

CHUGACH ELECTRIC ASSOCIATION, INC.
Anchorage, Alaska

FINANCE COMMITTEE MEETING
AGENDA ITEM SUMMARY

November 7, 2007

ACTION REQUIRED

AGENDA ITEM NO. VI.

Information Only
 Motion
 Resolution
 Executive Session
 Other

TOPIC

Recommend the 2008 Operating and Capital Budget for approval.

DISCUSSION

The Finance / Budget Committee met and reviewed the proposed 2008 Operating and Capital Budget on November 1 and 2, 2007.

The Operating Budget is expected to produce margins of \$6.7 million, a Margins for Interest/Interest (MFI/I) ratio of 1.28 and an Equity to Total Capitalization ratio of 31.6%. These results are based on a Total Cost of Service of \$266.4 million, Total Revenue of \$271.8 million and Non-Operating Margins of \$1.3 million. The 2008 Capital Improvement Program as presented is \$45.3 million.

The unbundled Operating Budget is expected to produce Distribution margins of \$5.7 and a Distribution MFI/I of 1.76 with Generation & Transmission margins of \$1.0 million and a Generation & Transmission MFI/I of 1.06.

MOTION

Move that the Finance / Budget Committee recommend to the Board of Directors to approve the 2008 Operating and Capital Budget as presented.