



Meera Kohler
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Communities Served

- | | |
|----------------|-----------------|
| Alakanuk | Nightmute |
| Ambler | Noatak |
| Andreafsky | Noorvik |
| Anvik | Nulato |
| Brevig Mission | Nunapitchuk |
| Chevak | Old Harbor |
| Eek | Pilot Station |
| Elim | Pitkas Point |
| Emmonak | Quinhagak |
| Gambell | Russian Mission |
| Goodnews Bay | St. Mary's |
| Grayling | St. Michael |
| Holy Cross | Savoonga |
| Hooper Bay | Scammon Bay |
| Huslia | Selawik |
| Kaltag | Shageluk |
| Kasigluk | Shaktoolik |
| Kiana | Shishmaref |
| Kivalina | Shungnak |
| Kotlik | Stebbins |
| Koyuk | Teller |
| Lower Kalskag | Togjak |
| Marshall | Toksook Bay |
| Mekoryuk | Tununak |
| Minto | Upper Kalskag |
| Mt. Village | Wales |
| New Stuyahok | |



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AK-105

AVEC Lowers Rates

As this new year dawns, I am hopeful and optimistic that 2010 will see the beginning of long-term solutions on energy issues for all Alaskans. A solution is desperately needed.

Rural Alaskans have struggled with high energy costs for decades and, in recent years, other parts of the state are experiencing challenges, as well. Last year, electricity in Fairbanks cost more than 25 cents a kilowatt-hour (kWh) and residents were paying as much as \$5,000 or more a month to heat their homes in the winter.

Juneau suffered damage to its transmission line that resulted in having to rely on diesel generators for several weeks. The cost of electricity rocketed from 11 cents to 54 cents a kWh.

Natural gas used to heat homes in Anchorage has tripled in price in the past 12 years.

We seem to have the makings of a perfect storm. The State of Alaska is attempting to craft a solution for the Railbelt utilities and I am optimistic they will roll this into a solution for all Alaskans. I believe every Alaskan is entitled to safe, reliable, affordable energy—no matter where they might live—and I will continue to work every day toward achieving that goal.

To that end, the AVEC board of directors has approved lowering the cost of a kWh of electricity by 2 cents, beginning with the bills that are issued in February. During 2009, our operating costs declined as we brought new generation online that had been largely built with grant funds. We are passing those savings along to our consumers. Two cents a kWh means a reduction in our revenue of \$1.4 million a year. We have filed the rate reduction notice with the Regulatory Commission of Alaska and expect its action shortly.

In addition, most of you should have recently received a check in the mail from AVEC, returning a portion of our capital credits from 2008 and 1998. Consumers with delinquent accounts and those who started receiving service after 2008 would not have received a check. A letter was attached explaining what this is, but if you have any questions about it, give Georgia Shaw, manager of Member Services, or me a call at (800) 478-1818.

Until next time,

Meera Kohler
President and CEO