

INSIDE PASSAGE ELECTRIC COOPERATIVE, INC. WATTS NEW

Volume 5, Issue 1

February 20, 2009

IPEC OPERATOR TRANSITIONS

Ben Johnson was promoted to Head Operator for the Hoonah power plant effective December 12, 2008. Don Bolton was hired as a part-time operator on January 12, 2009.

Fred Anderson was promoted to Head Operator for the Chilkat Valley/Klukwan power plant effective January 6, 2009. Marvin Leak is now the part-time Relief Operator.

Congratulations to Ben, Fred, Marvin and welcome aboard Don! ♣

BOARD ADOPTS ENERGY PLAN

The IPEC Board held a strategic planning session mid January to develop an energy plan with the main goal of being diesel independent by 2015. This plan was adopted at a special board meeting held February 6, 2009.



Pictured left to right Jodi Mitchell, Robert Venables, Dean Thompson, Kimberley Strong and Richard George. Opposite side of table pictured Jerry Medina, Michael See, Steve Pratt, Jim Cox and Wilbur Brown. Photo taken by Pete Bibb.

Our primary company objective is to provide a safe, adequate and reliable power supply to our customers.

Our business objectives are to provide affordable, stable and lowest prices possible that are consistent with sound business practices. (continued next column)

Through company growth we will be able to reduce our overall unit costs.

Community objectives regarding local economic conditions include: supporting economic development initiatives / new industry; support local hire and supporting regional infrastructure development.

Environmental sensitivity community objectives are: consideration of impact decisions on the next seven generations; harmful emission minimization; fuel handling and storage facilities create environmental concerns for our pristine rural villages.

Currently Angoon, Hoonah and Kake are diesel generated plants. The Chilkat Valley and Klukwan run on purchased hydro power but we still maintain two backup diesel generators in case of lack of hydro resources or down time of our suppliers.

Some of the challenges we face are:

- (1) Our reliance on self-generated diesel and purchased hydro power limits our response options to volatile high fuel and electric rates including environmental concerns such as CO2 emissions and possible fuel spillage.
- (2) IPEC member dollars provide profit margins for other companies such as fuel suppliers and hydro resource suppliers rather than strengthening our own Cooperative for the long term.
- (3) Isolated rural villages have limited economies of scale due to a lower customer base (population) resulting in higher customer unit costs and higher electrical rates discouraging new industry and commercial development.
- (4) Rural supply chains for fuel, materials and labor further complicate the business process since zero fuel costs enhance sustainable communities while one time investments in long term projects such as hydro simplify our economics. (continued next page)

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- (5) Finding affordable, reliable and stable electrical resources has to be a community goal.
- (6) The high level of debt associated with the Chilkat Valley limits our financial flexibility.

There are three major initiatives of this energy plan:

- (a) Independence from fossil fuel generation
- (b) Alternatives to purchased hydro power from private entities; and
- (c) Chilkat debt relief.

Other non-hydro and non-diesel alternatives still under research are wind, tidal, geothermal and biomass (wood waste). Not all of these sources are viable and IPEC believes that hydro is the best and most cost effective developable resource.

IPEC is dedicated to wisely utilizing our resources. Some of our Best Business Practices include:

- High quality electrical system
- Dedicated employees
- Unsurpassed power plant maintenance procedures
- Accountable board members that live in the communities we serve
- Robust financial system allowing for identification of community based costs and flexible rate design
- Constantly seeking opportunities to improve service / economics

With the implementation of our Energy Plan we will be able to provide our customers with a stable rate structure that is financially and ecologically friendly sustainable power. If you would like a copy of our Energy Plan, please contact our Auke Bay office at 1-800-478-3198. ♣

Never doubt that a group of sharing, caring, and serving people can achieve the impossible.

HAINES POWER OUTAGE NOT AS SEVERE FOR IPEC CUSTOMERS

A power outage on February 1, 2009 due to a transformer failure maintained by AP&T (Alaska Power and Telephone) left Haines residents without electricity for three hours and forced local businesses to close according to the Chilkat Valley News. It took all of the Haines AP&T staff and several from Skagway to install jumpers to bypass the switch room and run off the local diesel plant.

IPEC operators Fred Anderson and Marvin Leak were able to restore power to our customers in Klukwan and the Chilkat Valley within 30 minutes for some customers and one hour for outlying areas utilizing our backup diesel generators. Way to go guys for your quick action! Backup diesel generators ensure minimal down time during a power outage. ♣

CARBON MONOXIDE DETECTORS

Carbon monoxide detectors are devices that monitor carbon monoxide (CO) levels in enclosed quarters to prevent carbon monoxide poisoning. If a high level of carbon monoxide is detected the alarm will sound notifying occupants to either ventilate or completely evacuate the area.

CO detectors do not act like smoke detectors and vice versa, however dual smoke and carbon monoxide detectors are available. Smoke detectors provide a warning signal when smoke is generated from flames or smoldering fires, whereas CO detectors provide warning signals when faulty fuel burning devices are detected. Carbon monoxide is produced from incomplete combustion of fossil fuels generated from open flames, space or water heaters, blocked chimneys and running a vehicle inside a garage.

These detectors are widely available in hardware stores and other retail outlets and can be battery or AC operated with a battery backup. All CO detectors have test buttons and should be checked at least every six months. They should be placed close to the ceiling or floor as CO has close to the same density as air.

Since carbon monoxide is colorless, odorless and tasteless, the only method for detection in a home environment is with one of these detectors. Every home should have them. ♣