

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

NOVEMBER, 2002

| ITEM | <-----THIS MONTH'S PERFORMANCE -----> | | | <----- YEAR TO DATE -----> | | | | | |
|--|---------------------------------------|--------------------|--------------------|----------------------------|-----------------------|----------------------|----------------|-------------------------|--------------------|
| | NOVEMBER BUDGET | NOVEMBER ACTUAL | VARIANCE | CURRENT YTD BUDGET | CURRENT YTD ACTUAL | VARIANCE | % DIFF | LAST YEAR YTD ACTUAL | VARIANCE |
| REVENUES: | | | | | | | | | |
| RETAIL | 9,477,042 | 9,114,004 | (363,038) U | 101,031,985 | 101,594,185 | 562,200 F | 0.56% | 99,841,011 | 1,753,174 F |
| WHOLESALE | 5,106,521 | 4,627,312 | (479,209) U | 54,265,165 | 54,583,494 | 318,329 F | 0.59% | 54,079,832 | 503,662 F |
| ECONOMY ENERGY | 764,290 | 515,392 | (248,898) U | 6,496,520 | 3,813,956 | (2,682,564) U | (41.29%) | 3,333,063 | 480,893 F |
| OTHER | 185,000 | 297,370 | 112,370 F | 2,035,000 | 2,298,873 | 263,873 F | 12.97% | 2,222,317 | 76,556 F |
| 1. TOTAL REVENUE | 15,532,853 | 14,554,078 | (978,775) U | 163,828,670 | 162,290,508 | (1,538,162) U | (0.94%) | 159,476,223 | 2,814,285 F |
| EXPENSES: | | | | | | | | | |
| 2. FUEL | 3,690,844 | 3,192,097 | (498,747) F | 44,844,087 | 42,767,780 | (2,076,307) F | (4.63%) | 50,295,397 | (7,527,617) F |
| 3. POWER PRODUCTION EXPENSE | 963,319 | 1,064,702 | 101,383 U | 12,421,753 | 12,299,905 | (121,848) F | (0.98%) | 10,510,505 | 1,789,400 U |
| 4. COST OF PURCHASED POWER | 1,539,612 | 1,395,503 | (144,109) F | 17,111,138 | 17,119,976 | 8,838 U | 0.05% | 12,755,481 | 4,364,495 U |
| 5. TRANSMISSION EXPENSE | 293,010 | 294,517 | 1,507 U | 3,754,518 | 3,559,076 | (195,442) F | (5.21%) | 3,265,187 | 293,889 U |
| 6. DISTRIBUTION EXPENSE-OPERATIONS | 322,128 | 353,802 | 31,674 U | 4,007,390 | 3,915,129 | (92,261) F | (2.30%) | 3,998,308 | (83,179) F |
| 7. DISTRIBUTION EXPENSE-MAINTENANCE | 463,933 | 600,532 | 136,599 U | 5,542,591 | 5,747,303 | 204,712 U | 3.69% | 5,180,175 | 567,128 U |
| 8. CONSUMER ACCOUNTS EXPENSE | 391,619 | 394,683 | 3,064 U | 4,547,175 | 4,491,547 | (55,628) F | (1.22%) | 4,345,983 | 145,564 U |
| 9. CUSTOMER SERVICE/INFO EXPENSE | 117,583 | 49,326 | (68,257) F | 1,286,633 | 835,991 | (450,642) F | (35.02%) | 655,786 | 180,205 U |
| 10. SALES EXPENSE | 0 | 0 | 0 U | 0 | 0 | 0 U | 0.00% | 449,976 | (449,976) F |
| 11. ADMINISTRATIVE/GENERAL EXPENSE | 1,455,128 | 1,534,567 | 79,439 U | 17,494,705 | 17,857,888 | 363,183 U | 2.08% | 16,226,156 | 1,631,732 U |
| 12. TOTAL OPERATIONS/MAINTENANCE EXP. | 9,237,176 | 8,879,729 | (357,447) F | 111,009,990 | 108,594,595 | (2,415,395) F | (2.18%) | 107,682,954 | 911,641 U |
| 13. DEPRECIATION/AMORTIZATION EXP. | 2,179,878 | 2,119,131 | (60,747) F | 23,374,272 | 23,100,394 | (273,878) F | (1.17%) | 22,930,958 | 169,436 U |
| 14. TAX EXPENSE-OTHER | 65,757 | 57,803 | (7,954) F | 652,548 | 710,884 | 58,336 U | 8.94% | 682,753 | 28,131 U |
| 15. LONG TERM INTEREST EXP. | 2,043,266 | 1,993,692 | (49,574) F | 24,390,466 | 24,167,482 | (222,984) F | (0.91%) | 24,800,370 | (632,888) F |
| 16. (INTEREST DURING CONSTRUCTION) | (82,020) | (28,624) | 53,396 U | (984,310) | (401,121) | 583,189 U | 59.25% | (1,007,348) | 606,227 U |
| 17. SHORT TERM INTEREST EXP. | 20,000 | 22,054 | 2,054 U | 90,000 | 278,562 | 188,562 U | 100.00% | 1,140,537 | (861,975) F |
| 18. OTHER DEDUCTIONS | 8,333 | 98,897 | 90,564 U | 91,663 | 473,168 | 381,505 U | 416.20% | 294,422 | 178,746 U |
| 19. TOTAL COST OF ELECTRIC SERVICE | 13,472,390 | 13,142,682 | (329,708) F | 158,624,629 | 156,923,964 | (1,700,665) F | (1.07%) | 156,524,646 | 399,318 U |
| 20. PATRON CAPITAL/OPER. MARGINS | 2,060,463 | 1,411,396 | (649,067) U | 5,204,041 | 5,366,544 | 162,503 F | 3.12% | 2,951,577 | 2,414,967 F |
| 21. NON-OPER. MARGINS-INTEREST | 13,531 | 27,593 | 14,062 F | 109,979 | 694,912 | 584,933 F | 531.86% | 616,900 | 78,012 F |
| 22. ALLOW-FUNDS DURING CONSTRUCTION | 14,061 | 4,317 | (9,744) U | 168,738 | 47,420 | (121,318) U | (71.90%) | 293,494 | (246,074) U |
| 23. NON-OPER. MARGINS-OTHER | 0 | 350 | 350 F | 0 | (176,185) | (176,185) U | 100.00% | (194,240) | 18,055 F |
| 24. G/T CAPITAL CREDITS | 0 | 0 | 0 U | 0 | 0 | 0 U | 0.00% | 0 | 0 |
| 25. OTHER CAPITAL CREDITS | 0 | 0 | 0 U | 0 | 224,490 | 224,490 F | 0.00% | 155,231 | 69,259 F |
| 26. EXTRAORDINARY ITEMS | 0 | 0 | 0 U | 0 | 0 | 0 U | 0.00% | 0 | 0 |
| 27. PATRON CAPITAL/MARGINS | 2,088,055 | 1,443,656 | (644,399) U | 5,482,758 | 6,157,181 | 674,423 F | 12.30% | 3,822,962 | 2,334,219 F |

F = FAVORABLE U = UNFAVORABLE

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

NOVEMBER, 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 | 732,827,884 | 714,242,003 | 18,585,881 | 2.60% | MEMBERSHIPS | 1,104,653 | 1,055,778 | 48,875 | 4.63% |
| CONST WORK IN PROGRESS | 18,335,664 | 24,763,026 | (6,427,362) | (25.96%) | PATRONAGE CAPITAL AND MARGINS | 131,115,026 | 126,501,427 | 4,613,599 | 3.65% |
| TOTAL UTILITY PLANT | 751,163,548 | 739,005,029 | 12,158,519 | 1.65% | OTHER MARGINS & EQUITIES | 5,379,401 | 4,624,550 | 754,851 | 16.32% |
| ACCUMULATED DEPR/AMORT | (278,588,399) | (261,018,873) | (17,569,526) | 6.73% | TOTAL MARGINS & EQUITIES | 137,599,080 | 132,181,755 | 5,417,325 | 4.10% |
| NET UTILITY PLANT | 472,575,149 | 477,986,156 | (5,411,007) | (1.13%) | LONG TERM DEBT BONDS (NET) | 389,834,179 | 369,310,000 | 20,524,179 | 5.56% |
| NON-UTILITY PROPERTY (NET) | 3,550 | 3,550 | 0 | 0.00% | LONG TERM DEBT OTHER | 392,255 | 474,925 | (82,670) | (17.41%) |
| INVEST IN ASSOC ORGANIZATIONS | 10,540,748 | 9,932,600 | 608,148 | 6.12% | TOTAL LONG TERM DEBT | 390,226,434 | 369,784,925 | 20,441,509 | 5.53% |
| OTHER INVESTMENTS | 3,560 | 10,679 | (7,119) | 100.00% | NOTES PAYABLE | 11,165,821 | 10,409,945 | 755,876 | 7.26% |
| SPECIAL FUNDS | 0 | 0 | 0 | 0.00% | ACCOUNTS PAYABLE | 3,635,906 | 3,788,711 | (152,805) | (4.03%) |
| TOTAL OTHER PROPERTY & INVEST | 10,547,858 | 9,946,829 | 601,029 | 6.04% | CONSUMERS DEPOSITS | 1,802,596 | 1,603,463 | 199,133 | 12.42% |
| CASH & TEMP INVESTMENTS | 3,228,259 | 3,503,468 | (275,209) | (7.86%) | OTHER CURRENT & ACCRUED LIABILITIES | 17,736,749 | 21,841,476 | (4,104,727) | (18.79%) |
| RESTRICTED CASH | 829,459 | 780,641 | 48,818 | 6.25% | TOTAL CURRENT & ACCRUED LIABILITIES | 34,341,072 | 37,643,595 | (3,302,523) | (8.77%) |
| NOTES RECEIVABLE | 0 | 0 | 0 | 0.00% | DEFERRED CREDITS | 3,847,409 | 19,777,499 | (15,930,090) | (80.55%) |
| ACCOUNTS RECEIVABLE (NET) | 22,425,996 | 19,115,842 | 3,310,154 | 17.32% | MISCELLANEOUS OPERATING RESERVES | 0 | 0 | 0 | 0.00% |
| MATERIALS AND SUPPLIES | 21,462,095 | 14,502,372 | 6,959,723 | 47.99% | TOTAL LIABILITIES & PATR CAPITAL | 566,013,995 | 559,387,774 | 6,626,221 | 1.18% |
| PREPAYMENTS | 2,670,049 | 1,337,695 | 1,332,354 | 99.60% | | | | | |
| OTHER CURRENT & ACCRUED ASSETS | 287,652 | 278,566 | 9,086 | 3.26% | | | | | |
| TOTAL CURRENT & ACCRUED ASSETS | 50,903,510 | 39,518,584 | 11,384,926 | 28.81% | | | | | |
| DEFERRED DEBITS | 31,987,478 | 31,936,205 | 51,273 | 0.16% | | | | | |
| TOTAL ASSETS | 566,013,995 | 559,387,774 | 6,626,221 | 1.18% | | | | | |

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

| | YTD November | |
|--|---------------------|---------------------|
| | 2002 | 2001 |
| | <hr/> | <hr/> |
| <u>Cash flows from operating activities:</u> | | |
| Assignable margins | \$6,157,181 | \$3,822,962 |
| | <hr/> | <hr/> |
| Adjustments to reconcile assignable margins to net cash provided (used) by operating activities: | | |
| Depreciation & Amortization | 23,100,394 | 22,930,958 |
| Allowance for funds used during construction | (448,541) | (1,300,841) |
| Property gains / (losses) | (176,185) | (194,240) |
| Other | 1,568 | (19,169) |
| | <hr/> | <hr/> |
| Changes in assets and liabilities: | | |
| (Increase) decrease in assets: | | |
| Fuel cost recovery | 3,585,380 | (710,819) |
| Accounts receivable | (123,596) | 85,070 |
| Prepayments | (2,042,505) | (582,419) |
| Materials and supplies | 1,359,908 | 854,826 |
| Deferred charges | (792,315) | (6,134,487) |
| Other | 48,101 | 43,680 |
| | <hr/> | <hr/> |
| Increase (decrease) in liabilities: | | |
| Accounts payable | (7,376,999) | (5,705,163) |
| Accrued interest | (2,442,222) | (404,907) |
| Deferred credits | (15,354,410) | (1,127,539) |
| Other (Fuel payable) | (5,310,273) | 2,488,716 |
| Net cash (used) provided by operating activities: | <u>185,486</u> | <u>14,046,628</u> |
| | <hr/> | <hr/> |
| <u>Cash flows from investing activities:</u> | | |
| Extension and replacement of plant | (15,289,156) | (32,084,535) |
| Investments in associated organizations | (60,690) | (66,957) |
| Net cash used for investing activities: | <u>(15,349,846)</u> | <u>(32,151,492)</u> |
| | <hr/> | <hr/> |
| <u>Cash flows from financing activities:</u> | | |
| Short-term obligations | 0 | 0 |
| Proceeds from long-term obligations | 175,700,000 | 150,000,000 |
| Repayments of long-term obligations | (160,419,945) | (128,930,350) |
| Retirement of patronage capital | (250,154) | (270,414) |
| Other | (452,049) | (886,066) |
| Net cash provided by financing activities: | <u>14,577,852</u> | <u>19,913,170</u> |
| | <hr/> | <hr/> |
| Net increase (decrease) in cash and cash equivalents | (586,508) | 1,808,306 |
| | <hr/> | <hr/> |
| <u>Cash and cash equivalents at beginning of year</u> | <u>\$3,814,767</u> | <u>\$1,695,162</u> |
| | <hr/> | <hr/> |
| <u>Cash and cash equivalents at end of period</u> | <u>\$3,228,259</u> | <u>\$3,503,468</u> |
| | <hr/> | <hr/> |
| <u>Supplemental disclosure of cash flow information</u> | | |
| Interest expense paid, net of amounts capitalized | <u>\$26,487,146</u> | <u>\$25,338,466</u> |