

February 2006 Unbundled Financial Statements

Chugach Electric Association, Inc.

March 22, 2006

February Financial Information

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MWh Sales YTD February 2006



Debt Equity Allocator vs. Net Plant Allocator

Debt Equity Allocator (revised):

	<u>Total</u>		<u>G&T</u>		<u>Distribution</u>
Net Utility Plant as of 12/31/05	\$ 468,000,000	\$	266,000,000	\$	202,000,000
Less: Equity	<u>145,000,000</u>		<u>36,000,000</u>		<u>109,000,000</u>
Total Net Plant less Equity	323,000,000		230,000,000		93,000,000
Debt Equity Allocator Percentage			71.2%		28.8%
Interest Expense 2/28/06	4,002,000	\$	2,850,000	\$	1,152,000

Net Plant Allocator (prior):

	<u>Total</u>		<u>G&T</u>		<u>Distribution</u>
Net Utility Plant as of 12/31/05	\$ 468,000,000	\$	266,000,000	\$	202,000,000
Net Plant Allocator Percentage			56.8%		43.2%
Interest Expense 2/28/06	4,002,000		2,275,000		1,727,000
Difference Between Allocators		\$	<u><u>575,000</u></u>	\$	<u><u>(575,000)</u></u>

System Statement of Operations

YTD February 2006

	<u>Total</u>	<u>G & T</u>	<u>Distribution</u>
1. Operating Revenue	\$ 45,743,472	\$ 36,021,386	\$ 9,722,086
2. Fuel Expense	19,399,645	19,399,645	0
3. Power Production Expense	2,009,946	2,009,946	0
4. Purchased Power Expense	4,857,367	4,857,367	0
5. Transmission Expense	814,379	814,379	0
6. Distribution Expense	1,703,620	0	1,703,620
7. Consumer Expense	776,086	0	776,086
8. Administrative & General Expense	2,784,707	1,422,062	1,362,645
9. Total Ops & Maint Expense (2 thru 8)	\$ 32,345,750	\$ 28,503,399	\$ 3,842,351
10. Depreciation & Amortization Expense	\$ 4,694,557	\$ 3,009,380	\$ 1,685,177
11. Tax Expense	145,602	15,641	129,961
12. Interest on LT Debt	4,002,683	2,848,343	1,154,340
13. Interest Charged to Construction - Credit	(101,356)	(61,819)	(39,537)
14. Other Deductions	178,268	171,377	6,891
15. Total Cost of Electric Service (11 thru 14)	\$ 41,265,504	\$ 34,486,321	\$ 6,779,183
16. Patronage Capital & Operating Margins	\$ 4,477,968	\$ 1,535,065	\$ 2,942,903
17. Non-Operating Margins	132,985	12,419	120,566
18. Patronage Capital or Margins (16 plus 17)	\$ 4,610,953	\$ 1,547,484	\$ 3,063,469
Achieved TIER	2.15	1.54	3.65
Operating Revenue per kWh	\$0.09	\$0.07	\$0.04
Operating Cost per kWh	\$0.08	\$0.07	\$0.03

G&T Statement of Operations

Impact of Proposed Revisions

YTD February 2006

	<u>Budget</u>	<u>Revised</u>	<u>Prior</u>
1. Operating Revenue & Patronage Capital	\$ 36,375,855	\$ 36,021,386	\$ 36,021,386
2. Fuel Expense	20,751,892	19,399,645	19,399,645
3. Power Production Expense	2,089,398	2,009,946	2,009,946
4. Purchased Power Expense	3,703,023	4,857,367	4,857,367
5. Transmission Expense	911,173	814,379	814,379
6. Administrative & General Expense	1,659,605	1,422,062	1,634,934
7. Total Ops & Maint Expense (2 thru 6)	\$ 29,115,091	\$ 28,503,399	\$ 28,716,271
8. Depreciation & Amortization Expense	\$ 3,053,995	3,009,380	\$ 3,032,976
9. Tax Expense	20,074	15,641	18,284
10. Interest on LT Debt	2,262,754	2,848,343	2,318,338
11. Interest Charged to Construction - Credit	(41,339)	(61,819)	(62,579)
12. Other Deductions	28,115	171,377	171,378
13. Total Cost of Electric Service (8 thru 12)	\$ 34,438,690	\$ 34,486,321	\$ 34,194,668
19. Patronage Capital & Operating Margins	\$ 1,937,165	\$ 1,535,065	\$ 1,826,718
20. Non-Operating Margins	7,295	12,419	18,025
21. Patronage Capital or Margins (19 plus 20)	\$ 1,944,460	\$ 1,547,484	\$ 1,844,743
Achieved TIER	1.86	1.54	1.79
Operating Revenue per kWh	\$0.07	\$0.07	\$0.07
Operating Cost per kWh	\$0.07	\$0.07	\$0.07

Dist Statement of Operations

Impact of Proposed Revisions

YTD February 2006

	<u>Budget</u>	<u>Revised</u>	<u>Prior</u>
1. Operating Revenue & Patronage Capital	\$ 10,212,481	\$ 9,722,086	\$ 9,722,086
2. Distribution Expense	1,885,255	1,703,620	1,703,620
3. Customer Expense	851,260	776,086	776,086
4. Administrative & General Expense	1,216,874	1,362,645	1,149,773
5. Total Ops & Maint Expense (2 thru 4)	\$ 3,953,389	\$ 3,842,351	\$ 3,629,479
6. Depreciation & Amortization Expense	\$ 1,669,423	\$ 1,685,177	\$ 1,661,581
7. Tax Expense - Other	129,205	129,961	127,317
8. Interest on LT Debt	1,648,051	1,154,340	1,684,345
9. Interest Charged to Construction - Credit	(20,441)	(39,537)	(38,777)
10. Other Deductions	21,885	6,891	6,891
11. Total Cost of Electric Service (6 thru 10)	\$ 7,401,512	\$ 6,779,183	\$ 7,070,836
12. Patronage Capital & Operating Margins	\$ 2,810,969	\$ 2,942,903	\$ 2,651,250
13. Non-Operating Margins	83,215	120,566	119,960
14. Patronage Capital or Margins (12 plus 13)	\$ 2,894,184	\$ 3,063,469	\$ 2,771,210
Achieved TIER	2.76	3.65	2.65
Operating Revenue per kWh	\$0.04	\$0.04	\$0.04
Operating Cost per kWh	\$0.03	\$0.03	\$0.03

Unbundled Balance Sheet

Assets & Other Debits

As of February 28, 2006

	<u>Total</u>	<u>G & T</u>	<u>Distribution</u>
1. Total Utility Plant In Service	\$ 764,777,070	\$ 460,486,894	\$ 304,290,176
2. Construction Work In Progress	31,855,716	19,548,219	12,307,497
3. Total Utility Plant (1 plus 2)	\$ 796,632,786	\$ 480,035,113	\$ 316,597,673
4. Accum. Provision for Depreciation and Amort.	(332,115,731)	(217,074,528)	(115,041,203)
5. Net Utility Plant (3 minus 4)	\$ 464,517,055	\$ 262,960,585	\$ 201,556,470
6. Nonutility Property - Net	24,461	0	24,461
7. Investment in Associated Organizations	11,882,991	8,485,099	3,397,892
8. Total Other Property & Investments (6 plus 7)	\$ 11,907,452	\$ 8,485,099	\$ 3,422,353
9. Cash & Temporary Investments	12,640,169	785,873	11,854,296
10. Special Deposits	216,191	75,357	140,834
11. Accounts Receivable - Net	27,535,975	20,170,661	7,365,314
12. Materials and Supplies	23,894,755	20,415,280	3,479,475
13. Prepayments	1,739,227	860,688	878,539
14. Other Current & Accrued Assets	949,387	692,243	257,144
15. Total Current & Accrued Assets (9 thru 14)	\$ 66,975,704	\$ 43,000,102	\$ 23,975,602
16. Deferred Debits	18,788,335	14,841,996	3,946,339
17. Total Assets & Other Debits (5 + 8 + 15 + 16)	\$ 562,188,546	\$ 329,287,782	\$ 232,900,764

Unbundled Balance Sheet

Liabilities & Other Credits

As of February 28, 2006

	<u>Total</u>	<u>G & T</u>	<u>Distribution</u>
18. Memberships	\$ 1,257,133	\$ 0	\$ 1,257,133
19. Patronage Capital & Margins & Equities	148,248,069	37,577,349	110,670,720
20. Total Margins & Equities (18 plus 19)	\$ 149,505,202	\$ 37,577,349	\$ 111,927,853
21. Long-Term Debt - Bonds (Net)	305,500,000	217,281,305	88,218,695
22. Long-Term Debt - Other (Net)	53,198,766	37,836,652	15,362,114
23. Total Long-Term Debt (21 plus 22)	\$ 358,698,766	\$ 255,117,957	\$ 103,580,809
24. Notes Payable	8,625,687	6,134,863	2,490,824
25. Accounts Payable	5,833,300	1,943,583	3,889,717
26. Consumer Deposits	1,990,609	0	1,990,609
27. Other Current & Accrued Liabilities	34,998,538	28,282,728	6,715,810
28. Total Current & Accrued Liabilities (24 thru 27)	\$ 51,448,134	\$ 36,361,174	\$ 15,086,960
29. Deferred Credits	2,536,444	231,302	2,305,142
30. Total Liab & Other Credits (20 + 23 + 28 + 29)	\$ 562,188,546	\$ 329,287,782	\$ 232,900,764

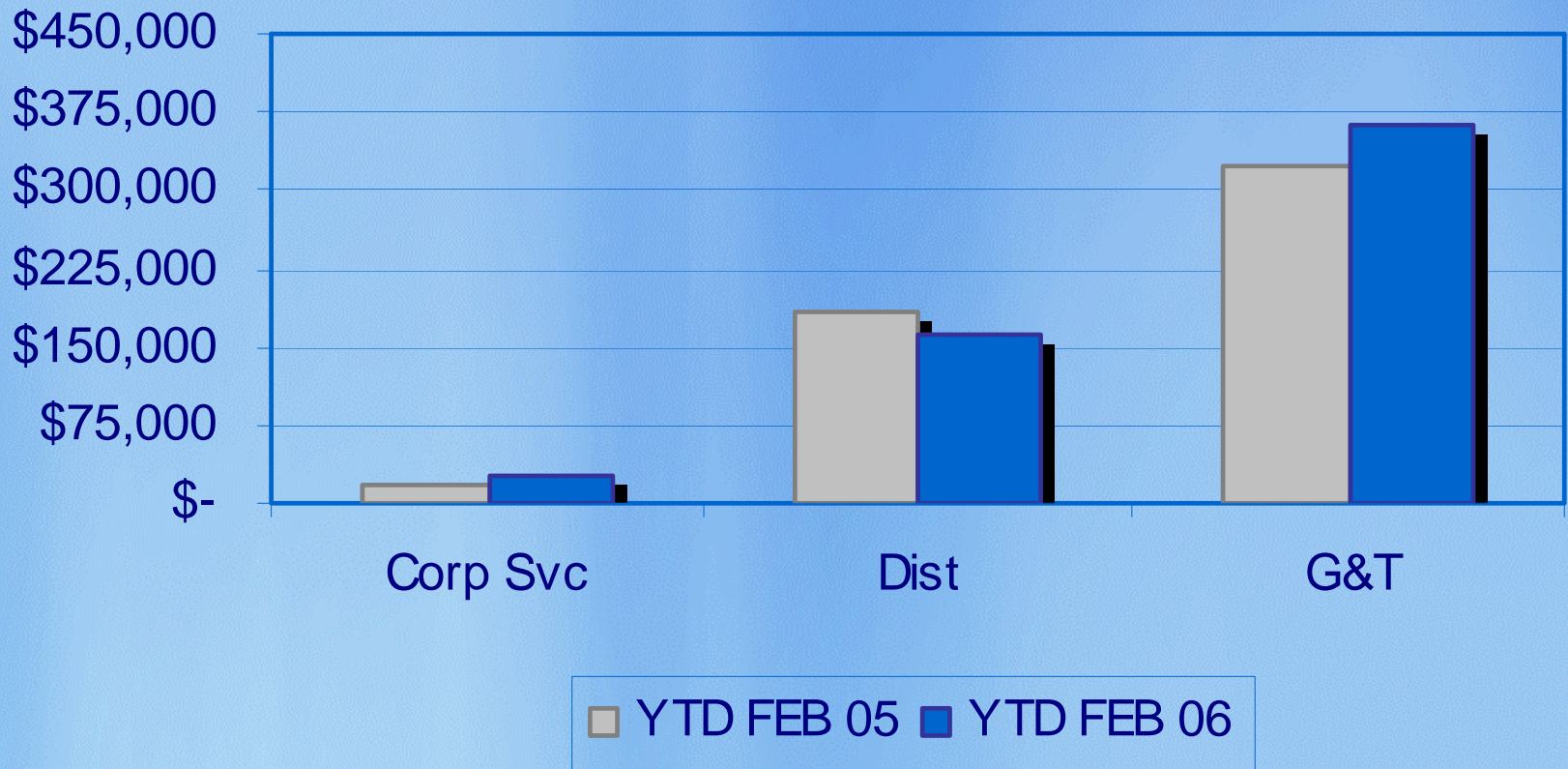
Statement of Cash Flows

YTD February 2006

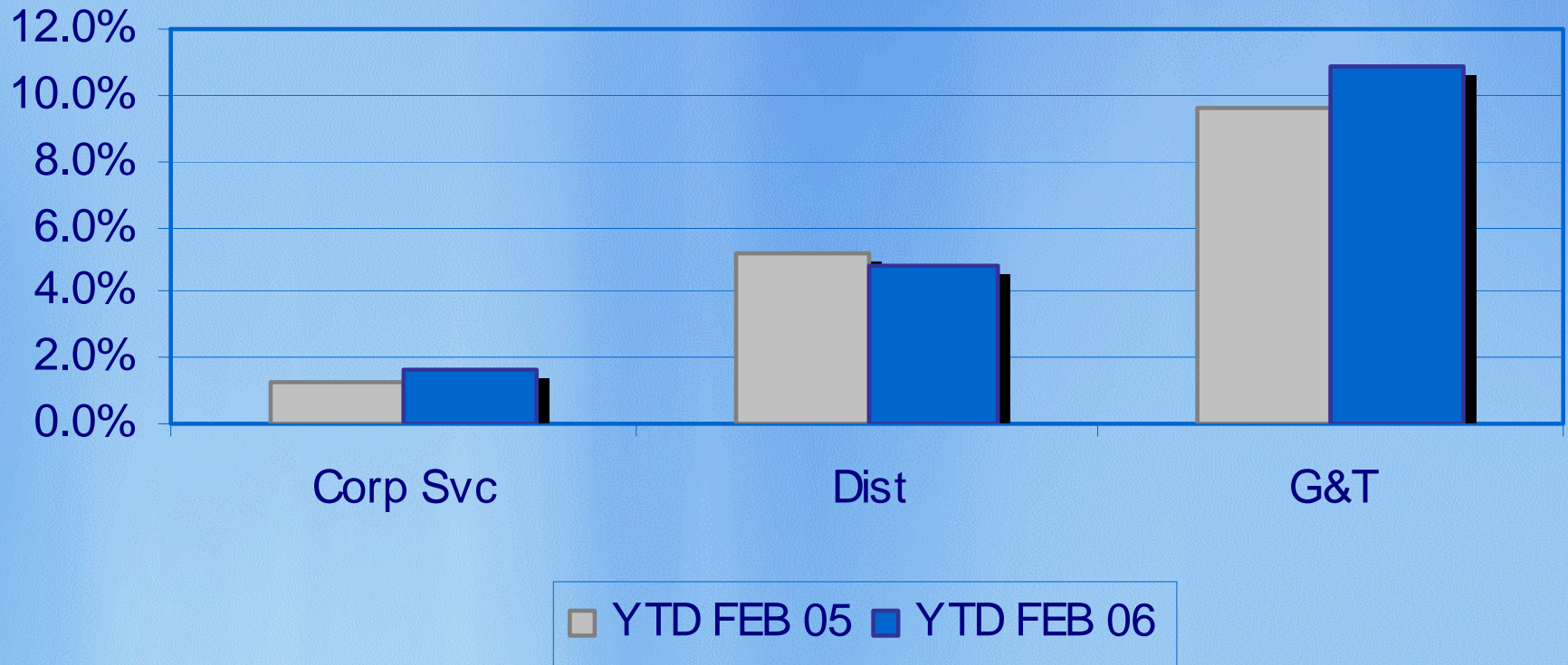
	<u>Total</u>	<u>G&T</u>	<u>Distribution</u>
1. Cash flows from operating activities:			
Assignable margins	\$ 4,610,953	\$ 1,547,484	\$ 3,063,469
Adjustments to reconcile assignable margins to net cash provided (used) by operating activities:			
Depreciation & amortization	4,694,557	3,009,380	1,685,177
Capitalization of interest	(138,250)	(84,321)	(53,929)
Other	61	61	0
Changes in assets and liabilities:			
(Increase) decrease in assets:	1,473,883	(57,159)	1,531,042
Increase (decrease) in liabilities:	(1,879,672)	196,328	(2,076,000)
Net cash provided by operating activities:	\$ 8,761,532	\$ 4,611,773	\$ 4,149,759
2. Cash flows from investing activities:			
Extension and replacement of plant	(1,093,722)	(257,514)	(836,208)
Net cash used for investing activities:	\$ (1,093,722)	\$ (257,514)	\$ (836,208)
3. Cash flows from financing activities:			
Repayments of long-term obligations	(5,533,333)	(3,935,482)	(1,597,851)
Patronage capital / Other	(144,902)	(110,097)	(34,805)
Net cash used for financing activities:	(5,678,235)	(4,045,579)	(1,632,656)
Net increase (decrease) in cash and cash equivalents	1,989,575	308,680	1,680,895
4. <u>Cash & cash equivalents at beginning of year</u>	\$ 10,650,594	\$ 477,193	\$ 10,173,401
5. <u>Cash & cash equivalents at end of period</u>	\$ 12,640,169	\$ 785,873	\$ 11,854,296

Unbundled Overtime Dollars

YTD February 2006



Unbundled Overtime as a Percentage of Total Hours February 2006



Questions?