

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

**November 1, 2006**

**SPECIAL BOARD OF DIRECTORS'**  
**MEETING MINUTES**

The special meeting of the Board of Directors of Chugach Electric Association, Inc. was called to order at 8:04 p.m. in the boardroom of Chugach Electric Association, Inc., 5601 Electron Drive, Anchorage, Alaska.

The following board members were present:

Jeff Lipscomb – Chairman  
Jim Nordlund – Secretary  
David Cottrell – Treasurer  
Alan Christopherson – Director  
Uwe Kalenka – Director  
Elizabeth Vazquez – Director (attended telephonically)

Director Bruce Davison was absent.

The following employees, members, and guests attended:

Bill Stewart	Tom Schulman	Mary Tesch
Brad Evans	Arthur Miller	Rick Freymiller
Mike Cunningham	Connie Owens	Patti Bogan
Lee Thibert	Jim Patras (HEA)	Kim Floyd (MEA)

DeAnna Scott, Executive Assistant, recorded meeting proceedings.

**I. Appointment to the Renewable Energy Committee**

Director Cottrell moved and Director Christopherson seconded the motion to revise the Resolution Establishing the Renewable Energy Committee under Members that state: “The committee shall be composed of seven individuals who are members of the Association as provided in Article XV of the Chugach Bylaws.” to “The committee shall be composed of individuals who are members of the Association as provided in article XV of Chugach Bylaws”. The motion passed unanimously.

Director Cottrell moved and Director Christopherson seconded the motion that the Board of Directors appoint the following members to the Renewable Energy Committee.

Director Cottrell moved and Director Christopherson seconded to amend the motion that the Board of Directors appoint the individual applicants who are members of the Cooperative to the Renewable Energy Committee. The motion passed unanimously as amended.

**II. Rate Case Presentation**

Director Cottrell moved and Director Christopherson seconded the motion that the Board of Directors to present the attached overview or one materially similar of the 2005 Rate Case presentation to other organizations. The motion passed unanimously.

**III. 2006 Capital Credits Retirement**

Director Cottrell moved and Director Christopherson seconded the motion to approve the attached Resolution authorizing retail capital credits retirement of \$4,757,365, representing 50% of 2005's margins, less payments made to former members and estate, which will retire the remainder of the retail capital credits for 1987, and a portion of the retail capital credits for 1988. The motion passed unanimously.

Director Nordlund moved and Director Christopherson seconded the motion that the Chugach Electric Association, Inc. (Chugach) Board of Directors direct that all allocating capital credits for fiscal year 2004 Chugach will use the same methodology it used the proceeding year. In 2005 and thereafter, Chugach will use the unbundled or Actual Earned Margin methodology.

**IV. ADJOURN**

The meeting adjourned at 8:17 p.m.

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Approved: Jim Nordlund, Secretary  
Date approved: December 20, 2006