

**CHUGACH ELECTRIC ASSOCIATION, INC.  
ANCHORAGE, ALASKA**

**AUDIT AND FINANCE COMMITTEE MEETING**

**AGENDA**

Rachel Morse, Chair  
Sisi Cooper, Vice-Chair  
Susanne Fleek-Green, Director

Jim Nordlund, Director  
Dan Rogers, Director  
Mark Wiggin, Director

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**May 21, 2025**

**4:00 p.m.**

**Chugach Board Room**

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- I. CALL TO ORDER (4:00 p.m.)
  - A. *Roll Call*
- II. APPROVAL OF THE AGENDA\*
- III. APPROVAL OF THE MINUTES\*
  - A. *April 2, 2025 (Cacy)*
- IV. PERSONS TO BE HEARD (4:05 p.m.)
  - A. *Member Comments*
- V. NEW BUSINESS (*none*)
- VI. CEO REPORTS AND CORRESPONDENCE (4:15 p.m.)
  - A. *BRU Quarterly Investment Fund Review (Millwood) (4:15 p.m.)*
  - B. *1<sup>st</sup> Quarter 2025 Capital Tracking Report (Millwood) (4:30 p.m.)*
  - C. *1<sup>st</sup> Quarter 2025 Financial Information & Variance Report (Millwood) (4:40 p.m.)*
- VII. NEW BUSINESS\* (*scheduled*)
  - A. *2025 Operating Budget Revision\* (Highers/Millwood) (5:05 p.m.)*
- VIII. DIRECTOR COMMENTS (5:30 p.m.)
- IX. EXECUTIVE SESSION (*none*)
- X. NEW BUSINESS (*none*)
- XI. ADJOURNMENT\* (5:45 p.m.)

\* *Denotes Action Items*

\*\* *Denotes Possible Action Items*

**CHUGACH ELECTRIC ASSOCIATION, INC.**  
**Anchorage, Alaska**

**April 2, 2025**  
**Wednesday**  
**4:00 p.m.**

**AUDIT AND FINANCE COMMITTEE MEETING**

Recording Secretary: Sandra Cacy

**I. CALL TO ORDER**

Chair Morse called the Audit and Finance Committee meeting to order at 4:04 p.m. in the boardroom of Chugach Electric Association, Inc., 5601 Electron Drive, Anchorage, Alaska.

*A. Roll Call*

*Committee Members' Present:*

Rachel Morse, Chair  
Sisi Cooper, Director  
Susanne Fleek-Green, Director – *via teleconference*  
Dan Rogers, Director– *via teleconference*  
Mark Wiggin, Director

*Committee Members Absent:*

Jim Nordlund, Director

*Board Members Present:*

Bettina Chastain, Director – *via teleconference*

*Guests and Staff Attendance Present:*

Arthur Miller	Josh Travis	Adam Lutchansky
Sherri Highers	Nathan Golab	Jackie Berman
Matthew Clarkson	Katie Millen	Anya Shcheglyuk, KPMG
Allan Rudeck	Dusty Menefee	Brandy Niclai, APCM
Andrew Laughlin	Zin Narathon	Blake Phillips, APCM
Paul Millwood	Stacey Carr	Bernie Smith, Member
Julie Hasquet	Jessie Anderson	

*Via Teleconference:*

Stephanie Huddell	Nathan Golab	Buddi Richey
Amanda Mankel	Melissa Beedle, KPMG	Katherine Jernstrom, Member
Heather Slocum	Beth Stuart, KPMG	

**II. APPROVAL OF THE AGENDA**

Director Wiggin moved, and Director Cooper seconded the motion to approve the agenda. The motion passed unanimously.

*Director Fleek-Green was not present at the time of the vote.*

### **III. APPROVAL OF THE MINUTES**

Director Wiggin moved, and Director Cooper seconded the motion to approve December 4, 2024, Audit and Finance Meeting minutes. The motion passed unanimously.

*Director Fleek-Green was not present at the time of the vote.*

### **IV. PERSONS TO BE HEARD (none)**

### **V. NEW BUSINESS (none)**

### **VI. CEO REPORTS AND CORRESPONDENCE**

#### *A. 4<sup>th</sup> Quarter 2024 Capital Tracking Report (Laughlin/Millwood)*

Andrew Laughlin, Chief Operating Officer, and Paul Millwood, VP, Finance & Accounting, highlighted details from the 4<sup>th</sup> Quarter 2024 Capital Tracking Report and answered questions from the Committee.

#### *B. BRU Quarterly Investment Fund Review (APCM/Millwood)*

Blake Phillips and Brandy Niclai, Alaska Permanent Capital Management, presented the BRU Quarterly Investment Fund Review and answered questions from the Committee.

#### *C. 2024 Year-End Financial Information & Variance Report (Millwood)*

Paul Millwood, VP Finance & Accounting, presented the 2024 Year-End Financial Information and Variance Report and answered questions from the Committee.

#### *D. Review the 2024 Independent Financial Audit Results (KPMG)*

Beth Stuart, Melissa Beedle, and Anya Shcheglyuk, KPMG, presented the 2024 Independent Financial Audit Results and answered questions from the Committee.

*Director Fleek-Green joined at 4:09 p.m.*

### **VII. NEW BUSINESS (none)**

### **VIII. DIRECTOR COMMENTS**

*Director Comments were made at this time.*

### **IX. EXECUTIVE SESSION (scheduled)**

#### *A. Board & Auditor Discussions*

At 5:11 p.m., Director Cooper moved and Director Wiggin seconded the motion that pursuant to Alaska Statute 10.25.175(c)(1), the Audit and Finance Committee go into executive session to discuss and receive reports regarding matters the immediate knowledge of which would clearly have an adverse effect on the finances of the cooperative. The motion passed unanimously.

*The meeting reconvened in open session at 5:32 p.m.*

**X. NEW BUSINESS** *(none)*

**XI. ADJOURNMENT**

At 5:32 p.m., Director Wiggin moved, and Director Cooper seconded the motion to adjourn. The motion passed unanimously.

DRAFT





ALASKA PERMANENT  
CAPITAL MANAGEMENT

Registered Investment Adviser

# CHUGACH ELECTRIC ASSOC INC

## Investment Report

March 2025

# Portfolio Overview

BEGINNING VALUE  
+ ACCRUED **\$36,971,370**

TRANSFERS IN/  
OUT **\$881,226**

REALIZED GAINS/  
LOSSES **\$349**

CHANGE IN  
MARKET VALUE **-\$795,273**

INTEREST INCOME **\$37,872**

DIVIDEND INCOME **\$52,721**

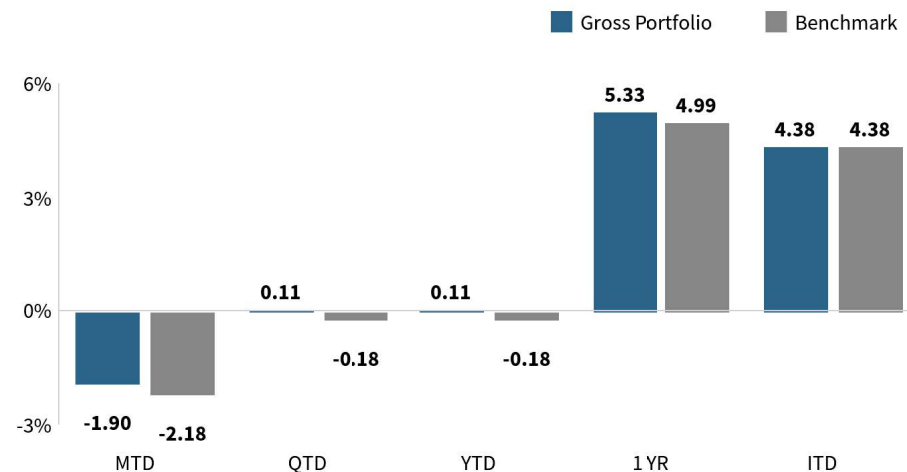
ENDING VALUE +  
ACCRUED **\$37,148,265**

## Portfolio Composition



- U.S. Large Cap Equity **20.8%**
- U.S. Fixed Income **18.8%**
- Alternative Beta **10.1%**
- U.S. Mid Cap Equity **9.4%**
- Developed International Equity **6.3%**
- Infrastructure **5.3%**
- U.S. High Yield Fixed Income **5.0%**
- International Fixed Income **5.0%**
- U.S. Small Cap Equity **4.6%**
- Emerging Market Equity **4.1%**
- Commodities **3.3%**
- REITs **3.1%**
- Cash **2.3%**
- TIPS **2.1%**

## Investment Performance



Performance is annualized for periods greater than one year. Inception to date performance begins November 01, 2020

Past performance is not indicative of future results.

# Portfolio Summary and Target

	MARKET VALUE (\$)	ASSETS (%)	TARGET (%)	RANGE
<b>RISK CONTROL</b>				
U.S. Fixed Income	6,977,520	18.8%	18%	8% to 28%
TIPS	762,964	2.1%	2%	0% to 10%
International Fixed Income	1,857,929	5.0%	5%	0% to 10%
Cash	841,184	2.3%	2%	0% to 10%
<b>Risk Control Total</b>	<b>10,439,598</b>	<b>28.1%</b>		
<b>RISK ASSET</b>				
U.S. High Yield Fixed Income	1,868,361	5.0%	5%	0% to 10%
U.S. Large Cap Equity	7,720,688	20.8%	22%	12% to 32%
U.S. Mid Cap Equity	3,475,292	9.4%	10%	5% to 15%
U.S. Small Cap Equity	1,705,409	4.6%	5%	0% to 10%
Developed International Equity	2,341,463	6.3%	6%	0% to 12%
Emerging Market Equity	1,534,819	4.1%	4%	0% to 8%
<b>Risk Asset Total</b>	<b>18,646,032</b>	<b>50.2%</b>		
<b>ALTERNATIVES</b>				
REITs	1,143,825	3.1%	3%	0% to 6%
Alternative Beta	3,736,041	10.1%	10%	0% to 15%
Infrastructure	1,968,210	5.3%	5%	0% to 10%
Commodities	1,214,559	3.3%	3%	0% to 6%
<b>Alternatives Total</b>	<b>8,062,635</b>	<b>21.7%</b>		
<b>TOTAL PORTFOLIO</b>	<b>37,148,265</b>	<b>100.0%</b>		

We urge you compare the account statement we provide with the account statement you receive from your custodian. We cannot guarantee the accuracy of this information for tax purposes. Please verify all information from trade confirmations.

Past performance is not indicative of future results.

# Disclosures



## S&P 500 Total Return Index

The S&P 500® Index is the Standard & Poor's Composite Index and is widely regarded as a single gauge of large cap U.S. equities. It is market cap weighted and includes 500 leading companies, capturing approximately 80% coverage of available market capitalization.

## S&P MidCap 400 Total Return Index

The S&P MidCap 400 Index, more commonly known as the S&P 400, is a stock market index from S&P Dow Jones Indices. The index serves as a barometer for the U.S. mid-cap equities sector and is the most widely followed mid-cap index.

## S&P Small Cap 600 Total Return Index

The S&P SmallCap 600® seeks to measure the small-cap segment of the U.S. equity market. The index is designed to track companies that meet specific inclusion criteria to ensure that they are liquid and financially viable.

## MSCI EAFE Net Total Return USD Index

The MSCI EAFE Index (Europe, Australasia, Far East) is a free float-adjusted market capitalization-weighted index that is designed to measure the equity market performance of developed markets, excluding the United States and Canada. The MSCI EAFE Index consists of the following 21 developed market countries: Australia, Austria, Belgium, Denmark, Finland, France, Germany, Hong Kong, Ireland, Israel, Italy, Japan, the Netherlands, New Zealand, Norway, Portugal, Singapore, Spain, Sweden, Switzerland and the United Kingdom.

## MSCI Emerging Net Total Return USD Index

The MSCI Emerging Markets Index is a free float-adjusted market capitalization-weighted index that is designed to measure equity market performance of emerging markets. The MSCI Emerging Markets Index consists of the following 26 emerging market country indices: Argentina, Brazil, Chile, China, Colombia, Czech Republic, Egypt, Greece, Hungary, India, Indonesia, Korea, Malaysia, Mexico, Peru, Philippines, Poland, Qatar, Russia, Saudi Arabia, South Africa, Taiwan, Thailand, Turkey and United Arab Emirates.

## STOXX Global Broad Infrastructure Index Net Return USD

The STOXX Global Broad Infrastructure Index is derived from the STOXX. Developed and Emerging Markets Total Market Index (TMI) and offers a diversified representation of companies that generate more than 50% of their revenue from selected infrastructure sectors. STOXX partnered with Revere Data, which defines 17 subsectors for the infrastructure industry. These 17 subsectors are rolled into five supersectors - Communications, Energy, Government Outsourcing/Social, Transportation and Utilities.

## S&P USA REIT USD Total Return Index

The S&P United States REIT Index defines and measures the investable universe of publicly traded real estate investment trusts domiciled in the United States.

## Bloomberg Commodity Index Total Return

The Bloomberg Commodity Index provides broad-based exposure to commodities, and no single commodity or commodity sector dominates the index. Rather than being driven by micro-economic events affecting one commodity market or sector, the diversified commodity exposure of the index potentially reduces volatility in comparison with non-diversified commodity investments.

## Wilshire Liquid Alternative Total Return Index

The Wilshire Liquid Alternative Index<sup>SM</sup> measures the collective performance of the five Wilshire Liquid Alternative strategies that make up the Wilshire Liquid Alternative Universe. Created in 2014, with a set of time series of data beginning on December 31, 1999, the Wilshire Liquid Alternative Index (WLIQA) is designed to provide a broad measure of the liquid alternative market by combining the performance of the Wilshire Liquid Alternative Equity Hedge Index (WLIQAEH), Wilshire Liquid Alternative Global Macro Index (WLIQAGM), Wilshire Liquid Alternative Relative Value Index (WLIQARV), Wilshire Liquid Alternative Multi-Strategy Index (WLIQAMS), and Wilshire Liquid Alternative Event Driven Index (WLIQAED).

## Bloomberg US Agg Total Return Value Unhedged USD

The Bloomberg U.S. Aggregate Index measures the performance of investment grade, U.S. dollar-denominated, fixed-rate taxable bond market, including Treasuries, government-related and corporate securities, MBS (agency fixed-rate and hybrid ARM pass-throughs), ABS, and CMBS. It rolls up into other flagship indices, such as the multi-currency Global Aggregate Index and the U.S. Universal Index, which includes high yield and emerging markets debt.

## Bloomberg VLI: High Yield Total Return Index Value Unhedged USD

The Bloomberg VLI: High Yield Total Return Index is a component of the US Corp High Yield Index that is designed to track a more liquid component of the USD-denominated, high yield, fixed-rate corporate bond market.

## Bloomberg GLA xUSD Float Adj RIC Capped Index TR Index Value Hedged USD

The Bloomberg Barclays Global Aggregate ex-USD Float-Adjusted RIC Capped Index is a customized subset of the Global Aggregate Index that meets the same diversification guidelines that a fund must pass to qualify as a regulated investment company (RIC). This multi-currency benchmark includes fixed-rate treasury, government-related, corporate and securitized bonds from developed and emerging markets issuers while excluding USD denominated debt. The Global Aggregate ex-USD Float Adjusted RIC Capped Index is largely comprised of two major regional aggregate components: the Pan-European Aggregate and the Asian-Pacific Aggregate Index.

## FTSE 3 Month Treas Bill Local Currency

The FTSE 3 Month US T Bill Index Series is intended to track the daily performance of 3 month US Treasury bills. The indices are designed to operate as a reference rate for a series of funds.



# Disclosures



## **Bloomberg Muni 1-15 Year Blend (1-17) Total Return Index Value**

The Bloomberg Municipal 1-15 Year Index measures the performance of USD-denominated long-term, tax-exempt bond market with maturities of 1-15 years, including state and local general obligation bonds, revenue bonds, insured bonds, and prerefunded bonds.

## **Bloomberg Intermediate US Govt/Credit TR Index Value Unhedged**

The Bloomberg U.S. Government Intermediate Index measures the performance of the U.S. Treasury and U.S. agency debentures with maturities of 1-10 years. It is a component of the U.S. Government/Credit Index and the U.S. Aggregate Index.

## **Bloomberg 1-5 Yr Gov/Credit Total Return Index Value Unhedge**

The Bloomberg US 1-5 year Government/Credit Float-Adjusted Bond Index is a float-adjusted version of the US 1-5 year Government/Credit Index, which tracks the market for investment grade, US dollar-denominated, fixed-rate treasuries, government-related and corporate securities.

## **FTSE High Dividend Yield Total Return Index**

The FTSE High Dividend Yield Index is designed to represent the performance of companies with relatively high forecast dividend yields

## **WisdomTree U.S. MidCap Dividend Index Total Return**

The WisdomTree U.S. MidCap Dividend Index is a fundamentally weighted index that measures the performance of the mid-capitalization segment of the US dividend-paying market. The Index is comprised of the companies that compose the top 75% of the market capitalization of the WisdomTree U.S. Dividend Index after the 300 largest companies have been removed. The index is dividend weighted annually to reflect the proportionate share of the aggregate cash dividends each component company is projected to pay in the coming year, based on the most recently declared dividend per share.

## **WisdomTree U.S. SmallCap Dividend Index Total Return**

The WisdomTree U.S. SmallCap Dividend Index is a fundamentally weighted index measuring the performance of the small-capitalization segment of the US dividend-paying market. The Index is comprised of the companies that compose the bottom 25% of the market capitalization of the WisdomTree U.S. Dividend Index after the 300 largest companies have been removed. The index is dividend weighted annually to reflect the proportionate share of the aggregate cash dividends each component company is projected to pay in the coming year, based on the most recently declared dividend per share.

## **Bloomberg U.S. Long Government/Credit Unhedged USD**

The Bloomberg U.S. Government Credit Long Index measures the performance of the non-securitized component of the U.S. Aggregate Index with maturities of 10 years and greater, including Treasuries, government-related issues, and corporates. It is a subset of the U.S. Aggregate Index.

## **Bloomberg Intermediate US Govt/Credit TR Index Value Unhedged**

The Bloomberg U.S. Government Credit Intermediate Index measures the performance of the non-securitized component of the U.S. Aggregate Index with maturities of 1-10 years, including Treasuries, government-related issues, and corporates. It is a subset of the U.S. Aggregate Index.

## **Bloomberg Municipal Bond 5 Year (4-6) Total Return Index Unhedged USD**

An index designed to measure the performance of tax-exempt U.S. investment grade municipal bonds with remaining maturities between four and six years. Index returns assume reinvestment of distributions, but do not reflect any applicable sales charges or management fees.

## **MSCI ACWI IMI Net Total Return USD Index**

The MSCI ACWI Investable Market Index (IMI) captures large, mid and small cap representation across 23 Developed Markets (DM) and 24 Emerging Markets (EM) countries. The MSCI AXWI IMI includes the following 23 developed market countries : Australia, Austria, Belgium, Canada, Denmark, Finland, France, Germany, Hong Kong, Ireland, Israel, Italy, Japan, Netherlands, New Zealand, Norway, Portugal, Singapore, Spain, Sweden, Switzerland, United Kingdom, and United States. The MSCI AXWI IMI includes the following 24 emerging market countries: : Brazil, Chile, China, Colombia, Czech Republic, Egypt, Greece, Hungary, India, Indonesia, Korea, Kuwait, Malaysia, Mexico, Peru, Philippines, Poland, Qatar, Saudi Arabia, South Africa, Taiwan, Thailand, Turkey and United Arab Emirates.

## **Bloomberg 1-3 Yr Gov Total Return Index Value Unhedged USD**

The Bloomberg U.S. Government/Credit 1-3 Year Index is an unmanaged index considered representative of performance of short-term U.S. corporate bonds and U.S. government bonds with maturities from one to three years.

## **Bloomberg 1-5 Yr Gov TR Index**

Bloomberg Barclays Municipal 1-5 Yr TR USD includes all medium and larger issues of U.S. government, investment-grade corporate, and investment-grade international dollar-denominated bonds that have maturities of between 1 and 5 years and are publicly issued.

## **ICE BofA US 3-Month Treasury Bill Index**

The ICE BofA 3 Month U.S. Treasury Index measures the performance of a single issue of outstanding treasury bill which matures closest to, but not beyond, three months from the rebalancing date. The issue is purchased at the beginning of the month and held for a full month; at the end of the month that issue is sold and rolled into a newly selected issue.

## **Bloomberg US Treasury TIPS 0-5 Years Total Return Index Unhedged USD**

Bloomberg US Treasury Inflation-Protected Securities (TIPS) 0-5 Year Index is a market value-weighted index that measures the performance of inflation-protected securities issued by the US Treasury that have a remaining average life between 0 and 5 years.

## **Bloomberg U.S. Treasury Bellwethers: 1 Yr**

The Bloomberg U.S. Treasury Bellwethers 1 Yr. Index is an unmanaged index representing the on-the-run (most recently auctioned) U.S. Treasury bond with 1 years' maturity.



APCM

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# Capital Tracking Report

1<sup>st</sup> Quarter 2025

Chugach Electric Association, Inc.

Audit & Finance Committee

May 21, 2025



# Projects Summary

## 1<sup>st</sup> Quarter 2025

Project Name	Actual	Forecast	Approved	Financial Status
	(In Millions)			Legend: <span>Actual</span> <span>Under</span> <span>Over &lt;15%</span> <span>Over &gt;15%</span> <span>Approved</span>
Reliability Projects	\$12.0	\$26.8	\$26.8	
Retirements & Replacements Projects	\$24.9	\$34.6	\$34.2	
Agency Mandated Projects	\$6.1	\$6.8	\$5.4	
Operating Efficiency Projects	\$61.1	\$90.7	\$92.7	



# Capital Tracking Report

1<sup>st</sup> Quarter 2025

Supplemental Information



# Reliability Projects

## 1<sup>st</sup> Quarter 2025

# Reliability Projects Summary

Project Name	Last Approved	Actual-to-Date (In Millions)	Forecast	Approved	Physically Complete	Financial Status	Approved
Legend: <span>Actual</span> <span>Under</span> <span>Over &lt;15%</span> <span>Over &gt;15%</span>							
<b>Reliability</b>							
LaTouche Substation Rebuild	8/28/2024	\$3.4	\$7.2	\$7.2	60%	<div> <div>47%</div> <div>100%</div> </div>	
Campbell Lake Substation Rebuild	3/22/2023	\$2.2	\$8.6	\$8.6	36%	<div> <div>25%</div> <div>100%</div> </div>	
Dimond OH/UG	6/26/2024	\$1.4	\$4.0	\$4.0	15%	<div> <div>34%</div> <div>100%</div> </div>	
Huffman OH/UG	6/26/2024	\$5.0	\$7.0	\$7.0	70%	<div> <div>72%</div> <div>100%</div> </div>	

# LaTouche Substation Rebuild

- Approved – 8/28/2024
- Project Manager – C. Kohler
- Physically Complete – 60%
- Approval Amount – \$7.2M
- Actuals – \$3.4M
- Forecast – \$7.2M

Legend:

Actual

Under

Over <15%

Over >15%

| Approve



# LaTouche Substation Rebuild

Construction kicked off in September 2024. The switchgear was delivered in October of 2024. Project construction restart in July 2025.



# Campbell Lake Substation Rebuild

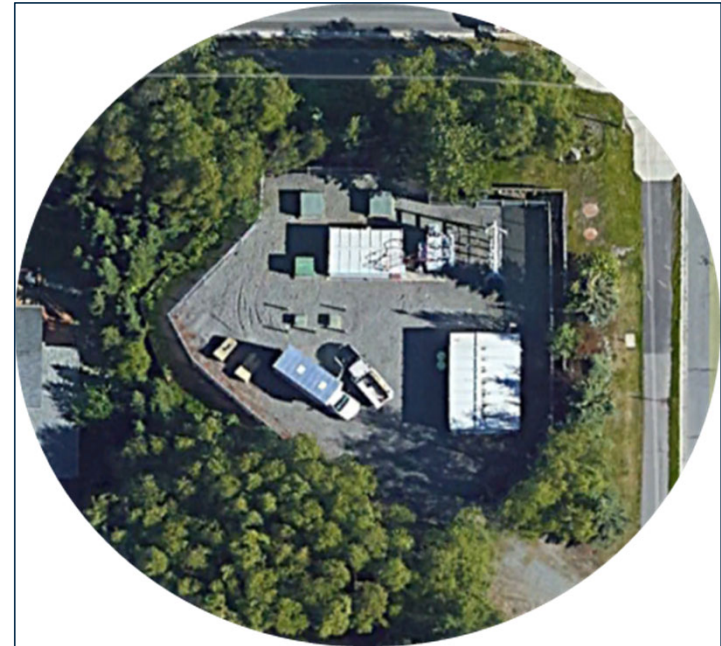
- Approved – 03/22/2023
- Project Manager – C. Kohler
- Physically Complete – 36%
- Approval Amount – \$8.6M
- Actuals – \$2.2M
- Forecast – \$8.6M

Legend:



# Campbell Lake Substation Rebuild

The Conditional Use Permit has been rescinded by the Municipality because of an appeal of the Southport Masters Association. A communications alternatives analysis is being conducted while the project is on hold.



# Dimond OH/UG

- Approved – 6/26/2024
- Project Manager – B. Jackson
- Physically Complete – 15%
- Approval Amount – \$4.0M
- Actuals – \$1.4M
- Forecast – \$4.0M

Legend:





# Dimond OH/UG

The Dimond project will underground the existing overhead distribution circuit from the east side of Roy Street to the west side of Jewel Lake Road. Construction commenced summer of 2024, bore and pad work has been completed. Project completion is anticipated mid-July of 2025.



# Huffman OH/UG

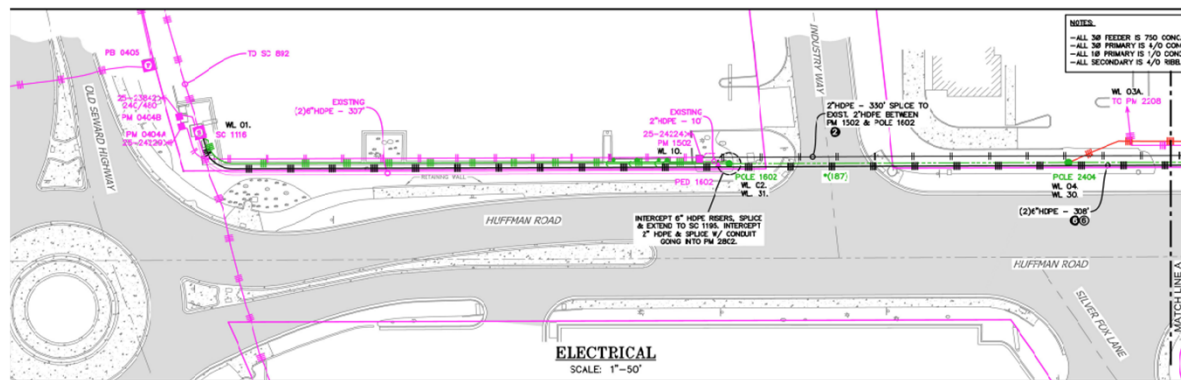
- Approved – 6/26/2024
- Project Manager – B. Jackson
- Physically Complete – 70%
- Approval Amount – \$7.0M
- Actuals – \$5.0M
- Forecast – \$7.0M

Legend:



# Huffman OH/UG

The Huffman project will underground the existing overhead distribution and sub-transmission circuit from the east side of Old Seward Highway to the east side of Lake Otis. Construction commenced in 2025. The 15kV feeder construction has been completed. Project completion is expected in mid-August 2025.



# Retirement & Replacement Projects

## 1<sup>st</sup> Quarter 2025

# Retirements & Replacements Projects Summary

Project Name	Last Approved	Actual-to-Date (In Millions)	Forecast	Approved	Physically Complete	Financial Status	Approved
						Legend: <div>Actual</div> <div>Under</div> <div>Over &lt;15%</div> <div>Over &gt;15%</div>	
<b>Retirements &amp; Replacements</b>							
Cooper Lake U2 Runner Upgrade	4/10/2024	\$0.5	\$3.2	\$3.2	35%	<div> <div>17%</div> <div>100%</div> </div>	
115kV T-Line Rebuild Girdwood to Indian	1/24/2024	\$24.4	\$31.4	\$31.0	75%	<div> <div>79%</div> <div>100%</div> </div>	

# Cooper Lake U2 Runner Upgrade

- Approved – 4/10/2024
- Project Manager – J.Privett
- Physically Complete – 35%
- Approval Amount – \$3.2M
- Actuals – \$0.5M
- Forecast – \$3.2M



# Cooper Lake Unit 2 Runner Upgrade

This project will replace the runner and wicket gate on Unit 2. Fabrication of the runner and wicket gates have been completed. Parts have been disassembled and shipped to refurbish, expect to return in service in early 2026.



# 115kV T-Line Rebuild Girdwood to Indian

- Approved – 1/24/2024
- Project Manager – C. Kohler
- Physically Complete – 75%
- Approval Amount – \$31.0M
- Actuals – \$24.4M
- Forecast – \$31.4M

Legend:

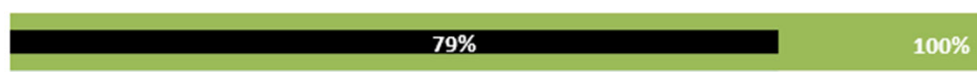
Actual

Under

Over <15%

Over >15%

Approve





# 115kV T-Line Rebuild Girdwood to Indian

Project is under construction. The projected costs have increased due to design changes during construction. Completion is anticipated in 2025 pending weather conditions.

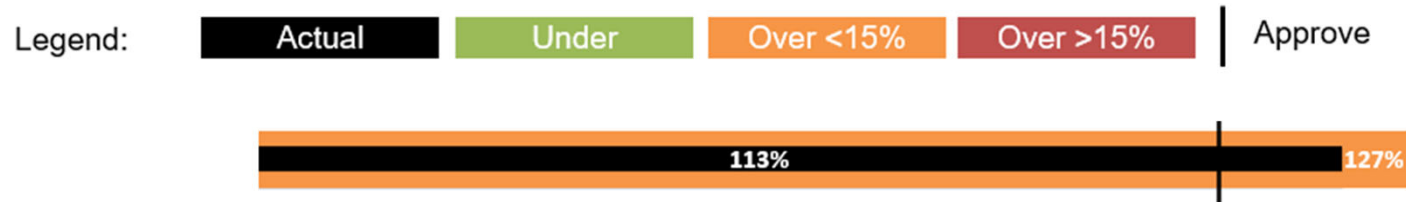


# Agency Mandated Projects

## 1<sup>st</sup> Quarter 2025

# Eklutna Fish & Wildlife

- Approved – 12/14/2022
- Project Manager – E. Ori
- Physically Complete – 95%
- Approval Amount – \$5.4M
- Actuals – \$6.1M
- Forecast – \$6.8M



# Eklutna Fish & Wildlife

On October 2, 2024 the Governor's Office approved the submitted Fish & Wildlife plan with an opener for the study of a pumped hydro storage option if the Municipality of Anchorage/Native Village of Eklutna want to study/fund it.

The MOA is taking the lead on studying Pumped Storage Hydro (PSH), per the Governor's approval of the overall plan. Legal matters continue between the project owners and the MOA. Once solved, the plan is to begin engineering of the projects as outlined in the plan. Specifically, in 2025, the plan is to begin engineering the wheel gate replacement on the dam.



# Operating Efficiency Projects

## 1<sup>st</sup> Quarter 2025

# Operating Efficiency Projects Summary

Project Name	Last Approved	Actual-to-Date (In Millions)	Forecast	Approved	Physically Complete	Financial Status	
						Legend:	<div>Actual</div> <div>Under</div> <div>Over &lt;15%</div> <div>Over &gt;15%</div> <div>Approved</div>
<b>Operating Efficiency</b>							
Main / Backup Dispatch Remodel	7/26/2024	\$1.8	\$3.0	\$3.2	85%	<div>56%</div> <div>93%</div>	
One Campus Plan	12/14/2022	\$43.9	\$64.3	\$64.3	67%	<div>68%</div> <div>100%</div>	
CIS/ERP Replacement	9/16/2024	\$15.4	\$23.4	\$25.2	71%	<div>61%</div> <div>93%</div>	

# Main / Backup Dispatch Remodel

- Approved – 07/26/2024
- Project Manager – P. Johnson
- Physically Complete – 85%
- Approval Amount – \$3.2M
- Actuals – \$1.8M
- Forecast – \$3.0M



# Main / Backup Dispatch Remodel

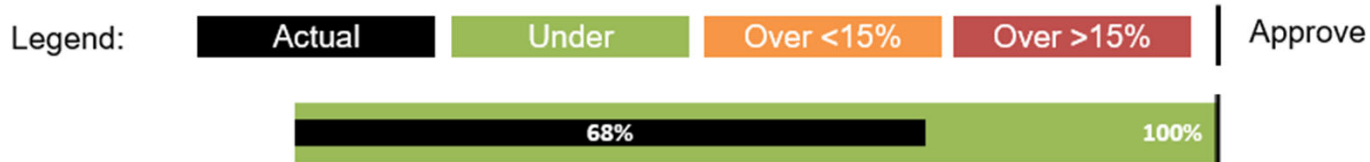
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The backup control center project was completed and Dispatch was moved in February. For phase II, construction is ongoing with move expected in June 2025.



# One Campus Plan

- Approved – 12/14/2022
- Project Manager – J. Resnick
- Physically Complete – 67%
- Approval Amount – \$64.3M
- Actuals – \$43.9M
- Forecast – \$64.3M



# One Campus Plan

Construction is ongoing in the new building. Concrete flooring has been completed. All walls have been constructed and painted. The roof has been completed, and the solar stanchions have been installed and begin wiring.



# CIS/ERP Replacement

- Approved – 09/16/2024
- Project Manager – J. Travis
- Physically Complete – 71%
- Approval Amount – \$25.2M
- Actuals – \$15.4M
- Forecast – \$23.4M



# CIS/ERP Replacement

The CIS project has completed the ITC5 phase and has now entered the Daily Operations phase, which serves as the final stage before go-live preparations begin. This phase includes comprehensive, all-inclusive testing designed to provide a thorough review of system functionality, process integrity, and integration performance.

A pause/proceed checkpoint has been scheduled for the end of May to determine whether the project is on track to meet the targeted July 1 go-live date.







# MARCH 2025

# FINANCIAL

# INFORMATION

# AND VARIANCE

# REPORT

Date: May 21, 2025



# Agenda

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Weather Impact

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MWH Sales and Base Revenue

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Comparative Statement of Operations

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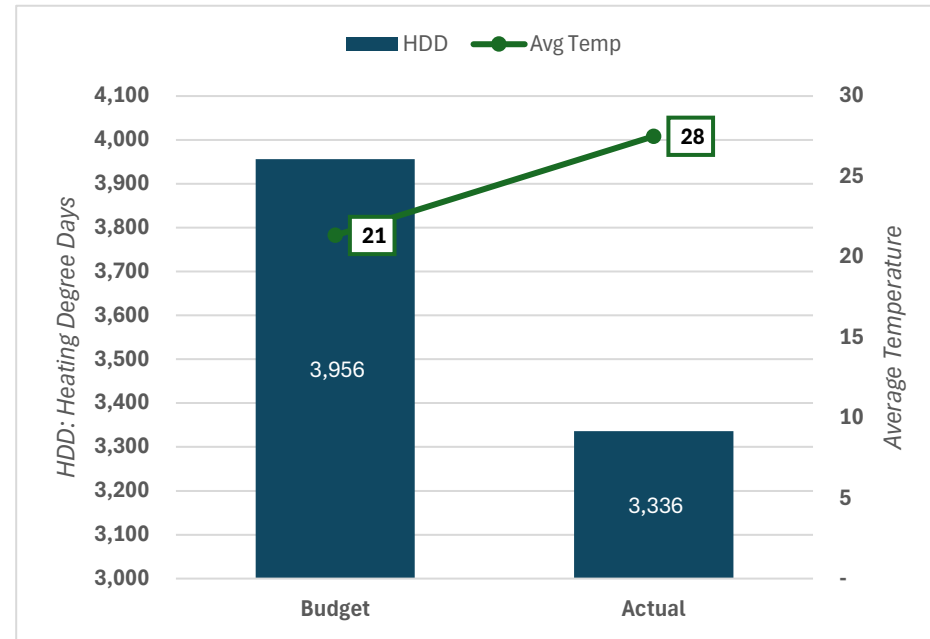
Comparative Balance Sheet

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Comparative Statement of Cash Flows

# Weather Impact

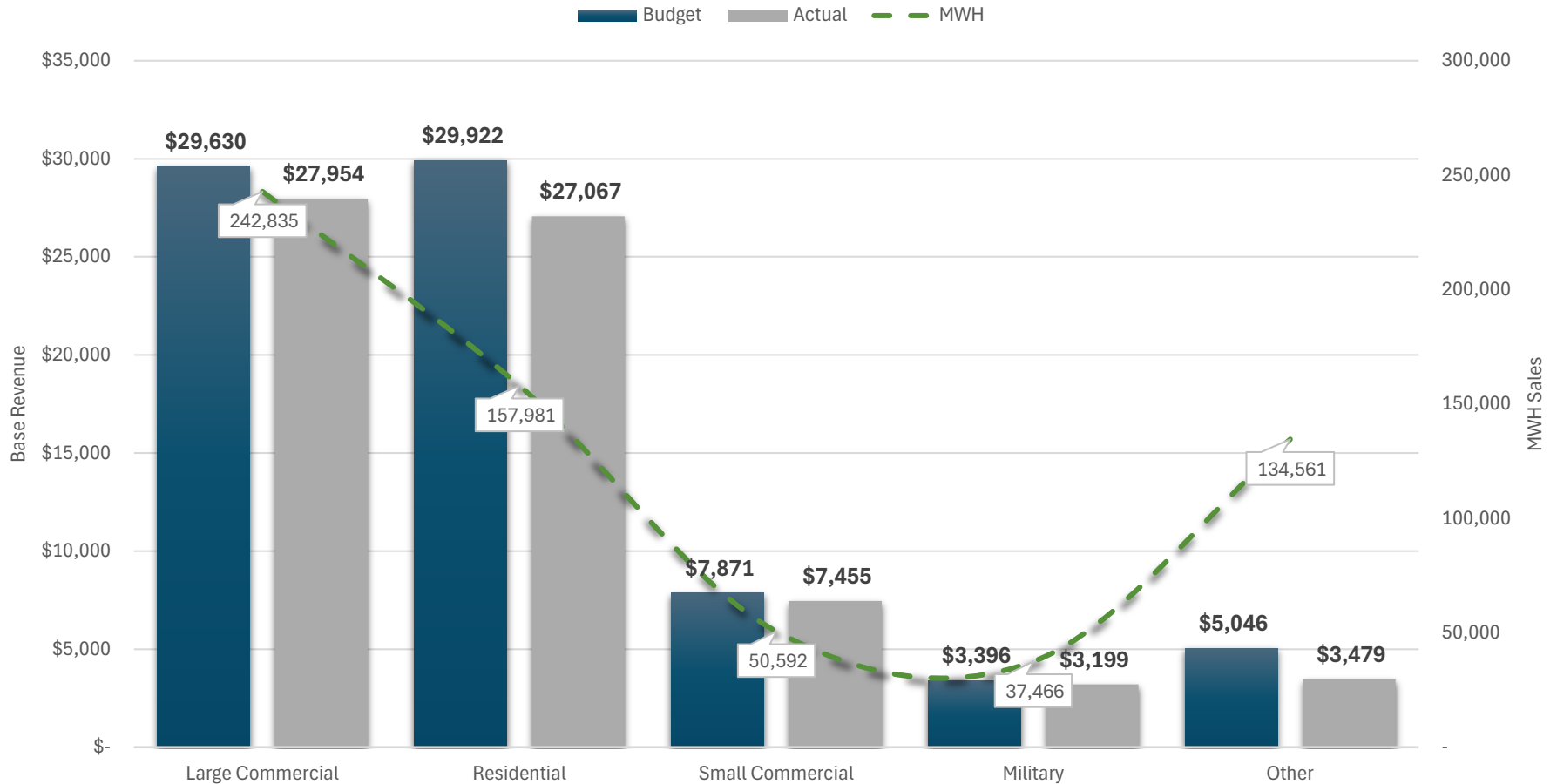
- Heating Degree Days (HDD) represents the degree to which the daily average temperature is below 65 °F.
- A day with a mean temperature of 55 °F would have 10 HDD, as it's 10 degrees below 65 °F.



Chugach utilizes this data to comprehend, manage, and assess energy demand and consumption.

# MWH Sales and Base Revenues

Base Revenue = kWh Sales x Rate





**CHUGACH ELECTRIC ASSOCIATION, INC.**  
**CONSOLIDATED STATEMENT OF OPERATIONS**  
For the Period Ending March 31, 2025

(in thousands)

	<b>Actual</b>	<b>Budget</b>	<b>Variance</b>
<b>Operating Revenue</b>	<b>\$ 98,510</b>	<b>\$ 102,656</b>	<b>\$ (4,145)</b>
Fuel	21,500	17,668	3,832
Production	8,915	10,833	(1,919)
Purchase Power	7,617	7,835	(218)
Transmission	2,069	2,970	(901)
Distribution (O&M)	8,447	7,561	887
Consumer accounts	2,983	3,112	(128)
Administrative, General and Other	13,563	15,436	(1,873)
Depreciation & Amortization	18,444	18,003	442
<b>Total Operating expenses</b>	<b>83,540</b>	<b>83,417</b>	<b>122</b>
Long-term debt and other	12,940	12,556	384
Charged to construction	(577)	(777)	200
<b>Interest Expense, Net</b>	<b>12,362</b>	<b>11,779</b>	<b>584</b>
<b>Net operating margins</b>	<b>2,609</b>	<b>7,460</b>	<b>(4,851)</b>
Interest Income	670	483	187
Allowance for funds used during construction	108	140	(32)
Capital credits, patronage dividends and others	241	54	188
<b>Total nonoperating margins</b>	<b>1,019</b>	<b>677</b>	<b>343</b>
<b>Assignable margins</b>	<b>3,628</b>	<b>8,136</b>	<b>(4,508)</b>
<b>MFI/I</b>	<b>1.28</b>	<b>1.65</b>	
<b>TIER</b>	<b>1.32</b>	<b>1.73</b>	

**CHUGACH ELECTRIC ASSOCIATION, INC.**  
**CONSOLIDATED BALANCE SHEET**  
**As of March 31, 2025 and December 31, 2024**

(in thousands)

	Unaudited 3/31/2025	Audited 12/31/2024	Change
<b>ASSETS &amp; OTHER DEBITS</b>			
Electric Plant in Service	2,282,686	2,272,412	10,274
Construction Work in Progress	115,561	109,800	5,761
<b>Total Utility Plant</b>	<b>2,398,247</b>	<b>2,382,212</b>	<b>16,035</b>
Accum. Prov. for Depreciation/Amortization	(854,853)	(835,757)	(19,096)
<b>Net Utility Plant</b>	<b>1,543,394</b>	<b>1,546,455</b>	<b>(3,061)</b>
Nonutility Property - Net	77	77	-
Financing & Operating Lease Right-of-Use Assets	3,727	3,737	(10)
Investment in Assoc. Organizations	6,223	6,420	(197)
Special Funds	38,860	37,679	1,181
Restricted Cash Equivalents & Other	30	30	-
Long-term Prepayments	89	79	10
<b>Total Other Property &amp; Investments</b>	<b>49,006</b>	<b>48,022</b>	<b>984</b>
Cash & Restricted Cash	29,596	24,661	4,935
Special Deposits and Marketable Securities	565	555	10
Fuel Cost / other under recovery	11,092	10,457	635
BRU capital surcharge under - recovery	32,397	35,134	(2,737)
Accounts Receivable - Net	53,902	63,575	(9,673)
Materials and Supplies, Fuel Stock	70,697	71,853	(1,156)
Prepayments	7,862	6,327	1,535
Other Current & Accrued Assets	6,499	6,357	142
<b>Total Current &amp; Accrued Assets</b>	<b>212,610</b>	<b>218,919</b>	<b>(6,309)</b>
Deferred Debits	100,322	100,915	(593)
<b>Total Assets &amp; Other Debits</b>	<b>1,905,332</b>	<b>1,914,311</b>	<b>(8,979)</b>

**CHUGACH ELECTRIC ASSOCIATION, INC.**  
**CONSOLIDATED BALANCE SHEET**  
**As of March 31, 2025 and December 31, 2024**

<i>(in thousands)</i>	<b>Unaudited 3/31/2025</b>	<b>Audited 12/31/2024</b>	<b>Change</b>
<b>LIABILITIES &amp; OTHER CREDITS</b>			
Memberships	2,057	2,051	6
Pat. Capital, Margins & Equities	222,801	219,393	3,408
<b>Total Margins &amp; Equities</b>	<b>224,858</b>	<b>221,444</b>	<b>3,414</b>
Bonds payable	1,162,000	1,180,917	(18,917)
Notes Payable	10,032	10,944	(912)
Unamortized Debt Issuance Costs	(6,089)	(6,188)	99
Operating Lease and Finance Lease Liabilities	3,682	3,691	(9)
<b>Total Long-Term Debt</b>	<b>1,169,625</b>	<b>1,189,364</b>	<b>(19,739)</b>
Current installment of long-term obligations	56,627	56,740	(113)
Commercial Paper	136,000	122,000	14,000
Accounts Payable	22,352	26,289	(3,937)
Consumer Deposits	3,635	3,780	(145)
Accrued interest	11,111	11,367	(256)
Salary, wages and benefits	13,004	12,479	525
Fuel Payable	5,042	5,446	(404)
Undergrounding ordinance liabilities	5,812	4,311	1,501
Provision for rate refund	76	3,125	(3,049)
Other Current Liabilities	3,016	2,187	829
<b>Total Current &amp; Accrued Liabilities</b>	<b>256,675</b>	<b>247,724</b>	<b>8,951</b>
Deferred Compensation	1,698	1,926	(228)
Other Liabilities, Non-Current	849	757	92
Deferred Liabilities	13,544	13,840	(296)
BRU Regulatory Liability	67,825	70,602	(2,777)
Cost of Removal Obligation	170,258	168,654	1,604
<b>Total Liabilities &amp; Other Credits</b>	<b>1,905,332</b>	<b>1,914,311</b>	<b>(8,979)</b>

**CHUGACH ELECTRIC ASSOCIATION, INC.**  
**CONSOLIDATED STATEMENT OF CASH FLOWS**  
**Three Months Ended March 31, 2025 and 2024**

(in thousands)

	<b>2025</b>	<b>2024</b>	<b>Variance</b>
<b>Cash flows from operating activities:</b>			
Assignable margins	3,628	5,067	(1,439)
Adjustments to reconcile assignable margins to net cash provided by operating activities:			
Depreciation and amortization	20,570	19,928	642
Allowance for funds used during construction	(108)	(102)	(6)
Other non-cash charges	2,730	1,849	881
(Increase) decrease in assets	3,530	1,248	2,282
Increase (decrease) in liabilities	288	(3,489)	3,777
Net cash provided by operating activities:	30,638	24,501	6,137
<b>Cash flows from investing activities:</b>			
Return of capital from investment in associated organizations	197	213	(16)
Investment in special funds	(1,390)	(1,408)	18
Extension and replacement of plant	(23,984)	(23,825)	(159)
Net cash used in investing activities:	(25,176)	(25,020)	(156)
<b>Cash flows from financing activities:</b>			
Net increase (decrease) in short-term obligations	14,000	28,000	(14,000)
Net increase (decrease) in long-term obligations	(19,943)	(19,943)	-
Net increase (decrease) in consumer advances/retired patronage/other	5,416	6,469	(1,053)
Net cash provided by (used in) financing activities:	(527)	14,526	(15,053)
Net change in cash, cash equivalents, and restricted cash equivalents	4,935	14,007	(9,072)

# Questions?





March 2025

# Monthly Financial Report



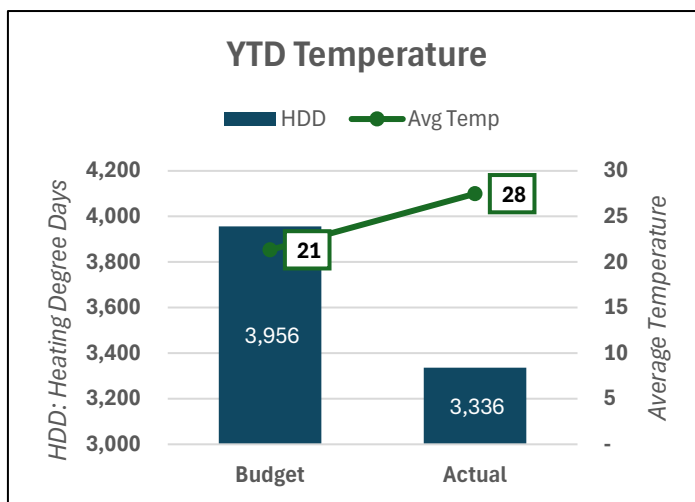
## Executive Summary

While not as extreme as what we experienced in January, temperatures continued to trend down with heating degree days (HDD) falling short of budget by 133 days (12%), which resulted in a 4% decline in sales for the month. The decrease in sales was counterbalanced by the rate increase implemented through the simplified rate filing (SRF) that became effective last month. Cost containment continues to trend through March with total operating expenses, less the impact of fuel and purchase power, down \$3.5 million (6%). Assignable margins as of March were \$3.6 million, a \$2.1 million improvement from February bringing year-to-date margins within \$4.5 million of budget and generating an MFI/I of 1.28 and TIER of 1.32.

YTD Consolidated Statement of Operations				
CATEGORY	ACTUAL	BUDGET	VARIANCE	
<i>(in thousands)</i>				
<b>Operating Revenue</b>	<b>\$ 98,510</b>	<b>\$ 102,656</b>	<b>\$ (4,145)</b>	
Fuel	21,500	17,668	3,832	
Production	8,915	10,833	(1,919)	
Purchase Power	7,617	7,835	(218)	
Transmission	2,069	2,970	(901)	
Distribution	8,447	7,561	887	
Consumer accounts	2,983	3,112	(128)	
Administrative, General and Other	13,563	15,436	(1,873)	
Depreciation & Amortization	18,444	18,003	442	
<b>Total Operating expenses</b>	<b>83,540</b>	<b>83,417</b>	<b>122</b>	
Long-term debt and other	12,940	12,556	384	
Charged to construction	(577)	(777)	200	
<b>Interest Expense, Net</b>	<b>12,362</b>	<b>11,779</b>	<b>584</b>	
<b>Net operating margins</b>	<b>2,609</b>	<b>7,460</b>	<b>(4,851)</b>	
Interest Income	670	483	187	
Allowance for funds used during construction	108	140	(32)	
Capital credits, patronage dividends and others	241	54	188	
<b>Total nonoperating margins</b>	<b>1,019</b>	<b>677</b>	<b>343</b>	
<b>Assignable margins</b>	<b>3,628</b>	<b>8,136</b>	<b>(4,508)</b>	

## Operating Revenues

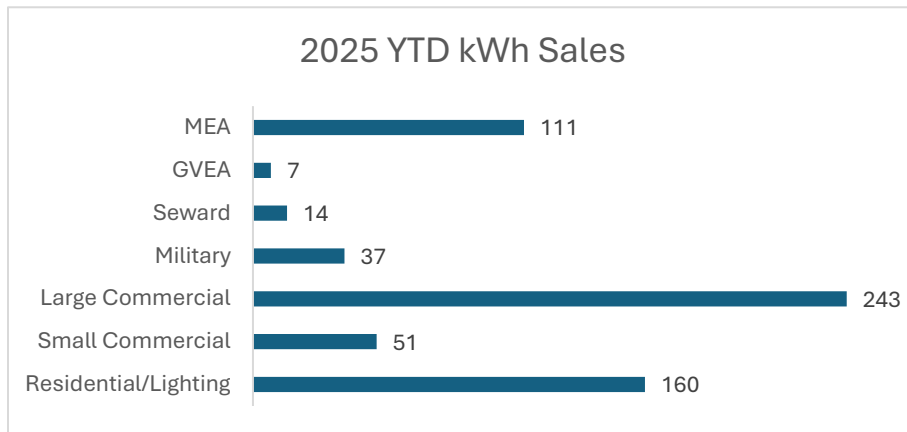
Weather plays a crucial role in influencing sales by impacting energy demand and potentially causing outages. HDD indicates the number of degrees below 65°F, while cooling degree days (CDD) indicates the number of degrees above 65°F. Chugach utilizes this data to comprehend, manage, and assess energy demand and consumption. Total year-to-date HDD were short of expectations by 620 (16%) days and average temperatures were exceeding expectations by 33%.



Year to date sales were 623 million kWh, falling short of budget by 19.5 million kWh (3%) due to lower HDD, which was offset by higher sales through power pooling. This reduction in sales led to total revenue falling short of budget by \$4.1 million (4%). Base revenue was \$6.7 million (9%) lower than budget due to weather events but was partially offset by an increase in rates due to the implementation of the SRF. Revenue recovered from fuel and purchase power was \$2.6 million (10%) higher than budget due to higher-than-expected fuel.



Retail customers include residential, small commercial, large commercial and lighting members. Sales to retail members constituted approximately 79% of total sales and were 26.8 million kWh (5%) lower than



budget, due primarily to lower-than-expected HDD, resulting in a \$3.1 million (3%) unfavorable budget variance for the year.

The City of Seward contracted with Chugach for access to interruptible generation, which we refer to as Wholesale sales. Sales to Seward accounted for

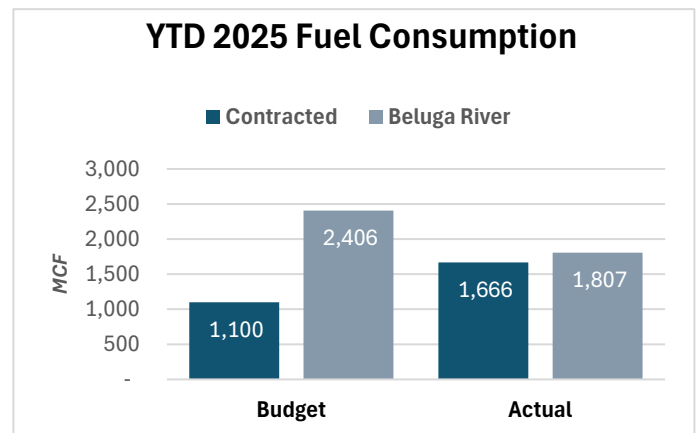
2% of total sales and were 1.4 million kWh (9%) lower than budget due primarily to lower HDD. Revenue generated from Wholesale sales had a net favorable variance of \$.05 million (4%) for the year due to higher fuel costs recovered in revenue.

Economy sales represent the sales of available generation, in excess of our own needs, under the terms and conditions of Chugach's economy energy sales tariff to Golden Valley Electric Association (GVEA). The price includes the cost of fuel, variable operations and maintenance expenses, wheeling charges and a margin. Economy sales were 1% of total sales and were 3.6 million kWh (33%) lower than budget resulting in revenue falling short of \$.04 million (18%) for the year.

Power Pool sales are associated with the sharing and management of electric resources, aiming for cost savings, reliability, and efficient resource allocation through a centralized dispatch system. All Power Pool sales are sold to Matanuska Electric Association (MEA). Power Pool sales constituted approximately 18% of total sales and were 12.2 million kWh (12%) higher than budget. Resulting in a favorable variance in revenue generated from Power Pool sales of \$0.6 million (63%) higher than budget.

### Operating Expenses

Approximately 87% of our native electric energy, including the territory of Seward, is generated from natural gas. The total fuel used in generation amounted to 3.5 million Mcf, which was 1% lower than budget. Contracted sources provided approximately 48% of the purchased fuel, which was 17% more than budgeted, while BRU provided 52%, which was 17% less than budgeted.





Fuel expenses, including contracted fuel, storage, transportation, and BRU operating costs are \$3.8 million (22%) higher than budget. In alignment with the 16% reduction in HDD, storage levels remain high, thus driving a strategic change in the usage ratio of BRU to contracted fuel. It is important to note that all fuel and purchased power costs, excluding those associated with the Eklutna Purchase Power Agreement (PPA), are recovered through the fuel and purchased power adjustment process resulting in no impact to margins.

Production expense was under budget by \$1.9 million (18%) due to lower contract services costs and operating expenses, as a result of lower-than-expected headcount, timing of maintenance and lower-than-expected service hours at Beluga, Nikkels, Sullivan and SPP.

Transmission expense was under the budget by \$0.9 million (30%) primarily due to the unexpected timing of project and maintenance work planned within system controls and fuel operations.

Distribution operations and maintenance expenses were over the budget by \$0.9 million (12%) primarily due to increased outage costs associated with repairs and maintenance following the winter storm in January.

Administrative, general, and other expenses were below budget by \$1.9 million (12%), primarily due to lower labor, insurance and amortization related to regulatory assets.

Depreciation and amortization expenses were over budget by \$0.4 million (2%) primarily due to a higher number of assets placed in service than was expected.

Net interest expense consists of interest on long-term debt, other interest expense and interest charged to construction. Net interest expense was over the budget by \$0.6 million (5%) due to increased interest expense due to carrying a higher-than-expected commercial paper balance, unbudgeted fees and lower interest charged to construction due to construction delays caused by weather conditions.

Non-operating margins consist of interest income, allowance for funds used during construction (AFUDC), capital credits, patronage dividends and others. Non-operating margins were over the budget by \$0.3 million (51%) primarily due to increased interest income, and realized gains from sales equities in the BRU ARO fund, which was partially offset by lower AFUDC due to construction delays caused by weather conditions.

## Supplemental Information

### COMPARATIVE FINANCIAL REPORT STATEMENT OF OPERATIONS MONTH ENDING MARCH 31, 2025

(in thousands)

	Actual	Budget	VARIANCE
	\$	\$	\$
<b>Operating Revenue</b>	<b>32,905</b>	<b>34,794</b>	<b>(1,888)</b>
Fuel	7,228	5,913	1,315
Production	2,800	3,616	(816)
Purchase Power	2,373	2,540	(166)
Transmission	622	979	(358)
Distribution	2,482	2,429	52
Consumer accounts	1,036	999	37
Administrative, General and Other	4,611	5,180	(568)
Depreciation & Amortization	5,935	6,001	(66)
<b>Total Operating expenses</b>	<b>27,088</b>	<b>27,657</b>	<b>(570)</b>
Long-term debt and other	4,289	4,225	64
Charged to construction	(203)	(266)	63
<b>Interest Expense, Net</b>	<b>4,086</b>	<b>3,959</b>	<b>127</b>
<b>Net operating margins</b>	<b>1,732</b>	<b>3,177</b>	<b>(1,445)</b>
Interest Income	258	169	88
Allowance for funds used during construction	38	48	(10)
Capital credits, patronage dividends and others	29	18	11
<b>Total nonoperating margins</b>	<b>325</b>	<b>235</b>	<b>90</b>
<b>Assignable margins</b>	<b>2,056</b>	<b>3,412</b>	<b>(1,356)</b>
<b>MFI/I</b>	<b>1.48</b>	<b>1.81</b>	
<b>TIER</b>	<b>1.56</b>	<b>1.92</b>	

**COMPARATIVE FINANCIAL REPORT**  
**STATEMENT OF OPERATIONS**  
**PERIOD ENDING MARCH 31, 2025 AND 2024**

(in thousands)

	<b>2025</b>	<b>2024</b>	<b>VARIANCE</b>
<b>Operating Revenue</b>	<b>\$ 98,510</b>	<b>\$ 100,783</b>	<b>\$ (2,272)</b>
Fuel	21,500	23,498	(1,998)
Production	8,915	10,214	(1,300)
Purchase Power	7,617	8,145	(528)
Transmission	2,069	2,267	(198)
Distribution	8,447	7,598	850
Consumer accounts	2,983	2,883	100
Administrative, General and Other	13,563	13,534	29
Depreciation & Amortization	18,444	17,269	1,175
<b>Total Operating expenses</b>	<b>83,540</b>	<b>85,409</b>	<b>(1,869)</b>
Long-term debt and other	12,940	11,771	1,169
Charged to construction	(577)	(510)	(68)
<b>Interest Expense, Net</b>	<b>12,362</b>	<b>11,261</b>	<b>1,101</b>
<b>Net operating margins</b>	<b>2,609</b>	<b>4,113</b>	<b>(1,504)</b>
Interest Income	670	538	132
Allowance for funds used during construction	108	102	6
Capital credits, patronage dividends and others	241	315	(74)
<b>Total nonoperating margins</b>	<b>1,019</b>	<b>955</b>	<b>65</b>
<b>Assignable margins</b>	<b>3,628</b>	<b>5,067</b>	<b>(1,439)</b>
 <b>MFI/I</b>	 <b>1.28</b>	 <b>1.43</b>	
<b>TIER</b>	<b>1.32</b>	<b>1.53</b>	

## CHUGACH ELECTRIC ASSOCIATION, INC.

## BALANCE SHEET

As of March 31, 2025 and December 31, 2024

ASSETS & OTHER DEBITS	Unaudited 3/31/2025	Audited 12/31/2024	CHANGE
<i>(in thousands)</i>			
Electric Plant in Service	\$ 2,282,686	\$ 2,272,412	\$ 10,274
Construction Work in Progress	115,561	109,800	5,761
<b>Total Utility Plant</b>	<b>2,398,247</b>	<b>2,382,212</b>	<b>16,035</b>
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**CHUGACH ELECTRIC ASSOCIATION, INC.**  
**BALANCE SHEET**  
**As of March 31, 2025 and December 31, 2024**

<b>LIABILITIES &amp; OTHER CREDITS</b>	<b>Unaudited 3/31/2025</b>	<b>Audited 12/31/2024</b>	<b>CHANGE</b>
<i>(in thousands)</i>			
Memberships	\$ 2,057	\$ 2,051	\$ 6
Pat. Capital, Margins & Equities	222,801	219,393	3,408
<b>Total Margins &amp; Equities</b>	<b>224,858</b>	<b>221,444</b>	<b>3,414</b>
Bonds payable	1,162,000	1,180,917	(18,917)
Notes Payable	10,032	10,944	(912)
Unamortized Debt Issuance Costs	(6,089)	(6,188)	99
Operating Lease and Finance Lease Liabilities	3,682	3,691	(9)
<b>Total Long-Term Debt</b>	<b>1,169,625</b>	<b>1,189,364</b>	<b>(19,739)</b>
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Commercial Paper	136,000	122,000	14,000
Accounts Payable	22,352	26,289	(3,937)
Consumer Deposits	3,635	3,780	(145)
Accrued interest	11,111	11,367	(256)
Salary, wages and benefits	13,004	12,479	525
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<b>Total Current &amp; Accrued Liabilities</b>	<b>256,675</b>	<b>247,724</b>	<b>8,951</b>
Deferred Compensation	1,698	1,926	(228)
Other Liabilities, Non-Current	849	757	92
Deferred Liabilities	13,544	13,840	(296)
BRU Regulatory Liability	67,825	70,602	(2,777)
Cost of Removal Obligation	170,258	168,654	1,604
<b>Total Liabilities &amp; Other Credits</b>	<b>1,905,332</b>	<b>1,914,311</b>	<b>(8,979)</b>

**CHUGACH ELECTRIC ASSOCIATION, INC.**  
**Anchorage, Alaska**

**AUDIT AND FINANCE COMMITTEE MEETING**  
**AGENDA ITEM SUMMARY**

**May 21, 2025**

**ACTION REQUIRED**

**AGENDA ITEM NO. VII.A.**

<u>      </u>	<b>Information Only</b>
<u>  <b>X</b>  </u>	<b>Motion</b>
<u>      </u>	<b>Resolution</b>
<u>      </u>	<b>Executive Session</b>
<u>      </u>	<b>Other</b>

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**TOPIC**

2025 Operating Budget Revision

**DISCUSSION**

The 2025 Operating Budget was approved by the Board of Directors' on December 11, 2024. Since that approval, management has determined the following budget adjustments should be made:

- Adjust Operating Revenue to reflect kwh sales decline through March 31, 2025.
- Adjust expenses related to the transition of the Beluga Power Plant to remote operations, labor, insurance, legal and other operating expenses to reflect updated estimates.
- Adjust Operating Revenue to reflect the Chugach-Marathon Petroleum Company Exchange Agreement, Office/Warehouse Lease of the North Campus and AEA Agreement for Oscillation Dampening Service
- True-up of BRU Capital Surcharge Revenue and BRU Fuel Expense to align with current methodology.
- Adjust primary regulatory asset amortization to reflect the change in amortization period as approved in Chugach's general rate case.

The foregoing budget adjustments had a net \$6,319,305 impact on the 2025 budget.

**MOTION**

Move that the Audit and Finance Committee recommend the Board of Directors approve the amendment to the 2025 Operating Budget in the amount of \$6,319,305.

**CHUGACH ELECTRIC ASSOCIATION, INC.**  
**2025 OPERATING BUDGET**

<b>CATEGORY</b>	<b>2025 APPROVED BUDGET</b>	<b>2025 Q1 BUDGET REVISIONS</b>	<b>2025 Q1 AMENDED BUDGET</b>
<b>Operating Revenue and Patronage Capital</b>	<b>\$ 392,246,598</b>	<b>\$ (23,175,803)</b>	<b>\$ 369,070,795</b>
Fuel and Purchased Power Expense	99,349,698	(5,126,261)	94,223,437
Power Production Expense	44,417,699	(3,462,900)	40,954,799
Transmission Expense	12,826,556	(1,563,851)	11,262,705
Distribution Expense	29,085,678	1,291,818	30,377,496
Customer Expense	12,526,027	(89,004)	12,437,023
Administrative, General & Other	61,077,967	(7,906,300)	53,171,667
Depreciation and Amortization Expense	72,250,045	-	72,250,045
Interest Expense, Net	48,004,413	-	48,004,413
<b>Total Cost of Electric Service</b>	<b>\$ 379,538,083</b>	<b>\$ (16,856,498)</b>	<b>\$ 362,681,585</b>
<b>Patronage Capital &amp; Operating Margins</b>	<b>\$ 12,708,515</b>	<b>\$ (6,319,305)</b>	<b>\$ 6,389,210</b>
Non-Operating Margins - Interest	1,904,636	-	1,904,636
Allowance for Funds Used During Construction	569,432	-	569,432
Non-Operating Margins - Other	214,967	-	214,967
<b>Patronage Capital or Margins</b>	<b>\$ 15,397,550</b>	<b>\$ (6,319,305)</b>	<b>\$ 9,078,245</b>
MFI/I	1.30		1.18
TIER	1.35		1.21