

Legislative agenda update

Energy issues are getting lots of attention with the legislature back in session. Both the House and Senate have versions of omnibus energy bills under consideration, as well as a number of individual bills dealing with a variety of energy topics. Here is an update on items of interest to Chugach and its 2010 legislative agenda.

GRETc

Last year the Administration introduced legislation to create GRETc – the Greater Railbelt Electric and Transmission Cooperative. GRETc would be a new regional organization to help the distribution utilities meet their future generation and transmission needs. The goal of GRETc is to provide a single organization to coordinate regional planning and develop future generation and transmission projects at lower costs than could be achieved

by individual utilities acting alone. An AEA study funded by the legislature and completed in 2008 determined that creating an organization like GRETc would lead to savings for Railbelt electric customers.

The original bills were held in the respective energy committees of the House and Senate while the utilities worked as a group with the Administration and Alaska Energy Authority to resolve sticking points and come to agreement on a version they could all endorse. Months of work by the GRETc Task Force culminated in late January with a revised draft bill, which the Chugach board voted to support at its Jan. 27 meeting.

The proposed committee substitute will be submitted by the AEA to chairs of the energy committees for consideration, with the goal of passing legislation in 2010.

Omnibus energy bills

Both the House and Senate have in committee omnibus energy bills that contain a variety of proposals on various energy-related topics. These bills attempt to bundle into a single piece of legislation a number of topics previously addressed in individual bills introduced over the past year.

Electronic voting

Chugach and other utilities support a change to the state statute on electric and telephone cooperatives that would make it possible for members to vote electronically rather than casting a ballot in-person or by mail. Chugach would like to enable member voting via the Internet, after ensuring the progress was safe and secure. A number of legislators have expressed interest and support, and it is likely that a bill to amend the co-op statute will soon be introduced.

Following a bill

The Web site of the Alaska State Legislature contains features for following the progress of bills through a program called Basis. To get started, go to <http://w3.legis.state.ak.us/index.php> and type a bill number or key words into the search field on the home page.

Here are the bill numbers for some key pieces of energy legislation:

- HB 182 and SB 143 The House and Senate versions of the GRETc legislation
- HB 305 The House omnibus energy bill
- HB 306 The House bill on state energy policy
- SB 220 The Senate omnibus energy bill

Site of a new power plant



The Southcentral Power Project (SPP) will be built on about 12 acres of land at Chugach's headquarters complex now used for material storage. SPP is a joint venture between Chugach (70%) and Municipal Light & Power (30%). The new

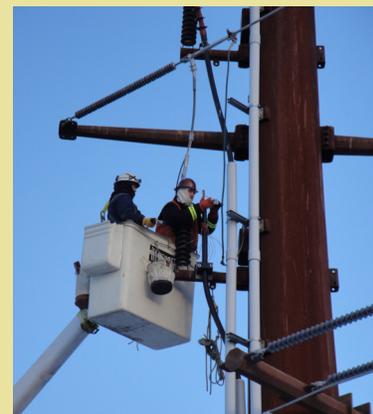
200-megawatt plant will have three natural gas turbine-generators and one steam turbine-generator. The units will run in combined-cycle mode most of the time, with the hot exhaust from the gas turbines being used to power the steam turbine. The

SPP units will be much more efficient than those currently in use. The new plant will make a kilowatt-hour of power for about three-fourths of the gas used by the most efficient units on the Chugach system today,

saving customers millions of dollars in fuel costs each year.

Chugach and ML&P are expecting responses {292596} by mid-March from the three companies selected as potential EPC (engineer, procure, construct) contractors for the project. The project has been underway for some years. Construction is expected to begin in early 2011, with commissioning and start-up in 2013.

More information about SPP can be found at the project link at www.chugachelectric.com.



A December evening outage that affected thousands of South Anchorage customers was traced to a piece of equipment on a 34.5-kilovolt subtransmission line just outside Chugach's Retherford Substation near 94th Avenue and the Old Seward Highway. The equipment makes the connection between the overhead and underground sections of the line. Chugach crews removed the faulted termination, which was sent to a testing lab to determine the cause of the failure. Based on the results of the analysis, crews swapped out two similar terminators and mounting hardware on the other lines on the structure.

'Watt Busters' program coming

Volunteers to test usage monitors

Chugach recently recruited volunteers among its residential customers to participate in an energy efficiency research project. Dubbed "Watt Busters," the project will test whether on-site energy monitors help customers reduce their energy consumption. Watt Busters is funded in part by a grant from the Alaska Energy Authority.

Approximately 90 residential customers will have a Watt Buster energy monitor placed in their homes that will display and record energy usage. The monitor will also display cost information and recent historical energy usage data. This same data will be available online. The

monitor will be in place three to four months. It will be installed and removed at no cost to the customer.

Participants will be trained in using the monitor. There is no cost to participate and volunteers will gain information to help them reduce energy consumption.

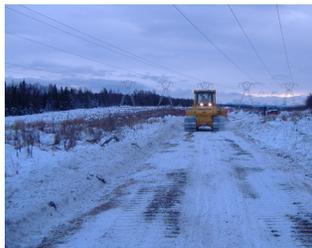
The Watt Busters research project is designed to determine how building energy monitors impact customers' energy use, their perceptions of energy use, and their knowledge and understanding of electric usage and energy efficiency

Chugach and IBEW reach agreement on contract extension

Chugach and IBEW Local 1547 have agreed to extend the collective bargaining agreements for the Generation, Outside Plant and Office and Engineering bargaining units. The board

will take action at its Feb. 24 meeting. The agreements can be reviewed on Chugach's Web site at <http://www.chugach-electric.com/news/pr2010-01-28.html>.

Substation ice road



A 7-mile-long snow & ice road will allow crews to transport equipment to Chugach's Point MacKenzie Substation this winter for upcoming projects. Temporary ice roads provide a means to periodically move large or heavy objects to the substation site that is normally only accessible by helicopter.

Member number hide-n-seek

Find your member number in the Outlet and get a \$100 credit on your electric bill.

Call Chugach's service center at 563-7366 to claim your prize.

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

Corporate vision: Powering Alaska's future

Electronic annual report

In 2010 Chugach will use the Internet as the primary means to distribute annual reports to its members. The move will both save money and comply with member wishes.

Historically Chugach has mailed every member a printed copy, but over the years more and more members expressed a desire to view a copy on the Web site and print it if desired. To investigate the issue, Chugach included questions on electronic distribution in a 2009 member attitude survey. About 84 percent of the members surveyed favored putting the report on the Web site (where they said they could download

it) and sending a printed copy only to members requesting one. About 16 percent of the members indicated they'd probably request a report.

The annual report is expected to be available and posted by early April. Members will be able to request a printed copy over the phone or at the Web site. Printed copies will also be available in the member services lobby and at the April 29 annual meeting.

A printed copy of the 2009 audited financial statements will be included this year with the election materials.

Election notes

Two directors will be elected to the Chugach board in the upcoming 2010 election, with Feb. 5th as the deadline for submitting applications to the nominating committee.

Petition applications may be still be submitted through Friday, Feb. 26. Forms can be found on Chugach's Web site at www.chugachelectric.com.

The March 17 record date establishes the members eligible to vote. Members may check the authorized signer for their ballot envelopes by calling Member Services at 563-7366.

Mail-voting packets will be mailed to Chugach members of record the week of March 29.

Call 762-4736 for more information.

Date of meeting:

Thursday, April 29

Place:

Egan Civic & Convention Center

Record date:

March 17

Monthly residential service costs (based on 700 kwh)

Customer charge/month	\$ 8.00
Energy charge \$0.07181 x kwh =	\$50.27
Fuel \$0.04231 x kwh =	\$29.62
Purchased power \$0.00463 x kwh =	\$3.24
<small>(Fuel & purchased power adjustments effective 1/1/10 - 3/31/10)</small>	
Subtotal	\$ 91.13
2% MOA Underground Charge =	\$ 1.82
RCC charge \$0.000432 x kwh =	\$ 0.30
Total bill	\$93.25

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."