

CHUGACH ELECTRIC ASSOCIATION, INC.
Anchorage, Alaska

REGULAR BOARD OF DIRECTORS' MEETING
AGENDA ITEM SUMMARY

November 20, 2008

ACTION REQUIRED

AGENDA ITEM NO. XI.C.

Information Only
 Motion
 Resolution
 Executive Session
 Other

TOPIC

Authorization to issue commercial paper for purposes of refinancing redeemed bonds and expenditures for capital expansion.

DISCUSSION

Board Policy 126 requires board authorization to issue commercial paper for financing purposes. Chugach has previously redeemed \$29.6 million of Auction Rate Securities (ARS) using its' National Rural Utilities Cooperative Finance Corporation (N.R.U.C.F.C.) short term line of credit. Chugach desires to pay off that outstanding balance by issuing commercial paper.

Chugach also anticipates making equipment, land and other construction related expenditures for the new power generation facility it is constructing in concert with Anchorage Municipal Light and Power (A.M.L. & P.) during the last month of 2008 and during the first quarter of 2009. These expenditures are forecasted to be \$20 million.

Management is requesting board authorization to issue up to \$50 million of commercial paper as necessary during December 2008 and through the first quarter 2009 for bond redemption refinancing and power generation construction expenditures.

MOTION

Move the Board of Directors authorize the issuance of \$50 million of commercial paper as necessary to cover bond redemption refinancing and power generation construction costs for December 2008 and through the first quarter 2009.