

FINANCIAL MANAGEMENT PLAN UPDATE

- Three part management plan encompassing total financial management while considering operational requirements
- Provides a plan to manage financial issues over the planning horizon

2004-2008 Business Plan

- Explore segregating Chugach's financial records between Generation, Transmission, Distribution and Service
- Additional sensitivity on future sales forecasts (HEA's load)
- Rate case considerations
- Projected MFI/I and Equity Ratio
- Capital credit rotations

Equity Management Plan

- Capital credit rotations
- Wholesale vs. retail rotations
- Bond indenture limitations
- Wholesale settlement agreement considerations (Capital credits)
- The extension of retail capital credit rotation periods (1985 margins)

Debt Management Plan

- Risk profile – ratio between fixed and variable debt
- Predicting future interest rates
- Future debt issuances – New generation requirements
- Bond buy-back opportunities
- New financing vehicles

Timeline

- "Task Force" established
- Completed first quarter of 2004

