

Wild weather leads to record load, outages

January saw extreme and rapid weather fluctuations across the Chugach service territory. The month began with a prolonged cold spell and temperatures that regularly dipped below minus 20 degrees for long periods of time. The cold snap broke when a strong "pineapple express" weather system pushed north, bringing warmer temperatures, rain, and strong winds that blew for days.

Each of the weather systems created notable effects on the Chugach system.

Record peaks

The cold weather began in late December as a strong high-pressure center built up over Alaska.

Temperatures fell well below zero and often didn't fluctuate much during the course of the day. The extended cold weather accounted for more than one peak load on the Chugach system. "Peak" is a measure of the maximum draw of electricity by customers. Chugach's peaks always come in the winter. Chugach sees peak demand in the early evening after people get home and begin their household activities.

The 2008 peak was set on the last day of the year, when demand hit 468.7 megawatts in the hour ending at 6 p.m. The temperature at Chugach headquarters was minus 6 degrees.

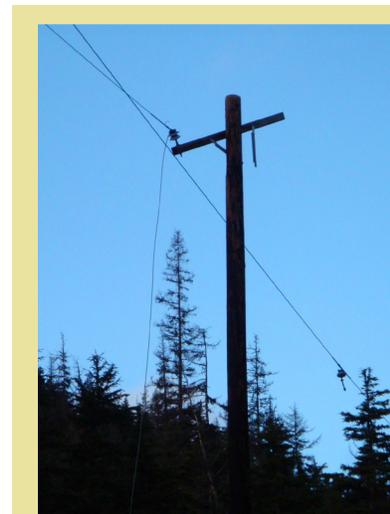
After a few days in January of

continued cold weather Chugach set a new all-time record. The demand on the Chugach system peaked at 488.1 megawatts on Jan. 7. The peak came in the hour ending at 7 p.m. when the temperature at Chugach headquarters was minus 12 degrees.

A quick switch -- and outages

It didn't take long for the weather to change dramatically. Only days after setting a record peak, temperatures soared as a strong weather system pushed north from Hawaii. The warm temperatures were accompanied by strong winds. The wind blew hard across the Chugach service territory over a four-day period. Gusts were reportedly over 100

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Trees fell across the Chugach service territory during the windstorms, sometimes tearing the wires from poles, like this one on the line to Hope

Chugach's top state legislative agenda items

Development of a Cook Inlet gas plan

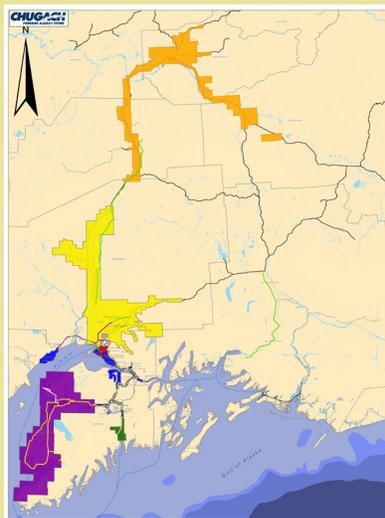
Natural gas is vitally important to the Southcentral economy. We are recommending the state develop an overall management plan to meet the needs of Alaskans and optimize the development of this resource.

Support for a Railbelt UPP

A single Unified Power Provider, with governance by participating utilities and the state, could plan, develop and operate generation and transmission projects for the Railbelt. Utilities would continue to provide distribution services to customers.

Low-interest financing for Railbelt G&T projects

It may take years for a Railbelt UPP to be in a position to meet the generation and transmission needs of the region's utilities. In the meantime, there is a



A UPP could provide generation and transmission services for all six utilities in the Railbelt

continuing need for low-interest financing to help build the projects necessary to meet the electrical needs of Railbelt Alaskans at affordable prices. A revolving low-interest loan fund is one solution.

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Governor's goals in sync with Chugach's vision

At a Jan. 16 press conference to discuss the state's Energy Plan, Governor Palin and her staff announced a goal of the state generating 50 percent of its electricity from renewable resources by the year 2025.

The governor's goal synchronizes well with Chugach's own 90/10 to 10/90 energy strategy. That is Chugach's stated vision (discussed in the December Outlet) to move from a generation mix today where 90 percent of the kilowatt-hours come from fossil fueled power plants and 10 percent from renewable resources, to the reverse.

In discussing the Railbelt, the governor announced that another key for the future of the regional power grid is to create an organization that would provide generation and transmission services (G&T) for the region. The six electric utilities of the Railbelt (including Chugach) would still be respon-

sible for providing distribution service to individual customers, but would have the option of buying the G&T portion of their business from an organization better able to plan, construct and operate large and expensive power projects. This is the concept of a Unified Power Provider for the Railbelt that Chugach has been exploring with the state and discussing with its members for the past year. Chugach envisions the UPP being governed by a board comprised of representatives of the utilities and the state.

Chugach and the Administration have both pointed out that it will take a united effort to achieve these goals. Chugach will continue to work with other Railbelt utilities, the Alaska Energy Authority and the Palin Administration to plan for a regional energy grid with more renewable energy and greater cooperation.

Legislative items

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Support the Susitna study

Last year the legislature and governor OK'd an appropriation for the Alaska Energy Authority to take a fresh look at the concept of an appropriately sized hydroelectric project on the Susitna River. The study is due later this year.

Comprehensive energy policies

As the state works to develop energy policies, it should strive to balance the needs of individual Alaskans for affordable heat and electricity for their homes and businesses, with the interest of maximizing the return to the state from resource extraction.

Wild weather

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mph at different locations. The wind blew trees and branches into power lines, causing outages for Chugach customers from the Anchorage Bowl to the Kenai Peninsula. While most outages were small and scattered, a few tripped entire substations off line. In all, an estimated 18,000 Chugach customers were without power at some point during the windstorms.

Chugach used a combination of its own crews, contractors and assistance from Seward Electric System to restore power. Chugach responded to outages around-the clock for days. Crews were frequently delayed by roads and trails covered by ice and water, but all customers were returned to service safely.

By the end of the month, the weather had stabilized into normal winter patterns and temperatures. However, customers and crews will probably not soon forget the wild weather extremes of January 2009.

Meet the 2009 Board candidates

Chugach will host a "Meet the Candidates" forum so members can hear from the candidates in this year's election.

The event will be held from 6 - 8 p.m., Thursday, March 19, in the Redington Room at the Millennium Alaskan Hotel Anchorage, 4800 Spenard Road.

Chugach's 2009 Annual Membership Meeting and Election will be held Thursday, April 30, at the Egan Civic & Convention Center.

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

Corporate vision: Powering Alaska's future

Your board at work



Rebecca Logan
Chairman

Your board is charged with the management of the business and the affairs of the Association. Recently the board:

- Approved March 18 as the date of record for the 2009 annual membership meeting and election
- Appointed Teresa Nelson as the Master Election Judge for the 2009 election
- Voted to host a candidates forum for the 2009 directors' election
- Discussed the Southcentral Power Plant execution plan and competitive bidding

Chugach kicks off Smart Power program



Chugach kicked off its Smart Power program Jan. 15 with a presentation on the first piece of the program and a variety of compact fluorescent lamps (CFLs) that customers can purchase at a discount.

In an effort to help residential customers save money, Chugach and Municipal Light & Power have joined forces. Customers of both utilities will be able to use \$2-off coupons to buy any of five different CFLs. In a "Buy Alaska" move the coupons will only be redeemable at the three Anchorage Brown's Electrical Supply locations. Coupons are being mailed with customer's bills. They are also available at the utility's customer service departments and at the Brown's locations.

Brown's has created a special lighting display to show the benefits and costs savings when using CFLs. Members can visit any Brown's location to view the display. As an added benefit, Brown's will be presenting several educational workshops on the benefits of CFLs at The Lighting Gallery, 940 E. 6th Avenue. For more information, call 223-6979.

Member Services phone hours change

Chugach's Member Services phone hours have changed effective Feb. 16. Both phone service and lobby hours are now 8 a.m. to 6 p.m. Phone service hours were previously 8 a.m. to 9 p.m.

Monthly residential service costs (based on 700 kwh)

Customer charge/month	\$ 8.00
Energy charge \$0.06848 x kwh =	\$47.94
Fuel adjustment \$0.09088 x kwh =	\$63.62
<small>(Fuel adjustment effective 1/1/09 -- 3/31/09)</small>	
Sub-total	\$119.56
2% MOA Underground Charge =	\$ 2.39
RCC charge \$0.000362 x kwh =	\$ 0.25
Total bill	\$122.20

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.

