

# Chugach Electric Association's

December 2005

Number 216

## In This Issue:



**\$3.8 million capital credits retirement for you**



**Holiday lighting costs & tips**



[www.chugachelectric.com](http://www.chugachelectric.com)

## 2006 Budget targets reducing costs to offset rising fuel prices

The Chugach Board of Directors and the employees of Chugach wish you "Happy Holidays and a healthy 2006."

The Chugach board voted on Nov. 16 to approve the 2006 budget that reduces costs to help offset rising fuel prices. At the same meeting, the board also approved a \$3.8 million capital credits retirement for 2005. Current and former Chugach members of record in 1986-87 will share in the capital credits retirement. (See story page 2.)

Every division at Chugach worked to cut expenses without compromising reliability and service. **How are we going to do it?**

### Doing more with less

- Reduction of work force to 365 from 375 employees: primarily positions that are vacant through attrition and will not be filled.
- Continue freeze on hiring and non-essential travel

### Innovation & technology

- Substation preventive maintenance
- Increase maintenance intervals on the highest efficiency turbines, reducing fuel costs through improved materials technology
- Increase cable rehabilitation deferring cable replacement for 20 plus years
- Partner with other utilities on SCADA tracking systems providing economies of scale

### Benchmarking – use of best practices to improve efficiencies

- Accountability for work performed
- Longer intervals on inspections
- Predictive maintenance techniques
- Computerized maintenance management
- Multi-tasking, technical staff

The above are a few of the many ways we are work-

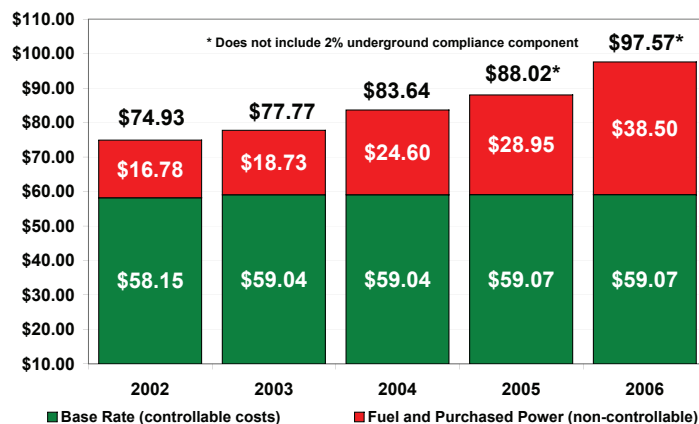
ing to save on costs. Each dollar saved goes to offset the \$45 million dollar increase projected for 2006 in fuel and purchased power costs. This pass-through cost to the consumer will impact member bills by 10-15 percent and will be spread over the entire year.

Chair Alan Christopherson commended staff on the concerted effort to reduce expenses while continuing to maintain the Chugach system at the highest level and keep the reliability that all Chugach members have come to expect.

In 2006 Outlet issues, we will continue to explain how we are working to keep expenses down and how you can reduce energy costs through conservation. In addition, we will provide benchmarking results and explain the benefits of cooperative membership. Watch for monthly energy tips, as Chugach wants to help you reduce your electric costs.

**While our fuel costs are increasing due to global energy markets, our base rates have remained fairly flat, as indicated below.**

Residential Bill Totals by Component (700kWh)  
2002 - 2006



## Board approves \$3.8 million capital credits retirement

The board approved a \$3.8 million capital credits retirement at its November meeting. As a result, in December, thousands of past and long-term Chugach members will receive a share of the \$3.8 million retirement which represents portions of capital credits earned in 1986 and 1987.

Chugach will mail checks or give credit on accounts to former and current members of record for 1986 and 1987.

Capital credits are a benefit of being a member of a cooperative like Chugach. Members receive a

share of the margins (revenues, less expenses equal margins, or profits) earned by the utility in a given year in proportion to the amount they paid for electric service and the margins Chugach achieved in those years.

Current members may check the status of their capital credits accounts online at [www.chugachelectric.com](http://www.chugachelectric.com). Past and present members may also receive information about their capital credits accounts by calling customer service at 563-7366. 🌟

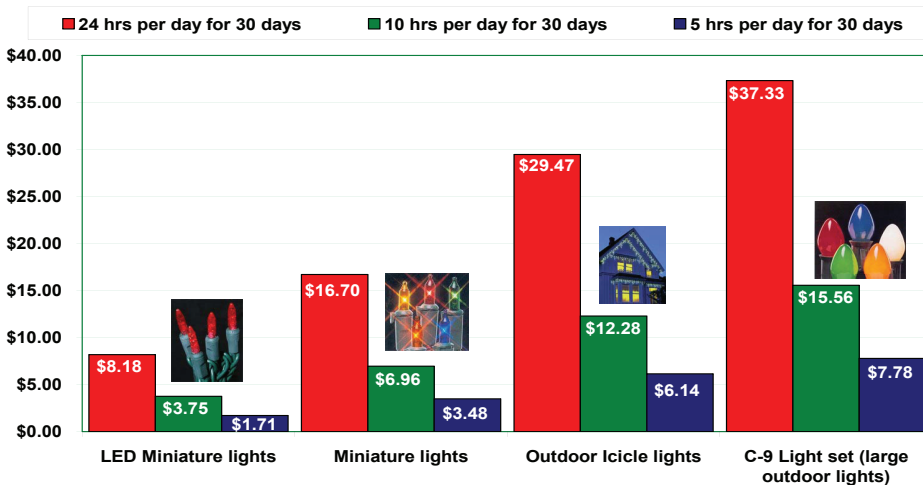
## How much do they cost?



Lighting is important, especially when many in the Anchorage area participate in the City of Lights program to help provide a cheerful environment during those dark days of winter. Lighting costs vary depending on

the type of lights and how long they are lit, as shown in the graph. Using luminescent diodes (LEDs) and timers and turning lights off during the daylight hours will help reduce costs and conserve electricity. 🌟

**Estimated Christmas Light Usage Costs  
(5 strings of lights using residential rates)**



## Holiday lighting tips



Holiday lights add a festive quality to your neighborhood and your home; however, if used incorrectly they can present a safety hazard. Here are a few guidelines to help ensure a safe and happy holiday season.



Make sure any light set you purchase has been approved for the right use, indoor use, outdoor use or both, and is marked with the UL label.



Do not overload electrical circuits. Circuits in older homes carry a maximum of 15 amps or 1,800 watts each. Circuits in most new homes can carry 20 amps, or 2,400 watts each.



Before you decorate, check light sets for frayed wires, damaged sockets or cracked insulation. If you find defects, replace the entire set.

**AutoPay**  
CHECKING

SIT BACK, RELAX,  
IT'S AUTOMATIC

## Contact us

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

## Residential service costs

Customer charge	\$8.42/month
Energy charge	9.282¢
Fuel adjustment	1.772¢
Regulatory cost charge	.0433¢
Total per kilowatt-hour	11.0973¢

A residential customer using 700 kilowatt hours of energy would pay \$88.02 per month, this does not include the 2 percent underground compliance component.

## Corporate Mission

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

## Hours

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

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

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

## The Chugach Outlet

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

**CHUGACH**  
POWERING ALASKA'S FUTURE

[www.chugachelectric.com](http://www.chugachelectric.com)