

Excerpt from the blog:

You may have heard that Chugach Electric Association has a rate case in front of the Regulatory Commission of Alaska. AARP Alaska has formally intervened in rate case because we see this case as an important inflection point for energy rates in Anchorage. We are primarily concerned with the fair treatment of residential customers, ensuring they are not required to subsidize other customer classes.

Chugach's filing and communications on the rate changes misrepresent the impact on their 90,000 customers. While Chugach states that its request is for a 6% electric rate increase, the actual percentages vary widely depending on customer class and location in Anchorage.

Chugach has proposed to increase the customer charge - the monthly fee customers pay before even turning on the lights - for most residential customers by more than 70% while other customer classes would receive decreased fixed charges. Seniors tend to live in smaller households and use less electricity, meaning increases to fixed charges disproportionately impact them.

Likewise, AARP is concerned that the largest rate increases are proposed for residents with the lowest usage. The percentage rate increase for residential households would be greatest for those with the least usage, and least for those with the highest usage. This rate increase structure disproportionately impacts older households because again, seniors tend to use less electricity than others.

Many of our Alaska AARP members are on low and/or fixed incomes, including 14% who rely on Social Security for 90% or more of their monthly income and 40% for whom 50% or more of their income is from Social Security. As a point of reference, in Alaska, the average Social Security retired worker benefit is around \$1500 per month.

This case could set a precedent for the future, when we are likely to see additional rate increases as Cook Inlet gas runs short and companies seek to transition to higher-cost alternatives. We want to make sure there's someone at the proverbial table to ensure that residential households are treated fairly as cost increases are allocated now and in the future.

AARP is formally intervening because we know that these rate increases will most impact those on fixed and/or low incomes. With inflation rising, any increase could be a major burden to our members. Utility bills contribute to overall housing costs, which are already soaring in Anchorage. Utility rates are an essential pocketbook issue for older Alaskans and their families, many of whom struggle to pay their utility bills and other household expenses like food and medicine.

As the Chugach case moves forward, AARP will continue to fight to prevent unfair residential utility rate hikes and to advocate on behalf of all residential customers on utility matters.

by Teresa Holt, AARP Alaska State Director