

CHUGACH ELECTRIC ASSOCIATION, INC.
Anchorage, Alaska

REGULAR BOARD OF DIRECTORS' MEETING
AGENDA ITEM SUMMARY

July 30, 2008

ACTION REQUIRED

AGENDA ITEM NO. XI.A.

Information Only
 Motion
 Resolution
 Executive Session
 Other

TOPIC

Approve 2008-2017 Financial Management Plan (FMP)

DISCUSSION

The 2008-2017 FMP is expected to produce margins ranging from \$9.1 million in 2008 to \$10.3 million in 2017, a Margins for Interest/Interest (MFI/I) ratio ranging from 1.39 in 2008 to 1.33 in 2017 and an Equity to Total Capitalization Ratio ranging from 33.4% in 2008 to 35.1% in 2017. These results are based on a Total Cost of Service ranging from \$264.4 million in 2008 to \$248.3 million in 2017 and Total Revenue ranging from \$272.1 million in 2008 to \$257.6 million in 2017.

The 2008-2017 FMP is expected to produce Distribution margins ranging from \$7.8 million in 2008 to \$6.6 million in 2017 and a Distribution MFI/I ranging from 2.03 in 2008 to 2.17 in 2017. Generation & Transmission margins range from \$1.3 million in 2008 to \$3.7 million in 2017 and a Generation & Transmission MFI/I ranging from 1.04 in 2008 to 1.15 in 2017.

MOTION

Move that the Board of Directors approve the 2008-2017 FMP as presented on the attached projected Statement of Operations, Balance Sheet, Summary of Financial Information and Ratios and Unbundled Financial Information and Ratios on pages 2 and 3 of this Agenda Item Summary.

Chugach Electric Association, Inc.
2008 - 2017 Financial Management Plan

SUMMARY UNBUNDLED FINANCIAL INFORMATION & RATIOS

GENERATION & TRANSMISSION (G&T)

(In Millions)	2008	2009	2010	2011	2012	2013	2014	2015	2016	2017
Margins	\$1.3	\$0.7	\$1.0	\$2.4	\$3.3	\$3.6	\$3.8	\$3.2	\$3.8	\$3.7
Times Interest Earned Ratio (TIER)	1.08	1.05	1.07	1.13	1.16	1.12	1.13	1.12	1.14	1.15
Equity Ratio	12.3%	11.8%	7.8%	7.6%	7.3%	8.2%	9.3%	10.3%	11.6%	12.8%

DISTRIBUTION

(In Millions)	2008	2009	2010	2011	2012	2013	2014	2015	2016	2017
Margins	\$7.8	\$4.9	\$4.8	\$5.3	\$4.9	\$8.4	\$8.2	\$7.8	\$7.2	\$6.6
Times Interest Earned Ratio (TIER)	2.05	1.77	1.70	2.05	2.06	2.29	2.29	2.29	2.24	2.18
Equity Ratio	56.3%	57.5%	56.7%	57.7%	59.6%	62.0%	64.2%	66.2%	68.1%	69.9%