

Chugach members elect four directors

Janet Reiser, Harry Crawford, and Jim Henderson were elected to 3-year terms and Doug Robbins was elected to a 1-year term on the Chugach board of directors. Election results were announced at the annual meeting May 26. A total of 14.3 percent of the 66,829 Chugach members of record voted in the election, down from 15.3 percent in 2010.

This was the first year Chugach offered electronic voting to its members. Of those who voted in the 2011 election, 21.3 percent used the electronic voting option.

Reiser is a management consultant and CEO of Salus Management Services and managing member of Jet Enviro De-Icing, LLC.

Crawford is a former Alaska State legislator, a retired iron worker and

a small-real estate developer.

Henderson is a principal with Financial & Valuation Analysis.

Robbins is a retired petroleum geologist and manager with 26 years of experience at Marathon Oil Co.



Janet Reiser



Harry Crawford



Jim Henderson



Doug Robbins

As a cooperative, Chugach is governed by a 7-member board elected by and from its membership. Directors are elected to 3-year, staggered terms. This year's special 1-year term was to fill the remainder of a term of a director who died in October.

A total of 167 Chugach members registered for the annual meeting at the Dena'ina Civic & Convention Center. An estimated 250 people attended the event.

Two proposed bylaw changes were also on the ballot. Members approved both of the changes. They covered housekeeping amend-

ments and clarifying the deadline for electronic voting.

Board elects officers

Immediately following the annual meeting, the board met to elect officers to serve for the next year. The officers are:

Janet Reiser, Chair

Susan Reeves, Vice-Chair

Doug Robbins, Secretary

P.J. Hill, Treasurer

Election summary

| | |
|--|--------|
| Members of record for the 2011 election | 66,829 |
| Returned mail ballot envelopes | 7,694 |
| Validated returned mail ballot envelopes | 7,438 |
| Electronic ballots cast | 2,034 |
| Members that registered at the annual meeting | 167 |
| In-person ballots issued at the annual meeting | 78 |
| In-person ballots cast at the annual meeting | 76 |
| Total ballots cast in the 2011 election | 9,548 |
| Percentage of members of record that voted | 14.3% |

Director election

(Seats on the board to be filled by the four candidates receiving the most votes, with the 3-year terms going to the top three vote getters.)

| | |
|---------------------------|-------|
| 1. Janet Reiser | 6,592 |
| 2. Harry T. Crawford, Jr. | 5,315 |
| 3. James R. Henderson | 5,208 |
| 4. Doug Robbins | 5,146 |
| 5. Steve Pratt | 4,179 |
| 6. Uwe Kalenka | 4,062 |

Bylaw Amendments

| | Yes/No |
|--|-------------|
| 1. Housekeeping amendments | 7,390/1,463 |
| 2. Clarifying the deadline for electronic voting | 7,880/1,057 |



A total of 167 members registered at the 2011 annual meeting

Electronic voting popular in its first year

Electronic voting proved popular with the Chugach membership in its inaugural year. A total of 21.3 percent of the members who voted in the Chugach election this year did so by using the Internet. Chugach was able to offer the option of electronic voting after the legislature voted in 2010 to amend the state cooperative statute. Previously the law had specified mail-voting as the only option to casting a ballot in-person at a meeting. Chugach and other electric and telephone

cooperatives supported the change to modernize the election process, broaden member options and potentially increase voter turnout.

The percentage of electronic voters in the Chugach election was about twice as high as that reported by a handful of Lower 48 cooperatives Chugach contacted. According to the U.S. Census Bureau, Alaska exceeds the national average in the percentage of homes with Internet connectivity.

Electronic annual report

The 2010 Annual Report is available at www.chugachelectric.com, or in printed form by calling Member Services at 563-7366.

Legislature funds energy projects; empowers AEA

The capital budget passed by the legislature contains funding for energy projects Chugach sought or supported to improve the regional generation and transmission system.

In addition to project funding, the legislature approved legislation that returns to the Alaska Energy Authority much of the power it had decades ago that allowed it to successfully develop and build projects that continue to benefit Alaskans today. Here's a short summary of key items in the legislature's capital budget.

Watana hydro project

The budget contains \$65.7 million to allow the AEA to continue working toward a major new hydroelectric project for the Railbelt at a site called Watana on the Susitna River.

ARCTEC projects

Chugach and four other Railbelt utilities formed a generation and transmission cooperative to identify regional grid priorities and speak with a unified voice in Juneau. This organization – the Alaska Railbelt Cooperative Transmission and Electric Co. – asked for funds for nine projects to maintain and improve the Railbelt G&T system. The legislature responded by funding the following projects, with the money to flow through AEA.

\$5 million for the replacement of key state-owned equipment that allows power to flow efficiently over

the Alaska Intertie linking Southcentral and the Interior.

\$15 million toward the diversion of Battle Creek into the reservoir of the state-owned Bradley Lake hydro project.

\$2 million to enable the bi-directional flow of natural gas under Cook Inlet.

\$25 million for maintenance and repairs on the 115-kilovolt transmission line between Anchorage and Cooper Landing. (This 50-year old line provides the only path for power from the Bradley Lake hydro project to utilities north of the Kenai Peninsula.)

\$10 million for the same type of work on the 115-kv line segment between Cooper Landing and Soldotna.

\$1.5 million to complete the rebuild of a transmission line to Seward.

\$4 million for the integration of Seward's power plant into the Railbelt grid.

\$5 million to study the upgrade of a 69-kv line segment between Cooper Landing and Soldotna.

\$4 million for protective switches at the Girdwood and Sterling substations.

Renewable energy grants

Chugach submitted applications for three grants from the fund the state created to aid with renewable

energy projects. AEA recommended approval of all three projects. The following are part of a group of projects that would be funded with \$36.6 million in the capital budget.

\$500,000 for planning for the Battle Creek diversion.

\$600,000 for planning for a transmission line between a prospective Mount Spurr geothermal project and the Beluga Power Plant.

\$576,080 for planning for the Stetson Creek diversion and associated facilities at Chugach's Cooper Lake hydroelectric project.

The capital budget is subject to review and approval by Gov. Parnell.



115-kv line crossing Powerline Pass

RCA approves Chugach rate changes

The Regulatory Commission of Alaska approved Chugach's request to raise its base demand and energy charges by 0.3 percent. Chugach implemented the new rates on May 16.

The increases apply to residential, commercial and lighting customers.

The action will raise the energy charge to 7.084 cents per kilowatt-hour and add 15 cents to the bill for a residential customer using 700 kwh per month. The total bill for an Anchorage residential customer using 700 kwh will now be \$97.99.

Chugach filed the request using Simplified Rate Filing procedures authorized by the RCA. The SRF process allows a cooperative utility like Chugach to make modest increases or decreases in base rates using a streamlined process without the cost of a general rate case proceeding. Chugach makes SRF filings every 6 months.

Fuel charge increase projected

The per-kilowatt-hour fuel charge on bills is projected to increase in July. Chugach filed a request with the RCA to raise the charge from 4.867 cents per kwh in the second quarter to 5.741 cents for the third quarter. If approved by the RCA, the new rate would add \$6.12 to

the bill of a Chugach residential customer using 700 kwh per month. The projected increase is driven by a combination of higher natural gas costs and a truing-up of a balancing account used to ensure funds collected match actual expenditures on a quarterly basis. {14310}

Contact us

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|--------------------------------|----------------------------|
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| Regulatory Commission of AK or | (800) 390-2782 276-6222 |
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Hours

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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

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 equal opportunity/affirmative action employer. Current openings are posted on the employment page at <http://chugachelectric.applications.com>. Chugach only accepts applications for open vacancies.

Monthly residential service costs (based on 700 kwh)

| | |
|--|-----------------|
| Customer charge/month | \$ 8.00 |
| Energy charge \$0.07084 x kwh = | \$49.59 |
| Fuel \$0.04867 x kwh = | \$34.07 |
| Purchased power \$0.00575 x kwh = | <u>\$ 4.03</u> |
| <i>(Fuel & purchased power adjustments effective 4/1/11 - 6/30/11)</i> | |
| Subtotal | \$ 95.69 |
| 2% MOA Undergrounding Charge = | \$ 1.91 |
| RCC \$0.000552 x kwh = | <u>\$ 0.39</u> |
| Total bill | \$97.99 |

Member number
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Find your member number (in brackets) in the Outlet and get a \$100 credit on your electric bill. Call Chugach's service center at 563-7366 to claim your prize.

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