

Kennedy & Co. LLC

Dan F. Kennedy CPA, MBA
Lakeview Professional Building
851 E. Westpoint Dr., Suite 108
Wasilla, Alaska 99654

work phone: 907.376-1272
fax: 907.373-1272
www.kennedycpas.com
kennedy@kennedycpas.com

FAX, only

September 23, 2003

To: Bruce Davison, President, Jeff Lipscomb, Treasurer and Members of the Chugach Electric Association Board

RE: Financial Advisor - Resignation

Thank you for the wonderful opportunity to serve the Chugach Electric Board of Directors since 1996.

Our CPA firm carefully analyzes its list of clients and engagements on a periodic basis. We continually reassess our ability to properly serve our clients and ensure that we can effectively meet their needs. Chugach is an SEC registered company with many complex issues. Offering the Board beneficial and effective advice is an increasing challenge. In our opinion, there are certain new competencies required in the financial advisor's role with the Board.

We have always focused our advice on the best interest of the Company. The recent decisions by the regulator have adversely affected the Company and we feel the regulator's decisions are wrong. Over time we hope that the Company can accomplish its goals in the increasingly restrictive environment.

Our CPA firm feels it is not able to continue to effectively provide competent advice to the Board of Directors due to the increased complexity of the industry. Therefore, we are resigning from the financial advisor role effective December 31, 2003. If the Board wishes to terminate the relationship sooner, we are flexible.

We wish the Board and Chugach's excellent employees success with your endeavors. Even after our working relationship is ended, we will be an advocate for Chugach Electric. We think highly of your organization.

Sincerely,
dfk 
Dan F. Kennedy CPA, MBA

cc: Joe Griffith, CEA - CEO (fyi)