

GVEA at a Glance



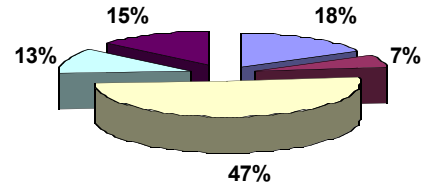
Golden Valley Electric Assn.
"Owned by those we serve."
 2002 year end data

Your Touchstone Energy[®]
 Cooperative 

History of Service:

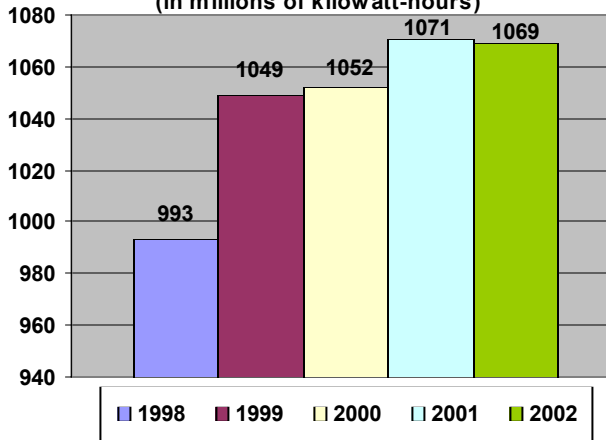
- Incorporated in 1946
- Owned by over 28,800 members
- Service to more than 39,590 meters
- Average 15 consumers per mile of line

GVEA Power Supply
 (by percentage)



- Healy 1 (Coal)
- Bradley Lake (Hydro)
- Fbks, North Pole & Chena 6 (Diesel)
- Intertie (Gas)
- Local Purchases (Coal)

Retail Sales Growth
 (in millions of kilowatt-hours)



Facility Investments:

- 2,612 plus miles of power lines
- 31 substations, including mobile
- 5 generating facilities
- 228 megawatts of capacity
- 2,260 square mile service territory

People Committed to Reliable & Economical Service:

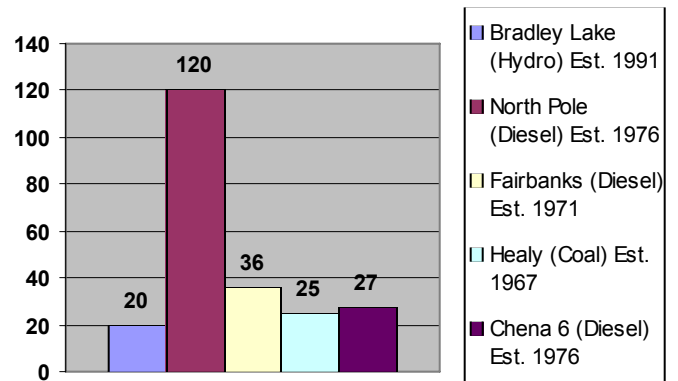
- System reliability of 99.97% during 2002
- Increased efficiency & accuracy with automatic meters
- Upgraded SCADA system for economic dispatching and system reliability
- Offices in Fairbanks, Delta & Nenana

Board Members

- District 1 Dan Osborne
- District 2 Pete Haggland, Secretary
- District 3 Rick Schikora, Chairman
- District 4 Bill Digan
- District 5 Ron Bergh
- District 6 Dwight Nissen, Treasurer
- District 7 Bill Nordmark, Vice Chairman

GVEA has over 230 full-time employees.

GVEA Generating Facilities
 (in megawatts)



People Committed to the Future:

- Alternative Energy & Distributed Generation Studies
- Northern Intertie & Battery Energy Storage System
- EnergySense Conservation Program
- Line extension projects.



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GVEA at a Glance

Incorporated in 1946 in Fairbanks, Alaska, Golden Valley Electric Association (GVEA) took shape when a small group of people became interested in bringing electric service to rural areas and furthering the agricultural industry in Interior Alaska. These pioneers submitted an application to the Rural Electrification Administration (REA), which granted a loan to form a nonprofit rural electric cooperative. This year, GVEA celebrates 57 years of service to approximately 90,000 Interior residents in the Fairbanks, Delta, Nenana, Healy and Cantwell areas at over 39,590 service locations.

Our peak system demand stayed steady during the past year, from 184.5 MW in December 2001 to 178.6 in December 2002.

GVEA operates and maintains 2,612 miles of transmission and distribution lines and 31 substations. Our system is interconnected with Fort Wainwright, Eielson AFB, Fort Greely, the University of Alaska-Fairbanks and all electric utilities in the Alaska Railbelt which extends from Homer, Alaska to Fairbanks.

GVEA is the northern control point for the Fairbanks/Anchorage Intertie, which serves most Railbelt communities. The Intertie allows GVEA to augment our 228 MW generation capacity with an additional 70 MW. GVEA made considerable progress on construction of the new Northern Intertie project in 2002. This line is one of GVEA's initiatives to improve system reliability and is scheduled to be completed by Fall 2003. The other component of that project, the Battery Energy Storage System (BESS), will be operational in late 2003. When completed, the BESS will provide 27 megawatts of power for 15 minutes.

Our generating capability of 228 MW is supplied by five generating facilities. The Healy plant provides 25 MW, is coal-fired and is located at the back door of the

Usibelli Coal Mine. Our 120 MW North Pole plant is oil-fired and built next to Williams Alaska Petroleum refinery. The oil-fired Zehnder and Chena 6 plants in Fairbanks can provide 36 MW and 27 MW, respectively. In 1991, GVEA added Bradley Lake's hydroelectric power to its sources of energy. Bradley Lake is located near Homer, and GVEA's 17% share of the energy (20 MW) is transmitted via the Intertie.

In 2002, GVEA upgraded our Supervisory Control and Data Acquisition (SCADA) computer system which is our dispatchers' primary working tool. The old system dated back to the 1980's. SCADA allows GVEA to shorten outage times by remotely controlling all turbines and substation breakers as far south as Cantwell. This reduces the number of times a line crew must be dispatched to investigate a system disturbance. SCADA also provides economy dispatching; we know minute-by-minute where to obtain the next megawatt of power at the least cost for our member-owners.

For almost 20 years, GVEA held stable rates – something almost unheard of in the utility industry. In July 2002, new rates went into effect. During 2002, nearly \$14 million was credited to members' monthly bills in the form of fuel credits. These savings can be attributed to economic dispatching, favorable oil prices, the use of Bradley Lake hydroelectric power, the ability to purchase economy energy over the Intertie and the additional revenue from the sale of energy to Fort Knox Gold Mine.

In 2002, GVEA's Board of Directors approved \$3,373,058 in capital credit refunds to members who had service with GVEA in 1985. When revenues exceed the cost to provide electric service, it is assigned to the member-owners in proportion to the amount they were billed for electric service during that year. Capital credits are just one of the benefits of being a cooperative member.

For more information, call GVEA at 451-5676
or visit our web site at www.gvea.com.