

Cascade Creek LLC

TA159-240

February 4, 2010

RCA Commissioners
701 West Eighth Avenue, Suite 300
Anchorage, Alaska 99501-3469

RECEIVED

By the Regulatory Commission of Alaska on Feb 04, 2010

RE: IPEC's tariff request intervention on behalf of impacted customers that want lower cost power. TA 159-240

Dear Commissioners,

My company is writing to intervene on the proposed tariff increase by Inside Passage Electrical Cooperative "IPEC". Our company is dedicated toward providing the lowest cost electrical energy to rural Southeast Alaska communities. Southeast Alaska has the greatest energy cost diversity between "have" and "have not" communities in America. Many of the energy "have not" citizens of Southeast Alaska are served by the RCA regulated utility of IPEC. IPEC ratepayers pay more for electricity, in part, because IPEC does not seek the lowest cost sources of electricity for their ratepayers.

Our company has offered an energy rate of 6.8 cent per kilowatt-hour to the community of Kake through a power purchase agreement from the Cascade Creek hydropower project. This energy rate was offered in return for support for the development of Thomas Bay hydropower projects. Cascade Creek and other hydropower projects in Thomas Bay could provide IPEC and communities they serve with reliable low-cost energy. IPEC to this point has refused to discuss our offer to the economic detriment of their Kake ratepayers who expect to be interconnected.

RCA should not authorize or accept a tariff increase until IPEC opens up power sales discussions with all public, private or agency power producers on a competitive and open basis. This would help provide the lowest cost energy to Kake now and in the future. RCA's consideration and implementation of enacting our request will not only save costs to IPEC ratepayers, but will also institute a larger responsibility to reduce unnecessary PCE subsidies that are paid by all Alaskan citizens to utilities that fail to provide low-cost energy for their ratepayers.

We recommend IPEC try to find ways to reduce its wholesale cost of energy. This would hopefully translate into lower industrial, commercial and retail rates to IPEC customers and actually increase IPEC's energy load and energy sales in its member communities. Low-cost energy drives an economy and creates opportunity for jobs and provides a means for IPEC ratepayers to pay their utility bills.

Sincerely,



Duff W. Mitchell
Business Development Director