

2005 CEO Goals

Draft 5

- I. **Maintain System Reliability:**
 - A. Maintain system reliability within the “reliability triangle” (number of outages and durations).
Performance measures are:
 - SAIFI 1.7 or fewer outages per member per year
 - CAIDI less than 90 minutes per outage
 - SAIDI less than 150 minutes per consumer per year
 - B. Maintain Beluga plant reliability > than 98% and forced outage rate < 2%
 - C. Ensure member satisfaction in service restoration and reliability by surveys where 90% of our members grade service reliability and restoration “B” or better
- II. **Ensure the Financial Health of the Association**
 - A. Ensure operating costs within approved 2005 budget levels
 - B. Ensure capital expenditures within approved 2005 budget levels
 - C. Meet the financial goals of the Association
 - a. Maintain MFI at 1.20 level; Equity Ratio at a range of 25-30%; Capital Credit retirements at 50% of prior-year margins
 - D. Meet long-term fuel needs of the Association and limit price volatility
 - a. Begin discussions with respondents to the Fuel RFP
 - b. Negotiate to re-price period 3 gas
 - c. Investigate long-term fuel supply alternatives
 - E. Proceed with Single Member G&T Plan
 - a. Functionally unbundle organization, prepare a rate case based on a 2004 test-year
 - F. Complete assessment/obtain attestation internal controls effectiveness
- III. **Cyber Security**
 - A. Implementation of a program to develop a culture of cyber security awareness
 - B. Conduct regular cyber security audits with internal and external resources
 - C. Report regularly the results of cyber security efforts
- IV. **Provide a High Level of Service to our Members**
 - A. Ensure members are treated appropriately and conduct retail customer surveys
 - B. Offer new and innovative customer and member services
 - C. Keep the membership informed of benefits of membership
- V. **Maintain our Leadership Amongst Electric Utilities in the State**
 - A. Lead efforts with Railbelt utilities to develop and execute a Railbelt-wide Legislative Plan
 - B. Integrate Chugach’s IRP with other Railbelt Utilities
- VI. **Provide our Employees a Safe, Challenging, and Rewarding Place To Work**
 - A. Maintain an aggressive safety program. Achieve an improvement over 2004 safety statistics by reducing the lost time rate from 3.39 to 3.25 and a recordable incident rate of 5.5
 - B. Create a new safety awareness campaign to encourage safe work practices and reward success
 - C. Provide opportunities for employees to progress to higher responsibilities
 - D. Ensure a competitive wage and salary program
 - E. Develop a strategy for labor negotiations within the first quarter of 2005
 - F. Set appropriate targets under the Gains program
- VII. **Relationship with our Wholesale Customers**
 - A. Continue meeting with Wholesale Customers on plans for renewal, extension, or modification of current agreements
 - B. Implement acceptable alternative wholesale customer relationships such as joint action agencies, power pools or G&T organizations
 - C. Involve Wholesale Customers and others in the Chugach planning process as appropriate
- VIII. **Continue pursuit of innovative ways, means, methods, and procedures in achieving Goals I-VII above.** Report quarterly to Board of Directors on progress