



**FOR IMMEDIATE RELEASE**  
April 2, 2019

Contact: Julie Hasquet  
(907) 717-9619

## **Anchorage sale of city electric utility goes to RCA** ***Chugach Electric seeks approval of acquisition from regulators***

One year after Anchorage voters authorized the Municipality of Anchorage (MOA) to sell Municipal Light & Power (ML&P) to Chugach Electric Association, Chugach has filed an Asset Purchase and Sale Agreement with the Regulatory Commission of Alaska (RCA) for its review and approval of the acquisition. In its filing April 1, Chugach filed an application to expand its service territory under its Certificate of Public Convenience and Necessity (CPCN) to include the service territory currently served by ML&P.

“After thousands of hours of thought, analysis, and negotiations, we are very pleased to reach this milestone,” said Chugach CEO Lee Thibert. “We know we will save electric ratepayers money over the long-term with this acquisition. We look forward to outlining our case to the RCA and moving forward with this effort that will have a positive impact in Anchorage for decades to come.”

“The amount of work and effort from Chugach, ML&P, and the city getting to this point has been outstanding,” said Chugach Board Chair Bettina Chastain. “The timing was right and everybody came together, putting their best foot forward to do something that will be good for the community as a whole.”

In April 2018, Proposition 10, approved by more than 65 percent of Anchorage voters, gave the MOA the authority to sell ML&P for a competitive value of approximately \$1 billion. It also included language that the transaction would not result in lay-offs at Chugach or ML&P or increases to base electric rates for Chugach and ML&P customers. Following the vote, Chugach, ML&P and the MOA negotiated a final Asset Purchase and Sale Agreement that was approved by the Anchorage Assembly, the Chugach Board of Directors, and signed by the parties in December 2018.

In its filing with the RCA, Chugach estimates net savings in excess of \$200 million in Net Present Value benefits to member-consumers over the next 40 years. Before member-consumers can realize those savings, the transaction must be approved by the RCA.

The filing further states the savings will come from achieving greater efficiencies through economies of scale which help to hold down costs for the benefit of both Chugach and ML&P customers, making Anchorage a more attractive community in which to live and do business.

Those cost reductions are passed directly to customers in the form of electric rates that will be lower than they would be without the transaction.

“Other benefits of this sale include retaining local control of electric service through a utility cooperatively owned by the members it serves, consolidating utility ownership within Alaska’s Railbelt, and keeping proceeds from electric service in the local economy,” added Thibert.

Additionally, the two utilities will share best practices and expertise, and be able to retain industry talent by using attrition to achieve savings rather than by laying off employees.

The RCA process is expected to take six months. During that time, Chugach and ML&P teams will be putting together a work plan for how to bring the utilities together in a smooth fashion that will be the least disruptive to employees, customers, and the community at large. Following RCA approval, Chugach expects to close the deal within 120 days, estimating the two utilities would become one around February 2020. At that time, all ML&P employees will be Chugach employees and all ML&P customers will become Chugach members.

Here’s a link to the filing: <http://rca.alaska.gov/RCAWeb/Dockets/DocketDetails.aspx?id=b992d10b-f313-4c75-a134-b7437ab102d8>

###