

CHUGACH ELECTRIC ASSOCIATION, INC.
Anchorage, Alaska

BOARD MEETING
AGENDA ITEM SUMMARY

April 21, 2004

ACTION REQUIRED

AGENDA ITEM NO. IX.F.

- Information Only**
- Motion**
- Resolution**
- Executive Session**
- Other**

TOPIC

Beluga Unit 5 Controls Upgrade

DISCUSSION

The Unit 5 controls upgrade is budgeted for 2004. A similar upgrade for Beluga Unit 3 is in the Capital Improvement Plan for 2005. An RFP was advertised and proposals solicited from known turbine controls vendors this January. There were six responses from qualified bidders. The lowest bidder had the best proposal and most experience upgrading GE frame 5 and 7 turbines. The lowest bidder is Innovative Control System (ICS). Chugach will be signing a contract with ICS for \$780,000 for the Unit 5 Controls.

CEO's RECOMMENDATION

Proceed with signing the contract and performing the Unit 5 controls upgrade.