

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

**REGULAR BOARD MEETING**  
**AGENDA ITEM SUMMARY**

**August 27, 2008**

**ACTION REQUIRED**

**AGENDA ITEM NO. XI.B.**

- Information Only  
 Motion  
 Resolution  
 Executive Session  
 Other
- 

**TOPIC**

2005-7 Capital Credit Allocations

**DISCUSSION**

Capital credit allocations for 2005 through 2007 have been calculated for Chugach retail and wholesale customers Homer Electric Association, Inc. (HEA), Matanuska Electric Association, Inc. (MEA) and Seward Electric System (SES).

The proposed margin allocation is based on the streamlined cost of service approach. Earlier, the Finance Committee recommended that this approach be utilized and the Board approved that recommendation. The 2005 through 2007 allocations reflect the Commission-approved revenue requirement and cost of service study, based on the 2000 test year adjudicated under Docket U-01-108. These rates were in effect for the entire period.

The 2005 through 2007 proposed margin allocations were provided to each wholesale customer on July 16, 2008 for review and comment. The wholesale customers were advised that the allocations would be provided to the Chugach Board for approval at the August 27 board meeting. Chugach requested that their review of the calculations be completed by August 11. On July 29 and 30, Chugach personnel met with a consultant working for MEA. As of August 15, Chugach has not received any comments from the wholesale customers.

**MOTION**

Move that the Board of Directors approve the 2005-2007 capital credit allocations presented in the Resolution.



## RESOLUTION

WHEREAS, the Bylaws of Chugach Electric Association, Inc. (Chugach or Association) provide that the patronage capital furnished by each patron shall be clearly reflected in an appropriate record to the capital account of each patron;

WHEREAS, the Bylaws require that the Association notify each patron of the amount of capital so-credited;

WHEREAS, Chugach's 2005-7 system margins total \$22,683,902;

NOW THEREFORE, BE IT RESOLVED, the final allocations of 2005-2007 margins to the retail and wholesale customers of the Association are as follows:

Capital Credit Allocations 2005 – 2007				
	2005	2006	2007	Total
G&T				
Chugach	\$ 847,001	\$ 361,009	\$ 276,999	\$1,485,009
HEA	\$ 338,972	\$ 150,898	\$ 125,420	\$ 615,290
MEA	\$ 539,568	\$ 252,571	\$ 203,165	\$ 995,304
SES	\$ 28,712	\$ 11,276	\$ 12,535	\$ 52,523
Total G&T	\$1,754,253	\$ 775,754	\$ 618,119	\$3,148,126
Distribution				
Chugach	\$8,005,335	\$ 9,263,305	\$2,267,137	\$19,535,777
System Total	\$9,759,587	\$10,039,059	\$2,885,256	\$22,683,902

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<sup>th</sup> day of August, 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 27<sup>th</sup> day of August, 2008.

Secretary