

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

JUNE, 2004

<-----THIS MONTH'S PERFORMANCE ----->	<----- YEAR TO DATE ----->											
ITEM	JUNE BUDGET	JUNE ACTUAL	VARIANCE		CURRENT YTD BUDGET	CURRENT YTD ACTUAL	VARIANCE	% DIFF	LAST YEAR YTD ACTUAL	VARIANCE		
REVENUES:												
RETAIL	9,412,820	9,581,770	168,950	F	62,121,807	61,087,354	(1,034,453)	U	(1.67%)	56,201,581	4,885,773	F
WHOLESALE	4,825,883	5,292,416	466,533	F	31,328,077	31,411,239	83,162	F	0.27%	30,265,301	1,145,938	F
ECONOMY ENERGY	432,720	512,246	79,526	F	3,816,796	4,341,339	524,543	F	13.74%	4,062,774	278,565	F
OTHER	219,332	203,656	(15,676)	U	1,278,688	1,193,420	(85,268)	U	(6.67%)	1,399,022	(205,602)	U
1. TOTAL REVENUE	14,890,755	15,590,088	699,333	F	98,545,368	98,033,352	(512,016)	U	(0.52%)	91,928,678	6,104,674	F
EXPENSES:												
2. FUEL	4,669,178	5,080,927	411,749	U	31,362,449	30,949,650	(412,799)	F	(1.32%)	21,853,386	9,096,264	U
3. POWER PRODUCTION EXPENSE	1,328,307	1,343,675	15,368	U	7,221,150	6,820,512	(400,638)	F	(5.55%)	6,123,192	697,320	U
4. COST OF PURCHASED POWER	1,764,870	1,892,848	127,978	U	9,360,793	9,491,832	131,039	U	1.40%	8,032,236	1,459,596	U
5. TRANSMISSION EXPENSE	507,867	423,663	(84,204)	F	3,070,373	3,172,722	102,349	U	3.33%	2,114,738	1,057,984	U
6. DISTRIBUTION EXPENSE-OPERATIONS	412,941	564,923	151,982	U	2,459,425	2,616,001	156,576	U	6.37%	2,200,094	415,907	U
7. DISTRIBUTION EXPENSE-MAINTENANCE	547,833	502,909	(44,924)	F	3,310,540	2,815,189	(495,351)	F	(14.96%)	3,077,402	(262,213)	F
8. CONSUMER ACCOUNTS EXPENSE	423,130	371,298	(51,832)	F	2,439,596	2,404,939	(34,657)	F	(1.42%)	2,482,604	(77,665)	F
9. CUSTOMER SERVICE/INFO EXPENSE	84,231	44,189	(40,042)	F	358,612	290,324	(68,288)	F	(19.04%)	332,835	(42,511)	F
10. SALES EXPENSE	0	0	0	U	0	0	0	U	0.00%	0	0	U
11. ADMINISTRATIVE/GENERAL EXPENSE	1,583,521	1,806,245	222,724	U	9,928,867	10,258,352	329,485	U	3.32%	10,294,534	(36,182)	F
12. TOTAL OPERATIONS/MAINTENANCE EXP.	11,321,878	12,030,677	708,799	U	69,511,805	68,819,521	(692,284)	F	(1.00%)	56,511,021	12,308,500	U
13. DEPRECIATION/AMORTIZATION EXP.	2,382,808	2,363,003	(19,805)	F	14,259,258	14,132,319	(126,939)	F	(0.89%)	13,972,578	159,741	U
14. TAX EXPENSE-OTHER	59,500	64,238	4,738	U	394,000	414,541	20,541	U	5.21%	387,736	26,805	U
15. LONG TERM INTEREST EXP.	1,853,927	1,803,847	(50,080)	F	11,139,655	10,853,444	(286,211)	F	(2.57%)	11,744,569	(891,125)	F
16. (INTEREST DURING CONSTRUCTION)	(40,000)	(45,860)	(5,860)	F	(182,942)	(198,952)	(16,010)	F	(8.75%)	(101,684)	(97,268)	F
17. SHORT TERM INTEREST EXP.	9,610	0	(9,610)	F	38,440	(48,179)	(86,619)	F	225.34%	11,901	(60,080)	F
18. OTHER DEDUCTIONS	14,583	71,913	57,330	U	87,500	185,370	97,870	U	111.85%	2,603,336	(2,417,966)	F
19. TOTAL COST OF ELECTRIC SERVICE	15,602,306	16,287,818	685,512	U	95,247,716	94,158,064	(1,089,652)	F	(1.14%)	85,129,457	9,028,607	U
20. PATRON CAPITAL/OPER. MARGINS	(711,551)	(697,730)	13,821	F	3,297,652	3,875,288	577,636	F	17.52%	6,799,221	(2,923,933)	U
21. NON-OPER. MARGINS-INTEREST	25,705	39,921	14,216	F	161,782	194,026	32,244	F	19.93%	182,083	11,943	F
22. ALLOW-FUNDS DURING CONSTRUCTION	7,059	7,347	288	F	32,283	32,207	(76)	U	(0.24%)	10,583	21,624	F
23. NON-OPER. MARGINS-OTHER	0	0	0		0	0	0		0.00%	71,219	(71,219)	U
24. G/T CAPITAL CREDITS	0	0	0		0	0	0		0.00%	0	0	
25. OTHER CAPITAL CREDITS	0	63	63	F	0	10,489	10,489	F	100.00%	53,132	(42,643)	U
26. EXTRAORDINARY ITEMS	0	0	0		0	0	0		0.00%	0	0	
27. PATRON CAPITAL/MARGINS	(678,787)	(650,399)	28,388	F	3,491,717	4,112,010	620,293	F	17.76%	7,116,238	(3,004,228)	U

F = FAVORABLE U = UNFAVORABLE

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

JUNE, 2004

ASSETS	CURRENT YEAR 2004	LAST YEAR 2003	CHANGE	% DIFF.	LIABILITIES AND PATRONAGE CAPITAL	CURRENT YEAR 2004	LAST YEAR 2003	CHANGE	% DIFF.
TOTAL UTILITY PLANT IN SERVICE	738,257,811	733,382,926	4,874,885	0.66%	MEMBERSHIPS	1,176,963	1,129,983	46,980	4.16%
CONST WORK IN PROGRESS	20,450,643	18,799,828	1,650,815	8.78%	PATRONAGE CAPITAL AND MARGINS	130,477,048	127,228,157	3,248,891	2.55%
TOTAL UTILITY PLANT	758,708,454	752,182,754	6,525,700	0.87%	OTHER MARGINS & EQUITIES	6,677,683	6,137,461	540,222	8.80%
ACCUMULATED DEPR/AMORT	(296,665,279)	(287,187,956)	(9,477,323)	3.30%	TOTAL MARGINS & EQUITIES	138,331,694	134,495,601	3,836,093	2.85%
NET UTILITY PLANT	462,043,175	464,994,798	(2,951,623)	(0.63%)	LONG TERM DEBT BONDS (NET)	316,200,000	321,100,000	(4,900,000)	(1.53%)
NON-UTILITY PROPERTY (NET)	3,550	3,550	0	0.00%	LONG TERM DEBT OTHER	62,157,786	63,189,179	(1,031,393)	(1.63%)
INVEST IN ASSOC ORGANIZATIONS	11,389,124	10,997,887	391,237	3.56%	TOTAL LONG TERM DEBT	378,357,786	384,289,179	(5,931,393)	(1.54%)
OTHER INVESTMENTS	0	0	0	0.00%	NOTES PAYABLE	5,931,393	5,545,000	386,393	6.97%
SPECIAL FUNDS	0	0	0	0.00%	ACCOUNTS PAYABLE	4,332,980	6,998,930	(2,665,950)	(38.09%)
TOTAL OTHER PROPERTY & INVEST	11,392,674	11,001,437	391,237	3.56%	CONSUMERS DEPOSITS	1,900,006	1,827,699	72,307	3.96%
CASH & TEMP INVESTMENTS	17,180,003	14,911,404	2,268,599	15.21%	OTHER CURRENT & ACCRUED LIABILITIES	22,388,672	22,040,078	348,594	1.58%
RESTRICTED CASH	713,614	735,551	(21,937)	(2.98%)	TOTAL CURRENT & ACCRUED LIABILITIES	34,553,051	36,411,707	(1,858,656)	(5.10%)
NOTES RECEIVABLE	0	0	0	0.00%	DEFERRED CREDITS	3,207,226	3,586,395	(379,169)	(10.57%)
ACCOUNTS RECEIVABLE (NET)	17,169,375	12,700,204	4,469,171	35.19%	MISCELLANEOUS OPERATING RESERVES	0	0	0	0.00%
MATERIALS AND SUPPLIES	24,581,307	25,430,123	(848,816)	(3.34%)	TOTAL LIABILITIES & PATR CAPITAL	554,449,757	558,782,882	(4,333,125)	(0.78%)
PREPAYMENTS	1,126,770	2,882,081	(1,755,311)	(60.90%)					
OTHER CURRENT & ACCRUED ASSETS	335,157	227,191	107,966	47.52%					
TOTAL CURRENT & ACCRUED ASSETS	61,106,226	56,886,554	4,219,672	7.42%					
DEFERRED DEBITS	19,907,682	25,900,093	(5,992,411)	(23.14%)					
TOTAL ASSETS	554,449,757	558,782,882	(4,333,125)	(0.78%)					

CHUGACH ELECTRIC ASSOCIATION, INC.
Statements of Cash Flows
(Unaudited)

	YTD June	
	2004	2003
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<u>Cash flows from operating activities:</u>		
Assignable margins	\$4,112,010	\$7,116,238
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Adjustments to reconcile assignable margins to net cash provided (used) by operating activities:		
Provision for rate refund	(671,071)	(4,790,712)
Depreciation & amortization	15,929,027	16,700,183
Capitalization of interest	(231,159)	(112,266)
Property gains / (losses)	0	(71,219)
Impairment of long-lived asset	0	1,846,816
Other	(30)	54
Changes in assets and liabilities:		
(Increase) decrease in assets:		
Fuel cost recovery	2,032,730	0
Accounts receivable	1,642,824	13,501,548
Prepayments	331,879	(928,731)
Materials and supplies	(2,692,513)	(1,682,533)
Deferred charges	944,007	(429,586)
Other	11,239	109,607
Increase (decrease) in liabilities:		
Accounts payable	(3,343,926)	(2,980,332)
Fuel payable	874,034	682,089
Consumer deposits	65,254	1,434
Accrued interest	8,042	(70,424)
Deferred credits	(920,669)	(1,221,591)
Other	1,535,722	582,511
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Net cash (used) provided by operating activities:	19,627,400	28,253,086
<u>Cash flows from investing activities:</u>		
Extension and replacement of plant	(8,495,474)	(9,926,020)
Investments in associated organizations	(7,298)	(34,226)
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Net cash used for investing activities:	(8,502,772)	(9,960,246)
<u>Cash flows from financing activities:</u>		
Short-term obligations	0	(6,081,250)
Proceeds from long-term obligations	0	0
Repayments of long-term obligations	(5,545,000)	(5,165,821)
Retirement of patronage capital	0	(60,208)
Other	415,289	641,551
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Net cash provided by financing activities:	(5,129,711)	(10,665,728)
Net increase (decrease) in cash and cash equivalents	5,994,917	7,627,112
<u>Cash and cash equivalents at beginning of year</u>	<u>\$11,185,086</u>	<u>\$7,284,292</u>
<u>Cash and cash equivalents at end of period</u>	<u>\$17,180,003</u>	<u>\$14,911,404</u>
<u>Supplemental disclosure of cash flow information</u>		
Interest expense paid, net of amounts capitalized	<u>\$10,598,271</u>	<u>\$11,725,209</u>