

# *NORTHERN LIGHTS*

*A BRIEF HISTORY  
of ALASKA'S  
ELECTRIC COOPERATIVES*

-----  
*ARECA*  
-----

ALASKA RURAL ELECTRIC COOPERATIVE ASSOCIATION

703 West Tudor Road, Suite 200, Anchorage, Alaska 99503

---

Copyright © 1994, Alaska Rural Electric Cooperative Association (ARECA).  
*May not be reproduced without permission. May not be sold.*

# INTRODUCTION

---

In 1844, a group of 28 people opened a cooperative food store in Rochdale, England. The principles of business they set out for themselves have become the basis for the organization of modern consumer-owned cooperatives, including Alaska's electric cooperatives.

These principles include giving each consumer-member an equal vote in the election of directors and other matters, and the return of earnings above expenses to each member in proportion to the amount of goods purchased.

The Rochdale Pioneers organized their cooperative in an effort to obtain

important goods at an affordable cost, initially selling just butter, flour, oatmeal and sugar. Most of the members were weavers, but other occupations — shoemaker, cabinet maker, tailor, printer, hatter, engineer — were also represented. Their cooperative effort met a common need.

It was a similar cooperative community spirit that brought the miracle energy of the Twentieth century — electricity — to many Alaska communities. It took the commitment and hard work of thousands of people to build the electric systems we have today, systems that provide the energy foundation for a good economy and safe and comfortable living.

At the Alaska Rural Electric Cooperative Association, we thought it appropriate during this 150th anniversary of cooperative business to take a look at



*Chugach Electric Association  
Annual Meeting, 1965.*

our own history, which stretches back more than 50 years. This booklet is dedicated to the men and women who have made that history, and in the process improved the quality of life in their communities — the former and current members, directors and employees of cooperatives throughout the state.

October 1994



# 1930s



*Americans without electricity.*



*Franklin Delano Roosevelt.*

Few communities in Alaska had electric service in the 1930s. They weren't alone. America's cities were energized, but nine out of ten farms in the States struggled to feed the nation without the helping hand of electricity. It had been 100 years since Joseph Henry developed the first electric motor, but farmers still lacked electric pumps that could ease irrigation and improve productivity. Children read and women sewed by dim kerosene lamps, which was like using flickering 25-watt light bulbs. Meanwhile, ninety percent of farms in France and Germany had electricity.

***The effort to electrify rural America became part of federal programs designed to pull America out of the Great Depression.***

The order President Franklin Delano Roosevelt signed on May 11, 1935 creating the Rural Electrification Administration (REA) would transform the lives of rural residents, including those in the Territory of Alaska. The REA provided low-interest loans to those willing to take on the challenge of building electric systems and paying back the loans. For-profit utilities didn't see enough profit in it, so groups of rural residents took on the task themselves by creating consumer-owned cooperatives.

The first in Alaska to take advantage of the new program were farmers relocated as part of another federal program. With a prolonged drought and severe dust storms in the Midwest, farms



*The colonists arrive.*



*Colonist tent camp in Palmer.*



were failing and rural residents suffered terribly. In 1934, no significant wheat crop survived. It's not surprising that more than 1,000 families applied for the opportunity of a new start in Alaska. The first 201 of the colonists arrived at a tent camp in Palmer in May of 1935. Farmers drew lots for 40-acre tracts, for which they agreed to pay \$5 or more per acre over a 30-year period. They worked together to clear land, build homes and prepare for the coming winter.

The Alaska they came to was sparsely populated. The 1930 census counted 59,278 in the entire Territory. Anchorage had just 2,736 people. Statehood was still more than 20 years away. Native tribal governments were recognized by the federal government in 1936, but settlement of land claims would take even longer to achieve.

While there were vague hints of a future oil industry, mining and fishing were the mainstay industries. The rich run of salmon in Bristol Bay was harvested with gillnets from sailing boats. The Kennecott mines near McCarthy were reputed to have the world's richest copper ore and Tin City had highest tin output on the North American continent. The farm colonists lived close to the largest gold mine in the Territory — the Independence Mine in Wasilla.

Most of the immigrant farmers would not remain on their farms. Those that did made their mark. In 1939, the farmers began supplying fresh produce to Fairbanks. But they still didn't have electricity.

They had asked the REA for help in organizing a cooperative in 1937. In 1940 they received a telegram — still the major communication tool of the day — authorizing formation of the Matanuska Electric Association (MEA). Far-off events would soon dramatically affect not only their electrification efforts, but the future of all Alaskans.

The world was at war.



*Planting in Palmer.*





*Homesteaders in Anchorage.*

Alaska became an important region of defense for the U.S. as Japan pursued its expansionist plans and Germany invaded its neighbors. Construction began in 1940 on military bases in Fairbanks, Anchorage, Sitka, Kodiak and Dutch Harbor. In 1942, Japan would bomb Dutch Harbor and occupy the Aleutian Islands of Attu and Kiska. By 1943, the islands had been recaptured by American and Canadian forces.

*The war effort both helped and hindered development of electric service in Alaska. New infrastructure and military surplus equipment would aid the effort in future years. But material shortages and rationing during the war created logistical hurdles.*

As the decade began, MEA was trying to build a transmission line to tap the power of a small hydroelectric plant in the Eklutna area. Supplies, such as copper wire, were hard to get and took two to six months to transport to Alaska. “The fact that the entire world is engaged in a great war has been a tremendous factor in making it most difficult to complete this project,” Dr. C. Earl Albrecht, one of the original incorporators, told co-op members in 1942. But they did it, and in April of that year were distributing electricity to 127 members. The co-op lent members money to wire their homes and businesses for electricity.

In Kodiak, residents were also forming a cooperative. They bought out the local power company and built new generation and lines to extend service in a community that was growing dramatically. Alaska was in the midst of one of many population booms. In 1943, there were 152,000 military personnel stationed in Alaska, compared with just 298 in 1937.

“During the war there were so many men in town that we couldn’t get them all in the store at once,” recalled Bea Nachtweih, who ran the Kodiak Variety Store. “We’d open the door at



nine o'clock in the morning. We'd let a crowd in, then lock the door and wait on them. Then we'd let them out and let more in."

After the war, opportunity seekers came north by ship or the new Alaska Highway, built as a military supply route. These new Alaskans turned to cooperatives for electricity.

In 1944, Justine Parks brought her children up to join her husband, who had worked on wartime construction projects. They settled in a small cabin in Chugiak. Mrs. Parks opened a coffeeshop, powered with her own generator and began a successful campaign for MEA service. "When the lights came on, everybody was going up and down the road looking at everybody with their lights on. It was quite a deal," she said.

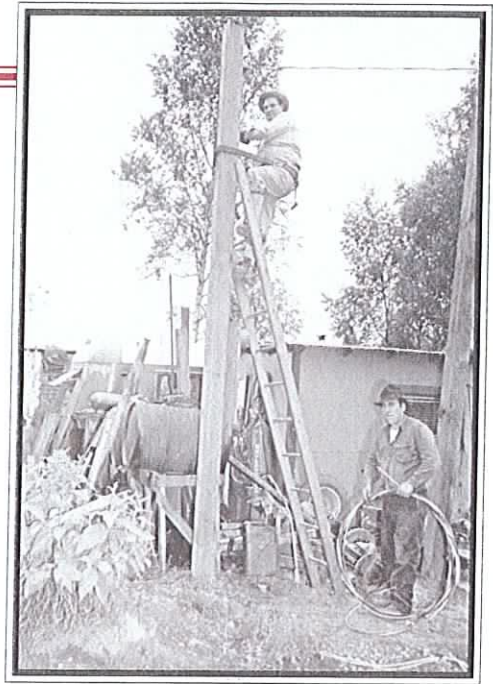
People close to Anchorage, Fairbanks and Juneau had a hard time getting electricity because local utilities couldn't meet existing demand, let alone extend service to new users. So, those living just outside city limits (what are now considered the downtown areas) formed cooperatives, hopeful the REA would consider their projects good credit risks.

"It seems impossible, but let's go for it," Cliff Haydon, one of the original incorporators of Golden Valley Electric Association (GVEA) told a small meeting of people near Fairbanks in 1947. Alaskans were used to doing the impossible, and the cooperative was soon planning service for 129 consumers in North Fairbanks and other surrounding areas.

Residents of Auke Bay, near Juneau, formed the Glacier Highway Electric Association in 1947. That same year, 200 people met in the Anchorage High School Auditorium to talk about forming what would become the state's largest electric utility — Chugach Electric Association. On November 11, 1948, Chugach energized members in nine Rogers Park homes.

As the lights came on, there were signs of continuing growth in Southcentral Alaska. Plans were underway for a larger federal hydroelectric project at Eklutna, and for Anchorage International Airport. A road was being constructed to link Anchorage and the Kenai Peninsula, and the road between Anchorage and the Matanuska Valley was being paved.

*The co-op's first truck.*



*Wiring in Mountain View.*





# 1950s



By 1950, there were 128,643 Alaskans, a 77 percent increase in 10 years. This growth helped spur a movement for statehood that intensified throughout the decade.

During these years, Alaska's electric cooperatives scrambled to obtain, build and promote the facilities necessary to provide electric service to the burgeoning population. Chugach Electric Association had 2,136 consumers by the end of 1950 and would have 12,500 by the end of the decade.

The co-op built a power plant next to Ship Creek — the Knik Arm plant — that supplied electric power for 34 years. Chugach's hydroelectric project at Cooper Lake became the impetus for connecting Anchorage and the Kenai Peninsula with a transmission line that allowed energy sharing. Cooper Lake and a federal hydroelectric plant built at Eklutna are still providing power to Alaskans.

Project financing wasn't easy to obtain. "I had a tough row to hoe on that basis," said Bob Retherford, who came to Alaska as Chugach's Chief Engineer in 1950 and later worked as a consultant on many power projects. "It took a lot of faith on the part of REA," he said. The cooperative sought 35-year loans. "They (REA) were always going 'Are you guys going to last that long?'"

Electrification took the faith and hard work of many people. It took years to organize a cooperative. People joined knowing it could be a long wait before they received electricity. "I've been a member since 1951, but didn't connect to power until 1953," said Leo Rhode, still a current member, and a former director of Homer Electric Association. It was worth the wait. "Electricity made a much better world and much better living conditions—less hazardous, to say nothing of the convenience," he said.

By 1952, there were six electric cooperatives, serving areas in or around Anchorage, Fairbanks, Homer, Juneau, Kodiak, and Palmer. They formed a trade association, the Alaska Rural Electric Cooperative Association (ARECA), to share information and promote rural electrification. Existing cooperatives extended their expertise and advice to each other, and to those who were still trying to electrify their communities.



*"Women Only" program.*





*Glennallen in 1953.*



*Chugach memberships.*

“Everybody was trying to help the other guy,” said Mrs. Parks, who was by then president of MEA’s board of directors. “That’s what a cooperative is,” she said. “It’s a bunch of people getting together to solve problems.” Mrs. Parks later became the first woman to serve on the board of the National Rural Electric Cooperative Association.

MEA, in particular, secured financing for systems installed in remote areas, such as Unalakleet and Stony River. Also by the end of the decade, local cooperatives were providing electricity to residents in Kotzebue and Glennallen.

The board of directors for an electric cooperative typically reflects the community, as did Kotzebue Electric Association’s first board. It had bush pilots, a local grocery store owner, a reindeer herder, a mechanic, the administrator for the Friends Mission, and a federal employee. As other co-ops did, Kotzebue initially drew power from the generators of local businesses. Its first purchased equipment came from a nearby mining operation.

Electricity made other things possible, and Alaskans took advantage of new opportunities. In 1957 they were labeled the “telephoningest people on earth,” averaging 630 telephone conversations that year compared to 426 for Statesiders. Radio was a popular pastime, and television had made its debut — though only Ketchikan and Anchorage had television stations.

A herald of Alaska’s economic future came with the discovery of oil on the Swanson River near Kenai in 1957. It’s political future was secured when Alaska officially became the 49th State on January 3, 1959. It was a status that would be significant for Alaska’s residents in the years ahead.



*Homer co-op board views generator.*



# 1960s



*Earthquake damage in Anchorage.*

The 1960's were a time of great disaster and great discovery in Alaska. As the country contended with international and domestic turmoil, Alaskans confronted natural disaster.

At 5:46 p.m. on March 27, 1964, the strongest earthquake ever recorded in North America struck Southcentral Alaska. The Anchorage area lost power immediately, and local power plants were damaged. But limited power was restored quickly. Coastal communities, including Valdez and Kodiak were hit harder. Powerful tsunamis generated by the quake devastated Kodiak's waterfront businesses and washed fishing boats 1,000 feet inland. Water rose near KEA's power-house floor, and debris in the waves smashed into the plant's cooling system.

***"I think we have the distinction of having the only power plant in the country that has been hit by a passing cannery,"  
Leon (Ole) Johnson, KEA's general manager, said after the earthquake.***

---



When Valdez residents rebuilt their town on a new site after the quake, the local utility couldn't provide power. So, the Glennallen-based cooperative, Copper Valley Electric Association, assumed the responsibility.

Fairbanks was spared the earthquake's devastation, but suffered a major flood in 1967. That same year, Golden Valley Electric Association began operation of a new generation plant at Healy that used locally mined coal, assuring the area of a stable power source.

In 1968, Chugach Electric Association completed an ambitious project to make use of natural gas discovered at the Beluga River. The project included burying four submarine cables under Cook Inlet. The new plant at Beluga would eventually become the largest

*GVEA appliance store.*





single source of power in Alaska's Railbelt region. Use of the inexpensive gas fuel would help to keep electricity rates low.

More of the larger rural communities now had cooperative power. Naknek Electric Association, originally incorporated in 1949, finally got a loan approved in 1959 and began serving the area in 1960. Residents of Dillingham formed the Nushagak Electric Cooperative in 1964 to take over and expand that city's existing system. Barrow also developed a utility system that included an electric cooperative.

Still, electric power was rare in villages. Limited power might be available from a local store or a personal generator. But an REA report in 1966 noted that 206 villages were without central station electric service.

Alaska benefitted from President Lyndon Johnson's commitment to fight poverty. REA brought together federal and state agencies and rural leaders. They created the Alaska Village Electric Cooperative (AVEC) in 1967. A pooling of agency resources and strong local involvement helped make the electrification project feasible. Villages interested in service guaranteed hookups by 80 percent of the homes, donated land for the power plant and volunteered labor to help with unskilled tasks.

Better lighting, economic opportunity and refrigeration were among the universal reasons villagers wanted electricity. Greater safety was also important. "I knew kids who got burnt up trying to handle gasoline lights and primer stoves," remembered Willie Hensley, who was a state legislator at the time and agreed to serve as AVEC's first board president.

AVEC left a legacy beyond electricity by providing one of the first opportunities for villagers to be involved in developing a major community facility, said Hensley. "Here was something that was in the hands of local people," he said.

Though most of Alaska was still considered remote, the outside world was coming closer all the time. In 1969, Alaska received its first live television broadcast, a special satellite transmission of the first moon walk. That same year, the young State of Alaska received \$900 million for oil leases at Prudhoe Bay. Alaska's black gold rush was on its way.

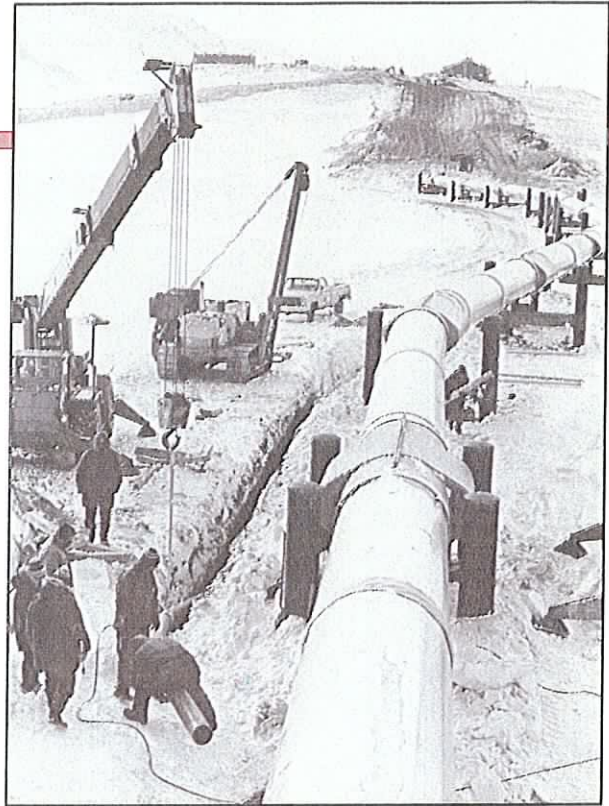


*AVEC and NRECA officials in Washington, D.C.*



# 1970s

Construction of an 800-mile pipeline to carry North Slope crude oil to port in Valdez could not begin until Congress took action in 1971 to resolve Native land claims through passage of the Alaska Native Claims Settlement Act in 1971. Environmental issues also delayed the pipeline. But an oil embargo by Arab nations in 1973 helped push the project forward by bringing fuel shortages and high oil prices. On November 16, 1973, President Richard Nixon signed legislation authorizing construction of the Trans-Alaska Pipeline. Unfortunately, the high prices lingered even after the embargo, with a barrel of oil costing three times in 1974 what it had cost a year earlier.



*Pipeline construction.*

## *Wiring a village home for electricity.*



Alaska's population swelled as pipeline construction began. It would grow by almost 100,000 people in this decade. Once again, Alaska's electric utilities were faced with the challenge of meeting a dramatically rising demand for electricity, this time in the midst of a world oil crisis.

Communities relying on diesel generation were hit hard. Not only had the cost of producing energy skyrocketed, but with rationing, fuel wasn't always available to meet the rising demand. Kodiak was once within a day of being without fuel; special government orders were needed to obtain an emergency fuel shipment.

Like other electric utilities around the state, Kodiak Electric Association asked its members to conserve energy. Consumers could no longer get yard lights; merchants were asked to turn off all outside and window display lighting; the City of Kodiak reduced street lighting.





Those trying to electrify Alaska's villages were also faced with increased labor costs and labor shortages as workers jumped at high-paying pipeline jobs. "It was a real juggling game to try to keep the thing going," remembers Loyd Hodson, AVEC's general manager at the time.

Meanwhile, economic development and social policies geared to improving the quality of life were creating infrastructure throughout Alaska that increased the need for reliable, affordable electric service.

Coastal communities experienced a population boom created by changes in the fishing industry. The value and volume of fish and shellfish caught more than doubled between 1976 and 1980. The implementation of a 200-mile offshore fishing limit in 1978 promised a bright future for the groundfish industry. Facing growth, residents of Cordova decided in 1978 to transfer ownership of their utility from the city to a newly formed cooperative in order to assure reliable service and to qualify for federal funds to expand their system.

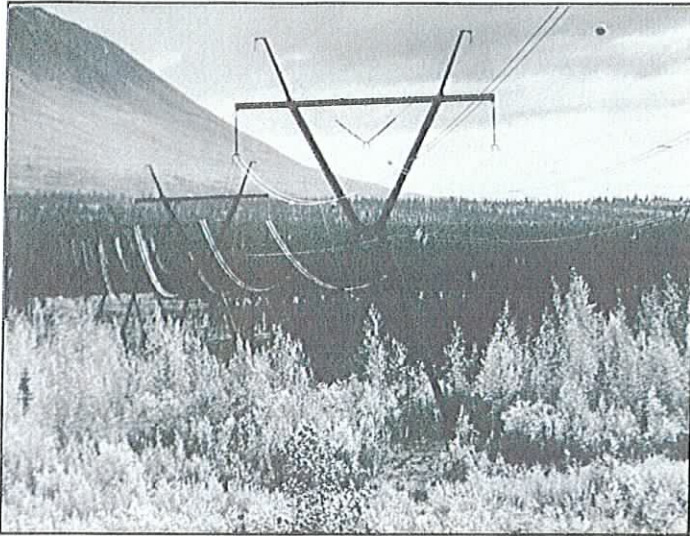
"In the early seventies, the desperate need for more housing in the Native communities in Southeast was being addressed by the newly formed Housing Authority," remembered Frank See of Hoonah. One hundred and sixty federally funded all-electric homes were built in several Southeast Alaska villages before it was learned that existing community electrical systems couldn't handle the increased load. REA provided a loan for improvements to a new Tlingit-Haida Regional Electrical Authority, a consumer-owned utility under the supervision of the Tlingit-Haida Central Council.

New schools also increased the need for electricity. In 1976, the courts ordered the State of Alaska to provide high schools in Alaska's villages. Installation of earth stations by Alascom in remote communities throughout the state provided the opportunity for telephone systems and television reception. An escalating growth in the use of computers also began to increase reliance on electricity. In the decades ahead, electric cooperatives would use computer technology in sophisticated energy dispatching systems and customer service programs.



*Cordova, 1970.*





# 1980s

*Anchorage-Fairbanks Intertie under construction.*

Faced with rising oil prices, utilities dependent on diesel generation dusted off old plans for developing hydroelectric resources. Hydroelectric projects require a large up-front cost to construct, but the fuel itself is free and constantly replenished by nature.

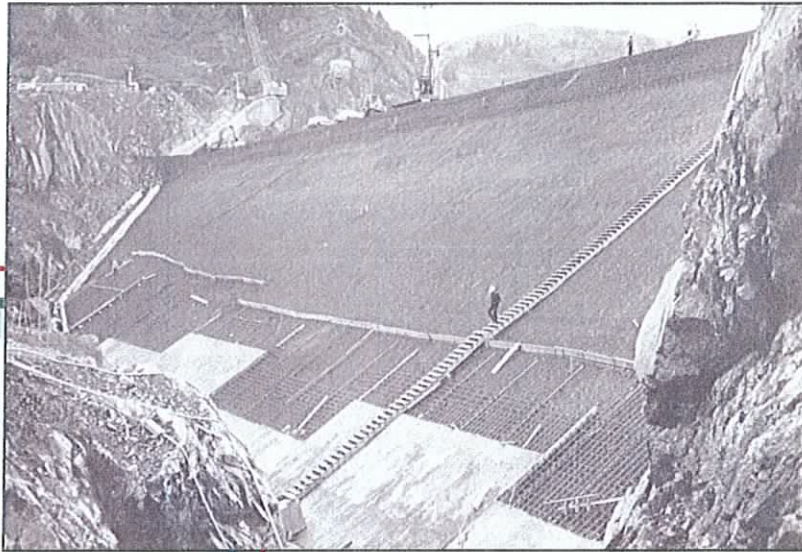
While rising oil prices made electricity more expensive, the State of Alaska was getting increased revenue from oil royalties. It decided to use some of this windfall to build lasting infrastructure that would benefit residents in the future. The Alaska Legislature created the Alaska Power Authority to promote, finance and construct power projects. Electric cooperatives and other utilities provided legally binding promises to purchase power, which helped the state in developing grant, loan and bond financing packages for the projects.

In the early 1980s, the state finished construction on four hydroelectric projects called the Four Dam Pool. Two of the projects, at Solomon Gulch near Valdez and Terror Lake near Kodiak, are managed for the state by electric cooperatives and supply power to their members. Projects at Swan and Tyee Lakes supply power in Southeast Alaska. A plan to build a major hydroelectric project on the Susitna River was scrapped in the mid-1980's as state revenues plummeted with falling oil prices, and load projections indicated the market for power was too small. Near the end of the decade, the state began construction on a project at Bradley Lake which now provides 10 percent of the power used in Alaska's Railbelt region, stretching from Homer to Fairbanks. Transfer of energy throughout the Railbelt was made possible with completion of an Anchorage-Fairbanks transmission intertie in 1986.



*Operators at INN Electric Cooperative (1994).*





*Construction of Bradley Lake dam.*

The Terror and Bradley projects were notable for their attention to environmental concerns. For instance, water flows were managed to protect and even enhance downstream fisheries.

The state explored options for hydroelectric and other projects in rural areas, but found no financially

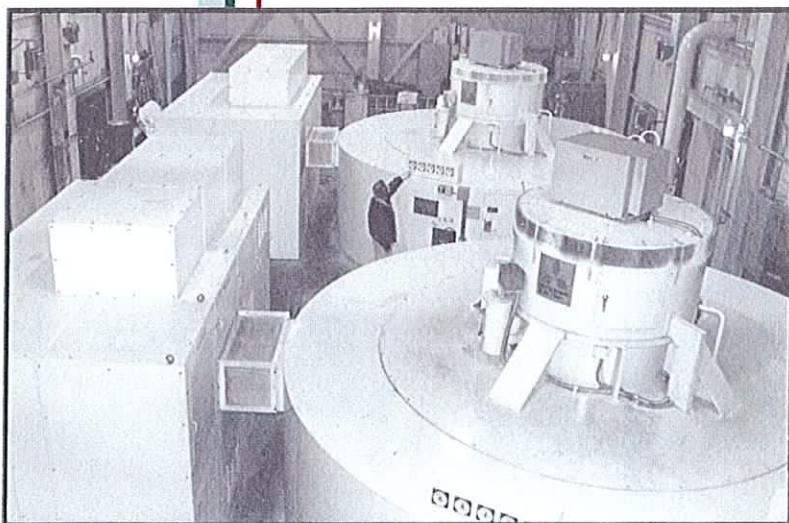
practical alternative existed to diesel generation for many villages. Through grants and loans the state helped to fund electrification of many communities, including some which chose to organize their electric utilities as consumer-owned cooperatives. These included the communities served by INN Electric Cooperative in the Iliamna area, Middle Kuskokwim Electric Cooperative, based in Red Devil, and Levelock Electric Cooperative.

Rural communities still faced high electric bills that were due, in large part, to high fuel costs. "By 1980 the price of oil was up 500 percent higher than when AVEC started," said Hodson. It remained relatively high even with a dramatic drop in oil prices in the mid-80s.

In an effort to make electricity affordable for rural Alaskans, the State of Alaska began assisting rural residents with electricity costs in areas

dependent on diesel generation. The Power Cost Equalization (PCE) program pays part of the cost of a basic 700 kilowatt-hours of electricity. Even with the assistance, rural consumers often pay nearly double what urban residents do for electricity.

Construction of electricity-reliant facilities and services continued through the 1980's. Community meeting halls, village laundromats, telephone, water and sewer systems were built. Electricity became a necessity.



*Turbines at Terror Lake powerhouse.*



# 1990s



*Powering future skills.*



*Powering health services.*



*Powering business.*

Today, cooperative electricity brightens the lives of most Alaskans. An estimated 357,000 people get the electricity they use from a cooperative.

Electricity has created safer living and greater economic opportunity. It has made improvements possible in public health conditions and Alaskans' standard of living. It has connected us to the world by energizing telephone, television and other telecommunications. It has both made life simpler and allowed Alaskans to keep up with an ever more complex world.

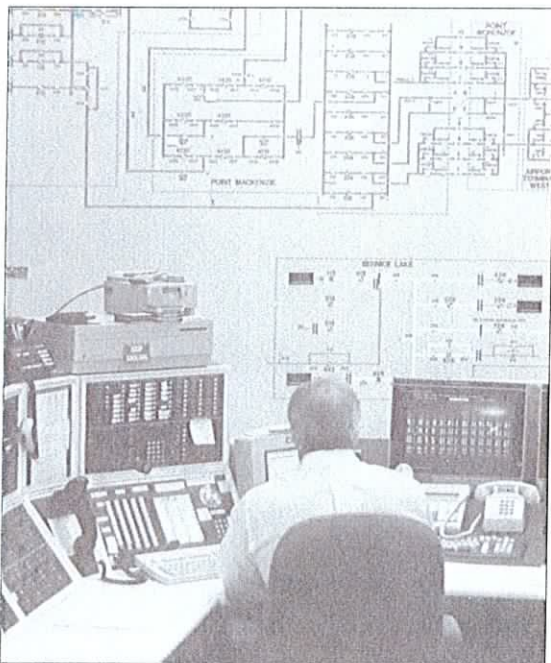
Electric service is now the norm, not the exception. Utilities are, however, still extending lines to connect those few who are without service. Those just now receiving service have probably been producing their own electricity with generators. But they delight in getting service every bit as much as those before them.





***“It’s going to be nice not to have to go out at 20 below and start that generator.”***

***Mike Slater, a resident of Mosquito Lake, near Haines, who was hooked up to electric service with T-HREA in 1993.***



*Computerized dispatch center at Chugach.*

“There’s a lot of little things, little appliances that I’ll be able to use,” said Mike’s mother, Erma Slater, who lived without “juice,” as she called it, for 21 years.

Through the years, Alaska’s electric cooperatives have taken advantage of new fuel sources and technologies to bring the lowest-cost power possible to their member-consumers. In some cases, prices are much cheaper than they were “in the old days.” In Fairbanks in 1938, for instance, one kilowatt-hour of electricity cost 25 cents in 1938 dollars. Today, GVEA supplies power at about nine cents per kilowatt-hour in 1994 dollars — close to the national average cost. Access to and development of hydroelectric and natural gas resources, construction of interties to allow energy sharing, and use of modern computer technology have helped cooperatives provide power at reasonable cost throughout the Railbelt. Outages caused by power shortages are rare.



# The Future

---

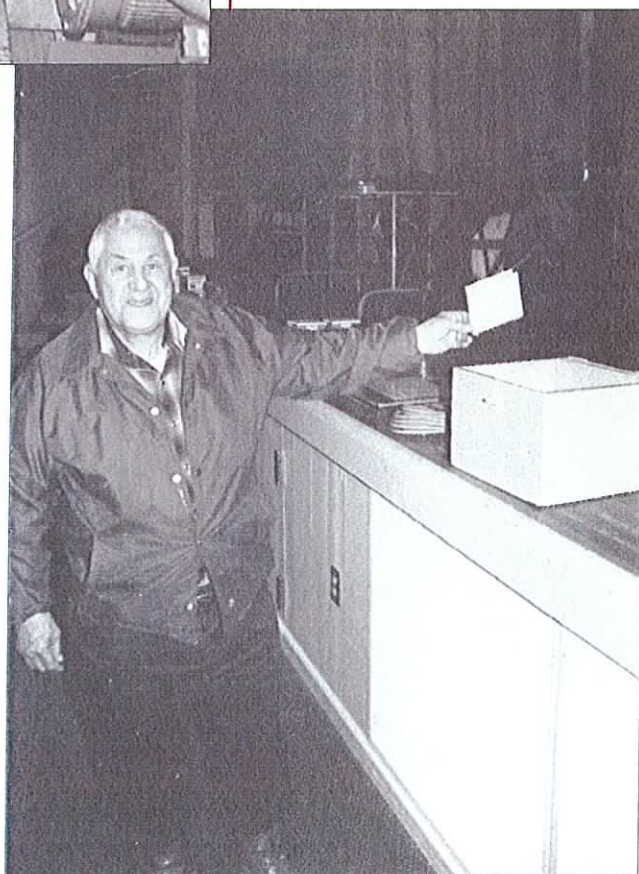


*Brevig Mission children  
admire new generator.*

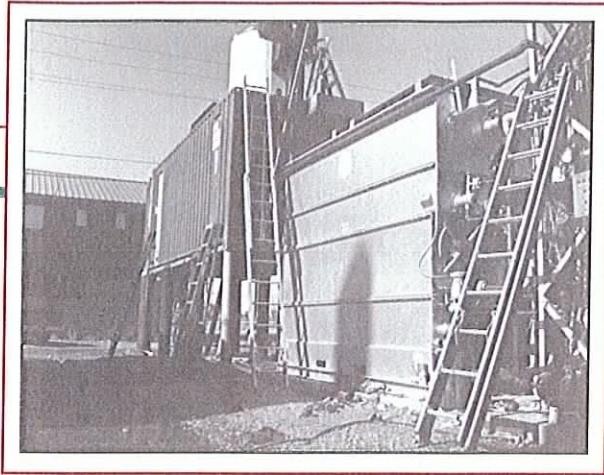
*Voting for directors at Naknek.*

The challenge isn't over. Advances in technology and increasing demand require continual upgrading of equipment. Utilities are now strengthening their ability to share energy resources within the Railbelt by planning the construction of two new transmission lines to supplement those built in the 1950s and 1960s. Also, efforts are underway to expand the grid to allow those in the Copper River basin and Valdez to share the abundant energy resources of the Railbelt.

There are still many areas of the state where the cost of generation requires government assistance to make electricity affordable. Alaska's cooperatives continue to search out ways to further increase the efficiency of diesel generators and are exploring alternative technologies, using renewable resources such





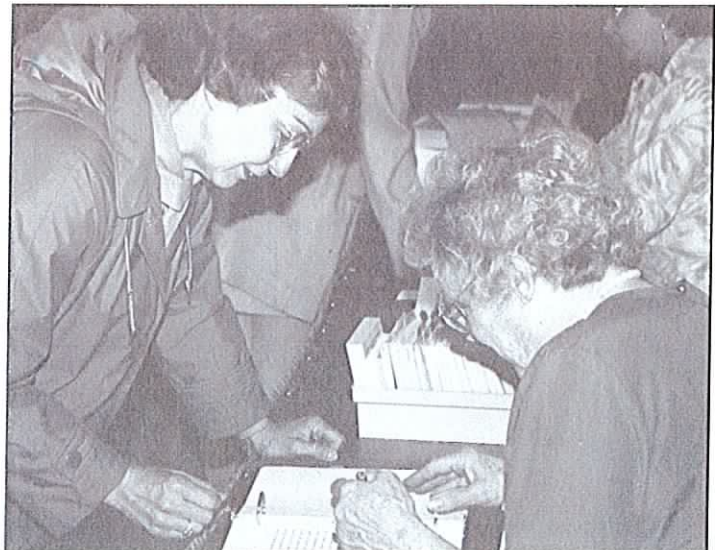


*Kotzebue uses waste heat to provide ice for fishermen.*

as water, wind and the sun in the search for affordable power. As in the past, cooperatives work in partnership with state and federal agencies that are dedicated to this effort.

Alaska's electric cooperatives also continue to work with each other in the interest of their consumer-members. An insurance company cooperatives formed in the 1980s continues to provide member utilities with low premiums and profit-sharing. An educational foundation provides earnings on invested funds that participating cooperatives use to assist education of their members through scholarships and other awards. Cooperatives also jointly created a technical school program to assure good training for power generation personnel.

Alaska's electric cooperatives have been operating for far fewer than the 150 years since the founding of the first modern cooperative. But they have accomplished a great deal. The service they have built began with neighbors having the faith and forging the commitment to join together in a risky venture. Hundreds of individuals have served their community as unpaid or minimally-paid elected directors of their cooperatives as a community service. Each modern-day member who attends their annual meeting, votes in an election or participates in other ways, continues to contribute to their cooperative's success and to the well-being of their community. Hard-working employees, who are also usually members, have helped build strong cooperatives. Through their continued hard work and dedication, Alaska's cooperative members, directors and employees will help to keep Alaska's future bright.



*Registering for an annual meeting.*

# *ARECA MEMBER COOPERATIVES*

The Alaska Rural Electric Cooperative Association (ARECA) is the statewide trade association for electric cooperatives in Alaska. In 1994, 16 member cooperatives and one regional electrical authority participated in the organization with a representative from each utility sitting on ARECA's board of directors. Other types of electric utilities participate as Contributing Members of the organization.

All of the cooperatives are owned by the people they serve, who elect the directors that establish policy and hire management. All of them were created through the community spirit of people who saw a common need and worked together to meet that need.

---

## *Alaska Electric Generation & Transmission Cooperative*

A generation cooperative owned by Homer Electric Association and Matanuska Electric Association.

## *Alaska Village Electric Cooperative*

AVEC serves more than 5,400 consumers in 50 Western Alaska villages.

## *Chugach Electric Association*

Chugach provides electricity to more than 63,000 retail consumers in the Anchorage and upper Kenai Peninsula areas and sells wholesale power to utilities from Homer to Fairbanks.

## *Copper Valley Electric Association*

CVEA serves more than 2,600 consumers in Valdez and 14 communities in the Copper River Basin.

## *Cordova Electric Cooperative*

CEC serves more than 1,500 consumers in the Cordova area.

## *Golden Valley Electric Association*

GVEA serves more than 26,700 consumers in the Fairbanks area.

## *Homer Electric Association*

HEA serves more than 18,100 consumers living on the Kenai Peninsula.

## *INN Electric Cooperative*

INNEC serves 256 consumers in Newhalen, Iliamna and Nondalton.





***Kodiak Electric Association***

KEA serves more than 5,100 consumers on Kodiak Island.

***Kotzebue Electric Association***

KotzEA serves more than 1,000 consumers in Kotzebue.

***Levelock Electric Cooperative***

LEC serves 73 consumers in the community of Levelock.

***Matanuska Electric Association***

MEA serves 29,000 consumers in the Matanuska Valley area.

***Middle Kuskokwim Electric Cooperative***

MKEC serves 172 consumers in five Kuskokwim River villages: Sleetmute, Stony River, Chuathbaluk, Crooked Creek, and Red Devil.

***Naknek Electric Association***

NEA serves more than 760 consumers in Naknek, South Naknek and King Salmon.

***Nushagak Electric Cooperative***

NEC serves 1,100 consumers in Dillingham and Aleknagik.

***Tlingit Haida Regional Electrical Authority (T-HREA)***

T-HREA serves more than 1,100 consumers in Angoon, Hoonah, Kake, Klawock, Kasaan, and the Mosquito Lake area.

***Unalakleet Valley Electric Cooperative***

UVEC serves 235 consumers in the community of Unalakleet.

# Cooperative Principles

---

## *The business principles set out by the Rochdale Pioneers for their cooperative food store in 1844 were:*

*The store is open to all, charges ordinary market prices, receives only ready money and gives no credit, gives dividends in proportion to purchase. Every member must have a share or shares and receive good interest. All are equal in voting power, whether they have few or many shares. The store sells genuine articles that are what they profess to be, and has an honest manager and an active committee (board of directors). The Society insists on an efficient and intelligent audit and stock taking.*

---

These basic principles were used to develop a set of modern principles. In 1966, the International Cooperative Alliance adopted six principles that have been used as guidelines in developing laws that govern cooperative business enterprises:

### *1. Open and voluntary membership.*

Membership in a cooperative should be voluntary and available without artificial restriction or any social, political or religious discrimination to all persons who can make use of its services and who are willing to accept the responsibilities of membership.

### *2. Democratic Control.*

Cooperatives are democratic organizations. Their affairs should be administered by persons selected or appointed in a manner agreed by the members and accountable to them. Members of primary cooperatives should enjoy equal rights of voting (one member, one vote) and participation in decisions affecting their organizations.

### *3. Limited interest on shares.*

Share capital should receive only a strictly limited rate of interest, if any.



*ARECA meeting.*



***4. Return of surplus to members.***

Surplus or savings, if any, arising out of operations of a cooperative belong to the members and should be distributed in such manner as would avoid one member gaining at the expense of others. This may be done by a decision of the members as follows: a) by provision for the development of the business of the co-op; b) by provision of common services; c) by distribution among the members in proportion to their transactions with the co-op.

***5. Cooperative education.***

All cooperatives should make provision for the education of their members, officers, and employees, and of the general public in the principles and techniques of cooperatives, both economic and democratic.

***6. Cooperation among cooperatives.***

All cooperatives, in order to serve the interests of their members and their communities should actively collaborate in every practical way with other cooperatives at local, national and international levels.

## Credits

*Thank-you to the many organizations that provided the use of photos for this project:*

### *Alascom Inc.*

Installing Alascom Earth Station.– page 13

### *Alaska Newspapers*

Kotzebue uses waste heat to provide ice  
for fishermen.– page 19

### *Alaska Energy Authority*

Construction of Bradley Lake dam.– page 15  
Anchorage-Fairbanks Intertie under  
construction.– page 14

### *Alyeska Pipeline Service Company*

Pipeline construction.– page 12

### *The Anchorage Museum of History and Art*

Chugach Annual Meeting.– page 3  
The colonists arrive.– page 4  
Colonist tent camp in Palmer.– page 5  
Planting in Palmer.– page 5  
*Kodiak Daily News* Headline.– page 6  
*Anchorage Times* Headline.– page 8  
"Women's Only" program, Ward Wells  
Collection.– page 8  
Glennallen in 1953, Steve McCutcheon  
Collection.– page 9  
Chugach Memberships.– page 9  
Earthquake damage in Anchorage.– page 10  
Cordova, 1970, Steve McCutcheon Collection.– page 13

### *Alaska Village Electric Cooperative*

Counting votes for Nunapitchuk's AVEC delegate.– page 11  
Wiring a home for electricity.– page 12

### *Chugach Electric Association*

Homesteaders in Anchorage.– page 6  
Wiring in Mountain View.– page 7  
The co-op's first truck.– page 7  
Computer dispatch center at Chugach.– page 17

### *Golden Valley Electric Association*

GVEA appliance store.– page 10

### *Homer Electric Association*

Homer's co-op board views generator.– page 9

### *NRECA*

Americans without electricity.– page 4  
Franklin Defano Roosevelt.– page 4

### *Willie Hensley*

AVEC and NRECA officials in Washington, D.C.– page 11

## Acknowledgements

This history of Alaska's electric cooperatives was compiled using material provided by ARECA's member cooperatives and in publications on Alaska history. Loyd Hodson, Justine Parks, Bob Retherford, and Willie Hensley gave generously of their time for interviews. Diane Brenner of the Anchorage Museum of History and Art was particularly helpful in locating photographs for use in the booklet. ARECA extends a special thank-you to all of these people and to everyone at our member cooperatives who contributed to this project.

*Printing:* AT Publishing

*Graphic Design and Layout:* ENRI, UAA, Wanda Seamster

*Writer/Editor:* Patti Harper