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Secretary

Phyllis Clough, Old Harbor

Treasurer

Helena R. Jones, Ambler

Robert L. Beans Sr.,
Mountain Village
Fred Sagoonick, Shaktoolik
Julia Walker, Anvik

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 | Togiak |
| Marshall | Toksook Bay |
| Mekoryuk | Tununak |
| Minto | Upper Kalskag |
| Mt. Village | Wales |
| New Stuyahok | |



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AK-105

AVEC Launches New Venture

At a special board meeting last month the AVEC Board of Directors unanimously approved the purchase of two tug and barge sets for the delivery of fuel in Western Alaska. Here is the press release that was issued recently:

Alaska Village Electric Cooperative's (AVEC) Board of Directors, at a meeting held on Monday, February 8, approved a plan to stabilize the cooperative's fuel and transportation costs for the years 2011 through 2015. AVEC subsidiary Microgen Inc. will build two shallow draft tugs and barges specifically designed to serve member villages with both fuel and freight.

CEO Meera Kohler states: "Because of steep increases in transportation costs over the last few years, the board has decided to invest in assets that will bring at least \$2.5 million in cost savings to the members who have seen drastic increases in energy costs since 2007."

The vessels will be chartered and operated for the five-year term of the contract by Vitus Marine LLC, a newly formed company managed by experienced Western Alaska mariners.

AVEC is a member owned nonprofit electric cooperative that serves 22,000 Alaskans in 53 villages.

Vitus Marine LLC is a new company specializing in meeting the bulk transportation needs of Western Alaska maritime communities. Company principals are Mark Smith and Shaen Tarter, who have operated marine assets in Alaska for more than 20 years.

The AVEC board decided to act on this bold plan for the principal purpose of bringing much-needed competition to the Western Alaska fuel delivery market. While we certainly cannot guarantee rural Alaska will see a significant drop in the cost of delivering their petroleum fuels, we can be assured that the pricing will reflect the presence of at least two suppliers in almost all areas of the state.

In other news, AVEC is now on Facebook. If you also use this social networking tool, look for us—Alaska Village Electric Cooperative—and become a fan. Amy Murphy and I will post regular updates and would love to hear from you.

Until next time,

Meera Kohler
President and CEO