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The Company

Board of Directors: Board Meeting Agenda

Board of Directors

CHUGACH ELECTRIC ASSOCIATION, INC.  
ANCHORAGE, ALASKA

Public Services

Financial Information

December 6, 2006  
Wednesday

Bid Opportunities

Immediately following Operations Committee meeting

Employment

SPECIAL BOARD of DIRECTOR'S MEETING



- PLEDGE OF ALLEGIANCE
- I. EXECUTIVE SESSION - if required
- II. APPROVAL OF AGENDA \*
- III. PERSONS TO BE HEARD
  - A. Wholesale Customer Comments
  - B. Member Comments
- IV. NEW BUSINESS
  - A. Dynamite Slough Structure Replacement - Construction Contract Award \*
  - B. Approval of Labor Contract \*
    - Tentative Outside Personnel Agreement
- V. DIRECTORS' COMMENTS
- VI. EXECUTIVE SESSION - if required
- VII. Adjournment

\* Denotes Action Items

- Board of Directors
- Board Meetings
- Minutes Archive
- Bylaws
- Articles of Incorporation (2001)
- Code of Ethics
- 2005 Board Meeting
- 2004 Board Meeting
- 2003 Board Meeting
- 2002 Board Meeting

EXHIBIT B PAGE 1 OF 1 PAGES

TENTATIVE

AGREEMENT COVERING TERMS AND CONDITIONS OF  
EMPLOYMENT

OUTSIDE PLANT PERSONNEL

Between

CHUGACH ELECTRIC ASSOCIATION, INC.  
Anchorage, Alaska

And

LOCAL NO. 1547  
INTERNATIONAL BROTHERHOOD OF  
ELECTRICAL WORKERS,  
AFL-CIO  
Anchorage, Alaska

Expires June 30, 2010

64 pages [not included in this filing]

Chugach Electric posted a bloated 22MB file on their website that is almost impossible for most people to handle or print:

[http://www.chugachelectric.com/pdfs/agenda/specagenda\\_120606\\_iv.b.pdf](http://www.chugachelectric.com/pdfs/agenda/specagenda_120606_iv.b.pdf)

Chugach Consumers has reprocessed it to a more normal size of 3.7MB:

<http://www.chugachconsumers.org/Lib/IBEWoutside2010tent.pdf>

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STATE OF ALASKA

THE REGULATORY COMMISSION OF ALASKA

Before Commissioners:

Kate Giard, Chairman  
Dave Harbour  
Mark K. Johnson  
Anthony A. Price  
Janis W. Wilson

In the Matter of the Emergency Complaint Filed )  
by Chugach Consumers and Ray Kreig against )  
CHUGACH ELECTRIC ASSOCIATION, INC. )

U-06-135  
ORDER NO. 1

ORDER DENYING REQUEST FOR IMMEDIATE RESTRAINING ORDER  
AND REQUIRING FILING

BY THE COMMISSION:

Summary

We deny the request for an immediate restraining order against Chugach Electric Association, Inc. (Chugach), filed by Chugach Consumers and Ray Kreig (Consumers).<sup>1</sup> We require Chugach to file its answer to the Complaint.

Regulatory Commission of Alaska  
701 West Eighth Avenue, Suite 300  
Anchorage, Alaska 99501  
(907) 276-6222; TTY (907) 276-4533

<sup>1</sup>Emergency Complaint and Request for Immediate Restraining Order, filed December 4, 2006 (Complaint).

Regulatory Commission of Alaska  
701 West Eighth Avenue, Suite 300  
Anchorage, Alaska 99501  
(907) 276-6222; TTY (907) 276-4533

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Background

Consumers filed its Complaint against Chugach and requested that we issue an emergency order preventing what Consumers describe as substantial and irreparable harm to its member consumers if Chugach were to ratify a proposed labor contract with the International Brotherhood of Electrical Workers Union Local 1547 (IBEW). Consumers allege that the proposed labor contract is grossly excessive, unfair, and unreasonable.

Chugach argues that Consumers' request must be denied for two reasons, "First, the Commission is not permitted to issue such an order because it would interfere with labor relations which is an area pre-empted by Federal law. Second, the Commission lacks injunctive authority under these circumstances."<sup>2</sup> Consumers replied.<sup>3</sup>

Discussion

The most applicable statutory provision for this dispute is found in AS 42.05.511(a). That section provides:

The commission may investigate the management of a public utility, including but not limited to staffing patterns, wage and salary scales and agreements, investment policies and practices, purchasing and payment arrangements with affiliated interests, for the purpose of determining inefficient or unreasonable practices that adversely affect the cost or quality of service of the public utility.

<sup>2</sup>Response to Chugach Consumers' Motion for Restraining Order, filed December 6, 2006.

<sup>3</sup>Response to Chugach Electric Response to Chugach Consumers' Motion for a Restraining Order, filed December 6, 2006.

1 While we have jurisdiction to investigate certain management practices, it  
2 is unclear whether we have the authority to issue a restraining order under the  
3 circumstances presented in Consumers' emergency complaint and request.

4 It is also readily apparent from the face of Consumers' complaint and  
5 Chugach's response that Consumers' request for immediate relief would be more  
6 appropriately addressed to the superior court for the State of Alaska or the United  
7 States District Court for the District of Alaska. We therefore exercise our discretion and  
8 deny Consumers' request for immediate restraining order in the docket.

9 We have not yet had an opportunity to investigate and determine whether  
10 an unreasonable management practice has in fact occurred. Nor have we provided  
11 Chugach with reasonable notice and opportunity for hearing regarding this matter.  
12 AS 42.05.511(b) provides:

13 Where unreasonable practices are found to exist, the commission may, after  
14 providing reasonable notice and opportunity for hearing, take appropriate  
15 action to protect the public from the inefficient or unreasonable practices and  
16 may order the public utility to take the corrective action the commission may  
17 require to achieve effective development and regulation of public utility  
18 services.

17 We therefore believe it is premature for us to take the requested action on Consumers'  
18 emergency complaint at this time. We require Chugach to file an answer to the  
19 Complaint.

20 **ORDER**

21 THE COMMISSION FURTHER ORDERS:

22 1. The request for an immediate restraining order filed by Chugach  
23 Consumers and Ray Kreig is denied for the reasons contained in the body of this order  
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Regulatory Commission of Alaska  
701 West Eighth Avenue, Suite 300  
Anchorage, Alaska 99501  
(907) 276-6222; TTY (907) 276-4533

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2. By 4 p.m., December 26, 2006, Chugach Electric Association, Inc. shall file its answer to the complaint filed by Chugach Consumers and Ray Kreig. DATED AND EFFECTIVE at Anchorage, Alaska, this 6th day of December, 2006.

BY DIRECTION OF THE COMMISSION

(SEAL)

Regulatory Commission of Alaska  
701 West Eighth Avenue, Suite 300  
Anchorage, Alaska 99501  
(907) 276-6222; TTY (907) 276-4533

STATE OF ALASKA

BEFORE THE REGULATORY COMMISSION OF ALASKA

Before Commissioners:

Kate Giard, Chair  
Dave Harbour  
Mark K. Johnson  
Anthony A. Price  
Janis W. Wilson

In the Matter of the Emergency Complaint Filed  
by Chugach Consumers and Ray Kreig against  
CHUGACH ELECTRIC ASSOCIATION, INC.

U-06-135

MOTION FOR ORDER CLARIFYING JURISDICTION

The complaints hereby notify the Commission that Chugach Electric Association has scheduled the ratification of the contract in question for its Board Meeting on December 19, 2006, which is one week prior to the Commission's deadline for their response to the Emergency Complaint. The complainants will follow-up on this matter.

At this point, the complainants move for an order clarifying the jurisdiction of this Commission and the manner in which it will proceed with this case. This order is necessary because it has been claimed by respondent in the action it removed to the United States District Court that this Commission may interfere in matters subject to the jurisdiction of the National Labor Relations Board. This order is being requested to insure that appropriate information is available to the United States District Court on this point.

The National Labor Relations Board has no jurisdiction over this Commission, and the Commission has no jurisdiction under the NLRA. If Chugach Electric Association, Inc. (CEA) commits an unfair labor practice, that is entirely a matter between CEA, the Union, and the NLRB. The Commission is not expected, empowered -- or even permitted -- to enforce the National Labor Relations Act.

However, the Commission is authorized to investigate and act upon management practices, including staffing patterns and pay scales for practices that adversely affect cost or quality of service. AS 42.05.511. A review of labor agreements is something that the

KENNETH P. JACOBUS  
A PROFESSIONAL CORPORATION  
310 K Street, Suite 200  
ANCHORAGE AK 99501-2064  
TELEPHONE (907) 277-3333

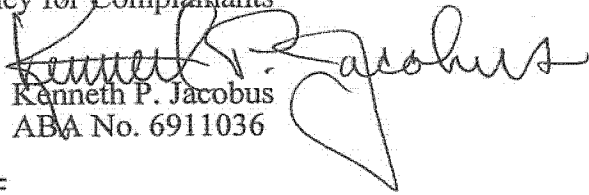
1 Commission has the jurisdiction to do, and in fact will be doing in the recent rate filing by  
2 Chugach Electric Association in which it states that approximately 25% of the total cost of  
3 service went to bargaining unit labor in the 2005 "test year."

4 Ordinarily, the Commission will determine whether the incremental increase in rates  
5 caused by a labor agreement is reasonable or unreasonable. If the Commission determines that  
6 the rate is unreasonable, then the cost would not be included in the rate base, but would have to  
7 be paid by Chugach from assets other than rates collected from consumers.

8 The complainants request the entry of the attached order for the purpose of clarifying  
9 Commission jurisdiction for the purpose of a motion to remand being filed with the federal court.

10 Dated this 15<sup>th</sup> day of December, 2006.

11 KENNETH P. JACOBUS, P.C.  
12 Attorney for Complainants

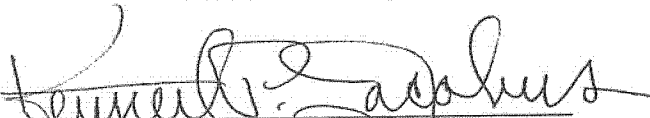
13 By   
14 Kenneth P. Jacobus  
ABA No. 6911036

15 CERTIFICATE OF SERVICE

16 I certify that a copy of the foregoing document  
17 was served on the persons named below as indicated  
on this 15<sup>th</sup> day of December, 2006.

18 Don Edwards (Hand-delivery and email)  
Dorsey & Whitney LLP  
19 1031 W 4th Avenue, Suite 600  
Anchorage Alaska 99501  
20 E-mail: [edwards.don@dorsey.com](mailto:edwards.don@dorsey.com)

21 Carol Johnson (U.S. mail and email)  
Chugach Electric Association, Inc.  
22 P.O. Box 196300  
Anchorage, Alaska 99519-6300  
23 E-mail: [carol\\_johnson@chugachelectric.com](mailto:carol_johnson@chugachelectric.com)

24   
25 Kenneth P. Jacobus

26  
27  
28  
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STATE OF ALASKA

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In the Matter of the Emergency Complaint Filed  
by Chugach Consumers and Ray Kreig against  
CHUGACH ELECTRIC ASSOCIATION, INC.

U-06-135

ORDER CLARIFYING JURISDICTION

IT IS ORDERED that complainants' motion for order clarifying jurisdiction is GRANTED.

The Commission is authorized to investigate and act upon management practices, including staffing patterns and pay scales for practices that adversely affect cost or quality of service. AS 42.05.511. The Commission will determine whether the incremental increase in rates caused by a labor agreement is reasonable or unreasonable. If the Commission determines that the rate is unreasonable, then the cost would not be included in the rate base, but would have to be paid by Chugach from assets other than rates collected from consumers.

The Commission recognizes that the National Labor Relations Board has no jurisdiction over this Commission, and the Commission has no jurisdiction under the NLRA. If Chugach Electric Association, Inc. (CEA) commits an unfair labor practice, that is entirely a matter between CEA, the Union, and the NLRB. The Commission is not expected, empowered or permitted to enforce the National Labor Relations Act, and will not be doing so.

Dated this \_\_\_\_\_ day of December, 2006.

BY DIRECTION OF THE COMMISSION

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