



March - April 2004
Number 205

Chugach Electric Association

Two members run for Chugach board

It's that time of year when Chugach mails a packet of voting information to members as of the March 17 record date set by the Board of Directors.

This year there are two members running for the two available seats on the board. Each seat is for a three-year term.

The 2004 candidates are David J. Cottrell and Bruce E. Davison; both are incumbents and were nominated by Chugach's 2004 Nominating Committee.

Cottrell, 57, is a Managing Partner and President of Mikunda Cottrell Accounting & Consulting. He has been a Chugach member for 25-30 years.

Davison, 55, is a lawyer with Davison & Davison. He has been a Chugach member for 10 1/2 years.



David J. Cottrell



Bruce E. Davison

Election results will be announced at Chugach's annual membership meeting being held at the Egan Civic & Convention Center. Registration opens at 6 p.m. The meeting starts at 7 p.m.

Members who vote by mail must have their mail-ballot envelopes in the special election post office box by noon on Monday, April 26. Ballot envelopes that arrive after the deadline will not be counted. ☺

It's reliability, not rates

There has been a blitz of newspaper and radio ads speaking out about Chugach's rates. While there has been a significant amount of money spent on this campaign, Chugach has received only a few dozen phone calls and e-mails in response.

Chugach and its employees appreciate the support of its members and thank you. We are working to provide the most reliable, safe, low-cost energy to our member-owners.

In recent customer surveys, Chugach's members have told us that reliability is the most important service we can offer. If you have not already looked for information on Chugach's web site at www.chugachelectric.com there is a graph and a price comparison depicting fuel costs and base rates (base rates are everything but fuel and purchased power costs) that may help clarify what causes Chugach's rates to be as they are. You will see that in real purchasing power, Chugach

has reduced your costs for electricity prices every year but one since 1994, while at the same time maintaining world-class reliability. In addition, there is a ranking of average retail prices that includes all 50 states.

Another graph on the web site compares power outage statistics, thus reflecting Chugach's high reliability in comparison with Matanuska Electric Association's results. ☺

2004 Annual Membership Meeting

April 29

Egan Civic & Convention Center

6 p.m. registration

7 p.m. meeting

Please bring a photo ID to help ensure a quick and accurate registration process.

Message from Chugach

It's time for members to exercise their right to vote in Chugach's annual election. This year election materials will be mailed near the end of March. The materials include an election brochure that describes the candidates running for the board, as well as the one proposed bylaw amendment.

The proposed bylaw amendment addresses director term limits. Currently Chugach's bylaws restrict a director to three consecutive three-year terms. If the members pass the proposed amendment, term limits for Chugach directors would be eliminated.

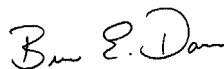
The 2004 Bylaws Committee and the Board both recommend that members vote "yes" for the proposed amendment. They feel that the members have the opportunity to determine whether an incumbent director should be re-elected based upon his or her performance, and that the number of years served should not be a barrier to voting for the director of their choice. This is particularly important in view of several long-term issues. First, Chugach's fixed rate debt will come due in 2011 and 2012. A plan must be implemented now and adhered to that addresses the possibility of higher interest rates. Second, new generation will probably be required within the near future that has a five to ten year lead time. Third, our largest wholesale customer MEA has publicly stated it will be building its own generation, presumably so that it will not have to purchase wholesale power from Chugach after 2014. All of these issues require an educated and knowledgeable board of directors that has continuity with management and retains an "institutional" memory.

Members may vote in one of two ways – by mail, or in person at the annual meeting April 29. It is important that members vote as it's a benefit for members of a cooperative like Chugach.

Joe Griffith
Chief Executive Officer



Bruce Davison
Chairman of the Board



Sparking interest

Upcoming events and meetings

- For information on rates, go to Chugach's home page, www.chugachelectric.com
- The Chugach annual report is available online
- The 2004 Chugach Annual Membership Meeting, April 29
- Board meetings are held the third Wednesday of every month

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Board activity

February Meeting 2004

- Accepted the results of the 2003 audit presented by KPMG LLC.
- Approved the 2004 Election Procedures.
- Appointed Elizabeth Carew as the Master Election Judge for Chugach's 2004 Annual Membership Meeting.

If you would like to review Board of Director meeting minutes or contact Board members, visit Chugach's web site at www.chugachelectric.com.

Hours

Service center:
5601 Minnesota Drive

Monday-Friday
8 a.m. - 6 p.m.

Saturday
9 a.m. - 5 p.m.

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

The Chugach Outlet
A Publication of Chugach Electric
Association, Inc.
5601 Minnesota Drive
P.O. Box 196300
Anchorage, Alaska 99519-6300

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