

CHUGACH ELECTRIC ASSOCIATION, INC.
Anchorage, Alaska

BOARD MEETING
AGENDA ITEM SUMMARY

July 19, 2006

ACTION REQUIRED

AGENDA ITEM NO. X.A.

- Information Only
 Motion
 Resolution
 Executive Session
 Other
-

TOPIC

Appointments to Joint Rates Committee

DISCUSSION

Per Section 9(d) (attached) of the Modified Tripartite Power Sales Agreement between Chugach/AEG&T/MEA, the Chugach Board of Directors shall have two representatives to a Joint Rates Committee. Before Chugach implements any proposed permanent change in rates, charges, or other tariff provisions applicable to power sold under this Agreement, the changes will be reviewed by the Joint Rates Committee.

MOTION

Move that the Board of Directors appoints two directors to represent Chugach on the Joint Rates Committee.

General Rate Case
Joint Committee Process

- 1) Chugach Board Assignments to the Joint Committee (two)
- 2) Proposed procedure with Chugach Board and the Joint Committee
 - a) July 19: In executive session, we will present updated Rate Case information
 - b) After Board meeting, Chugach staff works with Chugach Joint Committee members to prepare the submittal to the Joint Committee
 - c) August 1: Rate case information goes to Joint Committee and other parties
 - d) August 15: Joint Committee presentation, followed by similar discussions with other parties
 - e) September 1: Meeting to discuss any stipulations among the parties
 - f) September 9: Presentation to Chugach Operations Committee
 - g) September 20: Board decision on filing rate case
 - h) September 30: File case with RCA

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9(d). General Ratemaking Procedures.

(1) Before Chugach implements any change in rates, charges, or other tariff provisions applicable to power sold under this Agreement (other than interim tariff changes under Section 9(h) below), the Chugach staff will submit the proposed change, together with such explanatory material as the Chugach staff has prepared (including materials prepared for submission to the Commission) to a Joint Committee for review. The Joint Committee shall consist of three members, two appointed from the Chugach Board of Directors and one appointed from the AEG&T Board of Directors (which member shall also be a member of the MEA Board of Directors), such members to serve at the pleasure of their respective Boards. The Chugach staff shall supply directly to MEA and to AEG&T copies of all materials submitted to the Joint Committee.

(2) Not less than fifteen (15) nor more than thirty (30) days after submission of the proposed change to the Joint Committee, that Committee shall meet to consider the proposed change. If MEA and/or AEG&T desire to make a written submission to the Committee, that submission shall be made to the Committee and to Chugach at least three days prior to the date the Committee meets. At its meeting, the Committee shall provide staff representatives of the parties an opportunity to make brief oral presentations, and such representatives shall make themselves available to respond to questions from the Committee.

(3) At the conclusion of its meeting, the Committee shall take one of the following actions, which actions shall have the consequences set forth below:

(A) Approval. The Committee may unanimously approve the proposed change (or the proposed change with such modifications as the Committee may suggest and the Chugach staff may agree to adopt), in which event the Chugach Board of Directors may submit the proposed change to the Commission for approval (or, in the absence of Commission jurisdiction, may implement the proposed change) without further action under this Section 9(d).

(B) Rejection. The Committee may unanimously reject the proposed change, in which event the Committee shall make its objections clear to the Chugach staff and the Chugach staff shall be responsible for determining whether and when to submit a revised proposal to the Joint Committee. The procedures of this Section 9(d) shall apply to any such revised proposal when submitted.

Effective: January 30, 1989.
Pursuant to Order No. 12 in Docket U-87-43

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(C) Referral. If the Committee fails to reach a unanimous decision to approve or to reject the proposed change, the proposed change shall be deemed to have been referred to the Chugach Board of Directors for such further action as the Board considers appropriate. If, however, the Committee unanimously recommends that the proposed change be made subject to the further review process set forth in Section 9(d)(4) below, then the Chugach Board of Directors shall require such further review process to be completed before taking action on the proposed change. The Chugach Board of Directors may in its discretion require that such further review process be completed even in the absence of a unanimous recommendation by the Joint Committee.

(4) Further internal review process. If the Chugach Board of Directors requires a further review process before acting on the proposed change, that process shall include the following procedures:

(A) A hearing at which staff representatives and counsel for Chugach, MEA, and AEG&T shall be afforded the opportunity to present pre-filed written testimony and exhibits and to conduct reasonable and non-dilatory oral cross-examination of sworn witnesses.

(B) Compilation of the record of the hearing, including a transcript of any oral portion thereof.

(C) A prompt written recommendation by an impartial independent hearing examiner, if the Chugach Board of Directors in its discretion chooses to appoint such an examiner rather than conduct the hearing itself.

(D) An opportunity for representatives of MEA, AEG&T, and the Chugach staff to make written arguments and brief oral arguments to the Chugach Board of Directors after completion of the foregoing procedures and prior to final Board action on the proposed change.

9(e). Commission Review. So long as the Commission continues to review rates and charges applicable hereunder:

(1) Chugach shall submit its final decisions on rates and charges to the Commission for approval, together with a complete copy of the ratemaking record (if any) compiled by Chugach pursuant to Section 9(d)(4) of this Agreement.

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