

Nancy Heidelberg
PO Box 464
Glennallen, Alaska 99588

May 9, 2008

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

Dear Governor Palin:

As a 15-year Copper Basin resident, 9-year local business owner, as well as a 15-year employee of Copper Valley Electric, I urge you to favorably conclude that to not veto the capital budget appropriations for our electric cooperative will be in the best interest of our members along with the state of Alaska. I strongly support CVEA's projects included on page 38 of the capital budget (SB 221). The four projects total \$5 million and will be used as follows:

- \$2 million to match a federal grant already in hand to upgrade the Glennallen Plant
This project is necessary for reliability purposes in the event we experience a snow slide in Thompson Pass (not unlike Juneau).
- \$1 million to permit a new hydro project to get us off fossil fuel
Allison Lake would significantly reduce the amount of fuel CVEA currently consumes to generate electricity.
- \$500,000 to upgrade the Valdez substation
This upgrade is necessary to replace a critical piece of equipment.
- \$1.5 million to reimburse the Co-op for money spent years ago evaluating a transmission line connection to the Railbelt Grid which did not pan out
CVEA began work in 1989 to try to advance the idea of connecting our region of the state to the Railbelt grid. In 1993, the 18th Alaska Legislature authorized the Sutton/Glennallen intertie project and appropriated a \$35 million, 50-year zero-interest loan to partially capitalize the project. That legislation required that a feasibility study be conducted and that was done and paid for by CVEA in 1994-95. Through no fault of CVEA, no reimbursement for study costs ever occurred.

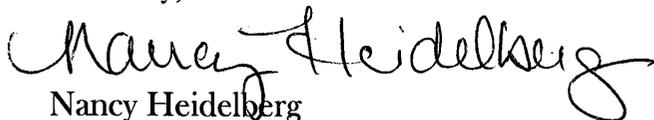
Governor, I can attest to how hard CVEA has been working to do something about the crisis caused by high oil prices, and we could surely use some help in our region. Based on my first hand knowledge of the Co-op, I have every confidence the money will be put to proper use for the benefit of the Members.

Due to the extreme increases in the cost of living and doing business in the area, my husband and I have had to scale back our business, The Cat Shop, to offer our services on a part time basis so that he could seek full time employment just be able to pay our recurring expenses. Todd has visited Gary several times at The Cat Shop, but unfortunately we're no longer in a position to be a full time business.

The monies noted earlier for CVEA won't solve all our problems, but all of us, whether a business or individual, will be affected in a positive way if we as members don't have to cover the cost of those projects.

I appreciate your time and look forward to hearing the good news that the full appropriation remains in the capital budget. Thank you.

Sincerely,

A handwritten signature in cursive script that reads "Nancy Heidelberg". The signature is written in black ink and is positioned above the printed name.

Nancy Heidelberg