

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

**BOARD MEETING**  
**AGENDA ITEM SUMMARY**

**February 23, 2005**

**ACTION REQUIRED**

**AGENDA ITEM NO. IX.H.**

Information Only  
 Motion  
 Resolution  
 Executive Session  
 Other

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**TOPIC**

2005 CEO Goals

**DISCUSSION**

Attached are the proposed 2005 CEO Goals as recommended to the Board of Directors by the Operations Committee at their February 2, 2005, meeting.

**CEO's RECOMMENDATION**

n/a

## 2005 CEO Goals

**Draft 5**

- I. **Maintain System Reliability:**
  - A. Maintain system reliability within the “reliability triangle” (number of outages and durations).  
Performance measures are:
    - SAIFI 1.7 or fewer outages per member per year
    - CAIDI less than 90 minutes per outage
    - SAIDI less than 150 minutes per consumer per year
  - B. Maintain Beluga plant reliability > than 98% and forced outage rate < 2%
  - C. Ensure member satisfaction in service restoration and reliability by surveys where 90% of our members grade service reliability and restoration “B” or better
- II. **Ensure the Financial Health of the Association**
  - A. Ensure operating costs within approved 2005 budget levels
  - B. Ensure capital expenditures within approved 2005 budget levels
  - C. Meet the financial goals of the Association
    - a. Maintain MFI at 1.20 level; Equity Ratio at a range of 25-30%; Capital Credit retirements at 50% of prior-year margins
  - D. Meet long-term fuel needs of the Association and limit price volatility
    - a. Begin discussions with respondents to the Fuel RFP
    - b. Negotiate to re-price period 3 gas
    - c. Investigate long-term fuel supply alternatives
  - E. Proceed with Single Member G&T Plan
    - a. Functionally unbundle organization, prepare a rate case based on a 2004 test-year
  - F. Complete assessment/obtain attestation internal controls effectiveness
- III. **Cyber Security**
  - A. Implementation of a program to develop a culture of cyber security awareness
  - B. Conduct regular cyber security audits with internal and external resources
  - C. Report regularly the results of cyber security efforts
- IV. **Provide a High Level of Service to our Members**
  - A. Ensure members are treated appropriately and conduct retail customer surveys
  - B. Offer new and innovative customer and member services
  - C. Keep the membership informed of benefits of membership
- V. **Maintain our Leadership Amongst Electric Utilities in the State**
  - A. Lead efforts with Railbelt utilities to develop and execute a Railbelt-wide Legislative Plan
  - B. Integrate Chugach’s IRP with other Railbelt Utilities
- VI. **Provide our Employees a Safe, Challenging, and Rewarding Place To Work**
  - A. Maintain an aggressive safety program. Achieve an improvement over 2004 safety statistics by reducing the lost time rate from 3.39 to 3.25 and a recordable incident rate of 5.5
  - B. Create a new safety awareness campaign to encourage safe work practices and reward success
  - C. Provide opportunities for employees to progress to higher responsibilities
  - D. Ensure a competitive wage and salary program
  - E. Develop a strategy for labor negotiations within the first quarter of 2005
  - F. Set appropriate targets under the Gains program
- VII. **Relationship with our Wholesale Customers**
  - A. Continue meeting with Wholesale Customers on plans for renewal, extension, or modification of current agreements
  - B. Implement acceptable alternative wholesale customer relationships such as joint action agencies, power pools or G&T organizations
  - C. Involve Wholesale Customers and others in the Chugach planning process as appropriate
- VIII. **Continue pursuit of innovative ways, means, methods, and procedures in achieving Goals I-VII above.** Report quarterly to Board of Directors on progress