



**Meera Kohler**  
President & CEO

**Board of Directors  
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Charlie Curtis, Kiana

**Vice Chairman**  
Walter G. Sampson, Noorvik

**Secretary**  
Phyllis Clough, Old Harbor

**Treasurer**  
Helena R. Jones, Ambler

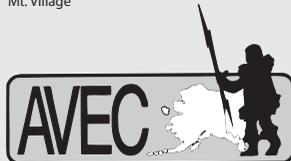
Robert L. Beans Sr.,  
Mountain Village

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    |                 |



**Alaska Village Electric  
Cooperative, Inc.**  
4831 Eagle Street  
Anchorage, AK 99503  
(907) 561-1818  
(800) 478-1818

## Welcoming Bethel into the AVEC Family

On October 29, 2013, we received some wonderful news—the Regulatory Commission of Alaska had approved the transfer of Bethel Utilities Corporation’s operating certificate to AVEC. We are now arranging for an orderly transfer of the utility assets and will take over operations May 1, 2014.

We have received a lot of questions, both from community members in Bethel and from members in our other 55 villages about what this change will mean. Following are answers to some of those questions.

- **How much did the purchase cost AVEC?** The price to be paid is \$5 million. This buys a generating plant of about 13 megawatts and 2,800 services. Our assets at December 31, 2012, consisted of 48 power plants with generating capacity of 56 MW and about 8,000 services with a total value of \$131 million. In effect, the Bethel assets cost us about 1/10th of what it has cost to build the rest of our system. We also are buying the accounts receivable from BUC, which means the customer accounts will transfer from BUC to AVEC with all balances (and credits) unchanged.
- **How does this purchase benefit us?** In many ways! Because Bethel is a dense system, its nonfuel costs are at about 11 cents per kilowatt-hour, which is quite low. AVEC’s nonfuel cost to serve its 55 villages is 26 cents per kWh, because we have 48 power plants and tank farms to operate. By sharing administrative costs and reducing the cost of taxes in Bethel, all 56 communities should see reductions in operating costs starting in 2015. Owning the Bethel utility will allow us to establish hub operations out of Bethel, and potentially expand the network of communities connected to them, lowering costs for many of the smaller communities.

• **How would the board change to represent Bethel?** The board is working diligently to answer that question. A work session is scheduled for mid-December to explore the best course of action. We do not expect substantial change, but we expect the delegates likely would select a candidate from Bethel to serve on the board, along with six from other communities.

Send me your questions and I am happy to answer them to the best of my ability. You can reach me at [mkohler@avec.org](mailto:mkohler@avec.org).

All of us at AVEC wish you a warm, bright and merry Christmas season and a prosperous new year!

Until next time ...

**Meera Kohler**  
President and CEO