

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

SEPTEMBER, 2002

	<-----THIS MONTH'S PERFORMANCE ----->			<----- YEAR TO DATE ----->					
ITEM	SEPTEMBER BUDGET	SEPTEMBER ACTUAL	VARIANCE	CURRENT YTD BUDGET	CURRENT YTD ACTUAL	VARIANCE	% DIFF	LAST YEAR YTD ACTUAL	VARIANCE
REVENUES:									
RETAIL	8,215,159	8,523,584	308,425 F	82,726,555	83,057,498	330,943 F	0.40%	79,617,389	3,440,109 F
WHOLESALE	4,387,838	4,620,273	232,435 F	44,372,812	45,089,110	716,298 F	1.61%	41,797,103	3,292,007 F
ECONOMY ENERGY	361,505	346,351	(15,154) U	5,347,141	3,040,038	(2,307,103) U	(43.15%)	3,117,713	(77,675) U
OTHER	185,000	181,946	(3,054) U	1,665,000	1,742,946	77,946 F	4.68%	1,868,751	(125,805) U
1. TOTAL REVENUE	13,149,502	13,672,154	522,652 F	134,111,508	132,929,592	(1,181,916) U	(0.88%)	126,400,956	6,528,636 F
EXPENSES:									
2. FUEL	3,064,905	3,549,042	484,137 U	38,044,611	36,016,679	(2,027,932) F	(5.33%)	39,441,150	(3,424,471) F
3. POWER PRODUCTION EXPENSE	1,038,520	1,098,250	59,730 U	10,160,079	10,113,399	(46,680) F	(0.46%)	8,146,782	1,966,617 U
4. COST OF PURCHASED POWER	1,600,354	1,223,306	(377,048) F	14,001,728	14,172,137	170,409 U	1.22%	9,147,759	5,024,378 U
5. TRANSMISSION EXPENSE	321,149	240,516	(80,633) F	3,146,142	2,871,203	(274,939) F	(8.74%)	2,731,599	139,604 U
6. DISTRIBUTION EXPENSE-OPERATIONS	366,417	290,527	(75,890) F	3,290,086	3,117,810	(172,276) F	(5.24%)	3,141,374	(23,564) F
7. DISTRIBUTION EXPENSE-MAINTENANCE	480,431	497,730	17,299 U	4,571,572	4,629,091	57,519 U	1.26%	4,118,860	510,231 U
8. CONSUMER ACCOUNTS EXPENSE	392,348	396,876	4,528 U	3,674,315	3,640,344	(33,971) F	(0.92%)	3,478,106	162,238 U
9. CUSTOMER SERVICE/INFO EXPENSE	108,603	51,198	(57,405) F	1,048,677	733,606	(315,071) F	(30.04%)	564,648	168,958 U
10. SALES EXPENSE	0	0	0 U	0	0	0 U	0.00%	352,051	(352,051) F
11. ADMINISTRATIVE/GENERAL EXPENSE	1,481,568	1,588,387	106,819 U	14,468,175	14,514,834	46,659 U	0.32%	13,233,760	1,281,074 U
12. TOTAL OPERATIONS/MAINTENANCE EXP.	8,854,295	8,935,832	81,537 U	92,405,385	89,809,103	(2,596,282) F	(2.81%)	84,356,089	5,453,014 U
13. DEPRECIATION/AMORTIZATION EXP.	2,152,708	2,100,350	(52,358) F	19,021,804	18,862,948	(158,856) F	(0.84%)	18,678,752	184,196 U
14. TAX EXPENSE-OTHER	57,366	59,551	2,185 U	554,583	588,471	33,888 U	6.11%	566,497	21,974 U
15. LONG TERM INTEREST EXP.	2,043,266	1,999,938	(43,328) F	20,303,934	20,158,954	(144,980) F	(0.71%)	20,116,937	42,017 U
16. (INTEREST DURING CONSTRUCTION)	(110,680)	(26,527)	84,153 U	(814,100)	(358,663)	455,437 U	55.94%	(814,285)	455,622 U
17. SHORT TERM INTEREST EXP.	40,000	27,072	(12,928) F	40,000	229,436	189,436 U	100.00%	1,105,954	(876,518) F
18. OTHER DEDUCTIONS	8,333	240,645	232,312 U	74,997	367,344	292,347 U	389.81%	151,012	216,332 U
19. TOTAL COST OF ELECTRIC SERVICE	13,045,288	13,336,861	291,573 U	131,586,603	129,657,593	(1,929,010) F	(1.47%)	124,160,956	5,496,637 U
20. PATRON CAPITAL/OPER. MARGINS	104,214	335,293	231,079 F	2,524,905	3,271,999	747,094 F	29.59%	2,240,000	1,031,999 F
21. NON-OPER. MARGINS-INTEREST	5,287	28,422	23,135 F	87,736	638,401	550,665 F	627.64%	536,827	101,574 F
22. ALLOW-FUNDS DURING CONSTRUCTION	18,974	(17,635)	(36,609) U	139,559	42,768	(96,791) U	(69.35%)	233,837	(191,069) U
23. NON-OPER. MARGINS-OTHER	0	6,063	6,063 F	0	(188,752)	(188,752) U	100.00%	(180,455)	(8,297) 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%	147,981	75,961 F
26. EXTRAORDINARY ITEMS	0	0	0	0	0	0	0.00%	0	0
27. PATRON CAPITAL/MARGINS	128,475	352,143	223,668 F	2,752,200	3,988,358	1,236,158 F	44.92%	2,978,190	1,010,168 F

F = FAVORABLE U = UNFAVORABLE

CHUGACH ELECTRIC ASSOCIATION, INC.
COMPARATIVE FINANCIAL REPORT
BALANCE SHEET

SEPTEMBER, 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	732,604,958	703,708,999	28,895,959	4.11%	MEMBERSHIPS	1,095,448	1,046,623	48,825	4.67%
CONST WORK IN PROGRESS	<u>24,524,836</u>	<u>37,697,915</u>	<u>(13,173,079)</u>	<u>(34.94%)</u>	PATRONAGE CAPITAL AND MARGINS	128,982,617	125,694,219	3,288,398	2.62%
TOTAL UTILITY PLANT	757,129,794	741,406,914	15,722,880	2.12%	OTHER MARGINS & EQUITIES	<u>5,398,261</u>	<u>4,703,221</u>	<u>695,040</u>	<u>14.78%</u>
ACCUMULATED DEPR/AMORT	<u>(275,048,177)</u>	<u>(260,069,559)</u>	<u>(14,978,618)</u>	<u>5.76%</u>	TOTAL MARGINS & EQUITIES	135,476,326	131,444,063	4,032,263	3.07%
NET UTILITY PLANT	482,081,617	481,337,355	744,262	0.15%	LONG TERM DEBT BONDS (NET)	394,134,179	369,310,000	24,824,179	6.72%
NON-UTILITY PROPERTY (NET)	3,550	3,550	0	0.00%	LONG TERM DEBT OTHER	<u>392,255</u>	<u>474,925</u>	<u>(82,670)</u>	<u>(17.41%)</u>
INVEST IN ASSOC ORGANIZATIONS	10,540,200	9,925,351	614,849	6.19%	TOTAL LONG TERM DEBT	394,526,434	369,784,925	24,741,509	6.69%
OTHER INVESTMENTS	4,746	11,865	(7,119)	100.00%	NOTES PAYABLE	11,865,821	15,409,945	(3,544,124)	(23.00%)
SPECIAL FUNDS	<u>0</u>	<u>0</u>	<u>0</u>	<u>0.00%</u>	ACCOUNTS PAYABLE	5,371,145	4,829,124	542,021	11.22%
TOTAL OTHER PROPERTY & INVEST	10,548,496	9,940,766	607,730	6.11%	CONSUMERS DEPOSITS	1,763,540	1,548,300	215,240	13.90%
CASH & TEMP INVESTMENTS	3,641,752	5,842,617	(2,200,865)	(37.67%)	OTHER CURRENT & ACCRUED LIABILITIES	<u>15,037,899</u>	<u>15,460,410</u>	<u>(422,511)</u>	<u>(2.73%)</u>
RESTRICTED CASH	809,407	402,457	406,950	101.12%	TOTAL CURRENT & ACCRUED LIABILITIES	34,038,405	37,247,779	(3,209,374)	(8.62%)
NOTES RECEIVABLE	0	0	0	0.00%	DEFERRED CREDITS	3,668,502	19,734,679	(16,066,177)	(81.41%)
ACCOUNTS RECEIVABLE (NET)	16,027,570	19,490,052	(3,462,482)	(17.77%)	MISCELLANEOUS OPERATING RESERVES	<u>0</u>	<u>0</u>	<u>0</u>	<u>0.00%</u>
MATERIALS AND SUPPLIES	21,136,198	14,981,362	6,154,836	41.08%	TOTAL LIABILITIES & PATR CAPITAL	<u>567,709,667</u>	<u>558,211,446</u>	<u>9,498,221</u>	<u>1.70%</u>
PREPAYMENTS	3,085,380	1,512,433	1,572,947	104.00%					
OTHER CURRENT & ACCRUED ASSETS	<u>342,150</u>	<u>334,582</u>	<u>7,568</u>	<u>2.26%</u>					
TOTAL CURRENT & ACCRUED ASSETS	45,042,457	42,563,503	2,478,954	5.82%					
DEFERRED DEBITS	<u>30,037,097</u>	<u>24,369,822</u>	<u>5,667,275</u>	<u>23.26%</u>					
TOTAL ASSETS	<u>567,709,667</u>	<u>558,211,446</u>	<u>9,498,221</u>	<u>1.70%</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	178,540,813
EXPENSES:			
2. FUEL EXPENSE	48,932,542	48,932,542	46,357,487
3. POWER PRODUCTION EXPENSE	12,589,490	13,418,242	13,919,053
4. COST OF PURCHASED POWER	18,705,450	18,705,450	18,875,490
5. TRANSMISSION EXPENSE	4,062,202	4,052,200	3,777,262
6. DISTRIBUTION EXPENSE-OPERATIONS	4,325,837	4,325,842	4,153,565
7. DISTRIBUTION EXPENSE-MAINTENANCE	6,021,284	6,011,281	6,068,799
8. CONSUMER ACCOUNTS EXPENSE	5,267,945	4,922,944	4,878,663
9. CUSTOMER SERVICE/INFO EXPENSE	1,386,358	1,386,358	1,071,288
10. SALES EXPENSE	0	0	0
11. ADMINISTRATIVE/GENERAL EXPENSE	18,546,247	18,898,146	18,955,117
12. TOTAL OPERATIONS/MAINTENANCE EXP.	119,837,355	120,653,005	118,056,724
13. DEPRECIATION/AMORTIZATION EXPENSE	28,595,017	25,559,638	25,400,771
14. TAX EXPENSE-OTHER	724,100	724,100	757,989
15. INTEREST-LONG TERM DEBT	26,433,731	26,433,731	26,288,751
16. INTEREST ON CONSTRUCTION-CREDIT	(1,510,463)	(1,057,323)	(601,886)
17. INTEREST EXPENSE-OTHER	90,000	90,000	243,915
18. OTHER DEDUCTIONS	100,000	100,000	392,348
19. TOTAL COST OF ELECTRIC SERVICE	174,269,740	172,503,151	170,538,612
20. PATRONAGE CAPITAL/OPERATING MARGINS	6,331,120	7,219,579	8,002,201
21. NON-OPERATING MARGINS-INTEREST	116,426	116,426	667,092
22. ALLOWANCE FUNDS USED DURING CONST.	453,139	181,285	84,463
23. NON-OPERATING MARGINS-OTHER	0	0	(188,751)
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	8,087,290	9,358,947
MFI/I	1.28	1.30	1.35

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

** Forecast based on 9 months actual and 3 months budget with adjustments for updated depreciation and AFUDC/IDC and other requested budget revis

CHUGACH ELECTRIC ASSOCIATION, INC.

Statements of Cash Flows

(Unaudited)

	YTD September 2002	YTD September 2001
<u>Cash flows from operating activities:</u>		
Assignable margins	\$3,988,358	\$2,978,190
Net cash provided by operating activities:	87,891	9,368,567
<u>Cash flows from investing activities:</u>		
Extension and replacement of plant	(19,991,113)	(30,861,232)
Investments in associated organizations	(60,730)	(80,063)
Net cash used for investing activities:	(20,051,843)	(30,941,295)
<u>Cash flows from financing activities:</u>		
Short-term obligations	11,000,000	(35,000,000)
Proceeds from long-term obligations	180,000,000	150,000,000
Repayments of long-term obligations	(170,802,614)	(89,008,205)
Retirement of patronage capital	(337,077)	(349,468)
Other	(69,372)	77,856
Net cash provided by financing activities:	19,790,937	25,720,183
Net increase (decrease) in cash and cash equivalents	(173,015)	4,147,455
<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>	\$3,641,752	\$5,842,617
<u>Supplemental disclosure of cash flow information</u>		
Interest expense paid, net of amounts capitalized	\$24,027,996	\$24,867,255