

CHUGACH ELECTRIC ASSOCIATION, INC.
COMPARATIVE FINANCIAL REPORT
OPERATING STATEMENT

AUGUST, 2002

ITEM	<-----THIS MONTH'S PERFORMANCE ----->			<----- YEAR TO DATE ----->					
	AUGUST BUDGET	AUGUST ACTUAL	VARIANCE	CURRENT YTD BUDGET	CURRENT YTD ACTUAL	VARIANCE	% DIFF	LAST YEAR YTD ACTUAL	VARIANCE
REVENUES:									
RETAIL	8,191,018	8,756,002	564,984 F	74,511,396	74,533,914	22,518 F	0.03%	70,930,976	3,602,938 F
WHOLESALE	4,375,328	4,750,136	374,808 F	39,984,974	40,468,837	483,863 F	1.21%	36,710,241	3,758,596 F
ECONOMY ENERGY	445,884	319,274	(126,610) U	4,985,636	2,693,687	(2,291,949) U	(45.97%)	2,619,268	74,419 F
OTHER	185,000	205,849	20,849 F	1,480,000	1,561,000	81,000 F	5.47%	1,675,897	(114,897) U
1. TOTAL REVENUE	13,197,230	14,031,261	834,031 F	120,962,006	119,257,438	(1,704,568) U	(1.41%)	111,936,382	7,321,056 F
EXPENSES:									
2. FUEL	3,283,722	3,862,735	579,013 U	35,004,906	32,467,637	(2,537,269) F	(7.25%)	35,291,709	(2,824,072) F
3. POWER PRODUCTION EXPENSE	1,034,380	873,428	(160,952) F	8,543,883	9,015,149	471,266 U	5.52%	7,351,710	1,663,439 U
4. COST OF PURCHASED POWER	1,610,918	1,479,162	(131,756) F	12,401,374	12,948,831	547,457 U	4.41%	7,514,031	5,434,800 U
5. TRANSMISSION EXPENSE	347,876	304,334	(43,542) F	2,824,993	2,630,687	(194,306) F	(6.88%)	2,441,939	188,748 U
6. DISTRIBUTION EXPENSE-OPERATIONS	378,669	429,147	50,478 U	2,923,669	2,827,282	(96,387) F	(3.30%)	2,878,625	(51,343) F
7. DISTRIBUTION EXPENSE-MAINTENANCE	530,452	485,434	(45,018) F	4,091,141	4,131,361	40,220 U	0.98%	3,629,717	501,644 U
8. CONSUMER ACCOUNTS EXPENSE	422,186	407,946	(14,240) F	3,281,967	3,243,468	(38,499) F	(1.17%)	3,089,500	153,968 U
9. CUSTOMER SERVICE/INFO EXPENSE	125,423	174,409	48,986 U	940,074	682,408	(257,666) F	(27.41%)	494,039	188,369 U
10. SALES EXPENSE	0	0	0 U	0	0	0 U	0.00%	309,429	(309,429) F
11. ADMINISTRATIVE/GENERAL EXPENSE	1,721,705	1,798,337	76,632 U	12,986,607	12,926,448	(60,159) F	(0.46%)	11,968,334	958,114 U
12. TOTAL OPERATIONS/MAINTENANCE EXP.	9,455,331	9,814,932	359,601 U	82,998,614	80,873,271	(2,125,343) F	(2.56%)	74,969,033	5,904,238 U
13. DEPRECIATION/AMORTIZATION EXP.	2,148,694	2,101,128	(47,566) F	16,869,096	16,762,597	(106,499) F	(0.63%)	16,556,193	206,404 U
14. TAX EXPENSE-OTHER	56,999	66,932	9,933 U	497,217	528,921	31,704 U	6.38%	508,823	20,098 U
15. LONG TERM INTEREST EXP.	2,043,266	2,011,633	(31,633) F	18,260,668	18,159,015	(101,653) F	(0.56%)	17,779,015	380,000 U
16. (INTEREST DURING CONSTRUCTION)	(103,607)	(40,629)	62,978 U	(703,420)	(332,137)	371,283 U	52.78%	(682,025)	349,888 U
17. SHORT TERM INTEREST EXP.	0	21,647	21,647 U	0	202,364	202,364 U	100.00%	1,091,787	(889,423) F
18. OTHER DEDUCTIONS	8,333	53,914	45,581 U	66,664	126,700	60,036 U	90.06%	146,591	(19,891) F
19. TOTAL COST OF ELECTRIC SERVICE	13,609,016	14,029,557	420,541 U	117,988,839	116,320,731	(1,668,108) F	(1.41%)	110,369,417	5,951,314 U
20. PATRON CAPITAL/OPER. MARGINS	(411,786)	1,704	413,490 F	2,973,167	2,936,707	(36,460) U	(1.23%)	1,566,965	1,369,742 F
21. NON-OPER. MARGINS-INTEREST	8,706	31,370	22,664 F	82,449	609,979	527,530 F	639.83%	492,026	117,953 F
22. ALLOW-FUNDS DURING CONSTRUCTION	17,761	9,353	(8,408) U	120,585	60,403	(60,182) U	(49.91%)	194,835	(134,432) U
23. NON-OPER. MARGINS-OTHER	0	(1,102)	(1,102) U	0	(194,815)	(194,815) U	100.00%	11,683	(206,498) U
24. G/T CAPITAL CREDITS	0	0	0 U	0	0	0 U	0.00%	0	0 U
25. OTHER CAPITAL CREDITS	0	0	0 U	0	223,942	223,942 F	0.00%	105,090	118,852 F
26. EXTRAORDINARY ITEMS	0	0	0 U	0	0	0 U	0.00%	0	0 U
27. PATRON CAPITAL/MARGINS	(385,319)	41,325	426,644 F	3,176,201	3,636,216	460,015 F	14.48%	2,370,599	1,265,617 F

F = FAVORABLE U = UNFAVORABLE

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

AUGUST, 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	727,336,595	702,477,728	24,858,867	3.54%	MEMBERSHIPS	1,089,583	1,041,463	48,120	4.62%
CONST WORK IN PROGRESS	<u>28,002,907</u>	<u>35,608,160</u>	<u>(7,605,253)</u>	<u>(21.36%)</u>	PATRONAGE CAPITAL AND MARGINS	128,657,134	125,111,318	3,545,816	2.83%
					OTHER MARGINS & EQUITIES	<u>5,401,343</u>	<u>4,714,895</u>	<u>686,448</u>	<u>14.56%</u>
TOTAL UTILITY PLANT	755,339,502	738,085,888	17,253,614	2.34%	TOTAL MARGINS & EQUITIES	135,148,060	130,867,676	4,280,384	3.27%
ACCUMULATED DEPR/AMORT	<u>(273,187,282)</u>	<u>(257,899,645)</u>	<u>(15,287,637)</u>	<u>5.93%</u>	LONG TERM DEBT BONDS (NET)	394,134,179	369,310,000	24,824,179	6.72%
NET UTILITY PLANT	482,152,220	480,186,243	1,965,977	0.41%	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	9,913,546	627,800	6.33%	NOTES PAYABLE	5,865,821	10,580,268	(4,714,447)	(44.56%)
OTHER INVESTMENTS	5,340	12,459	(7,119)	100.00%	ACCOUNTS PAYABLE	6,000,851	6,658,310	(657,459)	(9.87%)
SPECIAL FUNDS	<u>0</u>	<u>0</u>	<u>0</u>	<u>0.00%</u>	CONSUMERS DEPOSITS	1,735,675	1,505,865	229,810	15.26%
TOTAL OTHER PROPERTY & INVEST	10,550,236	9,929,555	620,681	6.25%	OTHER CURRENT & ACCRUED LIABILITIES	<u>18,907,575</u>	<u>22,386,407</u>	<u>(3,478,832)</u>	<u>(15.54%)</u>
CASH & TEMP INVESTMENTS	531,139	11,257,177	(10,726,038)	(95.28%)	TOTAL CURRENT & ACCRUED LIABILITIES	32,509,922	41,130,850	(8,620,928)	(20.96%)
RESTRICTED CASH	855,633	486,134	369,499	76.01%	DEFERRED CREDITS	3,746,035	19,711,153	(15,965,118)	(81.00%)
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)	15,842,192	17,425,165	(1,582,973)	(9.08%)	TOTAL LIABILITIES & PATR CAPITAL	<u>565,930,451</u>	<u>561,494,604</u>	<u>4,435,847</u>	<u>0.79%</u>
MATERIALS AND SUPPLIES	21,323,206	15,365,656	5,957,550	38.77%					
PREPAYMENTS	3,299,474	1,059,293	2,240,181	211.48%					
OTHER CURRENT & ACCRUED ASSETS	<u>296,376</u>	<u>289,567</u>	<u>6,809</u>	<u>2.35%</u>					
TOTAL CURRENT & ACCRUED ASSETS	42,148,020	45,882,992	(3,734,972)	(8.14%)					
DEFERRED DEBITS	<u>31,079,975</u>	<u>25,495,814</u>	<u>5,584,161</u>	<u>21.90%</u>					
TOTAL ASSETS	<u><u>565,930,451</u></u>	<u><u>561,494,604</u></u>	<u><u>4,435,847</u></u>	<u><u>0.79%</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	178,018,161
EXPENSES:			
2. FUEL EXPENSE	48,932,542	48,932,542	45,862,933
3. POWER PRODUCTION EXPENSE	12,589,490	12,796,707	13,800,681
4. COST OF PURCHASED POWER	18,705,450	18,705,450	19,252,538
5. TRANSMISSION EXPENSE	4,062,202	4,052,200	3,857,895
6. DISTRIBUTION EXPENSE-OPERATIONS	4,325,837	4,325,842	4,229,455
7. DISTRIBUTION EXPENSE-MAINTENANCE	6,021,284	6,011,281	6,051,500
8. CONSUMER ACCOUNTS EXPENSE	5,267,945	4,922,944	4,874,135
9. CUSTOMER SERVICE/INFO EXPENSE	1,386,358	1,386,358	1,128,693
10. SALES EXPENSE	0	0	0
11. ADMINISTRATIVE/GENERAL EXPENSE	18,546,247	18,898,146	18,848,298
12. TOTAL OPERATIONS/MAINTENANCE EXP.	119,837,355	120,031,470	117,906,128
13. DEPRECIATION/AMORTIZATION EXPENSE	28,595,017	25,559,638	25,453,130
14. TAX EXPENSE-OTHER	724,100	724,100	755,805
15. INTEREST-LONG TERM DEBT	26,433,731	26,433,731	26,332,079
16. INTEREST ON CONSTRUCTION-CREDIT	(1,510,463)	(1,057,323)	(686,039)
17. INTEREST EXPENSE-OTHER	90,000	90,000	256,843
18. OTHER DEDUCTIONS	100,000	100,000	160,036
19. TOTAL COST OF ELECTRIC SERVICE	174,269,740	171,881,616	170,177,982
20. PATRONAGE CAPITAL/OPERATING MARGINS	6,331,120	7,841,114	7,840,179
21. NON-OPERATING MARGINS-INTEREST	116,426	116,426	643,956
22. ALLOWANCE FUNDS USED DURING CONST.	453,139	181,285	121,072
23. NON-OPERATING MARGINS-OTHER	0	0	(194,814)
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	8,708,825	9,204,335
 MFI/I	 1.28	 1.33	 1.35

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

** Forecast based on 8 months actual and 4 months budget with adjustments for updated depreciation and AFUDC/IDC and other requested budget revisions

CHUGACH ELECTRIC ASSOCIATION, INC.

Statements of Cash Flows

(Unaudited)

	YTD August 2002	YTD August 2001
<u>Cash flows from operating activities:</u>		
Assignable margins	\$3,636,216	\$2,370,599
Net cash provided (used) by operating activities:	(482,894)	14,884,836
<u>Cash flows from investing activities:</u>		
Extension and replacement of plant	(16,526,852)	(26,202,702)
Investments in associated organizations	(62,470)	(68,851)
Net cash used for investing activities:	(16,589,322)	(26,271,553)
<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	(313,200)	(318,264)
Other	(95,597)	104,878
Net cash provided by financing activities:	13,788,588	20,948,732
Net increase (decrease) in cash and cash equivalents	(3,283,628)	9,562,015
<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>	\$531,139	\$11,257,177
<u>Supplemental disclosure of cash flow information</u>		
Interest expense paid, net of amounts capitalized	\$19,793,688	\$12,838,699

September YTD 2002 Comparative Operating Statement

	BUDGET	ACTUAL	VARIANCE	% DIFF
REVENUES:				
RETAIL	82,726,555	83,057,498	330,943	0.4%
WHOLESALE	44,372,812	45,089,110	716,298	1.6%
ECONOMY ENERGY	5,347,141	3,040,038	(2,307,103)	(43.1%)
OTHER	1,665,000	1,742,946	77,946	4.7%
1. TOTAL REVENUE	134,111,508	132,929,592	(1,181,916)	(0.9%)
EXPENSES:				
2. FUEL EXPENSE	38,044,611	36,016,679	(2,027,932)	(5.3%)
3. POWER PRODUCTION EXPENSE	10,160,079	10,113,399	(46,680)	(0.5%)
4. COST OF PURCHASED POWER	14,001,728	14,172,137	170,409	1.2%
5. TRANSMISSION EXPENSE	3,146,142	2,871,203	(274,939)	(8.7%)
6. DISTRIBUTION EXPENSE-OPERATIONS	3,290,086	3,117,810	(172,276)	(5.2%)
7. DISTRIBUTION EXPENSE-MAINTENANCE	4,571,572	4,629,091	57,519	1.3%
8. CONSUMER ACCOUNTS EXPENSE	3,674,315	3,640,344	(33,971)	(0.9%)
9. CUSTOMER SERVICE/INFO EXPENSE	1,048,677	733,606	(315,071)	(30.0%)
10. SALES EXPENSE	0	0	0	0.0%
11. ADMINISTRATIVE/GENERAL EXPENSE	14,468,175	14,514,834	46,659	0.3%
12. TOTAL OPERATIONS/MAINTENANCE EXP.	92,405,385	89,809,103	(2,596,282)	(2.8%)

September YTD 2002 Comparative Operating Statement

(Continued)

	BUDGET	ACTUAL	VARIANCE	% DIFF
REVENUES:				
1. TOTAL REVENUE	134,111,508	132,929,592	(1,181,916)	(0.9%)
12. TOTAL OPERATIONS/MAINTENANCE EXP.	92,405,385	89,809,103	(2,596,282)	(2.8%)
13. DEPRECIATION/AMORTIZATION EXP.	19,021,804	18,862,948	(158,856)	(0.8%)
14. TAX EXPENSE-OTHER	554,583	588,471	33,888	6.1%
15. LONG TERM INTEREST EXP.	20,303,934	20,158,954	(144,980)	(0.7%)
16. INTEREST DURING CONSTRUCTION (CR)	(814,100)	(358,663)	455,437	55.9%
17. SHORT TERM INTEREST EXP.	40,000	229,436	189,436	100.0%
18. OTHER DEDUCTIONS	74,997	367,344	292,347	389.8%
19. TOTAL COST OF ELECTRIC SERVICE	131,586,603	129,657,593	(1,929,010)	(1.5%)
20. PATRON CAPITAL/OPER. MARGINS	2,524,905	3,271,999	747,094	29.6%
21. NON-OPER. MARGINS-INTEREST	87,736	638,401	550,665	627.6%
22. ALLOW-FUNDS DURING CONSTRUCTION	139,559	42,768	(96,791)	(69.4%)
23. NON-OPER. MARGINS-OTHER	0	(188,752)	(188,752)	100.0%
24. G/T CAPITAL CREDITS	0	0	0	0.0%
25. OTHER CAPITAL CREDITS	0	223,942	223,942	100.0%
26. EXTRAORDINARY ITEMS	0	0	0	0.0%
27. PATRON CAPITAL/MARGINS	2,752,200	3,988,358	1,236,158	44.9%

2002 Comparative Operating Statement

	APPROVED BUDGET	REVISED BUDGET	REVISED FORECAST
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

2002 Comparative Operating Statement

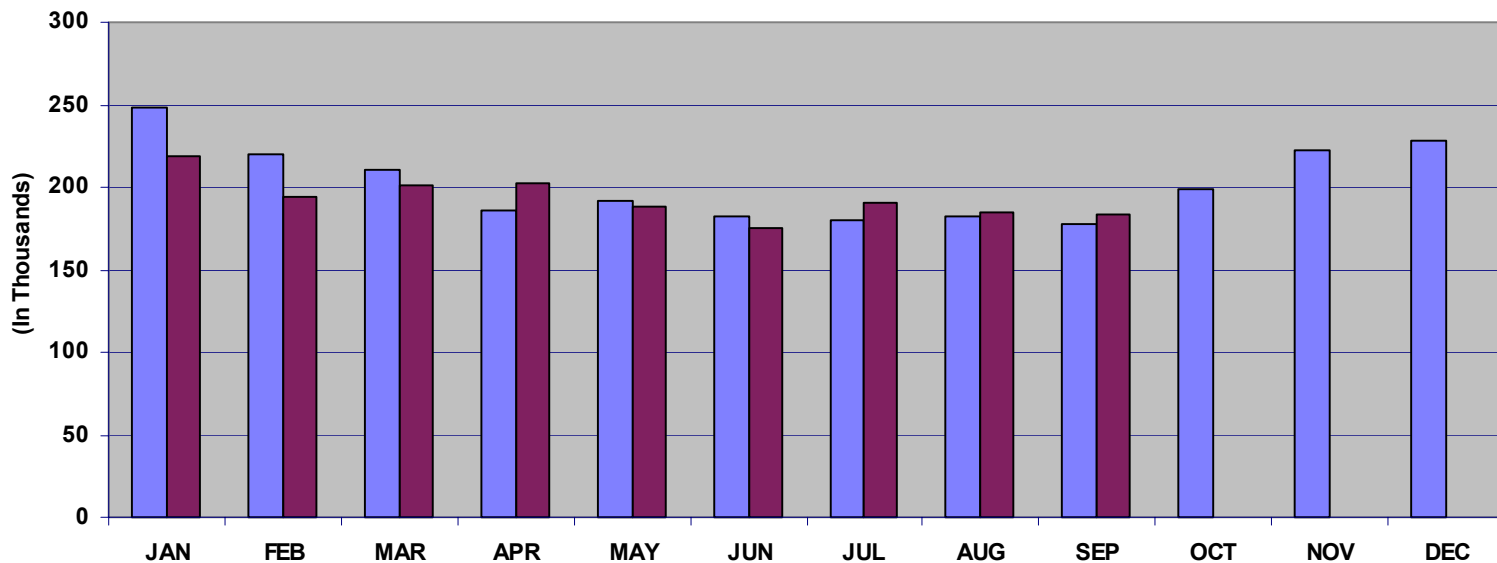
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	APPROVED BUDGET	REVISED BUDGET	REVISED FORECAST
1. TOTAL REVENUE	180,600,860	179,722,730	178,540,813
12. TOTAL OPERATIONS/MAINTENANCE EXP.	119,837,355	120,653,005	118,056,724
13. DEPRECIATION/AMORTIZATION EXP.	28,595,017	25,559,638	25,400,771
14. TAX EXPENSE-OTHER	724,100	724,100	757,989
15. LONG TERM INTEREST EXP.	26,433,731	26,433,731	26,288,751
16. (INTEREST DURING CONSTRUCTION)	(1,510,463)	(1,057,323)	(601,886)
17. SHORT TERM INTEREST EXP.	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. PATRON CAPITAL/OPER. MARGINS	6,331,120	7,219,579	8,002,201
21. NON-OPER. MARGINS-INTEREST	116,426	116,426	667,092
22. ALLOW-FUNDS DURING CONSTRUCTION	453,139	181,285	84,463
23. NON-OPER. MARGINS-OTHER	0	0	(188,751)
24. G/T CAPITAL CREDITS	0	0	0
25. OTHER CAPITAL CREDITS	570,000	570,000	793,942
26. EXTRAORDINARY ITEMS	0	0	0
27. PATRON CAPITAL/MARGINS	7,470,685	8,087,290	9,358,947
MFI/I	1.28	1.30	1.35

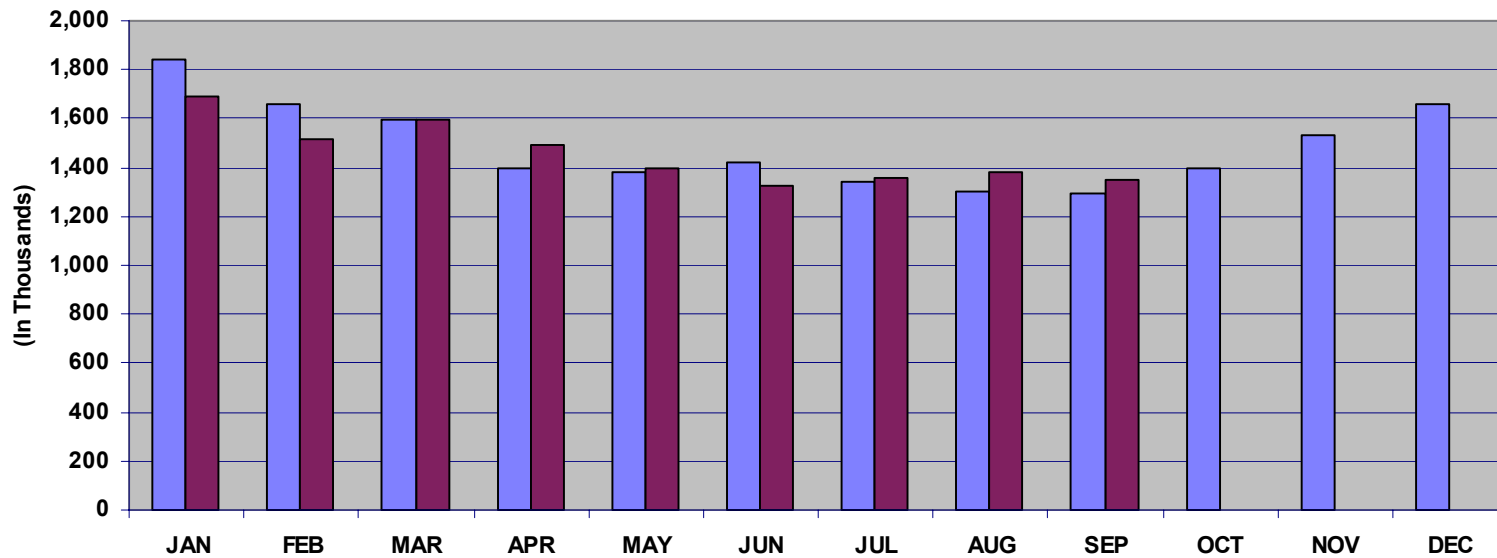
September 2002 YTD kWh Sales

DESCRIPTION	BUDGET	ACTUAL	VARIANCE	VARIANCE %	ANNUAL BUDGET
RESIDENTIAL SALES	388,034,911	389,184,696	1,149,785	0.30%	533,014,988
SMALL GENERAL SERVICE	69,112,116	67,204,643	(1,907,473)	-2.76%	94,804,000
LARGE GENERAL SERVICE	363,904,730	367,697,094	3,792,364	1.04%	493,771,320
USPS	3,885,731	3,880,422	(5,309)	-0.14%	5,266,000
LIGHTING	3,104,676	3,069,781	(34,895)	-1.12%	4,806,000
TOTAL RETAIL KWH SALES	828,042,164	831,036,636	2,994,472	0.36%	1,131,662,308
HOMER	359,485,264	360,613,243	1,127,979	0.31%	488,431,065
MATANUSKA	414,258,461	421,964,434	7,705,973	1.86%	579,382,463
SEWARD	44,915,696	45,744,813	829,117	1.85%	60,533,283
ML&P	0	0	0	0.00%	0
TOTAL WHOLESALE KWH SALES	818,659,421	828,322,490	9,663,069	1.18%	1,128,346,811
GOLDEN VALLEY	130,673,000	80,537,210	(50,135,790)	-38.37%	166,837,000
TOTAL ECONOMY ENERGY KWH SALES	130,673,000	80,537,210	(50,135,790)	-38.37%	166,837,000
TOTAL KWH SALES	1,777,374,585	1,739,896,336	(37,478,249)	-2.11%	2,426,846,119

2002 Total kWh Sales

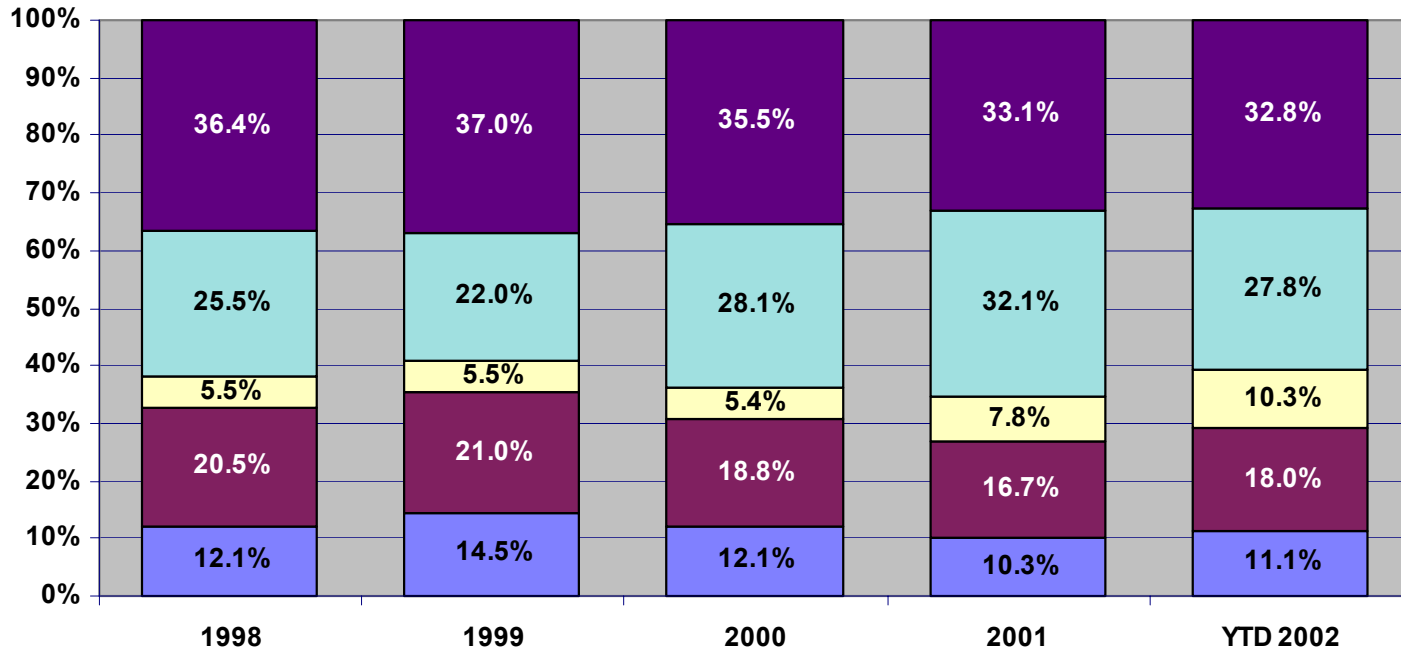


2002 Total Sales Revenue



Legend: Budget (Blue), Actual (Maroon)

Total Cost of Service (% Breakdown)



■ % Variable Costs
 ■ % Labor Costs
 ■ % Purch Pwr Costs
 ■ % Fuel Costs
 ■ % Fixed Costs

Fixed Costs:

- ❖ Payment for Northern Intertie O&M
- ❖ Payment to HEA for Bradley Lake Scheduling Rights
- ❖ Facility and Line Leases
- ❖ Depreciation and Amortization Expense
- ❖ Interest Expense
- ❖ Amortization of Fuel Contract Negotiation Expenses
- ❖ Amortization of Software Installation Costs
- ❖ Amortization of the Beluga Unit #8 and Steam Plant Overhaul
- ❖ Other Deductions

Purchased Power Costs:

- ❖ Power from Bradley Lake (contractually fixed price, not based on usage)
- ❖ Power from Nikiski Unit #1
- ❖ Power from ML&P

Fuel Costs:

- ❖ Fuel Expense

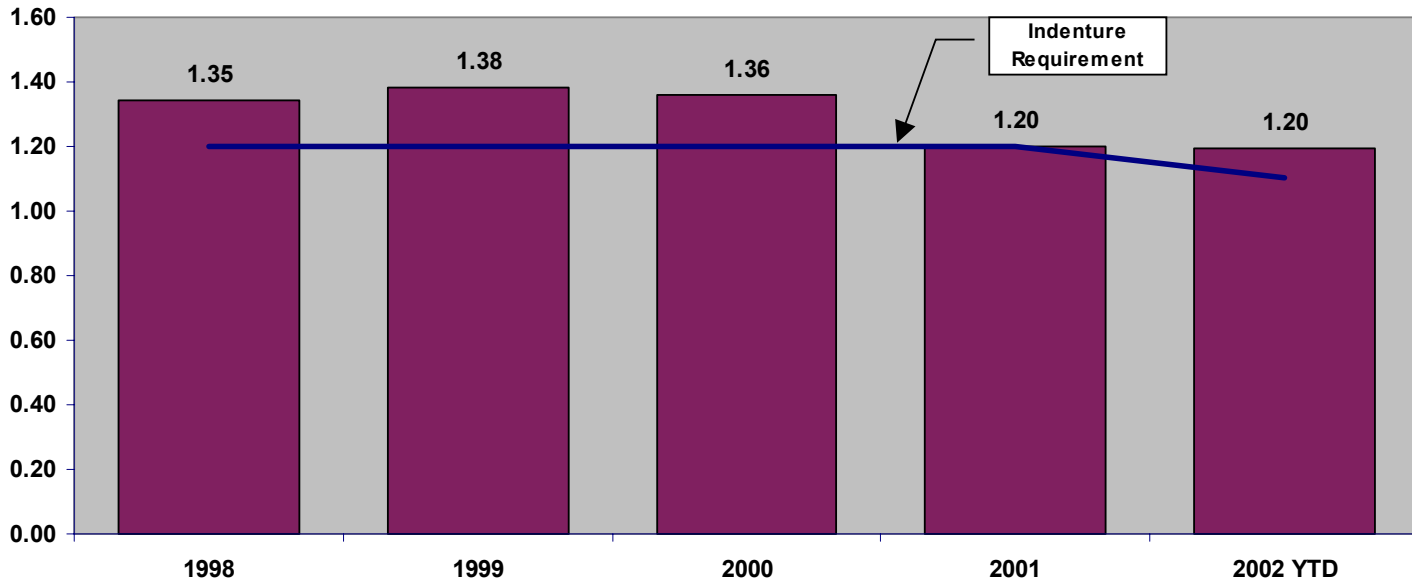
Labor Costs:

- ❖ All Expensed Labor and Indirect Labor Costs

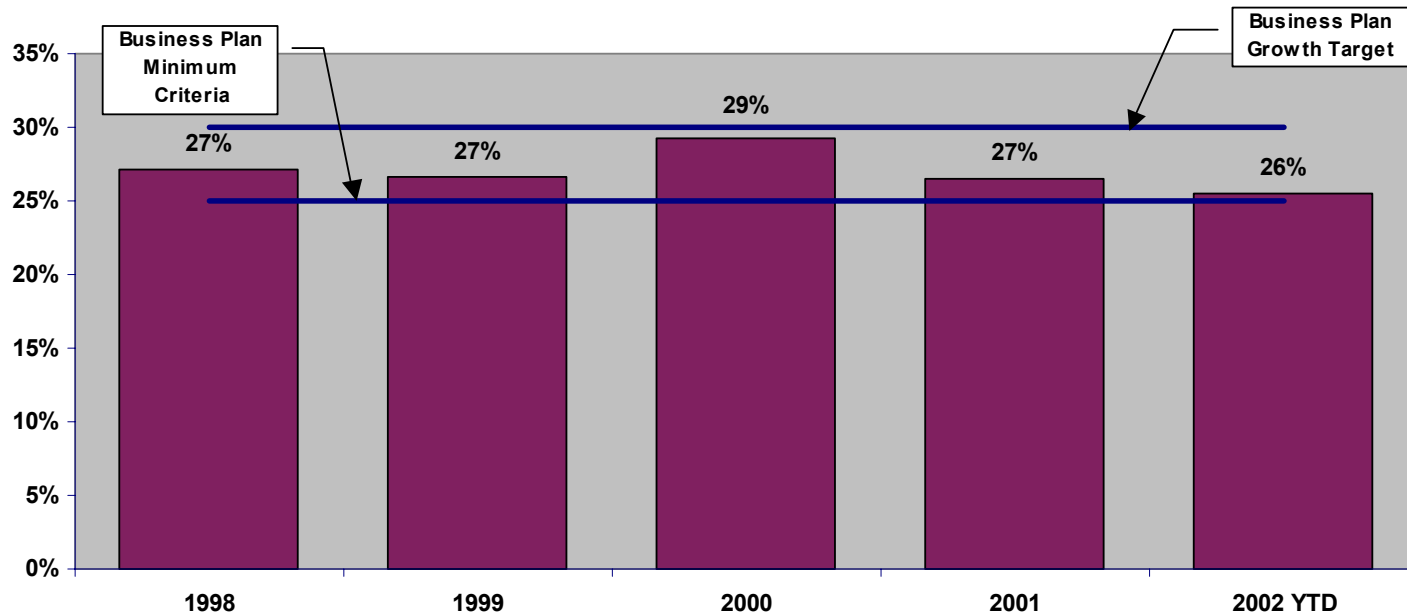
Variable Costs:

- ❖ All Expensed Costs not specifically listed else

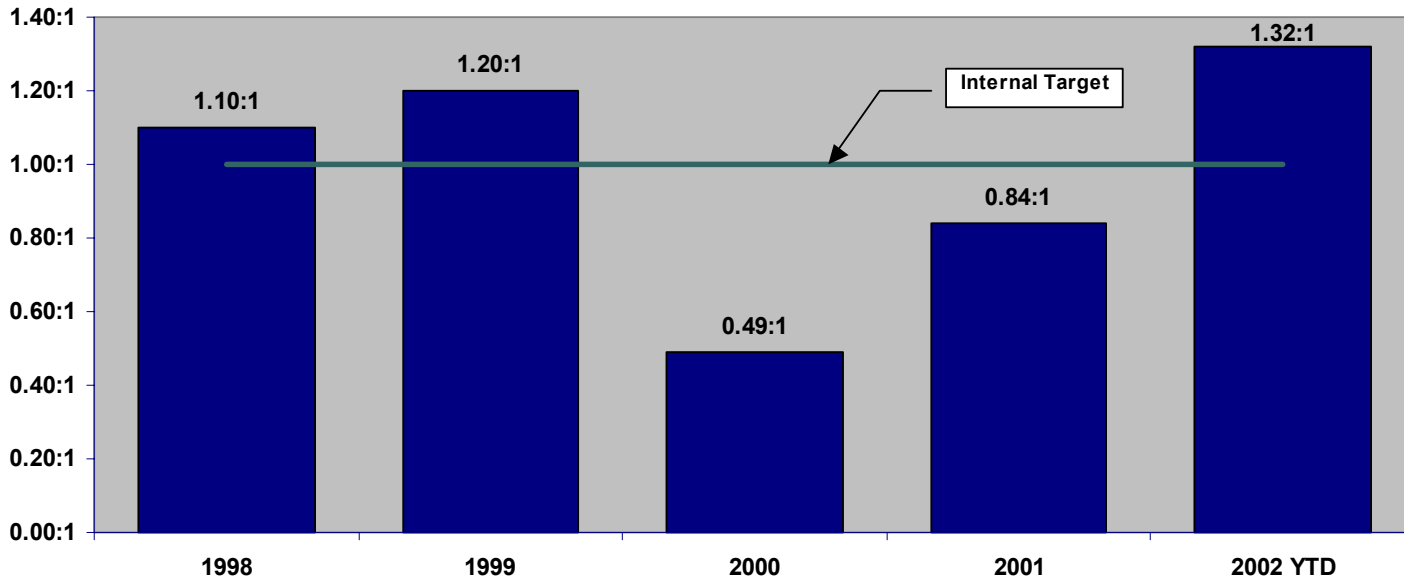
MFI/I



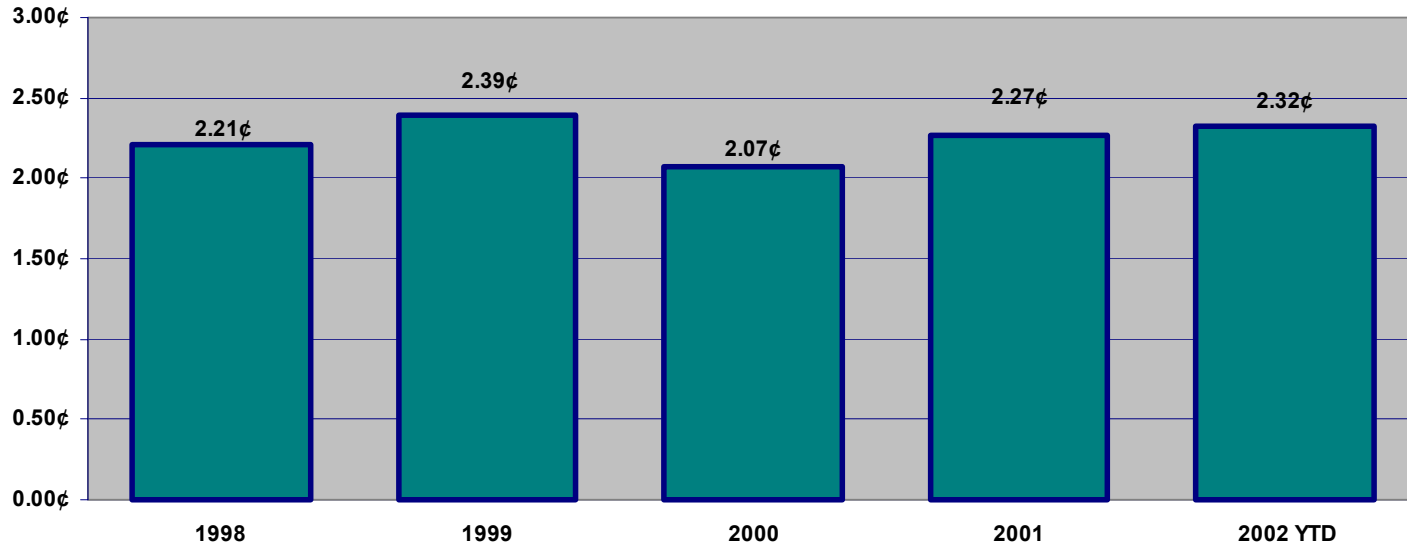
Equity/Total Capitalization



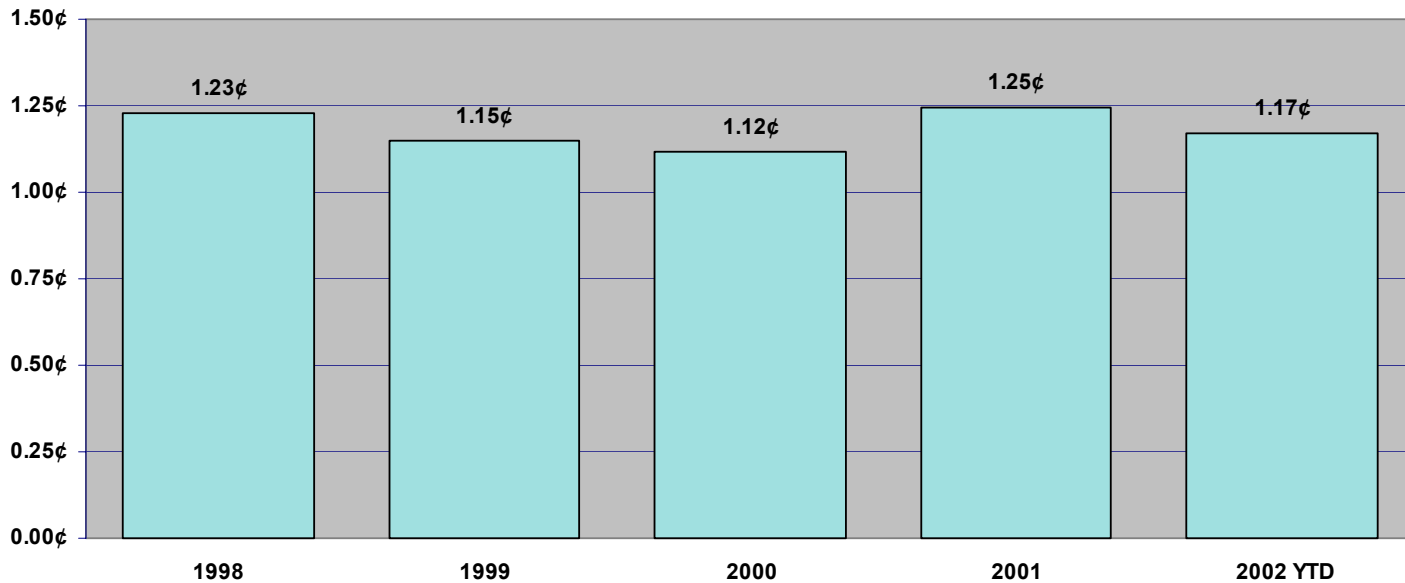
Current Ratio



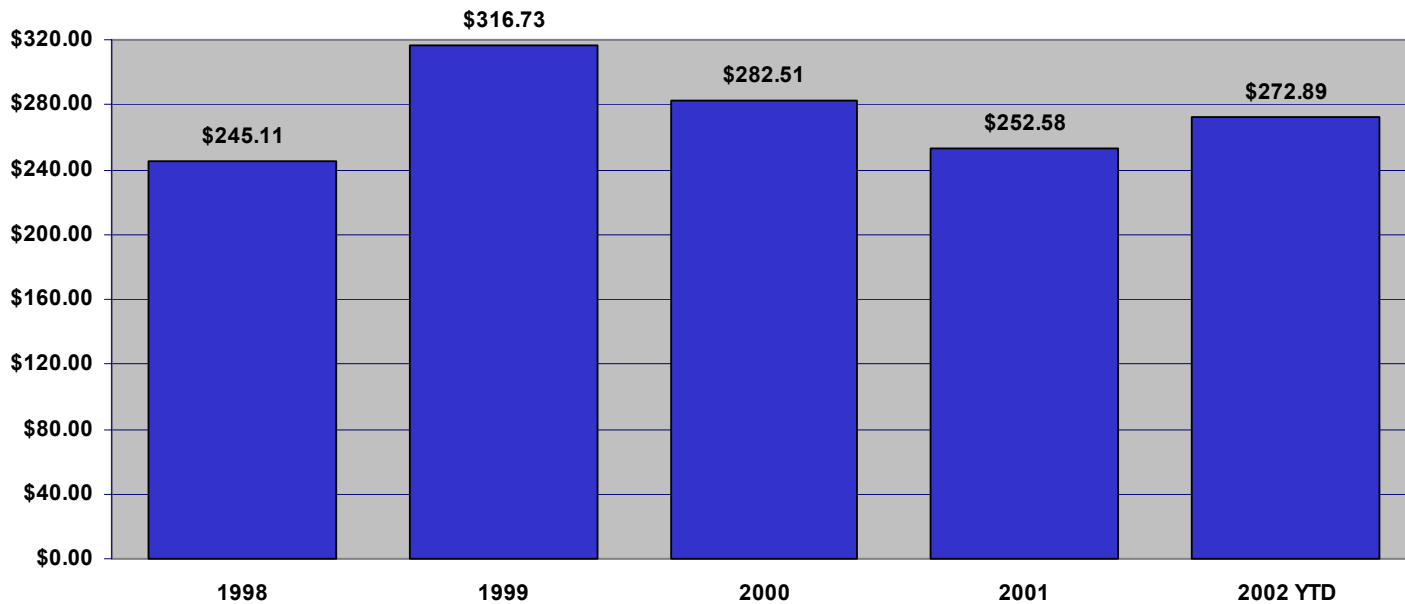
Total Operations & Maintenance Expense Excluding Fuel & Purchased Power (\$/kWh)



Total Interest Expense (\$/kWh)



Administrative & General Expenses/Consumer



Customer Service Expense/Consumer

