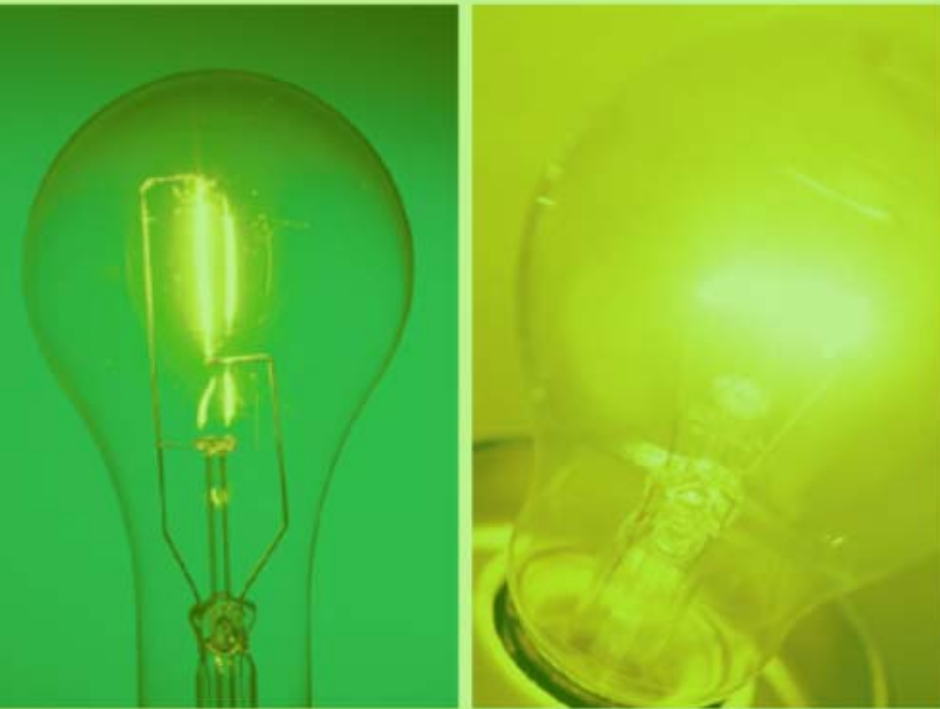


# **December 31, 2005 Unbundled Financial Statements**



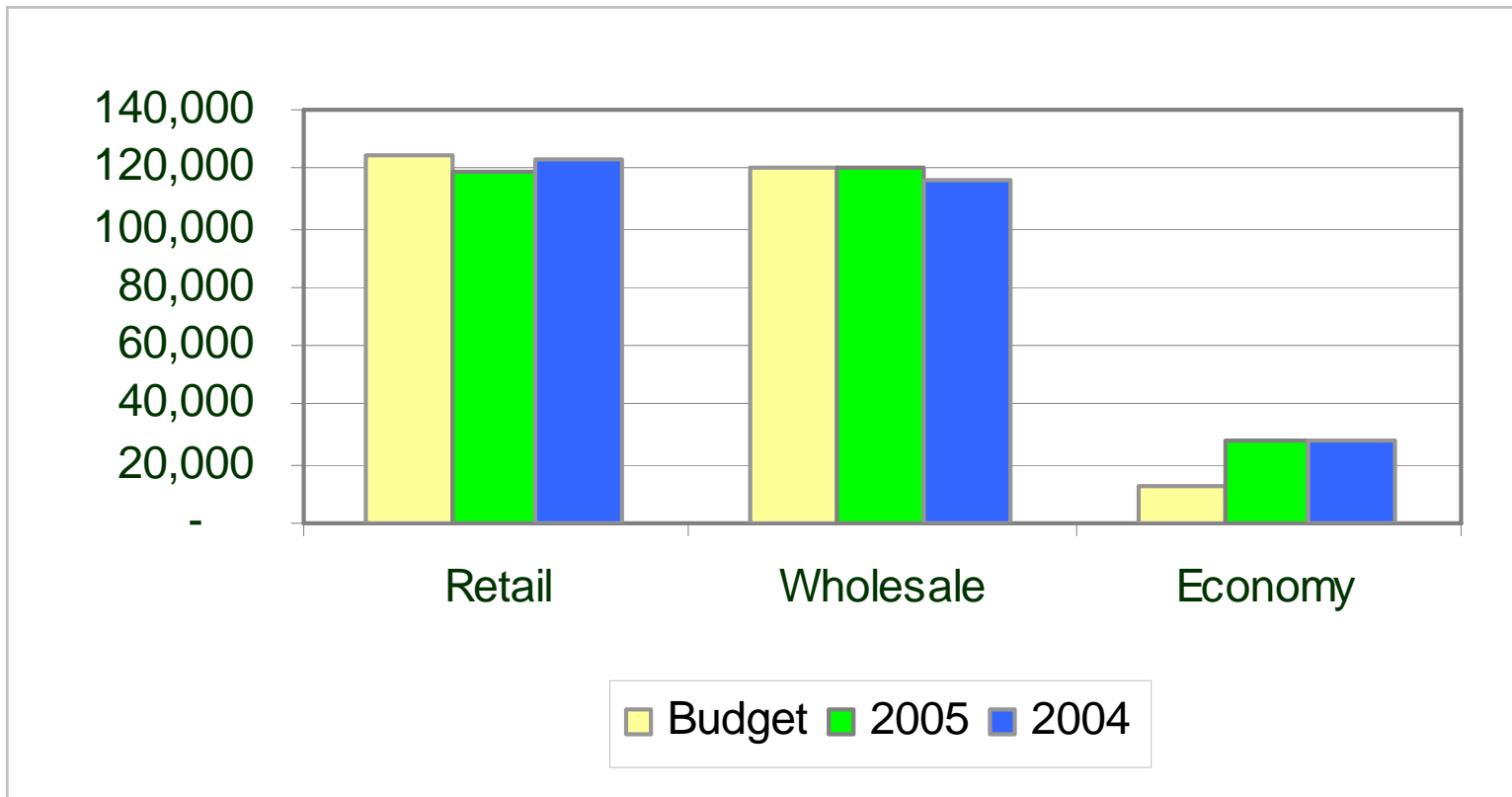
**February 22, 2006  
Chugach Electric Association, Inc.**



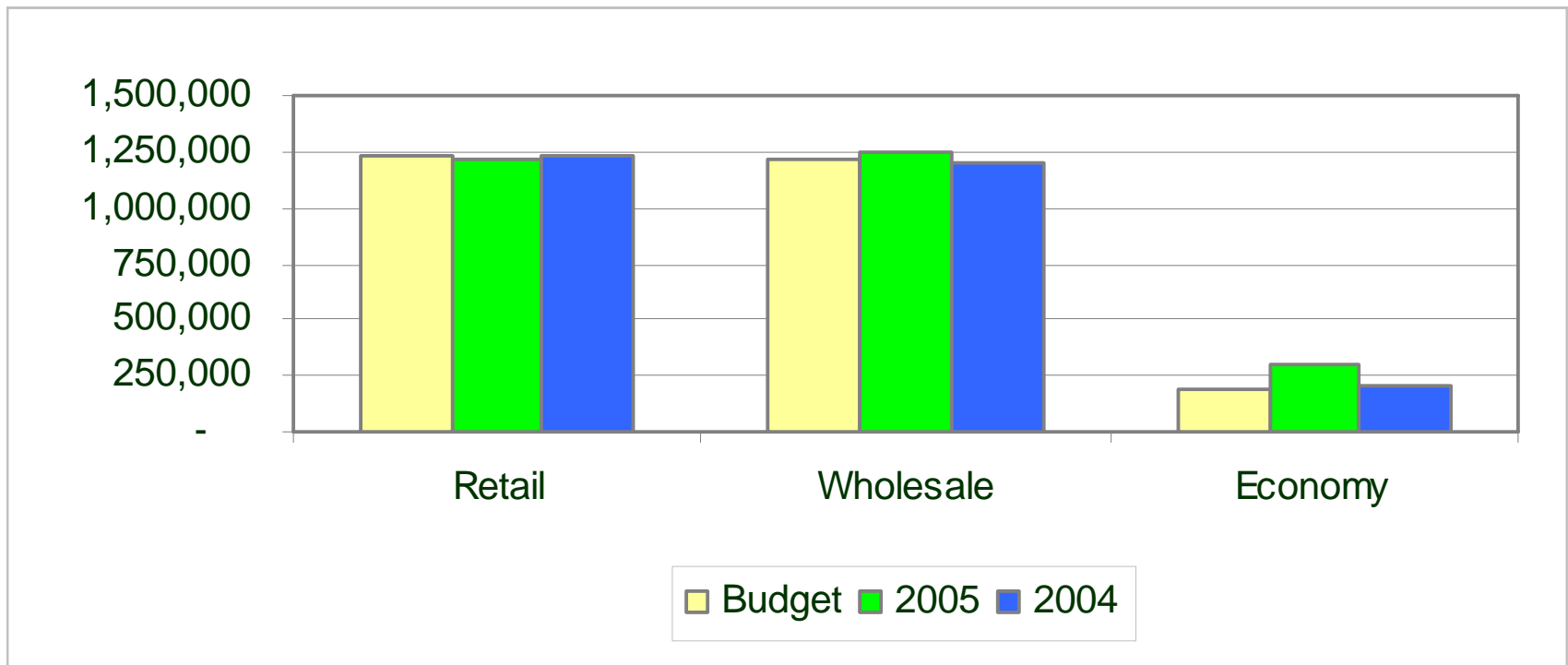
# December 2005 Financials

- **MWh Sales**
- **Five Year Margin Trend**
- **System Statement of Operations**
- **G&T Statement of Operations**
- **Distribution Statement of Operations**
- **Balance Sheet**
- **Statement of Cash Flows**
- **TIER & Return on Equity Graphs**
- **Unbundled Overtime Graphs**
- **Discussion**

# MWh Sales December 2005

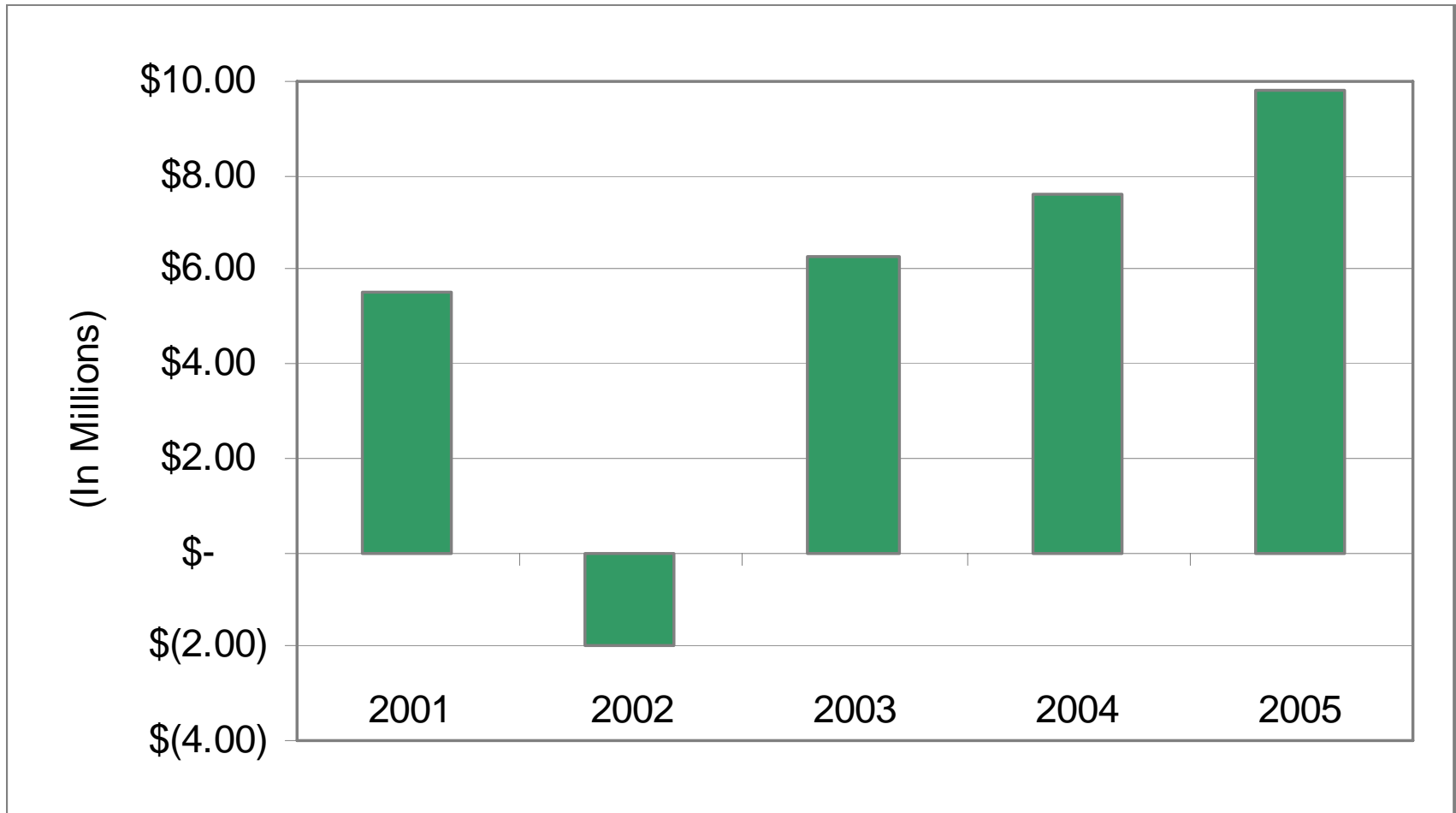


# MWh Sales YTD December 2005



# Margins

## 2001 - 2005



# System Statement of Ops: YTD December 31, 2005

	Total	G&T	Distribution
1 Operating Revenue	\$ 225,697,349	\$ 170,766,245	\$ 54,931,104
2 Fuel Expense	84,776,131	84,776,131	0
3 Power Production Expense	15,037,499	15,032,838	4,661
4 Purchased Power Expense	23,664,412	23,664,412	0
5 Transmission Expense	5,847,648	5,847,648	0
6 Distribution Expense	11,758,711	0	11,758,711
7 Customer Expense	5,227,478	0	5,227,478
8 General & Admin Expense	19,010,714	10,906,588	8,104,126
9 TOTAL Operations & Maintenance Expense (2 thru 8)	<u>\$ 165,322,593</u>	<u>\$ 140,227,617</u>	<u>\$ 25,094,976</u>
10 Depreciation & Amortization Expense	27,994,939	18,123,007	9,871,932
11 Tax Expense	812,174	115,477	696,697
12 Interest Expense (Net)	22,586,054	13,060,922	9,525,132
13 Other Deductions	449,403	278,120	171,283
14 TOTAL Cost of Electric Service (9 thru 13)	<u>\$ 217,165,163</u>	<u>\$ 171,805,143</u>	<u>\$ 45,360,020</u>
15 Patronage Capital & Operating Margins (1 minus 14)	<u>\$ 8,532,186</u>	<u>\$ (1,038,898)</u>	<u>\$ 9,571,084</u>
16 Non-Operating Margins	1,227,401	441,310	786,091
17 Patronage Capital & Margins (15 plus 16)	<u>\$ 9,759,587</u>	<u>\$ (597,588)</u>	<u>\$ 10,357,175</u>

The 2005 year-end-margins differ from the audited financial statements in the amount of \$244,856 due to RCA Order No. 8. Order No. 8 required Chugach to adjust its financial records for 2004, however, in accordance with Generally Accepted Accounting Principles (GAAP), the audited financial statements were not restated.

# G&T Statement of Ops: YTD December 31, 2005

	Budget	Actual	Variance
1 Operating Revenue	\$ 161,257,822	\$ 170,766,245	\$ 9,508,423
2 Fuel Expense	76,282,516	84,776,131	8,493,615
3 Power Production Expense	15,443,811	15,032,838	(410,973)
4 Purchased Power Expense	23,611,088	23,664,412	53,324
5 Transmission Expense	6,187,401	5,847,648	(339,753)
6 General & Admin Expense	10,454,432	10,906,588	452,156
7 TOTAL Operations & Maintenance Expense (2 thru 6)	<u>\$ 131,979,248</u>	<u>\$ 140,227,617</u>	<u>\$ 8,248,369</u>
8 Depreciation & Amortization Expense	18,893,196	18,123,007	(770,189)
9 Tax Expense	118,082	115,477	(2,605)
10 Interest Expense (Net)	12,667,355	13,060,922	393,567
11 Other Deductions	275,000	278,120	3,120
12 TOTAL Cost of Electric Service (7 thru 11)	<u>\$ 163,932,881</u>	<u>\$ 171,805,143</u>	<u>\$ 7,872,262</u>
13 Patronage Capital & Operating Margins (1 minus 12)	\$ (2,675,059)	\$ (1,038,898)	\$ 1,636,161
14 Non-Operating Margins	482,558	441,310	(41,248)
15 Patronage Capital & Margins (13 plus 14)	<u>\$ (2,192,501)</u>	<u>\$ (597,588)</u>	<u>\$ 1,594,913</u>

# Dist Statement of Ops: YTD December 31, 2005

	Budget	Actual	Variance
1 Operating Revenue	\$ 56,093,552	\$ 54,931,104	\$ (1,162,448)
2 Power Production Expense	0	4,661	4,661
3 Distribution Expense	11,786,420	11,758,711	(27,709)
4 Customer Expense	5,753,503	5,227,478	(526,025)
5 General & Admin Expense	7,940,521	8,104,126	163,605
6 TOTAL Operations & Maintenance Expense (2 thru 5)	<u>\$ 25,480,444</u>	<u>\$ 25,094,976</u>	<u>\$ (385,468)</u>
7 Depreciation & Amortization Expense	9,848,607	9,871,932	23,325
8 Tax Expense	715,618	696,697	(18,921)
9 Interest Expense (Net)	9,263,414	9,525,132	261,718
10 Other Deductions	300,000	171,283	(128,717)
11 TOTAL Cost of Electric Service (6 thru 10)	<u>\$ 45,608,083</u>	<u>\$ 45,360,020</u>	<u>\$ (248,063)</u>
12 Patronage Capital & Operating Margins (1 minus 11)	<u>\$ 10,485,469</u>	<u>\$ 9,571,084</u>	<u>\$ (914,385)</u>
13 Non-Operating Margins	703,790	786,091	82,301
14 Patronage Capital & Margins (12 plus 13)	<u>\$11,189,259</u>	<u>\$10,357,175</u>	<u>(\$832,084)</u>

# Unbundled Balance Sheet, Assets & Other Debits as of December 31, 2005

	Total	G&T	Distribution
1 Total Utility Plant in Service	762,859,198	466,148,245	296,710,953
2 Construction Work in Progress	32,505,401	19,964,637	12,540,764
3 TOTAL Utility Plant (1 plus 2)	<u>\$ 795,364,599</u>	<u>\$ 486,112,882</u>	<u>\$ 309,251,717</u>
4 Accum Provision for Deprec & Amort	(327,384,961)	(217,850,605)	(109,534,356)
5 NET Utility Plant (3 minus 4)	<u>\$ 467,979,638</u>	<u>\$ 268,262,277</u>	<u>\$ 199,717,361</u>
6 Nonutility Property - Net	24,461	0	24,461
7 Invest in Assoc Organizations	11,883,053	5,279,678	6,603,375
8 TOTAL Other Property & Investments (6 plus 7)	<u>\$ 11,907,514</u>	<u>\$ 5,279,678</u>	<u>\$ 6,627,836</u>
9 Cash & Temporary Investments	10,650,594	0	10,650,594
10 Special Deposits	216,191	75,357	140,834
11 Accounts Receivable - Net	27,436,278	17,690,554	9,745,724
12 Accounts Receivable - Due From G&T*	47,394,616	0	47,394,616
13 Materials & Supplies	23,809,691	20,904,332	2,905,359
14 Prepayments	1,801,104	1,007,100	794,004
15 Other Current & Accrued Assets	2,064,772	1,144,564	920,208
16 TOTAL Current & Accrued Assets (9 thru 15)	<u>\$ 113,373,246</u>	<u>\$ 40,821,907</u>	<u>\$ 72,551,339</u>
17 Deferred Debits	19,269,718	15,054,371	4,215,347
18 TOTAL Assets & Other Debits (5 + 8 + 16 + 17)	<u><u>\$ 612,530,116</u></u>	<u><u>\$ 329,418,233</u></u>	<u><u>\$ 283,111,883</u></u>

\*Line 18 above includes Due To/From in the amount of \$47,394,616 which would be eliminated on a consolidated basis.

# Unbundled Balance Sheet, Liabilities & Other Credits as of December 31, 2005

	Total	G&T	Distribution
1 Memberships	\$ 1,250,398	\$ 261,238	\$ 989,160
2 Patronage Capital & Margins & Equities	143,788,754	36,139,963	107,648,791
3 TOTAL Margins & Equities (1 plus 2)	<b>\$ 145,039,152</b>	<b>\$ 36,401,201</b>	<b>\$ 108,637,951</b>
4 Long Term Debt - Bonds (Net)	311,000,000	179,941,587	131,058,413
5 Long Term Debt - Other (Net)	53,532,099	30,973,154	22,558,945
6 TOTAL Long Term Debt (4 plus 5)	<b>\$ 364,532,099</b>	<b>\$ 210,914,741</b>	<b>\$ 153,617,358</b>
7 Notes Payable	8,325,687	4,817,162	3,508,525
8 Accounts Payable	9,004,981	3,936,373	5,068,608
9 Accounts Payable - Due to Distribution*	47,394,616	47,394,616	0
10 Consumer Deposits	1,980,286	0	1,980,286
11 Other Current & Accrued Liabilities	33,487,178	25,683,837	7,803,341
12 TOTAL Current & Accrued Assets (7 thru 11)	<b>\$ 100,192,748</b>	<b>\$ 81,831,988</b>	<b>\$ 18,360,760</b>
13 Deferred Credits	2,766,117	270,303	2,495,814
14 TOTAL Liab & Other Credits (3 + 6 + 12 + 13)	<b><u>\$ 612,530,116</u></b>	<b><u>\$ 329,418,233</u></b>	<b><u>\$ 283,111,883</u></b>

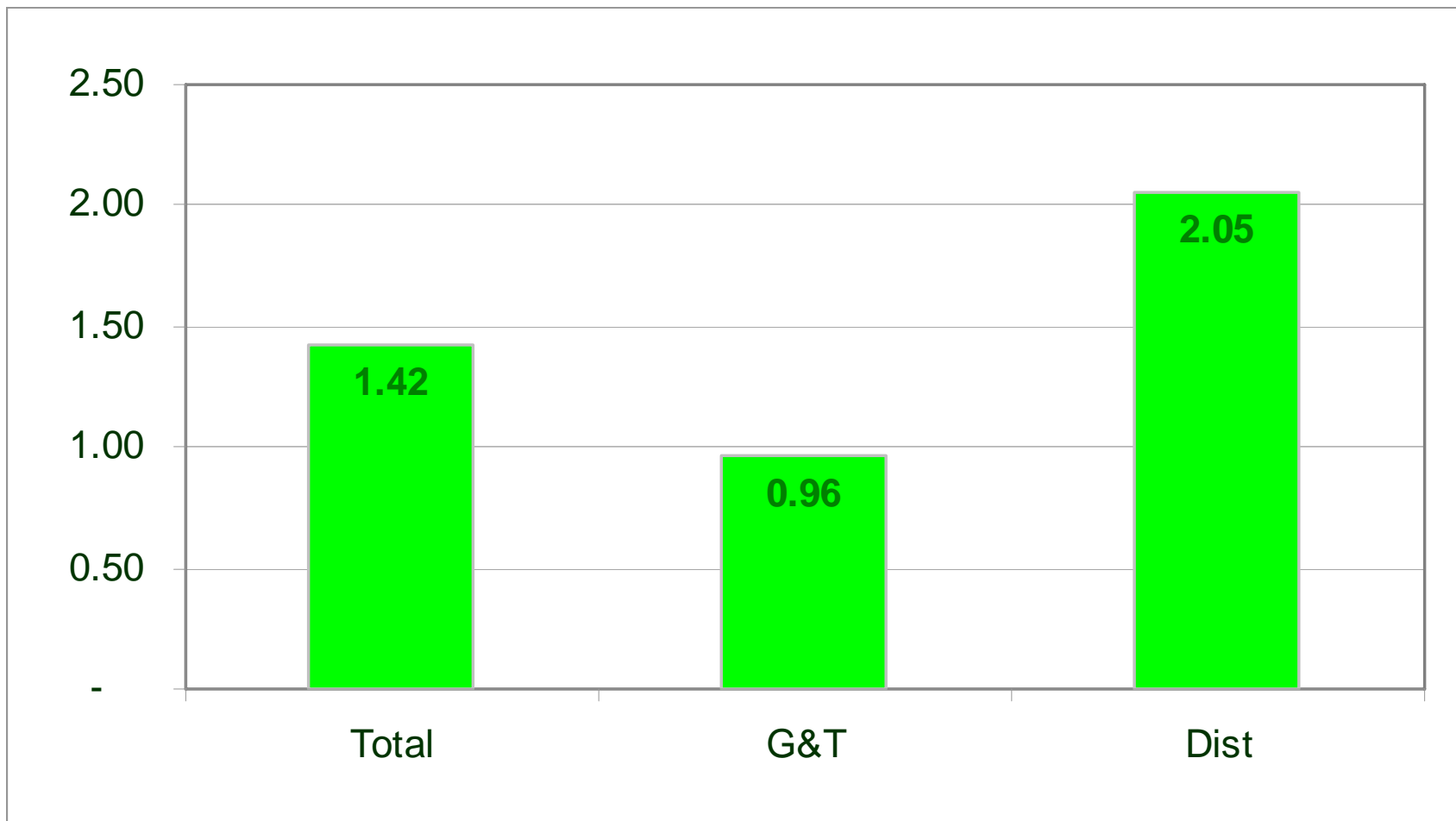
\*Line 14 above includes Due To/From in the amount of \$47,394,616 which would be eliminated on a consolidated basis.

# Statement of Cash Flows

## Year-to-Date December 31, 2005

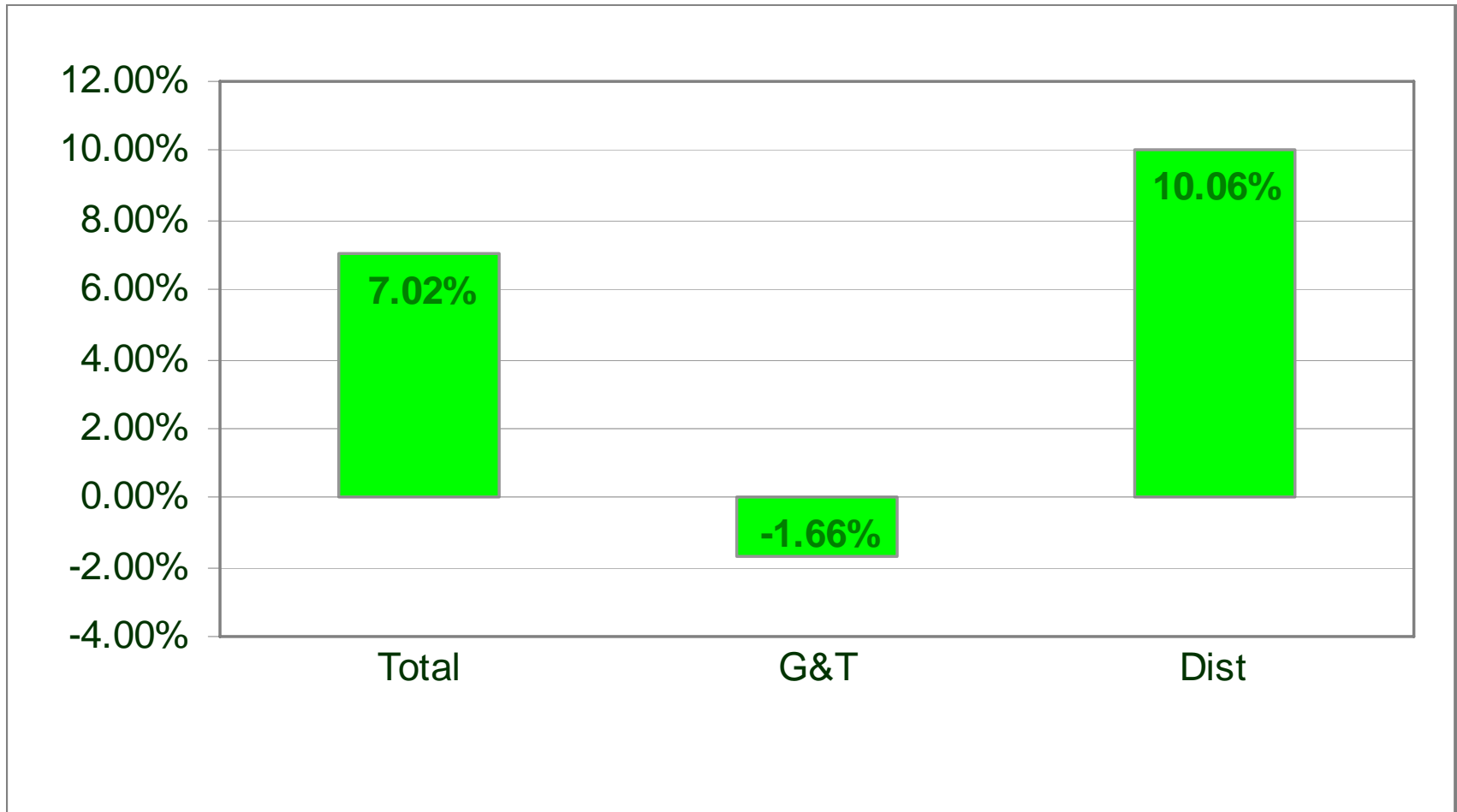
	Total	G&T	Distribution
<b>1 <u>Cash flows from Operating Activities</u></b>			
Assignable Margins	\$ 9,759,585	\$ (597,590)	\$ 10,357,175
Adjustments to reconcile assignable margins to net cash provided (used) by operating activities:			
Depreciation & Amortization	27,994,939	18,123,007	9,871,932
Capitalization of Interest	(993,499)	(623,062)	(370,437)
Other	404	(274)	678
Changes in Assets and Liabilities:			
(Increase) decrease in Assets:	(5,332,003)	(2,930,507)	(2,401,496)
Increase (decrease) in Liabilities:	-	2,638,253	3,533,701
Net cash provided by Operating Activities:	<b>\$ 37,601,380</b>	<b>\$ 16,609,827</b>	<b>\$ 20,991,553</b>
<b>2 <u>Cash flows from Investing Activities</u></b>			
Extension & replacement of plant	(27,395,021)	(15,794,973)	(11,600,048)
Investments in associated organizations	(115,000)	(66,538)	(48,462)
Net cash used for Investing Activities	<b>\$ (27,510,021)</b>	<b>\$ (15,861,511)</b>	<b>\$ (11,648,510)</b>
<b>3 <u>Cash flows from Financing Activities</u></b>			
Repayments of long term obligations	(6,431,393)	(3,721,142)	(2,710,251)
Loan to G&T/from Distribution	-	1,930,760	(1,930,760)
Patronage capital/Other	(3,474,376)	1,042,066	(4,516,442)
Net cash used for Financing Activities	<b>\$ (9,905,769)</b>	<b>\$ (748,316)</b>	<b>\$ (9,157,453)</b>
Net increase (decrease) in cash & cash equivalents	185,590	-	185,590
<b>4 <u>Cash &amp; cash equivalents at beginning of year</u></b>	<b>\$ 10,465,004</b>	<b>\$ -</b>	<b>\$ 10,465,004</b>
<b>5 <u>Cash &amp; cash equivalents at end of period</u></b>	<b>\$ 10,650,594</b>	<b>\$ -</b>	<b>\$ 10,650,594</b>

# Times Interest Earned Ratio (TIER) YTD December 31, 2005

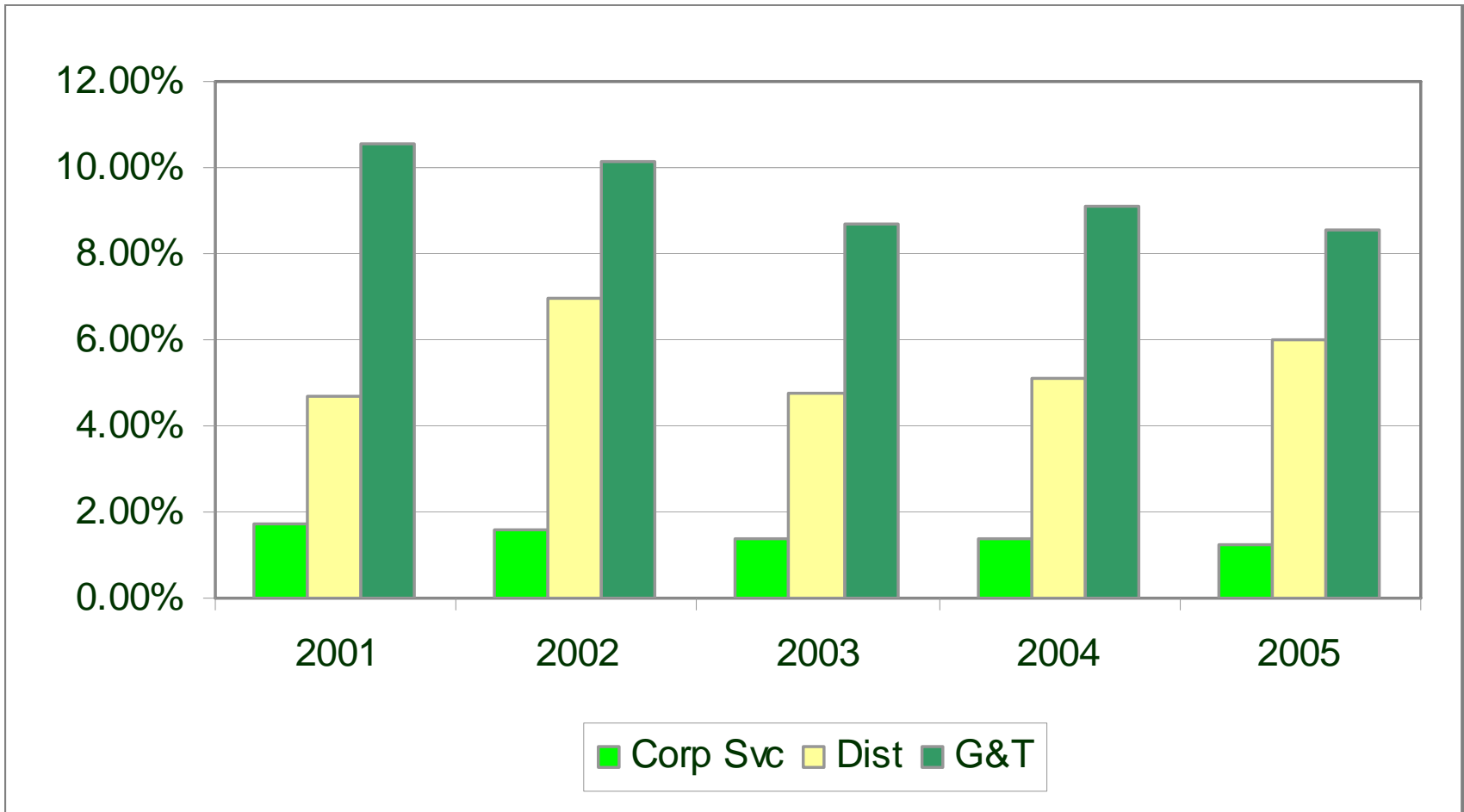


# Return on Equity

## YTD December 31, 2005



# Unbundled Overtime as a Percentage of Total Hours, 2001 - 2005





# Unbundled Overtime Dollars 2001 - 2005





# Discussion