

**Chugach Electric
Association, Inc.**

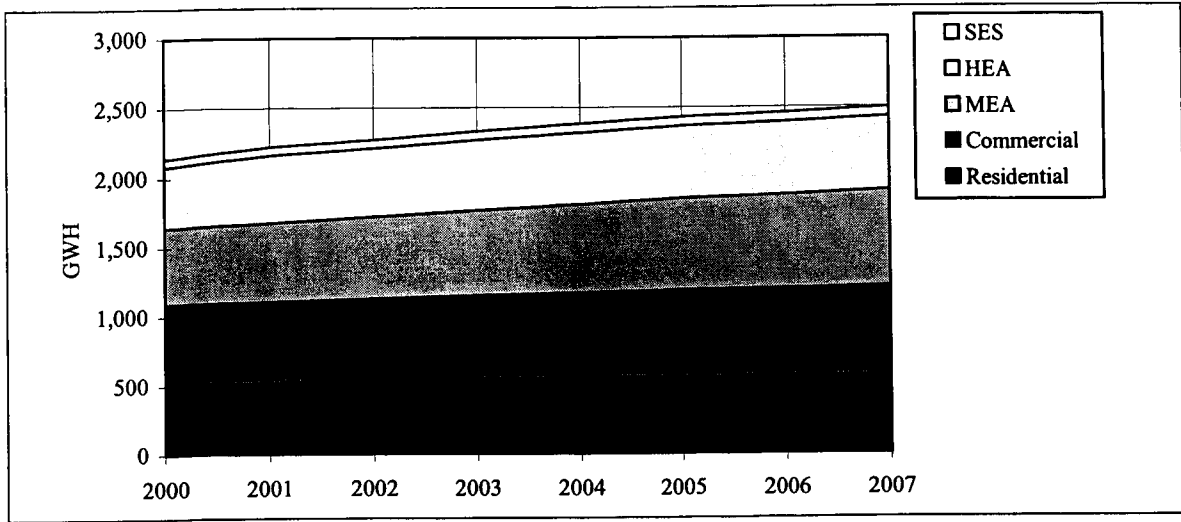
**Preliminary
2003 - 2007
Business Plan
Schedules**

“A” Budget

November 13, 2002

CHUGACH
POWERING ALASKA'S FUTURE

Chugach Electric Association 2003 Business Plan
Schedule 1
Sales Forecast
 (mid-case)



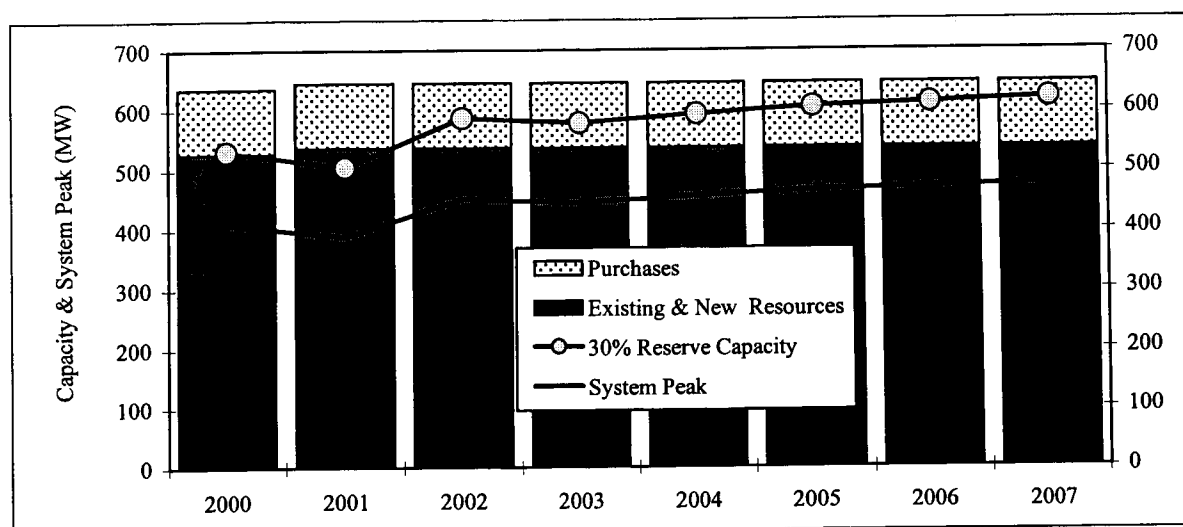
	Energy - Gigawatts-hours								Average Compounded Annual Change 2003-2007
	Historical		Estimate (1)	Budget	Forecast				
	2000	2001	2002	2003	2004	2005	2006	2007	
Residential	510	522	533	543	551	559	561	566	
Commercial	582	586	596	606	617	627	635	643	
Street Lights	5	5	5	5	5	5	5	5	
Total Retail	1,096	1,112	1,134	1,154	1,173	1,191	1,201	1,214	
<i>Annual Change</i>		1.5%	1.9%	1.8%	1.6%	1.6%	0.9%	1.1%	1.3%
MEA	550	566	589	613	638	660	674	692	
HEA	438	488	491	506	514	520	521	527	
SES	59	60	61	62	63	64	66	67	
Total Wholesale	1,047	1,114	1,141	1,181	1,215	1,245	1,262	1,286	
<i>Annual Change</i>		6.4%	2.4%	3.5%	2.9%	2.4%	1.4%	2.0%	2.2%
Total Sales	2,144	2,227	2,275	2,335	2,388	2,435	2,463	2,500	
Losses	108	123	137	140	143	146	147	149	
Total Requirements	2,251	2,350	2,412	2,475	2,531	2,581	2,610	2,649	
<i>Annual Change</i>		4.4%	2.7%	2.6%	2.3%	2.0%	1.1%	1.5%	1.7%
Peak Demand (MW) (2)	409	389	451	445	456	465	470	476	
<i>Annual Change</i>		-5.0%	16.1%	-1.3%	2.5%	2.0%	1.1%	1.3%	1.7%
Economy Sales (GWH) (3)	268	82	137	219	165	165	165	165	
<i>Annual Change</i>		-69.4%	67.4%	59.6%	-24.6%	0.0%	0.0%	0.0%	-6.8%

(1) Values are estimated except for peak demand. Peak demand is historical.

(2) Peak demand reported for the year is for the winter period of that year and the prior year. For example, the 2001 peak represents the peak that occurred in the 2000/2001 winter.

(3) Economy (non-firm) sales are not included in Total Requirements.

**Chugach Electric Association 2003 Business Plan
Schedule 2
Resource Plan**



Capacity - Megawatts

	Historical		Estimate	Budget	Forecast			
	2000	2001	2002	2003	2004	2005	2006	2007
Beluga	378	383	383	383	383	383	383	383
Bernice Lake	68	68	68	68	68	68	68	68
International	47	47	47	47	47	47	47	47
Cooper Lake/Eklutna (1)	35	39	39	39	39	39	39	39
New Units	1	1	1	1	1	1	1	1
Total Production	528	538	538	538	538	538	538	538
Soldotna No. 1/Nikiski	40	40	40	40	40	40	40	40
Bradley Lake Hydroelectric (2)	54	54	54	54	54	54	54	54
Homer Bradley Lake	14	14	14	14	14	14	14	14
Total Purchases	108	108	108	108	108	108	108	108
Total System Capacity	636	646	646	646	646	646	646	646

Energy - Gigawatt-hours

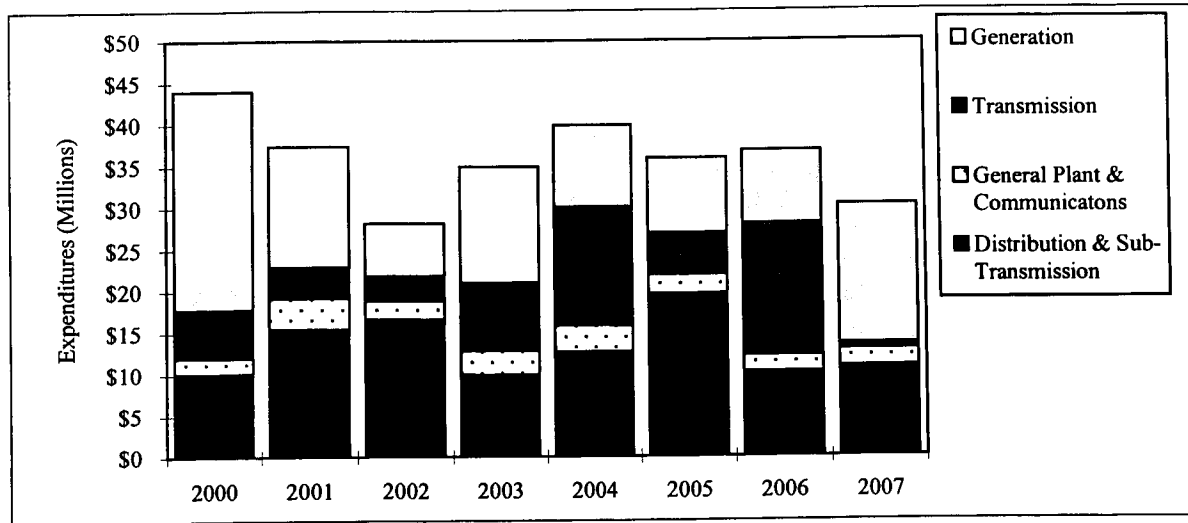
Energy does not include economy sales.

Beluga	1,800	1,710	1,727	1,795	1,853	1,931	1,918	1,954
Bernice Lake	162	92	15	73	39	17	56	61
International	2	2	8	3	1	1	4	3
Cooper Lake/Eklutna	90	143	145	119	126	126	126	126
New Units	0	6	8	8	8	8	8	8
Total Production	2,054	1,953	1,903	1,998	2,027	2,083	2,112	2,152
Nikiski	15	197	312	294	336	330	330	330
Bradley Lake	164	181	190	177	165	165	165	165
Other Purchases	18	19	7	6	2	2	3	2
Total Purchases	197	397	509	477	503	497	498	497
Total System Requirements	2,251	2,350	2,412	2,475	2,530	2,580	2,610	2,649

(1) Eklutna includes Chugach's and MEA's capacity shares.

(2) Bradley Lake includes Chugach's, MEA's and Seward's capacity shares.

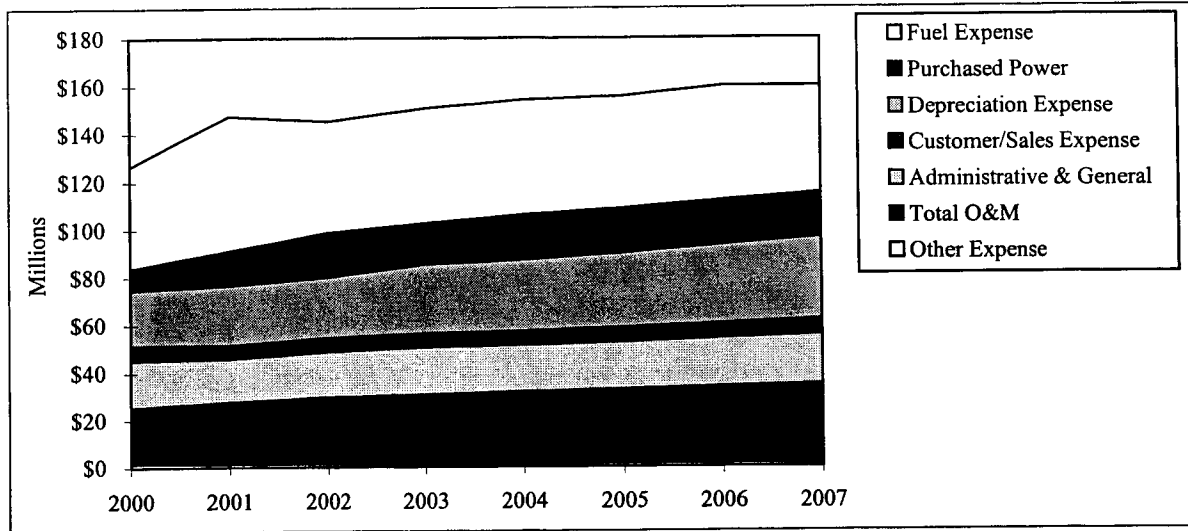
Chugach Electric Association 2003 Business Plan
Schedule 3
Capital Expenditures



	Nominal Dollars (\$000) (1)								Average Compounded Annual Change 2003-2007
	Historical		Estimate	Budget	Forecast				
	2000	2001	2002	2003	2004	2005	2006	2007	
Distribution & Sub-Transmission	10,102	15,464	16,632	9,951	12,706	19,648	10,214	10,883	
General Plant & Communicatons	1,903	3,716	2,206	2,850	3,122	2,288	1,999	2,054	
Total	12,005	19,181	18,838	12,801	15,828	21,936	12,213	12,937	
<i>Annual Change</i>		<i>59.8%</i>	<i>-1.8%</i>	<i>-32.0%</i>	<i>23.6%</i>	<i>38.6%</i>	<i>-44.3%</i>	<i>5.9%</i>	<i>0.3%</i>
Generation	26,219	14,447	6,312	13,929	9,813	9,003	8,743	16,722	
Transmission	5,788	3,767	3,029	8,215	14,246	4,977	15,822	669	
Total	32,007	18,214	9,341	22,144	24,059	13,980	24,565	17,391	
<i>Annual Change</i>		<i>-43.1%</i>	<i>-48.7%</i>	<i>137.1%</i>	<i>8.6%</i>	<i>-41.9%</i>	<i>75.7%</i>	<i>-29.2%</i>	<i>-5.9%</i>
Total Capital Expenditures	44,012	37,395	28,179	34,945	39,887	35,916	36,778	30,328	
<i>Annual Change</i>		<i>-15.0%</i>	<i>-24.6%</i>	<i>24.0%</i>	<i>14.1%</i>	<i>-10.0%</i>	<i>2.4%</i>	<i>-17.5%</i>	<i>-3.5%</i>

- (1) The capital expenditures are less reimbursements to show the net cash requirement of the projects to Chugach.
(2) For a complete list of the major capital projects and the deferred projects see Appendix A.
(3) Generation capital spending includes routine maintenance.

**Chugach Electric Association 2003 Business Plan
Schedule 4
Operating Expenses**

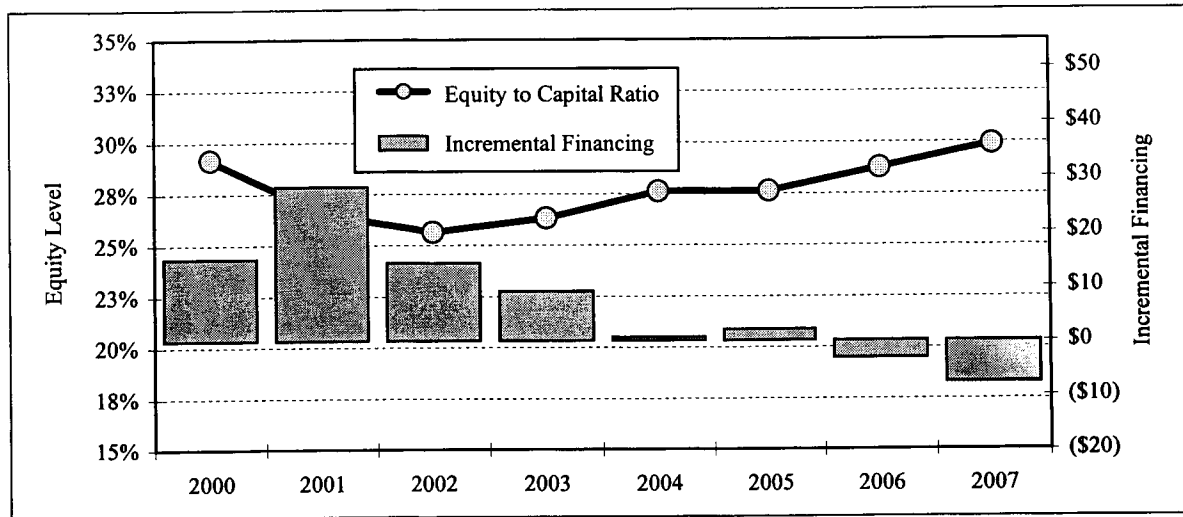


	<u>Nominal Dollars (\$000)</u>								Average Compounded Annual Change 2003-2007
	Historical		Estimate	Budget	Forecast				
	2000	2001	2002	2003	2004	2005	2006	2007	
Distribution O&M	9,775	10,418	10,372	10,688	11,250	11,540	11,841	12,173	3.3%
Power Production O&M	10,222	12,397	13,919	14,687	15,068	15,475	15,909	16,354	2.7%
Transmission O&M	3,829	3,546	4,127	4,605	4,413	4,672	4,892	5,029	2.2%
Total O&M	23,825	26,361	28,418	29,980	30,731	31,687	32,642	33,556	
<i>Annual Change</i>		10.6%	7.8%	5.5%	2.5%	3.1%	3.0%	2.8%	2.9%
Administrative & General (1)	19,699	18,160	18,954	19,753	19,406	19,700	20,252	20,818	
Customer/Sales Expense	6,388	5,617	5,950	5,814	5,965	6,126	6,298	6,474	
Total A&G and Customer	26,088	23,777	24,904	25,567	25,371	25,826	26,550	27,292	
<i>Annual Change</i>		-8.9%	4.7%	2.7%	-0.8%	1.8%	2.8%	2.8%	1.6%
Depreciation Expense	23,217	25,097	25,401	28,966	29,762	31,247	32,937	34,432	
<i>Annual Change</i>		8.1%	1.2%	14.0%	2.7%	5.0%	5.4%	4.5%	4.4%
Other Expense	1,644	1,414	1,339	824	1,266	1,290	1,306	1,325	
<i>Annual Change</i>		-14.0%	-5.3%	-38.5%	53.6%	1.9%	1.2%	1.5%	12.6%
Fuel Expense	42,504	56,130	46,357	47,856	47,948	46,721	47,653	44,545	
<i>Annual Change</i>		32.1%	-17.4%	3.2%	0.2%	-2.6%	2.0%	-6.5%	-1.8%
Purchased Power (2)	9,152	14,717	18,875	17,518	19,175	18,914	18,813	18,739	
<i>Annual Change</i>		60.8%	28.3%	-7.2%	9.5%	-1.4%	-0.5%	-0.4%	1.7%
Total Expenses	126,430	147,497	145,294	150,711	154,253	155,685	159,901	159,889	
<i>Annual Change</i>		16.7%	-1.5%	3.7%	2.4%	0.9%	2.7%	0.0%	1.5%
<i>Annual Change without Fuel Expense</i>		8.9%	8.3%	4.0%	3.4%	2.5%	3.0%	2.8%	2.9%
<i>Annual Change without Fuel and Purchased Power</i>		2.5%	4.5%	6.6%	2.1%	3.4%	3.8%	3.4%	3.1%
Inflation Rate	2.2%	3.1%	2.4%	2.5%	2.6%	2.7%	2.8%	2.8%	2.7%

(1) A&G expense decreases in 2004 because the amortization of the Y2K expenses are complete.

(2) Purchased power expense increases in 2001 and 2002 because Chugach purchases all of Nikiski output (2001 partial year, 2002 full year).

**Chugach Electric Association 2003 Business Plan
Schedule 5
Financial Statistics and Ratios**



Nominal Dollars (\$000)

	Historical		Estimate	Budget	Forecast			
	2000	2001	2002	2003	2004	2005	2006	2007
<u>MFI/I</u>								
Margins Earned	9,680	5,539	8,859	8,012	11,917	10,048	13,427	11,808
Total Interest Expense	26,897	28,293	26,533	24,273	25,871	26,998	26,720	26,706
Margins for Interest	1.36	1.20	1.33	1.33	1.46	1.37	1.50	1.44
<u>Equity Ratio</u>								
Equity	128,815	131,825	137,884	142,396	150,306	154,396	162,799	167,894
Long-term Debt	312,773	364,785	399,609	398,663	393,631	404,505	403,276	393,435
Total Capitalization	441,588	496,610	537,493	541,059	543,937	558,901	566,075	561,329
Equity to Capital Ratio	29.2%	26.5%	25.7%	26.3%	27.6%	27.6%	28.8%	29.9%
<u>Capital Credit Retirements</u>								
	4,090	3,000	2,800	3,500	4,006	5,959	5,024	6,714
<u>Base Rate Changes</u>								
	0.00%	3.97%	0.00%	0.00%	3.00%	0.00%	3.00%	0.00%
<u>Other Financial Statistics and Ratios</u>								
Debt Service Coverage (1)	1.77	1.74	1.65	2.45	2.54	1.80	2.64	2.63
Debt to Operating Cash Flow	6.0	6.5	6.6	6.7	5.9	6.0	5.6	5.5
Operating Cash Percent	66.8%	37.0%	58.1%	81.3%	105.9%	110.9%	122.3%	147.3%
Incremental Financing	15,054	28,224	14,281	9,134	659	2,063	(3,156)	(7,618)
Current Ratio	0.49	0.84	1.50	1.22	1.00	1.22	1.28	1.23

(1) DSC is net of any refinance or bond buyback amounts.

Chugach Electric Association 2003 Business Plan
Financial Statements
Schedule 6 - Income Statement (\$000)

	Historical		Estimate	Budget	Forecast			
	2000	2001	2002	2003	2004	2005	2006	2007
<u>Operating Revenues</u>								
System Sales	147,219	172,810	171,934	170,950	181,383	182,238	189,613	187,914
Economy Sales	7,821	3,355	4,371	7,862	5,829	5,581	5,719	5,861
Other Revenue	3,502	2,431	2,235	2,220	2,228	2,246	2,264	2,282
Total Revenue	158,541	178,595	178,540	181,032	189,440	190,065	197,596	196,057
<u>Operating Expenses</u>								
Fuel Expense	42,504	56,130	46,357	47,856	47,948	46,721	47,653	44,545
Purchased Power	9,152	14,717	18,875	17,518	19,175	18,914	18,813	18,739
Operations & Maintenance	23,825	26,361	28,418	29,980	30,731	31,687	32,642	33,556
Administrative & General	19,699	18,160	18,954	19,753	19,406	19,700	20,252	20,818
Customer Accounts	6,388	5,617	5,950	5,814	5,965	6,126	6,298	6,474
Depreciation Expenses	23,217	25,097	25,401	28,966	29,762	31,247	32,937	34,432
Other Expenses	1,644	1,414	1,339	824	1,266	1,290	1,306	1,325
Total Operating Expenses	126,430	147,497	145,294	150,711	154,253	155,685	159,901	159,889
Operating Margins	32,111	31,098	33,245	30,321	35,186	34,379	37,696	36,168
<u>Other Income</u>								
AFUDC on Equity Funds	341	307	84	159	266	282	243	224
Investment & Other Income	1,946	1,363	1,461	1,084	1,121	1,098	1,100	1,100
Other Gains or (Losses)	0	0	0	0	0	0	0	0
Total Other Income	2,287	1,670	1,545	1,243	1,387	1,380	1,343	1,324
Income Before Interest Charges	34,398	32,769	34,790	31,563	36,574	35,760	39,039	37,492
<u>Interest Expense</u>								
Total Debt Interest	26,897	28,293	26,533	24,273	25,871	26,998	26,720	26,706
AFUDC on Debt Funds	(2,178)	(1,064)	(602)	(722)	(1,213)	(1,286)	(1,108)	(1,022)
Net Interest	24,718	27,230	25,931	23,551	24,658	25,712	25,612	25,684
Margins	9,680	5,539	8,859	8,012	11,917	10,048	13,427	11,808

Note: The business plan financial statements format and historical values are consistent with the format used in other internal planning documents (Financial and Statistical Report, and Budget) to facilitate use of the business plan's financial forecast as a planning tool. Presentation of historical annual values may differ from audited financial statements due to certain reclassifications made for conformity purposes.

**Chugach Electric Association 2003 Business Plan
Financial Statements
Schedule 7 - Balance Sheet (\$000)**

	Historical		Estimate	Budget	Forecast			
	2000	2001	2002	2003	2004	2005	2006	2007
<u>Assets</u>								
Net Utility Plant (1)	469,155	481,852	485,318	492,178	503,782	510,018	515,209	512,352
Other Long Term Assets	10,301	10,489	10,393	10,549	10,970	11,409	11,866	12,341
Total Reserve Funds	212	222	212	212	212	212	212	212
Cash & Short-term Investments	2,074	4,333	3,490	2,577	1,575	1,575	1,577	1,575
Other Short Term Assets	20,278	23,254	26,892	26,311	26,942	27,592	28,259	28,945
Materials And Supplies	15,357	19,720	20,805	25,021	22,359	22,702	23,054	23,414
Deferred Debits	22,921	32,785	28,198	32,178	32,605	31,820	30,939	30,009
Total Assets	540,299	572,654	575,308	589,025	598,446	605,329	611,115	608,848
<u>Liabilities And Equity</u>								
Member Equity	128,815	131,825	137,884	142,396	150,306	154,396	162,799	167,894
Long Term Debt	312,773	364,785	399,609	398,663	393,631	404,505	403,276	393,435
Total Capitalization	441,588	496,610	537,493	541,059	543,937	558,901	566,075	561,329
Short Term Debt	40,000	11,000	0	10,000	5,605	6,700	4,669	6,781
Current Portion of LTD	6,430	10,410	866	946	11,032	1,126	1,229	1,341
Other Liabilities	10,818	10,494	11,036	11,458	11,695	11,937	12,185	12,439
Accrued Expenses	20,037	24,708	22,111	21,760	22,375	22,863	23,155	23,156
Deferred Credits	21,425	19,431	3,802	3,802	3,802	3,802	3,802	3,802
Total Liabilities And Equity	540,299	572,654	575,308	589,025	598,446	605,329	611,115	608,848

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(1) The decline in Net Utility Plant in 2007 is due to retirements of communications projects.

**Chugach Electric Association 2003 Business Plan
Financial Statements
Schedule 8 - Statement of Cash Flows (\$000)**

	Historical		Estimate	Budget	Forecast			
	2000	2001	2002	2003	2004	2005	2006	2007
<u>Cash Flows From Operations:</u>								
Net Income	9,680	5,539	8,859	8,012	11,917	10,048	13,427	11,808
Adjustments:								
Depreciation & Amortization	23,217	25,097	25,401	28,966	29,762	31,247	32,937	34,432
Changes In Liabilities:								
Current & Other Liability	(28)	2,353	(17,685)	71	851	730	540	255
Changes In Assets:								
Current & Other Assets	(925)	(17,788)	485	(7,771)	1,183	(646)	(594)	(590)
AFUDC	(2,519)	(1,370)	(686)	(881)	(1,480)	(1,568)	(1,352)	(1,247)
Total Adjustments	19,744	8,291	7,515	20,386	30,316	29,763	31,531	32,850
Net Cash From Operations	29,424	13,830	16,374	28,398	42,232	39,811	44,959	44,658
<u>Cash Flows From Investments:</u>								
Cash Flows From Investments	(30)	(10)	0	0	0	0	0	0
Construction Expenditures	(44,012)	(37,395)	(28,179)	(34,945)	(39,887)	(35,915)	(36,777)	(30,328)
Net Cash Used In Investing	(44,042)	(37,405)	(28,179)	(34,945)	(39,887)	(35,915)	(36,777)	(30,328)
<u>Cash Flows From Financing:</u>								
Long Term Debt Proceeds (1)	0	150,000	195,000	0	6,000	12,000	0	1,500
Change In Short Term Debt	40,000	(29,000)	(25,941)	10,000	(4,395)	1,095	(2,030)	2,111
Change In Memberships and Donations	701	751	1,929	(1,929)	0	0	0	0
Capital Credits	(4,090)	(3,280)	(2,800)	(3,500)	(4,006)	(5,958)	(5,024)	(6,714)
Retirement Of Long Term Debt	(24,946)	(92,776)	(154,778)	(866)	(946)	(11,032)	(1,126)	(11,229)
Net Cash From Financing	11,665	25,694	9,551	7,562	(3,347)	(3,895)	(8,180)	(14,331)
Net Cash Provided	(2,953)	2,120	(2,254)	1,015	(1,001)	0	1	(1)
Beginning Of Year Cash	4,648	1,695	3,815	1,561	2,577	1,575	1,575	1,577
End Of Year Cash	1,695	3,815	1,561	2,577	1,575	1,575	1,577	1,575

(1) The change in Long Term Debt Proceeds in 2001 is largely the replacement debt for the Series A 2022 bond. The Retirement of Long Term Debt in 2001 is largely the retirement of the Series A 2022 bond.

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Appendix A – Capital Improvements Program

Major projects are generally greater than \$1.0 million. Values are in nominal dollar (\$000).

	Budget	Forecast			
	2003	2004	2005	2006	2007
Distribution Projects					
Major Projects					
Underground Line Extensions (non-reimbursable Only)	\$2,845	\$2,873	\$2,950	\$3,033	\$3,118
Operations Service Connects	\$1,970	\$1,970	\$2,023	\$2,080	\$2,138
Capitalized Meters/Transformers	\$1,092	\$1,129	\$1,159	\$1,192	\$1,225
Underground Cable Replacement & Restoration	\$721	\$739	\$759	\$781	\$803
Girdwood New Feeders	\$0	\$53	\$1,485	\$0	\$0
Dowling Dbl. Circuit down Abbott Loop Rd.	\$0	\$49	\$962	\$0	\$0
Pt. Woronzof 12.47 kV Substation Addition	\$168	\$1,607	\$2,397	\$0	\$0
Pt. Woronzof Dist. Substation Feeders	\$0	\$257	\$843	\$217	\$0
New Girdwood Breaker	\$82	\$1,047	\$0	\$0	\$0
Minor Projects	\$2,763	\$2,415	\$2,174	\$1,949	\$2,650
Distribution Total	\$9,641	\$12,138	\$14,753	\$9,250	\$9,933
Sub-Transmission Projects					
Major Projects					
34.5 kV Subtransmission OH Reconductoring	\$0	\$263	\$1,581	\$924	\$950
South Anchorage Substation 34.5kV Feeders	\$0	\$0	\$1,118	\$40	\$0
Alt. 35kV Supply to Baxter Substation	\$261	\$257	\$2,197	\$0	\$0
Minor Projects	\$50	\$49	\$0	\$0	\$0
Sub-Transmission Total	\$311	\$568	\$4,896	\$964	\$950
Transmission Projects					
Major Projects					
138kV International to South Anchorage Line (1)	\$1,481	\$2,651	\$9	\$0	\$0
138kV Yard at International Station (1)	\$4,516	\$3,120	\$0	\$0	\$0
South Anchorage Bulk Station (1)	\$734	\$6,899	\$848	\$0	\$0
138kV University Subst. To So. Anch. (1)	\$129	\$227	\$3,391	\$3,432	\$278
138kV Southern Intertie	\$0	\$0	\$0	\$11,374	\$0
Minor Projects	\$1,355	\$1,348	\$728	\$1,016	\$391
Transmission Total	\$8,215	\$14,245	\$4,977	\$15,821	\$670
(1) South Anchorage Loop Projects					
Generation Projects					
Major Projects					
Beluga Unit 3 Turbine Controls and Gen. Protection	\$164	\$831	\$0	\$0	\$0
Beluga Unit 5 Turbine Controls and Gen Protection	\$732	\$0	\$0	\$0	\$0
Beluga Unit 8 Turbine Refurbishment & Controls	\$0	\$0	\$0	\$0	\$7,242
Maintenance Projects					
Beluga Unit 1 Hot Gas Path Inspection - SRU Project	\$0	\$0	\$790	\$0	\$0
Beluga Unit 2 Hot Gas Path Inspection - SRU Project	\$0	\$0	\$790	\$0	\$0
Beluga Unit 3 Hot Gas Path Inspection - SRU Project	\$0	\$0	\$3,227	\$0	\$0
Beluga Unit 5 Hot Gas Path Inspection - SRU Project	\$0	\$0	\$0	\$0	\$3,411
Beluga Unit 6 Major Overhaul - SRU Project	\$11,589	\$0	\$0	\$8,571	\$0
Beluga Unit 7 Major Overhaul - SRU Project	\$821	\$8,670	\$0	\$0	\$6,069
Beluga Unit 8 25,000 hour inspection - SRU Project	\$0	\$0	\$2,107	\$0	\$0
Bernice Lake Unit 3 Hot Gas Path Inspection - SRU Project	\$0	\$0	\$507	\$0	\$0
IGT Unit 3 Major Overhaul - SRU Project	\$0	\$0	\$1,581	\$0	\$0
Minor Projects	\$623	\$312	\$0	\$172	\$0
Generation Total	\$13,929	\$9,813	\$9,003	\$8,743	\$16,722
Communications Projects	\$1,034	\$1,742	\$607	\$542	\$557
General Plant Total	\$1,816	\$1,380	\$1,681	\$1,457	\$1,498
Total Capital Expenditures	\$34,946	\$39,886	\$35,916	\$36,777	\$30,329

Appendix A – Capital Projects Continued

Major projects are generally greater than \$1.0 million.

Values are in nominal dollar (\$000)

Deferred Projects					
Major Projects					
Cooper Lake Relicensing	\$1,349	\$1,231	\$632	\$217	\$111
Information Systems Projects	\$645	\$749	\$606	\$623	\$779
Minor Projects	\$217	\$0	\$0	\$0	\$0
Deferred Projects Total	\$2,211	\$1,980	\$1,238	\$839	\$891
<hr/>					
Total Capital Expenditures and Deferred Projects	\$37,157	\$41,866	\$37,154	\$37,616	\$31,219

**Chugach Electric
Association, Inc.**

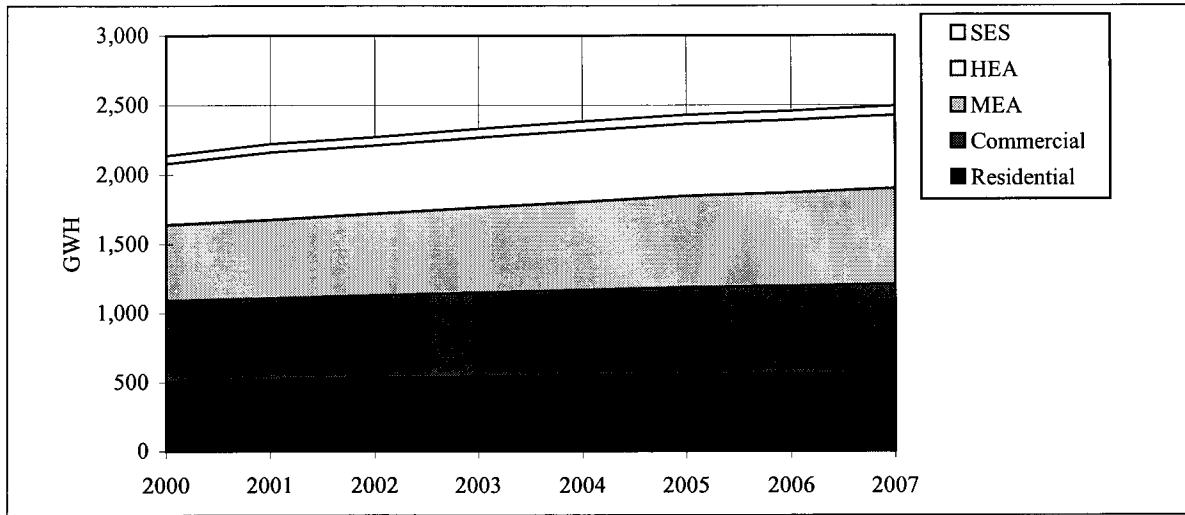
**Preliminary
2003 - 2007
Business Plan
Schedules**

“B” Budget

November 13, 2002

CHUGACH
POWERING ALASKA'S FUTURE

Chugach Electric Association 2003 Business Plan
Schedule 1
Sales Forecast
 (mid-case)



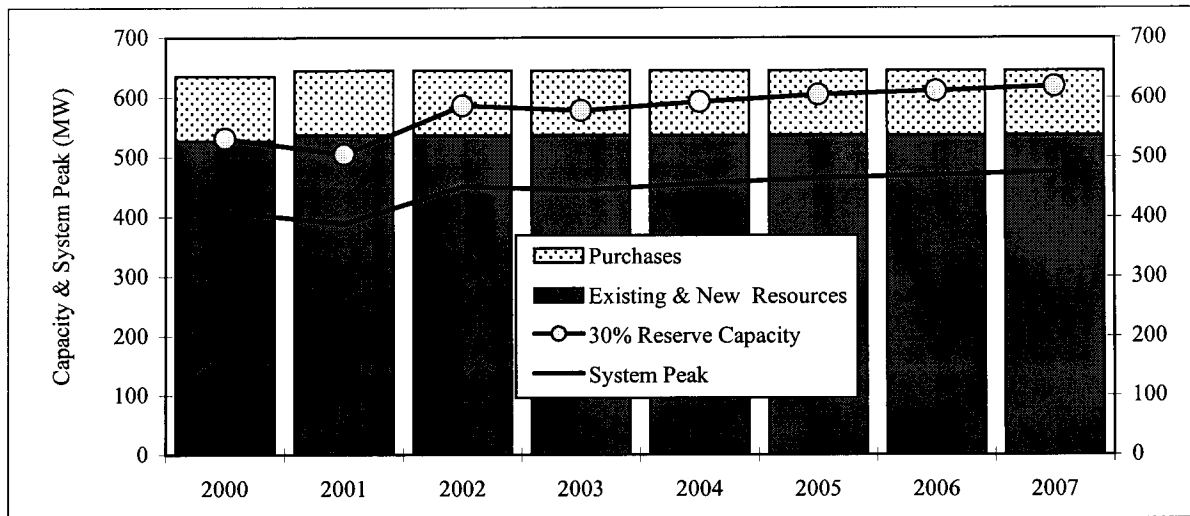
	<u>Energy - Gigawatts-hours</u>								Average Compounded Annual Change 2003-2007
	Historical		Estimate (1)	Budget	Forecast				
	2000	2001	2002	2003	2004	2005	2006	2007	
Residential	510	522	533	543	551	559	561	566	
Commercial	582	586	596	606	617	627	635	643	
Street Lights	5	5	5	5	5	5	5	5	
Total Retail	1,096	1,112	1,134	1,154	1,173	1,191	1,201	1,214	
<i>Annual Change</i>		1.5%	1.9%	1.8%	1.6%	1.6%	0.9%	1.1%	1.3%
MEA	550	566	589	613	638	660	674	692	
HEA	438	488	491	506	514	520	521	527	
SES	59	60	61	62	63	64	66	67	
Total Wholesale	1,047	1,114	1,141	1,181	1,215	1,245	1,262	1,286	
<i>Annual Change</i>		6.4%	2.4%	3.5%	2.9%	2.4%	1.4%	2.0%	2.2%
Total Sales	2,144	2,227	2,275	2,335	2,388	2,435	2,463	2,500	
Losses	108	123	137	140	143	146	147	149	
Total Requirements	2,251	2,350	2,412	2,475	2,531	2,581	2,610	2,649	
<i>Annual Change</i>		4.4%	2.7%	2.6%	2.3%	2.0%	1.1%	1.5%	1.7%
Peak Demand (MW) (2)	409	389	451	445	456	465	470	476	
<i>Annual Change</i>		-5.0%	16.1%	-1.3%	2.5%	2.0%	1.1%	1.3%	1.7%
Economy Sales (GWH) (3)	268	82	137	219	165	165	165	165	
<i>Annual Change</i>		-69.4%	67.4%	59.6%	-24.6%	0.0%	0.0%	0.0%	-6.8%

(1) Values are estimated except for peak demand. Peak demand is historical.

(2) Peak demand reported for the year is for the winter period of that year and the prior year. For example, the 2001 peak represents the peak that occurred in the 2000/2001 winter.

(3) Economy (non-firm) sales are not included in Total Requirements.

**Chugach Electric Association 2003 Business Plan
Schedule 2
Resource Plan**



Capacity - Megawatts

	Historical		Estimate	Budget	Forecast			
	2000	2001	2002	2003	2004	2005	2006	2007
Beluga	378	383	383	383	383	383	383	383
Bernice Lake	68	68	68	68	68	68	68	68
International	47	47	47	47	47	47	47	47
Cooper Lake/Eklutna (1)	35	39	39	39	39	39	39	39
New Units	1	1	1	1	1	1	1	1
Total Production	528	538	538	538	538	538	538	538
Soldotna No. 1/Nikiski	40	40	40	40	40	40	40	40
Bradley Lake Hydroelectric (2)	54	54	54	54	54	54	54	54
Homer Bradley Lake	14	14	14	14	14	14	14	14
Total Purchases	108	108	108	108	108	108	108	108
Total System Capacity	636	646	646	646	646	646	646	646

Energy - Gigawatt-hours

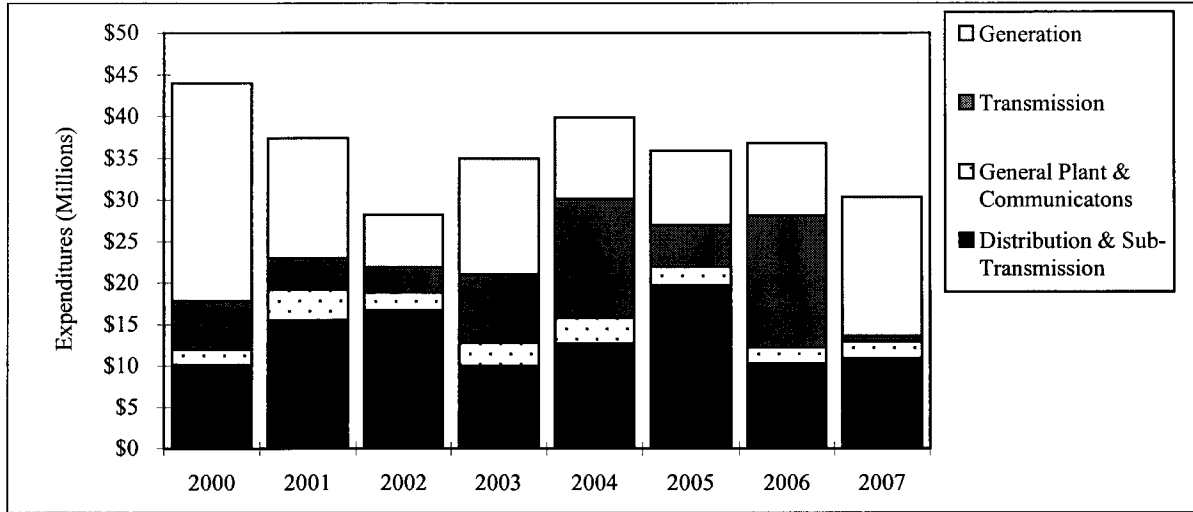
Energy does not include economy sales.

Beluga	1,800	1,710	1,727	1,795	1,853	1,931	1,918	1,954
Bernice Lake	162	92	15	73	39	17	56	61
International	2	2	8	3	1	1	4	3
Cooper Lake/Eklutna	90	143	145	119	126	126	126	126
New Units	0	6	8	8	8	8	8	8
Total Production	2,054	1,953	1,903	1,998	2,027	2,083	2,112	2,152
Nikiski	15	197	312	294	336	330	330	330
Bradley Lake	164	181	190	177	165	165	165	165
Other Purchases	18	19	7	6	2	2	3	2
Total Purchases	197	397	509	477	503	497	498	497
Total System Requirements	2,251	2,350	2,412	2,475	2,530	2,580	2,610	2,649

(1) Eklutna includes Chugach's and MEA's capacity shares.

(2) Bradley Lake includes Chugach's, MEA's and Seward's capacity shares.

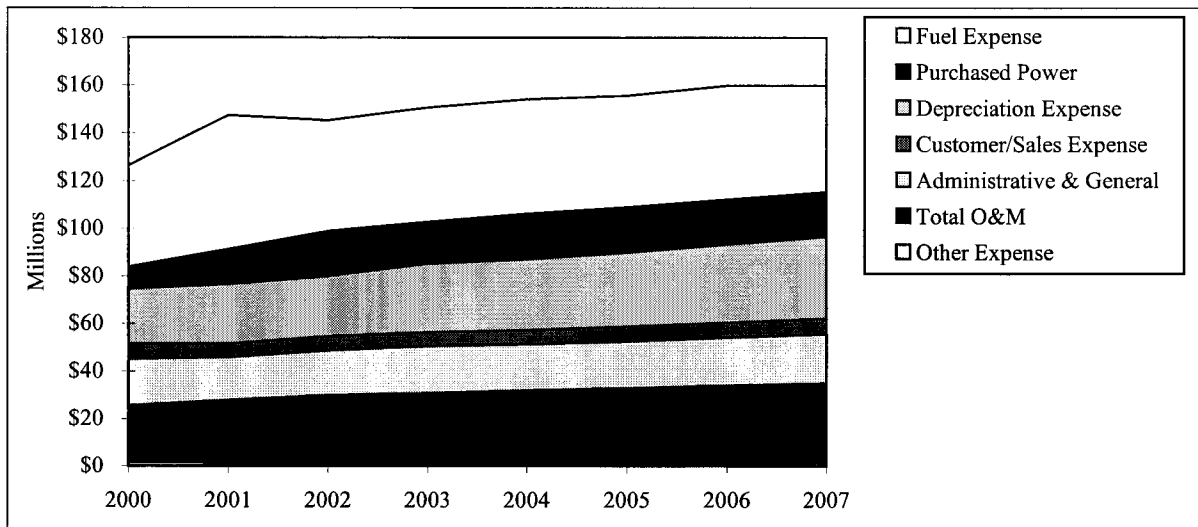
**Chugach Electric Association 2003 Business Plan
Schedule 3
Capital Expenditures**



	Nominal Dollars (\$000) (1)								Average Compounded Annual Change 2003-2007
	Historical		Estimate	Budget	Forecast				
	2000	2001	2002	2003	2004	2005	2006	2007	
Distribution & Sub-Transmission	10,102	15,464	16,632	9,951	12,706	19,648	10,214	10,883	
General Plant & Communicatons	1,903	3,716	2,206	2,850	3,122	2,288	1,999	2,054	
Total	12,005	19,181	18,838	12,801	15,828	21,936	12,213	12,937	
<i>Annual Change</i>		<i>59.8%</i>	<i>-1.8%</i>	<i>-32.0%</i>	<i>23.6%</i>	<i>38.6%</i>	<i>-44.3%</i>	<i>5.9%</i>	<i>0.3%</i>
Generation	26,219	14,447	6,312	13,929	9,813	9,003	8,743	16,722	
Transmission	5,788	3,767	3,029	8,215	14,246	4,977	15,822	669	
Total	32,007	18,214	9,341	22,144	24,059	13,980	24,565	17,391	
<i>Annual Change</i>		<i>-43.1%</i>	<i>-48.7%</i>	<i>137.1%</i>	<i>8.6%</i>	<i>-41.9%</i>	<i>75.7%</i>	<i>-29.2%</i>	<i>-5.9%</i>
Total Capital Expenditures	44,012	37,395	28,179	34,945	39,887	35,916	36,778	30,328	
<i>Annual Change</i>		<i>-15.0%</i>	<i>-24.6%</i>	<i>24.0%</i>	<i>14.1%</i>	<i>-10.0%</i>	<i>2.4%</i>	<i>-17.5%</i>	<i>-3.5%</i>

- (1) The capital expenditures are less reimbursements to show the net cash requirement of the projects to Chugach.
- (2) For a complete list of the major capital projects and the deferred projects see Appendix A.
- (3) Generation capital spending includes routine maintenance.

**Chugach Electric Association 2003 Business Plan
Schedule 4
Operating Expenses**

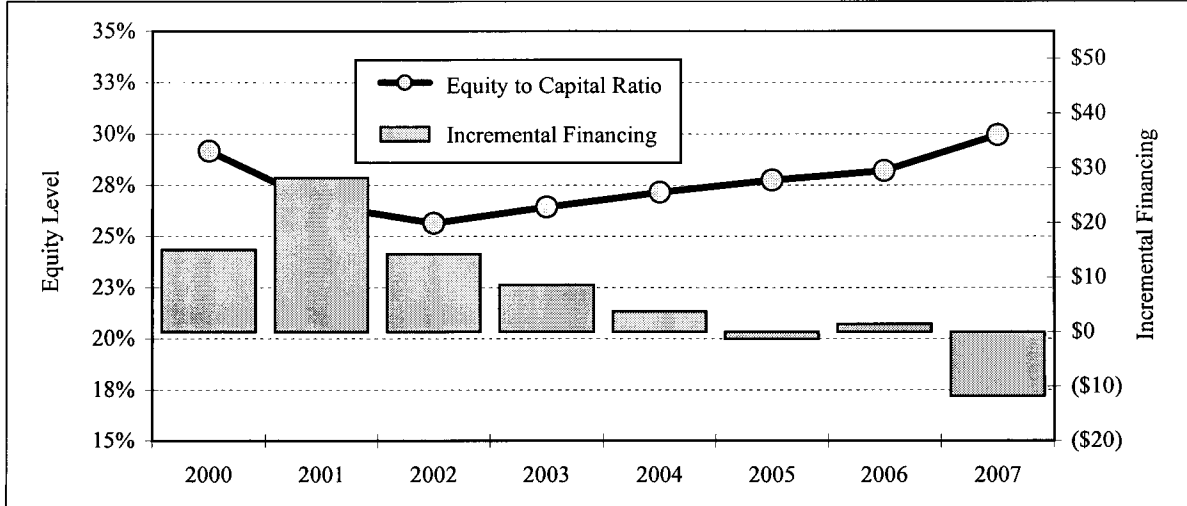


	Nominal Dollars (\$000)								Average Compounded Annual Change 2003-2007
	Historical		Estimate	Budget	Forecast				
	2000	2001	2002	2003	2004	2005	2006	2007	
Distribution O&M	9,775	10,418	10,372	10,688	11,250	11,540	11,841	12,173	3.3%
Power Production O&M	10,222	12,397	13,919	14,687	15,068	15,475	15,909	16,354	2.7%
Transmission O&M	3,829	3,546	4,127	4,605	4,413	4,672	4,892	5,029	2.2%
Total O&M	23,825	26,361	28,418	29,980	30,731	31,687	32,642	33,556	
<i>Annual Change</i>		10.6%	7.8%	5.5%	2.5%	3.1%	3.0%	2.8%	2.9%
Administrative & General (1)	19,699	18,160	18,954	19,753	19,406	19,700	20,252	20,818	
Customer/Sales Expense	6,388	5,617	5,950	5,814	5,965	6,126	6,298	6,474	
Total A&G and Customer	26,088	23,777	24,904	25,567	25,371	25,826	26,550	27,292	
<i>Annual Change</i>		-8.9%	4.7%	2.7%	-0.8%	1.8%	2.8%	2.8%	1.6%
Depreciation Expense	23,217	25,097	25,401	28,966	29,762	31,247	32,937	34,432	
<i>Annual Change</i>		8.1%	1.2%	14.0%	2.7%	5.0%	5.4%	4.5%	4.4%
Other Expense	1,644	1,414	1,339	824	1,266	1,290	1,306	1,325	
<i>Annual Change</i>		-14.0%	-5.3%	-38.5%	53.6%	1.9%	1.2%	1.5%	12.6%
Fuel Expense	42,504	56,130	46,357	47,856	47,948	46,721	47,653	44,545	
<i>Annual Change</i>		32.1%	-17.4%	3.2%	0.2%	-2.6%	2.0%	-6.5%	-1.8%
Purchased Power (2)	9,152	14,717	18,875	17,518	19,175	18,914	18,813	18,739	
<i>Annual Change</i>		60.8%	28.3%	-7.2%	9.5%	-1.4%	-0.5%	-0.4%	1.7%
Total Expenses	126,430	147,497	145,294	150,711	154,253	155,685	159,901	159,889	
<i>Annual Change</i>		16.7%	-1.5%	3.7%	2.4%	0.9%	2.7%	0.0%	1.5%
<i>Annual Change without Fuel Expense</i>		8.9%	8.3%	4.0%	3.4%	2.5%	3.0%	2.8%	2.9%
<i>Annual Change without Fuel and Purchased Power</i>		2.5%	4.5%	6.6%	2.1%	3.4%	3.8%	3.4%	3.1%
Inflation Rate	2.2%	3.1%	2.4%	2.5%	2.6%	2.7%	2.8%	2.8%	2.7%

(1) A&G expense decreases in 2004 because the amortization of the Y2K expenses are complete.

(2) Purchased power expense increases in 2001 and 2002 because Chugach purchases all of Nikiski output (2001 partial year; 2002 full year).

**Chugach Electric Association 2003 Business Plan
Schedule 5
Financial Statistics and Ratios**



Nominal Dollars (\$000)

	Historical		Estimate	Budget	Forecast			
	2000	2001	2002	2003	2004	2005	2006	2007
<u>MFI/I</u>								
Margins Earned	9,680	5,539	8,859	8,868	8,854	11,903	9,867	14,052
Total Interest Expense	26,897	28,293	26,533	24,277	25,944	27,058	26,809	26,811
Margins for Interest	1.36	1.20	1.33	1.37	1.34	1.44	1.37	1.52
<u>Equity Ratio</u>								
Equity	128,815	131,825	137,884	143,252	147,671	155,148	159,063	168,182
Long-term Debt	<u>312,773</u>	<u>364,785</u>	<u>399,609</u>	<u>398,663</u>	<u>396,131</u>	<u>404,005</u>	<u>404,776</u>	<u>393,435</u>
Total Capitalization	441,588	496,610	537,493	541,915	543,802	559,153	563,839	561,617
Equity to Capital Ratio	29.2%	26.5%	25.7%	26.4%	27.2%	27.7%	28.2%	29.9%
<u>Capital Credit Retirements</u>								
	4,090	3,000	2,800	3,500	4,434	4,427	5,952	4,934
<u>Base Rate Changes</u>								
	0.00%	3.97%	0.00%	1.03%	0.00%	3.00%	0.00%	3.00%
<u>Other Financial Statistics and Ratios</u>								
Debt Service Coverage (1)	1.77	1.74	1.65	2.49	2.42	1.85	2.51	2.71
Debt to Operating Cash Flow	6.0	6.5	6.6	6.6	6.2	5.8	5.9	5.3
Operating Cash Percent	66.8%	37.0%	58.1%	83.7%	98.3%	116.0%	112.5%	154.7%
Incremental Financing	15,054	28,224	14,281	8,634	3,768	(1,319)	1,446	(11,751)
Current Ratio	0.49	0.84	1.50	1.24	1.00	1.22	1.22	1.24

(1) DSC is net of any refinance or bond buyback amounts.

Chugach Electric Association 2003 Business Plan
Financial Statements
Schedule 6 - Income Statement (\$000)

	Historical		Estimate 2002	Budget 2003	Forecast			
	2000	2001			2004	2005	2006	2007
<u>Operating Revenues</u>								
System Sales	147,219	172,810	171,934	171,807	178,390	184,154	186,142	190,262
Economy Sales	7,821	3,355	4,371	7,862	5,829	5,581	5,719	5,861
Other Revenue	3,502	2,431	2,235	2,220	2,228	2,246	2,264	2,282
Total Revenue	158,541	178,595	178,540	181,889	186,447	191,981	194,125	198,405
<u>Operating Expenses</u>								
Fuel Expense	42,504	56,130	46,357	47,856	47,948	46,721	47,653	44,545
Purchased Power	9,152	14,717	18,875	17,518	19,175	18,914	18,813	18,739
Operations & Maintenance	23,825	26,361	28,418	29,980	30,731	31,687	32,642	33,556
Administrative & General	19,699	18,160	18,954	19,753	19,406	19,700	20,252	20,818
Customer Accounts	6,388	5,617	5,950	5,814	5,965	6,126	6,298	6,474
Depreciation Expenses	23,217	25,097	25,401	28,966	29,762	31,247	32,937	34,432
Other Expenses	1,644	1,414	1,339	824	1,266	1,290	1,306	1,325
Total Operating Expenses	126,430	147,497	145,294	150,711	154,253	155,685	159,901	159,889
Operating Margins	32,111	31,098	33,245	31,177	32,193	36,295	34,224	38,516
<u>Other Income</u>								
AFUDC on Equity Funds	341	307	84	159	266	282	243	224
Investment & Other Income	1,946	1,363	1,461	1,087	1,125	1,098	1,100	1,100
Other Gains or (Losses)	0	0	0	0	0	0	0	0
Total Other Income	2,287	1,670	1,545	1,246	1,391	1,380	1,343	1,324
Income Before Interest Charges	34,398	32,769	34,790	32,422	33,584	37,676	35,568	39,841
<u>Interest Expense</u>								
Total Debt Interest	26,897	28,293	26,533	24,277	25,944	27,058	26,809	26,811
AFUDC on Debt Funds	(2,178)	(1,064)	(602)	(722)	(1,213)	(1,286)	(1,108)	(1,022)
Net Interest	24,718	27,230	25,931	23,555	24,731	25,772	25,701	25,789
Margins	9,680	5,539	8,859	8,868	8,854	11,903	9,867	14,052

Note: The business plan financial statements format and historical values are consistent with the format used in other internal planning documents (Financial and Statistical Report, and Budget) to facilitate use of the business plan's financial forecast as a planning tool. Presentation of historical annual values may differ from audited financial statements due to certain reclassifications made for conformity purposes.

**Chugach Electric Association 2003 Business Plan
Financial Statements
Schedule 7 - Balance Sheet (\$000)**

	Historical		Estimate 2002	Budget 2003	Forecast			
	2000	2001			2004	2005	2006	2007
Assets								
Net Utility Plant (1)	469,155	481,852	485,318	492,178	503,782	510,018	515,209	512,352
Other Long Term Assets	10,301	10,489	10,393	10,549	10,970	11,409	11,866	12,341
Total Reserve Funds	212	222	212	212	212	212	212	212
Cash & Short-term Investments	2,074	4,333	3,490	2,932	1,575	1,575	1,681	1,575
Other Short Term Assets	20,278	23,254	26,892	26,311	26,942	27,592	28,259	28,945
Materials And Supplies	15,357	19,720	20,805	25,021	22,359	22,702	23,054	23,414
Deferred Debits	22,921	32,785	28,198	32,178	32,605	31,820	30,939	30,009
Total Assets	540,299	572,654	575,308	589,381	598,446	605,329	611,220	608,847
Liabilities And Equity								
Member Equity	128,815	131,825	137,884	143,252	147,671	155,148	159,063	168,182
Long Term Debt	312,773	364,785	399,609	398,663	396,131	404,005	404,776	393,435
Total Capitalization	441,588	496,610	537,493	541,915	543,802	559,153	563,839	561,617
Short Term Debt	40,000	11,000	0	9,500	5,714	6,427	6,999	6,477
Current Portion of LTD	6,430	10,410	866	946	11,032	1,126	1,229	1,341
Other Liabilities	10,818	10,494	11,036	11,458	11,695	11,937	12,185	12,439
Accrued Expenses	20,037	24,708	22,111	21,760	22,401	22,884	23,166	23,171
Deferred Credits	21,425	19,431	3,802	3,802	3,802	3,802	3,802	3,802
Total Liabilities And Equity	540,299	572,654	575,308	589,381	598,446	605,329	611,220	608,847

Note: The business plan financial statements format and historical values are consistent with the format used in other internal planning documents (Financial and Statistical Report, and Budget) to facilitate use of the business plan's financial forecast as a planning tool. Presentation of historical annual values may differ from audited financial statements due to certain reclassifications made for conformity purposes.

(1) The decline in Net Utility Plant in 2007 is due to retirements of communications projects.

Chugach Electric Association 2003 Business Plan
Financial Statements
Schedule 8 - Statement of Cash Flows (\$000)

	Historical		Estimate	Budget	Forecast			
	2000	2001	2002	2003	2004	2005	2006	2007
<u>Cash Flows From Operations:</u>								
Net Income	9,680	5,539	8,859	8,868	8,854	11,903	9,867	14,052
Adjustments:								
Depreciation & Amortization	23,217	25,097	25,401	28,966	29,762	31,247	32,937	34,432
Changes In Liabilities:								
Current & Other Liability	(28)	2,353	(17,685)	71	877	725	530	260
Changes In Assets:								
Current & Other Assets	(925)	(17,788)	485	(7,771)	1,183	(646)	(594)	(590)
AFUDC	(2,519)	(1,370)	(686)	(881)	(1,480)	(1,568)	(1,352)	(1,247)
Total Adjustments	19,744	8,291	7,515	20,386	30,342	29,758	31,521	32,855
Net Cash From Operations	29,424	13,830	16,374	29,254	39,196	41,661	41,388	46,908
<u>Cash Flows From Investments:</u>								
Cash Flows From Investments	(30)	(10)	0	0	0	0	0	0
Construction Expenditures	(44,012)	(37,395)	(28,179)	(34,945)	(39,887)	(35,915)	(36,777)	(30,328)
Net Cash Used In Investing	(44,042)	(37,405)	(28,179)	(34,945)	(39,887)	(35,915)	(36,777)	(30,328)
<u>Cash Flows From Financing:</u>								
Long Term Debt Proceeds (1)	0	150,000	195,000	0	8,500	9,000	2,000	0
Change In Short Term Debt	40,000	(29,000)	(25,941)	9,500	(3,786)	713	572	(522)
Change In Memberships and Donations	701	751	2,304	(2,304)	0	0	0	0
Capital Credits	(4,090)	(3,280)	(2,800)	(3,500)	(4,434)	(4,427)	(5,952)	(4,933)
Retirement Of Long Term Debt	(24,946)	(92,776)	(154,778)	(866)	(946)	(11,032)	(1,126)	(11,229)
Net Cash From Financing	11,665	25,694	9,176	7,437	(666)	(5,746)	(4,505)	(16,685)
Net Cash Provided	(2,953)	2,120	(2,629)	1,746	(1,357)	0	105	(106)
Beginning Of Year Cash	4,648	1,695	3,815	1,186	2,932	1,575	1,575	1,681
End Of Year Cash	1,695	3,815	1,186	2,932	1,575	1,575	1,681	1,575

(1) The change in Long Term Debt Proceeds in 2001 is largely the replacement debt for the Series A 2022 bond. The Retirement of Long Term Debt in 2001 is largely the retirement of the Series A 2022 bond.

Note: The business plan financial statements format and historical values are consistent with the format used in other internal planning documents (Financial and Statistical Report, and Budget) to facilitate use of the business plan's financial forecast as a planning tool. Presentation of historical annual values may differ from audited financial statements due to certain reclassifications made for conformity purposes.

Appendix A – Capital Improvements Program

Major projects are generally greater than \$1.0 million. Values are in nominal dollar (\$000).

	Budget	Forecast			
	2003	2004	2005	2006	2007
<u>Distribution Projects</u>					
Major Projects					
Underground Line Extensions (non-reimbursable Only)	\$2,845	\$2,873	\$2,950	\$3,033	\$3,118
Operations Service Connects	\$1,970	\$1,970	\$2,023	\$2,080	\$2,138
Capitalized Meters/Transformers	\$1,092	\$1,129	\$1,159	\$1,192	\$1,225
Underground Cable Replacement & Restoration	\$721	\$739	\$759	\$781	\$803
Girdwood New Feeders	\$0	\$53	\$1,485	\$0	\$0
Dowling Dbl. Circuit down Abbott Loop Rd.	\$0	\$49	\$962	\$0	\$0
Pt. Woronzof 12.47 kV Substation Addition	\$168	\$1,607	\$2,397	\$0	\$0
Pt. Woronzof Dist. Substation Feeders	\$0	\$257	\$843	\$217	\$0
New Girdwood Breaker	\$82	\$1,047	\$0	\$0	\$0
Minor Projects	\$2,763	\$2,415	\$2,174	\$1,949	\$2,650
Distribution Total	\$9,641	\$12,138	\$14,753	\$9,250	\$9,933
<u>Sub-Transmission Projects</u>					
Major Projects					
34.5 kV Subtransmission OH Reconductoring	\$0	\$263	\$1,581	\$924	\$950
South Anchorage Substation 34.5kV Feeders	\$0	\$0	\$1,118	\$40	\$0
Alt. 35kV Supply to Baxter Substation	\$261	\$257	\$2,197	\$0	\$0
Minor Projects	\$50	\$49	\$0	\$0	\$0
Sub-Transmission Total	\$311	\$568	\$4,896	\$964	\$950
<u>Transmission Projects</u>					
Major Projects					
138kV International to South Anchorage Line (1)	\$1,481	\$2,651	\$9	\$0	\$0
138kV Yard at International Station (1)	\$4,516	\$3,120	\$0	\$0	\$0
South Anchorage Bulk Station (1)	\$734	\$6,899	\$848	\$0	\$0
138kV University Subst. To So. Anch. (1)	\$129	\$227	\$3,391	\$3,432	\$278
138kV Southern Intertie	\$0	\$0	\$0	\$11,374	\$0
Minor Projects	\$1,355	\$1,348	\$728	\$1,016	\$391
Transmission Total	\$8,215	\$14,245	\$4,977	\$15,821	\$670
(1) South Anchorage Loop Projects					
<u>Generation Projects</u>					
Major Projects					
Beluga Unit 3 Turbine Controls and Gen. Protection	\$164	\$831	\$0	\$0	\$0
Beluga Unit 5 Turbine Controls and Gen Protection	\$732	\$0	\$0	\$0	\$0
Beluga Unit 8 Turbine Refurbishment & Controls	\$0	\$0	\$0	\$0	\$7,242
Maintenance Projects					
Beluga Unit 1 Hot Gas Path Inspection - SRU Project	\$0	\$0	\$790	\$0	\$0
Beluga Unit 2 Hot Gas Path Inspection - SRU Project	\$0	\$0	\$790	\$0	\$0
Beluga Unit 3 Hot Gas Path Inspection - SRU Project	\$0	\$0	\$3,227	\$0	\$0
Beluga Unit 5 Hot Gas Path Inspection - SRU Project	\$0	\$0	\$0	\$0	\$3,411
Beluga Unit 6 Major Overhaul - SRU Project	\$11,589	\$0	\$0	\$8,571	\$0
Beluga Unit 7 Major Overhaul - SRU Project	\$821	\$8,670	\$0	\$0	\$6,069
Beluga Unit 8 25,000 hour inspection - SRU Project	\$0	\$0	\$2,107	\$0	\$0
Bernice Lake Unit 3 Hot Gas Path Inspection - SRU Project	\$0	\$0	\$507	\$0	\$0
IGT Unit 3 Major Overhaul - SRU Project	\$0	\$0	\$1,581	\$0	\$0
Minor Projects	\$623	\$312	\$0	\$172	\$0
Generation Total	\$13,929	\$9,813	\$9,003	\$8,743	\$16,722
Communications Projects	\$1,034	\$1,742	\$607	\$542	\$557
General Plant Total	\$1,816	\$1,380	\$1,681	\$1,457	\$1,498
Total Capital Expenditures	\$34,946	\$39,886	\$35,916	\$36,777	\$30,329

Appendix A – Capital Projects Continued

Major projects are generally greater than \$1.0 million.

Values are in nominal dollar (\$000)

Deferred Projects					
Major Projects					
Cooper Lake Relicensing	\$1,349	\$1,231	\$632	\$217	\$111
Information Systems Projects	\$645	\$749	\$606	\$623	\$779
Minor Projects	\$217	\$0	\$0	\$0	\$0
Deferred Projects Total	\$2,211	\$1,980	\$1,238	\$839	\$891
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Total Capital Expenditures and Deferred Projects	\$37,157	\$41,866	\$37,154	\$37,616	\$31,219