

November 22, 2006

Ms. Mary Tesch Vice President Human Resources Chugach Electric Association 5601 Electron Drive Anchorage AK 99518

Mr. Bill Mede Attorney at Law Turner & Mede PC 1500 W 33rd Ave., Suite 200 Anchorage AK 99503-3502

RE: Ratification Vote / CEA Outside Agreement

Dear Mary and Bill:

The Tentative Agreement reached between CEA and the IBEW was presented to the Outside bargaining unit for ratification on November 21, 2006. While support for the new Agreement was not overwhelming, the new Agreement did pass. Thank you both for your cooperation; we now have a new collective bargaining agreement setting forth the terms and conditions of employment for employees in the Outside bargaining unit in effect from July 1, 2006 to June 30, 2010. In accordance with the CEA Board's proposal of November 9, 2006, the last hurdle is the approval of the new Agreement by the CEA Board. Since the parties' bargaining obligations under the NLRA and the ground rules governing these negotiations mandate that offers made by the CEA Board and accepted in good faith by the IBEW must be honored, we trust this last step will be a simple formality. The IBEW and the CEA Board are bound by the law to act honorably, particularly at this late date, in order to avoid the commission of per se unfair labor practices.

There will always be people full of misgivings about change; in fact, they were out in force at our November 21st ratification meeting. Rather than allow itself to fall victim to the negative pressure which can be exerted on both sides of the labor management equation, the union team complied with the good faith commitment the parties made to each other at the commencement of negotiations. We stood up in support of the proposal. We did so, in fact, even though we knew the Agreement represented a smaller improvement in wages and benefits than we had been directed by the bargaining unit to achieve. We also stood up for the Agreement because verbally and in writing the parties gave each other their word that they would.

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There will always be people reluctant to let go of the animosities and suspicions of the past. Such sentiments, however, should not be permitted to undermine an otherwise positive outcome. Indeed, we trust that calmer heads will prevail if for no other reason than CEA and IBEW are poised to finalize an incredibly positive and productive relationship. The new Outside Agreement is precedent setting in many ways - not the least of which is the parties' remarkable ability to reach full agreement for the first time in nearly 20 years.

For the foregoing reasons, we look forward to notice from you as soon as the new Agreement is formally approved by the Board. The holiday season is upon us and we have two other agreements to negotiate. The sooner we can get back to work the better. We look forward to building upon the collaborative and mutually respectful relationship the parties have developed to date.

Please accept my warmest regards for a wonderful Thanksgiving holiday. If you have any questions, please feel free to contact Mike or me.

Sincerely,

Helene M. Antel Attorney at Law

HMA/cmb

cc:

Larry Bell, IBEW Mike Hodsdon, IBEW