

CHUGACH ELECTRIC ASSOCIATION, INC.
Anchorage, Alaska

REGULAR BOARD MEETING
AGENDA ITEM SUMMARY

November 20, 2008

ACTION REQUIRED

AGENDA ITEM NO. V.H.

Information Only
 Motion
 Resolution
 Executive Session
 Other

TOPIC

Chugach Electric Association, Inc.'s (Chugach) Planned 2008 Test Year General Rate Case and Reentry to Simplified Rate Filing (SRF)

DISCUSSION

Chugach needs to establish rates on an on-going basis that provide the opportunity for routine and efficient cost recovery, including margins at the Commission-authorized levels. Chugach plans to undertake two efforts to achieve that requirement. First, Chugach's margin levels contained in the 2009 budget reflect base rate increases in mid-2009 to all classes of service from the filing of a general rate case. Second, Chugach will seek reentry into the SRF process to allow base rates to be adjusted routinely to reflect current levels of sales, revenues and costs.

In Chugach's last rate case, based on the 2005 test year, productive discussions between Chugach and the intervenors were held prior to the filing being submitted to the Commission. Ultimately, there were settlement agreements with the Regulatory Affairs and Public Advocacy (RAPA) division within the Department of Law, Homer Electric Association, Inc. (HEA), and Seward Electric System (SES). Matanuska Electric Association, Inc. (MEA) did not settle but the Regulatory Commission of Alaska agreed to a streamlined adjudicatory process.

Despite these discussions, the settlement agreements and a streamlined adjudicatory process, the parties still incurred significant regulatory expense. It is hoped that we can build on this previous effort to expeditiously reach adjusted and equitable rate levels that will provide Chugach the opportunity to earn its authorized return and, at the same time, incorporate intervenor views and concerns.

This resolution requests authorization for Chugach staff to proceed with discussions with RAPA, HEA, MEA and SES on the upcoming general rate case filing and Chugach's reentry into the SRF process.

MOTION

(Consent Agenda)

RESOLUTION

SIMPLIFIED RATE FILING IMPLEMENTATION PLAN

WHEREAS, Chugach Electric Association, Inc. (Chugach) is planning to file a general rate case based on the 2008 test year in mid-2009;

AND WHEREAS, following the implementation of the base rate changes resulting from the 2008 test year rate case, Chugach would like to reenter the Simplified Rate Filing process;

AND WHEREAS, Chugach and RAPA, HEA, MEA and SES had productive discussions during the 2005 test year general rate case proceeding;

NOW THEREFORE BE IT RESOLVED, Chugach staff is authorized to enter into discussions with RAPA, HEA, MEA and SES on these topics.

I, Alex Girmac, 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 20th day of November, 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 20th day of November, 2008.

Secretary