Agency: Commerce, Community and Economic Development

Grant Recipient: Community & Economic Dev

Project Title: **Project Type:** New Construction and Land Acquisition

Alaska Energy Authority - Hope Electrical Distribution Line Relocation

State Funding Requested: $310,000 **House District:** Anchorage Areawide (16-32)

One-Time Need

Brief Project Description:

Relocate the portion of the Hope electrical distribution line from pole 100 to pole 125 to move it closer to the road.

Funding Plan:

Total Project Cost:	$415,000
Funding Already Secured:	($105,000)
FY2013 State Funding Request:	($310,000)
Project Deficit:	$0

Funding Details:

Since 2004, Chugach has spent $1.5 million to improve this distribution line. Funding has come from a variety of sources: Denali Commission ($100,000), Chugach ($500,000), the State ($200,000), and the Hazard Mitigation Grant Program administered by Alaska HS&EM using FEMA funds ($719,000). Chugach will contribute $105,000 in overhead/labor and has applied for $1.7M in additional HMGP funding for two additional projects planned for 2012.

Detailed Project Description and Justification:

Customers in the communities of Sunrise and Hope receive electric service from Chugach from a distribution that begins at the Hope Substation at Mile 56 of the Seward Highway and runs 17.7 miles into Hope. The line was built in 1967. Providing reliable service over the line has been increasingly difficult due to a combination of problems. The line was built in a narrow cut through a tall forest. Sections of the line were routed through rough country some distance from the Hope Highway, making access difficult and time-consuming. The Spruce Bark Beetle infestation killed many trees along the route of the line. The area is subject to repeated wind, snow and ice storms. The line has been battered over time by falling trees and heavy icing. Chugach successfully moved one problem area in 2009 and 2010, greatly reducing outage incidents and response time for that part of the line. It is anticipated that a second section of the line will be relocated in 2012 with Hazard Mitigation Grant Funds to move it near the Hope Highway. This grant request would allow the relocation of a third area of the line.

Pending the release of FEMA HMGP funds for the 2012 projects, the requested state grant funds for this project will allow the relocation of the last significant section of line that remains away from the highway. In all, about 1.6 miles of line will be moved with this grant. Problems are much easier to find and fix when power lines are along roads. Reliability and outage restoration time will be improved for area residents by completing this project.

Chugach proposes that the requested grant flow through the Alaska Energy Authority. Chugach and AEA will develop a

Contact Name: Juli Lucky
Contact Number: 465-3733

For use by Co-chair Staff Only:

$310,000 Approved

3:20 PM 5/2/2012

project agreement to manage the distribution of the grant funds in response to project activities. The requested amount includes an anticipated 2 percent AEA administration fee of $6,086.

Project Timeline:

If funding is authorized in the FY 2013 budget, Chugach will complete a project agreement with the Alaska Energy Authority. Design will be completed in 2012. Assuming Chugach can secure the necessary land rights, materials will be ordered and the project constructed in 2013.

Entity Responsible for the Ongoing Operation and Maintenance of this Project:

Chugach Electric Association

Grant Recipient Contact Information:

Name:	Bradley Evans
Title:	Chief Executive Officer
Address:	5601 Electron Dr
	Anchorage, Alaska 99518
Phone Number:	(907)762-4767
Email:	brad_evans@chugachelectric.com

Has this project been through a public review process at the local level and is it a community priority? [X] Yes [ ] No

For use by Co-chair Staff Only:

3:20 PM 5/2/2012

Contact Name: Juli Lucky
Contact Number: 465-3733

Hope Inc.
Hope Village council
P.O. Box 101
Hope, AK. 99605

Representative Mike Hawker
State Capitol, Room 502
Juneau, AK. 99801

Dear Representative Hawker:

As President of Hope Inc., I am writing to express support for two State grants that Chugach Electric is requesting to improve the electric system serving our community. Chugach Electric Association has done a lot to improve service to our area over the past several years, but more remains to be done. At a January 21st Hope Inc. meeting, representatives of Chugach gave a presentation outlining work that has been done in recent years and followed with the next most critical upgrades needed in their long range plan for the Hope line.

To date, Chugach has used a combination of utility, State, and Federal funds to steadily improve service to our area. These funds have gone towards relocating 1.7 miles of line for better access and considerable right of way clearing.

Despite the work done in recent years, this winter's storms have frequently interrupted service to the Hope and Sunrise areas. Some residents have dealt with outages that have lasted for days, and Chugach has needed to use portable, temporary generators to power much of our area for long periods of time.

Two of Chugach's planned projects depend upon State grants. One would allow Chugach to remotely operate the switches at the Hope Substation, rather than sending a crew down the highway (often in bad weather) to open or close them manually. The second project would move 1.6 miles of the distribution line closer to the road, making it easier to find and fix problems.

These projects, and Chugach's overall efforts to improve electric service to our area, received strong support from the January meeting in Hope. We hope they can be funded in the State's capital budget this year.

Sincerely,
Jim Skogstad 2/6/12
Jim Skogstad
President, Hope, Inc.

Press Releases

For immediate release
February 3, 2012

For more information, contact
Phil Steyer Desk: 762-4766 Cell 242-1417

Winter storms batter Chugach system

This winter has caused extensive damage to electric facilities, especially on the northern Kenai Peninsula. Chugach Electric Association estimates it has spent more than $2 million responding to storm damage this winter. At least three-fourths of the total has been spent restoring power and repairing damaged power lines and structures in the mountains from Moose Pass and Cooper Landing to Turnagain Arm.

In response, Kenai Peninsula Borough Mayor Mike Navarre issued a disaster declaration on Feb. 1, creating the opportunity for state assistance should the governor follow suit.

Repeated storms with winds near 100 mph were part of the problem, but even more damaging have been storms with wet snow that caused a buildup of heavy ice on power lines. In the week between Christmas and New Year, 21 spans of ice-laden transmission wire were brought to the ground and a pair of transmission structures broken near Cooper Landing and Turnagain Pass.

A long section of the 115-kilovolt transmission line linking the Kenai Peninsula and Anchorage sustained major damage and has been out of service since Jan. 25. Near Canyon Creek, a wooden pole at a transmission structure was snapped in half due to the weight of ice that grew to a foot in diameter. Crews have been dealing with bad weather, deep snow and rough terrain as they work to build a snow road to the site so the structure can be repaired and 3,000 feet of new line strung with the aid of a helicopter. Chugach hopes to complete those repairs in the next several days, weather permitting.

Due to the damage the transmission line has been de-energized between the Portage and Hope substations for more than a week. While Chugach had been able to supply customers by feeding from other resources on either side of the problem, the break in the line has prevented the flow of hydro power off the Kenai. All six of the electric utilities in the Railbelt take power from the state-owned Bradley Lake hydroelectric project near Homer. With Bradley Lake power unavailable until the line is repaired, utilities north of the peninsula have to burn more fuel for power generation.

The storm that started Wednesday of this week has brought more trouble. In addition to outages in Moose Pass it cut the flow of power on the transmission line between Cooper Landing and the Hope Substation. Chugach suspects another section of downed line caused the problem, but due to bad weather has been unable to assess the line by helicopter while avalanche danger has prevented ground patrols by snowmachine or on snowshoes. Chugach has crews on the northern Kenai Peninsula and will continue working to restore service.

Chugach is the largest electric utility inAlaska, providing power for Alaskans throughout the Railbelt through retail, wholesale and economy energy sales.

Disaster Declaration

KENAI PENINSULA BOROUGH
144 North Binkley Street • Soldotna, Alaska 99669-7520
Toll-free within the Borough: 1-800-478-4441
PHONE: (907) 262-4441 • **FAX**: (907) 262-1892
www.borough.kenai.ak.us

MIKE NAVARRE
BOROUGH MAYOR

LOCAL DISASTER EMERGENCY DECLARATION

WHEREAS, on December 11, 2011, December 18, 2011, and again on December 20, 2011, a series of major windstorms resulted in widespread power outages occurring in the northern portions of the Kenai Peninsula Borough, threatening life and property; and

WHEREAS, widespread damages to the power utility occurred on December 11, 2011 in the northern portion of the Kenai Peninsula Borough affecting Cooper Landing, Moose Pass, Hope, and Sunrise, due to a major power transmission line being damaged by snow and ice accumulation and by several spans of distribution lines being knocked down from ice, snow and falling trees; and

WHEREAS, approximately 500 homes and businesses in Hope, Sunrise and Moose Pass were left without power for 48 hours due to damages that also required the installation of an emergency generator to provide power to the community of Hope; and

WHEREAS, on December 18, 2011, another storm with severe winds and heavy snow caused transmission lines to sag and trip causing power loss to Moose Pass and Sunrise residents, with approximately 500 homes and businesses being affected for approximately 24 hours; and

WHEREAS, on December 20, 2011, a third storm with severe winds and heavy snow caused transmission lines to again sag to the ground and trip off line. The community of Moose Pass was without power for approximately 60 hours, and the community of Sunrise was without power for twenty of thirty days as a result of the series of storms; and

WHEREAS, repairs to power transmission lines are continuing; and

WHEREAS, Chugach Electric, a non-profit association, has requested assistance from the Kenai Peninsula Borough for unanticipated expenses related to the storm damages, exceeding $1,500,000.00; and

WHEREAS, KPB a second-class borough does not have the authority to provide financial support to utility companies, nor to repair or replace their damaged facilities and infrastructure, and therefore the damages exceed the capability and authority of the KPB;

THEREFORE, as Mayor of the Kenai Peninsula Borough I hereby declare a Disaster Emergency per AS 26.23.140 to exist in the Kenai Peninsula Borough in the following areas: the communities of, Hope, Sunrise, Cooper Landing, and Moose Pass, and other areas determined to have been damaged by the major windstorms described above.

FURTHERMORE, it is hereby respectfully requested that the Honorable Sean Parnell, Governor of the State of Alaska, declare a disaster emergency to exist as described in AS 26.23.020 and provide disaster assistance to the Kenai Peninsula Borough, and to the utility company that has responded to this disaster The borough specifically requests public assistance with temporary and permanent repairs to electrical distribution systems, and technical assistance to evaluate damages.

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Signed Mike Navarre Date 2/1/12
Mike Navarre, Mayor

ATTEST:

Johni Blankenship
Borough Clerk

KENAI PENINSULA BOROUGH 1964

HOPE LINE - Pole 100-125 Relocation

Scope includes: Clearing new powerline right-of-way along road
Install 25 single phase poles and framing
Install 8000 feet of single phase conductor

Task	Man-hours	Sell Rate	Total	
Mobe/Demob	40	$ 200.00	$ 8,000.00	
Install/retire	550	$ 200.00	$ 110,000.00	includes equipment
Lodging/per diem	120	$ 125.00	$ 15,000.00	
Clearing / Access	480	$ 160.00	$ 76,800.00	includes equipment
Owner Furnished Materials (OFM)			$ 46,000.00	
Land Rights Acquisition			$ 24,500.00	
Environmental			$ 24,000.00	
	Total w/o CEA Overhead		$ 304,300.00	
	AEA Grant Admin Fee		$ 6,086.00	
			$ 310,386.00	**Grant Request Amount**
	CEA Overhead **		$ 104,922.64	
		Grand Total	**$ 415,308.64**	**Total Project Cost**

OFM			
poles	25	$ 700.00	$ 17,500.00
framing	25	$ 500.00	$ 12,500.00
wire	8000	$ 2.00	$ 16,000.00
			$ 46,000.00

** Distribution overhead of 34.48% to be covered by Chugach