

It's Annual Meeting Time!

Mail-voting packets were mailed to Chugach members of record during the week of March 24. The packets included an election brochure with meeting announcement, statements and attendance and voting records, an annual report, a ballot and a return envelope.

April 24, 2008
Egan Civic & Convention Center
Registration opens at 6 p.m.
Meeting begins at 7 p.m.

Each member of record may request one replacement mail ballot by calling the election contractor, Sramek-Hightower CPAs, at 566-1700. If more than one valid ballot envelope is received from a member, the one that is received first will count.

This year the election procedures were modified to provide notice

to members whose mail ballot envelopes are invalidated. Members who vote early will have time to submit a corrected ballot envelope – or vote in-person at the annual meeting.

Members have until noon on Monday, April 21 to return mail

ballots. Voting will also be allowed at the cooperative's annual meeting, April 24, at the Egan Civic & Convention Center. Registration starts at 6 p.m. The meeting begins at 7 pm.

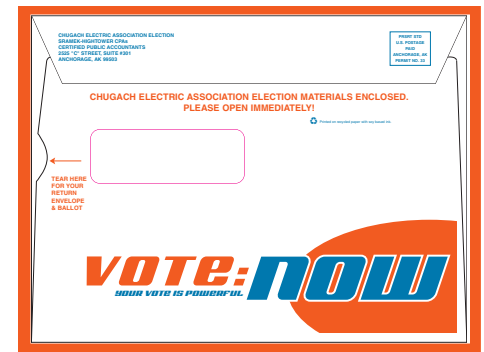
If you have questions about the annual meeting or election process, call the Chugach Public Relations office at 762-4736.

Voting is a Right of Membership

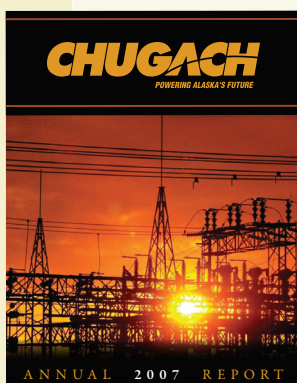
Your Vote has Power!

Chugach members are not just customers of a utility. As members of the cooperative, they are owners of their electric utility. One of the rights each co-op member has is the right to vote in the annual election for members of the board of directors that oversee the management of the utility. In 2007, about 23 percent of Chugach members voted in the co-op's election. In an effort to increase voter turnout, this year the board authorized an ad campaign to encourage members to vote. **Every member who casts a valid mail ballot, or is issued a ballot to vote at the annual meeting, will be entered to win gift certificates or other voting incentive prizes.**

Exercise your right as an owner ... Vote!!



2007 Year in Review



- Chugach set an all-time system peak load of 478.7 megawatts on Jan. 9, 2007.
- Chugach held its 2007 Annual Membership Meeting on April 26. Two hundred thirty-nine members registered for the event. Nearly 23 percent of the 64,348 members of record voted in the election. Alex Gimarc and P.J. Hill were elected to 3-year terms on the Board of Directors.

to appointing only a Chief Executive Officer and a Financial Advisor.

- In June, the Board appointed five community executives to a Blue Ribbon Panel. The panel was tasked with evaluating Chugach's overall performance, strategic planning, benchmarking and future needs.
- Chugach and Anchorage Municipal Light & Power (ML&P) signed an agreement in June to explore a potential merger, consolidation or other relationship. Chugach Board Chair Elizabeth Vazquez and Mayor Mark Begich were named co-chairs of a panel to help analyze the possibilities.

Members approved two proposed bylaw amendments. One amendment standardized the dates for annual meeting committee appointments. The second clarified that the Board is not restricted

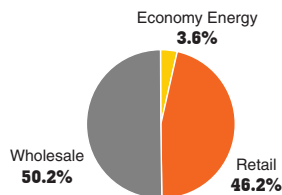
(See page 2, Year in Review)

Year in Review *(continued from page 1)*

- In October, the Board appointed Rebecca Logan to fill a vacancy created by the resignation of Director Alan Christopherson.
- In November, the consolidation project study showed potential savings for Chugach and ML&P consumers. The report identified alternatives including working together to achieve joint operation and construction of a new power plant and eliminating duplicate services.
- Brad Evans was appointed Acting Chief Executive Officer in December. Evans replaced former CEO Bill Stewart.
- Chugach averaged 2.04 outage hours per customer in 2007, meaning power was on 99.9% of the time.
- Chugach sold 2.6 billion kilowatt-hours of electric service in 2007. Of the total 50.2 percent of the power was sold to wholesale customers, 46.2 percent to retail customers and the remaining 3.6 percent to economy energy customers.
- 93 percent of the power sold by Chugach in 2007 was produced by natural gas, the other 7 percent was produced by hydro.

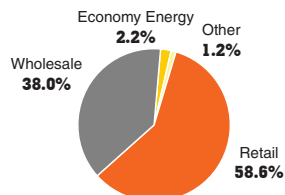
By Kilowatt-hours

Total: 2,611,097,000



By Operating Revenues

Total: \$257,443,919



- Chugach finished 2007 with operating revenue of \$257.4 million. Retail revenue (which includes distribution revenue) accounted for 58.6 percent, while wholesale and economy energy revenue accounted for 38.0 and 2.2 percent, respectively. Chugach also recorded 1.2 percent of miscellaneous or other revenue. At \$106 million, fuel was the largest single expense of the cooperative.

These and many more facts can be found in the 2007 Annual Report that was mailed with the election packet. The report can also be found on the Chugach web site at www.chugachelectric.com.

Your Board at Work



*Elizabeth Vazquez
Board Chair*

Your board is charged with the management of the business and the affairs of the Association. In the past 12 months the board has been active on many key issues, including:

■ Cooperation with other utilities

Chugach is planning to build its next power plant by partnering with Anchorage Municipal Light & Power and Homer Electric Association. A study identified up to \$86 million in savings over 12 years from this initiative.

Chugach worked with the Municipality of Anchorage to explore the benefits of consolidating operations with Anchorage Municipal Light & Power. Again, the study indicated this could save about \$97 million over a 12-year period.

Chugach is participating in a state-led study of the Railbelt grid, including the costs and benefits of creating a Unified Power Provider. Chugach, Golden Valley Electric Association and Homer Electric Association agree that they want to explore the costs and benefits of creating a UPP.

■ The Blue Ribbon Panel

The board appointed five successful, long-time Alaskan business executives to a Blue Ribbon Panel and requested they take a hard look at Chugach and complete a high-level, independent review of overall past performance.

■ Conservation

The board approved partnering with Green Star in an energy-efficiency initiative targeting business lighting. The board also asked that members be informed of conservation steps they can take, and requested a review of other utilities' SNAP (Sustainable Natural Alternative Power) programs to see if they might work for Chugach.

■ Renewable energy

An important item on Chugach's 2008 legislative agenda has been support for legislative efforts to update the study of the potential for an appropriately sized hydroelectric project on the Susitna River as part of an effort to diversify Chugach's generation fuel mix.

More on the board's activities over the past year can be found in the annual report mailed to members as part of their election packets, and also available online at www.chugachelectric.com.

Contact us

Main number	563-7494
Toll free	(800) 478-7494
Member Services	563-7366
Member Services fax	762-4678
Business and commercial desk	762-7876
Credit	563-5060
Power theft hotline	762-4731
Danger tree hotline	762-7227
Underground locates	278-3121
Regulatory Commission of AK or	(800) 390-2782 276-6222
To report a power outage	
In Anchorage	762-7888
Outside Anchorage	(800) 478-7494

Hours

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

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

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

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 700 kwh)

Customer charge/month	\$ 8.42
Energy charge \$0.09282 x kwh =	\$64.97
Fuel adjustment \$0.03112 x kwh =	<u>\$21.78</u>
Fuel adjustment effective 4/1/08 -- 06/30/08	
Sub-total	\$95.17
2% MOA Underground Charge =	\$ 1.90
RCC charge \$0.000274 x kwh =	<u>\$ 0.19</u>
Total bill	\$97.26

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 affirmative action employer.



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

Corporate vision: Powering Alaska's future