

Cook Inlet gas costs likely to rise

Utility study quantifies activity, cost of next 10 years of production from Cook Inlet

A new study of the Cook Inlet gas basin commissioned by Chugach, ENSTAR and Municipal Light & Power concludes that a sustained drilling program



Cook Inlet gas production will need to be sustained and successful to meet utility needs

will be required to supply natural gas for utility customers until 2020. The study also predicts that exploration and production of gas in the decade to come will be more expensive than in the past 10 years. If the drilling program does not keep up with demand, imports of liquefied natural gas could be required as early as 2013 to ensure the needs of utility customers are met until an in-state gas line can be completed.

The results of the study were presented at a sold-out Resource Development Council of Alaska luncheon March 19. The standing-room only event drew more than 270 people, including Gov. Parnell and Mayor Sullivan.

The utilities hired Petrotechnical Resources Alaska to conduct the study.

"The findings of our study regarding the remaining developed reserves are essentially the same as those of the DNR study conducted this winter, said Tom Walsh of PRA. "However, we also looked at the levels of prior and future development required to meet demand. Without robust future development, there will soon be supply shortages that will require imported gas from sources outside of Cook Inlet."

PRA concluded that in order to meet utility demand for the next 10 years, it would require producers in the region to spend an estimated \$1.9 to \$2.8 billion in drilling and development costs, roughly two to three times what

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Chugach position on a Cook Inlet Resource Management Plan

Chugach has long supported a state-sponsored Cook Inlet Resource Management Plan to address the diminishing reserves and deliverability of Cook Inlet gas.

To meet demand, utilities, the state administration, the Department of Natural Resources and producers need to work jointly to continue the important task of completing a Cook Inlet Management Plan that assures local needs can be met through market development, drilling programs, storage and a review of import and export capabilities.

Annual meeting and election April 29

Four Chugach members run for two board seats

Four Chugach Electric Association members are running for two seats on the cooperative's board of directors in this spring's election. Each seat is for a 3-year term.

The candidates are Alex Gimarc, P.J. Hill, Ricarda (Riki) Lebman and Susan Reeves. Gimarc and Hill are incumbents. There are also five bylaw proposals for

members to vote on this year.

Gimarc is a systems programmer with the Municipality of Anchorage. He has been a Chugach member since 1992 and was elected to the board in 2007. Gimarc is currently serving as secretary of the Chugach board.

Hill is a retired professor and a commercial fisherman. He has been a Chugach member

since 1989 and was elected to the board in 2007. Hill is currently serving as treasurer of the Chugach board.

Lebman is an environmental manager with the Alaska Native Tribal Health Consortium. She has been a Chugach member since 1994.

Reeves is an attorney with Reeves Amodio. She has been a Chugach member since 1992.

The board set March 17, 2010, as the record date for the 2010 election and annual meeting. Mail-voting packets were mailed to 66,375 Chugach members of record the week of March 29. Members have until noon on Monday, April 26 to return mail ballots. Voting will also be allowed at the cooperative's annual meeting April 29 at the Egan Civic & Convention Center. Results of the election will be announced at the annual meeting.

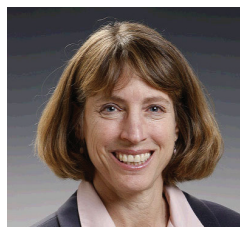
Chugach hosted a "Meet the Candidates" night March 18. A podcast of the forum is available on Chugach's Web site at www.chugachelectric.com.



Alex Gimarc



P.J. Hill



Ricarda "Riki" Lebman



Susan Reeves

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was spent in the previous decade. An average of 13.6 to 18.5 successful wells per year will be needed to meet demand.

A major assumption made by PRA was wells forecasted to be drilled over the next decade would experience the same success rate as those in the past decade. "This can be a somewhat dangerous assumption to make because the easy reserves in Cook Inlet

have already been developed. If previously experienced activity levels and success rates are not met, Southcentral Alaskan utilities could find themselves looking for alternatives outside the Cook Inlet as early as 2013," added Walsh.

The presentation and report can be found at the RDC Web site, <http://www.akrdc.org>.

Electricity use monitors available on loan

Curious about how much electricity that old refrigerator uses? Find out by borrowing an electricity use monitor. Chugach has two different devices – the "Kill A Watt" and "Watts Up?" The monitors are available on loan to any Chugach customer for up to two weeks.

These devices are a quick {1218132} and easy way to mea-

sure how much electricity your various appliances and entertainment equipment use. The devices can display consumption by kilowatt-hour, electricity expenses by day, week, month or year, and voltage and amperage readings.

To borrow a monitor, contact Member Services at 563-7366.

LevelPay can make a difference

LevelPay is a program that can help you even out your monthly electric bill payment. Chugach will average your 12-month usage and you will pay the same amount each month.

Members should have received the LevelPay enrollment form with their March bills. Current

LevelPay members will automatically be re-enrolled and do not need to complete a new enrollment form. The program begins with the May billings.

If you didn't receive a form, or want more information, call Chugach at 563-7366.

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.

Electronic annual report

Chugach is using the Internet as the primary means to distribute annual reports to its members in 2010. The report is expected to be available and posted by early April. Members will also be able

to request a printed copy over the phone or at the Web site. Printed copies will be available in the Member Services lobby and at the April 29 annual meeting.

5 proposed bylaw amendments on the ballot

Chugach members are being asked to vote on five sets of proposed bylaw changes on this year's election ballot.

The proposed changes were developed by the Bylaws Committee. Both the committee and the board of directors support the amendments.

If approved the amendments would:

- Clarify qualifications for non-natural member candidates running for the Chugach board.
- Clarify the term of office for committee members.
- Move the annual membership meeting to on or after May 15 and not later than June 15.
- Clarify responsibilities of the secretary and treasurer that may be delegated.

Annual meeting countdown

March

29 - Election packets mailed

April

26 - Mail ballot cut off (noon)

29 - Annual meeting, Egan Civic & Convention Center, registration at 6 p.m.; meeting starts at 7 p.m.

29 - In-person voting for record date members who haven't yet voted.

Bring a photo I.D. to the annual meeting. It will speed registration.

Excuse our mess

Chugach will be remodeling its Member Service lobby starting in April to better serve member needs. The lobby will remain open for business on the normal schedule.

Contact us

Main number 563-7494
Toll free (800) 478-7494
Member Services 563-7366
Member Services fax 762-4678
24-hour payment line 762-7803
Credit 563-5060
Power theft hotline 762-4731
Danger tree hotline 762-7227
Street light hotline 762-7676
Underground locates 278-3121
Regulatory Commission of AK (800) 390-2782
or 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. - 6 p.m.

The Chugach Outlet

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5601 Electron Drive
P.O. Box 196300
Anchorage, Alaska 99519-6300

Monthly residential service costs (based on 700 kwh)

Customer charge/month	\$ 8.00
Energy charge \$0.07181 x kwh =	\$50.27
Fuel \$0.04651 x kwh =	\$32.56
Purchased power \$0.00516 x kwh =	\$3.61
<small>(Anticipated fuel & purchased power adjustments effective 4/1/10 - 6/30/10)</small>	
Subtotal	\$ 94.44
2% MOA Underground Charge =	\$ 1.89
RCC \$0.000432 x kwh =	\$ 0.30
Total bill	\$96.63

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

CHUGACH
POWERING ALASKA'S FUTURE