



CHUGACH ELECTRIC ASSOCIATION, INC.
ANCHORAGE, ALASKA
AUDIT AND FINANCE COMMITTEE MEETING

AGENDA

Rachel Morse, Chair
Sisi Cooper, Director
Dan Rogers, Director

Katherine Jernstrom, Director
Mark Wiggin, Director

December 3, 2025

4:00 p.m.

Chugach Board Room

- I. CALL TO ORDER *(4:00 p.m.)*
 - A. *Roll Call*
- II. APPROVAL OF THE AGENDA*
- III. APPROVAL OF THE MINUTES*
 - A. *November 5, 2025 (Cacy)*
- IV. PERSONS TO BE HEARD
 - A. *Member Comments*
- V. CEO REPORTS AND CORRESPONDENCE *(4:05 p.m.)*
 - A. *2025 Audit Plan (KPMG) (4:05 p.m.)*
 - B. *BRU Quarterly Investment Review (Millwood) (4:20 p.m.)*
 - C. *3rd Quarter 2025 Capital Tracking Report (Millwood) (4:30 p.m.)*
 - D. *3rd Quarter 2025 Financial Information and Variance Report (Millwood) (4:40 p.m.)*
- VI. NEW BUSINESS *(none)*
- VII. EXECUTIVE SESSION* *(scheduled) (4:50 p.m.)*
 - A. *NRUCFC Line of Credit (Millwood) (4:50 p.m.)*
- VIII. NEW BUSINESS* *(scheduled) (5:00 p.m.)*
 - A. *NRUCFC Line of Credit* (Millwood) (5:00 p.m.)*
- IX. DIRECTOR COMMENTS *(held until after following meeting)*
- X. ADJOURNMENT* *(5:15 p.m.)*

* *Denotes Action Items*

** *Denotes Possible Action Items*

11/25/2025 10:36:46 AM

CHUGACH ELECTRIC ASSOCIATION, INC.
Anchorage, Alaska

November 05, 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 4:05 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, Vice Chair – *via teleconference*
Katherine Jernstrom, Director
Dan Rogers, Director – *via teleconference*
Mark Wiggin, Director

Board Members Present:

Jim Nordlund, Director – *arrived at 4:36 p.m.*
Susanne Fleek-Green, Director – *via teleconference and in person*

Guests and Staff Attendance Present:

Arthur Miller	Nick Szymoniak	Selena Bailey
SherrI Highers	Josh Travis	Trish Baker
Matthew Clarkson	Randall Chicola	Mike Miller
Andrew Laughlin	Eugene Ori	Paul Johnson
Katie Millen	Timothy Prior	Amber VanTreeck
Paul Millwood	Teresa Kurka	Ander Knudsen
Julie Hasquet	Nathan Golab	Whitney Wilkson
Dusty Menefee	Ashley Anunciacion	Bernie Smith, Member

Via Teleconference:

Stephanie Huddell	Buddi Richey	Heather Slocum
Amanda Mankel	Allan Rudeck	Lynda Muise
John Eliason, Orrick		

II. APPROVAL OF THE AGENDA

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

III. APPROVAL OF THE MINUTES

Director Wiggin moved, and Director Jernstrom seconded the motion to approve August 20, 2025, Audit and Finance Meeting minutes. The motion passed unanimously.

IV. PERSONS TO BE HEARD

None.

V. CEO REPORTS AND CORRESPONDENCE *(none)*

VI. EXECUTIVE SESSION *(scheduled)*

A. Internal Revenue Service Communication (Highers/Orrick)

At 4:08 p.m. Director Jernstrom moved and Director Wiggin seconded that pursuant to Alaska Statute 10.25.175(c)(1) and (3), the Board of Directors go into executive session to: 1) discuss and receive reports regarding matters the immediate knowledge of which would clearly have an adverse effect on the finances of the cooperative; and 2) discuss with its attorneys matters the immediate knowledge of which could have an adverse effect on the legal position of the cooperative. The motion passed unanimously.

At 4:42 p.m. the Committee reconvened open session.

VII. NEW BUSINESS *(scheduled)*

A. 2025/2026 Discounting of Retail Capital Credit Payments (Rudeck/Muise/Kurka)*

Teresa Kurka, VP Member Services, and Lynda Muise, Sr. Manager, Member Accounting, went over the current discounting of retail capital credits and answered questions from the Committee.

Director Jernstrom moved, and Director Wiggin seconded that the Audit and Finance Committee recommend that the Chugach Board of Directors approve the attached resolution authorizing early (discounted) retail capital credit payments for estate payments and former members that are no longer on Chugach's system in 2025 and 2026 in an amount not-to-exceed \$400,000 for each year. The motion passed unanimously.

B. 2026 Operating & Capital Budget (Millwood/Laughlin)*

Andrew Laughlin, Chief Operating Officer, and Paul Millwood, VP Finance & Accounting, presented the proposed 2026 Operating & Capital Budget and answered questions from the Committee.

Director Wiggin moved, and Director Jernstrom seconded that the Audit and Finance Committee recommend that the Board of Directors approve the 2026 Operating and Capital Budget which is expected to produce margins of \$16.0 million, MFI/I ratio of 1.32, TIER ratio of 1.39 and Equity to Total Capitalization ratio of 18.8%. These results are based on a Total Cost of Service of \$369.2 million, Total Revenue of \$379.9 million, Non-Operating Margins of \$5.3 million, and a capital expenditure cash requirement of \$121.7 million. The motion passed unanimously.

VIII. DIRECTOR COMMENTS

Director Comments were made at this time.

Director Wiggin left the meeting at 6:10 p.m.

IX. ADJOURNMENT

At 6:16 p.m., Director Jernstrom moved, and Director Cooper seconded the motion to adjourn. The motion passed unanimously.



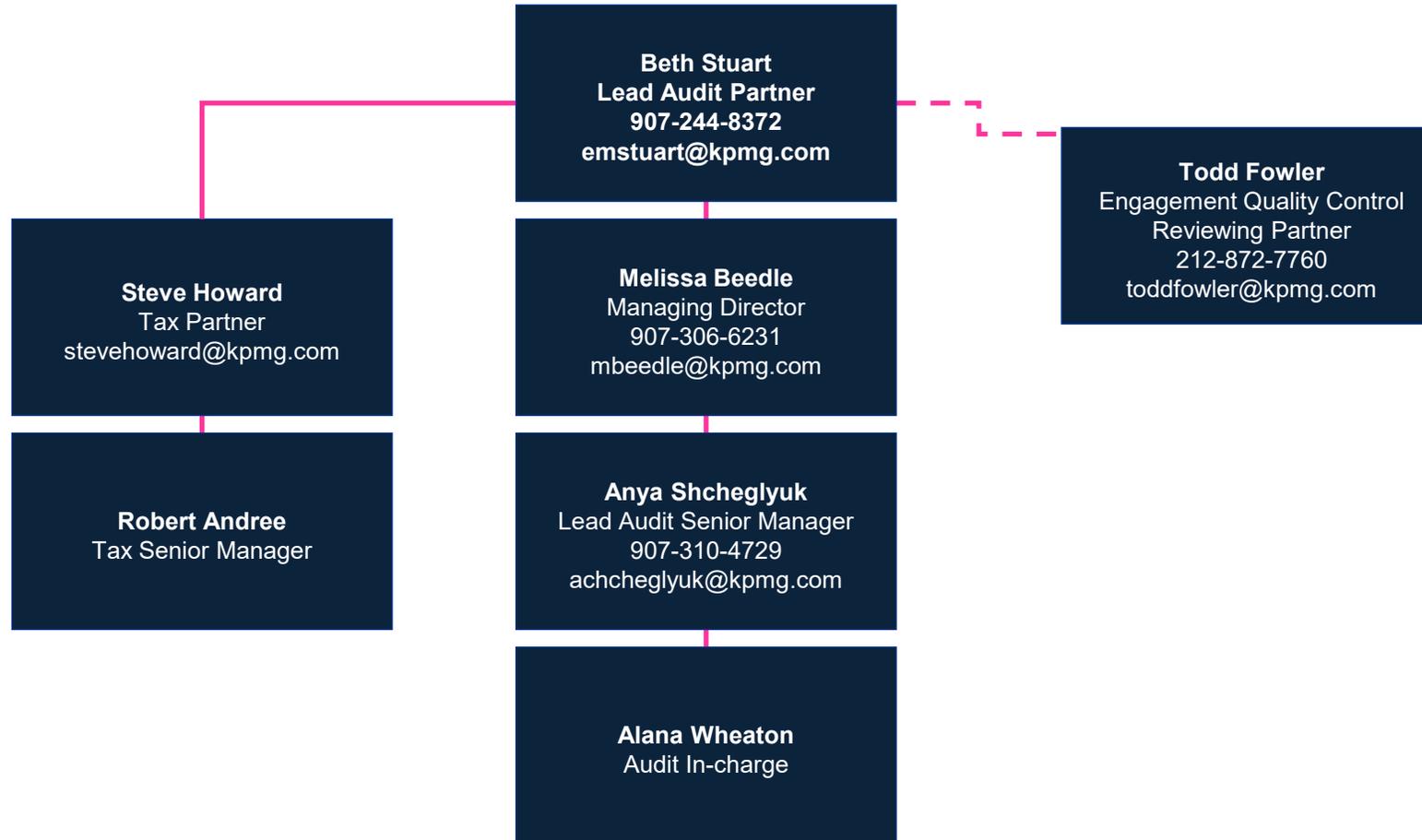
Chugach Electric Association Discussion with those charged with Governance

Audit plan and strategy for the year ending December 31, 2025

**Audit and Finance Committee Meeting
December 3, 2025**

Client service team

Team members with continuity are designated in blue.



Audit plan required communications & other matters

Our audit of the consolidated financial statements of Chugach Electric Association Inc. and its subsidiary (the Company) as of and for the year ended December 31, 2025, will be performed in accordance with auditing standards generally accepted in the United States of America and Government Auditing Standards.

Performing an audit of financial statements includes consideration of internal control over financial reporting (ICFR) as a basis for designing audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's ICFR.

Our audit includes issuing an audit opinion on the Company's annual filing with the Federal Energy Regulatory Commission, issuing a report regarding the Company's compliance with debt covenants and, as needed, Federal or State Single Audit reports.

Matters to communicate	Response
Role and identity of engagement partner	Lead audit engagement partner is Beth Stuart
Significant findings or issues discussed with management	None to report
Materiality in the context of an audit	See page 4
Our timeline	See page 5
Risk assessment: Significant risks	See page 6
Involvement of others	None to report
Newly effective accounting standards	None to report
Independence	See page 8
Responsibilities	See page 9
Inquiries	See page 10

Materiality in the context of an audit

We will apply materiality in the context of the preparation and fair presentation of the consolidated financial statements, considering the following factors:

Misstatements, including omissions, are considered to be material if there is a substantial likelihood that, individually or in the aggregate, they would influence the judgment made by a reasonable user based on the financial statements.

Judgments about materiality are made in light of surrounding circumstances and are affected by the size or nature of a misstatement, or a combination of both.

Judgments about materiality involve both qualitative and quantitative considerations.

Judgments about matters that are material to users of the financial statements are based on a consideration of the common financial information needs of users as a group. The possible effect of misstatements on specific individual users, whose needs may vary widely, is not considered.

Determining materiality is a matter of professional judgment and is affected by the auditor's perception of the financial information needs of users of the financial statements.

Judgments about the size of misstatements that will be considered material provide a basis for:

- determining the nature and extent of risk assessment procedures;
- identifying and assessing the risks of material misstatement; and
- determining the nature, timing, and extent of further audit procedures.

Our timeline

July - October

Planning and risk assessment

- Planning and initial risk assessment procedures, including:
 - Identification and assessment of risks of misstatements and planned audit response for certain processes
- Obtain and update an understanding of the Company and its environment
- Evaluate design and implementation of entity level controls and process level controls for certain processes
- Perform process walkthroughs and identification of process risk points for certain processes

November - January

Interim

- Ongoing risk assessment procedures, including:
 - Identification and assessment of risks of misstatements and planned audit response for remaining processes
- Identify IT applications and environments
- Perform testing over customer billing system change
- Perform process walkthroughs and identification of process risk points for remaining processes
- Inquire of those charged with governance, management and others within the Company about risks of material misstatement
- Perform interim substantive audit procedures
- Communicate audit plan

February - March

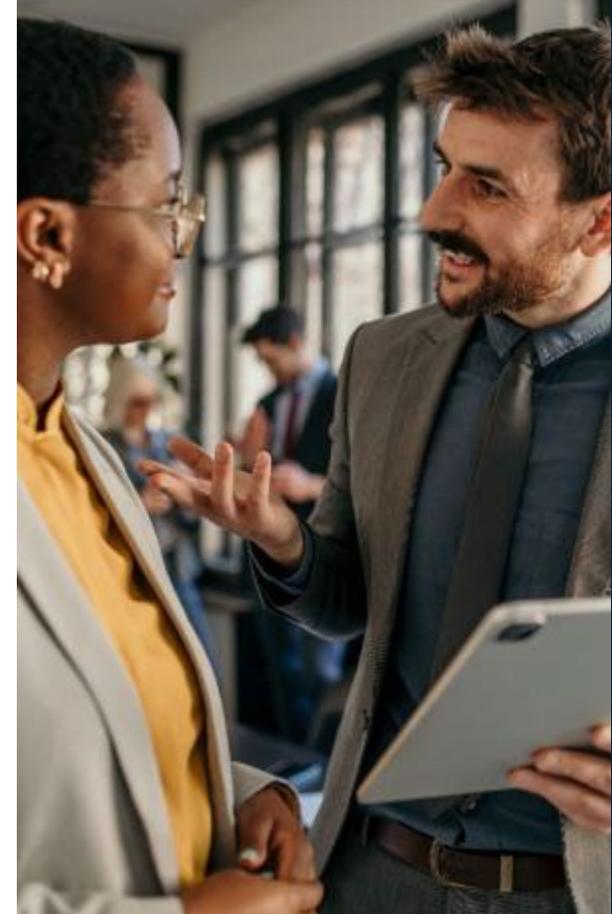
Year-end

- Perform remaining substantive audit procedures
- Evaluate results of audit procedures, including control deficiencies and audit misstatements identified
- Review financial statement disclosures
- Present audit results to those charged with governance and perform required communications
- Federal and/or state single audit procedures, if needed, will be performed later

March: Issue audit reports financial statements.

Risk assessment: Significant risks

Significant risk	Susceptibility to:	
	Error	Fraud
<p>Management override of controls</p> <p>Management is in a unique position to perpetrate fraud because of its ability to manipulate accounting records and prepare fraudulent financial statements by overriding controls that otherwise appear to be operating effectively. Although the level of risk of management override of controls will vary from entity to entity, the risk nevertheless is present in all entities.</p>		Yes



Cybersecurity considerations

Factors and forces elevating cybersecurity risks:

- Shifts to remote work, online customer engagement, digital finance – ‘remote everything’
- Acceleration of digital strategies/transformation
- Surge and sophistication of cyberattacks
- Risks, vulnerabilities posed by third-party vendors

Your considerations for robust oversight

- Focus on internal controls, access, and security protocols
- Increase diligence around third-party vendors
- Insist on a robust data governance framework
- Obtain cyber expertise at board or upper management level
- Provide ongoing cyber awareness training to leaders in the company
- Trust but verify the information reported by the Chief Information Officer function and by third-party cyber service providers

Our audit responsibilities

- Evaluate risks of material misstatement resulting from, among other things, unauthorized access to financial reporting systems (e.g. IT applications, databases, operating systems)
- Determine whether there is a related risk of fraud
- Develop audit approach based on risk assessment
- If a cybersecurity incident occurs, we understand and evaluate its effect on our audit approach, as well as evaluate management’s assessment of the effect on the financial statements and disclosures

Shared responsibilities: Independence

Auditor independence is a shared responsibility and most effective when management, those charged with governance and audit firms work together in considering compliance with the independence rules. For KPMG to fulfill its professional responsibility to maintain and monitor independence, management, those charged with governance and KPMG each play an important role.

System of Independence Quality Control

The firm maintains a system of quality control over compliance with independence rules and firm policies. Timely information regarding upcoming transactions or other business changes is necessary to effectively maintain the firm's independence in relation to:

- new affiliates (which may include subsidiaries, equity method investees/investments, sister companies, and other entities that meet the definition of an affiliate under AICPA independence rules); and
- new officers or directors with the ability to affect decision-making, individuals who are beneficial owners with significant influence over the Company, and persons in key positions with respect to the preparation or oversight of the financial statements.

Certain relationships with KPMG

Independence rules prohibit:

- certain employment relationships involving directors, officers, or others in an accounting or financial reporting oversight role and KPMG and KPMG covered persons; and
- the Company or its directors, officers, from having certain types of business relationships with KPMG or KPMG professionals.

Responsibilities



Management responsibilities

- Communicating matters of governance interest to those charged with governance.
- The audit of the financial statements does not relieve management or those charged with governance of their responsibilities.



KPMG responsibilities – Objectives

- Communicating clearly with those charged with governance, the responsibilities of the auditor regarding the financial statement audit and an overview of the planned scope and timing of the audit.
- Obtaining from those charged with governance, information relevant to the audit.
- Providing those charged with governance with timely observations arising from the audit that are significant and relevant to their responsibility to oversee the financial reporting process.
- Promoting effective two-way communication between the auditor and those charged with governance.
- Communicating effectively with management and third parties.



KPMG responsibilities – Other

- If we conclude that no reasonable justification for a change of the terms of the audit engagement exists, and we are not permitted by management to continue the original audit engagement, we should:
 - withdraw from the audit engagement when possible under applicable law or regulation;
 - communicate the circumstances to those charged with governance; and
 - determine whether any obligation, either legal contractual, or otherwise, exists to report the circumstances to other parties, such as owners, or regulators.
- Forming and expressing an opinion about whether the financial statements that have been prepared by management, with the oversight of those charged with governance, are prepared, in all material respects, in accordance with the applicable financial reporting framework.
- Establishing the overall audit strategy and the audit plan, including the nature, timing, and extent of procedures necessary to obtain sufficient appropriate audit evidence.
- Communicating any procedures performed relating to other information, and the results of those procedures.

Required inquiries

- What are your views about fraud risks, including management override of controls, at the entity and whether you have taken any actions to respond to these risks?
- Are you aware of, or have you identified, any instances of actual, suspected, or alleged fraud, including misconduct or unethical behavior related to financial reporting or misappropriation of assets?
If so, have the instances been appropriately addressed and how have they been addressed?
- Are you aware of or have you received tips or complaints regarding the entity's financial reporting (including those received through the internal whistleblower program, if such program exists) and, if so, what was your response to such tips and complaints?
- How do you exercise oversight over management's assessment of fraud risk and the establishment of controls to address/mitigate fraud risks?
- Has the entity entered into any significant unusual transactions?
- Are you aware of any matters relevant to the audit, including, but not limited to, any instances of actual or possible violations of laws and regulations, including illegal acts (irrespective of materiality threshold)?
- Has the entity complied with all covenants during the financial statement period and before the date of the auditor's report?
Have there been any events of default during the financial statement period and before the dates of the auditor's report?
- What is the audit committee's understanding of the entity's relationships and transactions with related parties that are significant to the entity?
- Does any member of the audit committee have concerns regarding relationships or transactions with related parties and, if so, what are the substance of those concerns?

On the 2025 board agenda

Issues for boards to keep in mind as they carry out their 2025 agendas



Maintain focus on how management is preparing to address risks and opportunities related to geopolitical and economic shifts and global disruption



Model and assess what the new administration's policy initiatives might mean for the company's strategy in 2025 and beyond



Understand the company's generative AI (GenAI) strategy and related risks, and closely monitor the governance structure around the company's deployment and use of technology



Probe whether the company's data governance and cybersecurity governance frameworks and processes are keeping pace with the growth and sophistication of data-related risks



Keep environmental and social issues, including climate risk, embedded in risk and strategy discussions, and monitor management's preparations for new US, state, and global sustainability reporting requirements



Maintain focus on CEO succession and talent development



Help set the tone, monitor the culture, and keep abreast of management's efforts to build stakeholder trust and protect the company's reputation



Revisit board and committee risk oversight responsibilities and the allocation of issues among committees, including whether the existing committee structure is still fit for purpose



Think strategically about the company's future needs and reconsider whether and how the board's composition and succession planning process address them

KPMG Board Leadership Center: On the 2025 board agenda

US Audit Quality, Transparency and Impact reports



- Interactive dashboard highlights key quality metrics
- Details KPMG's investment in our audit approach, people, technology, quality management system and the future of audit

Audit Quality Report



- Provides more granular detail on our commitment to continually enhance audit quality
- Outlines KPMG LLP's System of Quality Control
- Discusses how the firm aligns with the requirements and intent of applicable professional standards, including our System of Quality Control Statement of Effectiveness

Transparency Report



- Provides annual update on our progress on meeting goals aligned to People, Planet, Prosperity and Governance
- Our goals reflect a materiality assessment and our aspiration to be an employer of choice

KPMG Impact Plan

Reports and supplements available at: <https://kpmg.com/us/en/articles/audit-quality-report.html>

Beginning with the fiscal year 2024, a separate NYSE supplement is not provided as the relevant information has been incorporated into the transparency report.



Questions?

Beth Stuart
emstuart@kpmg.com

For additional information and audit committee resources, including National Audit Committee Peer Exchange series, a Quarterly webcast, and suggested publications, visit the KPMG Audit Committee Institute (ACI) at <https://boardleadership.kpmg.us/audit-committee.html>

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ALASKA PERMANENT CAPITAL MANAGEMENT

Registered Investment Adviser

Chugach Electric Beluga River ARO Investment Fund

September 2025

Audit & Finance Committee Meeting
December 3, 2025

Updated ARO Survey



- The enclosed report provides a portfolio update as of September 30, 2025.
- APCM has received the updated 2025 ARO Study. The key changes as it relates to the overall liability are presented in the table below.
- Anticipated contributions have been updated per the 2025 Reserve Study prepared by Ryder Scott.

Summary of Projections / Assumptions	2022 ARO Study Update	2025 ARO Study Update
ARO start year:	2016	2016
ARO end year:	2034	2035
Total Life (years)	19	20
Chugach Share of Costs	66.67%	66.67%
Present Value of Gas Field Abandonment Cost	\$62,370,842	\$85,962,752
Remaining Life of ARO (years):	12	10
Estimated Future Inflation	2.0%	2.0%
Chugach BRU Field Abandonment Cost in 2034	\$79,101,308	\$104,788,115
Market Value (12/31/2022 & 09/30/2025)	\$20,116,204	\$43,715,608
Anticipated Contributions*	\$31,352,215*	\$34,307,051*
Funding Gap	\$27,632,889	\$26,765,456**

* Anticipated Contributions based on 2022 and 2025 Reserve Studies prepared by Ryder Scott, respectively. **Funding Gap calculated as the Future Value of the ARO liability less the sum of the current market value plus anticipated contributions.

Staying focused on your goals



Chugach Electric Beluga River ARO Investment Fund		
As of September 30, 2025		
Account Inception		October 2020
Total Contributions		\$ 34,740,601
Withdrawals		\$ 0
<i>Does not include custodial or management fees</i>		
Current Market Value		\$ 43,715,608
<i>September 30, 2025</i>		
Annualized Account Return*		+ 6.08%
<i>Inception – September 30, 2025</i>		
Strategic Asset Allocation	Risk Control	27%
	Risk Assets	52%
	Alternatives	21%

Goals:

The investment objective of the ARO Fund is to achieve a long-term rate of return on assets in the ARO Fund which, in conjunction with monthly deposits of member funds by Chugach, will be sufficient to satisfy the ARO Liability. Using the updated 2025 ARO Study, **the current funded status of the ARO Fund is 57.1% as of September 30, 2025.**

The targeted minimum return is CPI-U plus 200 basis points. The portfolio is expected to meet this goal over the long-term with an expected return of 6.6% and APCM’s long-term inflation expectation of 2.5%. However, **since inception, inflation has been above average, at 4.57%, and the portfolio has returned 6.08%.**

Contribution Policy:

Chugach Electric is to make monthly deposits equal to all funds collected from members for the ARO Surcharge.

Funded status



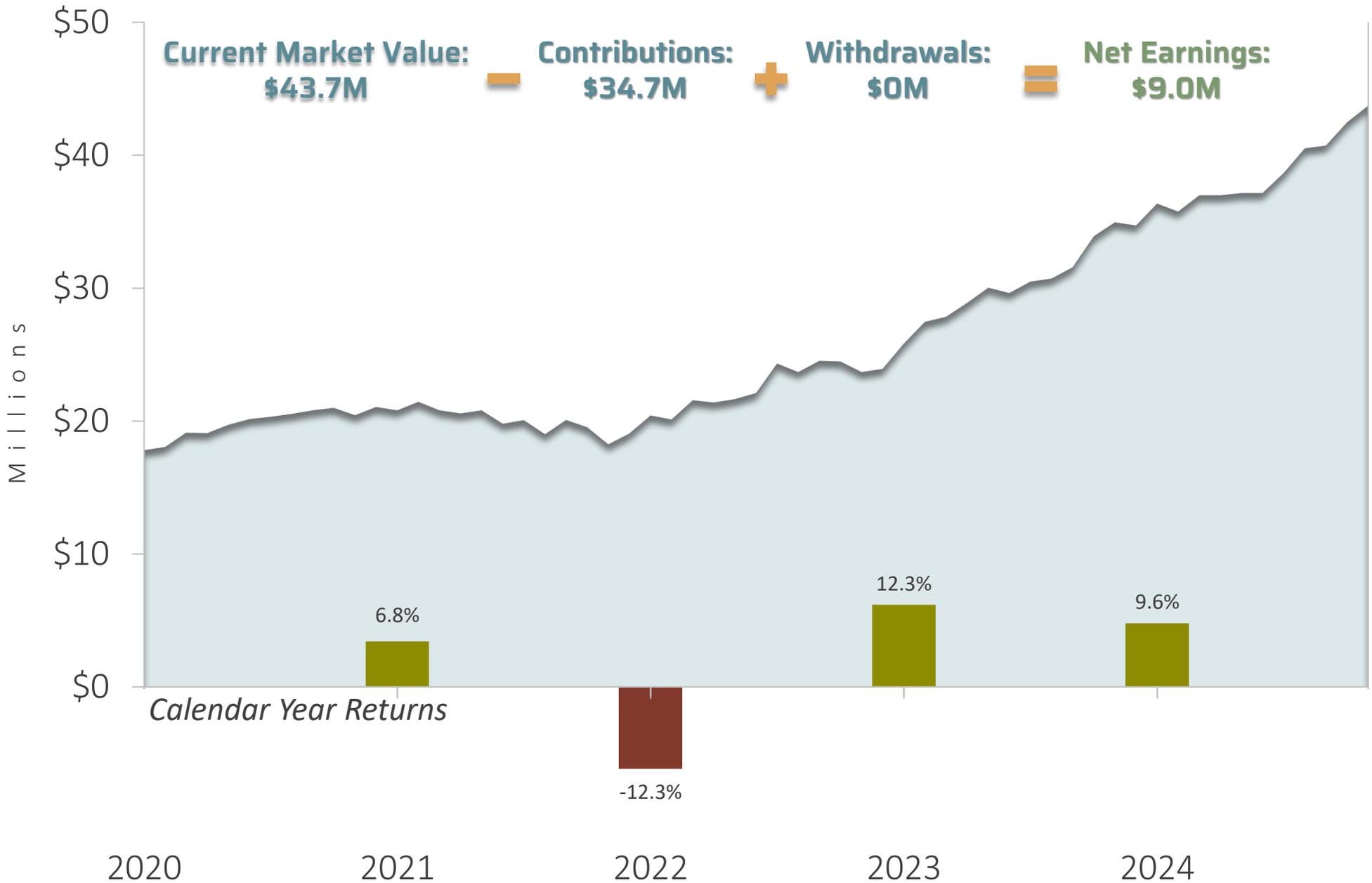
Contributions to Date	\$ 34,740,601
Net Earnings	\$ 8,975,007
Current Market Value	\$ 43,715,608
Total Liability <i>End of Life</i>	\$ 104,788,115
Anticipated Contributions* <i>Based on 2025 Reserve Study prepared by Ryder Scott</i>	\$ 34,307,051
Funded Status**	74.5%
Current Funding Gap*** <i>Additional contributions and/or earnings required to fully fund liability</i>	\$ 26,765,456

* Anticipated Contributions based on 2025 Reserve Study prepared by Ryder Scott.

**Funded Status calculated as current market value plus anticipated contributions, divided by the ARO liability.

***Total Liability – (Current Market Value + Anticipated Contributions)

Since inception, the portfolio has generated \$9M of net earnings





Portfolio returns in line with long-term strategic expectations

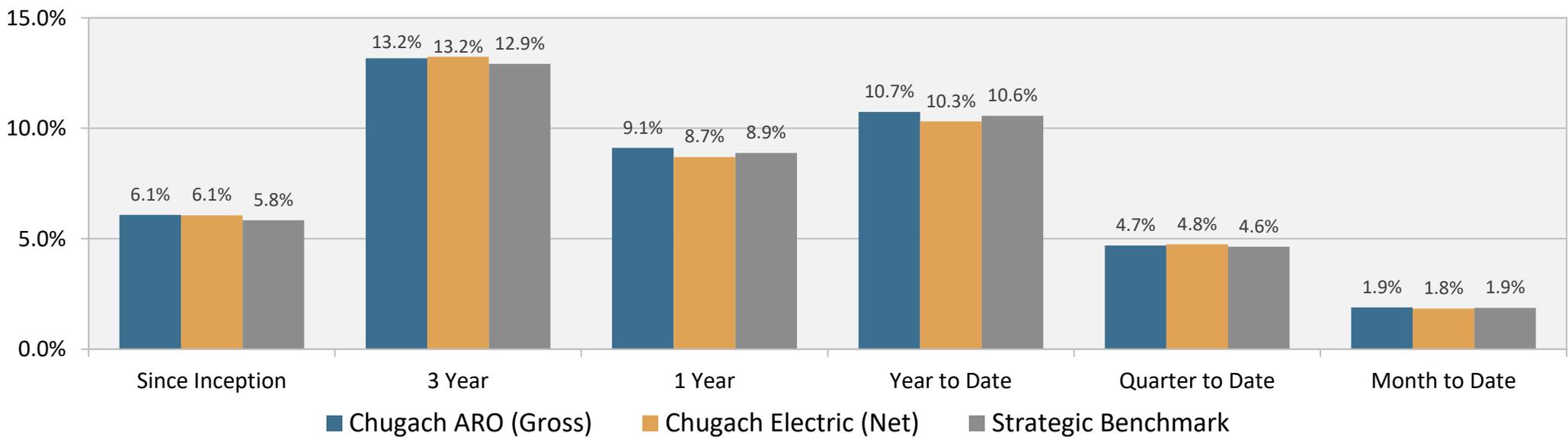
Rolling 12 Month Total Return

Since 9/30/2021*



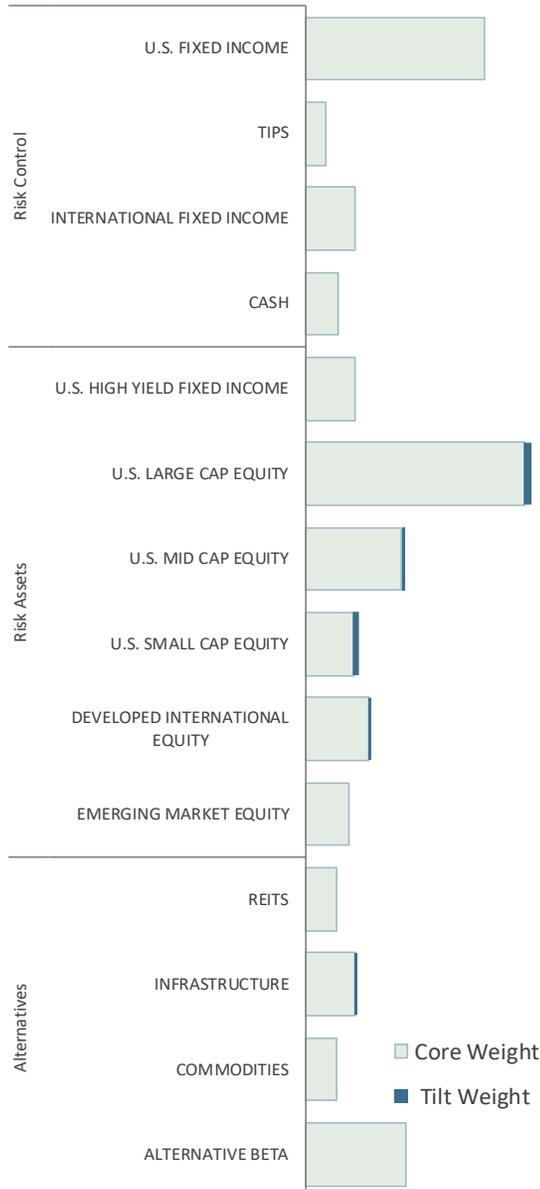
Account Performance

September 30, 2025



*9/30/2021 represents the date the portfolio transitioned to the current strategic asset allocation. Portfolio performance is gross of management fees and net of fund fees.

Portfolio allocation aligned with strategic targets and new AI investments adding value - September 30, 2025



Asset Class	Strategic Weight	Overweight / Underweight	Current Allocation	Range
Risk Control	27%	0.3%	27.3%	
U.S. FIXED INCOME	18%	-0.5%	17.5%	8 - 28%
TIPS	2%	-0.1%	1.9%	0 - 10%
INTERNATIONAL FIXED INCOME	5%	-0.2%	4.8%	0 - 10%
CASH	2%	1.2%	3.2%	0 - 10%
Risk Assets	52%	0.0%	52.0%	
U.S. HIGH YIELD FIXED INCOME	5%	-0.2%	4.8%	0 - 10%
U.S. LARGE CAP EQUITY	22%	0.0%	22.0%	12 - 32%
U.S. MID CAP EQUITY	10%	-0.4%	9.6%	5 - 15%
U.S. SMALL CAP EQUITY	5%	0.1%	5.1%	0 - 10%
DEVELOPED INTERNATIONAL EQUITY	6%	0.3%	6.3%	0 - 12%
EMERGING MARKET EQUITY	4%	0.2%	4.2%	0 - 8%
Alternatives	21%	-0.4%	20.6%	
REITS	3%	0.0%	3.0%	0 - 6%
INFRASTRUCTURE	5%	0.0%	5.0%	0 - 10%
COMMODITIES	3%	0.0%	3.0%	0 - 6%
ALTERNATIVE BETA	10%	-0.3%	9.7%	0 - 15%

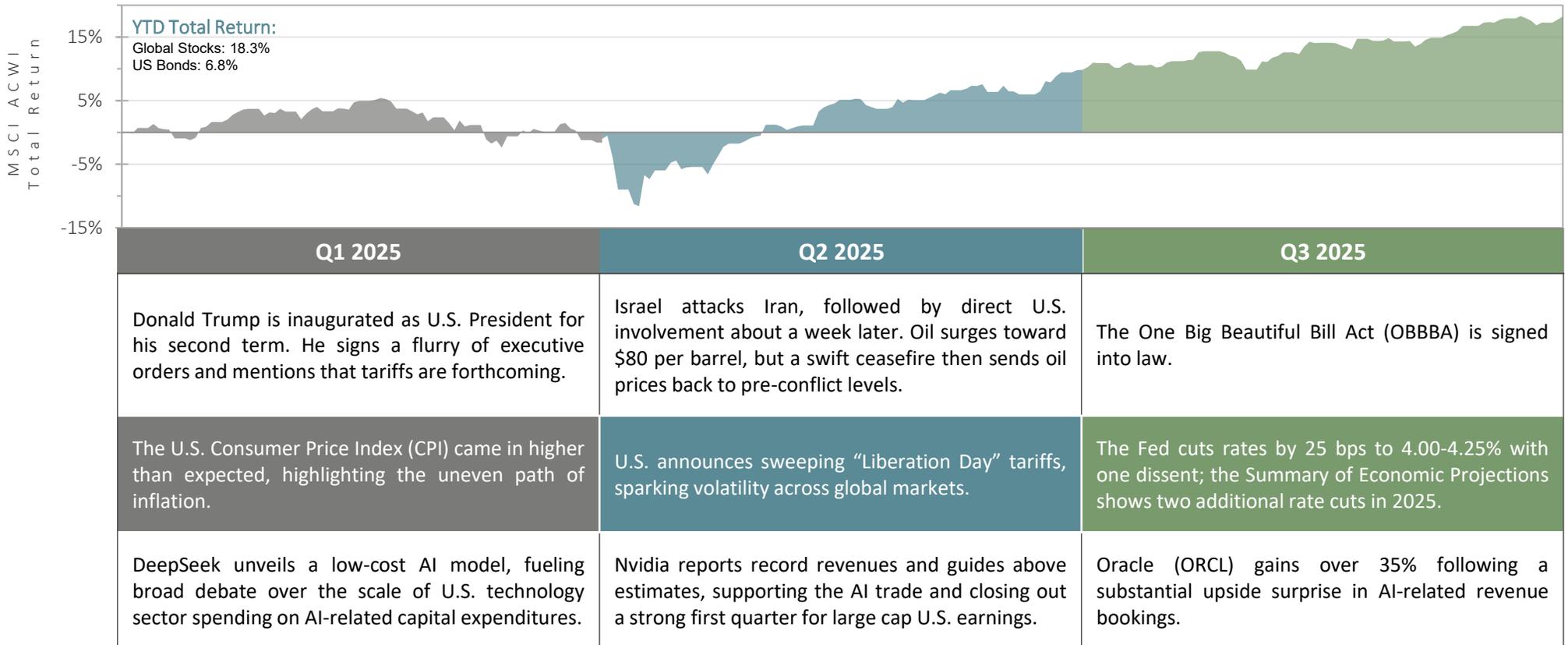
Steady markets through policy transition

Resilient markets despite noisy headlines: Financial markets climbed steadily throughout 2025, shrugging off concerns around tariffs, rising fiscal deficits, and political uncertainty surrounding central bank independence.

Global expansion continues, but unevenly: Economic activity remains positive across major regions. The U.S. is benefiting from solid corporate earnings and improved credit conditions, while Europe and China show early signs of cyclical recovery amid mixed policy support.

Central banks turn accommodative: The Federal Reserve initiated a rate-cutting cycle late in 2025. Other central banks are following suit, easing financial conditions globally while managing still-elevated inflation expectations.

Geopolitical and policy noise rising: Elevated tensions around trade policy, upcoming elections, and shifting fiscal priorities are clouding the near-term policy outlook, even as market volatility remains below average.



Broad-based gains across asset classes

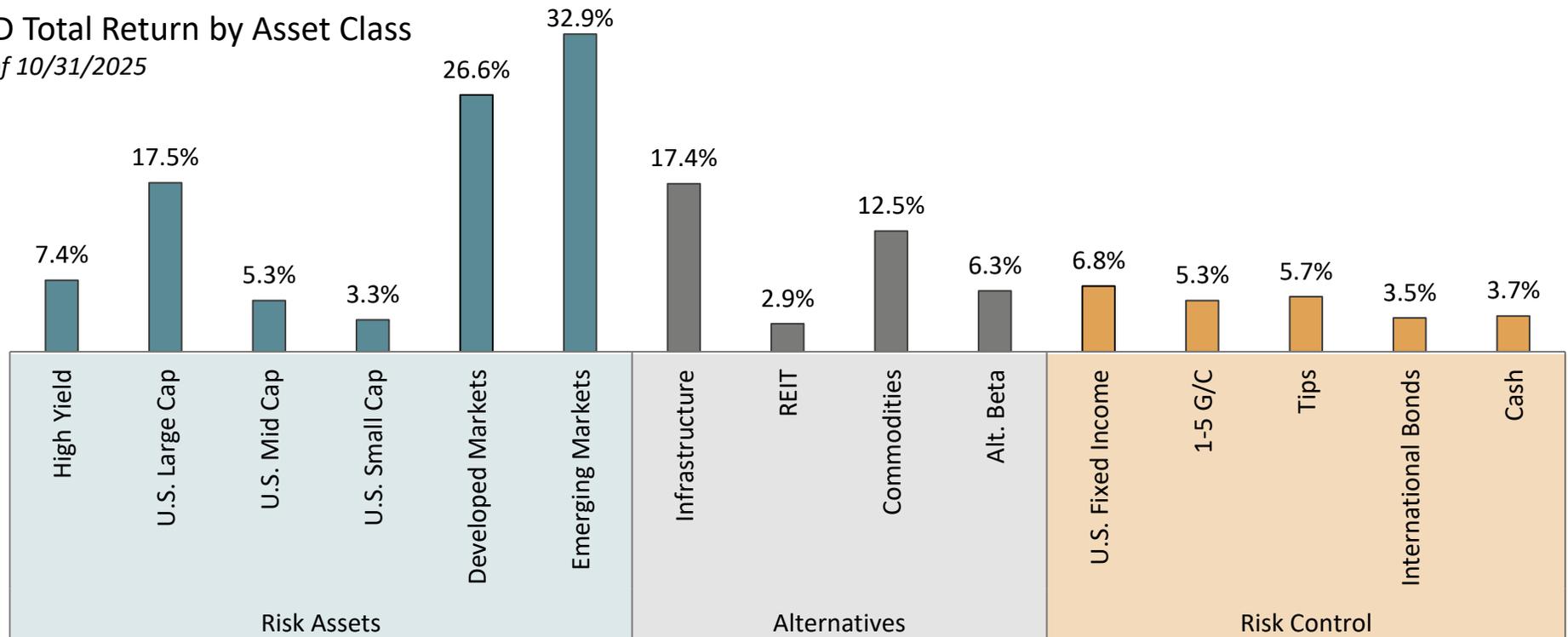
Equities post strong returns across the board: U.S. large-cap stocks hit record highs, led by earnings strength in tech and consumer sectors. Small caps rebounded sharply late in the year as rate cut expectations improved their earnings outlook.

International and emerging markets outperform: A weaker U.S. dollar supported foreign equity returns, while emerging markets benefited from stabilizing growth and renewed investor interest in diversified risk exposure.

Fixed income regains footing: Bond markets posted positive returns as yields declined and Fed rate cuts were priced in. Investment-grade debt offered attractive income, while high-yield spreads remained historically tight, signaling elevated risk appetite.

Gold and alternatives add diversification: Gold surged to new highs as investors sought safety amid geopolitical concerns and softening real yields. Alternative investments have delivered solid results, though performance varied across strategies depending on exposure to credit and macro-sensitive strategies.

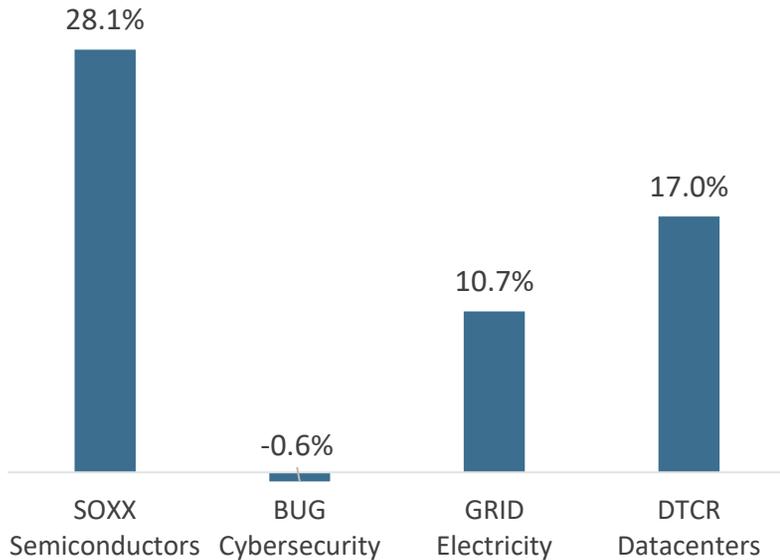
YTD Total Return by Asset Class
as of 10/31/2025



Navigating the AI opportunity Within a changing policy landscape

AI Tilt Performance

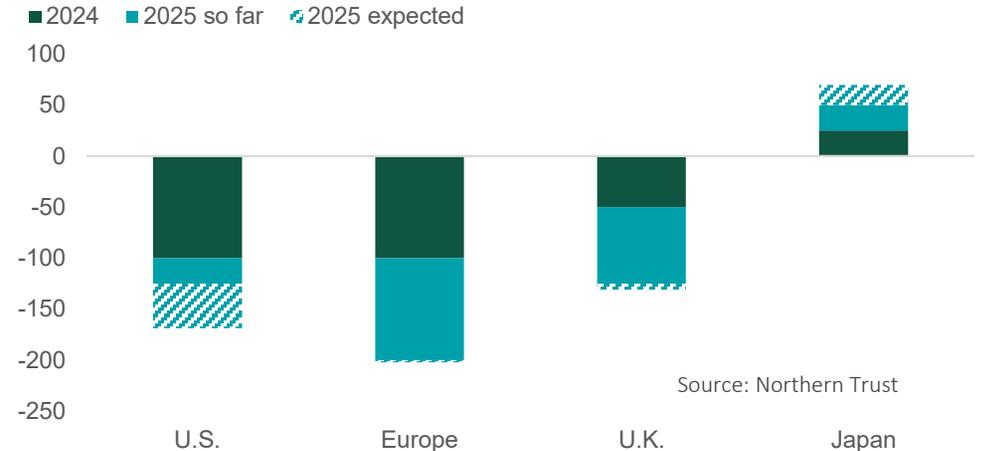
7/31/25 - 10/31/25



The Fed Returns to Rate Cuts

With more emphasis on downside labor market risk versus upside risk to inflation, the Fed opened the door to rate cuts.

CENTRAL BANK POLICY RATE CHANGES (BPS)



Source: Northern Trust

Slower but still positive global growth: Most developed economies are expected to grow modestly, supported by easing financial conditions. While a recession isn't the base case, risks remain from prior monetary tightening and uneven consumer momentum.

Supportive but limited policy easing: Central banks are pivoting to rate cuts, which should bolster risk assets. However, persistent inflation pressures and large fiscal imbalances may limit how aggressive they can be.

Targeted AI exposure with fundamental backing: Our portfolios maintain strategic overweight to companies in the AI value chain—including semiconductors, data centers, electrical grid expansion and cyber security—where earnings and adoption trends remain strong.

Rebalancing to align with risk targets: Following equity market strength, we've harvested gains and redirected capital to underweight areas like fixed income to preserve strategic balance and manage downside risk.

Prepared for shifts in market leadership: While committed to secular AI trends, we maintain flexibility to pivot should macro data or investor sentiment shift. Tactical adjustments will continue to reflect our conviction and evolving risk-reward dynamics.

Delivering value through efficient beta and selective alpha

APCM defines our investment philosophy on two key pillars:
customized asset allocation and controlling expenses.

Adhering to these concepts is the Firm’s area of specialization and expertise.

Beta (β)		Alpha (α)	
Broad market exposure / market segment		Exposure to emphasize compensated risk premia	Manager driven non-systematic risk
NFRA	SOXX		
DTCR	IJH		
BBRE	IJR	HELO	BIMBX
IEFA	BUG	QAI	CMNIX
GRID	BNDX	BCD	VWEAX
IEMG	VTIP		
SPHY	SPY		

Due to APCM’s overall AUM size, we are able to access institutional share classes of mutual funds for our clients, which typically have lower fees. Additionally, the portfolio has a **blended internal fund fee rate of 0.18%**. The 2024 US Fund Fee Study conducted by Morningstar determined that the **asset-weighted average fund fee was 0.34%**.

Fund Manager	Fund Name	Share Class in Portfolio	Next best share class
Calamos	Market Neutral Income Fund	0.97%	1.22%
Vanguard	High-Yield Corporate Fund	0.12%	0.22%
Blackrock	Systematic Multi-Strategy Fund	0.93%	1.20%

*Employer-sponsored retirement plan exclusive share classes were excluded

The PAIR Process

A Perpetual Cycle of Progress

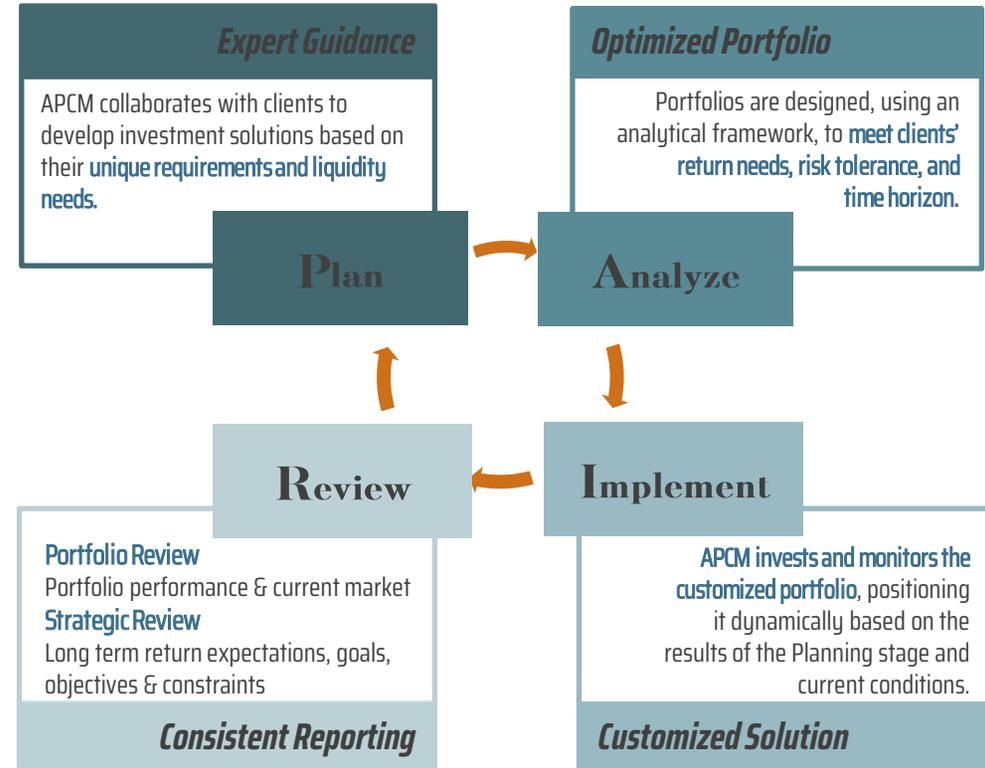
As 2025 ends, we're entering the research phase for 2026 — updating our capital market assumptions (completed annually by the end of the first quarter).

We're also refreshing our secular long-term outlook and cyclical views to ensure portfolios remain positioned for the evolving market environment.

Our annual manager and fund review evaluates performance, cost efficiency, and role within each strategy.

These updates prepare us for your annual strategic review, where we confirm your portfolio's strategy still has a high probability of achieving your goals and objectives.

The Review step of PAIR ensures that both markets and your circumstances are reflected — keeping your strategy purposeful, disciplined, and forward-looking.



Disclosures



Important Assumptions

IMPORTANT: The projections or other information generated by Alaska Permanent Capital Management Company (APCM) regarding the likelihood of various outcomes are hypothetical in nature, do not reflect actual investment results, and are not guarantees of future results. There can be no assurance that the projected or simulated results will be achieved or sustained. The charts and data only present a range of possible outcomes. Actual results will vary over time, and such results may be better or worse than the simulated scenarios. Clients should be aware that the potential for loss (or gain) may be greater than that demonstrated in the simulations. Please note that the analysis does not take into consideration all asset classes, and other asset classes not considered may have characteristics similar or superior to those being analyzed.

Important Legal Information

These calculations are designed to be informational and educational only, and when used alone, do not constitute investment advice. APCM encourages investors to review their investment strategy periodically as financial circumstances do change.

Model results are provided as a rough approximation of future financial performance. Actual results could produce different outcomes (either better or worse) than those illustrated by the model, since it is not possible to anticipate every possible combination of financial market returns. APCM is not responsible for the consequences of any decisions or actions taken in reliance upon or as a result of the information provided by the results of the model.

Other Influences on Rates of Return

Investment management fees: Returns are presented gross of management fees and include the reinvestment of all income. Actual returns will be reduced by investment advisory fees and other expenses that may be incurred in the management of the account. The collection of fees produces a compounding effect on the total rate of return net of management fees. As an example, the effect of investment management fees on the total value of a client's portfolio assuming (a) quarterly fee assessment, (b) \$1,000,000 investment, (c) portfolio return of 8% a year, and (d) 1.00% annual investment advisory fee would be \$10,416 in the first year, and cumulative effects of \$59,816 over five years and \$143,430 over ten years. Actual investment advisory fees incurred by clients may vary.

Taxes: Unless noted otherwise, model results have not been adjusted for any state or federal taxes or penalties.

Inflation: Unless noted otherwise, model results do not adjust any inputs or outcomes for inflation. Inflation is assumed to be constant over the investment horizon.

Limitations Inherent in Model Results

Limitations include but are not restricted to the following:

Model results do not represent actual trading and may not reflect the impact that material economic and market factors might have had on APCM's decision making if the actual client money were being managed.

Extreme market movements may occur more frequently than represented in the model.

Some asset classes have relatively limited histories. While future results for all asset classes in the model may materially differ from those assumed in APCM's calculations, the future results for asset classes with limited histories may diverge to a greater extent than the future results of asset classes with longer track records.

Market crises can cause asset classes to perform similarly over time; reducing the accuracy of the projected portfolio volatility and returns. The model is based on the long-term behavior of the asset classes and therefore is less reliable for short-term periods. This means that the model does not reflect the average periods of "bull" and "bear" markets, which can be longer than those modeled.

The model represent APCM's best view of the next 7-10 years, but is unlikely to reflect actual investment returns worldwide over this period.

Capital Tracking Report

3rd Quarter 2025

Chugach Electric Association, Inc.

Audit & Finance Committee

December 3, 2025



Projects Summary

3rd Quarter 2025

Project Name	Actual	Forecast	Approved	Financial Status				
	(In Millions)			Legend:	Actual	Under	Over <15%	Over >15%
Reliability Projects	\$16.1	\$28.3	\$28.9	56%	98%			
Retirements & Replacements Projects	\$27.2	\$43.8	\$43.4	63%	101%			
Operating Efficiency Projects	\$80.7	\$96.2	\$92.7	87%	104%			
Total Projects	\$124.0	\$168.3	\$165.0					



Capital Tracking Report

3rd Quarter 2025

Supplemental Information



Reliability Projects

3rd Quarter 2025

Reliability Projects Summary

Project Name	Last Approved	Actual-to-Date (In Millions)	Forecast	Approved	Physically Complete	Financial Status			
						Actual	Under	Over <15%	Over >15%
Reliability						Legend: Actual Under Over <15% Over >15%			
LaTouche Substation Rebuild	8/28/2024	\$4.6	\$7.2	\$7.2	70%				
Campbell Lake Substation Rebuild	3/22/2023	\$2.2	\$8.6	\$8.6	36%				
Bragaw OH/UG	4/23/2025	\$6.0	\$9.1	\$9.1	80%				
Dimond OH/UG	6/26/2024	\$3.3	\$3.4	\$4.0	100%				
Total Reliability		\$16.1	\$28.3	\$28.9					

LaTouche Substation Rebuild

- Approved – 8/28/2024
- Project Manager – C. Kohler
- Physically Complete – 70%
- Approval Amount – \$7.2M
- Actuals – \$4.6M
- Forecast – \$7.2M



LaTouche Substation Rebuild

Construction kicked off in September 2024. The switchgear was delivered in October of 2024. Project to restart in November 2025 with project completion end of January 2026.



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:

Actual

Under

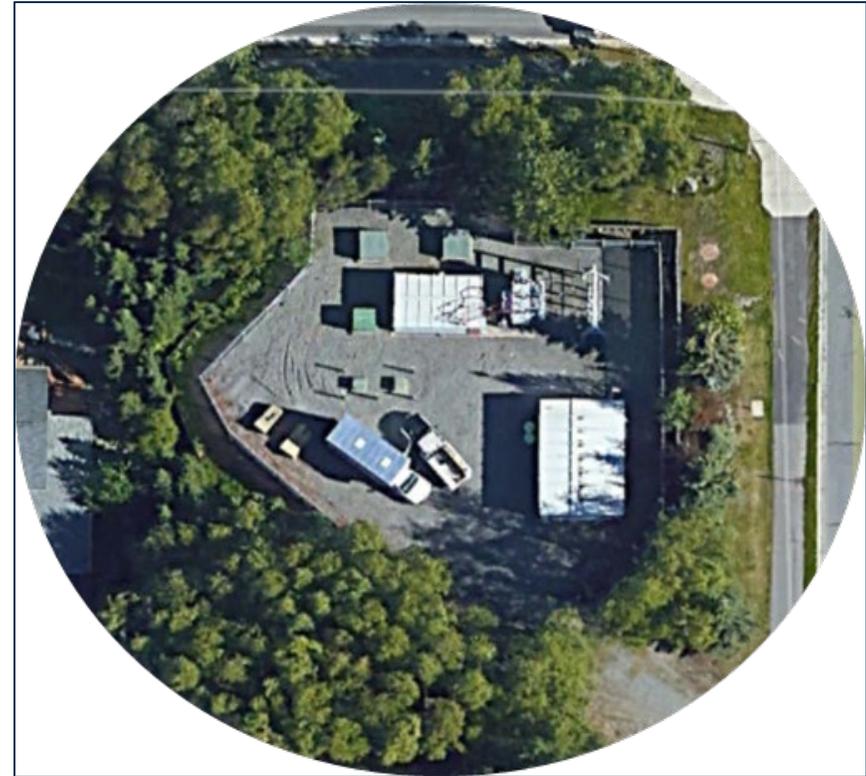
Over <15%

Over >15%



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 has been conducted while the project is on hold.



Bragaw OH/UG

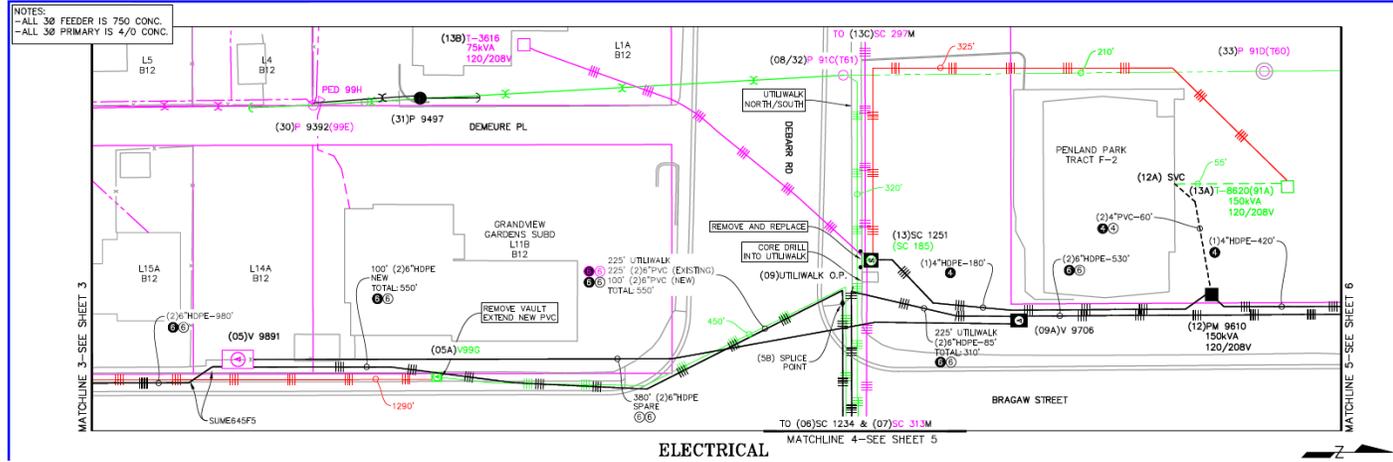
- Approved – 4/23/25
- Project Manager – D. Thornton
- Physically Complete – 80%
- Approval Amount – \$9.1M
- Actuals – \$6.0M
- Forecast – \$9.1M



Bragaw OH/UG



This project will relocate approximately 1.4 miles of existing overhead distribution and sub-transmission circuits underground, extending from the north side of East Northern Lights Boulevard to the north side of Brighton Park. Construction activities started in late May. Duct system has been installed, and conductor installation will start in November.



Dimond OH/UG

- Approved – 6/26/2024
- Project Manager – D. Thornton
- Physically Complete – 100%
- Approval Amount – \$4.0M
- Actuals – \$3.3M
- Forecast – \$3.4M

Legend:

Actual

Under

Over <15%

Over >15%



Dimond OH/UG

This project scope involved moving the existing overhead distribution circuit underground from the east side of Roy Street to the west side of Jewel Lake Road. The project energized in August 2025 and is in the closeout phase.



Retirement & Replacement Projects

3rd Quarter 2025

Retirements & Replacements Projects Summary

Project Name	Last Approved	Actual-to-Date (In Millions)	Forecast	Approved	Physically Complete	Financial Status				
						Legend:	Actual	Under	Over<15%	Over>15%
Retirements & Replacements										
Sullivan Unit 9 Major Overhaul ¹	5/28/2025	\$0.1	\$9.2	\$9.2	0%	1%	100%			
Cooper Lake Unit 2 Runner Upgrade	4/10/2024	\$1.5	\$3.2	\$3.2	60%	48%	100%			
115kV T-Line Rebuild Girdwood to Indian	1/24/2024	\$25.6	\$31.4	\$31.0	75%	83%	101%			
Total Retirement		\$27.2	\$43.8	\$43.4						

¹ Note: Originally approved by the Board of Directors as Unit 10 on May 28, 2025. Pending Board approval unit maintenance has changed to Unit 9 due to material availability from the manufacturer and power reduction on Unit 9.

Sullivan Unit 9 Major Overhaul¹

- Approved – 5/28/2025
- Project Manager – E. Ori
- Physically Complete – 0%
- Approval Amount – \$9.2M
- Actuals – \$0.1M
- Forecast – \$9.2M

Legend:

Actual

Under

Over <15%

Over >15%

1%

100%

¹ Note: Originally approved by the Board of Directors as Unit 10 on May 28, 2025. Pending Board approval unit maintenance has changed to Unit 9 due to material availability from the manufacturer and power reduction on Unit 9.

Sullivan Unit 9 Major Overhaul

Sullivan Unit 9 LM6000 turbine is over the 50,000 fired hours recommended for rebuild. This outage was scheduled for October 2025 and was completed in November 2025. The unit will be swapped out with the spare turbine to avoid an extended outage. The current unit will be sent out for overhaul with an estimated time of return of June 2026.



Cooper Lake Unit 2 Runner Upgrade

- Approved – 4/10/2024
- Project Manager – S. Ruhl
- Physically Complete – 60%
- Approval Amount – \$3.2M
- Actuals – \$1.5M
- Forecast – \$3.2M

Legend:

Actual

Under

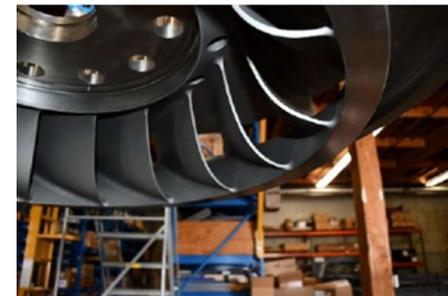
Over <15%

Over >15%



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 out for refurbishment to Canyon Hydro, for an estimated delivery date back of mid-September. The delay in machining the head cover at the Canyon Hydro facility has shifted the estimated arrival of all new and refurbished turbine parts to November 20th in Anchorage. Expected return to 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 – \$25.6M
- Forecast – \$31.4M

Legend:

Actual

Under

Over <15%

Over >15%



115kV T-Line Rebuild Girdwood to Indian

This project is upgrading 12 miles of transmission lines from Girdwood to Indian. A total of 9.5 miles have been completed with. The remaining 3 miles is expected to be completed in first quarter 2026.



Operating Efficiency Projects

3rd Quarter 2025

Operating Efficiency Projects Summary

Project Name	Last Approved	Actual-to-Date (In Millions)	Forecast	Approved	Physically Complete	Financial Status
						Legend: Actual Under Over<15% Over>15%
Operating Efficiency						
Main / Backup Dispatch Remodel	7/26/2024	\$3.0	\$3.0	\$3.2	100%	
One Campus Plan	12/14/2022	\$60.6	\$68.0	\$64.3	91%	
CIS/ERP Replacement	9/16/2024	\$17.1	\$25.2	\$25.2	92%	
Total Operating Efficiency		\$80.7	\$96.2	\$92.7		

Main / Backup Dispatch Remodel

- Approved – 07/26/2024
- Project Manager – P. Johnson
- Physically Complete – 100%
- Approval Amount – \$3.2M
- Actuals – \$3.0M
- Forecast – \$3.0M

Legend:

Actual

Under

Over <15%

Over >15%



Main / Backup Dispatch Remodel

The scope of this project involved the remodel of the main dispatch center. The project was energized in July 2025 and is in the closeout phase.

One Campus Plan

- Approved – 12/14/2022
- Project Manager – J. Resnick
- Physically Complete – 91%
- Approval Amount – \$64.3M
- Actuals – \$60.6M
- Forecast – \$68.0M

Legend:

Actual

Under

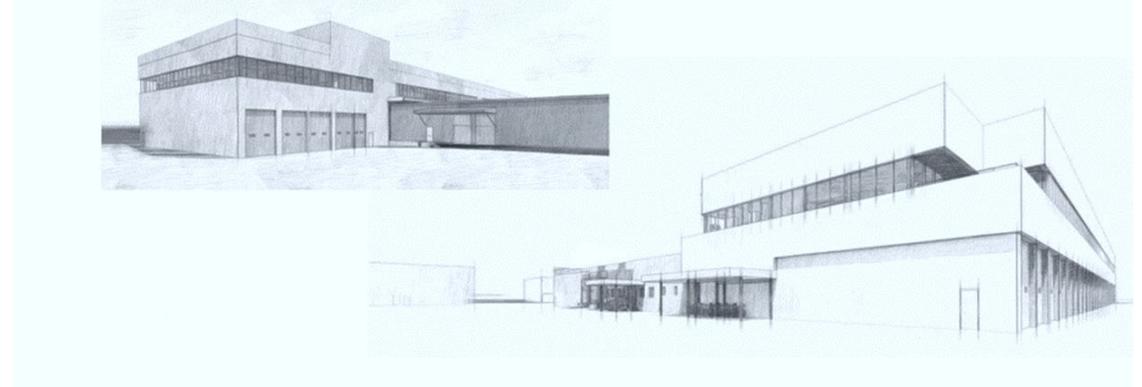
Over <15%

Over >15%



One Campus Plan

Construction is substantially complete and employees started moving over in October. Contractor continues to work through some outstanding certificate of occupancy requirements and long-lead item installs.



CIS/ERP Replacement

- Approved – 09/16/2024
- Project Manager – J. Travis
- Physically Complete – 92%
- Approval Amount – \$25.2M
- Actuals – \$17.1M
- Forecast – \$25.2M

Legend:

Actual

Under

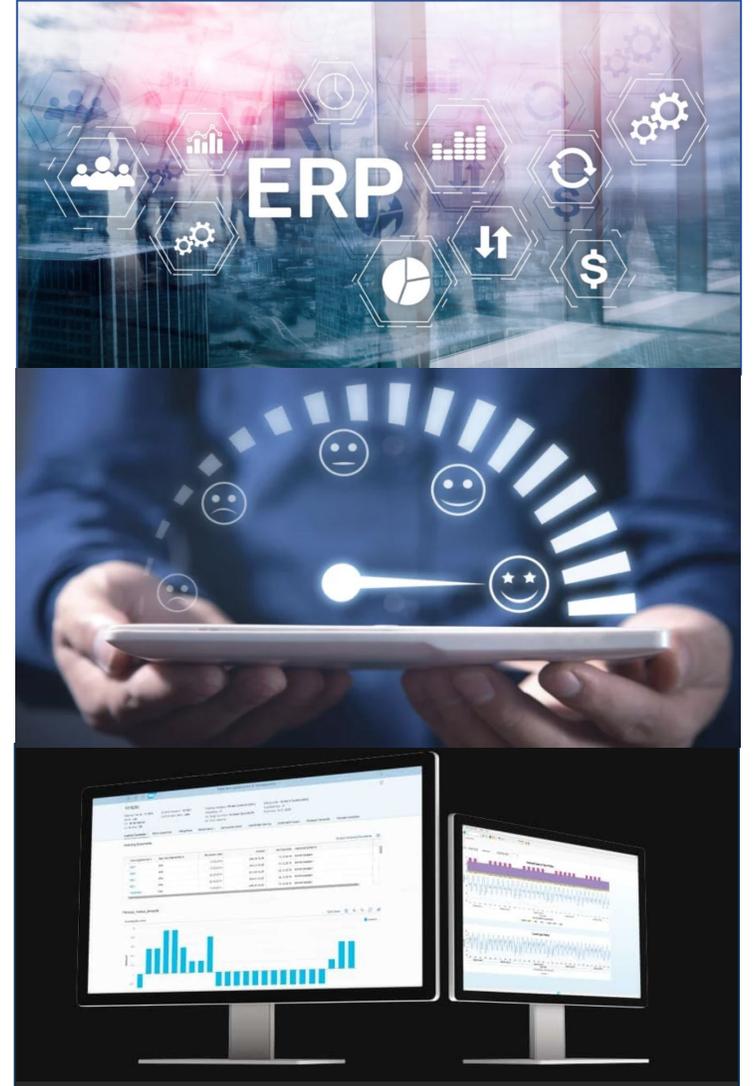
Over <15%

Over >15%



CIS/ERP Replacement

The CIS portion of the ERP project went live on July 3rd. The project continues through the post-go-live phase for 90 days as we remediate issues that occur. Time-of-use and bill roundup are in the next phase with final completion expected early 2026. We will work in parallel with Cayenta to formulate the next implementation phase plan with the goal of separating modules to maximize success criteria.





SEPTEMBER
2025

FINANCIAL
INFORMATION
AND VARIANCE
REPORT

Date: December 3, 2025



Agenda

MWH Sales

Base Revenues

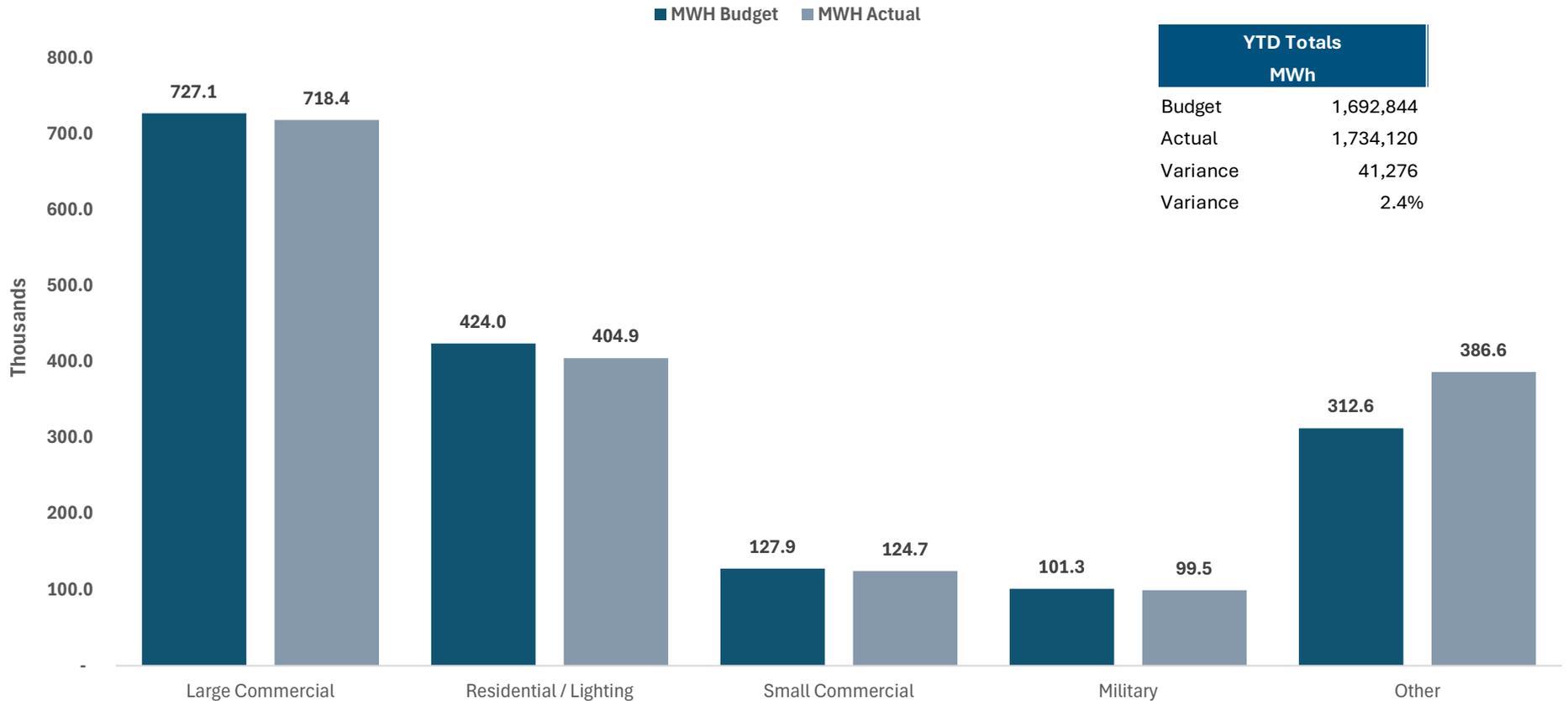
Comparative Statement of Operations

Comparative Balance Sheet

Comparative Statement of Cash Flows

MWH Sales

Year-to-Date September 2025



YTD Totals MWh

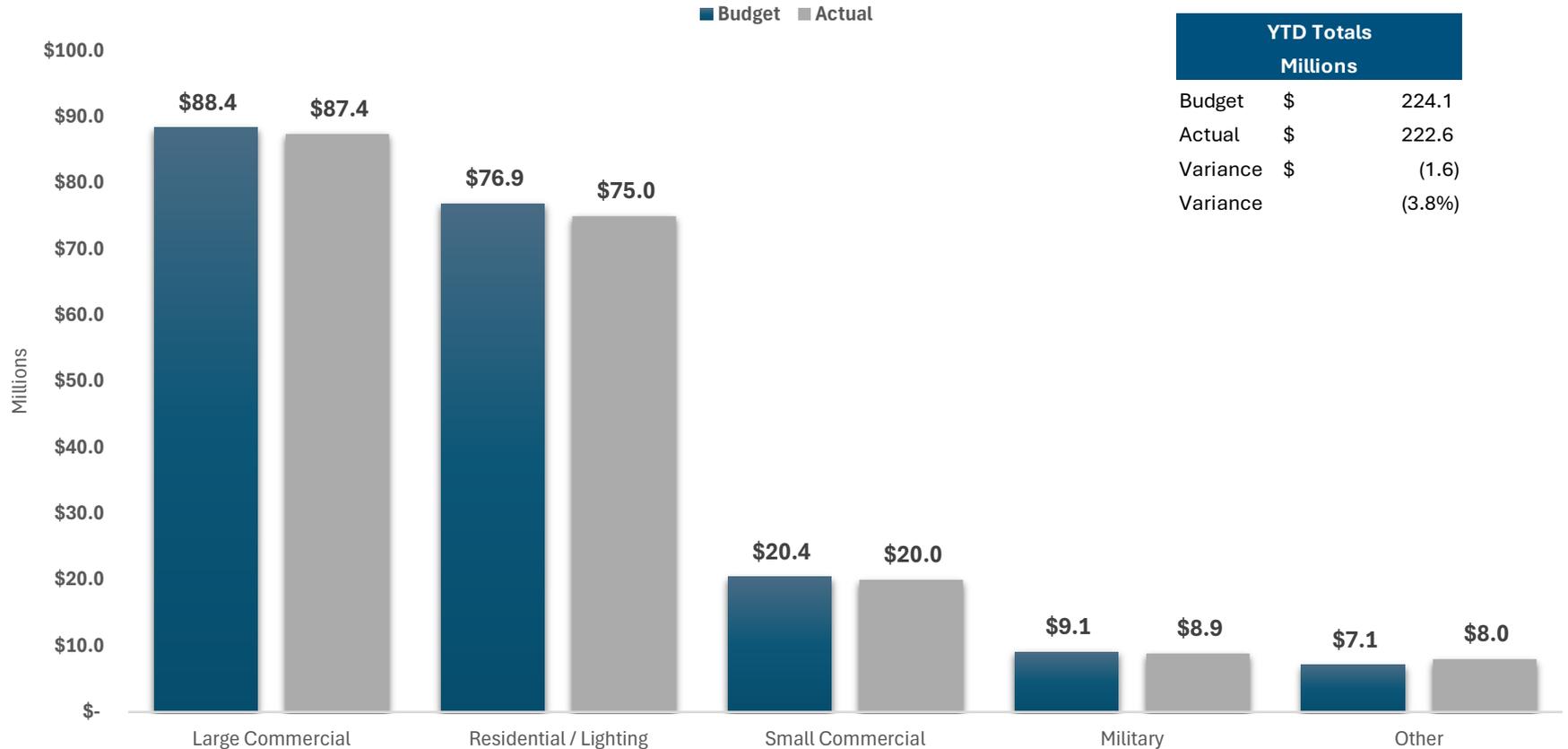
Budget	1,692,844
Actual	1,734,120
Variance	41,276
Variance	2.4%

Other: City of Seward, Economy, Power Pool

Base Revenues

Base Revenue = kWh Sales x Rate

Year-to-Date September 2025



YTD Totals	
Millions	
Budget	\$ 224.1
Actual	\$ 222.6
Variance	\$ (1.6)
Variance	(3.8%)

Other: City of Seward, Economy, Power Pool, Misc Revenue

Chugach Electric Association, Inc.
Consolidated Statements of Operations
Nine Months Ending September 30, 2025

(in thousands)

	<u>Actual</u>	<u>Budget</u>	<u>Variance</u>
Operating revenues	\$ 277,600	\$ 273,553	\$ 4,048
Operating expenses:			
Fuel	54,600	48,197	6,403
Production	28,785	31,001	(2,216)
Purchased power	22,254	22,020	234
Transmission	7,093	8,641	(1,548)
Distribution	23,776	22,565	1,212
Consumer accounts	9,046	9,322	(276)
Administrative, general and other	40,062	40,598	(536)
Depreciation and amortization	55,571	54,129	1,441
Total operating expenses	<u>241,186</u>	<u>236,472</u>	<u>4,714</u>
Interest expense:			
Long-term debt and other	38,470	38,136	334
Charged to construction	<u>(1,993)</u>	<u>(2,511)</u>	<u>519</u>
Interest expense, net	<u>36,478</u>	<u>35,625</u>	<u>853</u>
Net operating margins	(64)	1,455	(1,519)
Nonoperating margins:			
Interest income	2,042	1,432	610
Allowance for funds used during construction	235	456	(221)
Capital credits, patronage dividends and other	<u>1,071</u>	<u>161</u>	<u>909</u>
Total nonoperating margins	<u>3,348</u>	<u>2,049</u>	<u>1,299</u>
Assignable margins	<u>\$ 3,284</u>	<u>\$ 3,504</u>	<u>\$ (220)</u>

Chugach Electric Association, Inc.
Consolidated Balance Sheets
As of September 30, 2025 and December 31, 2024

(in thousands)

Assets & Other Debits	Unaudited September 30, 2025	Audited December 31, 2024	Change
Utility plant:			
Electric plant in service	\$ 2,320,355	\$ 2,272,412	\$ 47,943
Construction work in progress	132,825	109,800	23,025
Total utility plant	<u>2,453,180</u>	<u>2,382,212</u>	70,968
Less accumulated depreciation	(887,177)	(835,757)	(51,420)
Net utility plant	1,566,003	1,546,455	19,548
Other property and investments, at cost:			
Nonutility property	77	77	(0)
Operating lease right-of-use assets	3,976	3,546	430
Financing lease right-of-use assets	179	190	(11)
Investments in associated organizations	6,223	6,420	(197)
Special funds	45,551	37,679	7,872
Restricted cash equivalents	30	30	0
Long-term prepayments	68	79	(11)
Total other property and investments	<u>56,104</u>	<u>48,021</u>	8,083
Current assets:			
Cash and cash equivalents	23,520	24,661	(1,141)
Special deposits	61	55	6
Restricted cash equivalents	500	500	0
Fuel Cost / other under recovery	9,594	10,457	(863)
BRU capital surcharge under-recovery	40,919	35,134	5,785
Accounts receivable, net	53,294	63,575	(10,281)
Materials and supplies	60,217	55,455	4,762
Fuel stock	13,142	16,398	(3,256)
Prepayments	9,521	6,327	3,194
Other current assets	7,357	6,358	999
Total current assets	<u>218,123</u>	<u>218,920</u>	(797)
Other non-current assets:			
Deferred charges, net	98,093	100,915	(2,822)
Total other non-current assets	<u>98,093</u>	<u>100,915</u>	(2,822)
Total assets	<u>\$ 1,938,323</u>	<u>\$ 1,914,311</u>	<u>\$ 24,012</u>

Chugach Electric Association, Inc.
Consolidated Balance Sheets
As of September 30, 2025 and December 31, 2024

(in thousands)

Liabilities and Other Credits	Unaudited September 30, 2025	Audited December 31, 2024	Change
Equities and margins:			
Memberships	\$ 2,065	\$ 2,051	\$ 14
Patronage capital	203,935	201,159	2,776
Other	18,447	18,234	213
Total equities and margins	224,447	221,444	3,003
Long-term obligations, excluding current installments:			
Bonds payable	1,138,100	1,180,917	(42,817)
Notes payable	8,436	10,944	(2,508)
Less unamortized debt issuance costs	(5,897)	(6,188)	291
Operating lease liabilities	3,934	3,508	426
Financing lease liabilities	175	183	(8)
Total long-term obligations	1,144,748	1,189,364	(44,616)
Current liabilities:			
Current installments of long-term obligations	57,288	56,740	548
Commercial paper	168,500	122,000	46,500
Accounts payable	29,287	26,289	2,998
Consumer deposits	1,638	3,780	(2,142)
Accrued interest	10,867	11,367	(500)
Salaries, wages and benefits	13,847	12,479	1,368
Fuel Payable	6,021	5,446	575
Undergrounding ordinance liabilities	92	4,311	(4,219)
Provision for rate refund	31	3,125	(3,094)
Other current liabilities	1,285	2,187	(902)
Total current liabilities	288,856	247,724	41,132
Other non-current liabilities:			
Deferred compensation	1,827	1,926	(99)
Other liabilities, non-current	859	757	102
Deferred liabilities	18,207	13,840	4,367
Patronage capital	0	0	0
BRU regulatory liability	63,683	70,602	(6,919)
Cost of removal obligation / asset retirement obligation	195,695	168,654	27,041
Total other non-current liabilities	280,273	255,779	24,494
Total liabilities, equities and margins	\$ 1,938,323	\$ 1,914,311	\$ 24,012

CHUGACH ELECTRIC ASSOCIATION, INC.
CONSOLIDATED STATEMENT OF CASH FLOWS
Nine Months Ended September 30, 2025 and 2024

(in thousands)

	September 30, 2025	September 30, 2024
Cash flows from operating activities:		
Assignable margins	\$ 3,284	\$ (19)
Adjustments to reconcile assignable margins to net cash provided by operating activities:		
Depreciation and amortization	62,518	67,583
Allowance for funds used during construction	(235)	(328)
Other non-cash charges	(3,019)	(13,965)
(Increase) decrease in assets	(1,501)	(4,347)
Increase (decrease) in liabilities	(1,634)	(97)
Net cash provided by operating activities:	59,412	48,827
Cash flows from investing activities:		
Return of capital from investment in associated organizations	197	215
Investment in special funds	(3,943)	(4,180)
Extension and replacement of plant	(74,103)	(101,894)
Net cash used in investing activities:	(77,848)	(105,859)
Cash flows from financing activities:		
Payments for debt issue costs		
Net increase (decrease) in short-term obligations	47,500	(54,000)
Net increase (decrease) in long-term obligations	(45,781)	113,105
Net increase (decrease) in consumer advances/retired patronage/other	15,575	20,659
Net cash provided by (used in) financing activities:	17,295	79,764
Net change in cash, cash equivalents, and restricted cash equivalents	(1,141)	22,732
Cash, cash equivalents, and restricted cash equivalents at beginning of period	25,191	5,416
Cash, cash equivalents, and restricted cash equivalents at end of period	24,050	28,147

Questions?





September
2025

Monthly Financial Report



Month to Date Results

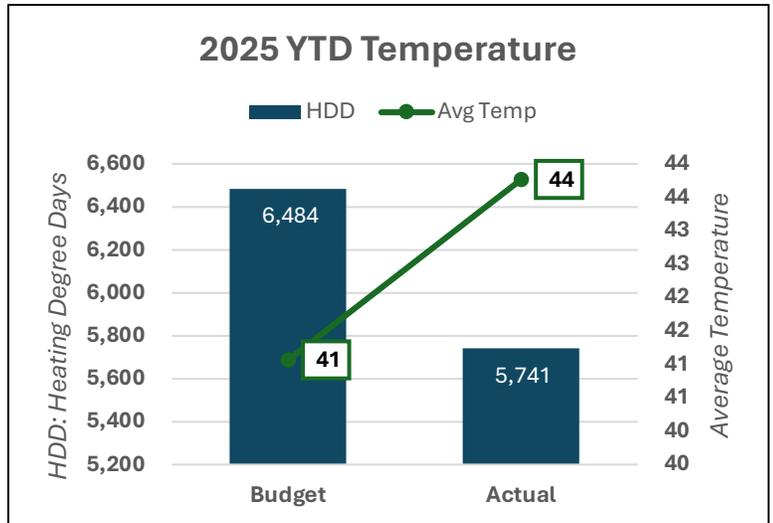
Total sales for September finished above projections, primarily due to increased power pool sales to MEA and an adjustment related to large commercial sales. Total operating expenses, less fuel and power purchased, were \$1.9 million (10.8%) higher than budget, primarily due to an increase in depreciation and amortization related to a BRU ARO adjustment as a result of an updated reserve study. This increase was somewhat offset by a decrease in other deductions, primarily related to AKCIP project costs, that were categorized to the balance sheet resulting in a favorable variance to margins of \$0.83 million.

The total margin of \$2.28 million was \$2.85 million higher than budget.

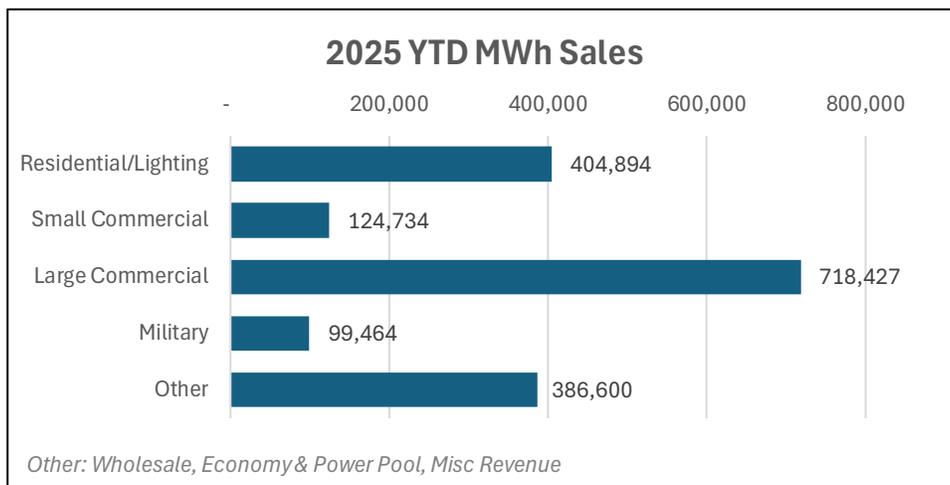
Year to Date Results

Sales and Revenues

Total year-to-date Heating Degree Days (HDD) were 743 days (11%) below expectations, while average temperatures were 7% higher than anticipated. Total sales reached 1.7 million MWh, surpassing the budget by .05 million MWh (3%), primarily driven by power pool sales to MEA, which exceeded the budget by .08 million MWh (30%).



The rise in MEA sales obscures the effects that the exceptionally warm year has had on retail sales, which encompasses residential, small commercial, large commercial, military, and lighting. This segment generated 78% of total year-to-date sales and finished September at 1.4 million MWh, (2%) lower than



budget. Retail base revenues were \$3.5 million (2%) below budget due to lower than anticipated sales. However, this was offset by higher-than-expected fuel revenue recovery of \$4.7 million (7%), resulting in total retail revenue finishing \$1.2 million (0.5%) over budget.

Operating Expenses

Fuel expenses, including contracted fuel, storage, transportation, and Beluga River Unit operating costs were \$6.4 million (13%) higher than budget. The warmer temperatures experienced in the first quarter led to a strategic change in the usage ratio of Beluga River Unit 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 \$2.2 million (7%) due to lower contract services and labor costs.

Purchased power expense was materially on budget.

Transmission expenses were under budget by \$1.6 million (18%) primarily due to lower labor and contract services costs associated with clearing and system control activities.

Distribution operations and maintenance expenses were over budget by \$1.2 million (5%) primarily due to an increase in labor costs stemming from outage repairs and maintenance following the January winter storm and clearing efforts.

Consumer accounts, customer information and administrative, general and other expenses were materially on budget.

Depreciation and amortization expenses were \$1.4 million (3%) over budget primarily due to a higher amount of assets placed in service than was expected and a BRU ARO adjustment as a result of an updated reserve study.

Net interest expense consists of interest on long-term debt, other interest expense, and interest charged to construction. Net interest expense was over budget by \$0.9 million (2%) due to carrying a higher-than-expected commercial paper balance, unbudgeted fees and lower interest charged to construction as a result of 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 other. Non-operating margins were over budget by \$1.3 million (63%) primarily due to increased interest income and realized gains in the BRU ARO fund, which was partially offset by lower AFUDC due to construction delays caused by weather conditions.

Our year-end forecast remains unchanged at a margin of \$9.1 million, generating an MFI/I of 1.18 and TIER of 1.21.

Supplemental Information

CHUGACH ELECTRIC ASSOCIATION, INC.
STATEMENT OF OPERATIONS
MONTH ENDING SEPTEMBER 30, 2025

In thousands

CATEGORY	ACTUAL	BUDGET	VARIANCE
Operating Revenue	\$ 32,422	\$ 28,466	\$ 3,957
Fuel	4,297	4,970	(673)
Production	3,702	3,213	489
Purchase Power	2,377	2,383	(6)
Transmission	1,006	889	117
Distribution	2,701	2,593	108
Consumer accounts	1,079	1,032	47
Administrative, General and Other	3,322	4,158	(836)
Depreciation & Amortization	8,046	6,040	2,006
Total Operating Expenses	26,529	25,277	1,252
Long-term Debt and Other	4,244	4,304	(59)
Charged To Construction	(268)	(306)	38
Interest Expense, Net	3,976	3,998	(22)
Net Operating Margins	1,917	(809)	2,726
Interest Income	241	162	78
Allowance For Funds Used During Construction	50	56	(6)
Capital Credits, Patronage Dividends And Other	71	18	53
Total Nonoperating Margins	362	236	126
Assignable Margins	2,279	(572)	2,852

CHUGACH ELECTRIC ASSOCIATION, INC
CONSOLIDATED STATEMENT OF OPERATIONS
 Nine Months Ending September 30, 2025

in thousands

CATEGORY	ACTUAL	BUDGET	VARIANCE
Operating Revenue	\$ 277,600	\$ 273,553	\$ 4,048
Fuel	54,600	48,197	6,403
Production	28,785	31,001	(2,216)
Purchase Power	22,254	22,020	234
Transmission	7,093	8,641	(1,548)
Distribution	23,776	22,565	1,212
Consumer Accounts	9,046	9,322	(276)
Administrative, General and Other	40,062	40,598	(536)
Depreciation & Amortization	55,571	54,129	1,441
Total Operating Expenses	241,186	236,472	4,714
Long-term Debt and Other	38,470	38,136	334
Charged to Construction	(1,993)	(2,511)	519
Interest Expense, Net	36,478	35,625	853
Net Operating Margins	(64)	1,455	(1,519)
Interest Income	2,042	1,432	610
Allowance For Funds Used During Construction	235	456	(221)
Capital Credits, Patronage Dividends and Other	1,071	161	909
Total Nonoperating Margins	3,348	2,049	1,299
Assignable Margins	3,284	3,504	(220)
MFI/I	1.09	1.09	
TIER	1.10	1.11	

COMPARATIVE FINANCIAL REPORT
CONSOLIDATED STATEMENT OF OPERATIONS
 Month Ending September 30, 2025 and 2024

In thousands

CATEGORY	2025	2024	VARIANCE
Operating Revenue	\$ 32,422	\$ 25,486	\$ 6,936
Fuel	4,297	5,499	(1,202)
Production	3,702	3,261	441
Purchase Power	2,377	2,382	(5)
Transmission	1,006	610	395
Distribution	2,701	2,201	500
Consumer accounts	1,079	880	199
Administrative, General and Other	3,322	4,289	(967)
Depreciation & Amortization	8,046	4,518	3,528
Total Operating expenses	26,529	23,640	2,889
Long-term debt and other	4,244	4,290	(46)
Charged to construction	(268)	(204)	(64)
Interest Expense, Net	3,976	4,086	(110)
Net operating margins	1,917	(2,240)	4,157
Interest Income	241	288	(48)
Allowance for funds used during construction	50	41	9
Capital credits, patronage dividends and others	71	37	35
Total nonoperating margins	362	365	(4)
Assignable margins	2,279	(1,875)	4,154

CHUGACH ELECTRIC ASSOCIATION, INC.
CONSOLIDATED BALANCE SHEET
 As of September 30, 2025 and December 31, 2024

in thousands

ASSETS & OTHER DEBITS	Unaudited 9/30/2025	Audited 12/31/2024	CHANGE
Electric Plant in Service	\$ 2,320,355	\$ 2,272,412	\$ 47,943
Construction Work in Progress	132,825	109,800	23,025
Total Utility Plant	2,453,180	2,382,212	70,968
Accum. Prov. for Depreciation/Amortization	(887,177)	(835,757)	(51,420)
Net Utility Plant	1,566,003	1,546,455	19,548
Nonutility Property - Net	77	77	0
Operating Lease Right-of-use Assets	3,976	3,546	430
Financing Lease Right-of-use Assets	179	190	(11)
Investment in Assoc. Organizations	6,223	6,420	(197)
Special Funds	45,551	37,679	7,872
Restricted Cash Equivalents & Other	30	30	0
Long-term Prepayments	68	79	(11)
Total Other Property & Investments	56,104	48,021	8,083
Cash & Restricted Cash	23,520	24,661	(1,141)
Special Deposits	61	55	6
Restricted Cash Equivalents	500	500	0
Fuel Cost / Other Under Recovery	9,594	10,457	(863)
BRU Capital Surcharge Under - Recovery	40,919	35,134	5,785
Accounts Receivable - Net	53,294	63,575	(10,281)
Materials and Supplies	60,217	55,455	4,762
Fuel Stock	13,142	16,398	(3,256)
Prepayments	9,521	6,327	3,194
Other Current Assets	7,357	6,358	999
Total Current & Accrued Assets	218,123	218,920	(797)
Deferred Debits	98,093	100,915	(2,822)
Total Assets & Other Debits	1,938,323	1,914,311	24,012

CHUGACH ELECTRIC ASSOCIATION, INC.
CONSOLIDATED BALANCE SHEET
 As of September 30, 2025 and December 31, 2024

in thousands

LIABILITIES & OTHER CREDITS	Unaudited 9/30/2025	Audited 12/31/2024	CHANGE
Memberships	\$ 2,065	\$ 2,051	\$ 14
Patronage Capital	203,935	201,159	2,776
Other	18,447	18,234	213
Total Margins & Equities	224,447	221,444	3,003
Bonds Payable	1,138,100	1,180,917	(42,817)
Notes Payable	8,436	10,944	(2,508)
Unamortized Debt Issuance Costs	(5,897)	(6,188)	291
Operating Lease Liabilities	3,934	3,508	426
Financing Lease Liabilities	175	183	(8)
Total Long-Term Debt	1,144,748	1,189,364	(44,616)
Current Installment Of Long-term Obligations	57,288	56,740	548
Commercial Paper	168,500	122,000	46,500
Accounts Payable	29,287	26,289	2,998
Consumer Deposits	1,638	3,780	(2,142)
Accrued Interest	10,867	11,367	(500)
Salary, Wages and Benefits	13,847	12,479	1,368
Fuel Payable	6,021	5,446	575
Undergrounding Ordinance Liabilities	92	4,311	(4,219)
Provision For Rate Refund	31	3,125	(3,094)
Other Current Liabilities	1,285	2,187	(902)
Total Current Liabilities	288,856	247,724	41,132
Deferred Compensation	1,827	1,926	(99)
Other Liabilities, Non-Current	859	757	102
Deferred Liabilities	18,207	13,840	4,367
BRU Regulatory Liability	63,683	70,602	(6,919)
Cost of Removal Obligation	195,695	168,654	27,041
Total Liabilities & Other Credits	1,938,323	1,914,311	24,012
Equity Ratio	16.44%	15.74%	

Executive Session Motion
(Financial)
December 3, 2025

Chugach Electric Association, Inc.
Audit and Finance Committee Meeting

Agenda Item VII.

Move that pursuant to Alaska Statute 10.25.175(c)(1), the Board of Directors 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.

Chugach Electric Association, Inc.
Anchorage, Alaska

Summary of Executive Session Topics for
Audit and Finance Committee Meeting on December 3, 2025
Agenda Item VII.

- A. Discussion of confidential and sensitive information regarding Chugach's line of credit with the National Rural Cooperative Finance Corporation, public disclosure of which could have an adverse effect on the finances of the Association.
(AS 10.25.175(c)(1))

CHUGACH ELECTRIC ASSOCIATION, INC.
Anchorage, Alaska

AUDIT AND FINANCE COMMITTEE MEETING
AGENDA ITEM SUMMARY

December 3, 2025

ACTION REQUIRED

AGENDA ITEM NO. VIII.A.

Information Only
 Motion
 Resolution
 Executive Session
 Other

TOPIC

Renewal of Chugach Electric Association, Inc.'s (Chugach) line of credit with the National Rural Utilities Cooperative Finance Corporation.

DISCUSSION

Chugach's current line of credit agreement is set to expire on December 21, 2026. Maintaining this instrument within our suite of short-term financing options augments our Commercial Paper Program by providing additional liquidity without incurring an unused balance fee. A proposed Second Amendment To Revolving Line of Credit Agreement, in an amount not to exceed \$50 million, will extend the term to December 21, 2030, and retain substantially the same terms and conditions. This amendment was discussed in executive session.

MOTION

Move that the Audit and Finance Committee recommend the Chugach Board of Directors authorize the Chief Executive Officer to enter into a Second Amendment To Revolving Line of Credit Agreement (Agreement) with the National Rural Utilities Cooperative Finance Corporation, in an amount not to exceed \$50 million with an extension to December 21, 2030, and subject to the provisions of the Agreement substantially in the form discussed in executive session.



RESOLUTION

NATIONAL RURAL COOPERATIVE FINANCE CORPORATION (NRUCFC) LINE OF CREDIT

WHEREAS, Chugach Electric Association, Inc., an Alaska electric cooperative (the “Company”), has determined that it is in the best interests of the Company to extend its \$50 million line of credit with National Rural Cooperative Finance Corporation (“NRUCFC”), a cooperative association;

WHEREAS, the NRUCFC line of credit is set to expire December 21, 2026;

WHEREAS, the NRUCFC line of credit provides \$50 million of liquidity for general corporate purposes;

WHEREAS, the Company intends to enter into a Second Amendment To Revolving Line of Credit Agreement (“Agreement”) with NRUCFC, in an amount not to exceed \$50,000,000, with a maturity date of December 21, 2030, and on such terms and conditions as agreed upon by the Chief Executive Officer of the Company, pursuant to the Agreement;

WHEREAS, the Company has the power and authority to enter into, deliver and perform its obligations under the Agreement; and,

WHEREAS, it is in the best interests of the Company to enter into, deliver and perform its obligations under the Agreement.

WHEREAS, on December 3, 2025, the Audit and Finance Committee reviewed the Agreement and recommended the Board of Directors authorize the Chief Executive Officer to enter into a Second Amendment To Revolving Line of Credit Agreement with NRUCFC.

NOW THEREFORE, BE IT RESOLVED THAT:

The Board of Directors authorize the Chief Executive Officer to enter into a Second Amendment To Revolving Line of Credit Agreement with NRUCFC in an amount not to exceed \$50,000,000 with an extension to December 21, 2030, subject to the provisions of the Agreement, substantially in the form discussed in executive session at the December 3, 2025, Audit and Finance Committee meeting.

CERTIFICATION

I, Susanne Fleek-Green, do hereby certify that I am the Secretary of Chugach Electric Association, Inc., an electric not-for-profit cooperative membership corporation organized and existing under the laws of the State of Alaska: that the foregoing is a complete and correct copy of a resolution adopted at a meeting of the Board of Directors of this corporation, duly and properly called and held on the 10th day of December, 2025; that a quorum was present at the meeting; that the resolution is set forth in the minutes of the meeting and has not been rescinded or modified.

IN WITNESS WHEREOF, I have hereunto subscribed my name and affixed the seal of this corporation the 10th day of December, 2025.

Secretary