

CHUGACH ELECTRIC ASSOCIATION, INC.
Anchorage, Alaska

FINANCE COMMITTEE
MEETING MINUTES

October 27, 2004

Committee Member Attendees: Jeff Lipscomb, Chair (Teleconferenced)
Dave Cottrell
Sam Cason
Red Boucher

Other Directors in attendance: Pat Jasper
Chris Birch
Bruce Davison

Guests: Jim Walker, Matanuska Electric Association, Inc.
Wayne Carmony, Matanuska Electric Association, Inc.
Jim Patras, Homer Electric Association

Staff in Attendance:

Bill Stewart	Lee Thibert	Jody Wolfe	Mike Cunningham	Phil Steyer
Kathy Harris	John Cooley	Paul Risse	Katrina Storjohann	Bill Bernier
Dianne Hillemeier	Brian Hickey	Mark Fouts	Ed Jenkin	Joe Griffith
Sherri McKay	Dora Gropp	Burke Wick		

Recording Secretary: Connie Owens, Executive Assistant

I. Call To Order

Director Cottrell who was the Acting Chair, called the Finance Committee meeting to order at 4:00 p.m. in the Training Room of Chugach Electric Association, Inc., 5601 Minnesota Drive, Anchorage, Alaska.

II. Approval of Agenda

Director Cason moved and Director Boucher seconded the motion to approve the agenda as presented. The motion to approve the agenda passed unanimously.

III. Review of 2005-2009 Capital Improvement Program

A hand out was distributed to Committee members showing all line items that increased in the 2005 budget by \$5,000 or more and staff responded to questions during the review.

Another handout addressed Director Lipscomb's fixed vs. controllable costs in the 2005 budget. Based on the handout, the target for Director Lipscomb's 5% analysis is \$2.6 million.

Economy Sales Variance Impact: Chugach vs. MEA. Director Cottrell asked if the economy sales impact of a Chugach residential customer was the same as for a residential customer on the MEA system. Staff ran the detailed calculations which show that a 10 percent variance in economy sales impacts an MEA residential customer's bill level by \$0.79 per year. This compares with the Chugach residential bill impact of \$0.83 per year, which was presented last night. The difference of the impact between MEA and Chugach is attributed to distribution line losses.

On a system cost basis, the impact of a 10 percent variance in economy sales is \$121,000 to Chugach retail, \$64,000 to MEA, \$46,000 to HEA and \$6,000 to SES.

Lee Thibert, Paul Risse, Bill Stewart and Brian Hickey review the major projects shown in the 2005-2009 Capital Improvement Program and responded to questions.

Director Boucher moved and Director Cason seconded the motion to forward the 2005 Budget and 2005-2009 Capital Improvement Program to the full board for approval at their November 17, 2004 meeting. The motion passed with Director Lipscomb voting against.

IV. Adjourn

Director Cason moved and Director Boucher seconded the motion to adjourn. Motion passed unanimously.