



News from Alaska Power Association

December 2007

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Season's Greetings,

This is the time of year to look ahead to the new year and start planning to accomplish your goals. Alaska Power Association's biggest goal in 2008 is developing a comprehensive, statewide energy plan.

Although this may sound like a daunting endeavor, there is plentiful enthusiasm and expertise within the APA membership to make it happen. This is an exciting time to be in the electric industry.



Energy planning is finally taking its rightful place at the forefront of public policy in Alaska. The \$90 plus per barrel of oil, the \$3 per gallon of gas at the pump, the crippling cost of fuel in rural Alaska, and the natural gas pipeline proposal process have all contributed to pushing energy issues into the spotlight.

Prominent business organizations such as the Anchorage Chamber of Commerce and the Alaska State Chamber of Commerce have included energy planning in their respective legislative priorities.

Next month, APA will begin Phase 1 of its energy planning process. I look forward to keeping you informed on our progress.

Marilyn Leland, Executive Director

Tanana participating in ANGDA propane demo project

Tanana will be dealing with all aspects of converting a village to use a river-based propane distribution system. The village's participation in the demonstration project will provide guidance for other villages considering converting to propane. Tanana's conversion will help ensure villages have future access to North Slope gas.

The project will delineate the costs and logistics of barging, storing and distributing propane within Tanana. The project will determine the feasibility of: using high efficiency propane-powered co-generators for public facilities to provide heated water and electrical power; converting existing and purchasing new propane appliances; establishing a central storage area for distribution of propane; developing underground conduit lines for delivery of propane; and converting heavy equipment and vehicles to propane.



The project is also intended to secure funding to implement the conversion of Tanana to propane. Englishhoe will assist the city, homeowners, tribe, public institutions and businesses to acquire funding, grants and loans. Numerous state, federal and private organizations have shown interest in providing technical and grant assistance for the project. The city has submitted a statement of interest to the Denali Commission for developing an alternative-renewable energy project.

Englishhoe will participate in community meetings to obtain a wide range of opinions to ensure the vision, goals and objectives of the project are realistic. The city believes a project based on local input, understanding and consensus will be respected by both the community and funding agencies.

The Yukon-Kuskokwim Propane Demonstration Project is not a stand-alone project. Propane conversion is one component of the community's efforts to reduce the high cost of living in Tanana. For example, the city recently installed wood-fired boilers to provide heat and hot water for the local laundromat. The boilers are expected to save 9,000 gallons of fuel oil a year. Additionally, Tanana will be using solar panels connected to a battery system to operate and monitor water and sewer lift stations.

Save the date for the APA Legislative Conference



The Alaska Power Association Legislative Conference is scheduled for Feb. 6-7 at the Westmark Baranof Hotel in Juneau. The conference is taking place much earlier in the legislative session than in years past to accommodate

the Legislature's new 90-day session. Reservations can be made by calling 1-800-544-0970. The rate for a single or double room is \$129 plus a 12 percent room tax. Guests must identify themselves as Alaska Power Association members at the time of booking in order to secure the special rate. The conference agenda will be distributed in a few weeks.

Chugach Electric files with RCA to lower retail rates

Chugach Electric Association wants to lower rates for its retail customers. The cooperative utility asked the Regulatory Commission of Alaska to approve a series of changes that include lower retail rates. The commission must accept the proposed changes before they can be implemented. Overall, if the new rates are approved by the RCA, retail customers will be paying about \$4 million a year less than they are under current rates.

In general, the new rates will result in lower bills for Chugach retail customers. The amount of the reduction will vary by customer class and usage, and could range from about 2 to 3.5 percent for a given customer. The

monthly bill for the average Chugach residential customer using 700 kilowatt-hours of service would go down by about 3 percent, or about \$3 at current rates.

The details are contained in tariff sheets submitted to the commission October 9 that would, if approved, make specific changes to the rates currently in effect. Chugach proposed that the new rates go into effect November 1.

The action comes as a result of a rate case Chugach initiated in September 2006 when it filed paperwork with the Regulatory Commission of Alaska seeking to adjust rates. The goal was to set rates that fairly recover the costs of key business activities. Chugach performs two key functions: it generates and transmits power for utilities (including for its own retail customer base) and it distributes power to approximately 80,000 metered retail locations.

In its filing in 2006, Chugach contended that the generation and transmission rates did not properly recover the costs associated with that part of the business, while distribution customers were paying more than was fair.

Chugach successfully negotiated a settlement agreement with three of the four interveners (Homer Electric Association, Seward Electric System and the public advocacy section of the office of the Alaska Attorney General) in the rate case before the Regulatory Commission of Alaska. The RCA accepted the settlement agreement in August, which has allowed Chugach to file for these rate changes.

Efforts were unsuccessful to come to terms on a settlement agreement with Matanuska Electric Association--the final intervener--so Chugach and MEA will proceed with a process before the RCA.

Chugach is the largest electric utility in Alaska, providing power for Alaskans throughout the Railbelt through retail, wholesale and economy energy sales.

[▶ Read more](#)

AVEC garners national communications award

Alaska Village Electric Cooperative (AVEC) recently

won a first-place award in the National Federation of Press Women's (NFPW) annual communications competition in the annual report - internal category. Amy Murphy, Public Relations Officer, produced the annual report.

Entries that won first place in NFPW's state affiliate contests were eligible for the national competition, which was judged by communications professionals from across the country.

AVEC's annual report was one of 15 entries from Alaska submitted to the NFPW contest after winning first place in the Alaska Professional Communicators communications competition this past spring. There were 970 entries submitted in multiple categories.

Alaska Village Electric Cooperative is a member-owned, non-profit cooperative that provides electric power to more than 7,400 consumers in 53 Alaskan villages.

Industry movers & shakers

At a special board meeting Dec. 5, the Chugach Electric Association Board of Directors appointed **Brad Evans** as Chugach's Acting Chief Executive Officer.



Evans is one of Alaska's most experienced utility managers. He was Chugach's Senior Vice President of Power Supply and has more than 23 years of utility experience. Evans was raised in Fairbanks and holds an electrical engineering degree from the University of Alaska, Fairbanks. His career background includes

strategic and resource planning, interconnected utility operations, fuel negotiations and management, power plant operation and maintenance and utility process efficiency analysis.

During the past year he has been deeply engaged in analyzing options for the continued delivery of reliable power through replacement or updating aging power plants and infrastructure. Evans has also been a key member of the gas negotiation team.

Chugach Board Chair Elizabeth Vazquez said that the Board has full faith in Evans. "It is necessary for Chugach to change direction and intensify our focus on the customer's best interest, and for that we need a different leadership. Brad Evans is an extremely capable leader and a very experienced manager. He will do very well."

Cordova Electric Cooperative recently hired **Andy Gentry** as Manager of Engineering and Operations. Gentry comes from Medford, Oregon where he worked for Pacific Power and Light. His background encompasses more than 31 years of experience in the construction, operation, maintenance and management of personnel in the transmission, distribution and substation industry. Gentry started his career as a lineman and worked his way up the ranks including positions as a journeyman lineman, operations manager and substation operation manager. He has an associate degree in electrical engineering technology. Gentry and his wife, Nancy, are relocating to Cordova.



Jarrett Boling started working at Chugach Electric Association as a Supervising Engineer, Distribution Design on October 1. He was previously a quality engineer with Pacific Gas & Electric Co. in San Francisco, CA where he had worked since 2002. Boling also worked as an electric distribution construction supervisor for PG&E.



Governor Sarah Palin appointed **Kate Lamal** of Fairbanks to the Alaska Natural Gas Development Authority. Lamal is a Vice President of Power Supply at Golden Valley Electric Association. She has a broad background in the field of power generation and transmission, and has worked in environmental geology and exploration geology in Alaska. Lamal received a bachelor's degree in geology from University of Washington in 1980, and a master's degree in geology

from Western Washington University in 1983.

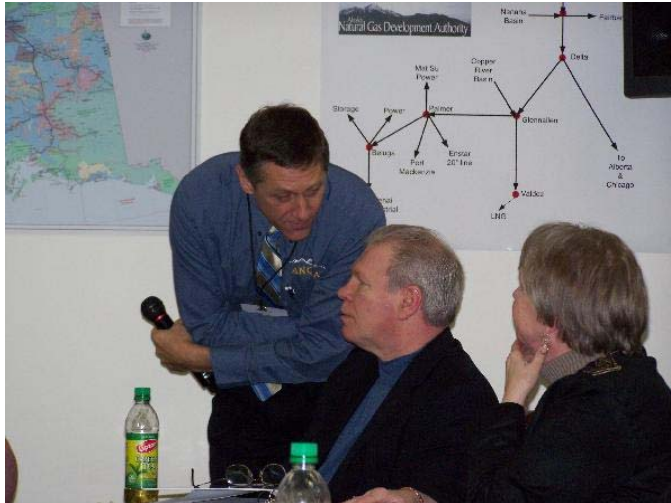
Review of recent industry meetings

The **Alaska Energy Authority** held the Railbelt Electrical Grid Authority (REGA) technical conference in late November at the Sheraton Hotel. The conference was attended by approximately 100 representatives of the Alaska utility industry and there were some excellent presentations on Railbelt energy issues. The authority said it intends to post all of the presentations on its web site at this link: [Alaska Energy Authority](#).

The Railbelt Electrical Grid Authority study was funded by a legislative appropriation of \$800,000 to study the concept of a Railbelt Electrical Grid Authority, an independent system operator, to manage and dispatch electric power on the Railbelt Grid.

The REGA conference was opened by Governor Sarah Palin who announced her Administration's intention to develop an energy vision for Alaska. An outline for an energy plan is being developed by a team of commissioners from several departments including Commerce, Community and Economic Development; Community and Regional Affairs; Environmental Conservation; and Natural Resources.

APA Executive Director Marilyn Leland told the Governor that the trade association is developing a comprehensive statewide energy plan and that it would like to join forces at some point with her group that is working on what sounds like a similar effort. Leland also mentioned the APA resolution encouraging the creation of a cabinet-level energy department. APA looks forward to having more dialogue with the Palin Administration as the association moves forward with its planning effort.



Steve Pratt, Alaska Natural Gas Development Authority consultant and ML&P Commissioner, answers a question from Scott Heyworth, ANGDA Chairman. APA Executive Director, Marilyn Leland, is seated next to Heyworth.

APA partnered with the **Alaska Natural Gas Development Authority** December 6 to host an open season workshop geared for electric utilities. The session was aptly led by Steve Pratt, ML&P Commissioner and ANGDA consultant, and speakers were Harold Heinze, ANGDA CEO, Dan Britton of Fairbanks Natural Gas, Steve Cantor of First Southwest Bank (a new APA Associate Member), and ANGDA consultants Joe Griffith and Tony Izzo.

APA member attendees include James Manning, Tom Kuckertz and Robert Wilkinson of CVEA, Rick Schikora and Henri Dale of GVEA, Darron Scott of KEA, Bob Reagan of ML&P, Uwe Kalenka of Chugach, and Marilyn Leland and Crystal Enkvist of APA. The workshop received positive comments from several utility representatives on the content covered.

The next ANGDA-APA workshop is set for January 16 and registration is being handled by APA. A schedule of events and a registration form may be downloaded from the APA web site at this link: [APA meetings](#).

Update on Chugach Electric and ML&P merger study

On Nov. 6, the Phase I report regarding the

reorganization or combination of the operations of Southcentral Alaska's two largest electric utilities was released. The 127-page report by Navigant Consulting says savings in electric rates could be achieved through some combination of the operations of Chugach Electric Association (Chugach) and Municipal Light and Power (ML&P).

The study is the result of an initiative by the Municipality of Anchorage and Chugach. Anchorage Mayor Mark Begich and Chugach Board Chair Elizabeth Vazquez on June 15 signed an agreement setting up a process for evaluating potential joint operations of the two utilities.

[Read More](#)

Denali Commission, AEA issue two Requests for Proposals

The **Denali Commission** and **Alaska Energy Authority** have released two Requests for Proposals for Alternative/Renewable Energy and Energy Cost Reduction projects. Responses are due to AEA by 4 p.m. on Feb. 12, 2008. Please contact Rebecca Garrett with AEA at 771-3000, toll-free at 1-888-300-8534 or rgarrett@aidea.org with any questions.

OSHA's final PPE rule may do more than clarify who pays

Here's the gist of OSHA's new final rule on personal protective equipment (PPE): the employer pays for required PPE, with a few narrowly-drawn exceptions. The new rule may serve to eliminate employer judgment calls on whether the equipment is personalized and able to be used off the job, and therefore to be paid for by the employee. The employer pays unless the PPE is on the exception list.

OSHA says that the new rule does not create new categories of PPE, but merely clarifies who pays for PPE that is already required. Many utilities may find that this clarification results in some items being identified as PPE for the first time (e.g., climbing gear, flame resistant clothing and leather work gloves).

You can find the new rule and OSHA's discussion of it in the November 15, 2007 Federal Register (link below). For more information, contact Jonathan Glazier, NRECA counsel, at (703) 907-5798 or jonathan.glazier@nreca.coop.

[Link to Federal Register](#)

APA members to discuss Alaska DOT Title 17 regs

There was a recent notice that alerted APA members of the State of Alaska Department of Transportation and Public Facilities' proposed Title 17 regulations that were revised in response to the testimony and comments received from APA and other groups.

There will be a work session for members on the regulations led by APA counsel Andy Leman on Tuesday, Jan. 8 at 9 a.m. Leman will compare the current and proposed regulations and facilitate discussion on potential actions APA and its members should take.

Comments on the proposed regulations are due by February 15. For more information, contact: Rick Kauzlarich, AK DOT/PF, 3132 Channel Drive Suite 105, Juneau AK 99801, phone: 907-465-6966, e-mail: rick.kauzlarich@alaska.gov.

[Link to Alaska DOT Title 17 regulations](#)

Employment opportunities

Inside Passage Electric Cooperative seeks to hire a

Chief Financial Officer. Minimum of ten years progressive experience in accounting, finance, or related field. Bachelor's degree in business administration preferred, but may be substituted for 15 years managerial/business experience. Must have excellent oral and written communication skills, at least ten years supervisory experience, and good financial analysis and budgeting skills. Job description available upon request.

To apply: Contact Jodi Mitchell at (907) 789-3196 ext. 24. E-mail or fax resume and cover letter to: Inside Passage Electric Cooperative, Inc. Attention: Jodi Mitchell, P.O. Box 210149, Auke Bay, AK 99821, (907) 790-8517 (fax), JMitchell@Alaska.com (e-mail).

Cordova Electric Cooperative seeks qualified candidates for the position of **Journeyman Lineman**. Cordova Electric Cooperative is located in scenic Prince William Sound and is a progressive utility that encourages a participatory environment. Competitive salary with an excellent comprehensive IBEW benefits package. Come join a great team in a beautiful place that is renowned for breathtaking scenery and world class outdoor recreation.

Excellent compensation and benefit package. Submit resume and cover letter detailing your interest and qualifications for the position with three professional references to Cordova Electric Cooperative, Inc., P.O. Box 20, Cordova, AK 99574-0020, or e-mail this information to info@cordovaelectric.com. CEC is an Equal Opportunity Employer. Recruiting will continue until a qualified applicant has been hired.

► [Employment opportunities](#)

Meetings & events calendar

APA Work Session on Proposed DOT Title 17 Regulations: January 8, 2008, Alaska Power Association

APA Resolutions & Governmental Affairs Steering Committee: January 8, 2008, Alaska Power Association

Alaska Forum on the Environment: February 11-15, Egan Center, Anchorage

NRECA Annual Meeting: February 25-27, 2008,

Anaheim, California

NRECA Legislative Conference: May 4-7, 2008, Hyatt Regency Hotel, Washington, DC

NWPPA Annual Meeting: May 18-22, 2008, Hilton Anchorage Hotel

APA Annual Meeting: August 13-15, 2008, Barrow, Alaska

NRECA Region IX Meeting:
September 15-17, 2008, St. George, Utah

▶ [APA Meetings and Events](#)

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