



**POWER  
ANCHORAGE**

*Yes* on **10**



**CHUGACH**  
POWERING ALASKA'S FUTURE

**Chugach Acquisition of ML&P**  
Town Hall Meeting  
March 5, 2018

More information at: [poweranchorage.com](http://poweranchorage.com)

This communication paid for by Chugach Electric Association, Anchorage, Alaska. Lee Thibert, CEO approves this message.

## Cooperative Members

Rates will not increase to pay for this transaction

## Employees

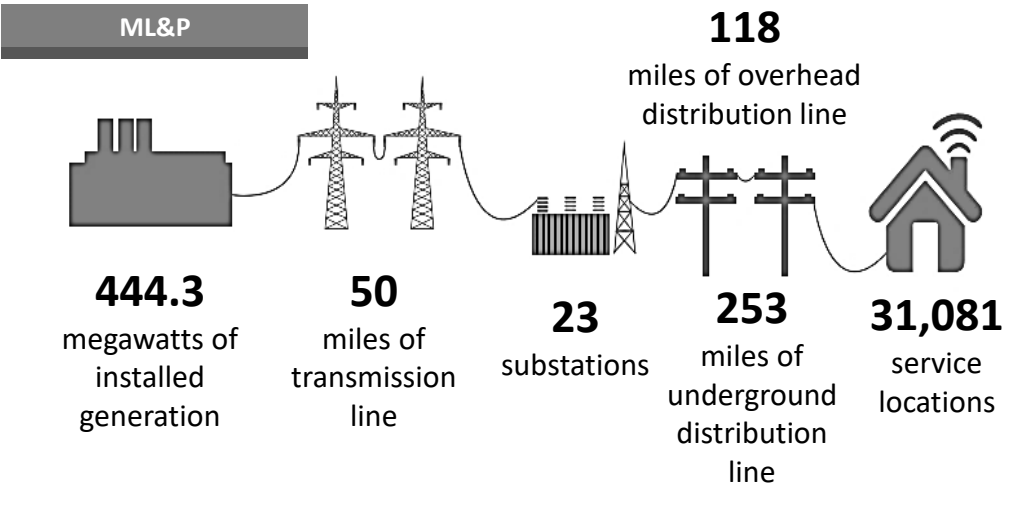
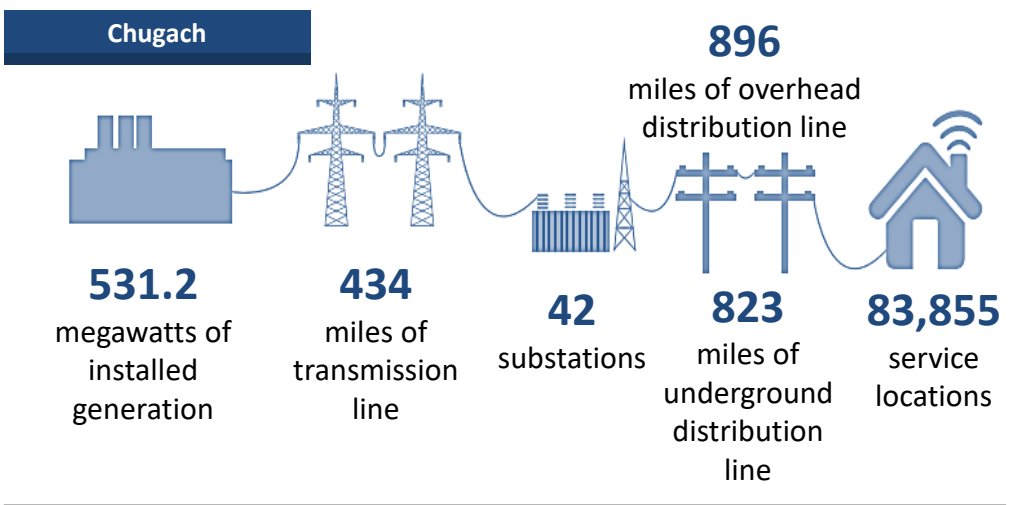
No layoffs; right size through attrition

## Community

Provides revenue to the Municipality of Anchorage for critical services to the community

- ✓ Member-Owned
- ✓ Member Elected Board
- ✓ Capital Credit Retirements
- ✓ Not-for-Profit
- ✓ Focused on Serving Member Interests
- ✓ Reliable, Safe, Affordable Energy

# Chugach and ML&P: at a Glance



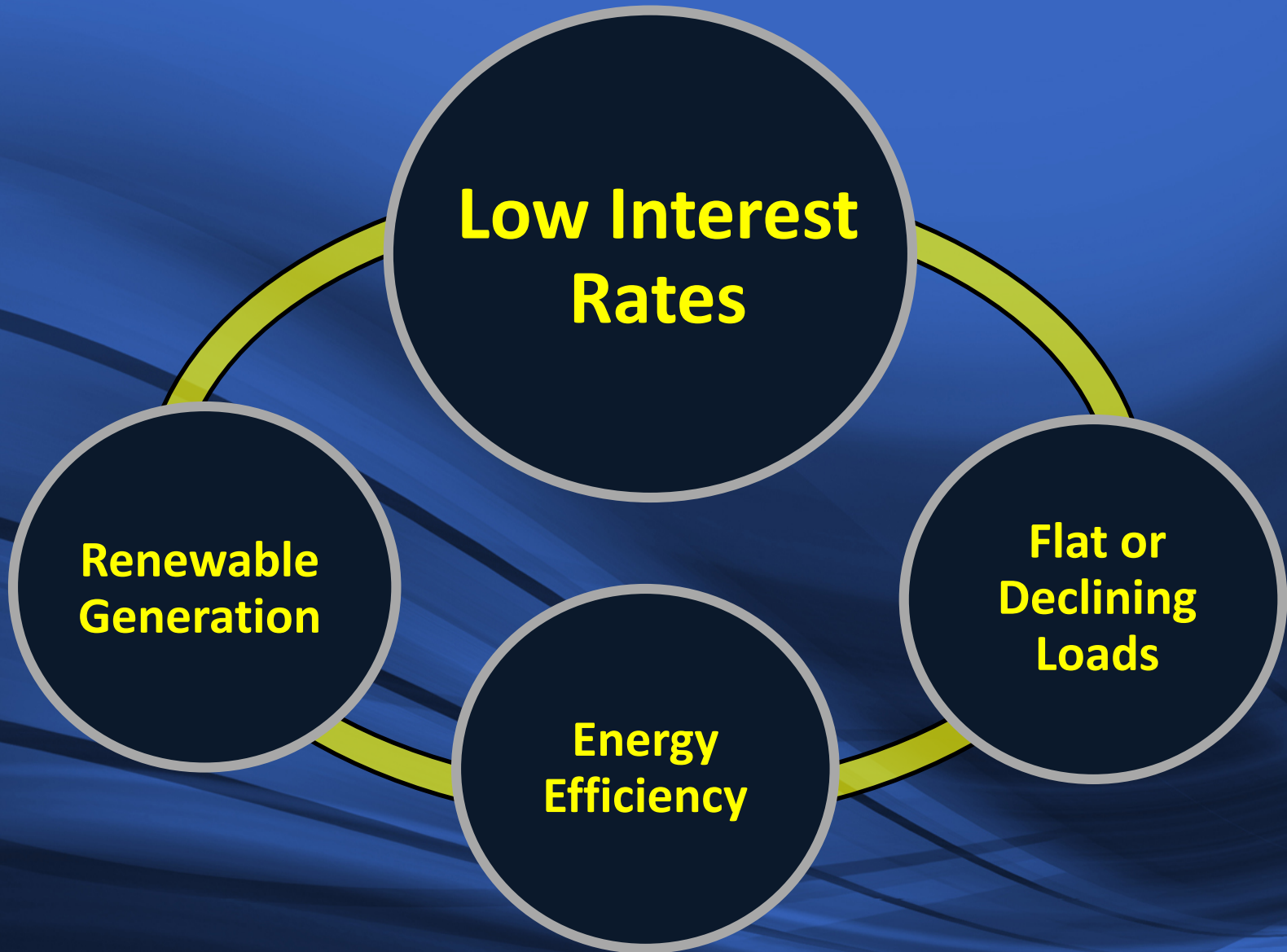
Electric service provider based on location of home or business

Chugach and ML&P **don't compete**. Each company is a regulated utility defined by service area

Both utilities are regulated by the Regulatory Commission of Alaska (RCA)

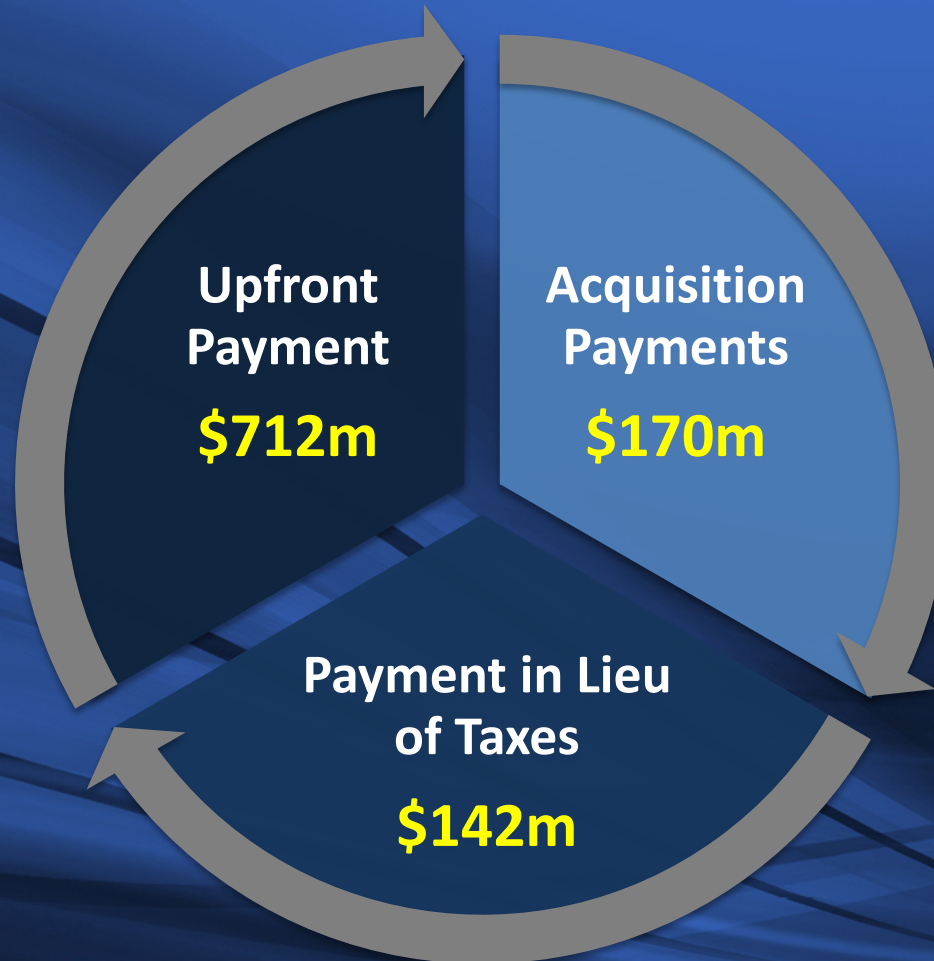
Chugach will remain **regulated by the RCA**

**The consumer is protected**



## Value of Acquisition

**\$1,024,300,000**



**Total Savings**  
**\$280m - \$390m**



**MOA Benefit**  
**\$170m**

**Ratepayer Benefit**  
**\$110m - \$220m**

**Taxpayers and Ratepayers Benefit**



# Where do savings come from?



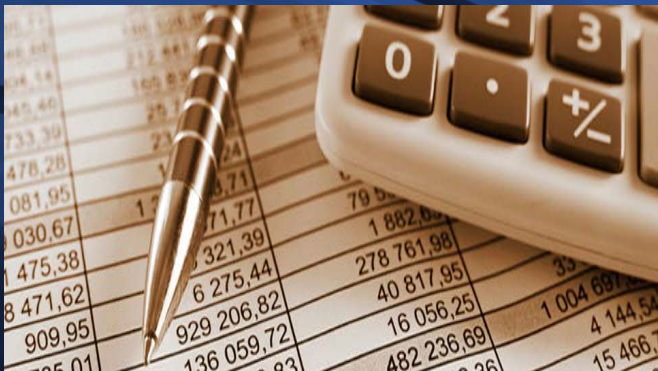
## Overhead

- Attrition
- Single headquarters building
- Single dispatch center
- Beluga River Unit mgt.



## Technology

- Financial & accounting software
- Customer information systems
- Dispatch & system communications
- Advanced metering infrastructure



## Other Savings

- Financing costs
- Regulatory / legal fees
- Fire Island wind curtailment
- Generation resource management

## The Right Fit for Anchorage

- Excess revenue are returned directly to the members, not outside shareholders
- Members own the cooperative
- Eliminates duplication
- Economies of scale

## Builds on Existing Partnerships

- Beluga River Unit (BRU)
- Southcentral Power Project (SPP)
- Eklutna and Bradley Lake Hydroelectric Projects
- Power Pool

## Long-Term Credit Ratings:

Fitch Rating  
**"A"**

Standard & Poor's  
**"A"**

## Credit Strengths:

Strong  
Liquidity

Supportive Regulatory  
Environment

Solid and Consistent  
Financial Metrics

## Financing Experience:

25 Years Experience in Capital Markets

Credit Profile Tested and Accepted in the Market

2011/2012 Financing Success -- \$525 Million

Solid Security Structure

- ✓ Lower long-term electric rates
- ✓ Property tax relief
- ✓ Member-owned cooperative
- ✓ Greater efficiency = lower costs
- ✓ Good for the economy

*Yes* on **10**

More information at: [poweranchorage.com](http://poweranchorage.com)



**POWER  
ANCHORAGE**

*Yes* on **10**



**CHUGACH**  
POWERING ALASKA'S FUTURE

**Questions?**

More information at: [poweranchorage.com](http://poweranchorage.com)

This communication paid for by Chugach Electric Association, Anchorage, Alaska. Lee Thibert, CEO approves this message.