

NEWS RELEASE

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EMERGENCY RATE ESTIMATED Fuel Surcharge Lower than Last Spring

AEL&P announced today that the emergency cost of power adjustment, or E-COPA, for the diesel generation during the avalanche repair, is estimated to be about 20 cents per kilowatt-hour. When added to the normal winter base rate of 9.6 cents per KWh, the total residential rate will be just under 30 cents per KWh.

“Current fuel prices are much lower than last spring’s prices, which results in a lower E-COPA compared to last year”, said Connie Hulbert, Chief Financial Officer at AEL&P. The E-COPA during last spring’s avalanche repair was 43 cents per KWh resulting in a total rate of 52 cents per KWh.

If the repairs are completed in 30 days as currently estimated, the E-COPA could be in place for only one month. Customers will see the higher rate on electric bills sent out after February 12, 2009.

Current residential rates are 10.8 cents per KWh which includes a 1.2 cent regular COPA to pay for diesel that was burned last winter. “We plan to suspend collection of the regular COPA during the time the E-COPA is in place,” said Hulbert.

AEL&P plans to make the formal E-COPA rate filing with the Regulatory Commission of Alaska sometime after February 1. “We wanted ratepayers to know as soon as possible what to expect for an emergency rate,” said Hulbert, “but the longer we wait to file, the more accurate information we will have as to how much diesel will be consumed during the repair period. Waiting to file will give us a more accurate E-COPA rate.”

Even though the E-COPA rate is not as high as last spring, customers are urged to continue to conserve electricity. “Every kilowatt-hour customers conserve will reduce their bill, and reduce the amount of diesel we need to burn in our generators,” said Hulbert.

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