



# Outlet

## Chugach and Hilcorp agree to new gas contract

Chugach and Hilcorp have come to terms for a new natural gas supply contract that could fully meet Chugach's needs through March of 2018.

Chugach uses natural gas as its primary generation fuel. Currently Chugach's generation mix is about 88 percent gas-fired, 10 percent hydro and 2 percent wind.

Hilcorp is already one of Chugach's gas providers, having taken over the former assets of Marathon Alaska Production (MAP) -- including a contract that presently supplies Chugach with about half the natural gas it expects to use for power generation through the end of 2014. Hilcorp is also providing the gas that Chugach uses for energy sales to Fairbanks-based Golden Valley Electric Association.

Through 2014, Chugach's gas supply needs will be met by purchases from Hilcorp and ConocoPhillips. The ConocoPhillips agreement partially meets Chugach's gas requirements into 2016. The new contract with Hilcorp meets Chugach's fuel needs through the winter of 2017-2018.

Hilcorp acquired the Cook Inlet gas production, transportation and storage assets of MAP as permitted by a consent decree with the State of Alaska and others. Among other requirements, the consent decree established price caps for natural gas sold by Hilcorp from 2013 through 2017 to area utilities and industrial producers.

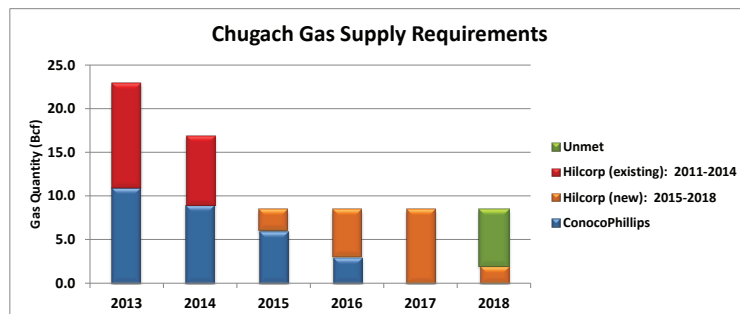
The price Chugach will pay Hilcorp for gas was based on the consent decree. The base

price for gas in 2014 will be \$7.13 per thousand cubic feet (Mcf), escalating 4 percent per year to top out at \$8.03 per Mcf in 2018. The contract also provides for increased pricing for swing and emergency load gas, although Chugach expects to be able to avoid those premium purchases by using its share of the Cook Inlet Gas Storage Alaska project to accommodate short-term fluctuations.

The new contract can meet up to 100 percent of Chugach's gas needs through the first quarter of 2018. The total volume of gas that Hilcorp agreed to sell Chugach over the life of the contract is about 17.6 billion cubic feet.

Consistent with the consent decree, Chugach has filed its contract with the Regulatory

*See Hilcorp, page 2*



*Chugach's new contract with Hilcorp provides gas through the winter of 2017-2018. Chugach's annual gas supply needs decrease after contracts to supply power to Homer Electric Association and Matanuska Electric Association expire at the end of 2013 and 2014, respectively.*

## MyPower helps customers save energy and money

Congratulations to Chugach residential member, Laurel Martone for winning the Apple iPad mini drawing for her participation in the MyPower Energy Efficiency Pilot Program! Her member number was randomly chosen among more than 900 drawing entries. {120331}

Despite already upgrading to Energy Star appliances, switching out inefficient light bulbs for LEDs, taking energy ef-

iciency classes with her husband, and completing the Alaska Home Energy Rebate Program, Laurel was still able to find useful energy efficiency and conservation tips in MyPower, a user-friendly web portal tool. She was impressed by the home energy assessment survey and the laundry list of tips that she could add to her energy plan, which is a feature of the tool. Since joining MyPower, Laurel is

happy to share that she has already been able to check off a few actions items from her energy plan and hopes to check off more in the near future. She recommends other Chugach residential members join MyPower and explore the features it has to offer.

A big thank you to all drawing entrants, who joined MyPower and/or the Opower Application before July 1, 2013. If

you haven't joined already, go to [www.chugachelectric.com](http://www.chugachelectric.com) and read more about how MyPower can save you energy and money!



*Apple iPad mini winner Laurel Martone*

## Sales of renewable energy certificates may lead to lower purchased power charge

Chugach proposes to use the revenue from sales of renewable energy certificates tied to the Fire Island Wind Project to offset the price of purchased power. Chugach sought the ratemaking treatment in a July 11 filing with the Regulatory Commission of Alaska.

Renewable energy certificates represent the property rights to the environmental, social and other non-power qualities of renewable electricity generation. Chugach acquired the rights to the certificates during negotiations for a purchase

agreement with Fire Island Wind, LLC. One certificate is earned for each megawatt-hour of energy produced. The certificates can be sold separately from the energy produced by a project on regional and national markets.

As a precursor to sales, Chugach registered the certificates and had them certified through appropriate organizations.

Chugach began buying energy from the Fire Island Wind Project in August 2012.

In June, Chugach sold renewable energy certificates, netting more than \$22,000 after expenses.

Chugach is asking the Commission to allow it to use the proceeds of renewable energy certificates to help offset the purchased power charge paid by retail members, beginning in the fourth quarter of 2013. In the first quarter of the year, retail purchased power costs totaled about \$3 million.

## Easements allow service

Chugach places its facilities where it is legally entitled to do so – either in public rights of way or in easements on private property.

An easement is an interest in the land of another for a specific purpose. In the case of an electric utility like Chugach, it includes:

- the right of access over the easement area
- the right to cut down or trim trees within the easement
- the right to remove obstructions within the easement area that interfere with construction or maintenance activities

Permanent structures should not be built within easements. Fences, shrubbery and gardens may occupy the easement area but are there at the property owner's risk.

To learn more about easements, contact Chugach's Land Services department at 762-4781.

Know what's  
below.  
Call before  
you dig.



One phone call to 811 can quickly get all underground utility lines marked. Locates are generally free of charge, but damages can be expensive, time-consuming and inconvenient for the neighborhood. In the last eighteen months, there have been more than \$200,000 in damages to Chugach facilities. The majority of those costs were billed to the party that caused the damage.

Locates require a minimum of two working days advance notice. Chugach advises that you hand dig within 2 feet of the location of buried electric lines.

## Hilcorp (cont'd from page 1)

Commission of Alaska, requesting permission to recover its costs in rates.

While the contract with Hilcorp is positive news regarding Chugach fuel supply in the near-term, the cooperative remains concerned about the long-term continued supply of natural gas for the region. Chugach and other utilities have jointly commissioned studies in recent years that concluded it will take sustained investment in exploration and production to ensure a continued flow of gas for customers.

### Contact us

<b>Hours</b>	<b>Monday - Friday</b> 8 a.m. - 5 p.m.
<b>Main number</b>	563-7494
<b>Toll free</b>	(800) 478-7494
<b>Member Services</b>	563-7366
<b>Member Services fax</b>	762-4678
<b>24-hour payment line</b>	762-7803
<b>Credit</b>	563-5060
<b>Power theft hotline</b>	762-4731
<b>Danger tree hotline</b>	762-7227
<b>Street light hotline</b>	762-7676
<b>Underground locates</b>	811
<b>Regulatory Commission of AK</b>	(800) 390-2782
<b>or</b>	276-6222
<b>To report a power outage</b>	
<b>In Anchorage</b>	762-7888
<b>Outside Anchorage</b>	(800) 478-7494

**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://chugachelectricapplicants.com>. Chugach only accepts applications for open vacancies.

### The Chugach Outlet

A Publication of Chugach Electric Association, Inc.  
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Monthly residential service costs (based on 650 kwh)	
Customer charge/month	\$ 8.00
Energy charge $0.08472 \times \text{kwh} =$	\$55.07
Fuel $0.04266 \times \text{kwh} =$	\$27.73
Purchased power $0.00117 \times \text{kwh} =$	\$0.76
FIW renewable energy adj. $0.00129 \times \text{kwh} =$	<u>\$0.84</u>
<small>(Fuel, Purchased power and FIW renewable energy adjustment factors effective 7/1/13 - 9/30/2013)</small>	
<b>Subtotal</b>	<b>92.40</b>
2% MOA Undergrounding Charge =	\$ 1.85
RCC $0.000578 \times \text{kwh} =$	<u>\$ 0.38</u>
<b>Total bill</b>	<b>\$94.63</b>

### 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.



A pilot program that helps you save energy and money.

For more information,

go to [www.chugachelectric.com](http://www.chugachelectric.com)