

Board presented with case for lower rates

The benefits of Chugach's recent refinancing could soon show on electric bills. Based on recent operating results, many customers are likely in for a demand and energy rate decrease in the fourth quarter of the year. The Chugach board considered the proposed rate filing at its September 28 meeting and subsequently approved filing the

rate proposal with the Regulatory Commission of Alaska (RCA). The RCA has final authority over accepting and implementing the proposed new rates. Early in the year Chugach secured \$275 million in new, long-term debt at a blended interest rate of 4.57 percent and used a portion of it to retire older bonds which paid an interest rate

of 6.55 percent. The resulting interest expense savings are largely responsible for the proposed rate decreases. The proposed demand and energy rate changes vary by customer category. Preliminary calculations indicate reductions of 1.9 percent for Chugach retail customers, 1.6 percent for Matanuska Electric Association and 5.4 percent

to the City of Seward. Meanwhile, Homer Electric Association's demand and energy rates would increase 2.7 percent, due primarily to a technical change in the way costs are allocated. {800027}

If approved, the rate changes would probably go into effect in November.

Gas contingency plans in place for winter

Chugach – along with other utilities, the Municipality of Anchorage and the Matanuska-Susitna and Kenai Peninsula boroughs – has updated plans to deal with possible gas supply emergencies during the winter of 2011-2012. The current effort builds on the successes and lessons of the past two winters of the Energy Watch program.

Natural gas is the primary fuel for heating and electric power generation in Southcentral Alaska. It heats the air and water in most homes and businesses, and is the power plant fuel for about 85-90 percent of the kilowatt-hours produced by Southcentral electric utilities.

Chugach has disaster plans in place and planning for emergencies in fuel supply disruptions are part of that overall plan.

The contingency plan identifies a descending hierarchy of actions to address a potential gas supply

disruption. The system operators at gas production facilities, and gas and electric utilities have a number of tools they can use to compensate for changing conditions. Electric utilities could use less gas-fired generation and more hydropower, interrupt sales of power to utilities that have non-gas generation alternatives, purchase oil-generated power from Golden Valley Electric Association in Fairbanks and have Municipal Light & Power switch from gas to oil for much of its generation. System operators are the first line of defense, and historically have resolved short-term disruption 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 color-coded chart that recommends specific actions consumers can take to cut gas

consumption. The idea behind the chart is that even modest conservation efforts by a significant number of customers can reduce the demand for gas enough to make a difference.

If the combination of system opera-

tions and voluntary conservation aren't enough, electric utilities could implement short rolling power outages to manage the supply disruption. While we do not believe this action will be necessary it is prudent to plan for the worst

See Energy Watch, page 2

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 Use the microwave for cooking

Gas situation improving

Several activities are underway that will improve the security of both gas supply and deliverability situations in the Cook Inlet area.

- The pipeline that carries gas under Cook Inlet is being modified to allow gas to flow in either direction.
- An underground gas storage facility to serve utility needs is being constructed.
- New wells have been drilled, adding additional sources of supply.
- New, efficient power plants that will use less gas are under construction in Anchorage and on the Kenai Peninsula.
- Following recent legislative incentives,

companies are buying leases and exploring for both oil and gas in the Cook Inlet area.

- Utilities are prudently studying liquefied natural gas import options to meet a portion of their needs.
- A 2011 federal assessment concluded that up to 19 trillion cubic feet of natural gas remains to be found in the Cook Inlet area.

Many of these actions will improve the gas situation in the mid- to long-term. However, the Energy Watch program remains an important tool entering the winter of 2011-2012 and for all longer-term emergency planning



The seasonal start of the Energy Watch program was announced at a joint press conference Sept. 19 by (from left) Matanuska-Susitna Borough Mayor Larry DeVilbiss, Municipality of Anchorage Mayor Dan Sullivan and Kenai Peninsula Borough Mayor David Carey.

Photo courtesy of Susan Wilcox, Chief of Staff, Kenai Peninsula Borough Mayor's Office.

Energy Watch (cont'd from page 1)

case and is consistent with planning for large scale natural disasters.

As in prior years, the Energy Watch chart will be tested during a tri-borough conservation exercise. The test will take place between 6 – 8 p.m., Wednesday, Oct. 19. The exercise asks the public to implement actions in the “yellow” band of the chart, including turning down thermostats, postponing household chores and curtailing unnecessary electric consumption. Estimates from the public exercises during the past two years are that these actions cut 2-4 percent of the

demand on gas system during test hours. Program managers point out that is significant, because the tests have been done on relatively warm and light mid-October evenings. They note that the same actions on a cold, dark winter evening should produce an even greater reduction in gas demand.

Immediately after the 2010 test, ENSTAR surveyed customers from the Kenai Peninsula, Anchorage and Mat-Su areas to evaluate participation and actions. The survey found that 69 percent of customers were aware of the possibility of a gas

delivery problem, 55 percent were aware of the test, and 27 percent had participated. Of those who took steps to reduce demand on the gas system during the test, 89 percent had postponed laundry or dishes, 85 percent had turned off unnecessary lights or appliances, 68 percent had turned down the thermostat in the living area or garage and 30 percent had lowered the setting on their water heater.

More information about the Energy Watch program is available at utility websites, including www.chugachelectric.com.

Energy Tip:

Switch off to \$ave: Beware of ‘Phantoms and Vampires’ in your home

Electricity powers the activities in our lives now more than ever – including power for telecommunications, information systems and entertainment. Computers, laptops, tablets, gaming systems, high-definition televisions, smart devices, cell phones, enhanced sound systems and other devices have become integral to daily life.

Each of these devices require power – and many require standby power. For example, a digital video recorder (DVR) and set-top cable or satellite box are both operated by remote control and are prepared to record program data even when “off”. According to a report by the Natural Resources Defense Council, the combination of a DVR and set-top box can use as much electricity as a new refrigerator, more than 400 kilowatt-hours per year. Often

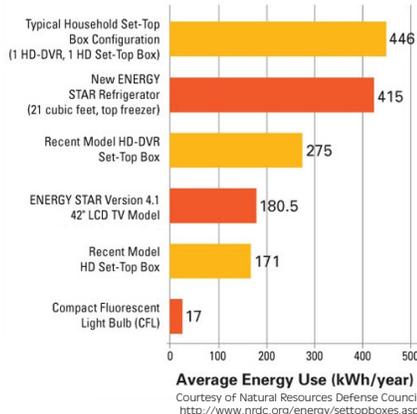
these devices appear to be off, but are still in standby mode which allows them to receive signals from remote controls and data from cable or satellite networks. This standby power load is referred to as “phantom load” and the devices as “energy vampires”. According to the U.S. Department of Energy, 6-10 percent of a home’s electrical consumption can be attributed to phantom load.

Manufacturers are beginning to make more efficient electronic devices. Consider purchasing Energy Star electronics for their low operating costs. In the meantime, use the switch on power strips or simply unplug your devices when not in use to

completely eliminate standby costs.

Contact Chugach’s Energy Efficiency and Conservation Specialist with your questions and ideas at (907) 762-4336 or smartpower@chugachelectric.com.

Energy Use of Set-Top Boxes and Other Appliances



Volunteers needed

Chugach is looking for members to serve on its annual meeting committees. A successful meeting depends upon volunteers who staff the Nominating, Bylaws and Election committees. For more information call 762-4177, or visit Chugach’s website at www.chugachelectric.com. Applications are due Oct. 28.

October is National Cooperative Month

Each year in October 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 co-op 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. {124577}

October is Energy Awareness Month

October is Energy Awareness Month. Across the country, people are taking part in events promoting awareness, conservation and energy efficiency. Visit www.akenergyefficiency.org to find out about events in Alaska. Also, stop by Chugach between Oct. 27- Nov. 11 to receive a free remote power switch (while supplies last) to help you conveniently eliminate your phantom load. See your bill insert for details.

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 or	(800) 390-2782 276-6222
To report a power outage	
In Anchorage	762-7888
Outside Anchorage	(800) 478-7494

Hours

5601 Electron Drive
Monday - Friday
8 a.m. - 5 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

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 \$0.06409 x kwh =	\$44.86
Purchased power \$0.00379 x kwh =	\$ 2.65
<small>(Fuel & purchased power adjustments effective 9/1/11 - 12/31/11)</small>	
Subtotal	\$ 105.10
2% MOA Undergrounding Charge =	\$ 2.10
RCC \$0.000492 x kwh =	\$ 0.34
Total bill	\$107.54

CHUGACH
POWERING ALASKA'S FUTURE

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.