

CHUGACH ELECTRIC ASSOCIATION, INC.
ANCHORAGE, ALASKA

February 25, 2008

To: Mike Cunningham, Chief Financial Officer
From: Sherri McKay-Highers, Manager, Budget and Financial Reporting
Subject: 4th Quarter Operating Budget Status Report

The attached Exhibit 1 – Operating Budget Status Report reflects the budget adjustments for the fourth quarter of 2007 and are outlined below:

N. The addition of expenditures associated with the Navigant Consulting Group.

The foregoing budget adjustment resulted in an increase to the 2007 operating budget of \$360,000. The net result of revenue and expenses is budgeted margins of \$6.6 million compared to margins of \$9.1 million in the 2007 approved operating budget.

EXHIBIT 1
CHUGACH ELECTRIC ASSOCIATION, INC.
OPERATING BUDGET STATUS REPORT
4TH QUARTER 2007

CATEGORY	3rd Qtr REVISED BUDGET	4th Qtr BUDGET REVISIONS	4th Qtr REVISED BUDGET
REVENUES:			
1. TOTAL REVENUE	\$270,219,508	\$0	\$270,219,508
EXPENSES:			
2. FUEL EXPENSE	119,498,914	0	119,498,914
3. POWER PRODUCTION EXPENSE	15,103,872	0	15,103,872
4. COST OF PURCHASED POWER	31,004,687	0	31,004,687
5. TRANSMISSION EXPENSE	6,240,760	0	6,240,760
6. DISTRIBUTION EXPENSE-OPERATIONS	4,876,677	0	4,876,677
7. DISTRIBUTION EXPENSE-MAINTENANCE	7,101,396	0	7,101,396
8. CONSUMER ACCOUNTS EXPENSE	4,788,306	0	4,788,306
9. CUSTOMER SERVICE/INFO EXPENSE	726,237	0	726,237
11. ADMINISTRATIVE/GENERAL EXPENSE	19,544,640	360,000	19,904,640
12. TOTAL OPERATIONS/MAINTENANCE EXPENSE	\$208,885,489	\$360,000	\$209,245,489
13. DEPRECIATION/AMORTIZATION EXPENSE	30,864,063	0	30,864,063
14. TAX EXPENSE-OTHER	872,123	0	872,123
15. INTEREST-LONG TERM DEBT	24,588,211	0	24,588,211
16. INTEREST ON CONSTRUCTION-CREDIT	(1,170,950)	0	(1,170,950)
17. INTEREST EXPENSE-OTHER	400,000	0	400,000
18. OTHER DEDUCTIONS	300,000	0	300,000
19. TOTAL COST OF ELECTRIC SERVICE	\$264,738,936	\$360,000	\$265,098,936
20. PATRONAGE CAPITAL/OPERATING MARGINS	\$5,480,572	(\$360,000)	\$5,120,572
21. NON-OPERATING MARGINS-INTEREST	410,291	0	410,291
22. ALLOWANCE FUNDS USED DURING CONST.	501,836	0	501,836
23. NON-OPERATING MARGINS-OTHER	0	0	0
24. GENER./TRANS. CAPITAL CREDITS	0	0	0
25. OTHER CAPITAL CREDITS/DIVIDENDS	600,000	0	600,000
26. EXTRAORDINARY ITEMS	0	0	0
27. PATRONAGE CAPITAL OR MARGINS	\$6,992,699	(\$360,000)	\$6,632,699

MFI/I


1.28

1.27

N

SMAN

BUDGET REVISION REQUEST

1.	Division: Chief Executive Office	Department: Board of Directors
2.	Add: <input checked="" type="checkbox"/> Delete: <input type="checkbox"/>	Transfer: <input type="checkbox"/>
3.	Full year amount (rounded to dollars): \$360,000	
4.	Monthly amounts (rounded to dollars - should total to line 3 above)	
	January \$	May \$
	February \$	June \$
	March \$	July \$
	April \$	August \$
		September \$
		October \$120,000
		November \$120,000
		December \$120,000
5.	General Ledger Account Number (from):	
	General Ledger Account Number (to): 92300 000 02 9050	
6.	General Ledger Account Name (from):	
	General Ledger Account Name (to): Outside Services Employed/BOD	
7.	Explanation: To budget additional expenditures associated with the Navigant Consulting Group	
8.	Requested by: Board of Directors	Date: 8/22/07
9.	<\$25,000	
	Approved by: Division Director/Department Manager	Date:
10.	\$25,000 - \$250,000	
	Approved by: Executive Manager	Date:
11.	\$250,000 - \$1,000,000	
	Approved by:  <i>As Attached BOD motion 8/22/07</i> Chief Executive Officer	Date: 10/16/07
12.	>\$1,000,000	
	Approved by: Board of Directors	Date:
Obtain necessary approval signatures, forward to the Manager of Corporate Budgeting		

CHUGACH ELECTRIC ASSOCIATION, INC.
Anchorage, Alaska

BOARD MEETING
AGENDA ITEM SUMMARY

August 22, 2007

ACTION REQUIRED

AGENDA ITEM NO. IX

Information Only
 Motion
 Resolution
 Executive Session
 Other

Finance Committee Meeting
Agenda Item No. IX.
Budget Revision

TOPIC

Budget Revision

DISCUSSION

The budget is revised to include the following expense increases in the 2007 Operating Budget:

Legal Labor Attorneys	85,000
Legal Bond Counsel	16,020
Navigant Consulting Group	360,000
Board of Directors' Counsel	100,000
Board Labor Advisor	25,000
Board Communication Advisor	25,000
Blue Ribbon Panel	80,000
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	691,020.00

MOTION

Move that the Finance Committee recommend approval to the Board of Directors the budget revisions as outlined in the discussion section of this agenda item summary. Management is directed to inform the Board at the next Board or Finance committee meeting which expenses are allowed in rates and which are not.