



December 7, 2017

Mayor Ethan Berkowitz  
Municipality of Anchorage  
632 W. 6<sup>th</sup> Avenue, Suite 840  
Anchorage, AK 99501

Dear Mayor Berkowitz:

I am writing to express formal interest by Matanuska Electric Association's (MEA) to purchase some or all of Anchorage Municipal Light and Power (ML&P).

Since the recommendation released by the Anchorage Economic Development Corporation earlier this year, and the subsequent resolution by the Anchorage Assembly, MEA has been eager to participate in an open and transparent process to maximize the value of Railbelt solutions for both municipal residents and ratepayers. We appreciate being added by the Assembly as a listed stakeholder to engage in further discussions on the topic. Lacking any official contact from the Municipality on the subject to date, MEA has decided to proactively communicate our interest to you.

MEA is the oldest, second largest and fastest growing electric cooperative in Alaska. Our member-owned cooperative is uniquely suited to take on this challenge. Our service area shares a boundary and some assets with ML&P. In addition, approximately 22% of our meters are in the Municipality (14,983). To put this number in context, it is almost half of ML&P's approximately total 31,000 meters.

In addition, MEA's new Eklutna Generation Station power plant provides an excellent complement to ML&P's power generation suite with our 10 reciprocating engines that can provide small increments of power to optimize Plant 2A's efficient base load power.

Potentially most important is MEA's internal expertise along with the proven efficiency of our operations. Current metrics reflect that MEA has double the miles of line and serves a less dense service territory with far fewer employees than our peers. For example, recent reported data indicated MEA has one employee for every 344 meters, Chugach has one employee for every 275 meters, and ML&P with one employee for every 140 meters.

MEA looks forward to advancing discussions with you and your team on this topic. We believe an open competitive process will serve in the best interest of all power consumers. Please advise on how you would like to proceed.

Sincerely,

Anthony M. Izzo  
General Manager/CEO

cc: Anchorage Assembly