Copper Valley Electric Association, Inc.

P.O. Box 45 • Glennallen, Alaska 99588 • Telephone: 907-822-3211 • Facsimile: 907-822-5586 • Valdez: 907-835-4301

Dear Member:

Welcome to Copper Valley Electric Association, Inc., serving the communities within the Copper River Basin and the City of Valdez. You are on your way to becoming a member-owner of your rural electric cooperative. Being locally owned and operated allows us to be more responsive to your needs and to put you, our consumer, first. As a nonprofit, we provide electricity at cost. For more information about our nonprofit operations, please refer to the new member packet or the Bylaws.

You have a voice in the affairs of the Cooperative. As a member, we want you to be interested, well informed, and active in Cooperative business. You are entitled to vote on matters of importance to the cooperative membership and to elect members to the Board of Directors. Throughout the year there are opportunities to become more involved, for example by serving on CVEA committees or the Board of Directors.

CVEA is a relatively small electric cooperative but has diverse power generation capabilities. There are four power plants: one diesel plant located in Glennallen, one located in Valdez, and a cogeneration plant located at the Petro Star Refinery in Valdez. CVEA generates most of its energy from the Solomon Gulch hydroelectric facility in Valdez. A 106-mile transmission line interconnects these two areas of the state so CVEA can distribute the most economic power available, no matter which plant generates it. With electric rates high throughout the state and in our region, this helps us to keep costs down as low as possible.

As a small utility, CVEA depends on our members for assistance. If you see a tree on the power line, a broken meter, or experience a power outage, CVEA encourages members to call our offices to report these incidents. If you have a problem with your electric service, we prefer to resolve matters in a timely manner before they become a bigger problem. We are here to provide exceptional customer service through safe, reliable, cost-effective electric service and programs.

I welcome your comments and suggestions on how CVEA can serve you better. I also encourage you to read your complimentary monthly edition of Ruralite Magazine, visit our award winning website at www.cvea.org, and to participate in our Annual Membership Meeting in April.

The materials enclosed in this packet should provide more information about your membership and your Cooperative. If CVEA can be of assistance to you, please do not hesitate to call upon us, in the Copper Basin at 822-3211 or in Valdez at 835-4301.

Sincerely,

Robert A. Wilkinson

Robert A. Wilkinson
Chief Executive Officer

Updated June 2009

ELECTRICITY: It's more than flipping a switch to turn on your light!
Now you are a member of Copper Valley Electric Association!

A rural electric cooperative, locally owned and controlled

- Serving Copper Basin and Valdez
- Offices and Customer Service Representatives in Glennallen and Valdez
- Over 3,700 consumers

You are a member-owner and have a voice in the affairs of the Cooperative

- Vote at the Annual Meeting of Members in April
- Volunteer to serve on a committee or run for director position on the Board
- Stay current on CVEA information and issues by visiting www.cvea.org and reading your monthly issue of Ruralite Magazine
- Read more on page 4

Diverse power generation capabilities resulting in lower costs and increased reliability

- Diesel Plants in Glennallen and Valdez
- Solomon Gulch Hydroelectric Project
- Cogeneration Plant
- Read more on page 7
- Contact CVEA's Director of Communications for a tour

A nonprofit providing power at cost

- High electric rates are a concern shared by all of us
- Using available technologies generate most economical energy available
- Capital credits are used to manage any net margins
- Read more on page 4

Please take time to review the enclosed new member packet to learn more about the benefits of belonging to your electric cooperative and what you can expect as a member. We are here to serve you, so please contact us if you have any questions or concerns.

CVEA'S BOARD OF DIRECTORS AND ORGANIZATIONAL CHART

Organization

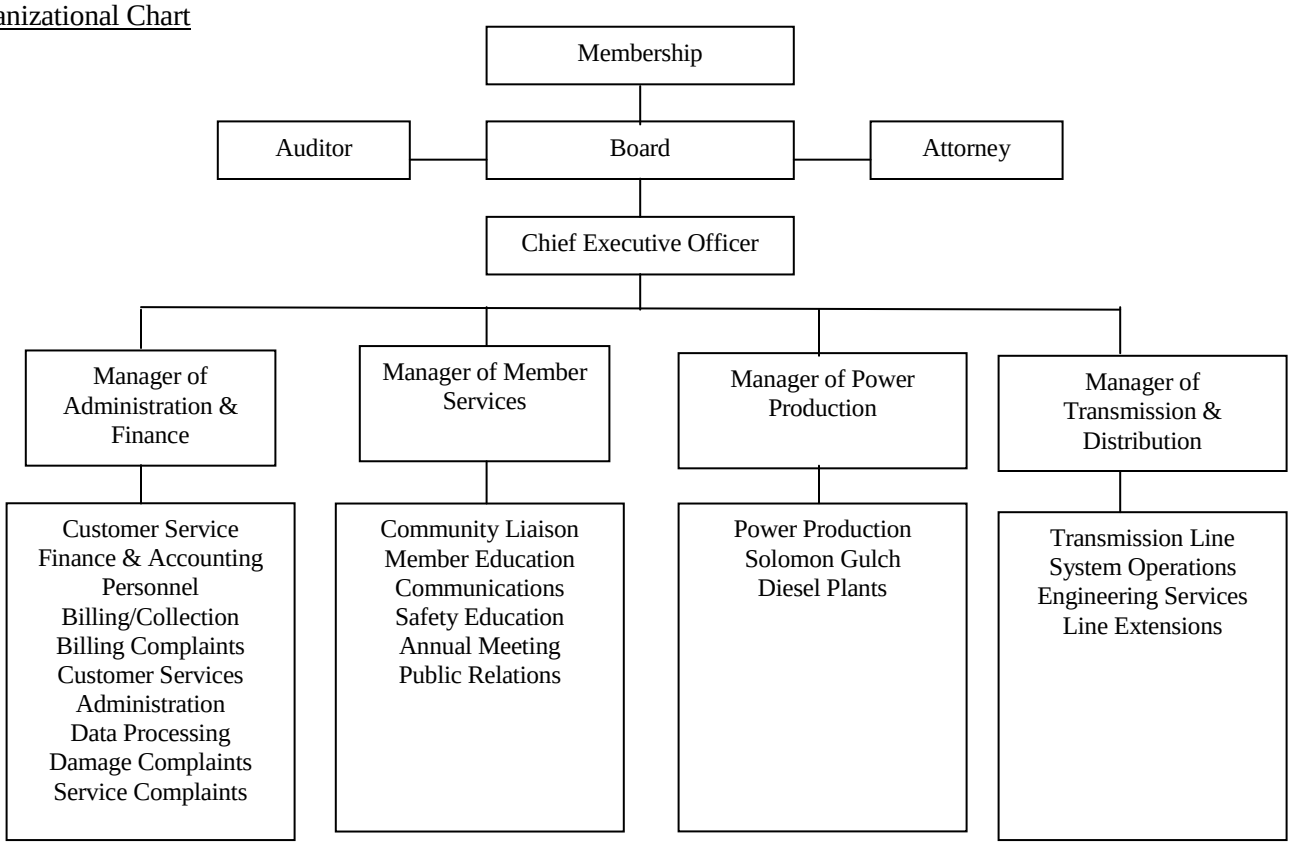
CVEA is a nonprofit cooperative corporation owned by its members. The Board of Directors of the Cooperative is responsible for the overall management of the affairs of CVEA. The Board consists of eight directors (4 members from the Copper River Basin district and 4 members from the Valdez district). Directors are elected by the membership by mail balloting, with the results being reported at the Annual Meeting held by the Cooperative in each district, and are elected for staggered three-year terms.

Directors and Personnel – 2009

Seat	Director	District	Term Exp.
President	Lyle Von Bargen	Valdez	2012
Vice President	Travis Million	Copper Basin	2012
Secretary	Carl Crosman	Copper Basin	2010
Treasurer	Fred Williams	Copper Basin	2010
Director	John Bradshaw	Valdez	2012
Director	Joe Freitag	Valdez	2011
Director	Jim Manning	Copper Basin	2011
Director	Jeff Saxe	Valdez	2011

Personnel Position	Name	Phone Number
Chief Executive Officer	Robert Wilkinson	822-3171
Chief Operating Officer	Steve Bushong	835-4301
Manager of Administration & Finance	Jaime Matthews	822-8311
Manager of Engineering	Chris Botulinski	835-7001
Manager of Operations	Bill Caynor	822-8362
Manager of Power Production	Aaron Remer	835-4301
Director of Communications	Sharon Crisp	835-7005

Organizational Chart



EDUCATION PROGRAMS

The Copper Valley Electric Association Board of Directors has adopted scholarship programs for the betterment of members and their children. These programs that have been adopted by the Board of Directors are funded with unclaimed capital credits. One such program is the annual scholarship program providing scholarships to graduating seniors and members attending the local community college. Another program is the Youth Rally scholarship program enabling high school sophomores and juniors the opportunity to attend a cooperative leadership camp. Since 1991 CVEA has offered numerous scholarships in both the Valdez and Copper Basin districts. Applications are available around the first of the year at CVEA and local high school counselors' offices.

Gift Certificates for science fair projects are another program offered to local students. This program is for elementary school children (kindergarten through sixth grades). CVEA representatives participate as judges for the local science fairs. During this time electrical projects that are safe and prove a theory are eligible for a $50 gift certificate.

Other educational programs from CVEA are as follows:

Electric safety programs are available for local schools and community groups. CVEA owns an "Electric City" outdoor safety demonstration setup that can be brought into schools or other buildings. The indoor safety program is for younger students to show how circuit breakers can control electricity in their home.

CVEA also maintains a video lending library that is available to members and teachers. Many of our safety tapes also come with workbooks.

If you are interested in a demonstration, safety video, or other training video, please contact CVEA's Director of Communications at 822-3211 or 835-4301.

WHAT IS A COOPERATIVE?

What Is A Rural Electric Cooperative?

Q. What are rural electric cooperatives?

A. Rural electric cooperatives are nonprofit, member-owned utilities that provide central station electric service to **predominantly rural areas. They were created during the 1930s by farmers and their rural neighbors after private power** companies refused to provide electric service at reasonable rates.

Q. Are there different types of rural electric cooperatives?

A. Yes, there are two types. One type is a distribution cooperative. These co-ops provide electric service to the ultimate consumer. They are owned and controlled by the members (consumers) to whom they provide electricity. Distribution cooperatives operate on a nonprofit basis. Generation and transmission cooperatives (G&Ts) are the other type of rural electric cooperative. G&Ts operate the generating plants and electric transmission facilities that provide bulk power to distribution cooperatives.

Q. What kind of cooperative is CVEA?

A. CVEA is a generation, transmission and distribution (G,T&D) cooperative, in that we generate and transmit bulk energy as well as distribute energy to end consumers.

Q. Aren't electric cooperatives just like any other utility?

A. In its day-to-day operation, an electric cooperative conducts its business much the same way as any other electric utility. The difference lies in its ownership and how the wishes of these owners are carried out.

A private power company, like many other business corporations, is controlled by stockholders. These stockholders may or may not be served by the utility. Private power companies are in business to earn a profit for their stockholders.

Electric cooperatives were originally formed solely to provide electricity to their members at cost. There is no reason for them to raise any more money (by charging higher rates) than what is needed to operate the business in a

financially sound manner. Cooperatives also have the ability to offer other products and services in an effort to improve the lifestyle of members and/or enhance the community and to reduce overall operating costs.

Cooperatives are democratically controlled by the consumers, with each member having one vote in member elections-such as electing a member to the Board of Directors. In this way, control remains in the hands of all consumers.

A cooperative type of business, because of its nonprofit method of operation, is often the only alternative available in rural areas since the cost of providing services is so much higher than in urban locations.

Some electric co-ops also get involved in economic growth efforts and community programs to meet rural needs-such as water and sewer improvements, transportation, telecommunications services or medical care.

Q. What is REA?

A. Rural Electrification Administration (REA) is a federal credit agency within the Department of Agriculture that provides credit and other assistance to rural electric cooperatives. In 1996 its name was changed to Rural Utilities Service (RUS).

REA was first established by executive order on May 11, 1935, as part of a general program of unemployment relief. When it became clear that the task of extending central station electric service to rural areas required very specialized skills (engineering, etc.), Congress gave REA its own statutory authorization in 1936.

CVEA began in 1955 as an REA/RUS borrower; however, in December 1998 CVEA refinanced its debt with a private cooperative bank and is therefore no longer regulated by the RUS.

COOPERATIVE MEMBERSHIP

As a member of CVEA, you will be entitled to vote on matters of importance to the Cooperative and to elect members to the Board of Directors, as well as on proposed changes to the Bylaws and Articles of Incorporation. Through your ability to elect board members who will represent you, you – the consumer – get to decide how the cooperative is run and what services it offers. CVEA utilizes mail balloting for elections, and it is important that members keep their information up to date. During the election process, you will be asked to sign the outside of your ballot envelope, and that signature will be validated against the signature on your membership card. If the signatures do not match, your ballot will not be opened or counted.

A. Types of Membership

CVEA is a member-owned cooperative. As a member, you are entitled to one (1) vote at the Annual Membership Meeting or a Special Membership Meeting. CVEA Bylaws provide that member elections are conducted. It is important for you to keep your membership current with changes that may occur. The following are guidelines for your information:

1. Single Membership - Your membership lists only your name and only you are eligible to vote.
2. Joint Membership - Your membership is joint if two people are listed on your account. Either person of a joint membership is eligible to vote, but not both people.
3. Corporate - Your membership is listed in the corporation name, and the membership card should be kept current with active signers/voters for the account (e.g., corporate business, organizations with officers, associations, churches, etc.).

Each membership is entitled to one (1) vote, whether it is a single, joint, or corporate membership; however, only the persons who have signed the membership card are eligible to vote the membership. If your signature is not on file with CVEA, your vote will not be counted.

B. Membership Requirements

Membership becomes active when power is supplied to the applicant. Active membership entitles the individual to vote. To become a member, an individual must have first:

1. Made a written application for membership (application for service);
2. Agreed to purchase electric energy from the Cooperative;
3. Agreed to comply with, and be bound by, the Articles of Incorporation and Bylaws of the Cooperative and any rules and regulations adopted by the Board of Directors.

Member Responsibilities

As a member, you should be interested, well informed, and active in Cooperative business. You should attend member meetings, vote in director elections, and speak up on legislative and other matters affecting your cooperative. The Cooperative also asks that you cooperate in granting right-of-way easements; paying your electric bill on time; keeping a path to your electric meter clear; and reporting power interruptions, damage to poles or lines, and any unusual or dangerous conditions.

CVEA strives to keep members informed through bill messages, news releases, various radio and newspaper ads, Ruralite Magazine, and www.cvea.org. Ruralite Magazine is mailed each month to CVEA members and is our primary means of member communication. It may contain a message from the Chief Executive Officer, discussions of strategic issues, business updates, electric safety messages, and issues of community interest. The CVEA web site, www.cvea.org, is a valuable source of information. It is updated regularly and is a great resource for members. These tools are for your use and we welcome your suggestions for improvement.

Capital Credits

CVEA is a cooperative and operates on a not-for-profit basis. As a member of this multi-million dollar organization, you are also part owner. Electricity is provided at cost. Each year that revenue exceeds cost of operations, the excess, called margin, is furnished by the customer with the expectation that one day it will be refunded. These excess margins are annually allocated back to the individual customers on the basis of patronage. These allocated margins are called capital credits.

Member/owners are notified each year when capital credits are assigned. The capital is retained by the Cooperative as working capital in order to maintain and improve our system until the Board of Directors declares a refund. In December

2006 a disbursement of ten percent of patronage capital was retired; this amounted to over $1.2 million. Should you leave our service area, please notify us of your new address so that we may locate you when a refund is declared.

Article VII of the Bylaws completely explains nonprofit operation system under which the Cooperative operates. Copies of the Bylaws are available at either CVEA office.

OUTAGES AND TROUBLE CALLS

Consumer Power Outage

CVEA encourages you to call if your power fails or you experience power fluctuations not related to your own equipment or appliance usage. If your service fails, the first step is to determine if fuses have blown, breakers tripped, or equipment is at fault before calling the Cooperative. If a service person is sent out at your request and it is determined your equipment is at fault, a charge will be made in accordance with the Cooperative's Tariff. Please note 24-hour phone numbers below.

Notice of Trouble

You can assist the Cooperative by promptly notifying the Cooperative of any issue, trouble, or accident affecting the supply of electricity. You should notify the Cooperative of trees or other obstructions growing into or being built into the right of way. **Please do not attempt to remove objects or trees from power lines or electric facilities**, instead call 822-3211 or 835-4301 or after hours 1-866-835-2832.

COMMENTS, SUGGESTIONS, AND COMPLAINTS

Being a member-consumer of your cooperative means you, along with your neighbors, own the company and have a voice in the decisions made on your behalf. Most folks don't have the time or interest to get too involved in the details of providing safe, reliable power. Most are too busy with their own jobs and families to have time to focus on these issues. So that's where we come in. If you have suggestions or questions, we want to hear from you.

We are small enough to be able to develop one-on-one consumer relationships. We want you to be confident that your concerns are heard. If you have a problem or complaint about your electric service or a Cooperative employee, please call us at 822-3211 or 835-4301.

Consumer Complaint Procedure

CVEA has established complaint procedures that should make things easier for you. If you feel that CVEA has violated the Tariff (service regulations) or has otherwise not accorded you fair and equitable treatment, you may submit the matter for review under the following procedures. Damage complaints are handled in a different manner, see below.

By following the "chain-of-command" your complaint can be heard by a higher authority, if not resolved sooner.

Steps to follow:

1. Bring your complaint to a customer service representative. If the customer service representative is unsuccessful in resolving the matter, he/she will refer you or the complaint to the appropriate management person.
2. The management person will contact you and attempt to resolve the situation/problem. However, if he/she is unable to resolve it, the matter will be referred to the Chief Executive Officer.
3. Mr. Wilkinson, CEO, will gather all the facts and contact you to resolve the situation.
4. If Mr. Wilkinson is unable to resolve the complaint, you may request a formal hearing before the Board of Adjustment, which is comprised of community members.
5. The Board of Adjustment will be convened and a hearing will be held.
6. If you are still not satisfied, your final appeal is to the Board of Directors. The decision of the Board of Directors is final.

Energy Diversions

Energy diversions (theft of services) are costly to all members of the Cooperative. It is the Cooperative's policy to aggressively pursue and criminally prosecute all energy-diversion cases.

If you know of someone whom you suspect is diverting services from the Cooperative's members, please contact either

CVEA office or any Cooperative employee. Information on who disclosed the tip will remain confidential.

Rules and Regulations (Tariff)

As a locally regulated public utility, the Cooperative complies with Rules and Regulations adopted by the Board of Directors. These Rules and Regulations are collectively referred to as our Tariff. A copy of the current effective Tariff is available for inspection by all members at either district office.

DAMAGE COMPLAINTS

We try to deliver consistent quality power; we perform regular maintenance on all of our equipment, clear trees out of rights of way, and take other preventative measures. Even with those efforts we do experience outages. The elements in our region and the vast distance of our transmission lines make it difficult to have power stability. Inconsistent power may effect electronic equipment. If an outage is related to negligence on our part, by going through the CVEA damage claim process, you may be reimbursed for the loss. To protect the Cooperative's assets, we are insured through ARECA Insurance Exchange. If you feel that an electrical item has been damaged by negligence of CVEA, please contact a Customer Service Representative at 822-3211 or 835-4301.

HISTORY

Owned By the People We Serve

A small group of Copper Basin residents met in 1952 to plan the formation of a Rural Electrification Administration (REA) cooperative. They demonstrated confidence in the future development of rural Alaska. At that time Central Alaskan Missions (CAM) generated power for its own needs and that of some nearby Glennallen residents. Vince Joy, the founder of CAM, saw the possibilities of rural electrification and stimulated the community to organize a Cooperative. When the first general meeting was held in May of 1955, those initial board members could not have foreseen that the tiny co-op would grow from 38 members to the present (Dec. 2006) 3,656 consumers and provide electricity to approximately 8,000 people.

Rural Electrification Administration

Members of CVEA are beneficiaries of President Roosevelt's New Deal. It was FDR who established the Rural Electrification Administration (REA) by executive order on May 11, 1935. Strongly supported by farmers and rural residents, the idea of government support and financing for rural electrification was adamantly opposed by urban power companies and many members of Congress. After much argument, the Rural Electrification Act was passed by Congress in May of 1936, providing funding for REA loans so that cooperatives could organize. After nearly seven years of planning, arranging REA financing, design and construction, the switch was thrown. In February of 1959, the first power from CVEA's diesel generating plant went through 48 miles of line.

Overcoming Weather Challenges

Since 1958 CVEA has been providing electrical service to the residents of the Copper River Basin, and since 1964 to the Valdez community. The Cooperative has met not only the routine challenges of weather and distance, but the extraordinary ones of earthquakes, avalanches, pipeline construction, and the development of hydro power. 50 years of service have brought great growth to the co-op, and yet some of the greatest challenges lie ahead.

The Great Alaska Earthquake on Good Friday, March 27, 1964, shook the state with almost unimaginable force. At the Glennallen plant, power was shut down for only four hours. Valdez, however, was virtually destroyed, and the city was relocated. The owner of the existing facilities, Owen P. Meals, did not have the means to restore service. CVEA bought the generation and distribution facilities and extended electricity to the new Valdez, as well as servicing those members left in the original town site.

Copper Valley Telephone Cooperative

Also in 1964 CVEA was instrumental in developing the Copper Valley Telephone Cooperative by providing management, accounting, and maintenance support to the fledgling Cooperative. Telephone service was extended to the CVEA service area. In just ten years, the demand on both utilities was so great that the CVEA/CVTC Board voted to separate the utilities in July 1974. At the time the organization was split, the decision was made to headquarter the telephone cooperative in Valdez

and the electric cooperative in Glennallen.

Alaska Pipeline

The construction of the Trans Alaska Pipeline had a great impact on the communities served by CVEA. In the Copper Basin, demands for electrical power led to CVEA receiving supplemental power from the Glennallen pipeline camp in the winter of 1975. To meet the additional demands on the line, CVEA installed two 2,600 kw engines in Glennallen, which began operating the summer of 1976. Two more diesel engines were installed in Valdez.

Solomon Gulch Hydroelectric Project

Hydropower has become an integral part of CVEA's power production. As far back as 1965, the Board investigated buying power from a proposed Solomon Gulch Hydroelectric Project. It was in 1974 that CVEA filed a preliminary application with the Federal Power Commission for construction of the project. Groundbreaking took place in October 1978, and construction was completed in 1981. In that year the membership passed a resolution to sell the Solomon Gulch Hydroelectric Project to the Alaska Power Authority (later named the Alaska Energy Authority). Valdez members used Solomon Gulch power for the first time in November 1981 and Copper Basin residents in February 1982. Solomon Gulch went online as the primary power source in May of 1982.

Cogeneration Plant

In 1992, Petro Star, Inc. completed the construction of an oil refinery on Dayville Road in Valdez and became CVEA's largest single power user. In 1994, Petro Star was considering the installation of it own generation unit at the refinery. In a joint effort, CVEA and Petro Star designed and constructed a five-megawatt cogeneration facility that provides a needed increment of power to CVEA members and provides waste heat to Petro Star to enhance the refinery process. The cogeneration plant was fully commercially operational on April 24, 2000.

Locally Regulated

To meet the needs of the membership and reduce operating costs, in 1998 CVEA launched a Local Regulation Campaign. The Alaska Cooperative Enabling Act provides that an electric cooperative has the ability to opt out from economic regulation by the Regulatory Commission of Alaska (formerly the Alaska Public Utilities Commission) by a vote of the membership. The Board of Directors believed, that since they were members of the communities and tuned in with the people they represent, that they would regulate the utility as well as, if not better than, the appointed commissioners of the RCA. In the ensuing election, the membership voted, two to one in favor, and the Cooperative became locally regulated in October 1998.

COMMONLY ASKED QUESTIONS

Q. What makes up my monthly electric bill?

A. There are several components to your monthly electric billing. All amounts are approved by the Board of Directors and are included in the Cooperative's published tariff filings. Major components included in your monthly billing are as follows:

Customer Charge: The customer charge is a flat monthly charge which flows through to the consumer the cost of meter depreciation, meter reading expense, and the costs of billing.

Energy Charge: The energy charge is calculated by multiplying the kilowatt hours (kwh) used times the rate per kwh. The charge is strictly a function of how many kilowatt hours a consumer uses. This charge does not include fuel costs burned at the diesel/cogen plants or the cost of energy purchased from the Solomon Gulch hydro plant.

Demand Charge: Demand charges (for commercial accounts) are based upon the maximum kilowatt (kw) demand established by the consumer for any continuous 15-minute period during the month for which the bill is rendered.

Fuel and Purchased Power Cost (FPPC): The FPPC is updated as necessary and is used to pass through increases and decreases in diesel/cogen fuel and purchased power costs.

Monthly Minimum: Where a consumer has been provided power under a Line Extension Agreement, the consumer may be billed a minimum charge as specified in the Line Extension Agreement.

Monthly Service Extension Charge: Where a consumer has financed a line extension with the Cooperative, a monthly payment amortizing the contract will be included in the monthly electric bill.

Other Items: In addition to the above components, other items may appear on your bill, including late fees, refund of deposit and interest, field collection fee, reconnect fees, NSF check fees, etc.

Q. Why does the Cooperative read my meter?

A. For purposes of calculating the energy and demand components of your bill, the consumption of kwh and the demand registered must be known.

Q. When will my meter be read?

A. Meters are generally read between the 8th and the 15th of the month. Many locations in the Copper Basin district have automatic meter reading, which sends a signal to CVEA's billing computer. These meters are physically read periodically to verify accurate readings. In Valdez, meters are manually read.

Q. Will my meter be read on the same day each month?

A. Meters are generally read about the same time each month; however, the day of the month may vary due to weekends, holidays, work schedules, adverse weather, or other unforeseen circumstances. If you are concerned about your energy consumption or are interested in calculating your energy usage, we recommend selecting a day during the month to read your meter. By reading your meter on the same day each month, you will be able to account for fluctuations more easily.

Q. When do I receive my bill?

A. Bills are generally mailed around the 20th of the month. For a consumer whose meter is normally read on the 10th of the month, the bill would be received 10 days after the end of the period in which the energy was used.

Q. When is my bill due?

A. Bills are due when rendered because you are not billed until well after energy has been consumed. An example helps to illustrate this rule: If your meter is read on the 10th and billed on the 20th, by the time you receive the bill, it is already 1/3 of the way through the next month's energy cycle.

Q. What happens if I don't pay my bill?

A. The Cooperative's Tariff provides that accounts not paid within 25 days of the date the bill is rendered are considered past due. Accounts not paid within 30 days are considered delinquent, and disconnect procedures may be implemented. For residential customers a late fee of $10 per month will be assessed on all accounts not paid by the past due date as printed on your billing statement. For commercial customers the late fee is $50 per month.

Q. What happens if I am out of town?

A. It is your responsibility to make arrangements to pay the bill prior to the past due date if you will not be in the area.

Q. What if I don't get my bill in the mail?

A. Failure to receive the bill does not entitle you to avoid payment of amounts owing. Should payment not be received, you would be notified prior to the disconnection of service. If you do not receive a bill by the end of the month, please notify the Cooperative.

Q. What happens if I can't pay my bill by the past due date?

A. Depending on the circumstances, arrangements may be made to delay payment of the bill or to provide for a deferred-payment arrangement. More information can be obtained from CVEA's Customer Service Representatives.

Q. Why does my bill fluctuate from month to month?

A. There are several reasonable explanations as to why monthly electric bills can fluctuate. If you are concerned about the accuracy of your billing, please contact a Customer Service Representative.

1. The seasonal nature of our climate dictates that, for most residential consumers, more energy is used in the winter months, whether it is for heating or lighting.
2. The holiday season--the January bill, which represents energy usage from mid-December through mid-January, is often the highest bill of the year. This can be attributed not only to cold weather but also to unusually high-energy demands during the holiday season.
3. More often than not, when a bill seems unusually high, it is because there are more days in the billing cycle than normal.

   To illustrate: if a consumer's meter is read on the 5th day of the month in month 1 and the 15th day of the month in month 2, the result is a 40-day billing cycle for the month 2 bill, which yields a bill approximately 1/3 higher than a normal 30-day bill. This situation corrects itself as meters are read consistently on or near the same day each month.
4. Energy usage may have increased dramatically. This may be due to friends or family coming for a visit, plugging in vehicles, using heat tapes, space heaters, or acquiring new appliances, etc. If you believe that your usage has increased for no apparent reason, you should first refer to your usage history on the bottom of your bill. Compare those historic usage numbers with your current usage. If your usage is higher than your historic usage, please contact CVEA and we may be able to help locate a problem.
5. Cooperative personnel/contractors may have read your meter in error. If, after considering the above possibilities, it appears the Cooperative has misread your meter, please contact your Service Representative at 822-3211 or 835-4301. If we determine you have been billed incorrectly, we will make an adjustment to your bill. Please note meter-reading errors correct themselves when the meter is read correctly the following month.

Q. If I am overbilled, how will my account be adjusted?

A. Overbilling resulting from a meter reading error will be corrected as follows:

1. If the bill has been paid and the overbilling is less than one month's energy, the error will be absorbed in the subsequent month's bill.
2. If the bill has been paid and the overbilling is more than one month's bill, the amount in excess of one month's billing will be credited to your account or refunded at your option.

Q. Why would my bill be estimated?

A. The Cooperative makes an effort to read every meter every month except in the following circumstances:

1. Meter is inaccessible due to severe weather conditions, obstructions, enclosures, vicious animals, or impassable roads (i.e., snow, mud, breakup, etc.).
2. Consumers who self-read their meters fail to transmit the reading to the Cooperative.
3. Other circumstances making it dangerous or not feasible to read the meter.

Alaska statute and the Cooperative's Tariff require clear access to the Cooperative's facilities, including meters, as a condition of service.

Q. How is my bill estimated?

A. Estimates are based on prior months' actual usage, if available. If no history is available, the bill is estimated based on the average bill for that customer class. Future billings based on actual meter readings will automatically correct any errors inherent in the estimating process.

VALDEZ
RATES, FEES, AND CONSUMPTION

Rate Schedule - Effective April 1998

Copper River Basin Residential

Customer Charge	12.00/Month
Energy	.0854/kwh
Cost of Power	varies

Valdez Residential

Customer Charge	12.00/month
Energy	.0678/kwh
Cost of Power	varies

For Commercial and Industrial rates and information, please contact Steve Bushong, COO, at 822-3211 or 835-4301.

Description	**Fee**
Connect Fee – During Normal Hours	$30.00
Connect Fee – Outside Normal Hours	$100.00
Three-Phase Connect Fee – Meter Read Only	$30.00
Three-Phase Connect Fee – During Normal Hours	$60.00
Three-Phase Connect Fee – Outside Normal Hours	$200.00
NSF Check Charge	$13.50
Reconnect Delinquent Accounts – During Normal Hours	$30.00
Reconnect Delinquent Accounts – Outside Normal Hours	$100.00
Service Call – During Normal Hours	$30.00
Service Call – Outside Normal Hours	$100.00
Meter Test Fee – Single-Phase	$30.00
Meter Test Fee – Three-Phase and SP 480 Volts or More	$60.00
Meter Seal Breakage – Unauthorized	$200.00
Meter Seal Breakage – Authorized	$30.00
Meter Resealing Fee	$30.00
Meter Damage – Broken Glass	$30.00
Meter Damage – Destroyed	$30.00
Field Collection Fee	$40.00
Late Payment Fee – Residential	$10.00
Late Payment Fee – Commercial	$50.00

Deposits for Service

A. Policy

1. The Cooperative requires a separate deposit for each meter. Said deposit shall be deemed as security for the payment of unpaid bills upon termination of service and shall not impair any right of the Cooperative to terminate service as provided by the Rules and Regulations.
2. The deposit can be equal to the Cooperative's estimate of two (2) times the service location's average monthly bill or, in the absence of customer history at a specific service location, two times the average bill for that customer class.

B. Deposit Receipt

1. The Cooperative will issue to the applicant a written receipt for the amount of the deposit with conditions and terms for refund.
2. The Cooperative will not require the member to produce the deposit receipt in order to receive a refund of the deposit.

C. Deposit Waiver

Deposit will be waived or refunded within 90 days if applicant is able to meet any of the following conditions as set forth in Section 6.10(a) of the Cooperative's Tariff:

1. The applicant has received service from the Cooperative at another location within the past two years without delinquency in payment during the last 12 consecutive months of service, or
2. The applicant provides a letter of credit from a former utility showing no delinquency in payments during the last 12 months of consecutive service, or
3. Another member of the Cooperative accepts financial responsibility for the applicant's residential account by executing a Guarantor Agreement (CVEA Form 426). The member guaranteeing the billings of the applicant must otherwise qualify for deposit waiver as provided for in the Cooperative's Tariff.

D. Deposit Refunds

The Cooperative will refund your deposit, plus any accrued interest on deposits over $100, within thirty (30) days after the earlier of:

1. Twelve (12) months of continuous service, if the consumer has not been past due in the payment of utility bills more than twice, has not been delinquent in the last six months, and is not past due at review; or
2. Termination of service, to the extent the amount held exceeds any balance due the Cooperative for electric service, late fees, and finance charges.

E. Deposit Transfer

When a consumer transfers to a new service location and otherwise does not qualify for deposit waiver or refund of a deposit paid, a second deposit is required. If the consumer supplies the final meter reading at the prior location and pays in full the final billing for the prior location, then the consumer's deposit will be transferred to the new service location.

1. If the deposit required at the new service location is greater than the deposit currently held by the Cooperative, then the consumer must pay the additional amount prior to receiving service at the new location.
2. If the deposit required at the new service location is less than the deposit currently held by the Cooperative, then the excess will be applied to the first bill at the new service location.

F. Increased Deposit

1. Increased Usage
   a. A member who has a deposit on file whose credit with the Cooperative is impaired and whose use has increased materially may be required to add to the member's current deposit with the Cooperative.
   b. The member will be given 30 days to pay the increased deposit requirement. The unpaid deposit will constitute a past-due amount after the 30 days.
2. Impaired Credit
   In the event the member becomes delinquent in payment, the member may be requested to redeposit with the Cooperative an amount equal to, but not more than, the Cooperative's estimate of two times the member's average monthly bill.

G. Deposit Deferral

1. The Cooperative will provide deferred payment deposit arrangements to residential consumers in cases where a consumer demonstrates clear economic hardship.
2. Interest will not be paid on deferred deposits until the deposit is fully funded by the consumer.

H. Interest on Deposits

1. The Cooperative will pay interest as required by AS 42.05.365 on deposits that exceed $100 for a single meter.
2. If delinquent payments result in disconnection of service, the Cooperative will not pay interest on the deposit for 12 months after re-establishing service.

BILLING AND COLLECTIONS POLICY

Billing and Collection Policy

A. Account Responsibility

1. When the application for service has been signed by two or more individuals, the Cooperative may collect the full amount of any bills for service from any one of the applicants.
2. Bills are rendered in the name of the person shown in the Cooperative's records as the party responsible for electric consumption at the specified location. Any change of occupancy, ownership, or account responsibility must be reported to the Cooperative in writing.
3. **Failure to notify the Cooperative in writing of any change in account responsibility will not relieve a member of financial responsibility for the account**.

B. Billing

Consumer meters are typically read between the 8th and 15th of each month. Bills are normally mailed around the 20th of the month. Bills for electric service are due and payable when rendered.

Bills not paid in full within 25 days of the date rendered are considered past due. Late fees will be assessed on the next billing statement. Bills not paid in full within 30 days of the date rendered are considered delinquent, and the Cooperative will commence disconnection procedures.

If the consumer contests the disconnection, the Cooperative has formal procedures to review such disputes and will correct any situation in which it has erred. However, if the Cooperative has not erred, the consumer will be held responsible for payment, and disconnect procedures will remain in effect.

C. Meter Access

As a condition of receiving service, all consumers are required to provide unobstructed access to all Cooperative-owned property including meters, whether located on pedestals or attached to the consumer's structure.

Obstructions to access include snow, fences, vicious animals, or any other situation that may prevent or delay access by Cooperative employees, whether they are meter readers, line personnel, or other persons or agents.

D. Estimated Billings

Meters will be read approximately every 30 days, and bills will be sent out as soon as practical thereafter. The periods between meter readings will vary because of weekends, holidays, etc. No adjustments to billings will be made on account of such variations. If circumstances beyond the Cooperative's control make meter reading dangerous or impractical, or a consumer fails to turn in a meter reading as arranged with the Cooperative, the Cooperative may send a bill based on estimated usage considering, where applicable, the consumer's usage during the same month of the previous year or the amount of usage during the preceding month or months.

The consumer will be informed on the bill that the amount is an estimation. If a consumer's meter should become inaccessible due to excessive snow depth or where extenuating circumstances or hazardous conditions exist, the Cooperative will continue to estimate billings until such time as the consumer provides clear access to the meter or the extenuating circumstance or hazardous condition is corrected. Under normal circumstances, the Cooperative will not estimate billing for more than two consecutive months.

E. Member Self-Read Meter Program

1. Members may elect to read their own meters subject to the following requirements:
   a. Readings must be called in between the 8th and the 12th days of the month (preferably the same day each month).
   b. If member's reading appears to be in error, a re-read must be called in at the Cooperative's request.
   c. Self-read meters will be checked at least once annually by Cooperative personnel.
   d. Members who participate in the self-read program who do not provide timely and accurate meter readings will be removed from the program.
2. The Cooperative mails out reminder cards to all self-read consumers monthly.
3. Electric bills will not be adjusted for members who read their own meters.

F. Scheduled Absences by the Consumer

Failure to receive a bill that has been properly addressed and mailed to the consumer does not prevent the bill from becoming past due or delinquent or excuse the consumer's responsibility for payment. If a consumer does not receive a monthly bill at the time of the month the consumer normally receives a bill, the consumer should notify the Cooperative immediately.

In the event the consumer expects to be out of the service area for an extended period of time, which may result in the billing not being received and/or paid, the consumer should contact the Cooperative to make necessary arrangements and avoid possible disconnection of service.

G. Economic Hardship

The Cooperative desires to avoid disconnecting service for nonpayment whenever possible. From the Cooperative's point of view, it is desirable to spare the expense of sending a lineperson to perform the disconnect, processing the required paperwork necessitated by this action, and initiating collection action. Remedies available to avoid disconnection for nonpayment include extension of time to pay and Deferred Payment Agreements. Granting of either of these remedies is allowed on a case-by-case basis, depending on the circumstances of the consumer.

H. Disabled and Consumers on Life Support Systems

Consumers who are seriously ill, elderly, disabled, or dependent on life support systems should notify the Cooperative in writing of this circumstance. The Cooperative provides special rules for disconnection for nonpayment of the above consumers in the event the Cooperative has been properly notified of the above circumstances.

Should a planned or unplanned outage occur, CVEA will attempt to restore service as soon as possible to

accommodate the disabled or disabled consumer.

I. Reconnection After Non-Pay Disconnect

The Cooperative will restore service to a member who has been disconnected for nonpayment within three working days after the delinquent balance has been paid or deferred payment arrangements have been made. A deposit equal to two times the average monthly bill may also be required.

A reconnect fee will be required at the time of service. Reconnections are done during normal hours. However, the consumer may request reconnection outside normal hours and will be assessed the higher fee, as provided in the Cooperative's Schedule of Fees.

J. Landlord/Tenant Agreement

The owner or operator of rental properties may sign an agreement for automatic continuance of service in the owner's name during periods of vacancy between renters. During such periods of vacancy, the owner will be billed as specified in the applicable rate schedule.

K. Notice of Disconnection - Landlord

If a consumer is a tenant and if the landlord has a valid landlord/tenant agreement on file with the Cooperative, the landlord will be forwarded a Notice of Disconnection simultaneously with the tenant's Notice of Disconnection 15 days prior to the scheduled disconnect date.

L. Notice of Disconnection - Third Party

A consumer may designate a third party to be notified of any disconnection of service by indicating said party on the Application for Service. The third party will be forwarded a Notice of Disconnection simultaneously with the consumer's Notice of Disconnection 15 days prior to the scheduled disconnect date.

M. Former Indebtedness

If a former consumer indebted to the Cooperative attempts, by some agency, relationship, or otherwise, to obtain service, the Cooperative reserves the right to refuse service until payment is made by the consumer of all money due from the consumer to the Cooperative. This shall include the indebtedness, the reconnect fee, a late payment fee, interest on the indebtedness, and any funds due from any previous line extension contract.

N. Winter Disconnect Policy

Although not supported by written procedure, it is the position of the Cooperative to consider on a case-by-case basis all disconnects for nonpayment. Our goal in administering disconnect regulations is to be fair, consistent, and equitable toward all consumers while taking into consideration any special circumstances which may bear upon the consumer’s ability to pay.

In addition to offering Deferred Payment Agreements and to extending disconnect times for sick, elderly, or disabled consumers as provided for in the Cooperative’s Tariff, the Cooperative regularly and routinely grants payment extensions, provides referrals to energy assistance programs, and attempts in every way possible to negotiate satisfactory payment terms to avoid disconnection of service.

The Cooperative proceeds to disconnect only when consumers refuse to cooperate in making payment arrangements, when consumers fail to communicate with the Cooperative, or where it appears, through investigation, that premises have been abandoned regardless of the time of year or the outside ambient temperature. **There is no regulatory prohibition on wintertime disconnects in the state of Alaska**.

WINTER BILLS

Is Your January Bill Higher Than Normal?

Many factors affect the January billing cycle: the Fuel and Purchased Power Cost (FPPC) adjustment, weeks of severely cold weather and high winds, the holidays, and long nights.

Cold weather and high winds result in thermostats being turned up, vehicles plugged in, space heaters used, electric blankets turned up, bigger meals cooked, and heat tapes turned on. Longer nights, holiday lighting, parties, gatherings with friends, baking, and kids out of school all happened during this billing cycle. Each of these circumstances adds to your energy consumption, which is probably evident on your January electric and fuel bills. Check the lower portion of your bill; CVEA provides you with a 12-month history of your electric consumption.

COST OF POWER

The Cost of Power (formerly FPPC) is probably the most confusing and misunderstood element of the bill. The Cooperative generates electricity from three different sources: the cogen plant, the diesel plants and the hydro plant. The mix of which plant generates the electricity changes as does the price of diesel fuels and power generated from Solomon Gulch.

The Cost of Power is designed to flow through to the customer the cost effects of using hydro and diesel/cogen generation, and changes in the price of fuel.

The price of energy generated from the Solomon Gulch hydro project is 6.8¢ per kwh where it has remained since 1996. Fuel prices at the diesel plants are indexed to an Anchorage Oil Price Index. When the index goes up the price of fuel charged to CVEA goes up by the same amount per gallon. The same is true for decreases. Fuel cost for the cogen plant is tied directly to Petro Star's retained cost of crude oil delivered to the Valdez refinery. As oil prices move so does the cogen fuel cost.

To determine the Cost of Power, CVEA estimates the number of diesel/cogen gallons to be consumed, cost of those gallons, the number of kilowatt hours generated from Solomon Gulch, the cost of those kilowatt hours, line losses, percentage of generation mix (hydro versus diesel/cogen) and kilowatt hour sales. This information is used to calculate the Cost of Power. The Cost of Power is applied to customers' bills based on kilowatt hour consumption.

LINE EXTENSIONS AND CONSTRUCTION

Electric Service Line Extension Policy

The construction season is short in our service area, putting a large workload on CVEA personnel during the summer and fall months. Consumers should apply for electric service as early as possible and indicate when electric service is needed. After September 1 new services requiring excavation work may cost substantially more or may not be possible due to frozen ground and snow.

The consumer applying for a new line extension must meet current tariff guidelines. The Tariff offers two options for line extensions. They are as follows: **(A) CVEA design and build, or (B) applicant design and build**. For more information, the Line Extension Guidelines are available at either office. For Option A, CVEA will provide a "Standard Offering" of up to, but no more than, $4,000 to extend service to any applicant for a permanent and continuous service to a single-service location within our service area. CVEA will also provide financial assistance to a single-residential extension over the Standard Offering and less than $14,000, provided credit worthiness is established and the terms of CVEA's financing program are satisfied. Under Option B, CVEA will **not** provide a Standard Offering.

Cost Estimates

A cost estimate will be produced by CVEA's engineering staff, and they will provide the consumer with a copy upon request. The cost estimates are in effect for a 60-day period. The first estimate is completed at no charge to the customer; subsequent estimates are subject to a fee. Estimates will include any costs that may result from cost sharing of previous extensions and

will show the Standard Offering amount (for qualified line extensions) and amounts owed by the applicant. The Cost Estimate Summary sheet must be signed by the applicant when the project cost exceeds the Standard Offering ($4,000).

Easements

It shall be the responsibility of the consumer to provide CVEA with any easements or rights-of-way permits that will be required to construct and maintain the line. These easements shall be irrevocable unless agreed to by all parties. Any cost associated with needed permits shall be added to the cost of the line extension. Right-of-way easements shall be provided to CVEA for all properties that the line extension shall cross, not just the property of the consumer applying for service.

Easements shall be on term set by CVEA or acceptable to CVEA. Any legal charge for assessment of different forms shall be the consumer's responsibility.

When a property owner grants an easement to CVEA so that we may construct an electrical line, the owner is only giving CVEA the right to enter the property to accomplish the work of constructing and maintaining the line. The owner retains all property rights to the land and may limit use by other parties. The line right of way is not a public access route.

NOTE: Easements on City of Valdez leased land must be signed by the City. It is the applicant's responsibility to obtain all easements required to access their property.

The property owner agrees to certain stipulations concerning his own use of the right-of-way areas, as outlined below. CVEA's standard right of way is 30 feet for distribution lines and 100 feet for transmission lines.

Noncompatible Use: Structures and facilities such as wells, antennas, playground equipment, etc., shall not be constructed, placed, or moved into a right of way. All trees must be cleared along the line. **WARNING: DO NOT CUT TREES NEAR POWER LINES. CONTACT CVEA TO MAKE ARRANGEMENTS FOR REMOVING THESE DANGER TREES.**

Compatible Use: Structures considered compatible with right of way use include dumpsters, moveable vehicles, temporary service connections, and other moveable items.

Stipulated Use: Structures and facilities such as homes, garages, excavations, sheds, greenhouses, cesspools, leach beds, storage tanks, signs, junk cars, lumber poles, kennels, etc., may not be moved into or constructed in the right of way without prior written approval from CVEA.

Ingress and egress, a safe way in and out, must be available to CVEA crews at all times.

AVERAGE WATTAGE USE

	Average Wattage	Est. Kwh Consumed/Mo.
Food Preparation		
Blender	400	1
Broiler	1,400	12
Carving knife (annual)	100	8
Coffee maker	900	9
Deep fryer	1,500	7
Dishwasher	1,200	30
Frying pan	1,200	10
Hot plate	1,320	7
Oven, microwave	1,000	22
Range (electric)	12,000	108
Toaster	1,200	3
Waffle iron	1,100	2
Food Preservation		
Freezer, 15 cu. ft.	335	70
Refrigerator/freezer, 14 cu.ft.	500	125
Laundry		
Clothes Dryer	5,000	88
Iron (hand)	1,000	12
Washing Machine	500	12
Water heater	4,500	510
Comfort Conditioning		
Air cleaner	50	18
Air conditioner	1,050	350
Bed covering	200	12
Dehumidifier	350	125
Fan (portable)	100	3
Heater (portable)	1,500	1.5/hr
Heating pad	65	1
Humidifier	100	14
Health and Beauty		
Hair dryer	1,000	7
Heat lamp (infrared)	250	1
Shaver	15	2 (annually)
Toothbrush	10	1 (annually)
Home Entertainment		
Radio	30	5
Television	200	25
VCR	40	4
House wares		
Clock	2	1
Floor polisher	300	1
Sewing machine	75	1
Vacuum cleaner	630	4
Miscellaneous		
Block heater	500	175

Waterbed heater ..... 400.....90

1,000 watts equal 1 kilowatt. 100 watt bulb turned on for 10 hrs = 1 kilowatt hour.

You can figure it out…

Formula

Avg wattage	x	hrs/mo usage	=	total usage	÷	1,000	=	kwh used/mo

Example: television

200 watts	x	128 hrs/mo	=	25,600	÷	1,000	=	25.6 kwh/mo

STATEMENT OF NONDISCRIMINATION

Copper Valley Electric Association, Inc. will comply fully with all requirements of Title VII of the Civil Rights Act of 1964, as amended; Section 504 of the Rehabilitation Act of 1973, as amended; the Age Discrimination Act of 1975, as amended;, to the end, that no person, in the United States, shall, on the grounds of race, color, national origin, age, or disability, be excluded from participation in, be denied the benefits of, or be otherwise subjected to discrimination in the conduct of its program and the operation of its facilities. Under this Assurance, this organization is committed not to discriminate against any person on the grounds of race, color, national origin, age, or disability, in its policies and practices relating to treatment of beneficiaries and extension of service, use of any of its facilities, attendance at and participation in any meetings of beneficiaries or the exercise of any rights of such beneficiaries and participants in the conduct of the operation of this organization.

The person responsible for coordinating this organization's nondiscrimination compliance efforts is Robert A. Wilkinson, Chief Executive Officer. Any individual or specific class of individuals, who feels that this organization has subjected them to discrimination, may obtain further information about the statutes and regulations listed above from and/or file a written complaint with this organization. Complaints must be filed within 180 days after the alleged discrimination. Confidentiality will be maintained to the extent possible.