



FOR IMMEDIATE RELEASE

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Chugach acquisition of ML&P conditionally approved by regulators

The Regulatory Commission of Alaska (RCA) has conditionally approved the acquisition of Municipal Light & Power (ML&P) by Chugach Electric Association. The 152-page order was issued late Thursday night, May 28.

“We are still reviewing the order and the conditions imposed by the RCA to determine whether they are acceptable to Chugach,” said CEO Lee Thibert. “Assuming they are, we look forward to moving toward closing and a smooth transition for existing Chugach members and the new members from the ML&P system.”

“The decision clearly states that it is in the public interest for the sale to move forward. We are assessing the issues raised by the proposed conditions and will continue to work with Chugach and other partners to conclude what has been a monumental effort,” said Mayor Ethan Berkowitz. “I would like to thank all involved, especially ML&P, the negotiating teams and municipal employees, who’ve helped us reach this milestone.”

In April of 2018, Anchorage voters approved the sale of ML&P to Chugach by more than 65 percent. Following the vote, Chugach filed for approval of the transaction on April 1, 2019. After several weeks of hearings that started in August, the parties reached a settlement that included a purchase price of \$972.8 million. Assuming the RCA’s conditions are acceptable, the Municipality of Anchorage (MOA) and Chugach will move forward with the transaction, with a closing date later this year.

“I would like to give a special thanks to the Chugach Board of Directors and all of the employees of Chugach, ML&P and the MOA who have worked diligently to get us to this point,” Thibert added.

The COVID-19 pandemic highlights the vulnerabilities in our economy and the importance of adapting to the changing world around us. Combining these utilities will allow for efficiencies and provide savings for ratepayers. As Alaska businesses, individuals, and the economy as a whole face financial difficulties from both the pandemic and a low oil price environment, there has never been a better time to bring these utilities together. The combination of the two utilities is expected to lead to lower long-term rates for all utility ratepayers with an estimated ratepayer savings of over \$200 million over the next 15 years.

For more information on the background associated with the acquisition, please refer to www.poweranchorage.com.

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