

CHUGACH ELECTRIC ASSOCIATION, INC.
Anchorage, Alaska

OPERATIONS COMMITTEE MEETING
AGENDA ITEM SUMMARY

August 8, 2008

ACTION REQUIRED

AGENDA ITEM NO. XIV.

Information Only
 Motion
 Resolution
 Executive Session
 Other

TOPIC

Chugach comments on the creation of a Municipal Power Authority

DISCUSSION

An ordinance to replace the Anchorage Municipal Light and Power (ML&P) utility with a Municipal Power Authority has been submitted by Mayor Begich to the Anchorage Assembly. As the same time, ML&P and Chugach are investigating a possible restructuring whereby ML&P would provide generation and transmission for all of Anchorage and Chugach would provide distribution for all of Anchorage. It is possible that under such a structure the new Municipal Power Authority would be the Anchorage-wide generation and transmission entity. Given the far reaching effects that such a restructuring would have on Chugach, it is important that Chugach offer comments to the Assembly on the creation of the Authority. The motion below incorporates the comments of the Chugach Board of Directors in regard to the creation of a Municipal Power Authority.

MOTION

Move that the Board of Directors submit comments to the Anchorage Assembly regarding the creation of a Municipal Power Authority. These comments are offered with the presumption that the Municipal Power Authority becomes the entity providing

generation and transmission throughout Anchorage and that Chugach is the entity that will provide distribution throughout Anchorage. The comments include the following:

- 1) The Board of Directors of the Authority should be expanded to nine members.
- 2) There should be two designated seats on the Authority Board that represent the load serving entity (Chugach), and that these seats will be filled by the Chugach CEO and a member of the Chugach Board as appointed by the Chairman of the Chugach Board.
- 3) The Mayor should consider appointing at least two other Authority Board members who have knowledge of Chugach operations.
- 4) The Authority be established in a manner that it could be incorporated into a Railbelt generation and transmission entity if established by the State.
- 5) Other comments as approved by the Board.