

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

**FINANCE COMMITTEE MEETING
AGENDA ITEM SUMMARY**

December 5, 2007

ACTION REQUIRED

AGENDA ITEM NO. X.

 Information Only
 X Motion
 Resolution
 Executive Session
 Other

TOPIC

Wholesale Capital Credit Retirement

DISCUSSION

The attached resolution authorizes the retirement of wholesale capital credits to Homer Electric Association, Inc. (HEA), Matanuska Electric Association, Inc. (MEA) and Seward Electric System (SES) for 1997.

Through a settlement agreement reached in regulatory Docket U-96-37, Chugach and the wholesale customers agreed that wholesale equity accumulated in 1997, 1998 and 1999 would be returned on a ten year rotation. This is the first of those rotations and is in the amount of \$79,079.

The settlement agreement is attached as information.

MOTION

Move the Finance Committee recommend the Board of Directors approve the attached resolution (Exhibit 1) retiring 1997 wholesale capital credits in the amount of \$79,079.

The amounts of equity to be returned are:

Homer Electric Association, Inc. \$31,658
Matanuska Electric Association, Inc. \$36,653
Seward Electric System \$10,768

RESOLUTION

WHEREAS, Chugach Electric Association, Inc. (Chugach), Homer Electric Association, Inc. (Homer), Matanuska Electric Association, Inc. (Matanuska) and Alaska Electric Generation and Transmission Cooperative, Inc. (AEG&T) reached agreement on several disputed ratemaking issues in Docket U-96-37 in 1996;

AND WHEREAS, One of the items of agreement was that a “ten year rotation period for equity accumulated during the agreement will apply to equity accumulated in 1997, 1998 and 1999”;

AND WHEREAS, Seward Electric System (SES), although not a party to the settlement agreement, was similarly impacted by the terms and conditions of the settlement agreement;

AND WHEREAS, The agreement was accepted by the Alaska Public Utilities Commission (APUC), the predecessor to the Regulatory Commission of Alaska (RCA);

NOW THEREFORE BE IT RESOLVED, 1997 equity accumulated by Homer (through AEG&T), Matanuska (through AEG&T) and Seward Electric System be returned to these parties prior to the end of calendar year 2007;

BE IT FURTHER RESOLVED THAT THE AMOUNTS OF 1997 EQUITY TO BE RETURNED ARE:

Homer Electric Association, Inc. - \$31,658

Matanuska Electric Association, Inc. - \$36,653

Seward Electric System - \$10,768

CERTIFICATION

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 _____ 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 _____, 20____.

(Seal)

Secretary