

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

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

**September 9, 2009**

**ACTION REQUIRED**

**AGENDA ITEM NO. VIII.**

Information Only  
 Motion  
 Resolution  
 Executive Session  
 Other

---

**TOPIC**

Simplified Rate Filing

**DISCUSSION**

Chugach Electric Association, Inc. (Chugach) is an electric cooperative eligible to participate in the Simplified Rate Filing process in accordance with AS 42.05.381(e) and 3 AAC 48.700. Participation in this program requires member notice disclosures and approval by the Regulatory Commission of Alaska.

The intent of the Simplified Rate Filing program is to streamline portions of the rate adjustment process by updating underlying cost and sales information while recognizing established Commission-approved ratemaking methodologies, including return (TIER) requirements.

Entry into the Simplified Rate Filing program requires Chugach to notify its members of the location and time of when the Chugach Board of Directors will consider adoption of this process. The notification must also include the purpose of entering into the Simplified Rate Filing process, its potential impact on electric rates and acknowledgement that the cooperative's board of directors will have the major responsibility for rate adjustments rather than the Commission.

Chugach is proposing that the Chugach Board of Directors consider adoption of the Simplified Rate Filing process at its November 11, 2009 Finance Committee Meeting and November 19 Board Meeting. The decision to formally adopt the Simplified Rate Filing process would be made at the November 19 Board Meeting.

Member notice of this initiative will be made through an insert included with each customer bill issued during October 2009. Included as Attachment I is a sample copy of the notification.

In addition, Chugach will include an article in the October Outlet that will explain the alternative rate adjustment process under consideration by the Chugach Board. Chugach's website will also contain information informing members of the initiative.

### **MOTION**

Move that the Finance Committee recommend the Board of Directors approve the attached resolution authorizing management to issue a notice to its members in compliance with 3 AAC 48.700 that the Chugach Board of Directors will consider and vote on the adoption of the Simplified Rate Filing process.

**Agenda Item VIII. Simplified Rate Filing  
Attachment I (REVISED)**

\*\* REVISED \*\*

Chugach Electric Association, Inc.  
Anchorage, Alaska

Attachment I: Sample Member Bill Insert

Notification of Chugach Board Consideration of Simplified Rate Filings

Dear Chugach Member:

The Chugach Board of Directors is considering implementing Simplified Rate Filing (SRF) procedures for base rate adjustments. The purpose of SRF is to establish simplified, expedited filing and rate adjustment procedures for nonprofit electric cooperatives regulated by the Regulatory Commission of Alaska (Commission). If adopted, this change will ~~The purpose of this change is to~~ enable Chugach to make moderate adjustments to demand and energy rates more efficiently than the current process allows.

Under SRF, the Chugach board has the major responsibility for rate adjustments rather than the ~~Commission. Regulatory Commission of Alaska.~~ While there is no limitation on decreases, base rate increases under SRF are limited to 8 percent in a 12-month period and 20 percent in a 36-month period. If the Chugach board makes the decision to adopt the SRF method, and if approved by the Commission, Chugach would make filings every 6 months.

Per 3 AAC 48.730, you are being provided notice that the Chugach Board will consider use of this alternative method at two upcoming meetings that will be held in the Chugach board room located at 5601 Electron Drive in Anchorage, Alaska:

4 p.m. Nov. 11, 2009 Finance Committee Meeting  
4 p.m. Nov. 19, 2009 Board of Directors Meeting

The board will formally decide whether to proceed with the SRF initiative at its Nov. 19 Board meeting. For more information on SRF, see [www.chugachelectric.com](http://www.chugachelectric.com) or call (907) 762-4736.

Sincerely,

Bradley W. Evans, Chief Executive Officer  
Chugach Electric Association, Inc.



## RESOLUTION

### MEMBER NOTICE FOR ADOPTION OF SIMPLIFIED RATE FILING

Whereas, Chugach Electric Association, Inc. (Chugach) is an electric cooperative eligible to participate in the Simplified Rate Filing process in accordance with AS 42.05.381(e) and 3 AAC 48.700;

Whereas, the intent of Simplified Rate Filing is to streamline portions of the rate adjustment process by updating underlying cost and sales information while recognizing established Commission-approved ratemaking methodologies, including return (TIER) requirements;

Whereas, use of the Simplified Rate Filing process to adjust base demand and energy rates will facilitate the matching of cost incurrence and changes in sales to corresponding adjustments to electric rates;

Whereas, entry into the Simplified Rate Filing process requires Chugach to notify its members of the location and time when the Chugach Board of Directors will consider adoption of the program;

Whereas, the public notice shall identify the Simplified Rate Filing process, its potential impact on electric rates and shall identify that, if adopted, the Chugach Board of Directors will have the major responsibility for rate adjustments rather than the Commission;

Now, therefore, be it resolved, that the Chugach Board of Directors hereby authorizes the issuance of a notice to its members regarding the Chugach Board's consideration of the Simplified Rate Filing process during its November 11, 2009 Finance Committee Meeting and November 19, 2009 Board Meeting.

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 23<sup>rd</sup> day of September, 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 23<sup>rd</sup> day of September, 2009.

---

Secretary