

**CHUGACH ELECTRIC ASSOCIATION, INC.**  
**Anchorage, Alaska**

**BOARD OF DIRECTORS' MEETING**  
**AGENDA ITEM SUMMARY**

**February 18, 2008**

**ACTION REQUIRED**

**AGENDA ITEM NO. X.F.**

       Information Only  
  X   Motion  
  X   Resolution  
       Executive Session  
       Other

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**TOPIC**

Resolution Supporting the ML&P/Chugach Merger Study Advisory Panel Actions of the February 7th

**DISCUSSION**

On June 15, 2007, Chugach and Municipal Light and Power agreed to jointly study the potential benefits from merging, conducting joint operations and building new generation.

Chugach and Municipal Light and Power created an Advisory Panel for the purpose of overseeing the study process. The Panel was co-chaired by Anchorage Mayor Mark Begich and Chugach Board Chair Elizabeth Vazquez to manage.

On November 6, 2007, Chugach and Municipal Light and Power retained Navigant Consulting to conduct the study and Navigant produced the Phase I report.

On February 7, 2008, the public provided comments on the Navigant Phase I report.

**MOTION**

Move that the Board of Directors of Chugach Electric Association, Inc. directs the Acting Chief Executive Officer to accomplish the Advisory Panel's original and amended motion as outlined on the attached resolution.

## RESOLUTION

WHEREAS, Chugach and Municipal Light and Power agreed to jointly study the potential benefits from merging, conducting joint operations and building new generation on June 15, 2007.

WHEREAS, Chugach and Municipal Light and Power created an Advisory Panel for the purpose of overseeing the study process. The Panel was co-chaired by Anchorage Mayor Mark Begich and Chugach Board Chair Elizabeth Vazquez to manage Navigant Consulting and the study, and included two member representatives from Chugach and ML&P.

WHEREAS, Chugach and Municipal Light and Power retained Navigant Consulting to conduct the study and Navigant produced a Phase I report on November 6, 2007.

WHEREAS, Chugach, Municipal Light and Power and the public provided comments on the Navigant Phase I report and Navigant addresses the comments and presented recommendations on February 7, 2008 to the Advisory Panel.

WHEREAS, the Advisory Panel approved a motion and the amendment to the motion as follows:

Original motion: *“That the management of CEA and ML&P immediately enter into discussions to merge, or otherwise combine, the generation and operations of the two companies in an enterprise or enterprises that would create substantial savings over operating the companies separately in such a fashion that both managements support as practical and beneficial to their customers and owners and report their findings back this panel within 60 days.”*

Amendment/addition: *“That this panel further ask the management of CEA and ML&P to plan to capture the savings contemplated in the Navigant study from cooperation on generation and that they do this in such a fashion that solicits participation and cooperation from other Railbelt utilities. This request is not meant to be used to delay a generation cooperation plan by requiring broader participation but, to ensure that the plan will provide for such action when and if it can happen.”*

NOW, THEREFORE, BE IT RESOLVED, that the Board of Directors of Chugach Electric Association, Inc. directs the Acting Chief Executive Officer to accomplish the Advisory Panel’s original and amendment/addition motion.

I, Alex Gimarc, do hereby certify that I am the Secretary of Chugach Electric Association, Inc., an electric non-profit cooperative membership corporation organized and existing under the laws of the State of Alaska: that the foregoing is a complete and correct copy of a resolution adopted at a meeting of the Board of Directors of this corporation, duly and properly called and held on the 18<sup>th</sup> day of February, 2008; that a quorum was present at the meeting; that the resolution is set forth in the minutes of the meeting and has not been rescinded or modified.

IN WITNESS WHEREOF, I have hereunto subscribed my name and affixed the seal of this corporation the 18<sup>th</sup> day of February, 2008.