

CHUGACH ELECTRIC ASSOCIATION, INC.
Anchorage, Alaska

BOARD MEETING
AGENDA ITEM SUMMARY

May 11, 2005

ACTION REQUIRED

AGENDA ITEM NO. IX.G.

Information Only
 Motion
 Resolution
 Executive Session
 Other

TOPIC

Beluga Unit 7 Annual – SRU Project

DISCUSSION

Beluga Unit 7 receives an annual inspection every year. This project is the routine Capitalized maintenance of two smaller retirement units (SRU) components, the lower combustion chamber insert (LCCI) and the Combustor Hexagonal Rings. This project is for their replacement.

As part of Chugach's hot gas path parts interval life extension program two parts, the LCCI and the burner hexagonal rings, were not replaced during the Unit 7 2004 overhaul (when they historically would have been changed). *Their maintenance interval has been extended from 24,000 hours to 36,000 hours based on material testing and the good condition of these parts during the 2004 overhaul.* The extended interval is estimated to reduce the lifetime cost of the parts by approximately 20%, about \$150,000.

CEO's RECOMMENDATION

Move that the Chugach Board of Directors authorizes project expenditures for the Beluga Unit 7 Annual – SRU Project with an estimated cost of \$ 1,190,650 and an estimated completion date of August 2005.

CHUGACH

RESOLUTION

WHEREAS, Chugach Electric Association, Inc., has a need to perform regular maintenance on the hot gas path components of various gas turbines and,

WHEREAS, Chugach Electric Association, Inc., has included the Beluga Unit 7 Annual – SRU Project in the 2005-2009 Capital Improvement Plan,

NOW, THEREFORE, BE IT RESOLVED that the Board of Directors of Chugach Electric Association, Inc., authorizes project expenditures for the Beluga Unit 7 Annual – SRU Project with an estimated cost of \$1,190,650 and an estimated completion date of August, 2005.

CERTIFICATION

I, David Cottrell, do hereby certify that I am 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 ____ day of _____, 20__; 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a quorum was present at the meeting, that the resolution is set forth in the minutes of the meeting and has not been rescinded or modified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 ____ day of _____, 2005

(Seal)

Secretary

Chugach Project Authorization – Budget Year 2005



Project Name: BELUGA UNIT 7 Annual – SRU PROJECT

Project Category:

Safety		Incremental Load Growth		New Service		R&R T&D	
Agency Mandated		Reliability		Operating Efficiency		R&R Generation	X

Accountabilities & Approvals

Board of Directors: Dave Cottrell, Secretary
 CEO: Evan J. Griffith, CEO
 Executive Sponsor: Brad Evans, GM G&T Division
 Project Manager: Paul Risse, Director GTS

Signatures	Date
	5/9/05
	5/6/05
_____	_/_/

Purpose and Need:

As part of Chugach’s hot gas path parts interval life extension program two parts, the LCCI and the burner hexagonal rings, were not replaced during the Unit 7 2004 overhaul (when they historically would have been changed). Their maintenance interval has been extended from 24,000 hours to 36,000 hours based on material testing and the good condition of these parts during the 2004 overhaul. The extended interval is estimated to reduced the lifetime cost of the parts by approximately 20%, about \$150,000.

Project Description:

Beluga Unit 7 receives an annual inspection every year. This project is the routine Capitalized maintenance of two SRU components, the lower combustion chamber insert (LCCI) and the Combustor Hexagonal Rings. This project is for their replacement.

Approval Amount: \$1,191,650

Project included in **2005/2009 CIP** and **2005 Budget** @ \$ 1,191,650

Category	Budget	Actual	Projected	Variance \$	Variance %	Notes
Labor	195,000		195,000			
Transportation	30,000		30,000			
Materials	800,000		800,000			
Professional Services	50,000		50,000			
OH	115,650		115,650			
Total	1,190,650		1,190,650			

Chugach Project Authorization – Budget Year 2005

Variance Discussion (Note #):

None

Cash Flows

3rd QTR 2005: \$ 1,191,650

Economic Analysis

Capitalized maintenance project.

Economic Analysis Summary

Required routine maintenance of hot gas path parts.

Current Project Status: Percent Complete 0 %

Project Schedule: (see attached timeline)

August of 2005

FINANCE COMMITTEE MEETING

ADDITIONAL AGENDA ITEM

XII. Beluga Unit 5 – SRU Project