

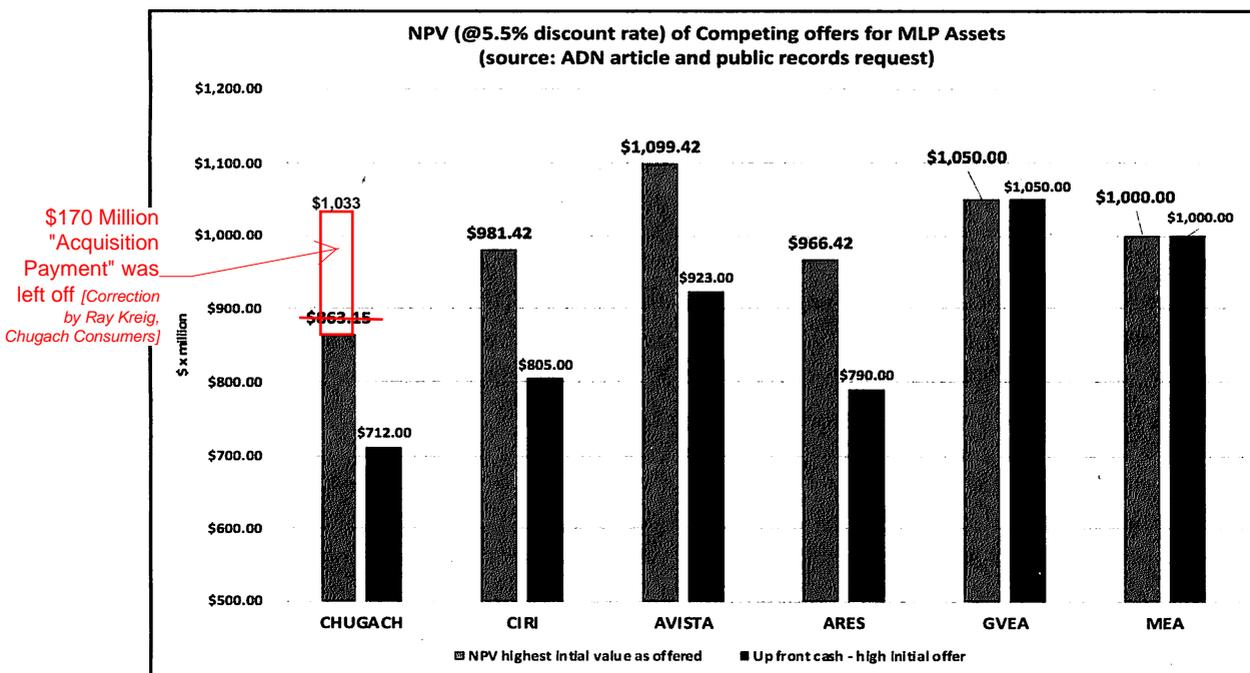
Handed out at
3/5/18 Chugach
Electric Town
Hall at Loussac
Assembly
Chambers
(unknown
source)

VOTE NO ON THE POLITICAL GIVE AWAY!

Too Many Unanswered Questions – VOTE NO ON PROP 10

Question #1: Chugach says the purchase price is “about \$1 Billion”. Actually, its own website at <http://poweranchorage.com/fags/> says Chugach will only pay \$712 million (71% of the price) in up-front cash and the rest of the purchase price will be paid “over time”. What does that even mean? It appears that missing \$300 million gets paid over a term of 30 years. How will we know if the Muni ever gets paid?

Question #2: GVEA, MEA, Avista, CIRI Energy, and ARES all offered to pay more cash up-front and more over time, than Chugach. Based on the letters of interest submitted by the offerors linked to the ADN story dated, February 20, 2018, here is how the upfront cash and net present value of the various offers stack up. ~~Chugach was by far the worst offer.~~ Why did the Mayor and the Assembly hand this deal to Chugach? Avista’s offer was ~~about 27%~~ better than Chugach’s and would have provided Anchorage with **\$211 million MORE** up-front cash than what Chugach offered. **Why would the Mayor and Anchorage Assembly give away more than \$200 million of value in the sale of a municipal asset?**



Question #3: The ADN says that the other offers were still negotiable and may have been increased later in the process. **Why did the Mayor give MLP to Chugach in an inferior deal when other companies were willing to pay much more without even negotiating?** If other companies would pay more to the Muni, wouldn’t taxes go down for us, the tax payers?

Question #4: ML&P spent over \$350 Million for a power plant it didn’t need (Plant 2A). Now Chugach’s customers are being asked to step in and **bail out the Muni** by buying ML&P without any plan for making things better. **Don’t be fooled! Rates will go up!**

What are they hiding? Who really benefits?

Question #5: ML&P has 444 MW of generating capacity to serve a peak load of 170 MW and an average load of 120 MW: ML&P has at least **2.6 times too much generating capacity!** Chugach has 531 MW of generating capacity to serve a peak load of 210 MW and an average load of 135 MW: Chugach has at least **2.5 times too much generating capacity!** Combined they would have 975 MW of generating capacity which is more than the peak load of the entire Railbelt (Anchorage + Fairbanks + Mat-Su + Kenai)! **The overbuild of generation by these two utilities is why rates have spiked in Anchorage in recent years.** How can the combination of these utilities be good for ratepayers?

Question #6: ML&P has an open rate case in front of the Regulatory Commission of Alaska in which it is asking for an approximately 40% rate increase to pay for its new, unnecessary and grossly expensive Plant 2A. How can Chugach make a credible fixed offer for ML&P before it knows the outcome of that rate case? Are they trying to trick the ratepayers into overpaying? Or are they trying to trick the voters because the Muni plans to accept a **LOWER offer from Chugach after the April 3 vote?**

Question #7: Chugach admits most operating efficiencies that justify this deal come from eliminating duplicity, but CEA also promises no lay-offs. **Can you trust this?** How can savings be achieved if almost nothing changes?

Question #8: Chugach says it will retire old outdated power plants at Beluga – but according to Chugach’s own annual report, there is significant debt still outstanding against Beluga. Will Chugach customers have to pay for the unretired Beluga plant debt on top of the cost to buy MLP?

Question #9: If the Muni is going to receive \$170 MM in payments from Chugach over the next 30 years¹, doesn’t that mean that **the City of Anchorage is giving Chugach a loan to buy MLP? Does the Mayor have the authority to loan Chugach \$170 MM without voter approval?**

Question #10: Chugach states that “there are no rate increases associated with the sale”, and that much of the overall benefit occurs “over time”. **Why is there no specific rate freeze guaranty from Chugach and why is there no specific outline of which benefits will be captured each year “over time”.** We will have no way to know if this ends up making MLP’s or Chugach’s customers better off. We are simply asked to take the hollow promises of Chugach at face value.

Question #11: Judy Brady, a long-time supporter of MLP and its customers, and the Chair of the MLP Commission (board) resigned over this transaction. If this deal is good for everyone, why would such a knowledgeable, **experienced advocate for MLP customers quit over “a lack of transparency”**² between the Mayor, the Anchorage Assembly and Chugach? What are they hiding? What should we know, that we do not? Why were higher priced offers dismissed?

Question #12: If this is such a good deal, why is the Assembly trying to reduce the number of votes it needs to gain voter approval from 60% to 50%?

Too Many Unanswered Questions: lack of transparency - higher valued offers not considered –

VOTE NO ON PROP 10 – unless you want your electric bill and your municipal taxes to go up!

¹ See <http://poweranchorage.com/faqs/>

² As reported by KTUU on February 19, 2018: <http://www.ktuu.com/content/news/Former-Chair-of-MLP-Commission-steps-down-over-transparency-concerns-474526583.html>

What are they hiding? Who really benefits?