

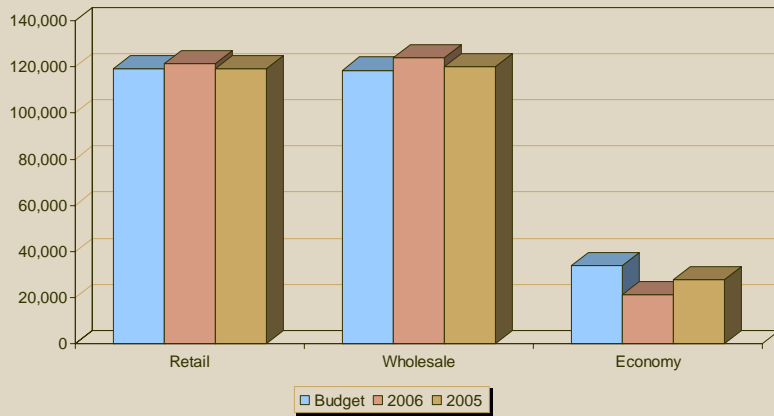
*December 2006  
Unbundled Financials*

Chugach Electric Association, Inc.  
Finance Committee  
February 27, 2007

*December Financial Information*

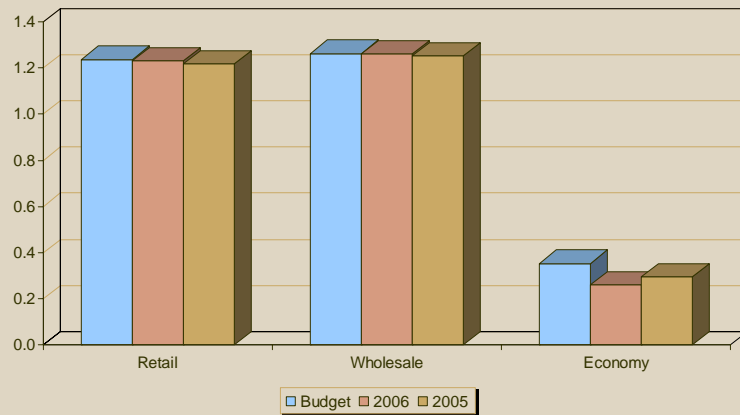
- ✦ MWh Sales
- ✦ 5 Year Financial Information
- ✦ System Statement of Operations
- ✦ G&T Statement of Operations
- ✦ Distribution Statement of Operations
- ✦ Balance Sheet
- ✦ Statement of Cash Flows
- ✦ Overtime Information

## December 2006 MWh Sales



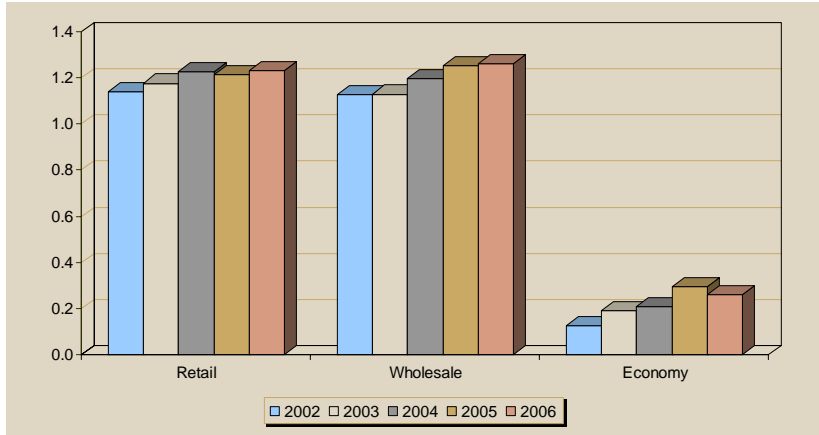
3

## Year-to-Date December 2006 MWh Sales (in millions)

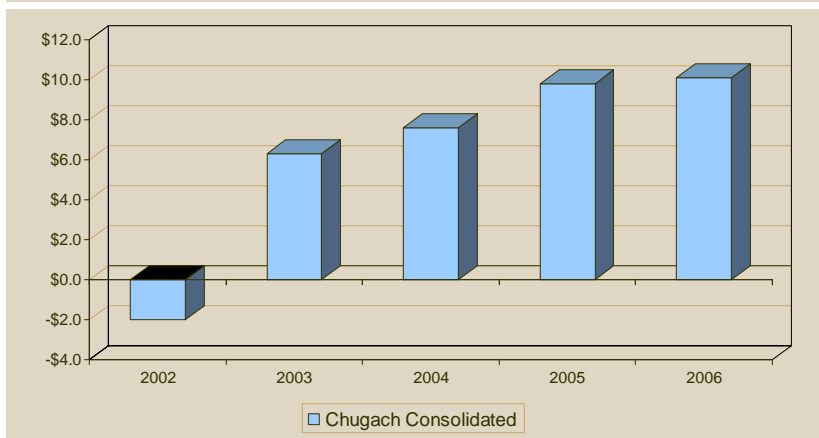


4

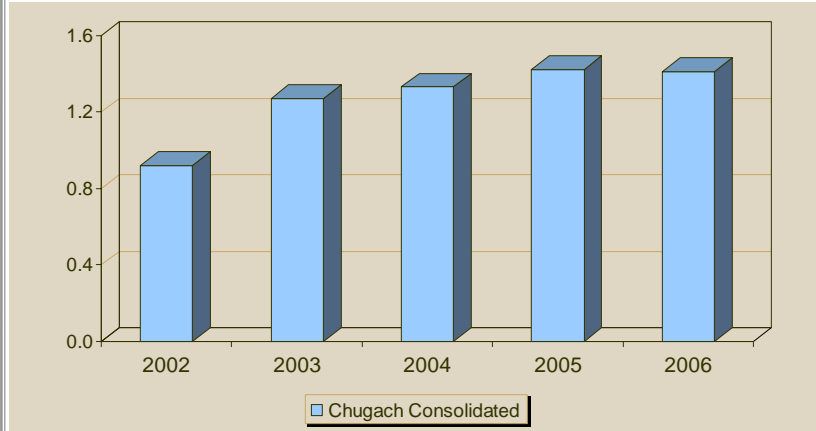
*Year-to-Date MWh Sales  
2002 ~ 2006 (in millions)*



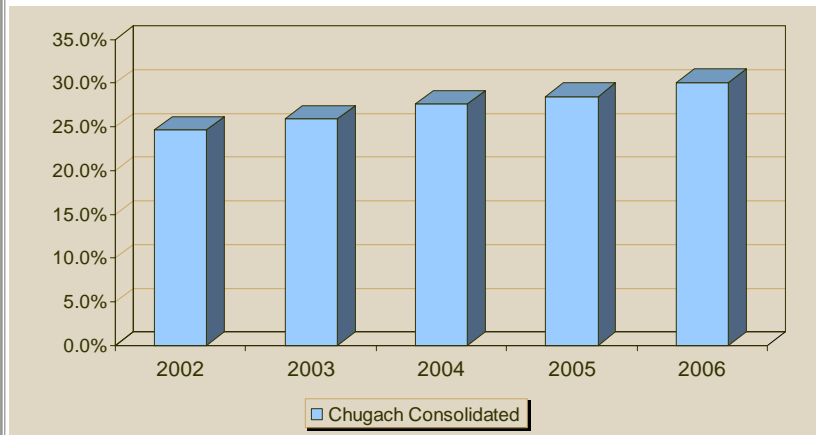
*Year-to-Date Margins (in millions)  
2002 ~ 2006*



*Times Interest Earned Ratio (TIER)*  
2002 ~ 2006



*Equity to Total Capitalization*  
2002 ~ 2006



## System Statement of Operations December 2006 YTD

	Total	G & T	Distribution
<b>1. Operating Revenue &amp; Patronage Capital</b>	<b>\$ 266,071,713</b>	<b>\$ 209,898,249</b>	<b>\$ 56,173,464</b>
2. Fuel Expense	120,280,509	120,280,509	0
3. Power Production Expense	15,050,338	15,050,338	0
4. Purchased Power Expense	25,979,918	25,979,918	0
5. Transmission Expense	6,283,845	6,283,845	0
6. Distribution Expense	12,134,087	0	12,134,087
7. Customer Expense	4,982,313	0	4,982,313
8. Administrative & General Expense	18,847,352	9,317,312	9,530,040
<b>9. TOTAL Ops &amp; Maint Expense (2 thru 8)</b>	<b>\$ 203,558,362</b>	<b>\$ 176,911,922</b>	<b>\$ 26,646,440</b>
10. Depreciation & Amortization Expense	\$ 28,529,763	\$ 18,238,712	\$ 10,291,051
11. Tax Expense - Other	837,191	106,188	731,003
12. Interest on LT Debt	24,459,852	17,444,600	7,015,252
13. Interest Charged to Construction - Credit	(448,978)	(189,181)	(259,797)
14. Other Deductions	499,536	352,221	147,315
<b>15. TOTAL Cost of Electric Service (9 thru 14)</b>	<b>\$ 257,435,726</b>	<b>\$ 212,864,462</b>	<b>\$ 44,571,264</b>
<b>16. Patronage Capital &amp; Operating Margins</b>	<b>\$ 8,635,987</b>	<b>\$ (2,966,213)</b>	<b>\$ 11,602,200</b>
17. Non-Operating Margins - Interest	879,481	0	879,481
18. Allowance for Funds Used During Construction	163,269	68,738	94,531
19. Non-Operating Margins - Other	433,799	311,647	122,152
<b>20. Patronage Capital or Margins</b>	<b>\$ 10,112,536</b>	<b>\$ (2,585,828)</b>	<b>\$ 12,698,364</b>
<b>Achieved TIER</b>	<b>1.41</b>	<b>0.85</b>	<b>2.81</b>
<b>Operating Revenue per kWh</b>	<b>\$ 0.11</b>	<b>\$ 0.08</b>	<b>\$ 0.05</b>
<b>Operating Cost per kWh</b>	<b>\$ 0.10</b>	<b>\$ 0.09</b>	<b>\$ 0.04</b>

9

## G&T Statement of Operations December 2006 YTD

	Budget	Actual	Variance
<b>1. Operating Revenue &amp; Patronage Capital</b>	<b>\$ 213,923,297</b>	<b>\$ 209,898,249</b>	<b>\$ (4,025,048)</b>
2. Fuel Expense	120,390,043	120,280,509	(109,534)
3. Power Production Expense	14,819,807	15,050,338	230,531
4. Purchased Power Expense	30,329,038	25,979,918	(4,349,120)
5. Transmission Expense	6,040,942	6,283,845	242,903
6. Distribution Expense	0	0	0
7. Customer Expense	0	0	0
8. Administrative & General Expense	8,688,546	9,317,312	628,766
<b>9. TOTAL Ops &amp; Maint Expense (2 thru 8)</b>	<b>\$ 180,268,376</b>	<b>\$ 176,911,922</b>	<b>\$ (3,356,454)</b>
10. Depreciation & Amortization Expense	\$ 18,292,129	\$ 18,238,712	\$ (53,417)
11. Tax Expense - Other	102,948	106,188	3,240
12. Interest on LT Debt	16,677,610	17,444,600	766,990
13. Interest Charged to Construction - Credit	(548,219)	(189,181)	359,038
14. Other Deductions	221,269	352,221	130,952
<b>15. TOTAL Cost of Electric Service (9 thru 14)</b>	<b>\$ 215,014,113</b>	<b>\$ 212,864,462</b>	<b>\$ (2,149,651)</b>
<b>16. Patronage Capital &amp; Operating Margins</b>	<b>\$ (1,090,816)</b>	<b>\$ (2,966,213)</b>	<b>\$ (1,875,397)</b>
17. Non-Operating Margins - Interest	0	0	0
18. Allowance for Funds Used During Construction	96,745	68,738	(28,007)
19. Non-Operating Margins - Other	408,958	311,647	(97,311)
<b>20. Patronage Capital or Margins</b>	<b>\$ (585,113)</b>	<b>\$ (2,585,828)</b>	<b>\$ (2,000,715)</b>
<b>Achieved TIER</b>	<b>0.96</b>	<b>0.85</b>	<b>(0.11)</b>
<b>Operating Revenue per kWh</b>	<b>\$ 0.09</b>	<b>\$ 0.08</b>	<b>(0.01)</b>
<b>Operating Cost per kWh</b>	<b>\$ 0.09</b>	<b>\$ 0.09</b>	<b>0.00</b>

10

## Dist Statement of Operations December 2006 YTD

	Budget	Actual	Variance
<b>1. Operating Revenue &amp; Patronage Capital</b>	<b>\$ 55,697,528</b>	<b>\$ 56,173,464</b>	<b>\$ 475,936</b>
2. Fuel Expense	0	0	0
3. Power Production Expense	0	0	0
4. Purchased Power Expense	0	0	0
5. Transmission Expense	0	0	0
6. Distribution Expense	11,203,938	12,134,087	930,149
7. Customer Expense	5,298,559	4,982,313	(316,246)
8. Administrative & General Expense	9,228,774	9,530,040	301,266
<b>9. TOTAL Ops &amp; Maint Expense (2 thru 8)</b>	<b>\$ 25,731,271</b>	<b>\$ 26,646,440</b>	<b>\$ 915,169</b>
10. Depreciation & Amortization Expense	\$ 10,292,203	\$ 10,291,051	\$ (1,152)
11. Tax Expense - Other	753,787	731,003	(22,784)
12. Interest on LT Debt	6,771,301	7,015,252	243,951
13. Interest Charged to Construction - Credit	(352,642)	(259,797)	92,845
14. Other Deductions	205,397	147,315	(58,082)
<b>15. TOTAL Cost of Electric Service (9 thru 14)</b>	<b>\$ 43,401,317</b>	<b>\$ 44,571,264</b>	<b>\$ 1,169,947</b>
<b>16. Patronage Capital &amp; Operating Margins</b>	<b>\$ 12,296,211</b>	<b>\$ 11,602,200</b>	<b>\$ (694,011)</b>
17. Non-Operating Margins - Interest	388,093	879,481	491,388
18. Allowance for Funds Used During Construction	62,231	94,531	32,300
19. Non-Operating Margins - Other	166,042	122,152	(43,890)
<b>20. Patronage Capital or Margins</b>	<b>\$ 12,912,577</b>	<b>\$ 12,698,364</b>	<b>\$ (214,213)</b>
Achieved TIER	2.91	2.81	-0.10
Operating Revenue per kWh	\$ 0.05	\$ 0.05	\$ 0.00
Operating Cost per kWh	\$ 0.04	\$ 0.04	\$ 0.00

11

## Balance Sheet, Assets & Other Debits December 31, 2006

	Total	G & T	Distribution
1. Total Utility Plant In Service	\$ 787,005,028	\$ 475,445,603	\$ 311,559,425
2. Construction Work In Progress	20,254,298	6,828,406	13,425,892
<b>3. Total Utility Plant (1 plus 2)</b>	<b>\$ 807,259,326</b>	<b>\$ 482,274,009</b>	<b>\$ 324,985,317</b>
4. Accum. Provision for Depreciation and Amort.	(347,736,513)	(227,402,927)	(120,333,586)
<b>5. Net Utility Plant (3 minus 4)</b>	<b>\$ 459,522,813</b>	<b>\$ 254,871,082</b>	<b>\$ 204,651,731</b>
6. Nonutility Property - Net	24,461	0	24,461
7. Investment in Associated Organizations	11,888,530	8,505,741	3,382,789
<b>8. Total Other Property &amp; Investments (6 plus 7)</b>	<b>\$ 11,912,991</b>	<b>\$ 8,505,741</b>	<b>\$ 3,407,250</b>
9. Cash & Temporary Investments	9,844,914	0	9,844,914
10. Special Deposits	206,191	72,357	133,834
11. Accounts Receivable - Net	32,899,571	23,600,324	9,299,247
12. Inter-Company Receivable	3,823,789	0	3,823,789
13. Materials and Supplies	25,424,492	20,812,339	4,612,153
14. Prepayments	1,487,965	930,224	557,741
15. Other Current & Accrued Assets	280,563	52,795	227,768
<b>16. Total Current &amp; Accrued Assets (9 thru 15)</b>	<b>\$ 73,967,485</b>	<b>\$ 45,468,039</b>	<b>\$ 28,499,446</b>
17. Deferred Debits	21,460,648	18,883,416	2,577,232
<b>18. Total Assets &amp; Other Debits (5 + 8 + 16 + 17)</b>	<b>\$ 566,863,937</b>	<b>\$ 327,728,278</b>	<b>\$ 239,135,659</b>

12

## Balance Sheet, Liabilities & Other Credits December 31, 2006

	Total	G & T	Distribution
19. Memberships	\$ 1,297,633	\$ 0	\$ 1,297,633
20. Patronage Capital & Margins & Equities	149,418,467	32,429,009	116,989,458
<b>21. Total Margins &amp; Equities (18 plus 19)</b>	<b>\$ 150,716,100</b>	<b>\$ 32,429,009</b>	<b>\$ 118,287,091</b>
22. Long-Term Debt - Bonds (Net)	305,500,000	218,472,225	87,027,775
23. Long-Term Debt - Other (Net)	45,303,530	32,397,915	12,905,615
<b>24. Total Long-Term Debt (22 + 23)</b>	<b>\$ 350,803,530</b>	<b>\$ 250,870,140</b>	<b>\$ 99,933,390</b>
25. Notes Payable	13,728,569	9,817,712	3,910,857
26. Accounts Payable	10,074,426	6,084,653	3,989,773
27. Inter-Company Payable	3,823,789	3,823,789	0
28. Consumer Deposits	2,217,613	0	2,217,613
29. Other Current & Accrued Liabilities	33,191,185	24,412,781	8,778,404
<b>30. Total Current &amp; Accrued Liabilities (25 thru 29)</b>	<b>\$ 63,035,582</b>	<b>\$ 44,138,935</b>	<b>\$ 18,896,647</b>
31. Deferred Credits	2,308,725	290,194	2,018,531
<b>31. Total Liab &amp; Other Credits (21 + 24 + 30 + 31)</b>	<b>\$ 566,863,937</b>	<b>\$ 327,728,278</b>	<b>\$ 239,135,659</b>
Equity Ratio	30.05%	11.45%	54.21%

"Inter-Company Payable" does not represent a debt or payable to any customer.

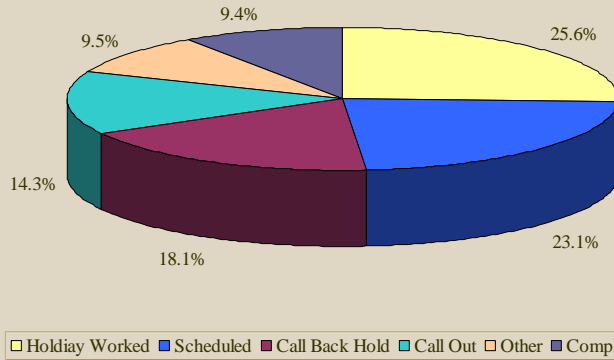
13

## Statements of Cash Flows YTD December 31, 2006

	Total	G&T	Distribution
<b>1. Cash flows from operating activities:</b>			
Assignable margins	\$ 10,112,536	\$ (2,585,828)	\$ 12,698,364
Adjustments to reconcile assignable margins to net cash provided (used) by operating activities:			
Depreciation & amortization	28,529,763	18,238,712	10,291,051
Capitalization of interest	(612,247)	(257,919)	(354,328)
Other	(5,478)	(20,581)	15,103
Changes in assets and liabilities:			
(Increase) decrease in assets:	(7,161,675)	(7,352,389)	190,714
Increase (decrease) in liabilities:	553,385	526,343	27,042
<b>Net cash provided by operating activities:</b>	<b>\$ 31,416,284</b>	<b>\$ 8,548,338</b>	<b>\$ 22,867,946</b>
<b>2. Cash flows from investing activities:</b>			
Extension and replacement of plant	(19,460,691)	(7,223,745)	(12,236,946)
<b>Net cash used for investing activities:</b>	<b>\$ (19,460,691)</b>	<b>\$ (7,223,745)</b>	<b>\$ (12,236,946)</b>
<b>3. Cash flows from financing activities:</b>			
Repayments of long-term obligations	(8,325,687)	(4,500,450)	(3,825,237)
Loan to G&T from Distribution	0	3,823,789	(3,823,789)
Patronage capital / Other	(4,435,586)	(1,125,125)	(3,310,461)
<b>Net cash used for financing activities:</b>	<b>(12,761,273)</b>	<b>(1,801,786)</b>	<b>(10,959,487)</b>
Net increase (decrease) in cash and cash equivalents	(805,680)	(477,193)	(328,487)
<b>4. Cash &amp; cash equivalents at beginning of year</b>	<b>\$ 10,650,594</b>	<b>\$ 477,193</b>	<b>\$ 10,173,401</b>
<b>5. Cash &amp; cash equivalents at end of period</b>	<b>\$ 9,844,914</b>	<b>\$ 0</b>	<b>\$ 9,844,914</b>

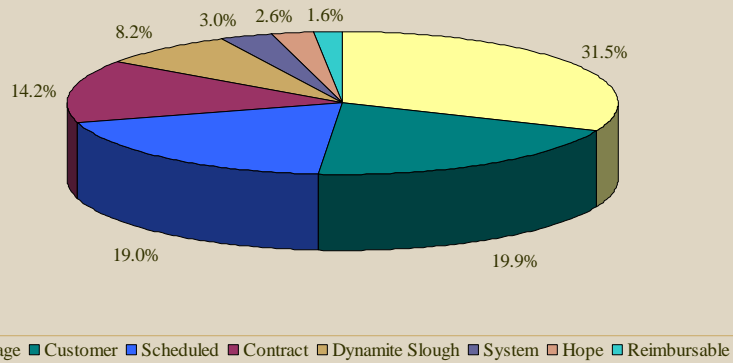
14

## Generation Agreement – Overtime Year-to-Date December 2006



15

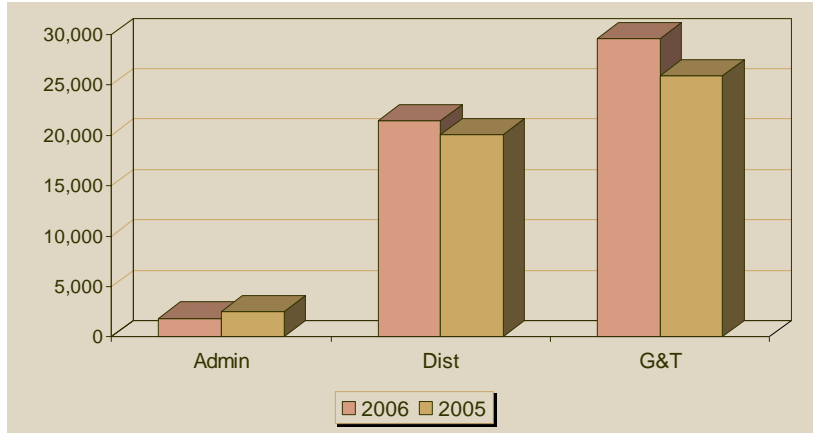
## Outside Agreement – Overtime Year-to-Date December 2006



\*Customer: Connect/Disconnect, Service Upgrades, Emergency Locates \*\*Scheduled: Inspection/Line Patrol and Preventative Equip Maintenance

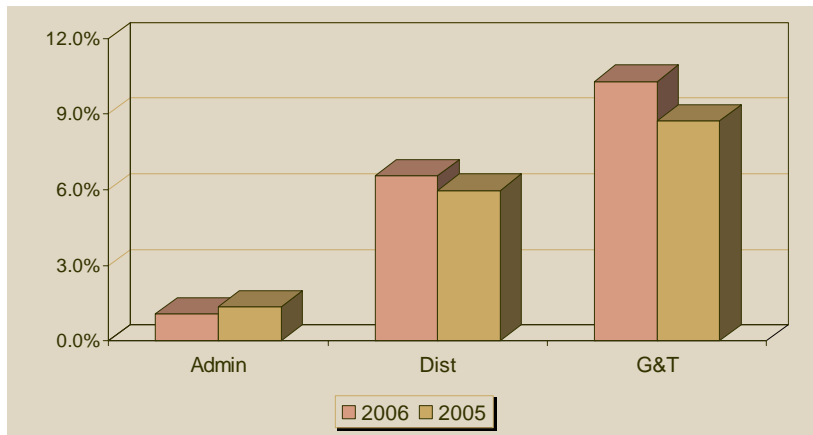
16

## *Overtime Hours Year-to-Date December 2006*



17

## *Overtime as Percentage of Total Hours Year-to-Date December 2006*



18

*Questions?*