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State of Alaska
Public Utilities Commission

COPPER VALLEY ELECTRIC ASSOCIATION, INC.

TARIFF #3

CANCELING TARIFF #2

OF

COPPER VALLEY ELECTRIC ASSOCIATION, INC.

P.O. Box 45

Glennallen, Alaska 99588

ELECTRIC SERVICE

FOR

COPPER RIVER BASIN, ALASKA

VALDEZ, ALASKA

RULES AND REGULATIONS

Tariff Advice No. 109 Effective: March 11, 1994

Issued by: Copper Valley Electric Association, Inc.

By: Clayton Sherlock Title: General Manager

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STATE OF ALASKA

THE ALASKA PUBLIC UTILITIES COMMISSION

Before Commissioners:

Sam Cotten, Chairman
Alyce A. Hanley
Dwight D. Ornquist
Tim Cook
James M. Posey

In the Matter of the Deregulation Election of COPPER VALLEY ELECTRIC ASSOCIATION, INC., under AS 42.05.-711(h) and AS 42.05.712	U-98-112 ORDER NO. 2

ORDER CERTIFYING RESULTS OF ELECTION

BY THE COMMISSION:

By Order U-98-112(1), issued October 21, 1998, the Commission, among other things, opened this Docket to consider the deregulation election being conducted by COPPER VALLEY ELECTRIC ASSOCIATION, INC. (CVEA), under AS 42.05.711(h) and AS 42.05.712 and set the time and place for the counting of ballots in CVEA's deregulation election.

According to documentation furnished by CVEA, the utility mailed ballots to its member/subscribers on September 18, 1998. Thus, to meet the requirements of AS 42.05.712(e), the Commission must certify the results of the CVEA election by November 17, 1998.

On October 5, 1998, the Commission received CVEA's remaining ballots and envelopes. CVEA's tally of election

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materials[1] indicated that it had 2,334 active members to whom ballots were sent or distributed. A valid election under AS 42.05.712(b) requires the participation of at least 15 percent of a utility's subscriber/members. For CVEA's election purposes, 350 returns were needed to satisfy the 15 percent quorum requirement. A total of 848 CVEA-deregulation ballot returns[2] were received by the Commission within the grace period established by regulation; therefore, the 15 percent quorum requirement has been satisfied.

As noted in the Commission Staff (Staff) report, attached as an Appendix to this Order, the ballot counting was held October 29, 1998. In attendance were the members appointed as the ballot counting team to verify and tabulate the ballots. One CVEA representative attended the verifying and counting process.

As more fully detailed in Staff's report, of the 848 ballot returns received, 831 were ultimately determined to be eligible for counting. Of those 831 ballots, 547 indicated "YES" votes and 284 indicated "NO" votes on the question of whether the utility should be exempt from Commission regulation. Accordingly, CVEA is exempt from regulation by the Commission by a majority vote of the utility's participating member/subscribers.

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[1]CVEA's tally was given to the Commission at the beginning of the ballot verification and counting on October 29, 1998.

[2]This return represents a 36 percent participation by CVEA's member/subscribers.

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The Commission has reviewed Staff's report and the election results, including the procedure for verification and tabulation of ballots. The Commission believes that the procedures followed and recommended by Staff in verifying and tabulating the ballots were proper and should be accepted and approved and that the requirements of AS 42.05.712 and 3 AAC 49 have been satisfactorily met both by CVEA and the appointed counting team. Therefore, the election results should be certified by order in this proceeding.

ORDER

THE COMMISSION FURTHER ORDERS:

1. After review of the report and recommendations by the Commission Staff, the procedures employed to conduct the election under AS 42.05.712 and 3 AAC 49 to determine whether Copper Valley Electric Association, Inc., should be exempt from economic regulation by the Commission are approved, and the results of the election are certified by the Commission as follows:

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Total number of ballots cast:	848
Total number of ballots rejected:	17
Total number of valid ballots counted of which the following total votes were cast:	831

Yes	547
No	284

Accordingly, Copper Valley Electric Association, Inc., is exempt from economic regulation by the Alaska Public Utilities Commission under AS 42.05.

2. As provided for under 3 AAC 49.060, an application for recount of the votes on the ballot question may be filed with the Commission within ten days of the date of this Order.

DATED AND EFFECTIVE at Anchorage, Alaska, this 17th day of November, 1998.

BY DIRECTION OF THE COMMISSION
(Commissioner Alyce A. Hanley,
not participating.)

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