

## Rates to change in 3<sup>rd</sup> Quarter

*Several changes coming; overall effect will be lower bills*

Several components comprise the monthly bill of a customer. Some of them will or may change in the third quarter of 2009. There's movement both up and down to individual charges, but the overall net effect will be lower bills for customers, due largely to a significant drop in the price of natural gas. Residential customers will pay about 10 percent less, small commercial customers around 15 percent less, and large commercial customers approximately 9-11 percent less under the new rates.

Three separate actions contribute to the bill changes.

### Fuel surcharge to fall

The cost of electricity is coming down as the price of natural gas continues to decline from the peak prices seen early in the year. The Regulatory Commission of Alaska approved Chugach's request to lower rates for customers in the third quarter of the year, effective July 1. The cost of power will be reduced for Chugach's retail customers, and for wholesale customers Matanuska Electric Association and Homer Electric Association.

The lower rates will come in the form of a reduction in the fuel charge assessed on a per kilowatt-hour basis to cover the cost of the natural gas used to generate power. Chugach buys gas from four suppliers under contracts with prices tied to changes in the indexed price of crude oil, heating oil and natural gas.

The total monthly bill for a Chugach residential customer using 700 kilowatt-hours of electricity will decrease about

11 percent. Commercial customers would see similar reductions.

Wholesale customers Matanuska Electric Association and Homer Electric Association will also see similar decreases in the fuel charge.

### Chugach files to adjust base rates

Base rates for demand and energy for retail members have not risen since the fall of 2003. During that time, inflation in Anchorage has pushed the consumer price index up about 20 percent. Chugach is now requesting permission from regulators to adjust base rates in a way that would collect about 1.7 percent more in revenue from retail customers.

Chugach requested the changes after completing an updated cost-of-service study. The study examined the cost of providing service to different kinds of customer and calculated the rates that each customer class (residential, small commercial and large commercial) should pay in order

to ensure that each group pays rates that are fair.

Chugach is also seeking to make adjustments to the base rates paid by wholesale customers. If Chugach obtains the results it is seeking in the proceeding before the RCA, base rates would increase about 1.7 percent for wholesale customers Matanuska Electric Association, Homer Electric Association and the City of Seward.

The rate increase is driven by a variety of factors, including the effect of inflation on labor and other costs, and reduced sales.

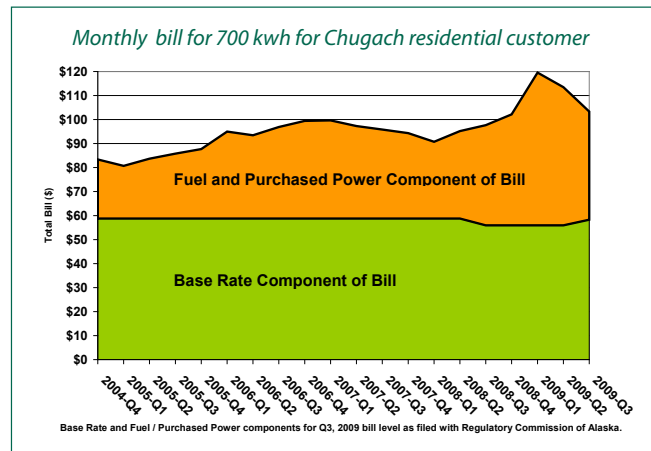
Chugach filed the proposed base

rate changes with the RCA in June and asked for approval to begin charging them on an interim basis beginning Aug. 7. Rate cases can take months to resolve. Receiving permission to request "interim refundable" rates allows a utility to begin collecting the extra revenue early in the process, with the prospect of having to later repay it if the final approved rates are lower than the interim rates.

### Regulatory Cost Charge to rise

Customers of regulated utilities pay a charge each month that flows to the RCA to fund the agency. Periodically the state adjusts the rate. In June the Com-

*(See rates, page 2)*



## Major plant maintenance done in the summer

Like other Alaska electric utilities, Chugach's load peaks in the winter months. That means the summer months are when most major power plant maintenance projects are done, because that's when there is other generation available to supply customers.

Crews at the Beluga Power Plant are performing an annual inspection of Unit 8 in June and July. Unit 8 is a steam turbine-generator that uses the 950-degree hot exhaust of the two largest gas turbines at the plant to provide the heat for its boiler. When Unit 8 is operating off the waste heat from

both Units 6 & 7, it can produce up to 55 megawatts of electricity at no additional fuel cost. Units 6, 7 & 8 operating in this "combined cycle" mode are the most efficient gas-powered generation on the Chugach system today.

Unit 8 is the only steam unit on the Chugach system. While it is down {800020} for maintenance, Chugach will need to buy fuel for a natural gas turbine to replace the steam-powered generation. It costs about \$80,000-100,000 per day for additional gas while Unit 8 is unavailable.



*Crews at the Beluga Power Plant have dismantled Unit No. 8 for an annual inspection.*

(Rates, continued from page 1)

mission issued an order establishing the Regulatory Cost Charge for retail bills issued on or after July 1. The new RCC rate is \$0.000432 per kilowatt-hour, up from the current rate of \$0.000362. The increase will add about a nickel to the monthly bill of a residential customer using 700 kwh of service.

## CFLs still \$2 off

Chugach will be expanding its Smart Power program in the coming months. Smart Power is a program that promotes energy efficiency for Chugach members.



Smart Power will continue the \$2 buy down on select compact fluorescent lights (CFLs) at Brown's Electrical Supply through July 31, 2009. All coupons will be accepted until that date. Brown's also has coupons available at each location.

On Aug. 1, Smart Power will continue with Chugach and ML&P participating in an expanded CFL program. Please look at the August Outlet for new retail locations in Anchorage that will be selling 4-packs of Satco mini-CFLs. These 4-packs will be available in three color temperatures from a soft white to a bright daylight temperature. Satco was just named Energy Star Partner of the Year for its innovation in energy efficient lighting.

Other Railbelt utilities may join the Smart Power program in the future. The expanded program will be featured on Aug. 1 at the Renewable Energy Fair on the Park Strip. Smart Power will be hosting a workshop at the Alaska State Fair on CFLs and energy efficient light fixtures. The expanded CFL program will continue through the end of 2009. We are making plans for the future phases of Smart Power-- watch the Outlet or Chugach's Web site [www.chugachelectric.com](http://www.chugachelectric.com) for more information.

## Member number hide-n-seek

Your member number could be worth a \$100 credit on your Chugach electric bill.

Starting with bills being mailed in June, each month Chugach will put a randomly selected member number into the Outlet copy in brackets like this {\_\_\_\_\_}. Your member number is the root of the account number printed on your bill. It's the set of numbers preceding the dash and three sub-account numbers. If you find your member number, call Chugach's service center at 563-7366 to claim your prize. You may win for either the current or immediate past month's issue of the Outlet.

## Contact us

Main number	563-7494
Toll free	(800) 478-7494
Member Services	563-7366
Member Services fax	762-4678
Business and commercial desk	762-7876
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:	Member Services phone:
5601 Electron Drive	Monday - Friday
Monday - Friday	8 a.m. - 6 p.m.
8 a.m. - 6 p.m.	

### The Chugach Outlet

A Publication of Chugach Electric Association, Inc.  
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Anchorage, Alaska 99519-6300

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

**Corporate vision:** Powering Alaska's future

## Chugach recognized as 10-year Tree Line USA utility



Steven Nichols from the Alaska Division of Forestry, Community Forestry Program, presented Chugach with its 10th year certification as a Tree Line USA utility. The certification is awarded by the national Arbor Day Foundation to recognize outstanding right of way and vegetation management practices, and community involvement in tree planting around power lines. From left, CEO Brad Evans, Steven Nichols, Chris O'Brien, Utility Arborist, and Jim Nordlund, Chugach Board Vice Chairman.

## Convenient and time-saving payment options

*Hate standing in line to pay your electric bill?*

There are better things to do in summer than stand in line waiting to pay an electric bill. Here are some options to paying your bill in-person.

- Save time and money by signing up for AutoPay Checking. Your monthly bill will be automatically paid from your bank account.
- You can simply mail your payment to Chugach.

For a small fee you may use the following options:

- Use Chugach's online billing system which enables you to view and/or pay your Chugach electric bill on the Internet from your home. It's quick, easy, convenient and paperless.
- You may pay your bill over the phone by calling 762-7803.

For more information on any of the above payment options call Member Services at 563-7366 or 800-478-7494 between the hours of 8 a.m. and 6 p.m. weekdays or visit Chugach's Web site at [www.chugachelectric.com](http://www.chugachelectric.com).



Know what's below.  
Call before you dig.

One phone call to **811** will get underground utility lines marked. Callers will be routed to their local one call center who will arrange to mark all underground utility lines for free. Remember to call two business days prior to digging.

### Monthly residential service costs (based on 700 kwh)

Customer charge/month	\$ 8.00
Energy charge \$0.06848 x kwh =	\$47.94
Fuel \$0.05912 x kwh =	<u>\$41.38</u>
Purchased power \$0.00525 x kwh =	<u>\$ 3.68</u>
(Fuel & purchased power adjustments effective 7/1/09 - 9/30/09)	
<b>Subtotal</b>	<b>\$101.00</b>
2% MOA Underground Charge =	\$ 2.02
RCC charge \$0.000432 x kwh =	<u>\$ 0.30</u>
<b>Total bill</b>	<b>\$103.32</b>

### 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."

