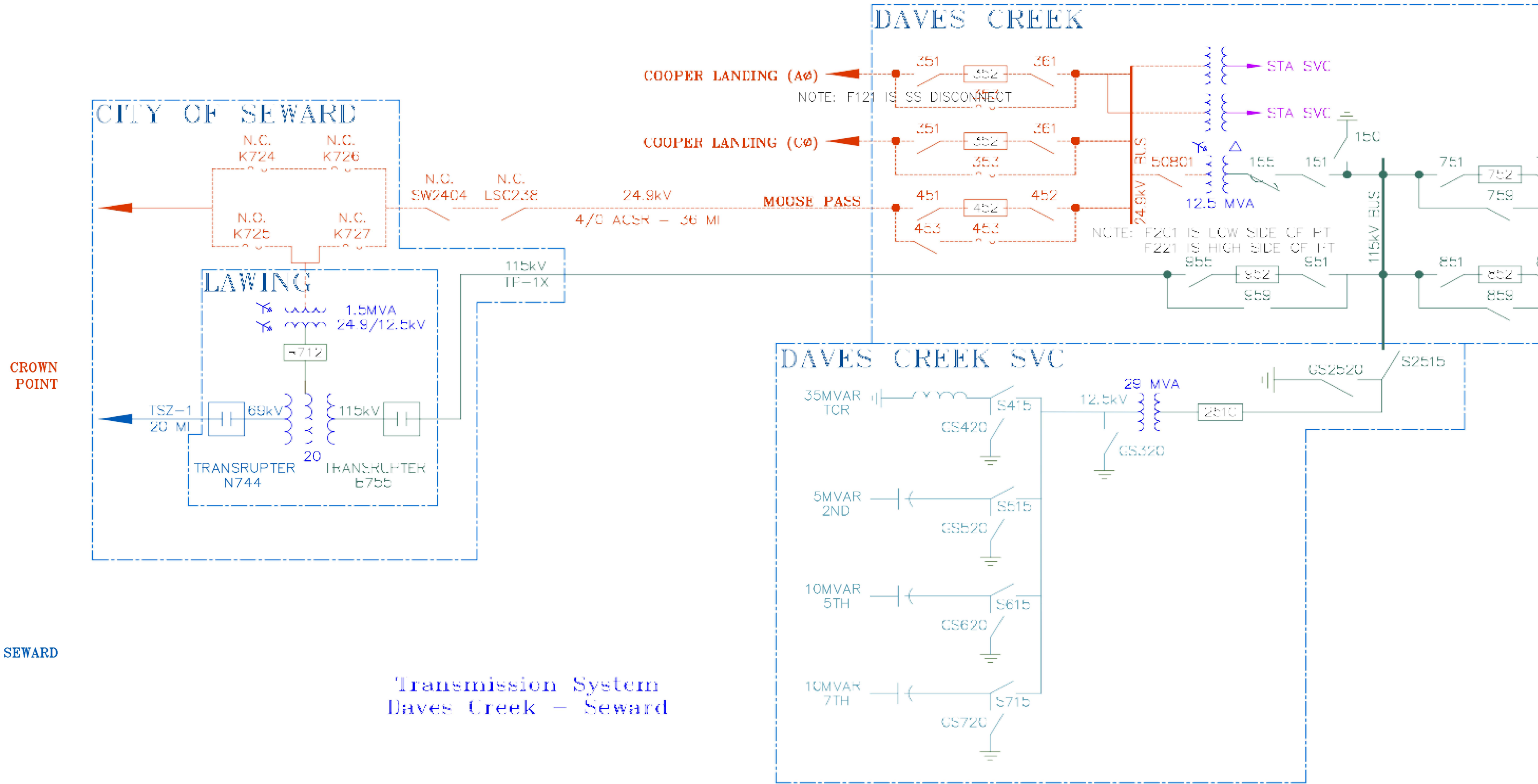

Arthur Miller, Chief Executive Officer

City of Seward d/b/a Seward Electric System


Kat Sorensen, City Manager


Brian Hickey, Electric Utility Director

[Signature Page to 2025 Joint Use Agreement]



Transmission System
Daves Creek - Seward