



May 7, 2008

Office of the Governor  
Sarah Palin, Governor  
P.O. Box 110001  
Juneau, AK 99811-0001

Dear Governor Palin:

The City of Valdez is writing in support of appropriations for the Copper Valley Electric Association (CVEA) included on page 38 of the capital budget (SB 221).

As you know, oil prices are wreaking havoc with all of our communities and businesses. This is particularly so for our electric co-op. As the price of oil has soared from \$29.64 in 2003 to \$116.32 on May 2, 2008, electrical rates have had no choice but to skyrocket as well. This double assault on such a critical component of our economy cannot be sustained. Our region is not growing and CVEA actually reported at their recent annual meeting that total system energy sales has **declined** in the past two years.

SB 221 has four important energy related projects for the entire Copper Valley area that, if approved, will not have to be funded through even higher electric rates. We therefore hope you will give every consideration to supporting these expenditures. Thank you for your commitment to our State and addressing the needs of Alaskans.

Cordially,

A handwritten signature in black ink that reads "John Hozey". The signature is stylized and cursive.

John Hozey  
Valdez City Manager