

Chugach Electric Association's

February 2007

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www.chugachelectric.com

Customer convenience drives bill payment methods and costs

Chugach has a variety of payment options that seem to fit our members needs, but they don't all come at the same cost to the cooperative. Most payments come from members who drop a check in the mail, pay by cash in the lobby or use our 24-hour drop box. Fortunately these are some of the least costly forms of payment.

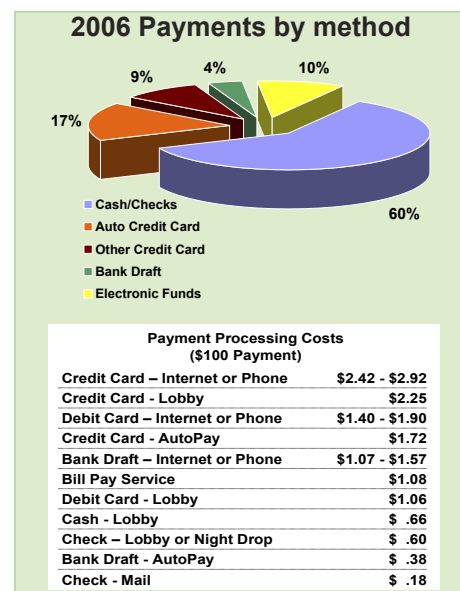
The costliest method for Chugach are credit card payments by Internet, phone or an automatic payment using a credit card. Based on a \$100 payment, those payment costs range from \$1.72 to \$2.92 per transaction. That same payment using a simple check by mail only costs 18 cents.

Chugach regularly evaluates costs

and looks at ways to reduce the cost of bill payments. In the past six years the cost to the cooperative and the number of payments made by credit cards have more than doubled.

Instead of using a credit card to pay your utility bills you can help reduce costs by enrolling in our AutoPay Checking service. Your electric bill would then be automatically paid from your checking account one to three days prior to the due date of the bill. It's free for members and the processing costs Chugach only 38 cents per payment.

To discuss payment options with a Member Services Representative, call 563-7366.



Hope outages: A series of storms that began Dec. 8 have caused repeated line outages between the Hope Substation along the Seward Highway and the community 17 miles away. Chugach moved a generator into Hope Dec. 12 and a second to Sunrise in early January to provide power to customers while line crews worked to repair the damaged lines.

Board approves labor contract

The Chugach board approved a 4-year labor contract with one of its bargaining groups that will help the utility recruit and retain highly skilled workers in a tight labor market. The board took the action at a meeting Dec. 19. Union workers had voted to approve the new contract shortly before Thanksgiving.

The "Outside Agreement" the board approved covers 58 workers – primarily journeymen linemen. Journeymen linemen are the workers who help build, maintain and repair the electric system – including restoring power during outages. Surveys of Chugach customers have repeatedly shown that the thing customers value most is reliability. Going into the negotiation Chugach determined it was near the middle of the pack in terms of wages paid to linemen in Alaska. For the past

three years of the prior Outside Agreement, workers had either received no wage increase or increases that lagged the consumer price increase.

The Chugach board wanted to be able to offer fair wage increases, but also achieve work rule changes that would give management greater flexibility and efficiency – thus offsetting a significant portion of the cost of the raises. The agreement does that. The estimated value of the work rule changes balanced against the raises and pension benefits in the contract mean that Chugach was able to make considerable gains without unduly affecting the price of power paid by customers. The estimated first-year cost of the contract will amount to less than 20 cents per month to the average residential customer.

Labor contracts continued on back page

Labor contracts continued

Under the contract, during the 4-year term of the contract employees will receive wage increases of 6 percent in the first year, 5 percent in the second and third years and a CPI increase in the fourth year. They will also receive the first pension increases in approximately 20 years, amounting to 50 cents a year in each of the first three years of the contract.

On balance, when considering the value of the work rule changes, the estimated cost of the contract is less than the 3.2 percent nationwide an-

nual labor wage cost increase in the past year.

The contract is one of three the utility has for workers represented by the International Brotherhood of Electrical Workers Local 1547. All three expired July 1, 2006, but both the union and Chugach continued to honor the prior contracts while bargaining. Chugach and the union are currently negotiating for workers covered by the "Generation Agreement" and the "Office and Engineering Agreement."

Nearly \$4.3 million in retail capital credits retired

Thousands of past and long-term Chugach members received a share of a nearly \$4.3 million retail capital credits retirement in December. The Chugach board approved the retirement at its Nov. 1 meeting. Capital credits are a unique benefit of belonging to a member-owned cooperative like Chugach. The payments return to members their share of the margins earned from the power they purchased in an earlier year. Over the past 21 years, Chugach has returned more than \$52 million in capital credits to its members, including estate payments and discounted capital credits payments.

Chugach mailed checks and gave credit on accounts to more than 34,000 former and current members of record for the remainder of capital credits earned in 1987 and a portion of credits earned in 1988. The average member received about \$94.

Members leaving the Chugach system should provide a forwarding address and keep Chugach updated on future moves until all of their allocated capital credits have been retired. Discounted payments are available for former members who want to cash out early.

RCA approves fuel surcharge for 1st quarter 2007

The Regulatory Commission of Alaska approved Chugach's fuel surcharge filing for rates in effect in the first quarter of 2007. The new surcharge is

\$0.0375 per kilowatt-hour for Chugach retail customers. The change will increase the bill by about 20 cents for a residential customer using 700 kwh.

Renewable Energy Committee meeting

Chugach's Renewable Energy Committee began meeting in December. Committee members are learning about energy technology through presentations on wind, hydro, geothermal and other generation alter-

natives. The committee is tasked with making suggestions to Chugach later this year for its 2007 generation plan. Bruce Campbell was elected chairman, Pat Kennedy vice chair and Julie Jessen secretary.

Chugach 2007 annual meeting notes

Chugach's 2007 annual membership meeting and election will be held Thursday, April 26, at the Egan Civic & Convention Center. The Chugach board has established March 14 as the date of record. In order to participate in the election and annual meeting voting, a person must be a Chugach

member by close of business on March 14, 2007. The date of record also applies to signers for non-natural entities such as corporations or associations. Chugach will mail non-natural members a letter in February asking them to update the authorized signer for their organization.



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Contact us

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

Monthly residential service costs

(based on 700 kwh)

Customer charge/month	\$ 8.42
Energy charge \$0.09282 x kwh =	\$64.97
Fuel adjustment \$0.03750 x kwh =	<u>\$26.25</u>
Sub-total	<u>\$99.64</u>
2% MOA Underground Charge =	\$ 1.99
RCC charge \$0.000364 x kwh =	<u>\$ 0.25</u>
Total bill	\$101.88

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

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