

Outlet

February-March 2003
Number 201

Chugach Electric Association

Rate Case Update

Order From Regulatory Commission of Alaska Impacts Chugach Finances

As we have reported in the past, in 2001 Chugach filed with the Regulatory Commission of Alaska (RCA) for a small rate increase and a change in the way rates are set. The RCA recently issued their order. While some rulings were favorable, others were unfavorable and could have a profound effect on the financial strength of our cooperative now and in the future.

Some of the impacts of the RCA order are outlined below:

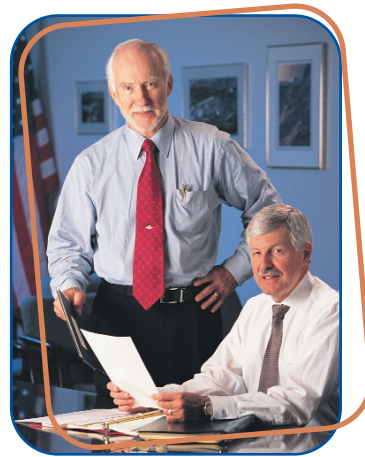
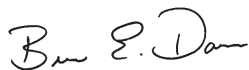
- It reduces Chugach's ability to distribute Capital Credits to members
- It requires a \$1.1 million refund in 2001 and \$6 million in 2002
- It places Chugach out of compliance with debt covenants in 2002
- It results in a \$2 million loss in 2002, instead of an \$8 million margin

For more details on the impacts of this ruling see the Securities and Exchange Commission form 8(K) filed on February 19, 2003 at the Chugach website www.chugachelectric.com.

We believe the RCA's Order, if not amended, could significantly impair our ability to operate Chugach in a financially responsible manner and could ultimately decrease reliability and increase the cost of electricity to Chugach members. For that reason, Chugach will ask the RCA to reconsider some parts of the order and work to find a fair and more reasonable resolution.

You may read or hear negative publicity about Chugach's response to the RCA order but be assured your board and management are working in your interest to meet our mission requirement: "Through superior service, safely provide reliable and competitively priced energy." ☺

Bruce Davison
President



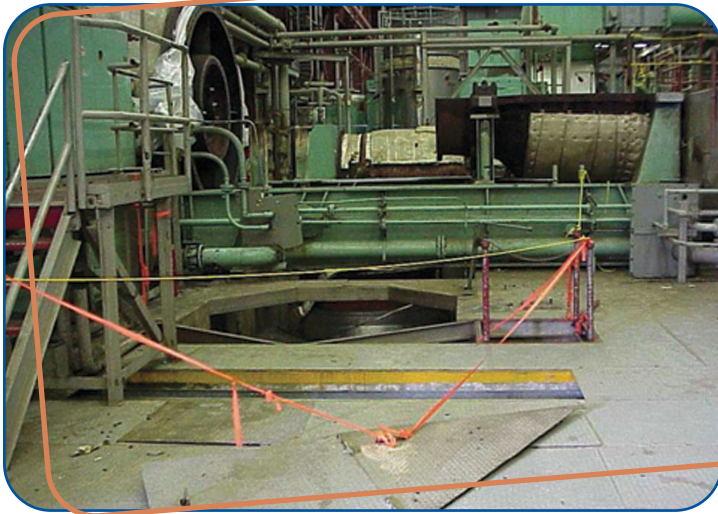
Joe Griffith
General Manager



Elections & Annual Meeting Notes:

- **Chugach Board**
of Directors establishes March 12 as Date of Record. In order to participate in the election and annual meeting voting, a person must be a Chugach member by close of business on March 12, 2003.
- **Chugach Mailing Election Packets in March**
Chugach will be mailing election packets for Board of Director Elections and Bylaw changes by or before March 25, 2003. Election packets include candidate information, proposed Bylaw changes and director attendance.
- **Annual Meeting Set for April 24, 2003**
Chugach's annual meeting will be held at the Hotel Captain Cook beginning at 7 p.m. Doors open at 6 p.m. Light refreshments. ☺

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chugachelectric.com



Beluga Power Plant during upgrade

2002 Reliability Statistics for Retail Customers

	2001	2002
Average Outage Minutes Per Outage	54 minutes	58 minutes
Average Outage Minutes Per Consumer	170 minutes	147 minutes
Average Outage Occurrence Per Consumer	3.18 outages	2.53 outages



Cooper Lake Hydroelectric Plant

Contact us

Main number 563-7494
Toll free (800) 478-7494
Customer service 563-7366
Customer service fax 762-4678
Business and commercial 762-7876
Credit 563-5060
Power theft hotline 762-4731
Danger tree hotline 762-7227
Regulatory Commission of Alaska
 (800) 390-2782 or 276-6222

To report a power outage

In Anchorage 762-7888
Outside Anchorage (800) 478-7494

Board activity

- Approved the 2003 Election Procedures.
- Approved a record date of March 12 for the annual meeting and election.
- Appointed Bill Sidney as the Master Election Judge for the 2003 election.
- Approved directors' expenses.

For a more comprehensive Board report or to contact Board members, visit our website www.chugachelectric.com.

Hours

Service center: 5601 Minnesota Dr.
 Monday-Friday 8 a.m. - 6 p.m.
 Saturday 9 a.m. - 5 p.m.

Switchboard:

Monday - Friday 8 a.m. - 11 p.m.

The Chugach Outlet

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