

CHUGACH ELECTRIC ASSOCIATION, INC.
Anchorage, Alaska

REGULAR BOARD OF DIRECTORS' MEETING
AGENDA ITEM SUMMARY

September 30, 2009

ACTION REQUIRED

AGENDA ITEM NO. V.G.

Information Only
 Motion
 Resolution
 Executive Session
 Other

TOPIC

Beluga Units 6 and 7: Row 2 Blades and Vanes Purchase

DISCUSSION

Hot Gas Path parts within a gas turbine have limited lives due to operating environments involving high speeds, vibration, and temperatures.

The row 2 blades and vanes from Beluga Unit 7 have reached the end of their lives and therefore need to be replaced. These items must be ordered in 2009 in order to have them in time for next year's Unit 6 Major Overhaul.

We have a Strategic Alliance with Alstom Power, the original equipment supplier (OEM) to supply these parts.

Alstom has quoted the row 2 blades and vanes at \$951,895 and \$947,687 respectively.

We, therefore, recommend the purchase of the row 2 blades and vanes at a total cost of \$1,899,582.

BUDGETARY IMPACTS

Amount: \$1,899,582

Expense:

Capital: \$1,899,582

Discussion: These parts will be issued to the Unit 6 Major Overhaul in 2010.

On September 9, 2009, the Finance Committee authorized the purchase of row 2 blades and vanes from Alstom Power in the amount of \$1,899,582.

MOTION

(Consent Agenda)

RESOLUTION

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

WHEREAS, Beluga Units 6 & 7 are Alstom Power natural gas fired combustion turbines,
and

WHEREAS, Chugach has a Strategic Alliance with Alstom Power to supply discounted
parts and service for Beluga Units 6 & 7, and

WHEREAS, the Row 2 Blades and Vanes removed from Beluga Unit 7 in 2008 have
exceeded their useful life, and

WHEREAS, a set of Row 2 Blades and Vanes is required for the Beluga Unit 6 2010 “C”
Inspection, and

NOW THEREFORE, BE IT RESOLVED, the Board of Directors hereby approves the
sole source purchase of critical hot gas path repair components for a total price of \$1,899,582
from Alstom Power and,

BE IT FURTHER RESOLVED, that the Chief Executive Officer is authorized to
purchase the Row 2 Blades and Vanes from Alstom Power for a discounted total price of
\$1,899,582.

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 30th day of September, 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 30th day of September, 2009.

Secretary