

**CHUGACH ELECTRIC ASSOCIATION, INC.**  
**COMPARATIVE FINANCIAL REPORT**  
**OPERATING STATEMENT**

JULY, 2002

	<-----THIS MONTH'S PERFORMANCE ----->			<----- YEAR TO DATE ----->						
ITEM	JULY BUDGET	JULY ACTUAL	VARIANCE	CURRENT YTD BUDGET	CURRENT YTD ACTUAL	VARIANCE	% DIFF	LAST YEAR YTD ACTUAL	VARIANCE	
REVENUES:										
RETAIL	8,287,063	8,370,950	83,887 F	66,320,378	65,777,911	(542,467) U	(0.82%)	62,515,874	3,262,037 F	
WHOLESALE	4,692,879	4,700,041	7,162 F	35,609,646	35,782,047	172,401 F	0.48%	31,737,746	4,044,301 F	
ECONOMY ENERGY	451,634	601,359	149,725 F	4,539,752	2,374,123	(2,165,629) U	(47.70%)	2,181,968	192,155 F	
OTHER	185,000	147,558	(37,442) U	1,295,000	1,292,096	(2,904) U	(0.22%)	1,465,683	(173,587) U	
<b>1. TOTAL REVENUE</b>	<b>13,616,576</b>	<b>13,819,908</b>	<b>203,332 F</b>	<b>107,764,776</b>	<b>105,226,177</b>	<b>(2,538,599) U</b>	<b>(2.36%)</b>	<b>97,901,271</b>	<b>7,324,906 F</b>	
EXPENSES:										
2. FUEL	3,889,378	3,916,909	27,531 U	31,701,584	28,612,887	(3,088,697) F	(9.74%)	31,166,033	(2,553,146) F	
3. POWER PRODUCTION EXPENSE	976,472	1,410,162	433,690 U	7,321,886	8,134,103	812,217 U	11.09%	6,541,132	1,592,971 U	
4. COST OF PURCHASED POWER	1,653,658	1,462,217	(191,441) F	10,790,456	11,469,301	678,845 U	6.29%	5,539,269	5,930,032 U	
5. TRANSMISSION EXPENSE	415,142	331,905	(83,237) F	2,487,117	2,326,353	(160,764) F	(6.46%)	2,103,672	222,681 U	
6. DISTRIBUTION EXPENSE-OPERATIONS	362,930	398,283	35,353 U	2,545,000	2,398,136	(146,864) F	(5.77%)	2,497,385	(99,249) F	
7. DISTRIBUTION EXPENSE-MAINTENANCE	505,464	421,601	(83,863) F	3,570,689	3,645,927	75,238 U	2.11%	3,147,618	498,309 U	
8. CONSUMER ACCOUNTS EXPENSE	420,768	384,040	(36,728) F	2,859,781	2,835,522	(24,259) F	(0.85%)	2,676,127	159,395 U	
9. CUSTOMER SERVICE/INFO EXPENSE	112,309	64,461	(47,848) F	814,651	507,999	(306,652) F	(37.64%)	413,162	94,837 U	
10. SALES EXPENSE	0	0	0 U	0	0	0 U	0.00%	273,222	(273,222) F	
11. ADMINISTRATIVE/GENERAL EXPENSE	1,478,000	1,623,212	145,212 U	11,264,902	11,128,111	(136,791) F	(1.21%)	10,401,805	726,306 U	
<b>12. TOTAL OPERATIONS/MAINTENANCE EXP.</b>	<b>9,814,121</b>	<b>10,012,790</b>	<b>198,669 U</b>	<b>73,356,066</b>	<b>71,058,339</b>	<b>(2,297,727) F</b>	<b>(3.13%)</b>	<b>64,759,425</b>	<b>6,298,914 U</b>	
13. DEPRECIATION/AMORTIZATION EXP.	2,140,567	2,097,764	(42,803) F	14,720,402	14,661,470	(58,932) F	(0.40%)	14,435,089	226,381 U	
14. TAX EXPENSE-OTHER	56,573	65,070	8,497 U	440,218	461,989	21,771 U	4.95%	446,480	15,509 U	
15. LONG TERM INTEREST EXP.	2,043,266	2,014,743	(28,523) F	16,217,402	16,147,382	(70,020) F	(0.43%)	15,433,078	714,304 U	
16. (INTEREST DURING CONSTRUCTION)	(105,011)	(34,914)	70,097 U	(599,813)	(291,508)	308,305 U	51.40%	(562,147)	270,639 U	
17. SHORT TERM INTEREST EXP.	0	21,925	21,925 U	0	180,717	180,717 U	100.00%	1,091,787	(911,070) F	
18. OTHER DEDUCTIONS	8,333	(36)	(8,369) F	58,331	72,785	14,454 U	24.78%	125,808	(53,023) F	
<b>19. TOTAL COST OF ELECTRIC SERVICE</b>	<b>13,957,849</b>	<b>14,177,342</b>	<b>219,493 U</b>	<b>104,192,606</b>	<b>102,291,174</b>	<b>(1,901,432) F</b>	<b>(1.82%)</b>	<b>95,729,520</b>	<b>6,561,654 U</b>	
<b>20. PATRON CAPITAL/OPER. MARGINS</b>	<b>(341,273)</b>	<b>(357,434)</b>	<b>(16,161) U</b>	<b>3,572,170</b>	<b>2,935,003</b>	<b>(637,167) U</b>	<b>(17.84%)</b>	<b>2,171,751</b>	<b>763,252 F</b>	
21. NON-OPER. MARGINS-INTEREST	9,600	33,409	23,809 F	73,743	578,609	504,866 F	684.63%	433,971	144,638 F	
22. ALLOW-FUNDS DURING CONSTRUCTION	18,002	6,455	(11,547) U	102,824	51,050	(51,774) U	(50.35%)	153,192	(102,142) U	
23. NON-OPER. MARGINS-OTHER	0	(1,688)	(1,688) U	0	(193,713)	(193,713) U	100.00%	11,683	(205,396) U	
24. G/T CAPITAL CREDITS	0	0	0	0	0	0	0.00%	0	0	
25. OTHER CAPITAL CREDITS	0	0	0	0	223,942	223,942 F	0.00%	104,974	118,968 F	
26. EXTRAORDINARY ITEMS	0	0	0	0	0	0	0.00%	0	0	
<b>27. PATRON CAPITAL/MARGINS</b>	<b>(313,671)</b>	<b>(319,258)</b>	<b>(5,587) U</b>	<b>3,748,737</b>	<b>3,594,891</b>	<b>(153,846) U</b>	<b>(4.10%)</b>	<b>2,875,571</b>	<b>719,320 F</b>	

F = FAVORABLE U = UNFAVORABLE

**CHUGACH ELECTRIC ASSOCIATION, INC.  
COMPARATIVE FINANCIAL REPORT  
BALANCE SHEET**

JULY, 2002

ASSETS	CURRENT YEAR 2002	LAST YEAR 2001	CHANGE	% DIFF.	LIABILITIES AND PATRONAGE CAPITAL	CURRENT YEAR 2002	LAST YEAR 2001	CHANGE	% DIFF.
TOTAL UTILITY PLANT IN SERVICE	726,884,686	702,121,644	24,763,042	3.53%	MEMBERSHIPS	1,084,713	1,036,933	47,780	4.61%
CONST WORK IN PROGRESS	<u>26,791,235</u>	<u>32,532,508</u>	<u>(5,741,273)</u>	<u>(17.65%)</u>	PATRONAGE CAPITAL AND MARGINS	128,633,089	125,659,825	2,973,264	2.37%
					OTHER MARGINS & EQUITIES	<u>5,405,458</u>	<u>4,741,770</u>	<u>663,688</u>	<u>14.00%</u>
TOTAL UTILITY PLANT	753,675,921	734,654,152	19,021,769	2.59%	TOTAL MARGINS & EQUITIES	135,123,260	131,438,528	3,684,732	2.80%
ACCUMULATED DEPR/AMORT	<u>(271,485,650)</u>	<u>(255,825,055)</u>	<u>(15,660,595)</u>	<u>6.12%</u>	LONG TERM DEBT BONDS (NET)	394,134,179	369,310,000	24,824,179	6.72%
NET UTILITY PLANT	482,190,271	478,829,097	3,361,174	0.70%	LONG TERM DEBT OTHER	<u>392,255</u>	<u>474,925</u>	<u>(82,670)</u>	<u>(17.41%)</u>
NON-UTILITY PROPERTY (NET)	3,550	3,550	0	0.00%	TOTAL LONG TERM DEBT	394,526,434	369,784,925	24,741,509	6.69%
INVEST IN ASSOC ORGANIZATIONS	10,541,346	9,913,431	627,915	6.33%	NOTES PAYABLE	5,865,821	10,580,268	(4,714,447)	(44.56%)
OTHER INVESTMENTS	5,933	13,052	(7,119)	100.00%	ACCOUNTS PAYABLE	5,311,726	4,186,110	1,125,616	26.89%
SPECIAL FUNDS	<u>0</u>	<u>0</u>	<u>0</u>	<u>0.00%</u>	CONSUMERS DEPOSITS	1,704,704	1,485,163	219,541	14.78%
TOTAL OTHER PROPERTY & INVEST	10,550,829	9,930,033	620,796	6.25%	OTHER CURRENT & ACCRUED LIABILITIES	<u>21,220,503</u>	<u>21,746,132</u>	<u>(525,629)</u>	<u>(2.42%)</u>
CASH & TEMP INVESTMENTS	5,287,105	9,282,842	(3,995,737)	(43.04%)	TOTAL CURRENT & ACCRUED LIABILITIES	34,102,754	37,997,673	(3,894,919)	(10.25%)
RESTRICTED CASH	913,063	563,394	349,669	62.06%	DEFERRED CREDITS	3,759,921	19,926,665	(16,166,744)	(81.13%)
NOTES RECEIVABLE	0	0	0	0.00%	MISCELLANEOUS OPERATING RESERVES	<u>0</u>	<u>0</u>	<u>0</u>	<u>0.00%</u>
ACCOUNTS RECEIVABLE (NET)	13,411,276	17,387,870	(3,976,594)	(22.87%)	TOTAL LIABILITIES & PATR CAPITAL	<u>567,512,369</u>	<u>559,147,791</u>	<u>8,364,578</u>	<u>1.50%</u>
MATERIALS AND SUPPLIES	15,042,764	15,420,341	(377,577)	(2.45%)					
PREPAYMENTS	2,533,004	1,202,585	1,330,419	110.63%					
OTHER CURRENT & ACCRUED ASSETS	<u>247,393</u>	<u>243,750</u>	<u>3,643</u>	<u>1.49%</u>					
TOTAL CURRENT & ACCRUED ASSETS	37,434,605	44,100,782	(6,666,177)	(15.12%)					
DEFERRED DEBITS	<u>37,336,664</u>	<u>26,287,879</u>	<u>11,048,785</u>	<u>42.03%</u>					
TOTAL ASSETS	<u><u>567,512,369</u></u>	<u><u>559,147,791</u></u>	<u><u>8,364,578</u></u>	<u><u>1.50%</u></u>					

**CHUGACH ELECTRIC ASSOCIATION, INC.**  
**COMPARATIVE FINANCIAL REPORT**  
**STATEMENT OF OPERATIONS**

CATEGORY	2002 APPROVED BUDGET	2002 REVISED* BUDGET ASSUMING INTERIM RATES	2002 FORECAST** ASSUMING INTERIM RATES
REVENUES:			
1. TOTAL REVENUE	180,600,860	179,722,730	177,184,130
EXPENSES:			
2. FUEL EXPENSE	48,932,542	48,932,542	45,862,933
3. POWER PRODUCTION EXPENSE	12,589,490	12,605,698	13,400,696
4. COST OF PURCHASED POWER	18,705,450	18,701,536	19,381,921
5. TRANSMISSION EXPENSE	4,062,202	4,069,055	3,908,471
6. DISTRIBUTION EXPENSE-OPERATIONS	4,325,837	4,335,582	4,185,478
7. DISTRIBUTION EXPENSE-MAINTENANCE	6,021,284	6,030,496	6,105,764
8. CONSUMER ACCOUNTS EXPENSE	5,267,945	5,312,509	5,072,726
9. CUSTOMER SERVICE/INFO EXPENSE	1,386,358	1,392,782	1,086,561
10. SALES EXPENSE	0	0	0
11. ADMINISTRATIVE/GENERAL EXPENSE	18,546,247	18,552,687	18,629,452
12. TOTAL OPERATIONS/MAINTENANCE EXP.	119,837,355	119,932,887	117,634,002
13. DEPRECIATION/AMORTIZATION EXPENSE	28,595,017	25,559,638	25,500,696
14. TAX EXPENSE-OTHER	724,100	724,100	745,872
15. INTEREST-LONG TERM DEBT	26,433,731	26,433,731	26,363,712
16. INTEREST ON CONSTRUCTION-CREDIT	(1,510,463)	(1,082,783)	(765,009)
17. INTEREST EXPENSE-OTHER	90,000	90,000	235,196
18. OTHER DEDUCTIONS	100,000	100,000	114,454
19. TOTAL COST OF ELECTRIC SERVICE	174,269,740	171,757,573	169,828,923
20. PATRONAGE CAPITAL/OPERATING MARGINS	6,331,120	7,965,157	7,355,207
21. NON-OPERATING MARGINS-INTEREST	116,426	116,426	621,292
22. ALLOWANCE FUNDS USED DURING CONST.	453,139	185,620	132,221
23. NON-OPERATING MARGINS-OTHER	0	0	(193,712)
24. GENER./TRANS. CAPITAL CREDITS	0	0	0
25. OTHER CAPITAL CREDITS/DIVIDENDS	570,000	570,000	793,942
26. EXTRAORDINARY ITEMS	0	0	0
27. PATRONAGE CAPITAL OR MARGINS	7,470,685	8,837,203	8,708,950
MFI/I	1.28	1.33	1.33

\* Revised for updated depreciation and AFUDC/IDC projection and other requested budget revisions

\*\* Forecast based on 7 months actual and 5 months budget with adjustments for updated depreciation and AFUDC/IDC and other requested budget revisions

**CHUGACH ELECTRIC ASSOCIATION, INC.**

*Statements of Cash Flows*

*(Unaudited)*

	<b>YTD July 2002</b>	<b>YTD July 2001</b>
<u>Cash flows from operating activities:</u>		
Assignable margins	\$3,594,891	\$2,875,571
<b>Net cash provided by operating activities:</b>	2,251,495	9,605,630
<u>Cash flows from investing activities:</u>		
Extension and replacement of plant	(14,463,776)	(22,885,973)
Investments in associated organizations	(63,063)	(69,329)
<b>Net cash used for investing activities:</b>	(14,526,839)	(22,955,302)
<u>Cash flows from financing activities:</u>		
Short-term obligations	5,000,000	(40,000,000)
Proceeds from long-term obligations	180,000,000	150,000,000
Repayments of long-term obligations	(170,802,615)	(88,837,882)
Retirement of patronage capital	(296,675)	(252,384)
Other	(153,028)	27,618
<b>Net cash provided by financing activities:</b>	13,747,682	20,937,352
Net increase in cash and cash equivalents	1,472,338	7,587,680
<u>Cash and cash equivalents at beginning of year</u>	\$3,814,767	\$1,695,162
<u>Cash and cash equivalents at end of period</u>	\$5,287,105	\$9,282,842
<u>Supplemental disclosure of cash flow information</u>		
Interest expense paid, net of amounts capitalized	\$15,536,662	\$12,683,590