

# December 2008 Financial Update

---

Chugach Electric Association, Inc.

Finance Committee

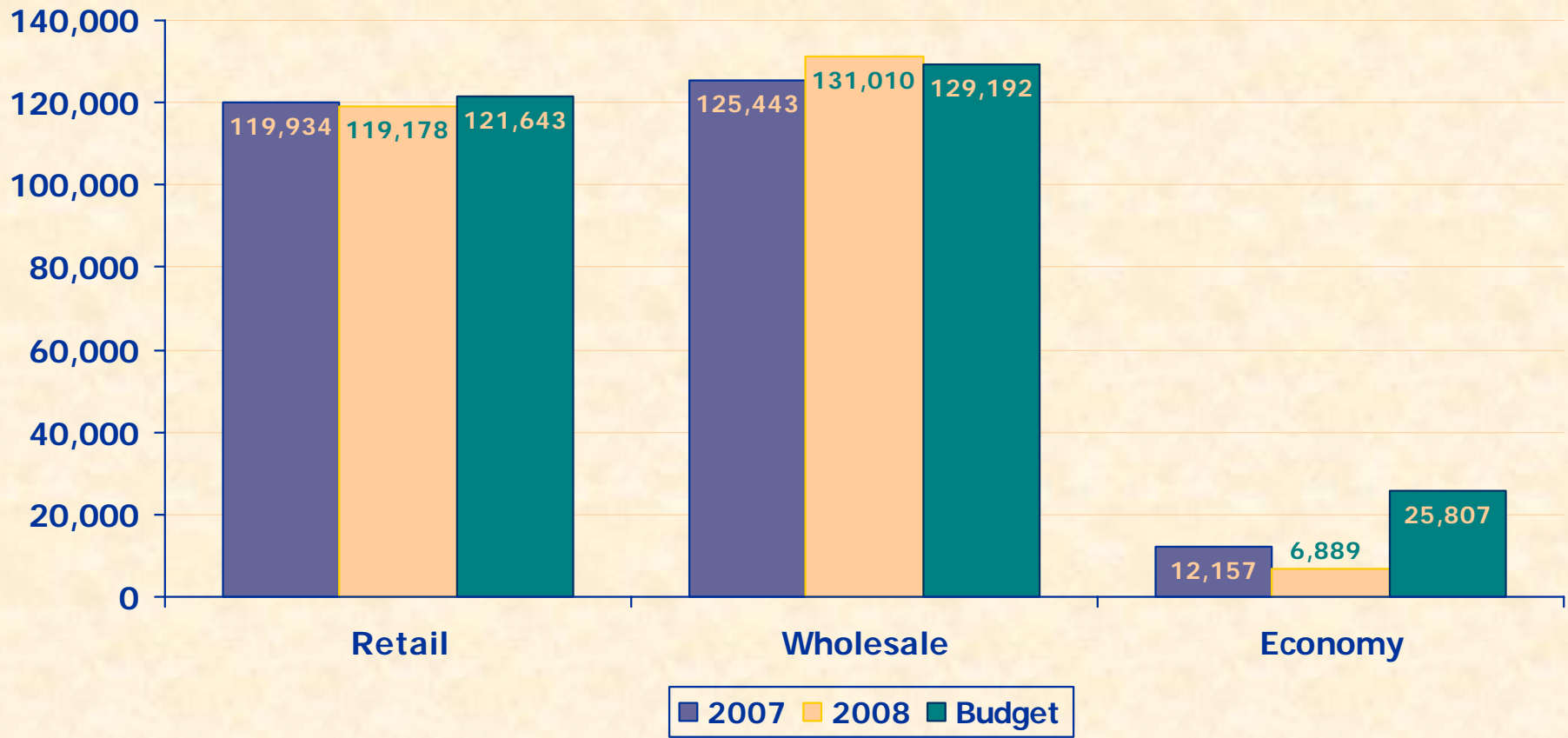
March 4, 2009

# December Financial Information

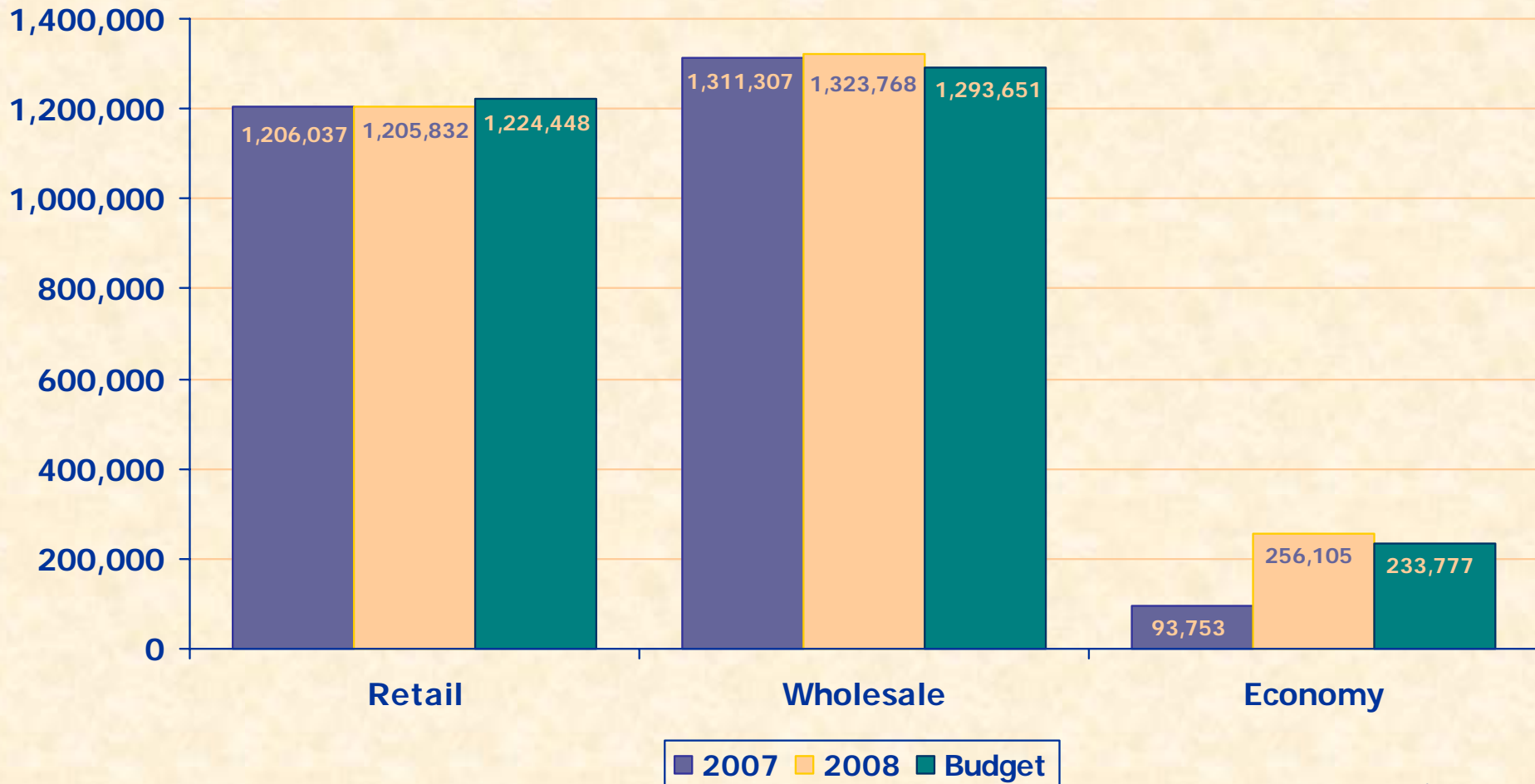
---

- **MWh Sales**
- **System Statement of Operations**
- **Generation Statement of Operations**
- **Transmission Statement of Operations**
- **Distribution Statement of Operations**
- **Balance Sheet**
- **Statement of Cash Flows**
- **Debt Summary**
- **Overtime Information**

# December MWh Sales



# December YTD MWh Sales



# Statement of Operations

## December 2008

	<u>Budget</u>	<u>Actuals</u>	<u>Variance</u>
<b>1. Operating Revenue &amp; Patronage Capital</b>	<b>\$ 27,681,076</b>	<b>\$ 27,986,371</b>	<b>\$ 305,295</b>
2. Fuel Expense	13,324,165	13,966,666	642,501
3. Power Production Expense	1,159,347	1,507,567	348,220
4. Purchased Power Expense	2,780,365	2,825,791	45,426
5. Transmission Expense	468,362	478,700	10,338
6. Distribution Expense	858,919	893,092	34,173
7. Customer Expense	460,916	542,070	81,154
8. Administrative & General Expense	1,160,044	1,704,683	544,639
<b>9. TOTAL Ops &amp; Maint Expense (2 thru 8)</b>	<b>\$ 20,212,118</b>	<b>\$ 21,918,569</b>	<b>\$ 1,706,451</b>
10. Depreciation & Amortization Expense	\$ 2,593,374	\$ 2,676,329	\$ 82,955
11. Tax Expense - Other	75,875	71,318	(4,557)
12. Interest on LT Debt	1,916,624	1,785,074	(131,550)
13. Interest Charged to Construction - Credit	(85,726)	(48,227)	37,499
14. Interest Expense - Other	73,333	252,844	179,511
15. Other Deductions	20,834	(540)	(21,374)
<b>16. TOTAL Cost of Electric Service (9 thru 15)</b>	<b>\$ 24,806,432</b>	<b>\$ 26,655,367</b>	<b>\$ 1,848,935</b>
<b>17. Patronage Capital &amp; Operating Margins</b>	<b>\$ 2,874,644</b>	<b>\$ 1,331,004</b>	<b>\$ (1,543,640)</b>
18. Non-Operating Margins - Interest	25,629	55,453	29,824
19. Allowance for Funds Used During Construction	37,056	12,362	(24,694)
20. Non-Operating Margins - Other	525,000	535,217	10,217
<b>21. Patronage Capital or Margins</b>	<b>\$ 3,462,329</b>	<b>\$ 1,934,036</b>	<b>\$ (1,528,293)</b>

TIER

2.81

2.08

# Statement of Operations

## December YTD 2008

	YTD Budget	YTD Actuals	YTD Forecast (as of 11/30/2008)	
<b>1. Operating Revenue &amp; Patronage Capital</b>	<b>\$ 272,069,723</b>	<b>\$ 288,292,112</b>	<b>\$ 287,861,816</b>	1 & 2
2. Fuel Expense	121,218,046	137,894,553	137,202,052	1 & 2
3. Power Production Expense	16,445,185	16,718,777	16,520,557	1 & 2
4. Purchased Power Expense	31,119,383	31,486,621	31,441,195	1
5. Transmission Expense	6,483,569	5,841,405	5,983,569	2
6. Distribution Expense	11,726,124	12,398,832	12,426,124	2
7. Customer Expense	5,740,544	5,396,662	5,690,544	2
8. Administrative & General Expense	17,690,176	19,056,753	18,802,068	1 & 2
<b>9. TOTAL Ops &amp; Maint Expense (2 thru 8)</b>	<b>\$ 210,423,027</b>	<b>\$ 228,793,603</b>	<b>\$ 228,066,109</b>	
10. Depreciation & Amortization Expense	\$ 30,354,147	\$ 30,829,276	\$ 30,826,361	1 & 2
11. Tax Expense - Other	884,862	815,072	819,629	1
12. Interest on LT Debt	23,119,883	21,309,900	21,252,455	1 & 2
13. Interest Charged to Construction - Credit	(998,921)	(446,479)	(438,252)	1 & 2
14. Interest Expense - Other	325,417	1,669,376	1,568,532	1 & 2
15. Other Deductions	250,000	142,414	163,789	1
<b>16. TOTAL Cost of Electric Service (9 thru 15)</b>	<b>\$ 264,358,415</b>	<b>\$ 283,113,162</b>	<b>\$ 282,258,623</b>	
<b>17. Patronage Capital &amp; Operating Margins</b>	<b>\$ 7,711,308</b>	<b>\$ 5,178,950</b>	<b>\$ 5,603,193</b>	
18. Non-Operating Margins - Interest	392,263	553,362	523,538	1
19. Allowance for Funds Used During Construction	431,788	112,611	115,249	1 & 2
20. Non-Operating Margins - Other	525,000	566,827	556,610	1
<b>21. Patronage Capital or Margins</b>	<b>\$ 9,060,359</b>	<b>\$ 6,411,750</b>	<b>\$ 6,798,590</b>	
<b>TIER</b>	<b>1.39</b>	<b>1.30</b>	<b>1.32</b>	

<sup>1</sup>Forecast based on 11 months actual and 1 month of budget

<sup>2</sup>Forecast has been adjusted to reflect current assumption changes

# Unexpected Events in 2008

Revenue short-fall due to lower retail sales than anticipated	\$ (800,000)
October wind storm	(500,000)
Unbudgeted credit card fees	(600,000)
Unit 8 maintenance issue - crack in main steam wye-joint	(800,000)
Additional unbudgeted legal fees and merger studies	(1,200,000)
Additional amortization - Beluga compression units	(200,000)
Unit 7 unexpected generator repairs	(600,000)
Settlement on environmental fine at Bernice Lake	(100,000)
<b>Total of Unbudgeted Significant 2008 Variances</b>	<b><u><u>\$ (4,800,000)</u></u></b>
Original budget	\$ 9,000,000
Less: 2008 Significant Unbudgeted Variances	(4,800,000)
<b>Expected Margins had we not offset costs elsewhere</b>	<b><u><u>\$ 4,200,000</u></u></b>

# Comparative Statement of Operations

## YTD 2004 through 2008

	2004	2005	2006	2007	2008
<b>1. Operating Revenue &amp; Patronage Capital</b>	<b>\$ 201,246,615</b>	<b>\$ 225,697,349</b>	<b>\$ 267,542,713</b>	<b>\$ 257,443,919</b>	<b>\$ 288,292,112</b>
2. Fuel Expense	64,113,474	84,776,131	120,280,509	106,023,734	137,894,553
3. Power Production Expense	15,038,773	15,037,499	15,050,338	16,171,717	16,718,777
4. Purchased Power Expense	20,579,992	23,664,412	25,979,919	33,947,828	31,486,621
5. Transmission Expense	6,350,344	5,847,648	6,283,845	6,781,166	5,841,405
6. Distribution Expense	11,473,722	11,758,711	12,134,087	13,716,105	12,398,832
7. Customer Expense	5,308,353	5,227,478	4,982,313	4,899,878	5,396,662
8. Administrative & General Expense	21,393,605	19,010,714	18,847,351	20,767,717	19,056,753
<b>9. TOTAL Ops &amp; Maint Expense (2 thru 8)</b>	<b>\$ 144,258,263</b>	<b>\$ 165,322,593</b>	<b>\$ 203,558,362</b>	<b>\$ 202,308,145</b>	<b>\$ 228,793,603</b>
10. Depreciation & Amortization Expense	\$ 28,244,229	\$ 27,994,939	\$ 28,529,763	\$ 29,049,627	\$ 30,829,276
11. Tax Expense - Other	727,378	812,174	837,191	834,582	815,072
12. Interest on LT Debt	21,984,371	23,384,316	24,459,852	24,239,343	21,309,900
13. Interest Charged to Construction - Credit	(492,506)	(844,911)	(448,978)	(617,194)	(446,479)
14. Interest Expense - Other	(101,850)	46,649	0	90,648	1,669,376
15. Other Deductions	456,872	449,403	2,044,013	174,669	142,414
<b>16. TOTAL Cost of Electric Service (9 thru 15)</b>	<b>\$ 195,076,757</b>	<b>\$ 217,165,163</b>	<b>\$ 258,980,203</b>	<b>\$ 256,079,820</b>	<b>\$ 283,113,162</b>
<b>17. Patronage Capital &amp; Operating Margins</b>	<b>6,169,858</b>	<b>8,532,186</b>	<b>\$ 8,562,510</b>	<b>\$ 1,364,099</b>	<b>\$ 5,178,950</b>
18. Non-Operating Margins - Interest	453,606	560,418	879,481	710,480	553,362
19. Allowance for Funds Used During Construction	78,507	148,588	163,269	274,248	112,611
20. Non-Operating Margins - Other	655,629	518,395	433,799	536,429	566,827
<b>21. Patronage Capital or Margins</b>	<b>\$ 7,357,600</b>	<b>\$ 9,759,587</b>	<b>\$ 10,039,059</b>	<b>\$ 2,885,256</b>	<b>\$ 6,411,750</b>
<b>Equity Ratio</b>	<b>27.67%</b>	<b>28.46%</b>	<b>30.05%</b>	<b>30.18%</b>	<b>30.26%</b>
<b>Achieved TIER</b>	<b>1.33</b>	<b>1.42</b>	<b>1.41</b>	<b>1.12</b>	<b>1.30</b>

# System Statement of Operations

## December 2008

	Total	Generation	Transmission	Distribution
<b>1. Operating Revenue &amp; Patronage Capital</b>	<b>\$ 27,986,371</b>	<b>\$ 21,082,178</b>	<b>\$ 2,258,539</b>	<b>\$ 4,645,654</b>
2. Fuel Expense	13,966,666	13,966,666	0	0
3. Power Production Expense	1,507,567	1,507,544	23	0
4. Purchased Power Expense	2,825,791	2,825,791	0	0
5. Transmission Expense	478,700	0	478,700	0
6. Distribution Expense	893,092	0	0	893,092
7. Customer Expense	542,070	0	0	542,070
8. Administrative & General Expense	1,704,683	601,036	234,026	869,621
<b>9. TOTAL Ops &amp; Maint Expense (2 thru 8)</b>	<b>\$ 21,918,569</b>	<b>\$ 18,901,037</b>	<b>\$ 712,749</b>	<b>\$ 2,304,783</b>
10. Depreciation & Amortization Expense	\$ 2,676,329	\$ 1,280,062	\$ 489,189	\$ 907,078
11. Tax Expense - Other	71,318	4,012	1,634	65,672
12. Interest on LT Debt	1,785,074	642,626	579,435	563,013
13. Interest Charged to Construction - Credit	(48,227)	(21,423)	(8,189)	(18,615)
14. Interest Expense - Other	252,844	112,313	42,933	97,598
15. Other Deductions	(540)	0	(460)	(80)
<b>16. TOTAL Cost of Electric Service (9 thru 15)</b>	<b>\$ 26,655,367</b>	<b>\$ 20,918,627</b>	<b>\$ 1,817,291</b>	<b>\$ 3,919,449</b>
<b>17. Patronage Capital &amp; Operating Margins</b>	<b>1,331,004</b>	<b>163,551</b>	<b>\$ 441,248</b>	<b>\$ 726,205</b>
18. Non-Operating Margins - Interest	55,453	0	0	55,453
19. Allowance for Funds Used During Construction	12,362	5,491	2,099	4,772
20. Non-Operating Margins - Other	535,217	192,570	172,608	170,039
<b>21. Patronage Capital or Margins</b>	<b>\$ 1,934,036</b>	<b>\$ 361,612</b>	<b>\$ 615,955</b>	<b>\$ 956,469</b>
<b>Achieved TIER</b>	<b>2.08</b>	<b>1.56</b>	<b>2.06</b>	<b>2.70</b>
<b>Operating Revenue per kWh</b>	<b>\$ 0.1119</b>	<b>\$ 0.0843</b>	<b>\$ 0.0090</b>	<b>\$ 0.0390</b>
<b>Operating Cost per kWh</b>	<b>\$ 0.1065</b>	<b>\$ 0.0836</b>	<b>\$ 0.0073</b>	<b>\$ 0.0329</b>

# System Statement of Operations

## December YTD 2008

	Total	Generation	Transmission	Distribution
<b>1. Operating Revenue &amp; Patronage Capital</b>	<b>\$ 288,292,112</b>	<b>\$211,745,644</b>	<b>\$24,045,559</b>	<b>\$52,500,909</b>
2. Fuel Expense	137,894,553	137,894,553	0	0
3. Power Production Expense	16,718,777	16,716,305	2,472	0
4. Purchased Power Expense	31,486,621	31,486,621	0	0
5. Transmission Expense	5,841,405	0	5,841,405	0
6. Distribution Expense	12,398,832	0	0	12,398,832
7. Customer Expense	5,396,662	0	0	5,396,662
8. Administrative & General Expense	19,056,753	6,796,401	2,597,366	9,662,986
<b>9. TOTAL Ops &amp; Maint Expense (2 thru 8)</b>	<b>\$ 228,793,603</b>	<b>\$192,893,880</b>	<b>\$8,441,243</b>	<b>\$27,458,480</b>
10. Depreciation & Amortization Expense	\$ 30,829,276	\$14,124,462	\$5,744,585	\$10,960,229
11. Tax Expense - Other	815,072	72,576	29,553	712,943
12. Interest on LT Debt	21,309,900	7,571,795	7,280,573	6,457,532
13. Interest Charged to Construction - Credit	(446,479)	(138,164)	(122,090)	(186,225)
14. Interest Expense - Other	1,669,376	535,355	418,927	715,094
15. Other Deductions	142,414	40,000	3,677	98,737
<b>16. TOTAL Cost of Electric Service (9 thru 15)</b>	<b>\$ 283,113,162</b>	<b>\$215,099,904</b>	<b>\$21,796,468</b>	<b>\$46,216,790</b>
<b>17. Patronage Capital &amp; Operating Margins</b>	<b>\$ 5,178,950</b>	<b>\$ (3,354,260)</b>	<b>\$ 2,249,091</b>	<b>\$6,284,119</b>
18. Non-Operating Margins - Interest	553,362	0	0	553,362
19. Allowance for Funds Used During Construction	112,611	34,289	31,621	46,701
20. Non-Operating Margins - Other	566,827	202,636	176,834	187,357
<b>21. Patronage Capital or Margins</b>	<b>\$ 6,411,750</b>	<b>\$ (3,117,335)</b>	<b>\$ 2,457,546</b>	<b>\$7,071,539</b>
<b>Achieved TIER</b>	<b>1.30</b>	<b>0.59</b>	<b>1.34</b>	<b>2.10</b>
<b>Operating Revenue per kWh</b>	<b>\$ 0.1140</b>	<b>\$ 0.0837</b>	<b>\$ 0.0095</b>	<b>\$ 0.0435</b>
<b>Operating Cost per kWh</b>	<b>\$ 0.1119</b>	<b>\$ 0.0850</b>	<b>\$ 0.0086</b>	<b>\$ 0.0383</b>

# Generation Statement of Operations

## December 2008

	<u>Budget</u>	<u>Actual</u>	<u>Variance</u>
<b>1. Operating Revenue &amp; Patronage Capital</b>	<b>\$ 20,443,065</b>	<b>\$ 21,082,178</b>	<b>\$ 639,113</b>
2. Fuel Expense	13,324,165	13,966,666	642,501
3. Power Production Expense	1,159,347	1,507,544	348,197
4. Purchased Power Expense	2,780,365	2,825,791	45,426
5. Transmission Expense	0	0	0
6. Distribution Expense	0	0	0
7. Customer Expense	0	0	0
8. Administrative & General Expense	418,883	601,036	182,153
<b>9. TOTAL Ops &amp; Maint Expense (2 thru 8)</b>	<b>\$ 17,682,760</b>	<b>\$ 18,901,037</b>	<b>\$ 1,218,277</b>
10. Depreciation & Amortization Expense	\$ 1,205,973	\$ 1,280,062	\$ 74,089
11. Tax Expense - Other	5,128	4,012	(1,116)
12. Interest on LT Debt	678,643	642,626	(36,017)
13. Interest Charged to Construction - Credit	(14,599)	(21,423)	(6,824)
14. Interest Expense - Other	12,489	112,313	99,824
15. Other Deductions	7,098	0	(7,098)
<b>16. TOTAL Cost of Electric Service (9 thru 15)</b>	<b>\$ 19,577,492</b>	<b>\$ 20,918,627</b>	<b>\$ 1,341,135</b>
<b>17. Patronage Capital &amp; Operating Margins</b>	<b>\$ 865,573</b>	<b>\$ 163,551</b>	<b>\$ (702,022)</b>
18. Non-Operating Margins - Interest	0	0	0
19. Allowance for Funds Used During Construction	6,311	5,491	(820)
20. Non-Operating Margins - Other	185,893	192,570	6,677
<b>21. Patronage Capital or Margins</b>	<b>\$ 1,057,777</b>	<b>\$ 361,612</b>	<b>\$ (696,165)</b>
Achieved TIER	2.56	1.56	(1.00)
Operating Revenue per kWh	\$ 0.0815	\$ 0.0843	\$ 0.0028
Operating Cost per kWh	\$ 0.0780	\$ 0.0836	\$ 0.0056

# Generation Statement of Operations

## December YTD 2008

	<u>Budget</u>	<u>Actual</u>	<u>Variance</u>
<b>1. Operating Revenue &amp; Patronage Capital</b>	<b>\$ 195,201,501</b>	<b>\$ 211,745,644</b>	<b>\$ 16,544,143</b>
2. Fuel Expense	121,218,046	137,894,553	16,676,507
3. Power Production Expense	16,445,185	16,716,305	271,120
4. Purchased Power Expense	31,119,383	31,486,621	367,238
5. Transmission Expense	0	0	0
6. Distribution Expense	0	0	0
7. Customer Expense	0	0	0
8. Administrative & General Expense	6,335,778	6,796,401	460,623
<b>9. TOTAL Ops &amp; Maint Expense (2 thru 8)</b>	<b>\$ 175,118,392</b>	<b>\$ 192,893,880</b>	<b>\$ 17,775,488</b>
10. Depreciation & Amortization Expense	\$ 13,923,374	14,124,462	\$ 201,088
11. Tax Expense - Other	92,886	72,576	(20,310)
12. Interest on LT Debt	8,186,352	7,571,795	(614,557)
13. Interest Charged to Construction - Credit	(170,116)	(138,164)	31,952
14. Interest Expense - Other	55,419	535,355	479,936
15. Other Deductions	85,173	40,000	(45,173)
<b>16. TOTAL Cost of Electric Service (9 thru 15)</b>	<b>\$ 197,291,480</b>	<b>\$ 215,099,904</b>	<b>\$ 17,808,424</b>
<b>17. Patronage Capital &amp; Operating Margins</b>	<b>\$ (2,089,979)</b>	<b>\$ (3,354,260)</b>	<b>\$ (1,264,281)</b>
18. Non-Operating Margins - Interest	0	0	0
19. Allowance for Funds Used During Construction	73,533	34,289	(39,244)
20. Non-Operating Margins - Other	185,893	202,636	16,743
<b>21. Patronage Capital or Margins</b>	<b>\$ (1,830,553)</b>	<b>\$ (3,117,335)</b>	<b>\$ (1,286,782)</b>
Achieved TIER	0.78	0.59	(0.19)
Operating Revenue per kWh	\$ 0.0775	0.0837	\$ 0.0062
Operating Cost per kWh	\$ 0.0783	0.0850	\$ 0.0067

# Transmission Statement of Operations

## December 2008

	<u>Budget</u>	<u>Actual</u>	<u>Variance</u>
<b>1. Operating Revenue &amp; Patronage Capital</b>	<b>\$ 2,398,239</b>	<b>\$ 2,258,539</b>	<b>\$ (139,700)</b>
2. Fuel Expense	0	0	0
3. Power Production Expense	0	23	23
4. Purchased Power Expense	0	0	0
5. Transmission Expense	468,362	478,700	10,338
6. Distribution Expense	0	0	0
7. Customer Expense	0	0	0
8. Administrative & General Expense	165,307	234,026	68,719
<b>9. TOTAL Ops &amp; Maint Expense (2 thru 8)</b>	<b>\$ 633,669</b>	<b>\$ 712,749</b>	<b>\$ 79,080</b>
10. Depreciation & Amortization Expense	\$ 508,966	\$ 489,189	\$ (19,777)
11. Tax Expense - Other	2,097	1,634	(463)
12. Interest on LT Debt	691,992	579,435	(112,557)
13. Interest Charged to Construction - Credit	(27,312)	(8,189)	19,123
14. Interest Expense - Other	23,364	42,933	19,569
15. Other Deductions	2,902	(460)	(3,362)
<b>16. TOTAL Cost of Electric Service (9 thru 15)</b>	<b>\$ 1,835,678</b>	<b>\$ 1,817,291</b>	<b>\$ (18,387)</b>
<b>17. Patronage Capital &amp; Operating Margins</b>	<b>\$ 562,561</b>	<b>\$ 441,248</b>	<b>\$ (121,313)</b>
18. Non-Operating Margins - Interest	0	0	0
19. Allowance for Funds Used During Construction	11,806	2,099	(9,707)
20. Non-Operating Margins - Other	189,550	172,608	(16,942)
<b>21. Patronage Capital or Margins</b>	<b>\$ 763,917</b>	<b>\$ 615,955</b>	<b>\$ (147,962)</b>
<b>Achieved TIER</b>	<b>2.10</b>	<b>2.06</b>	<b>(0.04)</b>
<b>Operating Revenue per kWh</b>	<b>\$ 0.0096</b>	<b>\$ 0.0090</b>	<b>\$ (0.0006)</b>
<b>Operating Cost per kWh</b>	<b>\$ 0.0073</b>	<b>\$ 0.0073</b>	<b>\$ -</b>

# Transmission Statement of Operations

## December YTD 2008

	<u>Budget</u>	<u>Actual</u>	<u>Variance</u>
<b>1. Operating Revenue &amp; Patronage Capital</b>	<b>\$ 24,784,855</b>	<b>\$ 24,045,559</b>	<b>\$ (739,296)</b>
2. Fuel Expense	0	0	0
3. Power Production Expense	0	2,472	2,472
4. Purchased Power Expense	0	0	0
5. Transmission Expense	6,483,569	5,841,405	(642,164)
6. Distribution Expense	0	0	0
7. Customer Expense	0	0	0
8. Administrative & General Expense	2,505,416	2,597,366	91,950
<b>9. TOTAL Ops &amp; Maint Expense (2 thru 8)</b>	<b>\$ 8,988,985</b>	<b>\$ 8,441,243</b>	<b>\$ (547,742)</b>
10. Depreciation & Amortization Expense	\$ 6,018,218	\$ 5,744,585	(273,633)
11. Tax Expense - Other	37,979	29,553	(8,426)
12. Interest on LT Debt	8,347,371	7,280,573	(1,066,798)
13. Interest Charged to Construction - Credit	(318,256)	(122,090)	196,166
14. Interest Expense - Other	103,678	418,927	315,249
15. Other Deductions	34,826	3,677	(31,149)
<b>16. TOTAL Cost of Electric Service (9 thru 15)</b>	<b>\$ 23,212,801</b>	<b>\$ 21,796,468</b>	<b>\$ (1,416,333)</b>
<b>17. Patronage Capital &amp; Operating Margins</b>	<b>\$ 1,572,054</b>	<b>\$ 2,249,091</b>	<b>\$ 677,037</b>
18. Non-Operating Margins - Interest	0	0	0
19. Allowance for Funds Used During Construction	137,568	31,621	(105,947)
20. Non-Operating Margins - Other	189,550	176,834	(12,716)
<b>21. Patronage Capital or Margins</b>	<b>\$ 1,899,172</b>	<b>\$ 2,457,546</b>	<b>\$ 558,374</b>
<b>Achieved TIER</b>	<b>1.23</b>	<b>1.34</b>	<b>0.11</b>
<b>Operating Revenue per kWh</b>	<b>\$ 0.0098</b>	<b>\$ 0.0095</b>	<b>\$ (0.0003)</b>
<b>Operating Cost per kWh</b>	<b>\$ 0.0092</b>	<b>\$ 0.0086</b>	<b>\$ (0.0006)</b>

# Distribution Statement of Operations

## December 2008

	<u>Budget</u>	<u>Actual</u>	<u>Variance</u>
<b>1. Operating Revenue &amp; Patronage Capital</b>	<b>\$ 4,839,772</b>	<b>\$ 4,645,654</b>	<b>\$ (194,118)</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	858,919	893,092	34,173
7. Customer Expense	460,916	542,070	81,154
8. Administrative & General Expense	575,854	869,621	293,767
<b>9. TOTAL Ops &amp; Maint Expense (2 thru 8)</b>	<b>\$ 1,895,689</b>	<b>\$ 2,304,783</b>	<b>\$ 409,094</b>
10. Depreciation & Amortization Expense	\$ 878,435	\$ 907,078	28,643
11. Tax Expense - Other	68,650	65,672	(2,978)
12. Interest on LT Debt	545,989	563,013	17,024
13. Interest Charged to Construction - Credit	(43,815)	(18,615)	25,200
14. Interest Expense - Other	37,480	97,598	60,118
15. Other Deductions	10,834	(80)	(10,914)
<b>16. TOTAL Cost of Electric Service (9 thru 15)</b>	<b>\$ 3,393,262</b>	<b>\$ 3,919,449</b>	<b>\$ 526,187</b>
<b>17. Patronage Capital &amp; Operating Margins</b>	<b>\$ 1,446,510</b>	<b>\$ 726,205</b>	<b>\$ (720,305)</b>
18. Non-Operating Margins - Interest	25,629	55,453	29,824
19. Allowance for Funds Used During Construction	18,939	4,772	(14,167)
20. Non-Operating Margins - Other	149,557	170,039	20,482
<b>21. Patronage Capital or Margins</b>	<b>\$ 1,640,635</b>	<b>\$ 956,469</b>	<b>\$ (684,166)</b>
Achieved TIER	4.00	2.70	(1.30)
Operating Revenue per kWh	\$ 0.0398	\$ 0.0390	\$ (0.0008)
Operating Cost per kWh	\$ 0.0279	\$ 0.0329	\$ 0.0050

# Distribution Statement of Operations

## December YTD 2008

	<u>Budget</u>	<u>Actual</u>	<u>Variance</u>
<b>1. Operating Revenue &amp; Patronage Capital</b>	<b>\$ 52,083,367</b>	<b>\$ 52,500,909</b>	<b>\$ 417,542</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	11,726,124	12,398,832	672,708
7. Customer Expense	5,740,159	5,396,662	(343,497)
8. Administrative & General Expense	8,849,369	9,662,986	813,617
<b>9. TOTAL Ops &amp; Maint Expense (2 thru 8)</b>	<b>\$ 26,315,652</b>	<b>\$ 27,458,480</b>	<b>\$ 1,142,828</b>
10. Depreciation & Amortization Expense	\$ 10,412,556	\$ 10,960,229	\$ 547,673
11. Tax Expense - Other	753,997	712,943	(41,054)
12. Interest on LT Debt	6,586,160	6,457,532	(128,628)
13. Interest Charged to Construction - Credit	(510,549)	(186,225)	324,324
14. Interest Expense - Other	166,321	715,094	548,773
15. Other Deductions	130,001	98,737	(31,264)
<b>16. TOTAL Cost of Electric Service (9 thru 15)</b>	<b>\$ 43,854,138</b>	<b>\$ 46,216,790</b>	<b>\$ 2,362,652</b>
<b>17. Patronage Capital &amp; Operating Margins</b>	<b>\$ 8,229,229</b>	<b>\$ 6,284,119</b>	<b>\$ (1,945,110)</b>
18. Non-Operating Margins - Interest	392,263	553,362	161,099
19. Allowance for Funds Used During Construction	220,687	46,701	(173,986)
20. Non-Operating Margins - Other	149,557	187,357	37,800
<b>21. Patronage Capital or Margins</b>	<b>\$ 8,991,736</b>	<b>\$ 7,071,539</b>	<b>\$ (1,920,197)</b>
Achieved TIER	2.37	2.10	(0.27)
Operating Revenue per kWh	\$ 0.0425	\$ 0.0435	\$ 0.0010
Operating Cost per kWh	\$ 0.0358	\$ 0.0383	\$ 0.0025

# Balance Sheet, Assets & Other Debits

## December 2008

	<u>Total</u>	<u>G &amp; T</u>	<u>Distribution</u>
1. Total Utility Plant In Service	\$ 821,462,475	\$ 480,281,559	\$ 341,180,916
2. Construction Work In Progress	25,151,072	15,443,356	9,707,716
<b>3. Total Utility Plant (1 plus 2)</b>	<b>\$ 846,613,547</b>	<b>\$ 495,724,915</b>	<b>\$ 350,888,632</b>
4. Accum. Provision for Depreciation and Amort.	(389,002,139)	(251,162,423)	(137,839,716)
<b>5. Net Utility Plant (3 minus 4)</b>	<b>\$ 457,611,408</b>	<b>\$ 244,562,492</b>	<b>\$ 213,048,916</b>
6. Nonutility Property - Net	24,461	0	24,461
7. Investment in Associated Organizations	12,177,769	8,332,110	3,845,659
8. Special Funds	264,427	127,279	137,148
<b>9. Total Other Property &amp; Investments (6 thru 8)</b>	<b>\$ 12,466,657</b>	<b>\$ 8,459,389</b>	<b>\$ 4,007,268</b>
10. Cash & Temporary Investments	7,491,302	0	7,491,302
11. Special Deposits	114,930	49,088	65,842
12. Accounts Receivable - Net	33,019,372	25,602,235	7,417,137
13. Temporary Intracompany Non-Interest Bearing Balance	8,029,894	0	8,029,894
14. Materials and Supplies	28,806,641	23,413,260	5,393,381
15. Prepayments	1,544,025	971,054	572,971
16. Other Current & Accrued Assets	12,060,435	11,838,619	221,816
<b>17. Total Current &amp; Accrued Assets (10 thru 16)</b>	<b>\$ 91,066,599</b>	<b>\$ 61,874,256</b>	<b>\$ 29,192,343</b>
18. Deferred Debits	23,577,199	21,979,536	1,597,663
<b>19. Total Assets &amp; Other Debits (5 + 9 + 17 + 18)</b>	<b>\$ 584,721,863</b>	<b>\$ 336,875,673</b>	<b>\$ 247,846,190</b>

“Temporary Intracompany Non Interest Bearing Balance” does not represent a debt or payable to any customer.

# Balance Sheet, Liabilities & Other Credits

## December 2008

	<u>Total</u>	<u>G &amp; T</u>	<u>Distribution</u>
20. Memberships	\$ 1,390,413	\$ 0	\$ 1,390,413
21. Patronage Capital & Margins & Equities	152,376,586	36,198,147	116,178,439
<b>22. Total Margins &amp; Equities (20 plus 21)</b>	<b>\$ 153,766,999</b>	<b>\$ 36,198,147</b>	<b>\$ 117,568,852</b>
23. Long-Term Debt - Bonds (Net)	270,000,000	184,842,000	85,158,000
24. Long-Term Debt - Other (Net)	84,383,506	57,768,948	26,614,558
<b>25. Total Long-Term Debt (23 plus 24)</b>	<b>\$ 354,383,506</b>	<b>\$ 242,610,948</b>	<b>\$ 111,772,558</b>
26. Notes Payable	14,763,653	10,107,197	4,656,456
27. Accounts Payable	6,999,140	4,031,796	2,967,344
28. Temporary Intracompany Non-Interest Bearing Balance	8,029,894	8,029,894	0
29. Consumer Deposits	2,410,980	0	2,410,980
30. Other Current & Accrued Liabilities	41,801,280	35,462,765	6,338,515
<b>31. Total Current &amp; Accrued Liabilities (26 thru 30)</b>	<b>\$ 74,004,947</b>	<b>\$ 57,631,652</b>	<b>\$ 16,373,295</b>
32. Deferred Credits	2,301,984	307,647	1,994,337
33. Misc Operating Reserves	264,427	127,279	137,148
<b>34. Total Liab &amp; Other Credits (22 + 25 + 31 + 32 + 33)</b>	<b>\$ 584,721,863</b>	<b>\$ 336,875,673</b>	<b>\$ 247,846,190</b>
<b>Equity Ratio</b>	<b>30.26%</b>	<b>12.98%</b>	<b>51.26%</b>

"Temporary Intracompany Non Interest Bearing Balance" does not represent a debt or payable to any customer.

# Comparative Balance Sheet

## December 2007 & 2008

	Dec. 2007	Dec. 2008	Change
1. Total Utility Plant In Service	\$ 805,631,207	\$ 821,462,475	\$ 15,831,268
2. Construction Work In Progress	17,712,884	25,151,072	7,438,188
<b>3. Total Utility Plant (1 plus 2)</b>	<b>\$ 823,344,091</b>	<b>\$ 846,613,547</b>	<b>\$ 23,269,456</b>
4. Accum. Provision for Depreciation and Amort.	(367,391,921)	(389,002,139)	(21,610,218)
<b>5. Net Utility Plant (3 minus 4)</b>	<b>\$ 455,952,170</b>	<b>\$ 457,611,408</b>	<b>\$ 1,659,238</b>
6. Nonutility Property - Net	24,461	24,461	0
7. Investment in Associated Organizations	11,993,378	12,177,769	184,391
8. Special Funds	768,041	264,427	(503,614)
<b>9. Total Other Property &amp; Investments (6 thru 8)</b>	<b>\$ 12,785,880</b>	<b>\$ 12,466,657</b>	<b>\$ (319,223)</b>
10. Cash & Temporary Investments	6,209,936	7,491,302	1,281,366
11. Special Deposits	125,117	114,930	(10,187)
12. Accounts Receivable - Net	31,355,481	33,019,372	1,663,891
13. Materials and Supplies	28,422,088	28,806,641	384,553
14. Prepayments	1,357,980	1,544,025	186,045
15. Other Current & Accrued Assets	264,501	12,060,435	11,795,934
<b>16. Total Current &amp; Accrued Assets (10 thru 15)</b>	<b>\$ 67,735,103</b>	<b>\$ 83,036,705</b>	<b>\$ 15,301,602</b>
17. Deferred Debits	21,252,965	23,577,199	2,324,234
<b>18. Total Assets &amp; Other Debits (5 + 9 + 16 + 17)</b>	<b>\$ 557,726,118</b>	<b>\$ 576,691,969</b>	<b>\$ 18,965,851</b>

# Comparative Balance Sheet

## December 2007 & 2008

	<u>Dec. 2007</u>	<u>Dec. 2008</u>	<u>Change</u>
19. Memberships	\$ 1,345,013	\$ 1,390,413	\$ 45,400
20. Patronage Capital & Margins & Equities	147,965,423	152,376,586	4,411,163
<b>21. Total Margins &amp; Equities (19 plus 20)</b>	<b>\$ 149,310,436</b>	<b>\$ 153,766,999</b>	<b>\$ 4,456,563</b>
22. Long-Term Debt - Bonds (Net)	299,600,000	270,000,000	(29,600,000)
23. Long-Term Debt - Other (Net)	45,823,500	84,383,506	38,560,006
<b>24. Total Long-Term Debt (22 plus 23)</b>	<b>\$ 345,423,500</b>	<b>\$ 354,383,506</b>	<b>\$ 8,960,006</b>
25. Notes Payable	10,106,804	14,763,653	4,656,849
26. Accounts Payable	7,935,566	6,999,140	(936,426)
27. Consumer Deposits	2,403,051	2,410,980	7,929
28. Other Current & Accrued Liabilities	39,872,357	41,801,280	1,928,923
<b>29. Total Current &amp; Accrued Liabilities (25 thru 28)</b>	<b>\$ 60,317,778</b>	<b>\$ 65,975,053</b>	<b>\$ 5,657,275</b>
30. Deferred Credits	1,906,363	2,301,984	395,621
31. Misc Operating Reserves	768,041	264,427	(503,614)
<b>32. Total Liab &amp; Other Credits (21 + 24 + 29 + 30 + 31)</b>	<b>\$ 557,726,118</b>	<b>\$ 576,691,969</b>	<b>\$ 18,965,851</b>
<b>Equity Ratio</b>	<b>30.18%</b>	<b>30.26%</b>	

# Comparative Balance Sheet

## December 2004 through 2008

	Dec. 2004	Dec. 2005	Dec. 2006	Dec. 2007	Dec. 2008
1. Total Utility Plant In Service	\$ 748,484,527	\$ 762,859,198	\$ 787,005,028	\$ 805,631,207	\$ 821,462,475
2. Construction Work In Progress	25,278,388	32,505,401	20,254,298	17,712,884	25,151,072
<b>3. Total Utility Plant (1 plus 2)</b>	<b>\$ 773,762,915</b>	<b>\$ 795,364,599</b>	<b>\$ 807,259,326</b>	<b>\$ 823,344,091</b>	<b>\$ 846,613,547</b>
4. Accum. Provision for Depreciation and Amort.	(305,932,001)	(327,384,961)	(347,736,514)	(367,391,921)	(389,002,139)
<b>5. Net Utility Plant (3 minus 4)</b>	<b>\$ 467,830,914</b>	<b>\$ 467,979,638</b>	<b>\$ 459,522,812</b>	<b>\$ 455,952,170</b>	<b>\$ 457,611,408</b>
6. Nonutility Property - Net	24,461	24,461	24,461	24,461	24,461
7. Investment in Associated Organizations	11,768,457	11,883,053	11,888,530	11,993,378	12,177,769
8. Special Funds	0	0	0	768,041	264,427
<b>9. Total Other Property &amp; Investments (6 thru 8)</b>	<b>\$ 11,792,918</b>	<b>\$ 11,907,514</b>	<b>\$ 11,912,991</b>	<b>\$ 12,785,880</b>	<b>\$ 12,466,657</b>
10. Cash & Temporary Investments	10,465,004	10,650,594	9,844,914	6,209,936	7,491,302
11. Special Deposits	217,191	216,191	206,191	125,117	114,930
12. Accounts Receivable - Net	23,740,383	27,436,278	32,899,571	31,355,481	33,019,372
13. Materials and Supplies	23,691,509	23,809,691	25,424,493	28,422,088	28,806,641
14. Prepayments	805,670	1,801,104	1,487,966	1,357,980	1,544,025
15. Other Current & Accrued Assets	260,115	2,064,772	280,562	264,501	12,060,435
<b>16. Total Current &amp; Accrued Assets (10 thru 15)</b>	<b>\$ 59,179,872</b>	<b>\$ 65,978,630</b>	<b>\$ 70,143,697</b>	<b>\$ 67,735,103</b>	<b>\$ 83,036,705</b>
17. Deferred Debits	20,550,883	19,269,718	21,460,648	21,252,965	23,577,199
<b>18. Total Assets &amp; Other Debits (5 + 9 + 16 + 17)</b>	<b>\$ 559,354,587</b>	<b>\$ 565,135,500</b>	<b>\$ 563,040,148</b>	<b>\$ 557,726,118</b>	<b>\$ 576,691,969</b>

# Comparative Balance Sheet

## December 2004 through 2008

	Dec. 2004	Dec. 2005	Dec. 2006	Dec. 2007	Dec. 2008
19. Memberships	\$ 1,202,538	\$ 1,250,398	\$ 1,297,633	\$ 1,345,013	\$ 1,390,413
20. Patronage Capital & Margins & Equities	137,796,261	143,788,754	149,418,467	147,965,423	152,376,586
<b>21. Total Margins &amp; Equities (19 plus 20)</b>	<b>\$ 138,998,799</b>	<b>\$ 145,039,152</b>	<b>\$ 150,716,100</b>	<b>\$ 149,310,436</b>	<b>\$ 153,766,999</b>
22. Long-Term Debt - Bonds (Net)	316,200,000	311,000,000	305,500,000	299,600,000	270,000,000
23. Long-Term Debt - Other (Net)	47,157,786	53,532,099	45,303,530	45,823,500	84,383,506
<b>24. Total Long-Term Debt (22 plus 23)</b>	<b>\$ 363,357,786</b>	<b>\$ 364,532,099</b>	<b>\$ 350,803,530</b>	<b>\$ 345,423,500</b>	<b>\$ 354,383,506</b>
25. Notes Payable	15,931,393	8,325,687	13,728,569	10,106,804	14,763,653
26. Accounts Payable	7,411,388	9,004,981	10,074,426	7,935,566	6,999,140
27. Consumer Deposits	1,947,511	1,980,285	2,217,613	2,403,051	2,410,980
28. Other Current & Accrued Liabilities	29,261,661	33,487,179	33,191,185	39,872,357	41,801,280
<b>29. Total Current &amp; Accrued Liabilities (25 thru 28)</b>	<b>\$ 54,551,953</b>	<b>\$ 52,798,132</b>	<b>\$ 59,211,793</b>	<b>\$ 60,317,778</b>	<b>\$ 65,975,053</b>
30. Deferred Credits	2,446,049	2,766,117	2,308,725	1,906,363	2,301,984
31. Misc Operating Reserves	0	0	0	768,041	264,427
<b>32. Total Liab &amp; Other Credits (21 + 24 + 29 + 30 + 31)</b>	<b>\$ 559,354,587</b>	<b>\$ 565,135,500</b>	<b>\$ 563,040,148</b>	<b>\$ 557,726,118</b>	<b>\$ 576,691,969</b>
<b>Equity Ratio</b>	<b>27.67%</b>	<b>28.46%</b>	<b>30.05%</b>	<b>30.18%</b>	<b>30.26%</b>

# Statements of Cash Flows

## December YTD 2008

	<u>Total</u>	<u>G&amp;T</u>	<u>Distribution</u>
<b>1. Cash flows from operating activities:</b>			
Assignable margins	\$ 6,411,750	\$ (659,789)	\$ 7,071,539
Adjustments to reconcile assignable margins to net cash provided (used) by operating activities:			
Depreciation & amortization	35,858,305	23,477,621	12,380,684
Capitalization of interest	(559,090)	(326,164)	(232,926)
Other	(164,159)	246,417	(410,576)
Changes in assets and liabilities:			
(Increase) decrease in assets	(20,660,978)	(22,602,048)	1,941,070
Increase (decrease) in liabilities	2,319,634	4,204,172	(1,884,538)
<b>Net cash provided by operating activities:</b>	<b>\$ 23,205,462</b>	<b>\$ 4,340,209</b>	<b>\$ 18,865,253</b>
<b>2. Cash flows from investing activities:</b>			
Extension and replacement of plant	(29,065,107)	(17,676,129)	(11,388,978)
<b>Net cash used for investing activities:</b>	<b>\$ (29,065,107)</b>	<b>\$ (17,676,129)</b>	<b>\$ (11,388,978)</b>
<b>3. Cash flows from financing activities:</b>			
Short-term obligations	7,500,000	5,134,500	2,365,500
Repayments of long-term obligations	3,256,855	(8,009,630)	11,266,485
Temporary Intracompany Non Interest Bearing Balance*	0	4,424,781	(4,424,781)
Patronage capital / Other	(3,615,844)	11,786,269	(15,402,113)
<b>Net cash used for financing activities:</b>	<b>7,141,011</b>	<b>13,335,920</b>	<b>(6,194,909)</b>
Net increase (decrease) in cash and cash equivalents	1,281,367	0	1,281,366
<b>4. <u>Cash &amp; cash equivalents at beginning of year</u></b>	<b>\$ 6,209,936</b>	<b>\$ 0</b>	<b>\$ 6,209,936</b>
<b>5. <u>Cash &amp; cash equivalents at end of period</u></b>	<b>\$ 7,491,303</b>	<b>\$ 0</b>	<b>\$ 7,491,302</b>

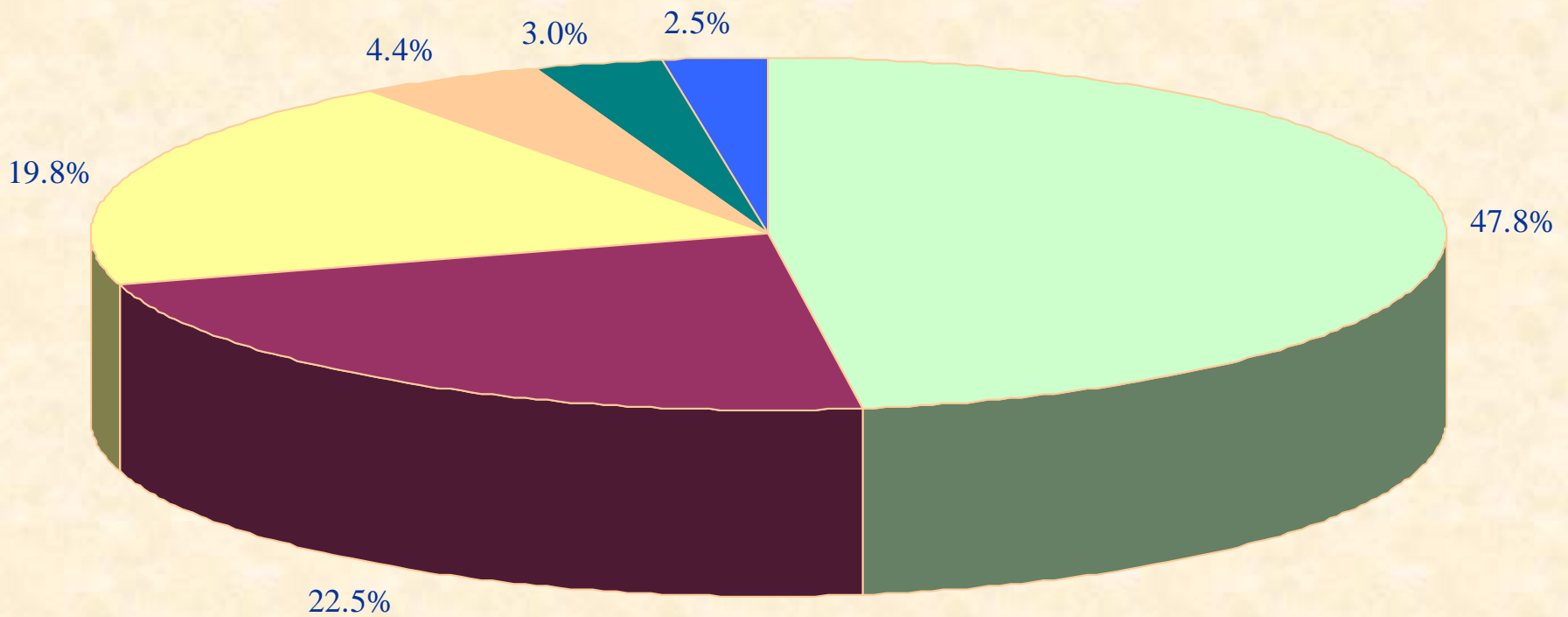
# Debt Summary

## December 2008

	<u>12/31/07</u>	<u>Draws</u>	<u>Payments</u>	<u>12/31/08</u>
<b>Long-Term Debt</b>				
2001 Series A Bonds	\$ 150,000,000	\$ 0	\$ 0	150,000,000
2002 Series A Bonds	120,000,000	0	0	120,000,000
2002 Series B Bonds	35,500,000	0	35,500,000	0
CFC Promissory Notes Payable	0	47,963,659	5,000,000	42,963,659
CoBank Bond 2	5,500,000	0	2,000,000	3,500,000
CoBank Bond 3	19,017,242	0	640,569	18,376,673
CoBank Bond 4	20,786,288	0	700,156	20,086,132
CoBank Bond 5	4,726,774	0	866,080	3,860,694
<b>Total Long-Term Debt</b>	<b>\$ 355,530,304</b>	<b>\$ 47,963,659</b>	<b>\$ 44,706,805</b>	<b>\$ 358,787,158</b>
<b>Short-Term Debt</b>				
CoBank Line of Credit	0	27,500,000	20,000,000	7,500,000
<b>Total Short-Term Debt</b>	<b>\$ 0</b>	<b>\$ 27,500,000</b>	<b>\$ 20,000,000</b>	<b>\$ 7,500,000</b>
<b>Total Debt</b>	<b>\$ 355,530,304</b>	<b>\$ 75,463,659</b>	<b>\$ 64,706,805</b>	<b>\$ 366,287,158</b>

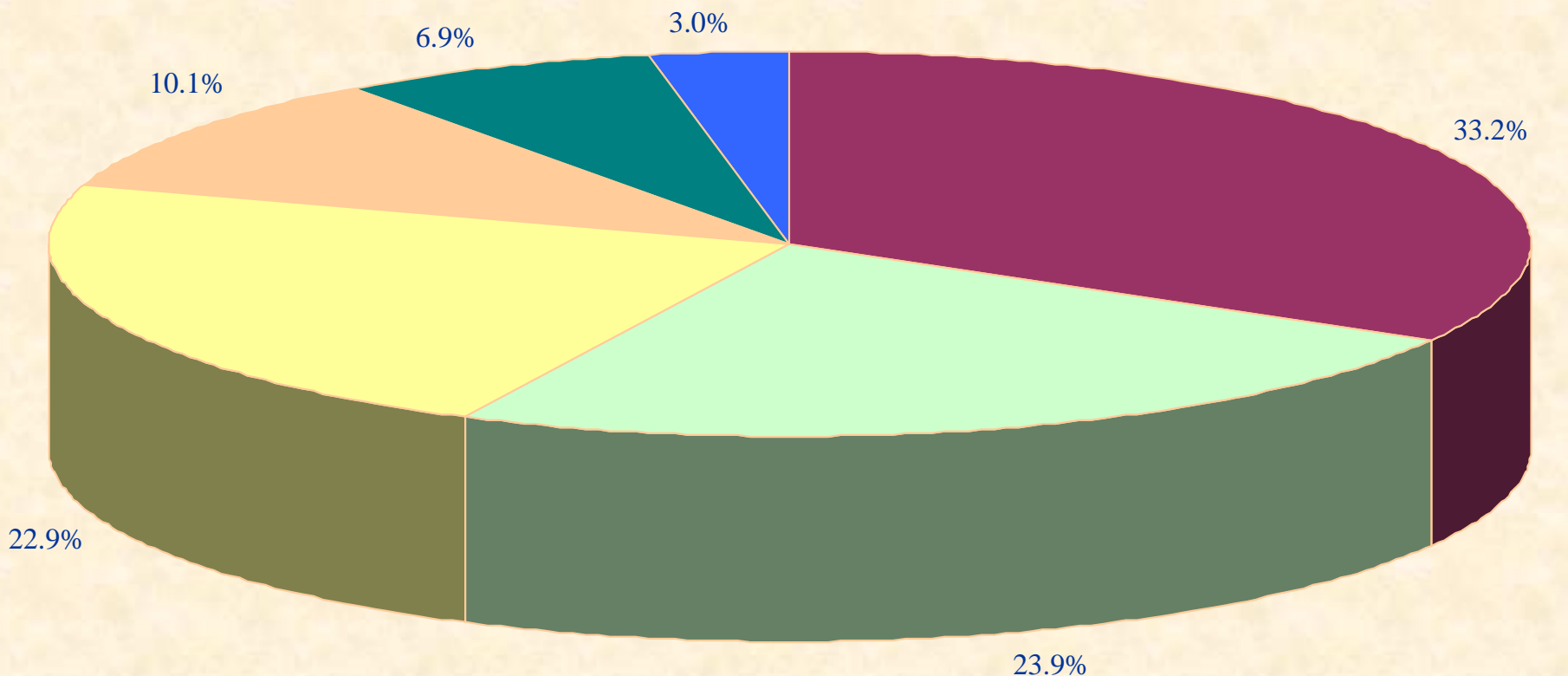
There has been no Commerical Paper activity through December 31, 2008.

# Generation Agreement Overtime December 2008



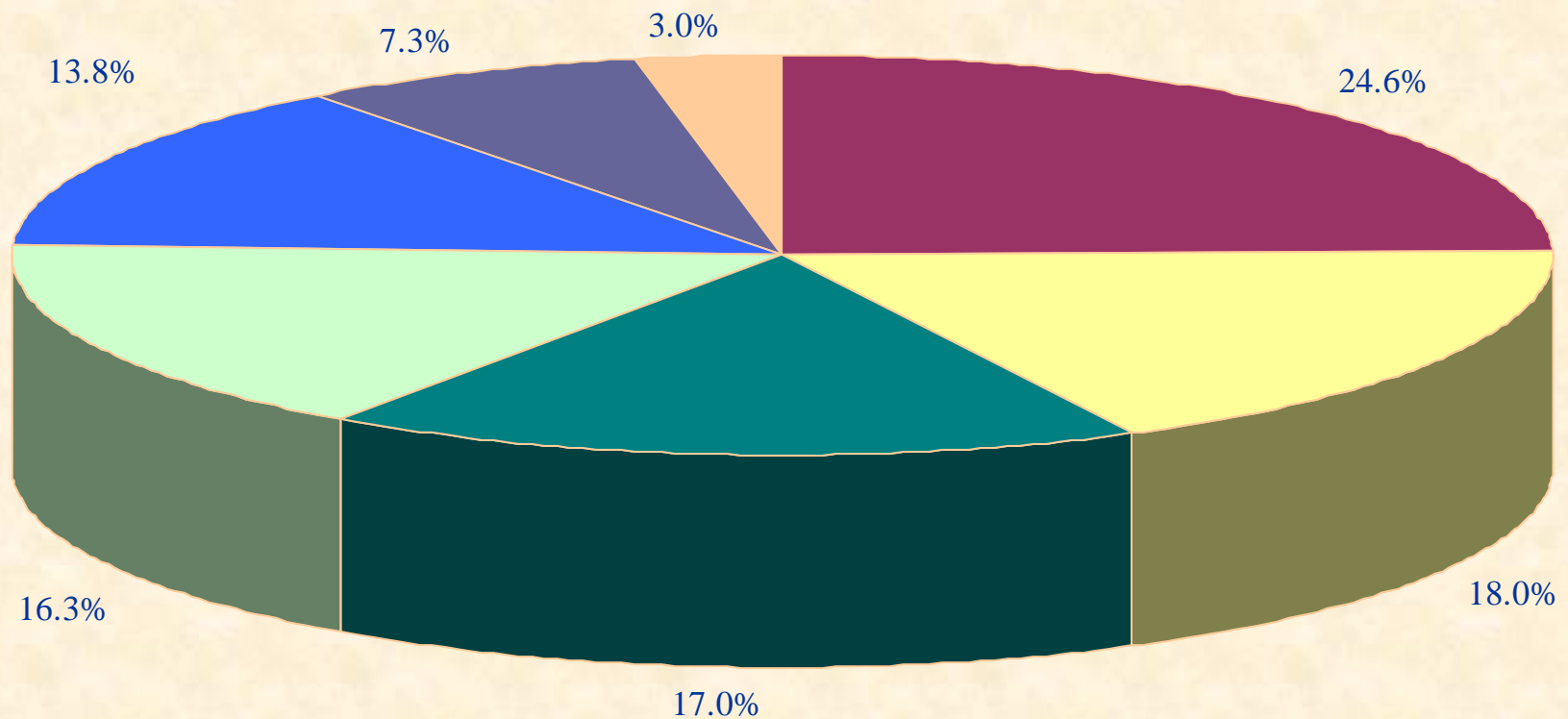
Legend: ■ Holiday Worked ■ Call Back & Call Out ■ Scheduled ■ Complete Job ■ Double ■ Other

# Generation Agreement Overtime December YTD 2008

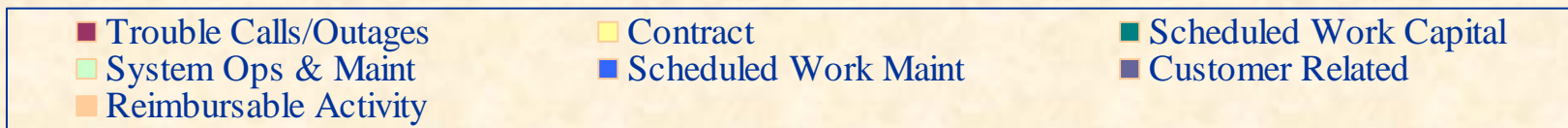
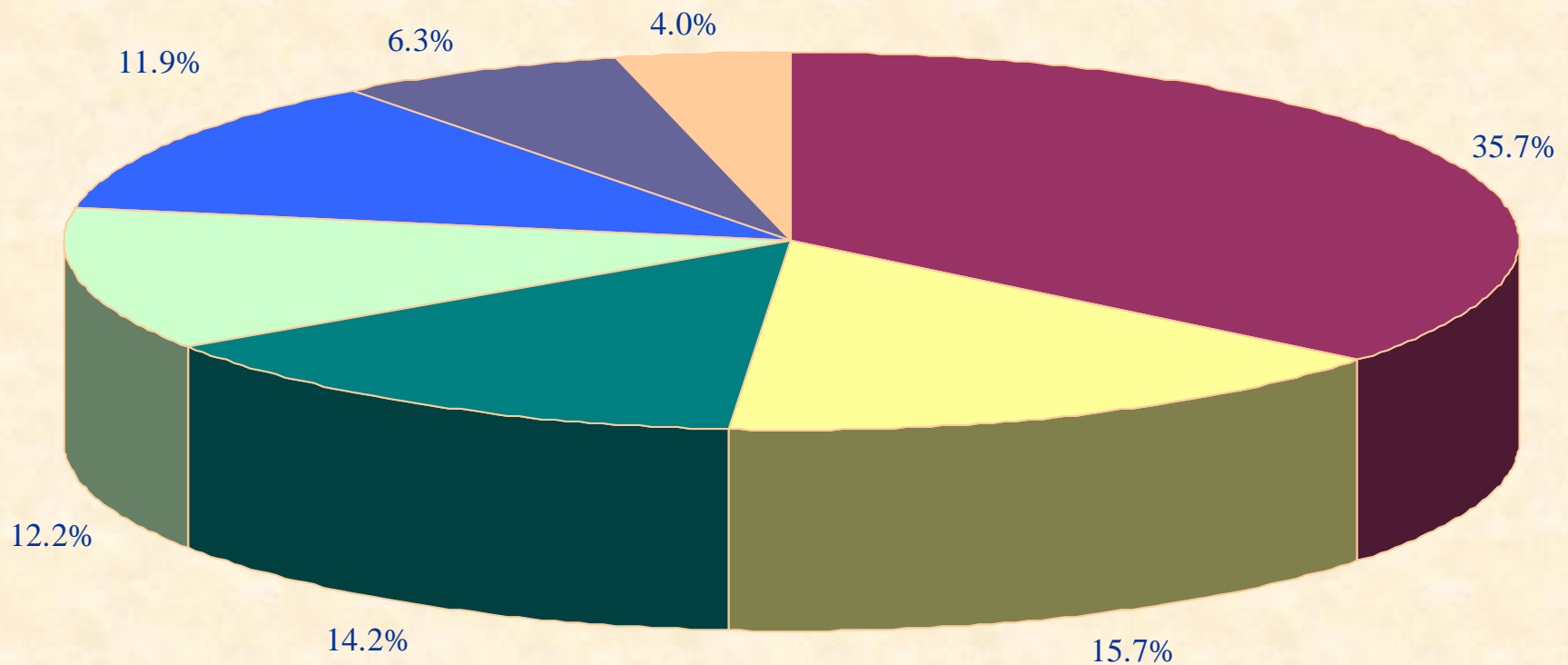


■ Call Back & Call Out ■ Holiday Worked ■ Scheduled ■ Complete Job ■ Double ■ Other

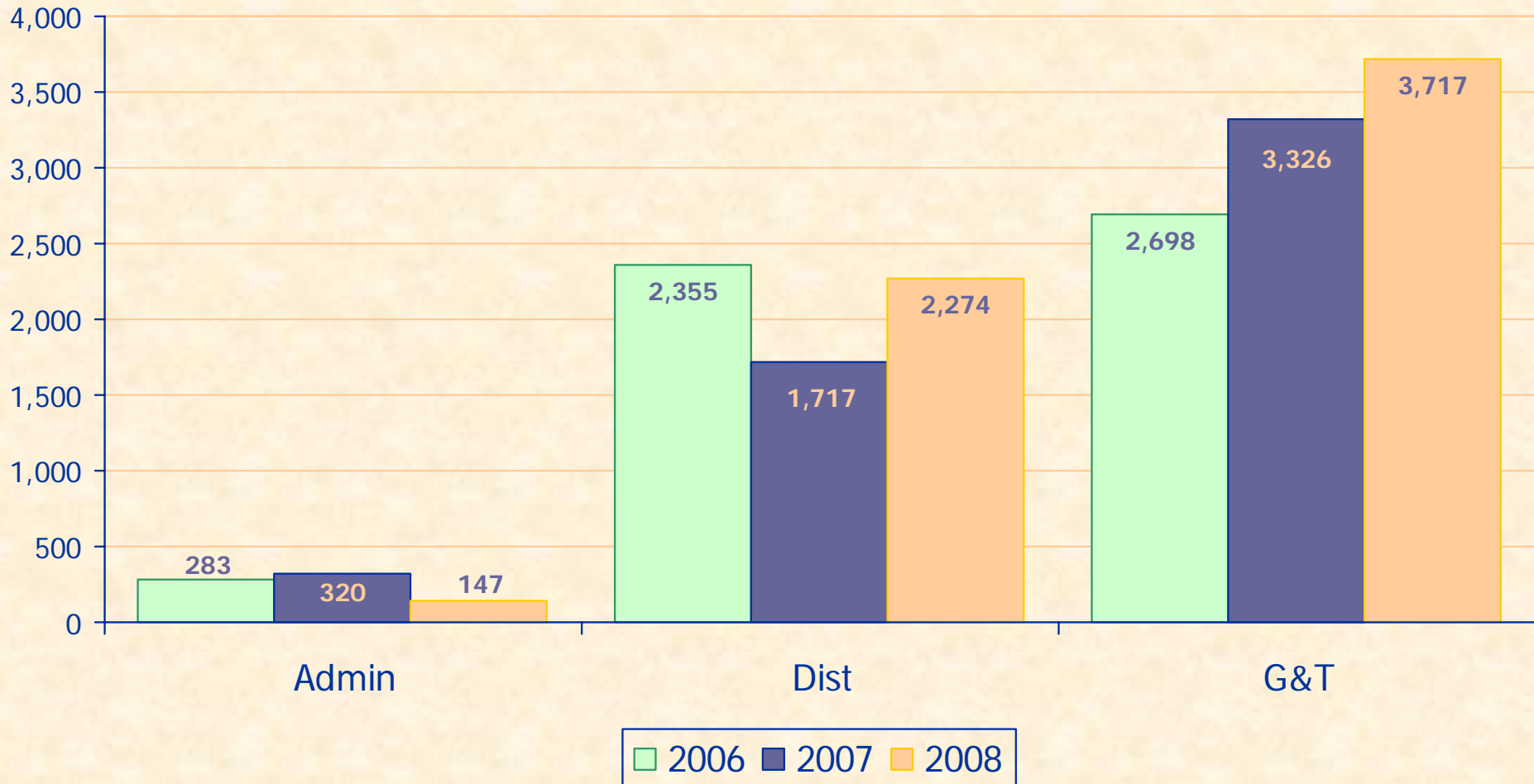
# Outside Agreement Overtime December 2008



# Outside Agreement Overtime December YTD 2008

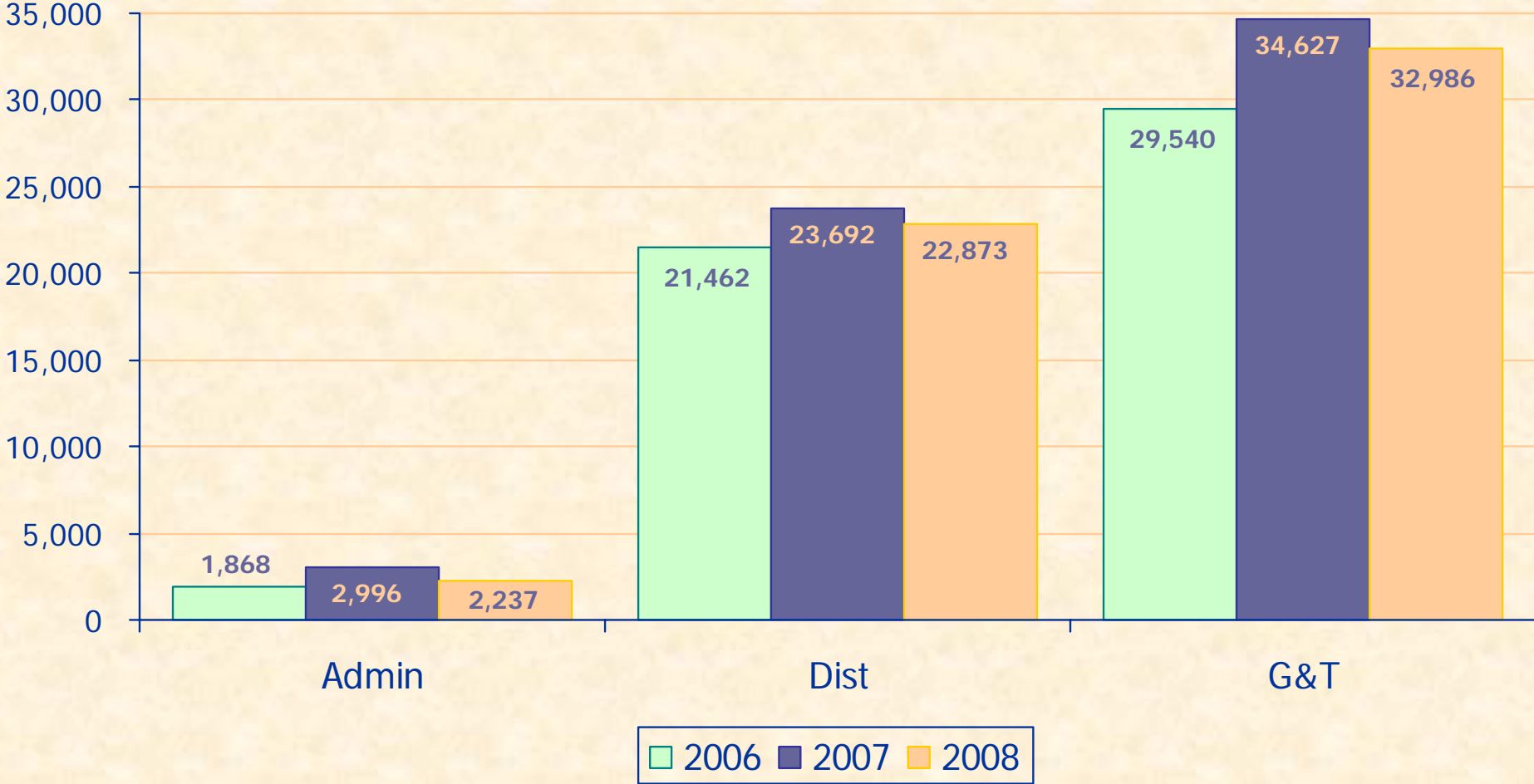


# Overtime Hours December 2008



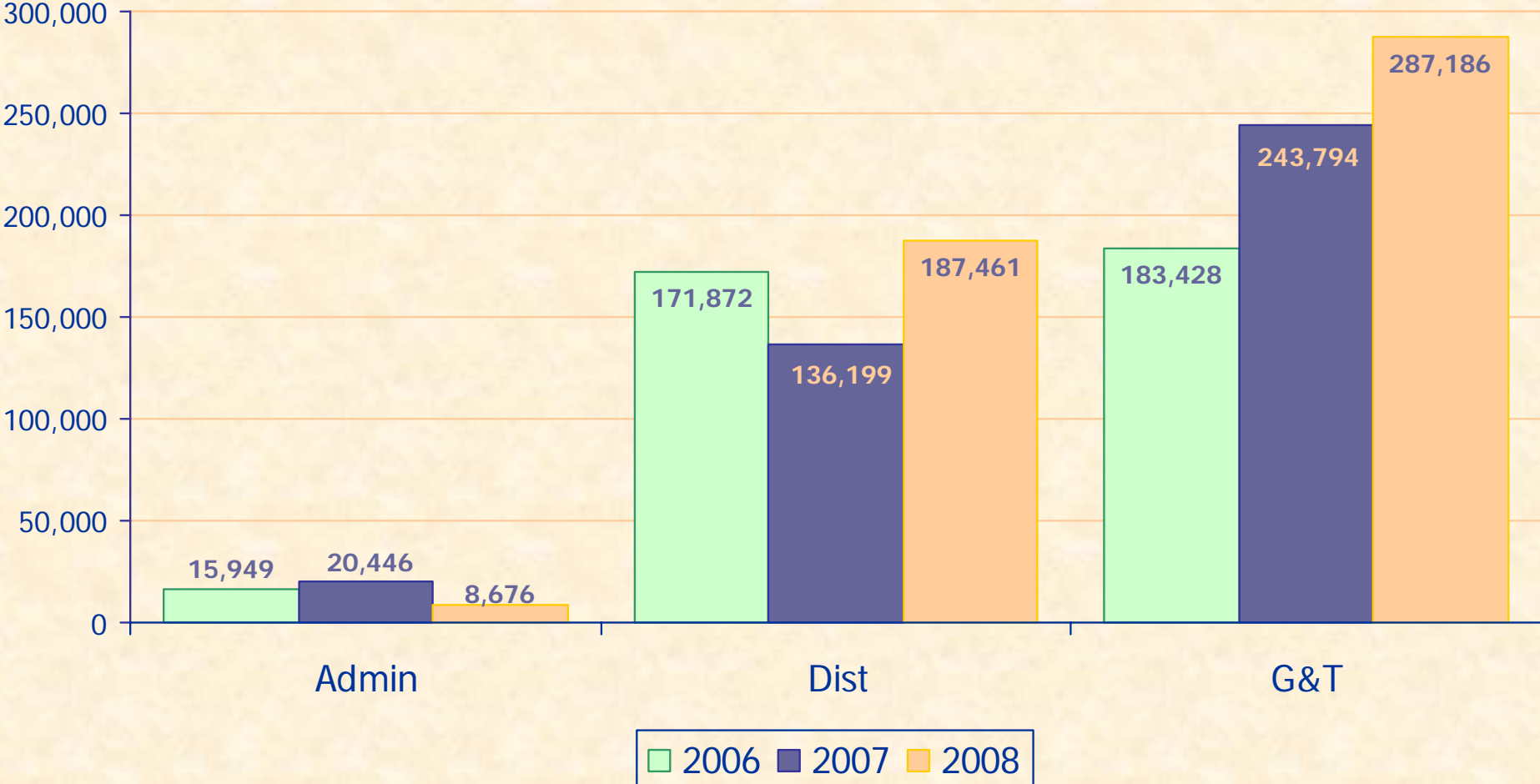
# Overtime Hours

## December YTD 2008



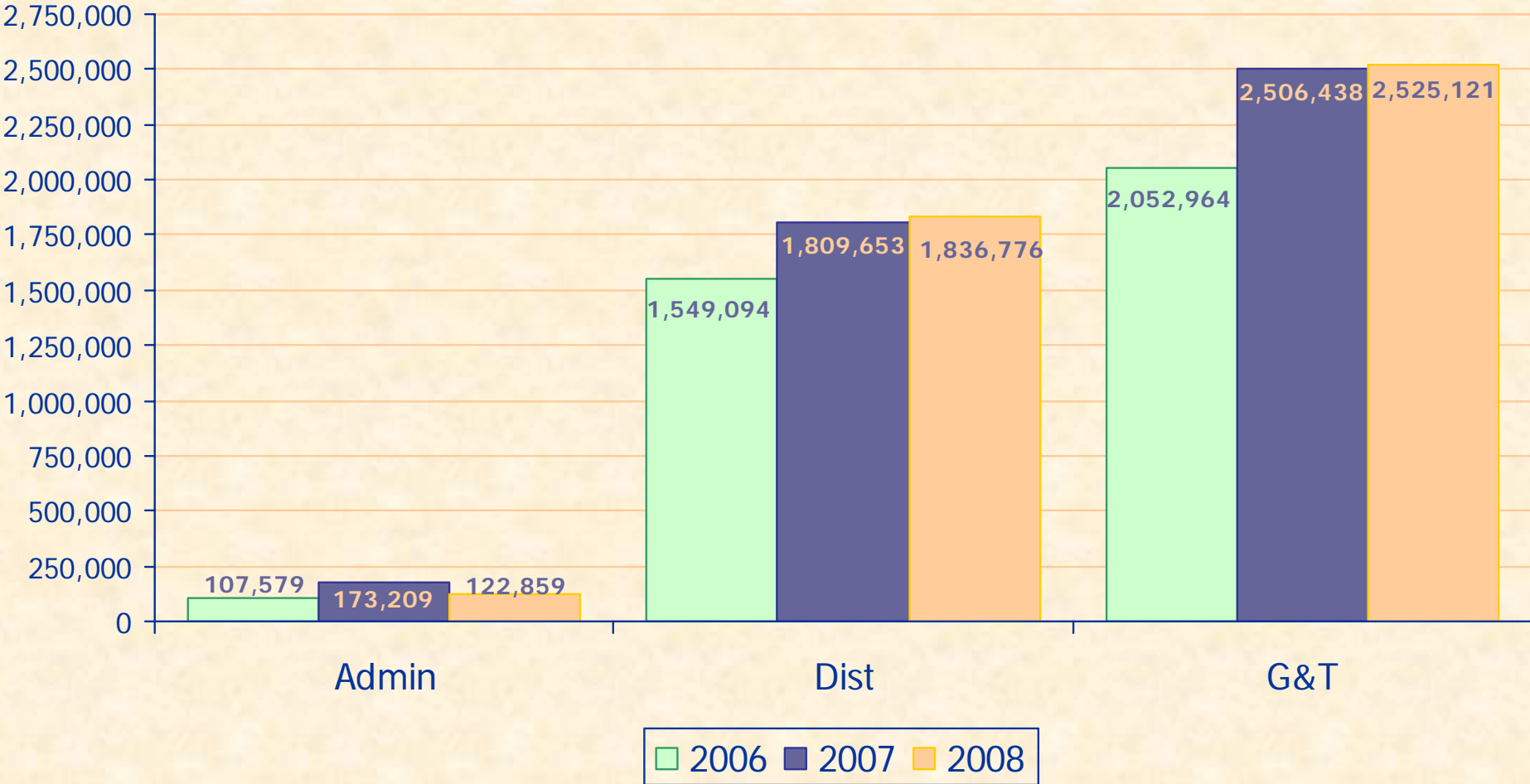
# Overtime Dollars

## December 2008

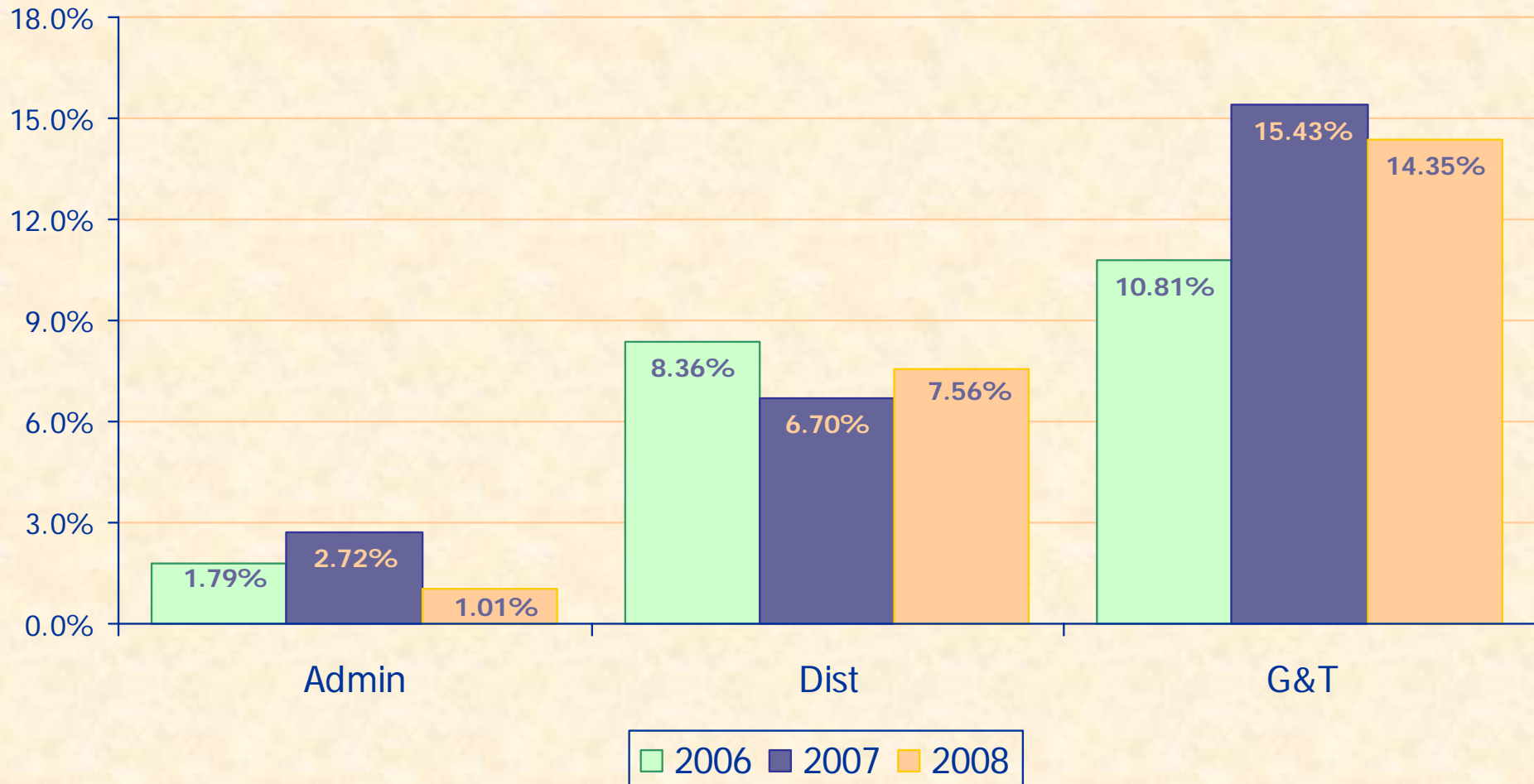


# Overtime Dollars

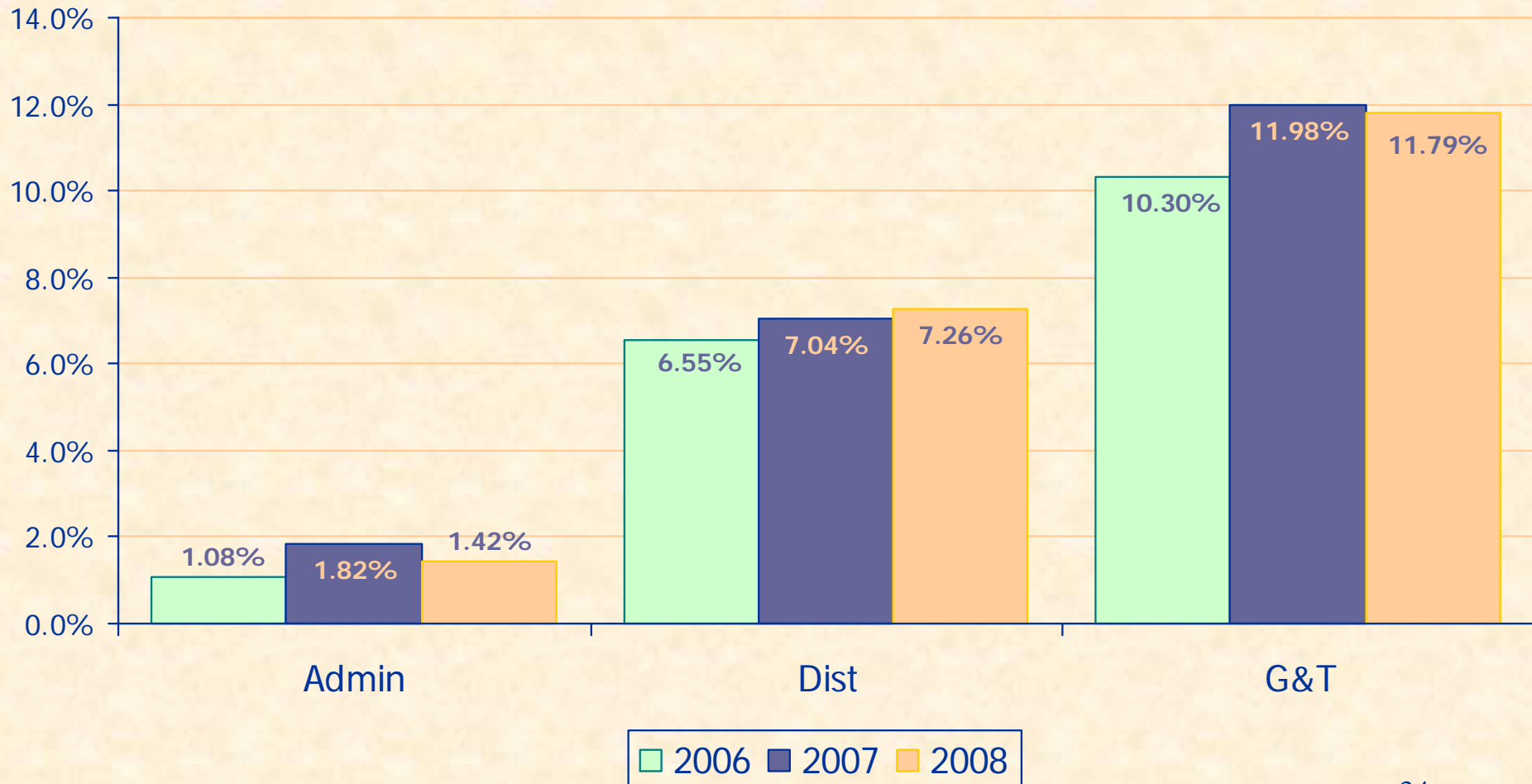
## December YTD 2008



# Overtime as a Percentage of Total Hours December 2008



# Overtime as a Percentage of Total Hours December YTD 2008





**Questions?**