



Chugach Consumers

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March 28, 2008

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RE: Reliability Group Ad "Time for a change"

Dear Joe and Tony,

Although the whole Reliability Group campaign is designed to be a mudslinging attack on directors Vazquez, Kalenka and Logan and is largely without relevant factual content regarding the major issues that affect ratepayer's interests, this letter will address only the ad above which we insist be pulled from broadcast immediately.

By now you both have had plenty of time to see and think about this ad. And to reconsider what you are doing with it.

Reliability Group Ad "Time for a change" is being played hundreds of times per week. You accuse the Chugach Board of "helping themselves not [the membership]" and specifically Chugach board chair Elizabeth Vazquez of using "company funds to front money for personal expenses."

The plain facts on the expense statement that is partially shown on the ad and on the Reliability Group website show that the cost of the ticket was more than offset by board fees that were owed to Vazquez by Chugach.

Hundreds of thousands of dollars are being spent by and for your Reliability Group and the IBEW Union to bomb the community with trash like this.

You are silent as to the findings in the Blue Ribbon Panel report for Chugach Electric prepared by top local business executives for the Chugach board.

* Findings such as Chugach is charging \$25 million a year (2 cents per kwh) more than comparable utilities for distribution.

* Findings such as the political action efforts on the part of Labor have compromised the natural balance between the board/management and labor, resulting in high costs that cannot be justified.

In this campaign you two are obviously part of the very actions by labor that are described in the Blue Ribbon Panel report. Both being former CEO's, I am confident that you know exactly what is going on here. I hold you two to be the most responsible for it out of all involved with the Reliability Group and the IBEW Chugach employees in CAC. You can also end it immediately.

Rather than a good faith dialogue and debate on the issues and especially the Blue Ribbon Panel report, you choose instead to conduct a smear campaign against decent citizens willing to volunteer their service on the Chugach board. See:

Damage to our cooperative from election mudslinging
by Ray Kreig - The Chugach Outlet - April/May 1996 Number 147
www.chugachconsumers.org/Lib/outlet.96-04.htm

You both were well regarded by many in the community, and especially the downtown civic groups, Chamber, Commonwealth North etc.

Either way the election turns out, Chugach Consumers will work to see to it that you both get all the credit that you deserve. It is not too late to get credit for stopping an unethical and dishonest, dirty campaign ad.

Please do the right thing and pull this ad and any others that make this disgraceful and false accusation against Elizabeth Vazquez and the board of Chugach Electric today. You cheapen yourselves by letting it continue.

Sincerely,



[SIGNED AND TRANSMITTED ELECTRONICALLY]

Ray Kreig
Chairman
Chugach Consumers

www.chugachconsumers.org/Lib/cc2008_CRG_TVad03.htm

cc: Elizabeth Vazquez
Uwe Kalenka
Rebecca Logan
List A