

Gas contingency plans in place

Chugach is again joining with other utilities, the Municipality of Anchorage and the Matanuska-Susitna and Kenai Peninsula boroughs to plan for possible gas shortfalls during the 2010-2011 winter.

Contingency plans outline responses by the organizations in the Railbelt to deal with a potential shortfall of natural gas. Although not considered likely, participating organizations agree it's best to be prepared.

The overall plan identifies a descending hierarchy of actions to address a potential gas delivery

problem. The system operators at gas production facilities, the LNG plant, gas and electric utilities have a number of tools they can use to compensate for changing conditions, including using less gas-fired and more hydro turbine-generators, interrupting sales of power to other utilities and purchasing non-gas-generated power from Golden Valley Electric Association in Fairbanks. These actions are the first line of defense, and historically have resolved short-term delivery problems.

However, there could be times when system operators might

need the help of the public to reduce the demand for gas. If so, government officials would issue a public appeal using a chart that recommends specific

actions consumers can take.

A tri-borough conservation test will take place between 6 - 8 p.m., Wednesday, Oct. 20.

Energy Disruption Customer Action Plan		
CONDITION	MEANING	CUSTOMER ACTION
Green	Stable	Use energy wisely; be conservation minded Your utilities can provide tips on saving energy
Yellow	Caution	Set thermostat to 65 degrees in living areas, and 40 in the garage Lower water heater setting to "warm" or "vacation" Minimize usage of natural gas range Postpone doing laundry and dishes Turn off unnecessary lights and electronics
Red	Alert	Set thermostat at 60 degrees in living areas (55 if away) Turn water heater gas valve to "pilot" Do not use natural gas fireplaces, decorative heaters or gas grills Consolidate household activities into as few rooms as possible

If a gas delivery problem develops, emergency managers might issue an alert using this Energy Watch chart.

OSHA increases working distance around power lines

The federal Occupational Safety & Health Administration has increased the distance for working around overhead power lines. On Aug. 9 OSHA published a final rule on cranes and derricks in construction that establishes a minimum 20-foot rule from overhead lines. Ten

feet had been the established minimum distance, but with overhead line contact remaining one of the leading causes of accidents and fatalities on construction sites, OSHA concluded that a change was necessary. The new rule goes into effect Nov. 8.

Chugach can provide a briefing for contractors interested in learning more about working safely around both overhead and underground power lines. For more information, call 762-4545.

Chugach considers Fire Island, other renewable projects

A number of developers of potential renewable energy projects are talking to Chugach.

The projects cover a range of technologies, including hydro, wind, geothermal, landfill gas, waste-to-energy and tidal. Chugach has been in negotiations for a possible Fire Island wind project, and considering whether it and/or other potential projects might make economic sense for customers. Currently about 90 percent of the kilowatt-hours Chugach sells each year come from burning natural gas, with the other 10 percent from hydro-electric projects. {134539}



SPP update

The Southcentral Power Project continues to move forward, with recent site preparation and a zoning change.

SPP is a new, 183-megawatt, combined-cycle, gas-fired power plant being built at Chugach's Anchorage headquarters complex. It is a joint project between Chugach (70 percent) and Municipal Light & Power (30 percent). The project

will be very efficient, making a kilowatt-hour with only about three-fourths of the natural gas used by the most efficient generating units on the Chugach system today.

In July, the contractor took control of the site and began preparing the ground for the project. Material was excavated as necessary on the 11-acre plant site, and gravel brought

in, graded and compacted to establish a base for the future plant. A nearby piece of property Chugach purchased to use as the laydown area for the upcoming construction received similar treatment.

In August the Anchorage Assembly approved rezoning of the property from I-1 to I-2. Chugach requested the change in anticipation of a future change to Title 21, the municipal land use ordinance.

Construction of SPP will begin in 2011 after a building permit is secured. The plant is expected to be completed by the end of 2012.



The contractor has established the base and grade of the SPP site

RCA approves rate case

In September, the Regulatory Commission of Alaska effectively concluded a rate case Chugach filed in 2009. The RCA issued an order accepting settlement agreements Chugach reached with wholesale customers Matanuska Electric Association, Homer Electric Association and the City of Seward. Among other things, the agreements set new rates for both retail and wholesale customers. A second part of the order resolved depreciation issues.

The Commission's action will ultimately lead to a 1.7 percent reduction to the base rates currently paid by Chugach retail customers. Chugach expects final Commission approval of the rate changes contained in the filing to become effective during the fourth quarter of 2010.

The case illustrates how long it can take to adjust rates under a traditional general rate case process. In the future, Chugach will use an alternative method called Simplified Rate Filing to

adjust base demand and energy rates through semi-annual filings. SRF provides cooperatives like Chugach a means to more quickly adjust rates, either upwards or downwards, to match differences between revenues and expenses. Although the SRF process is generally efficient, it is not a complete replacement for traditional rate cases.

SRF update

At its Sept. 22 meeting, the board approved proposed rate changes based on Chugach's SRF for the June 30, 2010 test period. As a result, at the end of September Chugach filed for a retail base demand and energy rate increase of approximately 0.2 percent for rates effective in November 2010. Wholesale rates to Seward will increase 0.3 percent while wholesale rates to HEA and MEA will decrease about 0.6 percent and 1.2 percent, respectively.

Member Services news

Go green with paperless billing

Chugach has a paperless billing option for members who wish to receive an electronic billing notification. Members can sign up for paperless billing and receive a one-time \$5 credit on their account. Members currently receiving an electronic bill

will automatically receive a \$5 credit on their next statement.

New hours

Effective Sept. 27, Chugach's Member Services lobby and phone hours changed to 8 a.m. - 5 p.m., Monday through Friday.

Volunteers needed

Chugach is looking for members to serve on its annual meeting committees. A successful election depends upon the volunteers that staff Nominating, Bylaws and Election com-

mittees. For more information call Chugach's Public Relations Department at 762-4736, or visit Chugach's website at www.chugachelectric.com. Applications are due Oct. 29.

National Cooperative Month



October is national cooperative month. Each year co-ops across the nation celebrate their accomplishments and contributions.

Chugach is a cooperative. It exists to provide power to its members. When you signed up for electrical service, completed

an application and paid a \$5 membership fee, you became a member. As a member, you are a part-owner of Chugach, you can vote for the board of directors and you receive a share of margins when the board approves a capital credits retirement.

October: Energy Awareness Month

October is Alaska Energy Awareness Month and Chugach is joining other utilities, state agencies and non-profit organizations in a coordinated effort to promote energy awareness.

Earlier this year, the Alaska Legislature set an energy efficiency goal for Alaska: to reduce energy consumption 15 percent by 2020. To help achieve this goal, Chugach is a member of the Energy Efficiency and Conservation Work Group, a state-wide partnership of utilities, non-profit organizations, state agencies, builders and other organizations with an interest and stake in energy efficiency and conservation.

The work group developed the

new akenergyefficiency.org website and has begun work on a U.S. Department of Energy grant to improve energy efficiency in Alaska.

Be aware – Look around the house. Are the lights on in empty rooms? Are you running the dishwasher half empty?

Take steps – Once you become more aware of how you are using energy, you can take steps to be more efficient. The new website www.akenergyefficiency.org has tons of tips and resources to help you become more energy efficient.

Stop losing money – Energy efficiency translates directly into financial savings to you. Every time you leave all the lights on or run a partial load of laundry, that's your money going down the drain.



Member number hide-n-seek 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.

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

5601 Electron Drive
(effective Sept. 27, 2010)
Monday - Friday
8 a.m. - 5 p.m.

The Chugach Outlet

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5601 Electron Drive
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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 \$0.07181 x kwh =	\$50.27
Fuel \$0.042980 x kwh =	\$30.09
Purchased power \$0.004070 x kwh =	\$ 2.85
<small>(Fuel & purchased power adjustments effective 10/1/10 - 12/31/10)</small>	
Subtotal	\$ 91.21
2% MOA Underground Charge =	\$ 1.82
RCC \$0.000552 x kwh =	\$ 0.39
Total bill	\$93.42

