


2003 Unbundled Income Statement

- Methodology and Process
 - Unbundled rates
 - 2000 Test Year
 - Unbundled costs
 - Allocations reflect 2000 Test Year
 - Unbundled margins




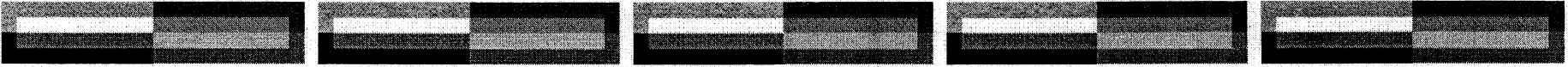


2003 Unbundled Income Statement


● Annual Results

	<u>Margins</u>	<u>TIER</u>
● System	-- \$6,253,118	1.27
● Power production	-- (\$4,215,282)	0.42
● Transmission	-- \$3,587,186	1.49
● Distribution	-- \$6,881,214	1.80





2003 Unbundled Income Statement

- Events in 2003
 - Power production expense up
 - Reversal of excess 2002 refunds
 - Refunds ordered by RCA
 - Write-offs
 - Fuel Cell
 - Cooper Lake Fish Study
 - Southern Intertie
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CHUGACH ELECTRIC ASSOCIATION, INC.
Unbundled Statement of Operations
Year Ending December 31, 2003

Item	Total	Power Production ¹	Transmission ²	Distribution ³
Operating Revenue and Patronage Capital⁴	\$184,032,412	\$104,106,583	\$25,262,236	\$54,663,592
Fuel Expense	\$48,667,262	\$48,667,262	\$0	\$0
Power Production Expense	\$13,961,565	\$13,961,565	\$0	\$0
Purchased Power Expense	\$18,244,922	\$18,244,922	\$0	\$0
Transmission Expense	\$4,511,002	\$0	\$4,511,002	\$0
Distribution Expense - Operations	\$4,876,267	\$0	\$0	\$4,876,267
Distribution Expense - Maintenance	\$5,989,984	\$0	\$0	\$5,989,984
Consumer Accounts Expense	\$4,933,299	\$0	\$0	\$4,933,299
Customer Service & Informational Expense	\$656,489	\$0	\$0	\$656,489
Administrative & General Expense	\$21,670,884	\$8,720,630	\$3,212,121	\$9,738,133
Total Operation & Maintenance Expense	\$123,511,673	\$89,594,379	\$7,723,123	\$26,194,171
Depreciation & Amortization Expense	\$27,792,051	\$9,382,020	\$6,917,088	\$11,492,943
Tax Expense - Other	\$827,572	\$73,621	\$20,742	\$733,208
Interest on LT Debt	\$23,110,239	\$7,226,932	\$7,246,985	\$8,636,322
Interest Charged to Construction - Credit	(\$411,312)	(\$126,582)	(\$129,461)	(\$155,269)
Interest Expense - Other	\$161,901	\$78,662	\$78,746	\$4,492
Other Deductions	\$3,871,733	\$2,653,759	\$0	\$1,217,974
Total Cost of Electric Service	\$178,863,857	\$108,882,792	\$21,857,224	\$48,123,842
Patronage Capital & Operating Margins	\$5,168,555	(\$4,776,208)	\$3,405,012	\$6,539,751
Non-Operating Margins - Interest	\$325,324	\$179,595	\$46,498	\$99,232
Allowance for Funds Used During Construction	\$76,047	\$23,403	\$23,936	\$28,707
Non-Operating Margins - Other	\$80,061	\$24,969	\$25,537	\$29,555
Generation and Transmission Capital Credits	\$0	\$0	\$0	\$0
Other Capital Credits and Patronage Dividends	\$603,132	\$332,959	\$86,204	\$183,970
Extraordinary Items	\$0	\$0	\$0	\$0
Patronage Capital or Margins	\$6,253,118	(\$4,215,282)	\$3,587,186	\$6,881,214
Achieved TIER	1.27	0.42	1.49	1.80
Operating Revenue per kWh	\$0.07467	\$0.04224	\$0.01025	\$0.04644
Functionalized Total Cost of Electric Service	100.00%	60.87%	12.22%	26.91%

1 Power Production includes revenues and costs associated with the fuel cell project.

2 Transmission includes revenues and costs associated with the microwave business.

3 Distribution includes revenues and costs associated with customer service.

4 Unbundled revenue from sales based on 2000 test year unbundled rates pursuant to U-01-108(32) and (33).