

Chugach Electric Association, Inc

2004 Budget/Capital Improvement Program Expectations

August 13, 2003

Financial Targets for 2004 Budget

- ❖ Rates
 - No additional increase in 2004
- ❖ MFI/I
 - Achieve 1.25
- ❖ Equity Ratio
 - Maintain 25% - 30%

Financial Targets for 2004 – 2008 Capital Improvement Program (CIP)

❖ Match depreciation & amortization expense

■ Capital

- Approximately \$169 million over 5 year period
 - Capitalized Maintenance
 - Capital Improvement Projects
 - Obligation to Serve
 - Reliability & Operating Efficiency

■ Amortized Projects

- Approximately \$7.5 million over 5 year period
 - Deferred Studies
 - IT Projects

■ Total approximately \$176.5 million over 5 years