



**CHUGACH ELECTRIC ASSOCIATION, INC.  
EMPLOYEES 401(k) PLAN**

Management Letter

July 12, 2002



701 West Eighth Avenue  
Suite 600  
Anchorage, AK 99501

July 12, 2002

The Plan Administrator  
Chugach Electric Association, Inc.  
Employees 401(k) Plan

Dear Administrator:

We have audited the financial statements of the Chugach Electric Association, Inc. Employees 401(k) Plan (Plan) for the year ended December 31, 2001, and have issued our report thereon dated July 12, 2002. In planning and performing our audit of the financial statements of the Plan, we considered internal control in order to determine our auditing procedures for the purpose of expressing our opinion on the financial statements and not to provide assurance on internal control. We have not considered internal control since the date of our report.

Our consideration of internal control would not necessarily disclose all matters in internal control that might be material weaknesses under standards established by the American Institute of Certified Public Accountants. A material weakness is a condition in which the design or operation of one or more internal control components does not reduce to a relatively low level the risk that errors or fraud in amounts that would be material in relation to the financial statements being audited may occur and not be detected within a timely period by employees in the normal course of performing their assigned functions. However, we noted no matters involving internal control and its operation that we consider to be material weaknesses as defined above.

This report is intended solely for the information and use of the Plan Administrator, the 401(k) Plan Committee, and Chugach Electric Association, Inc.'s management and is not intended to be and should not be used by anyone other than these specified parties.

Very truly yours,

**KPMG LLP**

