



CHUGACH ELECTRIC ASSOCIATION, INC.
2006-2010 Financial Management Plan (FMP) Guidance

Finance Committee
September 28, 2005

2006-2010 FMP Targets

- ❖ Margins for Interest/Interest
 - Minimum 1.20
- ❖ Equity Ratio
 - Minimum 25%
- ❖ Capital Credit Rotation
 - Maximum 50% of prior year's margins

2006-2010 FMP Components

- ❖ Approved 2006 Operating Budget
- ❖ Approved 2006-2010 Capital Improvement Program (CIP)
- ❖ Approved rates by the RCA from the 2000 Test Year Rate Case
- ❖ 2006-2010 Load Forecast
- ❖ 2002 Depreciation Study Rates

2006-2010 FMP Proposed Sensitivities

❖ Interest Rates

- Interest rate sensitivities

❖ Capital Credit Rotation

- 0%, 20%, 35% and 50% of prior year's margins
- Impact to Equity Ratio, Capital Credit rotation period

2006-2010 FMP Review Schedule

- ❖ November 30, 2005
 - Recommendation for approval of 2006-2010 FMP from Finance Committee to Board of Directors



DISCUSSION