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A CONSERVATIVE VOICE FOR ALASKANS

Vote in Chugach Electric battle

By RAY KREIG

Ballots started arriving last week in the mailboxes of 64,000 Chugach Electric customers. Unfortunately, most will discard them without realizing they can shave thousands of dollars off their future years' electric costs by voting in Chugach elections. How?

Last year, the International Brotherhood of Electrical Workers (IBEW) and its allies in Chugach Electric's workforce spent about \$250,000 on a deceptive smear campaign to gain a majority on the board of directors to control both sides of the labor negotiations bargaining table.

Then the IBEW-dominated board began to pay off for the IBEW. Within six months, the board promoted a favored staff member to CEO, then gave the IBEW a 6 percent retroactive pay increase, then a 10 percent increase for 2007 and 2008, and finally a 30 percent increase in pension payments to top it all off.

This was all done behind closed doors. The pro-consumer minority on the board was threatened by Chugach lawyers if they even tried to make a motion in open session to release information to the public.

Additionally, to prevent a public board vote on the disclosure issue, a coordinated quorum of IBEW-sympathetic directors boycotted two board special meetings called by the minority. Minority directors were denied key information needed to fulfill their fiduciary duties in reasonably evaluating the contracts prior to their adoption by the board.

It's no mystery why the pro-IBEW majority wanted to rush the first contract to approval last December with only six days for both minority directors and the public to review it and why none of the standard economic information was provided.

None of the work rules reforms identified in the suppressed labor contract analysis were done.

The salaries and benefits in that contract are excessive. Chugach is paying its employees 57 percent more than the national average for electric cooper-



atives and it is charging its customers non-fuel distribution rates that are 180 percent higher than the national average for cooperatives.

I am chairman of Chugach Consumers, a group of fiscally concerned Chugach customers. Our goal is safe, reliable power at a cost no higher than necessary.

We try to put people on the Chugach board who are independent of special interests, who are honest and public spirited who want what is best for the customer. This is at personal sacrifice and no personal gain other than the hope for lower electric bills.

Chugach Consumers complained to the Regulatory Commission of Alaska (RCA), which oversees utility rates, about the secrecy and excessive costs in Chugach rates.

The current board majority has responded by suing us to protect IBEW interests. It is now seeking an injunction to prevent us from submitting documents needed by the RCA to fulfill its

duty to protect consumers from abuse by Chugach Electric.

Unfortunately, the current board has concentrated on lining the pockets of those that placed them in office while fumbling solutions for the very real problem of replacement energy sources for Cook Inlet natural gas.

Last year's campaign on behalf of the IBEW's friends on the Chugach board was unprecedented in its expense and viciousness. Expect the same thing from their representatives this year.

The basic questions remain: Do you trust the IBEW to control costs? Have they done a good job at it so far? Do you want the IBEW to continue controlling both sides of the bargaining table?

The power to decide is in your mailboxes. Please look for that ballot and vote.

Ray Kreig is chairman of Chugach Consumers and a former president of the Chugach Electric board of directors.

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