

CHUGACH ELECTRIC ASSOCIATION, INC.
Anchorage, Alaska

BOARD MEETING
AGENDA ITEM SUMMARY

October 15, 2003

ACTION REQUIRED

AGENDA ITEM NO. IX.C.

Information Only
 Motion
 Resolution
 Executive Session
 Other _____

TOPIC

Formation of Joint Action Agency

DISCUSSION

Utilities who purchase power from certain Alaska Energy Authority (AEA) power projects may form a joint action agency for the purpose of purchasing the power project from the AEA. Recently AEA has indicated that it may wish to dispose of the Bradley Lake Hydroelectric Project and/or the Alaska Intertie. Management has determined that a joint action agency (JAA), as a separate legal entity with separate bonding authority, may be an advantageous vehicle for two or more Railbelt electric utilities to use to own and operate either or both of these resources. Management seeks authorization to begin work with one or more eligible Railbelt utilities to create a JAA for this and other electric utility-related joint ownership opportunities. Approval of the motion recommended below will not authorize approval of any financial or legal obligation by Chugach. Any such obligations would have to be brought before the board for separate approval.

CEO's RECOMMENDATION

Motion: Move that the Board of Directors approve and direct management to take all steps necessary to form a Joint Action Agency together with one or more eligible Alaska electric utilities for the purpose of jointly acquiring, owning, and operating Bradley Lake Hydroelectric Project, the Alaska Intertie, and such other electric utility-related joint ownership assets as may be authorized in accordance with bylaws of the Joint Action Agency; provided, however, that approval of this motion does create or authorize creation of any financial or legal obligation by Chugach Electric Association, Inc. to a Joint Action Agency.