

Summer is Finally Here

I am sitting in my office today enjoying our first 70-degree day this year. It has been a particularly chilly spring, and I was starting to wonder if it would ever warm up. I see from Alaska Weather that most of our AVEC communities are also having nice weather this week, so I hope you get to enjoy it like I plan to!

In about mid-July, I plan to meet the fuel barge in Galena and ride with it down the Yukon River. On the way, I hope to meet with folks in several of our villages from Nulato to Emmonak. Be sure and look for me when the July fuel barge is in your community!

The Latest on PCE

When Power Cost Equalization was established in 1984, the legislature decided the least any person in rural Alaska should pay for electricity was 8.5 cents a kilowatt-hour (kwh.) This was because the average residential user in urban Alaska (Anchorage, Fairbanks and Juneau) was paying about that much. So 8.5 cents was established as the "floor." In the last 23 years, that floor has been raised a couple of times. It is now 12 cents.

This year, the state has recalculated the current cost of power for urban residential customers and has determined it is now 12.87 cents a kwh. We have been informed that as of July 1, 2007, the base PCE rate will go up to 12.87 cents.

This means your PCE credit will go down by about .82 cents per kWh. That is 95 percent of .87 cents, and reflects the formula used to calculate the PCE rate.

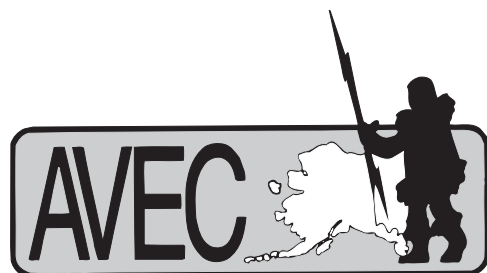
The actual impact on your monthly electric bill will not be huge. If you use the full 500 kWh that is PCE eligible, your monthly electric bill will go up by \$4.10. On the positive side, it also means there will be more money in the PCE fund to pay for a full year of credits, so we hope we will not face a decrease in funding later in the year as money in the fund runs out.

Finally—It's Collection Season

I'm sure many of you are aware the bill collector will be in your village soon, if he has not already been there, to collect on delinquent bills that have languished most of the winter. Please try to be nice to him. He doesn't like collecting or disconnecting services any more than you like paying your bill, but unless that bill is paid, we can't pay our bills, and then everyone's lights may go out!

Stay in touch and have a good fishing season!

Meera Kohler
President & CEO



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Meera Kohler, President & CEO

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