

**BRADLEY LAKE PROJECT MANAGEMENT COMMITTEE
DISPUTE RESOLUTION COMMITTEE**

RESOLUTION NO. 14-09

FINDINGS OF COMMITTEE REGARDING POWER DELIVERY ISSUES

BACKGROUND:

The Bradley Lake Project Management Committee (BPMC) appointed a Dispute Resolution Committee to address matters raised by Chugach Electric Association (Chugach) by letter dated January 7, 2014. The Dispute Resolution Committee held three meetings at Alaska Energy Authority (AEA) offices in Anchorage to address the issues raised by Chugach. Position papers were presented by Homer Electric Association (HEA) and by counsel jointly representing Chugach, Golden Valley Electric Association, Matanuska Electric Association, and Municipal Light & Power (collectively "Designated Utilities"). AEA participated in the meetings. All of these parties also had counsel present. Seward Electric participated in the Dispute Resolution Committee without counsel.

Certain matters were referred by the Dispute Resolution Committee to the BPMC Operations and Dispatch (O&D) Committee. The information provided by the O&D Committee in response has been duly considered by the Dispute Resolution Committee and is incorporated into these findings.

Having discharged its duties under the Agreement for the Wheeling of Electric Power and for Related Services ("Services Agreement"), the BPMC Dispute Resolution Committee makes the following findings:

WHEREAS, the BPMC has established a Dispute Resolution Committee to address specific disputes related to the transmission of Bradley Lake power from Bradley Junction to Quartz Creek as raised by both HEA and Chugach; and

WHEREAS, the BPMC O&D Committee has presented requested technical and operational information to the Dispute Resolution Committee; and

WHEREAS, the BPMC Dispute Resolution Committee has considered the issues as presented by both the Designated Utilities and HEA.

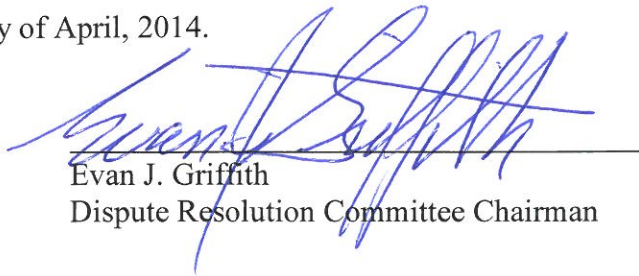
NOW THEREFORE, the BPMC Dispute Resolution Committee finds that:

1. The transmission of Bradley Lake power from Bradley Lake north to Quartz Creek from Bradley Junction is currently the highest priority use of the existing Bradley Junction to Soldotna and Soldotna to Quartz Creek transmission line segments.
2. All utilities receiving power from Bradley Lake have contracted for Chugach to dispatch all Bradley Lake power.
3. The Soldotna-Quartz Creek transmission line segment formerly leased to Chugach by HEA remains the only path to move Bradley Lake power from Soldotna to Quartz Creek and this transmission line segment presently is not used for transmission to HEA's native distribution load beyond Sterling substation.

4. The expiration of the lease between HEA and Chugach for the Soldotna-Quartz Creek transmission line segment does not in any way alter the contractual relationship between all parties that are signatory to the Services Agreement of the priority for transmission of Bradley Lake power.
5. HEA has received compensation for use of the Soldotna-Quartz Creek transmission line segment for the transmission of Bradley Lake power to all purchasers located north of Soldotna under the Bradley Lake Agreements.
6. In the interest of reaching an equitable resolution among the Project Participants, however, the BPMC should order that HEA is to receive payments from the other Project Participants for the continuing use of HEA's Soldotna-Quartz Creek transmission line segment. The BPMC should require the amount of those payments to be in an equitable amount given the differing positions among the Project Participants and the actual costs of continuing use.
7. HEA's alteration of the load-balancing area components and parameters necessary to allow the priority transmission of Bradley Lake power have resulted in system inefficiencies that have diminished the contractual priority for the delivery of Bradley Lake power.
8. All parties should conform and conduct their actions to ensure that Bradley Lake power retains its contractually-agreed-to priority along the designated transmission line segments necessary to deliver that power and capacity to all purchasers.
9. The BPMC should act in a timely manner to require payments consistent with paragraph 6 above to be made to HEA for the use of its Soldotna-Quartz Creek transmission line. Such payments should be required on a retroactive and moving forward basis effective January 1, 2014.

These findings and resolutions conclude and dispose of the complaint filed by the Designated Utilities and responded to by HEA and others concerning Bradley Lake power transmission.

Dated at Anchorage, Alaska, this 11 day of April, 2014.



Evan J. Griffith
Dispute Resolution Committee Chairman



Sara Fisher-Goad
Secretary