

CHUGACH ELECTRIC ASSOCIATION, INC.

OPERATING POLICY 016

DATE: September 15, 2003

USE OF COOPERATIVE VEHICLES

I. OBJECTIVE

To define the Association's policy regarding the use of the Association's vehicles.

II. ELIGIBILITY

All employees of the Association shall adhere to the provisions of this policy.

III. CONTENT

A. Recreational Use:

1. The Association will allow occasional recreational use of certain Association vehicles by Association personnel assigned regularly or on a daily basis to the Beluga Power Plant. The Plant Manager shall assign and identify specific vehicles for recreational use through a sign-out log to be maintained at the control room. Vehicles shall be signed out on a "first come" basis. Consideration for other employees requires "car pooling" by users to ensure best use of the vehicles. Use by non-Association employees is prohibited. The use of the Association vehicles shall be restricted to maintained roads and with the understanding that proper respect for private property will be observed. Employees will be required to provide proof of acceptable insurance, a valid driver's license, and sign a Financial Responsibility and Indemnification Agreement making them responsible for and indemnifying the Association from any personal or property damages resulting from such recreational use of Association vehicles.
2. At no time will Association vehicles, other than those specifically designated at the Beluga Power Plant, be used for recreational purposes.

B. Other Use:

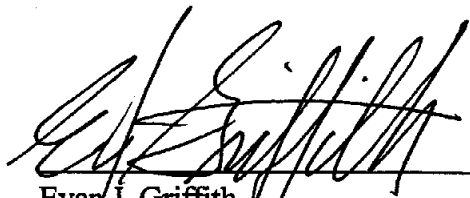
1. The vehicle assigned to the Chief Executive Officer may be used for personal use only within the State of Alaska.

2. All other Association vehicles are restricted to use for official Association business only, and for de minimus personal use as permitted by IRS regulations.
3. From time to time the Chief Executive Officer may assign vehicles to employees as deemed advisable to meet the needs of the Association. Employees assigned Association vehicles shall keep them in a good state of repair and appearance and use them for Association business only. Any non-routine repair, maintenance and/or cleaning must be approved in advance by the Association.
4. Employees should use Association vehicles for Association business when practical and available. If a personal vehicle is used on Association business, the employee should obtain and maintain personal insurance covering such use. Said insurance should be endorsed to be primary to any insurance of the Association.

III. RESPONSIBILITY

The Chief Executive Officer shall be responsible for the administration of this policy.

Date Approved: December 15, 2003



Evan J. Griffith
Chief Executive Officer

FINANCIAL RESPONSIBILITY AND INDEMNIFICATION AGREEMENT

I, _____ (employee), my heirs, successors, and assigns, hereby agree to assume all financial responsibility for, and indemnify and hold harmless Chugach Electric Association, Inc. (Chugach) from and against and covenant not to sue Chugach for, any and all damages or injuries to persons or property, including myself, resulting from or arising out of my use of a Chugach vehicle for recreational and non-Chugach business purposes.

Name: _____
Signature

Name: _____
Print

Date: _____