

CHUGACH ELECTRIC ASSOCIATION, INC.
Anchorage, Alaska

REGULAR BOARD OF DIRECTORS' MEETING
AGENDA ITEM SUMMARY

February 25, 2009

ACTION REQUIRED

AGENDA ITEM NO. V.G.

Information Only
 Motion
 Resolution
 Executive Session
 Other

TOPIC

Beluga Units 6 and 7 Hot Gas Path Parts Refurbishments

DISCUSSION

As approved in the FY2009 budget on November 20, 2008, Power Supply is preparing to refurbish and bring into inventory hot gas components removed from Beluga Unit 7 during the summer of 2009. It is a requirement of our Strategic Alliance with Alstom that we maintain an emergency stock of hot gas components on hand.

Once refurbished, the components will reside in inventory and be available for emergency use for the Unit 6 C Inspection scheduled for 2010.

The components include rows 1 through 5 blades, rows 1 through 5 vanes, and sealing segments.

The quoted cost of repairs is \$1,412,128.00

The Parts refurbishments are controlled by the Strategic Alliance with Alstom Power. This alliance provides us with discounts on hot gas path components in our Alstom units.

BUDGETARY IMPACTS

Amount: \$1,412,128.00

Expense:

Capital:

Discussion: These parts will be entered into inventory and will be allocated in accordance to their need, either capital or expense.

MOTION

(Consent Agenda)

RESOLUTION

WHEREAS, the Beluga Power Plant is the major generation resource of the Association; and

WHEREAS, Beluga natural gas fired turbine Unit 7 is an Alstom Power unit; and

WHEREAS, the parts refurbishments are required to comply with our Strategic Alliance with Alstom emergency spares and upcoming inspections in 2010, components must be refurbished; and

WHEREAS, the hot gas path parts require refurbishment; and

WHEREAS, we have a Strategic Alliance with Alstom Power offering us discounted prices on hot gas components.

NOW THEREFORE, BE IT RESOLVED, the Board of Directors hereby approves the sole source refurbishment of critical hot gas path repair components for a total price of \$1,412,128 from Alstom Power; and

BE IT FURTHER RESOLVED, that the Chief Executive Officer is authorized to award the component refurbishment contract to Alstom Power for a discounted total price of \$1,412,128.

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 25th day of February, 2009; 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 25th day of February, 2009.