

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

**FINANCE COMMITTEE MEETING**  
**AGENDA ITEM SUMMARY**

**July 8, 2009**

**ACTION REQUIRED**

**AGENDA ITEM NO. VII.**

Information Only  
 Motion  
 Resolution  
 Executive Session  
 Other

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**TOPIC**

2008 Capital Credit Allocations for Chugach Retail and wholesale classes of Homer Electric Association, Inc. (HEA), Matanuska Electric Association, Inc. (MEA) and Seward Electric System (SES).

**DISCUSSION**

Chugach Electric Association, Inc. (Chugach) has calculated 2008 capital credit allocations. The allocations were computed under the Revenue Adjusted / Allocated Margins methodology whereby assignments are made on the basis of revenue, revenue requirements and ratemaking margin levels established by the Regulatory Commission of Alaska ("Commission") for the period in which the rates were in effect. This methodology has been used to allocate capital credits since the late 1980s.

Preliminary allocations including supporting work papers were provided to HEA, MEA and SES on June 16 for review and comment. At that time, Chugach informed each wholesale customer that the proposed allocations would be taken to the July 8, 2009 Chugach Board Finance Committee Meeting with a recommendation that the allocations be formally approved at the July 23, 2009 Board Meeting.

**MOTION**

Move that the Finance Committee recommend to the Board of Directors that capital credit allocations based on 2008 operating results be allocated in the following amounts:

*2008 Capital Credit Allocations*

	G&T	Distribution	Total	Percent
Chugach Retail	\$657,245	\$4,980,770	\$5,638,015	87.9%
Homer Electric Association, Inc.	\$270,055	----	\$270,055	4.2%
Matanuska Electric Association, Inc.	\$475,164	----	\$475,164	7.4%
Seward Electric System	\$28,516	----	\$28,516	0.5%
<b>Total</b>	<b>\$1,430,980</b>	<b>\$4,980,770</b>	<b>\$6,411,750</b>	<b>100.0%</b>



RESOLUTION

WHEREAS, the Bylaws of Chugach Electric Association, Inc. (Chugach or Association) provide that the patronage capital furnished by each patron shall be clearly reflected in an appropriate record to the capital account of each patron;

WHEREAS, the Bylaws require that the Association notify each patron of the amount of capital so-credited;

WHEREAS, the patronage capital (margins) of Chugach totaled \$6,411,750 for calendar-year 2008;

NOW THEREFORE, BE IT RESOLVED, the allocation of 2008 margins to the retail and wholesale customers of the Association is as follows:

<i>2008 Capital Credit Allocations</i>				
	G&T	Distribution	Total	Percent
Chugach Retail	\$657,245	\$4,980,770	\$5,638,015	87.9%
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<b>Total</b>	<b>\$1,430,980</b>	<b>\$4,980,770</b>	<b>\$6,411,750</b>	<b>100.0%</b>

I, Alex Gimarc, 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 22nd day of July, 2009; 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 23rd day of July, 2009.

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Secretary