

CHUGACH ELECTRIC ASSOCIATION, INC.
Anchorage, Alaska

BOARD MEETING
AGENDA ITEM SUMMARY

November 19, 2003

ACTION REQUIRED

AGENDA ITEM NO. IX.A

Information Only
 Motion
 Resolution
 Executive Session
 Other

TOPIC

Approval of the 2004 Operating and Capital Budget.

DISCUSSION

The Finance Committee met and reviewed the proposed 2004 Operating and Capital Budget. Presentations were made by the Chief Executive Officer, Chief Financial Officer and the Senior Vice Presidents to justify the level of operating and capital expenditures planned for next year.

The Operating Budget is expected to produce margins of \$6.0 million, a Margins for Interest/Interest (MFI/I) ratio of 1.27 and an Equity to Total Capitalization Ratio of 26.5%. These results are based on a Total Cost of Service of \$191.8 million, Total Revenue of \$196.6 million and Non-Operating Margins of \$1.2 million. The 2004 Capital Improvement Program as presented is \$34.7 million.

CEO's RECOMMENDATION

Move that the Board of Directors adopt the 2004 Operating and Capital Budget as presented.