

May 5, 2008

Office of the Governor  
Sarah Palin, Governor  
P.O. Box 110001  
Juneau, AK 99811-0001

Dear Governor Palin:

The purpose of my letter is to express strong support for Copper Valley Electric projects included on page 38 of the capital budget (SB 221). The four projects total \$5 million and will be used as follows:

- \$2 million to match a federal grant already in hand to upgrade the Glennallen Plant
- \$1 million to permit a new hydro project to get us off fossil fuel
- \$500,000 to upgrade the Valdez substation
- \$1.5 million to reimburse the co-op for money spent years ago evaluating a transmission line connection to the Railbelt Grid which did not pan out

Governor, we could use some help in this region. Please look kindly on these four appropriations, thank you.

Yours truly,

Charlene Randall  
Charelle Randall

Box 585

Glennallen Ak 99588

May 5, 2008

Office of the Governor  
Sarah Palin, Governor  
P.O. Box 110001  
Juneau, AK 99811-0001

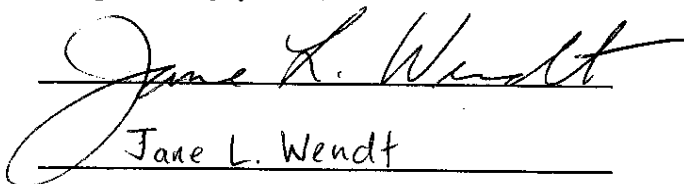
Dear Governor Palin:

I have read with keen interest the misfortune of the Juneau electric utility and their struggles with the recent avalanche and loss of hydro power to serve our capital city. I note with some irony that my electric co-op deals with this risk every day when we rely on the Four Dam Pool owned transmission line crossing Thompson Pass to provide energy generated at Solomon Gulch Hydro in Valdez to the residents of the Copper River Basin. Copper Valley Electric plans for this possibility by installing and maintaining adequate back up generation in their Glennallen Plant.

Senate Bill 221 includes \$2 million dollars to install a new, diesel fired unit in the Glennallen Plant. The unit is on order and is already half paid for with a federal DOE matching grant. The new unit replaces generation installed in 1975 and will not only be state of the art technology but will also be more fuel efficient which will certainly help when the utility has to run it.

Mother Nature can sure turn destructive forces loose when she is of a mind to do so. Thank goodness utilities like Copper Valley Electric and AEL&P plan ahead. Please approve funding for the diesel plant upgrade included in the capital budget so the ratepayers won't have to. Thank you Governor.

Respectfully yours,

  
Jane L. Wendt

P.O. Box 226, Glennallen, AK 99588

May 5, 2008

Office of the Governor  
Sarah Palin, Governor  
P.O. Box 110001  
Juneau, AK 99811-0001

Dear Governor Palin:

I am writing in support of appropriations for Copper Valley Electric included on page 38 of the capital budget (SB 221).

I have been a member of CVEA for many years. I regularly attend their annual meeting and I try to keep up on cooperative business. The price of oil is hurting our communities and it is also hurting core businesses, one of which is the electric co-op. The average price of oil in 2003 was \$29.64. On May 2, 2008, the price was \$116.32. The region is not growing and CVEA reported at their recent annual meeting that total system energy sales has *declined* in the past two years.

SB 221 has four important projects that, if approved, will not have to be funded through increased electric rates. We hope you will support these expenditures, thank you.

Sincerely,



ROBERT I. WENDT

P.O. Box 226 GLENNKLEN, AK  
99588

May 5, 2008

Office of the Governor  
Sarah Palin, Governor  
P.O. Box 110001  
Juneau, AK 99811-0001

Dear Governor Palin:

I am writing in support of capital projects included in SB 221 for my local co-op, Copper Valley Electric Association. I recently attended the co-op's annual membership meeting and was pleased to hear of progress being made on improving electric system reliability and especially on efforts to construct more hydroelectric generating capacity at Allison Lake.

The money in the capital budget will be put to good use. I urge you to approve funding for these projects so my high rates will not have to be increased to pay for them. Thank you, Governor.

Sincerely,

David Corbin David Corbin

P.O. Box 222

Copper Center AK 99573

May 5, 2008

Office of the Governor  
Sarah Palin, Governor  
P.O. Box 110001  
Juneau, AK 99811-0001

Dear Governor Palin:

Alaska's energy issues certainly seem to be in the forefront of most conversations these days. Gas over \$4, monthly home heating bills approaching \$1,000, and electricity bills continually going up with the price of oil is creating quite a hardship in our region.

CVEA, our local co-op, has been working to do something about the crisis caused by high oil prices. Page 38 of the capital budget includes four projects to assist the effort which we hope you will support.

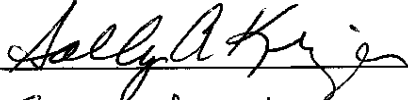
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In addition, the budget includes money to replace a critical piece of equipment in the Valdez Substation and for reimbursement of costs incurred on a project authorized and partially funded by the 1993 Legislature.

Governor, please support CVEA, Valdez and the Copper Basin ratepayers by approving these projects, thank you.

Respectfully,

  
\_\_\_\_\_

Sally A. Keizer  
\_\_\_\_\_

P.O. Box 812, Glennallen, AK  
99588-0812

May 5, 2008

Office of the Governor  
Sarah Palin, Governor  
P.O. Box 110001  
Juneau, AK 99811-0001


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Elizabeth R Yahr

PO Box 223, Glennallen, Ak 99588

May 5, 2008

Office of the Governor  
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Juneau, AK 99811-0001

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Sincerely,

Pamela J. Horst

Pamela J. Horst

Box 171, Glennallen, AK. 99588

May 5, 2008


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P.O. Box 110001  
Juneau, AK 99811-0001

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Sincerely,

 Robert E Cyr

PO Box 325

GLENNVILLE, AK 99588



May 5, 2008

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Sarah Palin, Governor  
P.O. Box 110001  
Juneau, AK 99811-0001

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Governor, please support CVEA, Valdez and the Copper Basin ratepayers by approving these projects, thank you.

Respectfully,



Don DUBAS

Box 677 GLENNALLEN AK 99588

May 5, 2008

Office of the Governor  
Sarah Palin, Governor  
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Juneau, AK 99811-0001

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Governor, we could use some help in this region. Please look kindly on these four appropriations, thank you.

Yours truly,

Stephanie Brenden

P.O. Box 526

Glennallen AK 99588

May 5, 2008

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Sarah Palin, Governor  
P.O. Box 110001  
Juneau, AK 99811-0001

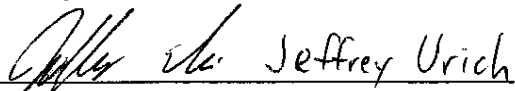
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Sincerely,

  
\_\_\_\_\_  
Jeffrey Urich

PO Box 218  
\_\_\_\_\_  
Glennallen, AK 99588

\_\_\_\_\_  
Glennallen, AK 99588

May 5, 2008

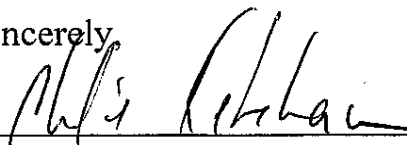
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Sincerely,

 Charles Ketcham

General Delivery  
Ch. King, AK 99566

May 5, 2008

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Sarah Palin, Governor  
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Juneau, AK 99811-0001

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Governor, please support CVEA, Valdez and the Copper Basin ratepayers by approving these projects, thank you.

Respectfully,

  
\_\_\_\_\_  
Kevin D. Newman

PO Box 357 Glennallen AK 99588

May 5, 2008

Office of the Governor  
Sarah Palin, Governor  
P.O. Box 110001  
Juneau, AK 99811-0001

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Yours truly,

Bill Lambert

Bill Lambert

PO Box 574 Glennallen AK 99588

May 5, 2008

Office of the Governor  
Sarah Palin, Governor  
P.O. Box 110001  
Juneau, AK 99811-0001

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Respectfully yours,

Debra Yamakami

Arts Design, LLC PO Box 1409 Valdez AK 99686

Debra Yamakami

May 5, 2008

Office of the Governor  
Sarah Palin, Governor  
P.O. Box 110001  
Juneau, AK 99811-0001

Dear Governor Palin:

I am writing in support of a line item on page 38 of the capital budget for Intertie Construction Cost Recovery for Copper Valley Electric Association. The amount included in the budget is \$1.5 million dollars and the payment is long overdue.

CVEA began work in 1989 to try to advance the idea of connecting our region of the state to the Railbelt grid. I have attached a chronology of events beginning in 1989 when the effort got underway. Things pretty much ground to a halt when Governor Hickel left office in 1994.

In 1993, the 18<sup>th</sup> Alaska Legislature authorized the Sutton/Glennallen intertie project and appropriated a \$35 million, 50-year zero-interest loan to partially capitalize the project. That legislation required that a feasibility study be conducted and that was done and paid for by CVEA in 1994-95. As the legislation was being drafted money was included in AEA's operating budget for the study. Representative Ramona Barnes, who supported the project told CVEA and the Energy Authority to delete the money from AEA's budget and instead take it from the approved loan fund. Since the loan was never consummated, through no fault of CVEA, no reimbursement for study costs ever occurred.

The purpose of the intertie loan was to benefit the region. CVEA members spent a lot of money trying to advance the project and to this day have received no benefit. Efforts to re-appropriate a small portion of that \$35 million intertie loan have fallen short mostly because of politics. Governor, you can help the region by approving the \$1.5 million for all the work CVEA put into the intertie. Based on my knowledge of the co-op I think they will put the money to good use for the members. Thanks.

Sincerely,

Rachel S. Foil

P.O. Box 614

Glennallen AK 99588

Attachment



Month	Year	Milestone-Event
June	1989	Northeast Intertie Reconnaissance Study 230 kv Transmission Line Delta to Sutton
December	1992	Screening Study of Sutton to Glennallen Line 138 kv Transmission Line by Power Eng Inc.
January	1993	CVEA/AEA Agreement for Feasibility Study CVEA agrees to pay \$260,000 to be reimbursed by AEA in FY94 Budget
January	1993	AEA Commissions R.W. Beck To Conduct Feasibility Study of SGL
February	1993	1st Round of Public Meetings - Glennallen, Valdez, Glacier View, Chickaloon, Sutton
May	1993	17th Legislature Authorizes \$35 million loan Contingent on Feasibility Study
June	1993	2nd Round of Public Meetings - Same Locations
December	1993	ACSI - APUC Complaint Filed
December	1993	Chugach Submits MOU to CVEA For Exclusive Negotiations
January	1994	Feasibility Study Draft Issued
January	1994	Feasibility Study Budget Amendment from \$260,000 to \$472,000
February	1994	3rd Round of Public Meetings - Same Locations
April	1994	Feasibility Study Final Report Issued
July	1994	DCRA Determination of Feasibility Issued by Commissioner Edgar Blatchford
Pending	1994	DCRA Loan Agreement
July	1994	ACSI vs State of Alaska - State Court

Month	Year	Milestone-Event
August	1994	ACRED vs State of Alaska - State Court
August	1994	CVEA Issues RFP for Power Suppliers
August	1994	R.W. Beck Issues Revised Economic Analysis of Alternatives
October	1994	ACSI vs State of Alaska - State Dismissed
October	1994	ACSI vs State of Alaska - Federal Court
November	1994	R.W. Beck Commissioned to do Crystallization Report of Power Suppliers
November	1994	ACSI vs State - Federal Injunction Ordered
December	1994	Petro Star Proposed Cogeneration Project
January	1995	CVEA files for Intervenor Status - Federal
February	1995	ACSI vs State - Federal Injunction Lifted
April	1995	Governor Appoints Interagency Review Team Report Due - July 1, 1995
On Going	Various	Alyeska Talks - CVEA Provides Power - Alyeska Provides Power - CVEA Operates

May 5, 2008

Office of the Governor  
Sarah Palin, Governor  
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Governor, we could use some help in this region. Please look kindly on these four appropriations, thank you.

Yours truly,



Carol Reimer

PO Box 518 Glennallen,

AK 99588

May 5, 2008

Office of the Governor  
Sarah Palin, Governor  
P.O. Box 110001  
Juneau, AK 99811-0001

Dear Governor Palin:

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Governor, please support CVEA, Valdez and the Copper Basin ratepayers by approving these projects, thank you.

Respectfully,

  
\_\_\_\_\_  
PO Box 218  
\_\_\_\_\_  
Glennallen AK 99588  
\_\_\_\_\_

May 5, 2008

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Sincerely,



MILTON A. PETERS

P.O. Box 323, Glennallen, AK 99588

May 5, 2008

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Sarah Palin, Governor  
P.O. Box 110001  
Juneau, AK 99811-0001

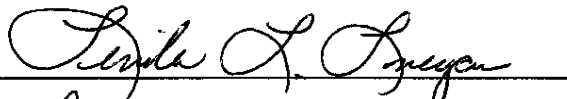
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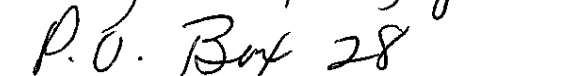
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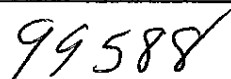
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Sincerely,









May 6, 2008

Office of the Governor  
Sarah Palin, Governor  
P.O. Box 110001  
Juneau, AK 99811-0001

Dear Governor Palin:

Page 38 of the capital budget has four projects which will benefit my electric cooperative, Copper Valley Electric Association. Brief descriptions of the projects are attached.

CVEA has pursued legislative assistance for many years but for reasons unknown has always come up short.

The residents of Valdez and Copper Basin could use some help. Please allow these projects to be funded.

Yours truly,

*Harley Bowerman*

HARLEY BOWERMAN

P.O. Box 395, GLENNALLEN, AK 99588

Attachment

## 2008 Request for Appropriation

May 5, 2008

Allison Lake License Application. (page 38, line 20) \$1,000,000

As we look toward the future our focus is on investigating opportunities to reduce the cost of power by decreasing our reliance on fossil fuels to generate electricity.

While CVEA is fortunate to have the Solomon Gulch Hydroelectric facility in our power supply portfolio, we remain dependent on fossil fuel plants for 40% of our annual generating requirement. A diesel kwh, at current fuel prices, is \$.26 (just for fuel).

Following completion of several studies in the past year, on March 3, 2008, CVEA filed an application for a preliminary permit to develop the hydroelectric potential of Allison Lake (near Valdez). The permit, which CVEA expects to be awarded in June, is for a three-year period. During the term of the permit CVEA will conduct environmental studies (fisheries, terrestrial, cultural, recreation), work with state and federal agencies (and other stakeholders) and perform engineering work necessary to fulfill the requirements of a FERC license application. The estimated cost to prepare a bonafide license application is \$1 million.

Intertie Construction Cost Recovery. (page 38, line 28) \$1,500,000

This funding will provide reimbursement for costs incurred to determine the feasibility of the Copper Valley Intertie as required by 1993 legislation that appropriated \$35 million for a 50-year, zero-interest loan to partially finance an intertie that would connect CVEA to the Railbelt grid system. Between 1992 through 1996 CVEA completed studies required by the legislation and worked in good faith with the State of Alaska to advance the project. At the time the legislation was passed in 1993, funds to study the project were removed from the state budget with the understanding that intertie loan fund proceeds would be available to reimburse CVEA for study costs.

In 1996, the state administration indicated their lack of support for the project and CVEA ceased efforts to move the project toward development. However, more than \$1.5 million had been spent by CVEA in studies and pre-construction costs. The intertie loan application was lapsed and CVEA was not provided any reimbursement for costs. These funds will be used to pursue non-fuel power generation projects and to construct system improvements which otherwise would be paid for through higher rates.

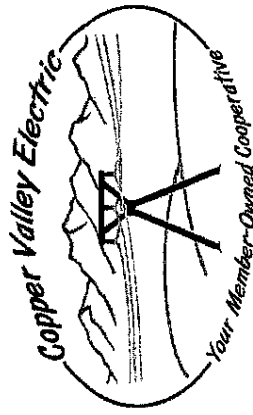
Glennallen Diesel Plant (GDP) Upgrade (Matching Funds). (page 38, line 24) \$2,000,000

CVEA operates four power plants; three in Valdez and one in Glennallen. The communities are connected by road and a 138 KV transmission line owned by the Four Dam Pool. The t-line is vulnerable to prolonged outage caused by weather and avalanche (six events since 1986, once as long as nine months). When the t-line is out of service, the GDP must serve the electric load in the Copper Basin. Prime generation in GDP was installed in 1975-76. The GDP upgrade will install a new state of the art, more efficient diesel generator set in the Glennallen Plant. The project is expected to be completed in 2008.

The total cost of the project is \$3.9 million. In 2003 CVEA was awarded a \$1.9 million matching grant by the federal Department of Energy to construct additional generation in the Glennallen Diesel Plant. The DOE grant requires matching funding from a non federal source. If the state appropriation is obtained, this project can be completed at no cost to the members.

Valdez Diesel Plant Substation Upgrade. (page 38, line 32) \$500,000

The 10 MVA power transformer at the Valdez Diesel Plant Substation provides voltage transformation from the 24.94 kV provided by the Solomon Gulch circuit to the downtown 12.47 kV distribution system. This transformer is one of CVEA's most critical assets. An extensive maintenance program dictates this vital piece of equipment should be replaced. No other utility in the state has a spare to match the capacity needed for our application. A new unit can be available for delivery in 46 to 52 weeks after receipt of an order at a cost of approximately \$500,000.



For more information, contact  
Sharon Crisp  
Email: [crisp@cvea.org](mailto:crisp@cvea.org)  
Phone: 835-7005 or 822-5506



May 5, 2008

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I am writing in support of appropriations for Copper Valley Electric included on page 38 of the capital budget (SB 221).

I have been a member of CVEA for many years. I regularly attend their annual meeting and I try to keep up on cooperative business. The price of oil is hurting our communities and it is also hurting core businesses, one of which is the electric co-op. The average price of oil in 2003 was \$29.64. On May 2, 2008, the price was \$116.32. The region is not growing and CVEA reported at their recent annual meeting that total system energy sales has *declined* in the past two years.

SB 221 has four important projects that, if approved, will not have to be funded through increased electric rates. We hope you will support these expenditures, thank you.

Sincerely,

  
\_\_\_\_\_

Todd Stanley  
\_\_\_\_\_

P.O. Box 1267, Valdez AK 99686

May 5, 2008

Office of the Governor  
Sarah Palin, Governor  
P.O. Box 110001  
Juneau, AK 99811-0001

Dear Governor Palin:

I am writing in support of a line item on page 38 of the capital budget for Intertie Construction Cost Recovery for Copper Valley Electric Association. The amount included in the budget is \$1.5 million dollars and the payment is long overdue.

CVEA began work in 1989 to try to advance the idea of connecting our region of the state to the Railbelt grid. I have attached a chronology of events beginning in 1989 when the effort got underway. Things pretty much ground to a halt when Governor Hickel left office in 1994.

In 1993, the 18<sup>th</sup> Alaska Legislature authorized the Sutton/Glennallen intertie project and appropriated a \$35 million, 50-year zero-interest loan to partially capitalize the project. That legislation required that a feasibility study be conducted and that was done and paid for by CVEA in 1994-95. As the legislation was being drafted money was included in AEA's operating budget for the study. Representative Ramona Barnes, who supported the project told CVEA and the Energy Authority to delete the money from AEA's budget and instead take it from the approved loan fund. Since the loan was never consummated, through no fault of CVEA, no reimbursement for study costs ever occurred.

The purpose of the intertie loan was to benefit the region. CVEA members spent a lot of money trying to advance the project and to this day have received no benefit. Efforts to re-appropriate a small portion of that \$35 million intertie loan have fallen short mostly because of politics. Governor, you can help the region by approving the \$1.5 million for all the work CVEA put into the intertie. Based on my knowledge of the co-op I think they will put the money to good use for the members. Thanks.

Sincerely,

Jeri Dugas

PO Box 677

Glennallen, AK 99588

Attachment

Month	Year	Milestone-Event
June	1989	Northeast Intertie Reconnaissance Study 230 kv Transmission Line Delta to Sutton
December	1992	Screening Study of Sutton to Glennallen Line 138 kv Transmission Line by Power Eng Inc.
January	1993	CVEA/AEA Agreement for Feasibility Study CVEA agrees to pay \$260,000 to be reimbursed by AEA in FY94 Budget
January	1993	AEA Commissions R.W. Beck To Conduct Feasibility Study of SGL
February	1993	1st Round of Public Meetings - Glennallen, Valdez, Glacier View, Chickaloon, Sutton
May	1993	17th Legislature Authorizes \$35 million loan Contingent on Feasibility Study
June	1993	2nd Round of Public Meetings - Same Locations
December	1993	ACSI - APUC Complaint Filed
December	1993	Chugach Submits MOU to CVEA For Exclusive Negotiations
January	1994	Feasibility Study Draft Issued
January	1994	Feasibility Study Budget Amendment from \$260,000 to \$472,000
February	1994	3rd Round of Public Meetings - Same Locations
April	1994	Feasibility Study Final Report Issued
July	1994	DCRA Determination of Feasibility Issued by Commissioner Edgar Blatchford
Pending	1994	DCRA Loan Agreement
July	1994	ACSI vs State of Alaska - State Court

Month	Year	Milestone-Event
August	1994	ACRED vs State of Alaska - State Court
August	1994	CVEA Issues RFP for Power Suppliers
August	1994	R.W. Beck Issues Revised Economic Analysis of Alternatives
October	1994	ACSI vs State of Alaska - State Dismissed
October	1994	ACSI vs State of Alaska - Federal Court
November	1994	R.W. Beck Commissioned to do Crystallization Report of Power Suppliers
November	1994	ACSI vs State - Federal Injunction Ordered
December	1994	Petro Star Proposed Cogeneration Project
January	1995	CVEA files for Intervenor Status - Federal
February	1995	ACSI vs State - Federal Injunction Lifted
April	1995	Governor Appoints Interagency Review Team Report Due - July 1, 1995
On Going	Various	Alyeska Talks - CVEA Provides Power - Alyeska Provides Power - CVEA Operates

May 5, 2008

Office of the Governor  
Sarah Palin, Governor  
P.O. Box 110001  
Juneau, AK 99811-0001

Dear Governor Palin:

Page 38 of the capital budget has four projects which will benefit my electric cooperative; Copper Valley Electric Association. Brief descriptions of the projects are attached.

CVEA has pursued legislative assistance for many years but for reasons unknown has always come up short.

The residents of Valdez and Copper Basin could use some help. Please allow these projects to be funded.

Yours truly,

Joseph Greason

Joseph Greason

PO Box 204 Glennallen AK 99588

Attachment

## 2008 Request for Appropriation

May 5, 2008

Allison Lake License Application. (page 38, line 20) \$1,000,000

As we look toward the future our focus is on investigating opportunities to reduce the cost of power by decreasing our reliance on fossil fuels to generate electricity.

While CVEA is fortunate to have the Solomon Gulch Hydroelectric facility in our power supply portfolio, we remain dependent on fossil fuel plants for 40% of our annual generating requirement. A diesel kwh, at current fuel prices, is \$.26 (just for fuel).

Following completion of several studies in the past year, on March 3, 2008, CVEA filed an application for a preliminary permit to develop the hydroelectric potential of Allison Lake (near Valdez). The permit, which CVEA expects to be awarded in June, is for a three-year period. During the term of the permit CVEA will conduct environmental studies (fisheries, terrestrial, cultural, recreation), work with state and federal agencies (and other stakeholders) and perform engineering work necessary to fulfill the requirements of a FERC license application. The estimated cost to prepare a bonafide license application is \$1 million.

Intertie Construction Cost Recovery. (page 38, line 28) \$1,500,000

This funding will provide reimbursement for costs incurred to determine the feasibility of the Copper Valley Intertie as required by 1993 legislation that appropriated \$35 million for a 50-year, zero-interest loan to partially finance an intertie that would connect CVEA to the Railbelt grid system. Between 1992 through 1996 CVEA completed studies required by the legislation and worked in good faith with the State of Alaska to advance the project. At the time the legislation was passed in 1993, funds to study the project were removed from the state budget with the understanding that intertie loan fund proceeds would be available to reimburse CVEA for study costs.

In 1996, the state administration indicated their lack of support for the project and CVEA ceased efforts to move the project toward development. However, more than \$1.5 million had been spent by CVEA in studies and pre-construction costs. The intertie loan application was lapsed and CVEA was not provided any reimbursement for costs. These funds will be used to pursue non-fuel power generation projects and to construct system improvements which otherwise would be paid for through higher rates.

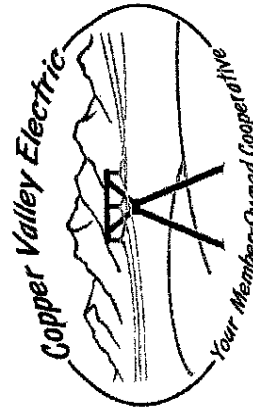
Glennallen Diesel Plant (GDP) Upgrade (Matching Funds). (page 38, line 24) \$2,000,000

CVEA operates four power plants; three in Valdez and one in Glennallen. The communities are connected by road and a 138 KV transmission line owned by the Four Dam Pool. The t-line is vulnerable to prolonged outage caused by weather and avalanche (six events since 1986, once as long as nine months). When the t-line is out of service, the GDP must serve the electric load in the Copper Basin. Prime generation in GDP was installed in 1975-76. The GDP upgrade will install a new state of the art, more efficient diesel generator set in the Glennallen Plant. The project is expected to be completed in 2008.

The total cost of the project is \$3.9 million. In 2003 CVEA was awarded a \$1.9 million matching grant by the federal Department of Energy to construct additional generation in the Glennallen Diesel Plant. The DOE grant requires matching funding from a non federal source. If the state appropriation is obtained, this project can be completed at no cost to the members.

Valdez Diesel Plant Substation Upgrade. (page 38, line 32) \$500,000

The 10 MVA power transformer at the Valdez Diesel Plant Substation provides voltage transformation from the 24.94 kV provided by the Solomon Gulch circuit to the downtown 12.47 kV distribution system. This transformer is one of CVEA's most critical assets. An extensive maintenance program dictates this vital piece of equipment should be replaced. No other utility in the state has a spare to match the capacity needed for our application. A new unit can be available for delivery in 46 to 52 weeks after receipt of an order at a cost of approximately \$500,000.



For more information, contact  
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Phone: 835-7005 or 822-5506