

June 2010 Financial Update

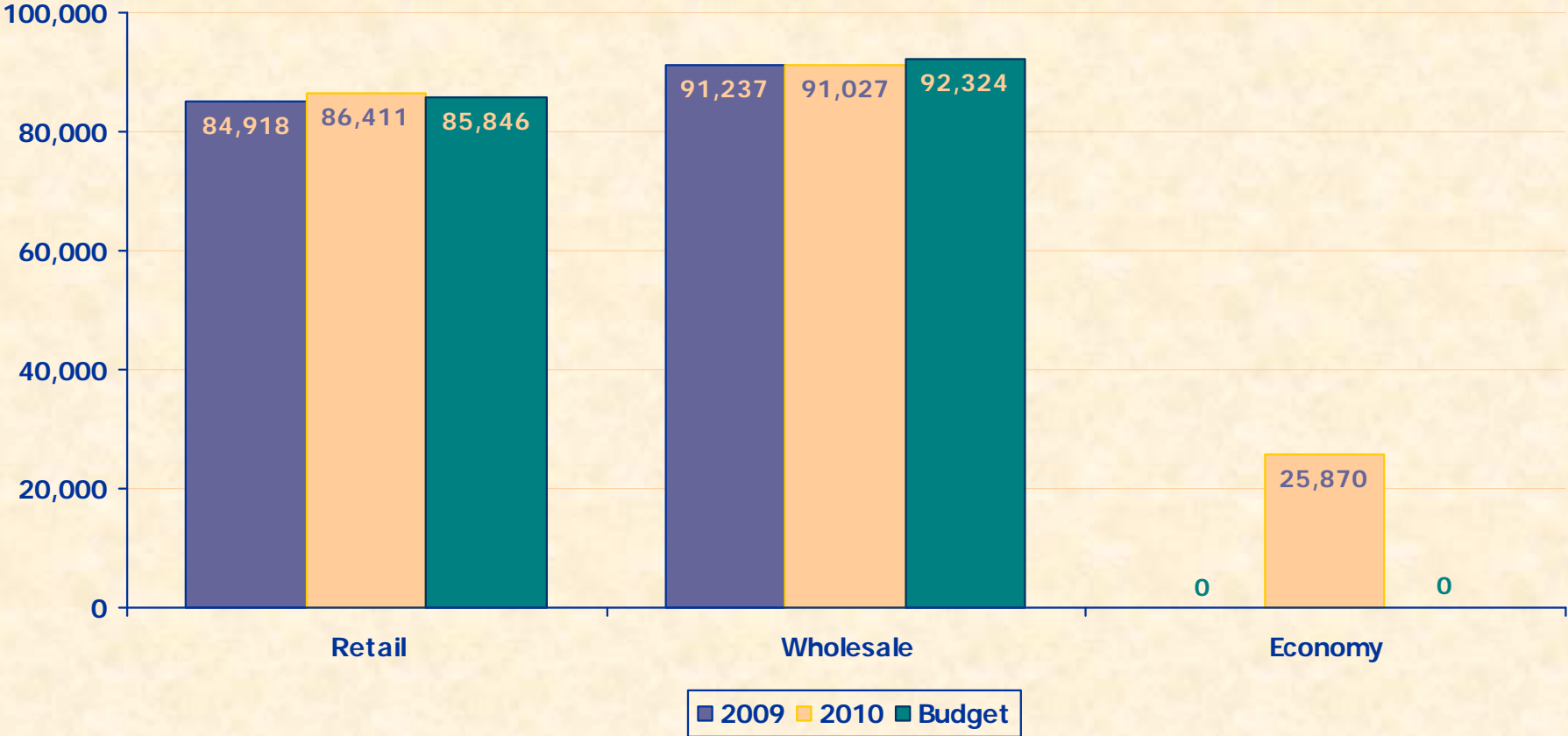
Chugach Electric Association, Inc.

August 4, 2010

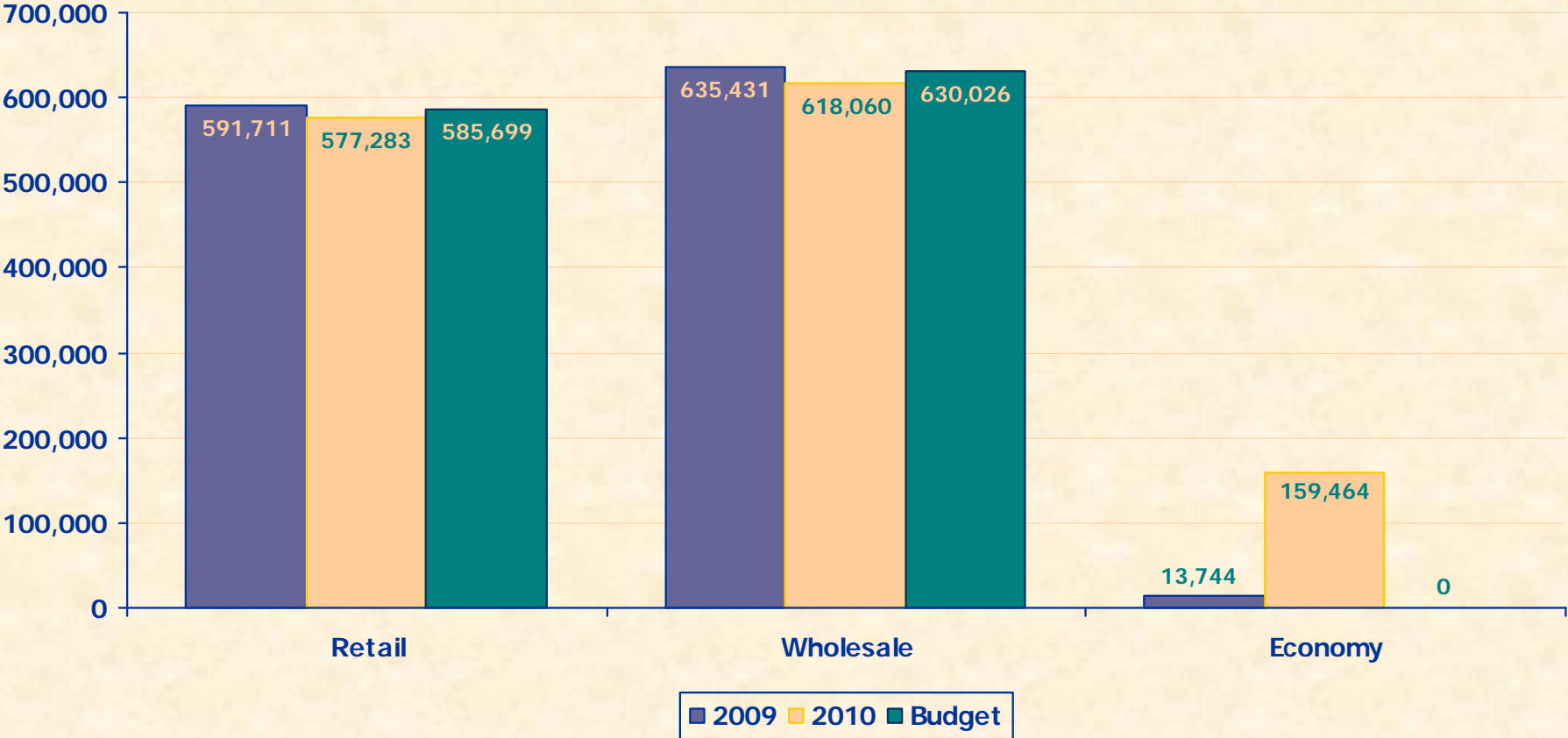
June Financial Information

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June MWh Sales

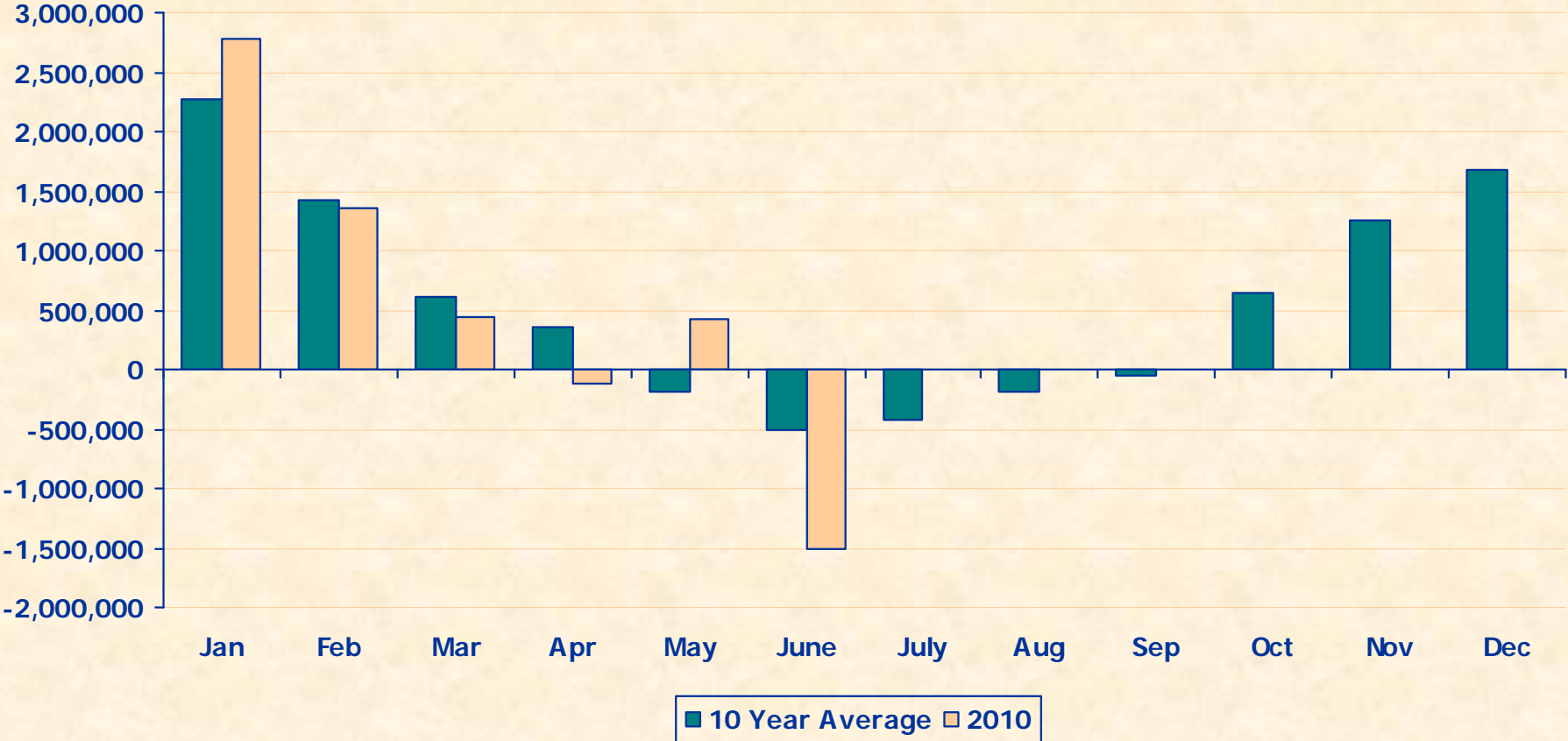


June YTD MWh Sales



Margin Comparison

10 Year Average to Current Year



Comparative Statement of Operations

June 2010

	<u>Budget</u>	<u>Actual</u>	<u>Variance</u>
1. Operating Revenue & Patronage Capital	\$ 17,138,743	\$ 17,410,895	\$ 272,152
2. Fuel Expense	6,086,560	6,740,769	654,209
3. Power Production Expense	2,196,037	1,820,978	(375,059)
4. Purchased Power Expense	2,189,488	2,119,351	(70,137)
5. Transmission Expense	519,057	417,254	(101,803)
6. Distribution Expense	975,784	1,094,941	119,157
7. Customer Expense	559,591	487,757	(71,834)
8. Administrative & General Expense	1,617,333	1,767,746	150,413
9. TOTAL Ops & Maint Expense (2 thru 8)	\$ 14,143,850	\$ 14,448,796	\$ 304,946
10. Depreciation & Amortization Expense	\$ 2,711,411	\$ 2,736,113	\$ 24,702
11. Tax Expense - Other	62,680	64,429	1,749
12. Interest on LT Debt	1,671,203	861,094	(810,109)
13. Interest Charged to Construction - Credit	(111,313)	(81,984)	29,329
14. Interest Expense - Other	88,914	890,174	801,260
15. Other Deductions	20,833	31,278	10,445
16. TOTAL Cost of Electric Service (9 thru 15)	\$ 18,587,578	\$ 18,949,900	\$ 362,322
17. Patronage Capital & Operating Margins	\$ (1,448,835)	\$ (1,539,005)	\$ (90,170)
18. Non-Operating Margins - Interest	25,246	28,736	3,490
19. Allowance for Funds Used During Construction	13,073	7,294	(5,779)
20. Non-Operating Margins - Other	0	16	16
21. Patronage Capital or Margins	\$ (1,410,516)	\$ (1,502,959)	\$ (92,443)
Achieved TIER	0.1560	(0.7454)	(0.9014)
Operating Revenue per kWh	\$ 0.0963	\$ 0.0981	\$ 0.0018
Operating Cost per kWh	\$ 0.1044	\$ 0.1068	\$ 0.0024

Year-End Forecast

	<u>YTD Budget</u>	<u>YTD Actuals</u>	<u>Revised Forecast*</u>
1. Operating Revenue & Patronage Capital	\$ 119,592,335	\$ 126,155,212	\$ 253,240,847 ^{1 3}
2. Fuel Expense	46,072,313	54,513,884	107,946,840 ¹
3. Power Production Expense	8,932,061	7,975,136	17,166,667
4. Purchased Power Expense	13,806,052	12,129,453	25,935,565 ¹
5. Transmission Expense	3,031,628	2,701,635	6,217,660
6. Distribution Expense	5,755,017	5,992,374	11,812,868 ⁴
7. Customer Expense	3,023,450	2,742,085	5,844,962
8. Administrative & General Expense	10,376,933	10,063,497	19,962,636
9. TOTAL Ops & Maint Expense (2 thru 8)	\$ 90,997,454	\$ 96,118,064	\$ 194,887,198
10. Depreciation & Amortization Expense	\$ 16,229,599	\$ 16,322,749	\$ 32,543,070
11. Tax Expense - Other	411,392	391,410	781,873 ¹
12. Interest on LT Debt	10,043,296	7,199,214	12,381,477 ^{1 2}
13. Interest Charged to Construction - Credit	(566,660)	(422,640)	(1,420,267)
14. Interest Expense - Other	481,863	3,264,098	8,915,313 ^{1 2}
15. Other Deductions	124,998	105,083	230,086 ¹
16. TOTAL Cost of Electric Service (9 thru 15)	\$ 117,721,942	\$ 122,977,978	\$ 248,318,750
17. Patronage Capital & Operating Margins	\$ 1,870,393	\$ 3,177,234	\$ 4,922,097
18. Non-Operating Margins - Interest	151,036	155,052	308,679 ¹
19. Allowance for Funds Used During Construction	67,300	30,731	155,445
20. Non-Operating Margins - Other	0	7,330	482,330 ¹
21. Patronage Capital or Margins	\$ 2,088,729	\$ 3,370,347	\$ 5,868,551
TIER	1.2080	1.4682	1.4740

¹ Forecast based on 6 months actual and 6 months forecast

² Forecast includes the reclassification of the 2001 Series A Bonds from long-term to short-term interest

³ Forecast includes economy energy sales for the rest of 2010 and includes rate refunds associated with the 2008 Test Year Rate Case

⁴ Forecast has been adjusted to reflect current assumption changes

* The forecast does not include the effects of the pending long-term debt refinancing

System Statement of Operations

June YTD 2010

	Total	Generation	Transmission	Distribution
1. Operating Revenue & Patronage Capital	\$ 126,155,212	\$ 89,694,134	\$ 11,158,368	\$ 25,302,710
2. Fuel Expense	54,513,884	54,513,884	0	0
3. Power Production Expense	7,975,136	7,974,618	518	0
4. Purchased Power Expense	12,129,453	12,129,453	0	0
5. Transmission Expense	2,701,635	0	2,701,635	0
6. Distribution Expense	5,992,374	0	0	5,992,374
7. Customer Expense	2,742,085	0	0	2,742,085
8. Administrative & General Expense	10,063,497	3,713,124	1,376,570	4,973,803
9. TOTAL Ops & Maint Expense (2 thru 8)	\$ 96,118,064	\$ 78,331,079	\$ 4,078,723	\$ 13,708,262
10. Depreciation & Amortization Expense	\$ 16,322,749	\$ 7,790,769	\$ 2,959,101	\$ 5,572,879
11. Tax Expense - Other	391,410	38,318	13,400	339,692
12. Interest on LT Debt	7,199,214	2,591,717	2,336,865	2,270,632
13. Interest Charged to Construction - Credit	(422,640)	(320,242)	(33,015)	(69,383)
14. Interest Expense - Other	3,264,098	1,302,810	994,700	966,588
15. Other Deductions	105,083	60,714	0	44,369
16. TOTAL Cost of Electric Service (9 thru 15)	\$ 122,977,978	\$ 89,795,165	\$ 10,349,774	\$ 22,833,039
17. Patronage Capital & Operating Margins	\$ 3,177,234	\$ (101,031)	\$ 808,594	\$ 2,469,671
18. Non-Operating Margins - Interest	155,052	0	0	155,052
19. Allowance for Funds Used During Construction	30,731	23,252	2,449	5,030
20. Non-Operating Margins - Other	7,330	4,602	4,149	(1,421)
21. Patronage Capital or Margins	\$ 3,370,347	\$ (73,177)	\$ 815,192	\$ 2,628,332
Achieved TIER	1.4682	0.9718	1.3488	2.1575
Operating Revenue per kWh	\$ 0.1055	\$ 0.0750	\$ 0.0093	\$ 0.0438
Operating Cost per kWh	\$ 0.1029	\$ 0.0751	\$ 0.0087	\$ 0.0396

Financial Measures

June Year-to-Date 2006 - 2010

(IN MILLIONS)

	<u>2006</u>	<u>2007</u>	<u>2008</u>	<u>2009</u>	<u>2010</u>
Total Assets	\$561.4	\$559.4	\$547.0	\$551.2	\$577.9
Net Plant	\$460.3	\$458.3	\$452.6	\$450.7	\$469.0
Total Margins & Equities	\$150.3	\$153.4	\$152.8	\$156.0	\$159.7
Total Long-Term and Short-Term Debt	\$365.5	\$356.8	\$347.0	\$346.4	\$370.3
Total Operating Expenses*	\$26.3	\$29.9	\$29.5	\$29.0	\$29.5
Total Interest Expense	\$12.1	\$12.2	\$11.2	\$10.7	\$10.5
Margins	\$5.9	\$2.8	\$3.5	\$2.3	\$3.4
Achieved TIER	1.4866	1.2324	1.3205	1.2287	1.4682
Achieved MFI	1.4866	1.2307	1.3105	1.2159	1.3221
Equity Ratio	29.94%	30.93%	32.80%	33.60%	50.74% **

*Does not include Fuel or Purchased Power Expense

**Equity Ratio before reclassifying 2001 Series A Bond from Long-Term to Short Term: 34.36%

Questions?