

CHUGACH ELECTRIC ASSOCIATION, INC.
Anchorage, Alaska

REGULAR BOARD OF DIRECTORS' MEETING
AGENDA ITEM SUMMARY

May 27, 2009

Revised – 5/27/2009 (removed from consent agenda and placed under new business)

ACTION REQUIRED

AGENDA ITEM NO. **XI.A.**

 Information Only
 X Motion
 X Resolution
 Executive Session
 Other

TOPIC

2008 Test Year General Rate Case Filing

DISCUSSION

Chugach Electric Association, Inc. (Chugach) is preparing a general rate case filing in accordance with 3 AAC 275(a) to update base customer, energy and demand rates. Chugach will be requesting changes in base rates on both an interim and permanent basis.

The base rate changes contained in the filing will reflect current cost and sales levels and, when implemented, will provide Chugach the opportunity to earn margins at Times Interest Earned Ratios (TIER) levels approved by the Regulatory Commission of Alaska in Chugach's most recent general rate case, which was adjudicated under Docket U-06-134 (2005 test year).

Chugach's 2005 general rate case addressed appropriate levels of cost allocation and recovery for generation and transmission service and distribution service. Chugach will not be proposing changes to that regulatory methodology in this filing. Establishment of current cost allocations will also provide the baseline for a request to the RCA to allow Chugach to enter into the Simplified Rate Filing process for adjustments to base rates on a going-forward basis.

The Finance Committee recommended approval of this motion at its May 13, 2009 meeting.

MOTION

Move that the Board of Directors approve the resolution for filing the general rate case based on the 2008 test year, substantially similar to that discussed in the finance committee executive session on May 13, 2009.



RESOLUTION

2008 Test Year General Rate Case Filing

Whereas, Chugach Electric Association, Inc.'s (Chugach) current retail and wholesale base rates reflect the results of the 2005 test year rate case adjudicated under Docket U-06-134;

Whereas, key regulatory issues were addressed in Docket U-01-108 (2000 Test Year) and Docket U-06-134 (2005 Test Year);

Whereas, cost levels have changed since rates were established in the 2005 test year;

Whereas, Chugach's tariffed rates require updates to reflect costs of providing electric service;

Whereas, Chugach seeks to minimize regulatory costs to update rates to reflect changing costs;

Whereas, the Regulatory Commission of Alaska permits cooperatives to utilize Simplified Rate Filing (SRF) procedures to update rates to reflect changing costs;

Whereas, SRF procedures permit a cooperative to routinely update base rates and minimize regulatory costs;

Whereas, establishment of costs and rates based on the 2008 test year will provide a baseline for SRF;

Now be it resolved that Chugach shall make a general rate case filing based on the 2008 test year and take the required steps to utilize the Simplified Rate Filing procedure for future rate adjustments.

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 27 day of May, 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 27 day of May, 2009.

Secretary