

CHUGACH ELECTRIC ASSOCIATION, INC.
Anchorage, Alaska

AUDIT COMMITTEE
MEETING MINUTES

March 5, 2003

Committee Member Attendees: Jeff Lipscomb, Chair
Dave Cottrell (teleconferenced)
Red Boucher
Sam Cason

Other Directors in Attendance: Bruce Davison (arrived at 4:15 p.m.)
Pat Jasper (teleconferenced)
Director Birch (arrived at 4:30 p.m.)

Guests: Kathy Porterfield, KPMG
Irina Harding, KPMG
Jim Patras
Don Percival, Heller Erhman

Staff in Attendance: Joe Griffith, General Manager
Lee Thibert, Executive Manager, Power Delivery
Bill Stewart, Executive Manager, Administration
Brad Evans, Executive Manager, Energy Supply
Mike Cunningham, Chief Financial Officer
Katrina Storjohann, Manager, Corporate Budget
Sherri McKay, Financial Analyst
Jody Wolfe, Manager, Accounting
Kathy Harris, Manager, Plant Accounting
Dan Knecht, Manager, Administrative Services
John Cooley, Manager, Power Control
Carol Johnson, General Counsel
Bill Bernier, Director Line Ops & Maintenance Div.
Brian Hickey, Director Technical Services
Mike Massin, Director Engineering Services Div.
Mark Fouts, Manager, Corporate Planning & Analysis
Dianne Hillemeier, Executive Assistant
Dora Gropp, Manager, Transmission & Special Projects
Patty Bogan, Manager, Public Relations
Mary Tesch, Director, Human Resources

Recording Secretary: Connie Owens, Executive Secretary

I. Call To Order

Chair Lipscomb called the Audit Committee meeting to order on Wednesday, March 5, 2003, at 4:10 p.m. in the boardroom of Chugach Electric Association, Inc., 5601 Minnesota Drive, Anchorage, Alaska.

II. Approval of the Agenda

Director Cottrell moved and Director Cason seconded the motion to approve the agenda. Motion passed unanimously.

III. Minutes

Director Cason moved and Director Boucher seconded the motion to approve the minutes of January 29, 2003. The motion passed unanimously.

IV. Review of 2002 Audit Results – KPMG (Kathy Porterfield)

Mike Cunningham review the 2002 Audited Financial Results.

Kathy Porterfield, Managing Partner with KPMG reviewed the Letter to the Audit Committee.

Kathy Porterfield then reviewed the Independent Auditor's Report and responded to questions from the Committee.

V. General Comments & Correspondence

Director Cottrell made several suggestions for revising the audit report.

Director Boucher moved and Director Cason seconded the motion to accept the Independent Auditor's Report as amended. The motion passed unanimously.

VI. Adjourn

Director Cason moved and Director Boucher seconded the motion to adjourn. The motion passed unanimously.