



Meera Kohler
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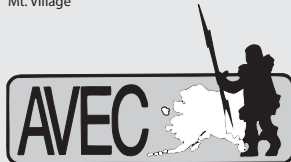
Robert L. Beans Sr.,
Mountain Village

Peter Demoski, Nulato

Fred Sagoonick, Shaktoolik

Communities Served

- | | |
|----------------|-----------------|
| Alakanuk | New Stuyahok |
| Ambler | Nightmute |
| Andreafsky | Noatak |
| Anvik | Noorvik |
| Brevig Mission | Nulato |
| Chevak | Nunapitchuk |
| Eek | Old Harbor |
| Ekwok | 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 |
| Kobuk | Stebbins |
| Kotlik | Teller |
| Koyuk | Togiak |
| Lower Kalskag | Toksook Bay |
| Marshall | Tununak |
| Mekoryuk | Upper Kalskag |
| Minto | Wales |
| Mt. Village | |



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AK-105

Kobuk Joins the AVEC Family

On July 1, 2012, AVEC took over operations in the community of Kobuk. Kobuk is a community of about 150 people, 128 miles northeast of Kotzebue. It is the smallest village in the Northwest Arctic Borough. It has been served by an electric utility owned by the City of Kobuk.

Kobuk is connected by an intertie to the community of Shungnak, about seven miles away. Shungnak is an AVEC community, so we have indirectly served the village of Kobuk for about 30 years. We have received temporary operating authority from the Regulatory Commission of Alaska. If the transition goes smoothly, we likely will apply for a permanent transfer of Kobuk's "Certificate of Public Convenience and Necessity" in the next year.

With Kobuk joining AVEC, we now proudly serve 55 member communities.

Residents in Kobuk will see fairly significant changes in their utility bills. AVEC's PCE rate is higher than Kobuk's, so the net billed rate to eligible consumers will be lower. The same will be true for community facilities such as city hall and the water treatment plant. Commercial customers will see similar to somewhat lower bills than they pay.

Within the next few months, AVEC will be assisting the Northwest Arctic Borough School District install service to its addition in Kobuk. Until now, any home or business seeking new electric service had to arrange for installation of their own electric poles and services. Under AVEC, we do those installations ourselves and cover the first \$5,400 cost of building new services.

One change some community members may not be very excited about is our bill collection practices. Electric consumers are expected to pay their bills within 30 days and are subject to disconnection if not paid within 45 days. Because we are a cooperative and every member is expected to carry their own weight, we are diligent in enforcing bill payment. It will be no different in Kobuk. We hope our new members will help us with this.

We are excited to welcome our new family members. They are part of a family of 55 villages with a combined population of almost 22,000 Alaskans. Together, we represent the largest Native community in Alaska. Collectively, we have a powerful voice.

Until next time,

Meera Kohler
President and CEO