



Meera Kohler
President & CEO

Board of Directors
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Charlie Curtis, Kiana

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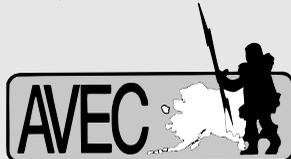
Treasurer

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 | |



Alaska Village Electric
Cooperative, Inc.

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AK-105

Who Owns AVEC? You Do!

A question that arises periodically—especially at annual meetings—is: “How do we get out of AVEC? We want to own our own utility.”

The answer is: You already own your utility!

AVEC is a nonprofit, member-owned electric cooperative. We were incorporated in 1967 by five people: James Hoffman, Diane Carpenter, Willie Hensley, David Peterson and Morris Thompson. These directors met regularly, usually monthly, for two to three days at a time, struggling to address all of the complicated issues of forming a co-op to bring electricity to the villages.

The villages also had to work hard to make the dream a reality. For AVEC to get loans from the federal government to build the generation and distribution systems, the villages had to become municipalities and take on operating responsibilities for the power plants. But it all paid off when the first three villages were electrified in 1968.

AVEC struggled for many years, teetering on the edge of bankruptcy, because communities couldn't afford to pay for the true cost of electricity and, as a result, rates were too low to pay for operating and maintenance costs. It wasn't until Power Cost Equalization was established in 1984 that we were able to raise the money for competent operations.

We've come a long way since then. We now serve 53 villages—more than 40 percent of Alaska's village population. We have more than \$120 million invested in utility assets and less than \$30 million in long-term debt. This means you—the members—own \$90 million worth of utility plant.

And what have you invested? Your \$5 membership fee and your monthly electric bill. The portion of your bill that is left after all expenses are paid is what we call margins — profits if we were a profit-making business. They are credited back to you every year.

Those margins are invested by us in utility assets and, after about 15 years, they are returned to you. Last December, we returned about \$1.3 million to you, our members, bringing the total returned to \$18 million!

Looking back over the past 42 years, I think you will agree AVEC was the best investment you—or your parents or grandparents—could possibly have made. You own your electric company, and what you started 42 years ago has been an incredible success.

Congratulations!

Meera Kohler
President and CEO