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A CONSERVATIVE VOICE FOR ALASKANS

**Continue reform at Chugach Electric**

By RAY KREIG

This is the most important Chugach Electric election in almost 20 years. International Brotherhood of Electrical Workers-endorsed board candidates are running radio and TV ads threatening labor unrest and disruption of your electric service if you do not vote for them. Even the former Chugach chief executive officer has stepped forward to help with these intimidation tactics.

Why the bullying?

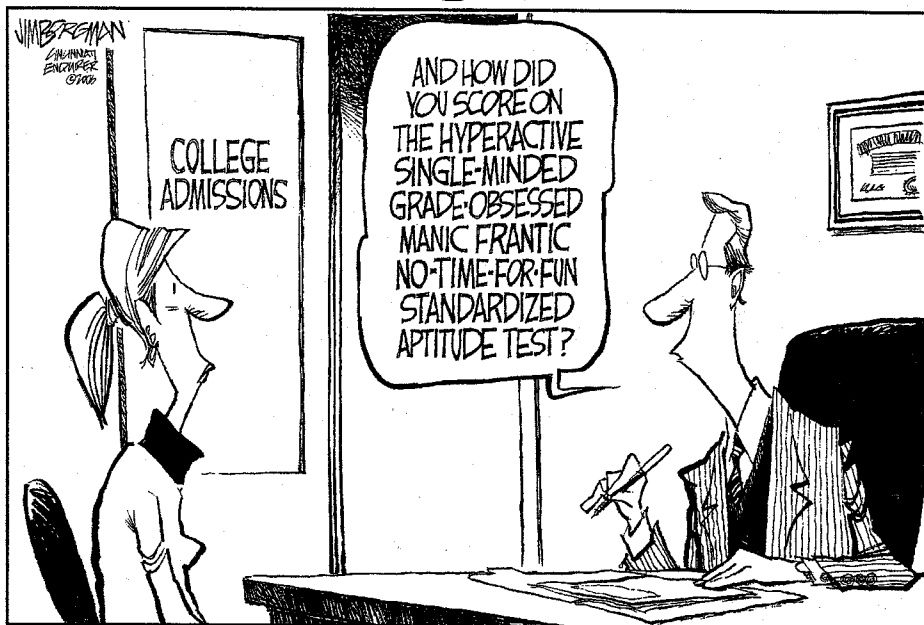
Some of the largest costs paid by electric customers, and controllable by the Chugach board and management, are related to labor. That is why the IBEW intervenes. It wants to ensure it is on both sides of the negotiating table when its contracts end in three months. And it had some friends in high places managing Chugach.

Right before last year's board election, the IBEW feared it would lose its majority on the Chugach board. The former Chugach chief operating officer apparently urged the old board to rubber-stamp a premature contract rollover without negotiation of the three bloated union-labor contracts, a year and a half before they even expired.

These contracts are chock full of goodies like double and triple pay for all overtime, breathtaking wages and benefits — warehouseman \$133,176, helper \$102,070, senior meter reader, \$103,653, etc. — and triple pay if you work on your birthday. Because of rollovers, negotiations have been avoided for 19 years and the gravy-train continues. You pay for this each time you write your monthly check to Chugach.

Through negotiation, millions of dollars per year can be saved without cutting employees' current generous hourly wages just by eliminating featherbedding, outmoded work rules, and paying overtime at the normal time and half rate.

Actions by Chugach Consumers, a grassroots group of concerned ratepayers, blocked the rollover last year and demanded negotiations. Depending on what Chugach management urged the old board to do in the still-secret process of last year's closed meetings, the savings opportunities from stopping the extension could be in the tens of millions of dollars.



Chugach Electric ratepayers last year demanded a change. In a landslide, members voted out three directors useful to the IBEW and placed three pro-consumer reformers on the board — Alan Christopherson, Uwe Kalenka and Liz Vazquez. When I was appointed to fill a vacancy in July, the board finally had a consumer-sympathetic majority. The IBEW wants to change that.

Under the reformers put into office last year, Chugach Electric's board has reduced costs and is making positive changes. It cut the non-fuel 2005 budget by \$1.5 million, which met stiff resistance from IBEW-supported director Jeff Lipscomb. The 2006 budget was set \$2.5 million below that level without affecting safety and reliability standards. These decisions saved \$4 million and more is yet to come.

The board currently is working with staff to evaluate the economic viability of wind generation, and it will do the same for other alternatives. It is deciding what actions will lead to cost savings, not just feel-good politics.

As fuel costs increase, the board is extending better outreach with energy conservation information and programs to help consumers reduce their costs without sacrificing their comfort or standard of living.

The upcoming election is not about party politics or union affiliation. It is all about you, the owner and ratepayer, and the cost of delivering electricity to you.

The IBEW spends tons of money to defeat independent candidates in Chugach elections. If it controls the board then it does not have to negotiate; it gets whatever it demands. It wants to be on both sides of the bargaining table. That is not bargaining, that is a giveaway. Say "no" to the IBEW and "yes" to candidates that represent your interests.

This year's election is critical to the ratepayers' pocketbook. Our reform-minded board is moving down the right track. However, Chugach ratepayers are at risk of losing the board majority necessary to continue the positive changes already begun. If a reform majority is not maintained, the board is likely to return to showing little concern for the ratepayers and instead letting the IBEW define the agenda.

Not sure who has your best interest at heart? Look for the Chugach Consumers endorsement: The smiling light bulb.

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