

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

**OPERATIONS COMMITTEE MEETING**  
**AGENDA ITEM SUMMARY**

**August 4, 2010**

**ACTION REQUIRED**

**AGENDA ITEM NO. XI.**

Information Only  
 Motion  
 Resolution  
 Executive Session  
 Other

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**TOPIC**

Southcentral Power Project (SPP) - Steam Turbine Generator Shipment Contract

**DISCUSSION**

The Southcentral Power Project requires a 57 MW steam turbine generator consistent with the approved description of the plant. The steam turbine generator (STG) provides power utilizing steam generated from the waste heat of three (3) combustion turbine generators (CTGs) already purchased for the Project. This unit requires shipment from the ports of origin.

Seven (7) shipping companies were solicited with our Request for Proposal (RFP) for shipment services related to the STG. Of those, three (3) companies provided responsive proposals for evaluation. The evaluation was performed by a committee of ML&P and Chugach management. Criteria for evaluation included cost, responsiveness to proposed terms and conditions, delivery date requirement, and the company's reported safety record. Panalpina was determined to be the highest ranked proposer, and they were invited to negotiate a contract for these services.

Negotiations were held in the month of July and August 2010 resulting in a form of contract with reasonable and suitable terms and conditions to Chugach and ML&P as Owners. The contract may be amended before signing but will be subject to no material change in terms and conditions.

**MOTION**

Move that the Operations Committee recommend the Board of Directors authorize the CEO to approve the Steam Turbine Generator Shipment Contract for the Southcentral Power Project (SPP) for an estimated cost as described in Executive Session.