



SERVICE LEADER IN COMMERCIAL INSURANCE

February 22, 2021

Jennifer Mannix
3260 Hospital Drive
Juneau, AK 99801

RE: Insured: Alaska Energy & Resources Company
Date of Loss: 11/11/2020

Dear Jennifer,

We have completed our investigation into this power surge incident. Our investigation included an independent forensic engineering inspection of the insulator in question and the review of applicable documentation.

On November 11th, 2020, a 69kv post insulator spontaneously fractured, causing a transmission line to fall into the distribution lines below resulting in an unexpected power surge. We understand the post insulator fractured due to a combination of the weight associated with ice buildup and wind forces applied to the supported conductors.

The post insulator was in excellent condition prior to the fracture. There were no signs of degradation or surface cracking that would have been identified in a visual inspection. The weather event involving both ice and wind exceeded the design strength mandated by the National Electric Safety Code.

We do note that power surges can occur in homes and businesses for a variety of reasons such as lightning, switching transients, and transferred voltages. Customers can provide overvoltage protection to specific appliances with power strip surge arresters, and for their entire property with whole-home surge arresters.

Based on our investigation, we have determined that our insured is not liable for this incident. Our investigation concluded that this incident was caused by extraordinary natural forces which our insured could not foresee and, consequently, was not able to prevent or control. Therefore, we must respectfully deny your claim.

If you have any questions, would like to discuss the claim, or have additional documentation or

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information you would like us to review and consider, please contact our independent adjuster handling this incident:

- Johanna Grasso, McLarens Regional General Adjuster
- Email: Johanna.grasso@mclarens.com
- Phone: 415-518-0392

Please Note: The statute of limitations for property damage claims in Alaska is two (2) years from the date of loss. Therefore, you or your representative must file suit by 11/11/2022 to preserve your claim.

Sincerely,



for

Jeff Hughes, CPCU, ARM, SCLA, AIC, CRIS
Claims Supervisor