CHUGACH ELECTRIC ASSOCIATION, INC.
Anchorage, Alaska

OPERATIONS COMMITTEE
AGENDA ITEM SUMMARY

April 4, 2007

ACTION REQUIRED **AGENDA ITEM NO. V.**

____ **Information Only**
_X_ **Motion**
____ **Resolution**
____ **Executive Session**
____ **Other**

TOPIC

Beluga Unit 5 Generator Repair – Project Authorization Motion Recommendation

DISCUSSION

In 2006 Unit 5's generator was subjected to a detailed inspection because of the high number of operating hours on the unit, 195,344. General Electric, the OEM for the generator, was contracted to inspect the unit and found two notable defects, degraded rotor end turn insulation and loose stator wedging. Repairs are estimated to take eight weeks, with advance planning. An unexpected failure in operation could require substantially more time and money, and there is the potential for collateral damage. In winter this would notably limit generation resources. Therefore, repairs have been planned and budgeted for 2007.

This project repairs the damage found in Unit 5's generator.

MOTION

Motion: Move that the Operations Committee recommend to the Chugach Board of Directors that they approve a Motion to authorize project expenditures for the Beluga Unit 5 Generator Repairs with an estimated cost of $ 1,413,921 and an estimated completion date of August 31, 2007.

Chugach Project Authorization – Budget Year 2007

Project Name: BELUGA UNIT 5 GENERATOR REPAIR

Project Category:

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

Accountabilities & Approvals

		Signatures	Date
Board of Directors:	Jim Nordlund, Secretary	_____	___/___/___
CEO	Chief Executive Officer	_____	___/___/___
Executive Sponsor:	Brad Evans, Senior VP Power Supply	_____	___/___/___
Project Manager:	Paul Risse, Director GTS	_____	___/___/___

Purpose and Need:

In 2006 Unit 5's generator was subjected to a detailed inspection because of the high number of operating hours on the unit, 195,344. General Electric, the OEM for the generator, was contracted to inspect the unit and found two notable defects, degraded rotor end turn insulation and loose stator wedging. Repairs are estimated to take eight weeks, with advance planning. An unexpected failure in operation could require substantially more time and money, and there is the potential for collateral damage. In winter this would notably limit generation resources. Therefore, repairs have been planned and budgeted for 2007.

Project Description:

This project repairs the generator stator and rotor damage identified in the 2006 inspection. The generator's rotor may either be repaired or replaced depending on quoted prices and schedules.

Approval Amount: $ 1,413,921

Project included in **2007/2011 CIP** and **2007 Budget** @ $ 1,413,921

Category	Budget	Actual	Projected	Variance $	Variance %	Notes
Labor	47,997		47,997			
Transportation	0		20,000			
Materials	0		15,000			
Professional Services	1,300,000		1,250,000			
OH	65,924		65,924			
Total	1,413,921		1,398,921			

Variance Discussion (Note #):

None

Cash Flows

3rd QTR 2007: $ 669,461

4th QTR 2007: $ 669,461

Economic Analysis

Capitalized maintenance and Reliability Project.

Economic Analysis Summary

Replacement/Repair of capitalized parts.

Current Project Status: **Percent Complete _0__%**

Issuance of RFP for major work.

Project Schedule: (see attached timeline)

June – August of 2007