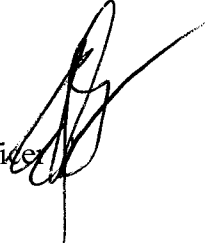


CHUGACH ELECTRIC ASSOCIATION, INC.
Anchorage, Alaska

January 5, 2005

TO: Chugach Board of Directors
FROM: Joe Griffith, Chief Executive Officer
SUBJECT: *Update on Land Inventory*



At the last Board Finance Committee Meeting held in December, Mike Cunningham gave a presentation on land inventory. Four properties were listed in Account 12100 Non-Utility Plant: Tract 2, Wonder Park School, Grid 1237; Lot 4, Block 18-D, Third Addition, Anchorage Town Site - Grid 1331; Lot 12, Block 2, O.H. Fast Subdivision - Grid 1832; and Lot 19, Block 2, Patricia Subdivision - Grid 2528. The Board requested that management return during the January Finance Committee Meeting to update them on what we plan to do with those properties.

Here is our plan:

Tract 2, Wonder Park School - Grid 1237

This property is outside our service territory and adjacent to Wonder Park Elementary School. The Anchorage School District (ASD) has expressed an interest in this property. It is our intent to attempt to trade this property to the ASD for property that they own adjacent to our Raspberry Substation.

Lot 4, Block 18-D, Third Addition, Anchorage Town Site – Grid 1331

This property is outside of Chugach's service area and adjacent to a parcel owned by the Municipality of Anchorage. It is being held for future use as an exchange property to facilitate development of other/future Chugach properties adjacent to Municipal property.

Lot 12, Block 2, O.H. Fast Subdivision - Grid 1832

This property is within Chugach's service area and was a former substation site. The property is identified for disposal.

Lot 19, Block 2, Patricia Subdivision – Grid 2528

This property is within Chugach's service area and was not utilized for its intended purpose due to a design change in the Klatt to Campbell 34.5 kV line caused by wetlands mitigation. The property is identified for disposal.

Description and Location of Property (a)	Dates Originally Included In This Account (b)	Balance at 10/31/04 (c)
Land and Rights:		
Knik Heights Subdivision, West Addition Lot 1A Block 1	Dec-91	49,457
Settlers Bay Subdivision, Unit No. 1, Lot 2B Block 2	Aug-97	15,200
Unused land at S. Anchorage Substation Site 10.3 Acres	Jun-01	<u>1,367,690</u>
Total in Account 10500		<u><u>1,432,347</u></u>

TOTAL	106,259	2,864,694
-------	---------	-----------