

CHUGACH ELECTRIC ASSOCIATION, INC.
COMPARATIVE FINANCIAL REPORT
OPERATING STATEMENT

MARCH, 2004

ITEM	← THIS MONTH'S PERFORMANCE →			← YEAR TO DATE →					
	MARCH BUDGET	MARCH ACTUAL	VARIANCE	CURRENT YTD BUDGET	CURRENT YTD ACTUAL	VARIANCE	% DIFF	LAST YEAR YTD ACTUAL	VARIANCE
REVENUES:									
RETAIL	10,410,043	10,135,013	(275,030) U	33,053,056	32,381,500	(671,556) U	(2.03%)	28,455,719	3,925,781 F
WHOLESALE	5,286,870	5,037,906	(248,964) U	16,718,053	15,992,741	(725,312) U	(4.34%)	19,205,207	(3,212,466) U
ECONOMY ENERGY	641,649	891,937	250,288 F	2,106,996	2,629,677	522,681 F	24.81%	1,914,690	714,987 F
OTHER	213,925	191,025	(22,900) U	641,782	641,023	(759) U	(0.12%)	663,390	(22,367) U
1. TOTAL REVENUE	16,552,487	16,255,881	(296,606) U	52,519,887	51,644,941	(874,946) U	(1.67%)	50,239,006	1,405,935 F
EXPENSES:									
2. FUEL	5,015,267	5,371,561	356,294 U	17,189,585	16,389,582	(800,003) F	(4.65%)	11,403,893	4,985,689 U
3. POWER PRODUCTION EXPENSE	1,381,143	1,685,454	304,311 U	3,496,192	3,442,201	(53,991) F	(1.54%)	2,724,933	717,268 U
4. COST OF PURCHASED POWER	1,639,802	888,295	(751,507) F	4,018,370	3,953,490	(64,880) F	(1.61%)	3,337,477	616,013 U
5. TRANSMISSION EXPENSE	510,738	554,966	44,228 U	1,567,617	1,740,561	172,944 U	11.03%	1,194,608	545,953 U
6. DISTRIBUTION EXPENSE-OPERATIONS	424,950	509,910	84,960 U	1,182,871	1,249,594	66,723 U	5.64%	1,054,322	195,272 U
7. DISTRIBUTION EXPENSE-MAINTENANCE	554,120	483,491	(70,629) F	1,660,641	1,328,942	(331,699) F	(19.97%)	1,772,980	(444,038) F
8. CONSUMER ACCOUNTS EXPENSE	473,670	478,877	5,207 U	1,259,743	1,257,191	(2,552) F	(0.20%)	1,223,185	34,006 U
9. CUSTOMER SERVICE/INFO EXPENSE	49,778	57,161	7,383 U	163,708	170,167	6,459 U	3.95%	178,481	(8,314) F
10. SALES EXPENSE	0	0	0 U	0	0	0 U	0.00%	0	0 U
11. ADMINISTRATIVE/GENERAL EXPENSE	1,809,532	1,711,478	(98,054) F	5,289,790	5,191,365	(98,425) F	(1.86%)	5,009,233	182,132 U
12. TOTAL OPERATIONS/MAINTENANCE EXP.	11,859,000	11,741,193	(117,807) F	35,828,517	34,723,093	(1,105,424) F	(3.09%)	27,899,112	6,823,981 U
13. DEPRECIATION/AMORTIZATION EXP.	2,373,976	2,366,831	(7,145) F	7,120,141	7,046,692	(73,449) F	(1.03%)	7,014,978	31,714 U
14. TAX EXPENSE-OTHER	68,500	72,367	3,867 U	208,500	224,130	15,630 U	7.50%	207,523	16,607 U
15. LONG TERM INTEREST EXP.	1,855,162	1,813,431	(41,731) F	5,575,407	5,441,653	(133,754) F	(2.40%)	5,880,594	(438,941) F
16. (INTEREST DURING CONSTRUCTION)	(30,010)	(27,956)	2,054 U	(66,764)	(89,432)	(22,668) F	(33.95%)	(107,878)	18,446 U
17. SHORT TERM INTEREST EXP.	9,610	0	(9,610) F	9,610	0	(9,610) F	100.00%	11,900	(11,900) F
18. OTHER DEDUCTIONS	14,583	103,375	88,792 U	43,750	116,776	73,026 U	166.92%	32,471	84,305 U
19. TOTAL COST OF ELECTRIC SERVICE	16,150,821	16,069,241	(81,580) F	48,719,161	47,462,912	(1,256,249) F	(2.58%)	40,938,700	6,524,212 U
20. PATRON CAPITAL/OPER. MARGINS	401,666	186,640	(215,026) U	3,800,726	4,182,029	381,303 F	10.03%	9,300,306	(5,118,277) U
21. NON-OPER. MARGINS-INTEREST	25,573	30,406	4,833 F	82,572	89,034	6,462 F	7.83%	86,564	2,470 F
22. ALLOW-FUNDS DURING CONSTRUCTION	5,296	4,531	(765) U	11,780	14,475	2,695 F	22.88%	15,003	(528) U
23. NON-OPER. MARGINS-OTHER	0	0	0 U	0	0	0 U	0.00%	71,219	(71,219) U
24. G/T CAPITAL CREDITS	0	0	0 U	0	0	0 U	0.00%	0	0 U
25. OTHER CAPITAL CREDITS	0	10,426	10,426 F	0	10,426	10,426 F	0.00%	53,132	(42,706) U
26. EXTRAORDINARY ITEMS	0	0	0 U	0	0	0 U	0.00%	0	0 U
27. PATRON CAPITAL/MARGINS	432,535	232,003	(200,532) U	3,895,078	4,295,964	400,886 F	10.29%	9,526,224	(5,230,260) U

F = FAVORABLE U = UNFAVORABLE

CHUGACH ELECTRIC ASSOCIATION, INC.
COMPARATIVE FINANCIAL REPORT
BALANCE SHEET

MARCH, 2004

ASSETS	CURRENT YEAR 2004	LAST YEAR 2003	CHANGE	% DIFF.	LIABILITIES AND PATRONAGE CAPITAL	CURRENT YEAR 2004	LAST YEAR 2003	CHANGE	% DIFF.
TOTAL UTILITY PLANT IN SERVICE	746,270,821	736,732,136	9,538,685	1.29%	MEMBERSHIPS	1,165,593	1,118,278	47,315	4.23%
CONST WORK IN PROGRESS	14,389,313	17,068,171	(2,678,858)	(15.70%)	PATRONAGE CAPITAL AND MARGINS	130,661,002	129,638,144	1,022,858	0.79%
TOTAL UTILITY PLANT	760,660,134	753,800,307	6,859,827	0.91%	OTHER MARGINS & EQUITIES	6,687,982	6,154,253	533,729	8.67%
ACCUMULATED DEPR/AMORT	(296,779,411)	(286,207,945)	(10,571,466)	3.69%	TOTAL MARGINS & EQUITIES	138,514,577	136,910,675	1,603,902	1.17%
NET UTILITY PLANT	463,880,723	467,592,362	(3,711,639)	(0.79%)	LONG TERM DEBT BONDS (NET)	316,200,000	384,782,679	(68,582,679)	(17.82%)
NON-UTILITY PROPERTY (NET)	3,550	3,550	0	0.00%	LONG TERM DEBT OTHER	62,696,402	0	62,696,402	#DIV/0!
INVEST IN ASSOC ORGANIZATIONS	11,389,061	10,997,887	391,174	3.56%	TOTAL LONG TERM DEBT	378,896,402	384,782,679	(5,886,277)	(1.53%)
OTHER INVESTMENTS	0	1,186	(1,186)	100.00%	NOTES PAYABLE	5,886,277	5,503,651	382,626	6.95%
SPECIAL FUNDS	0	0	0	0.00%	ACCOUNTS PAYABLE	3,861,223	6,741,398	(2,880,175)	(42.72%)
TOTAL OTHER PROPERTY & INVEST	11,392,611	11,002,623	389,988	3.54%	CONSUMERS DEPOSITS	1,810,657	1,808,514	2,143	0.12%
CASH & TEMP INVESTMENTS	9,820,288	4,616,336	5,203,952	112.73%	OTHER CURRENT & ACCRUED LIABILITIES	18,734,154	14,822,039	3,912,115	26.39%
RESTRICTED CASH	712,207	802,705	(90,498)	(11.27%)	TOTAL CURRENT & ACCRUED LIABILITIES	30,292,311	28,875,602	1,416,709	4.91%
NOTES RECEIVABLE	0	0	0	0.00%	DEFERRED CREDITS	3,226,603	3,882,683	(656,080)	(16.90%)
ACCOUNTS RECEIVABLE (NET)	17,818,335	17,207,670	610,665	3.55%	MISCELLANEOUS OPERATING RESERVES	0	0	0	0.00%
MATERIALS AND SUPPLIES	23,443,066	22,805,096	637,970	2.80%	TOTAL LIABILITIES & PATR CAPITAL	550,929,893	554,451,639	(3,521,746)	(0.64%)
PREPAYMENTS	2,175,516	3,343,058	(1,167,542)	(34.92%)					
OTHER CURRENT & ACCRUED ASSETS	917,497	471,549	445,948	94.57%					
TOTAL CURRENT & ACCRUED ASSETS	54,886,909	49,246,414	5,640,495	11.45%					
DEFERRED DEBITS	20,769,650	26,610,240	(5,840,590)	(21.95%)					
TOTAL ASSETS	550,929,893	554,451,639	(3,521,746)	(0.64%)					

CHUGACH ELECTRIC ASSOCIATION, INC.
Statements of Cash Flows
(Unaudited)

	YTD March	
	2004	2003
<u>Cash flows from operating activities:</u>		
Assignable margins	<u>\$4,295,964</u>	<u>\$9,526,224</u>
Adjustments to reconcile assignable margins to net cash provided (used) by operating activities:		
Provision for rate refund	(10,604)	(5,117,448)
Depreciation & Amortization	7,944,026	8,377,586
Allowance for funds used during construction	(103,907)	(122,881)
Property gains / (losses)	0	71,219
Other	33	55
Changes in assets and liabilities:		
(Increase) decrease in assets:		
Fuel cost recovery	1,610,807	0
Accounts receivable	993,864	8,995,215
Prepayments	(716,867)	(1,389,708)
Materials and supplies	(1,554,272)	(12,942)
Deferred charges	1,844,579	(291,603)
Other	(138,309)	(140,514)
Increase (decrease) in liabilities:		
Accounts payable	(4,064,351)	(3,479,935)
Provision for rate refund	(411,799)	0
Fuel cost payable	0	1,113,073
Accrued interest	(4,307,704)	(4,385,524)
Deferred credits	(960,163)	(638,160)
Other	2,172,855	(723,421)
Net cash (used) provided by operating activities:	<u>6,594,152</u>	<u>11,781,236</u>
<u>Cash flows from investing activities:</u>		
Extension and replacement of plant	(3,374,646)	(3,850,991)
Investments in associated organizations	(7,298)	(35,413)
Net cash used for investing activities:	<u>(3,381,944)</u>	<u>(3,886,404)</u>
<u>Cash flows from financing activities:</u>		
Short-term obligations	0	(6,081,250)
Proceeds from long-term obligations	0	0
Repayments of long-term obligations	(5,051,500)	(4,713,670)
Retirement of patronage capital	0	(60,208)
Other	474,494	292,340
Net cash provided by financing activities:	<u>(4,577,006)</u>	<u>(10,562,788)</u>
Net increase (decrease) in cash and cash equivalents	(1,364,798)	(2,667,956)
<u>Cash and cash equivalents at beginning of year</u>	<u>\$11,185,086</u>	<u>\$7,284,292</u>
<u>Cash and cash equivalents at end of period</u>	<u>\$9,820,288</u>	<u>\$4,616,336</u>
<u>Supplemental disclosure of cash flow information</u>		
Interest expense paid, net of amounts capitalized	<u>\$5,489,717</u>	<u>\$10,170,140</u>

Chugach Electric Association
2004 - 2008 CAPITAL IMPROVEMENT PROGRAM (CIP)
MAJOR PROJECT TRACKING REPORT
As of March 31, 2004

CIP Ref #	Project Name	BOD Approval Date	Estimate			Actuals			Variance		Comments
			Estimate	Revisions to Estimate	Revised Estimate	Spending to Date	Forecast to Completion	Total Estimated Completion Cost	Total Estimated Cost vs. Revised Estimate		
									Amount	%	

MAJOR PROJECTS

SYSTEM IMPROVEMENT PROJECTS

Reliability

02.0145	Alternate 35kV Supply to Baxter Substation	04/21/2004	\$3,255,000	\$0	\$3,255,000	\$620,965	\$2,634,035	\$3,255,000	\$0	100%	On-track, in preliminary design.
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Deferred Studies

20.0108	Cooper Lake Relicensing	Previously Approved ⁽¹⁾	\$7,000,000	\$0	\$7,000,000	\$3,357,132	\$3,642,868	\$7,000,000	\$0	100%	Project on schedule and on budget.
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⁽¹⁾ Originally approved in the 2000 budget. Subsequent approval in 2001-2004 budgets and 2004-2008 Capital Improvement Plan.

REQUIRED PROJECTS

New Services/Load Growth

05.0746	Postmark Substation	04/21/2004	\$4,770,371	\$0	\$4,770,371	\$15,935	\$4,754,436	\$4,770,371	\$0	100%	On-track, in preliminary design & site selection.
08.0475	138kV International Sub to South Anchorage Sub	12/17/2003	\$4,436,000	\$0	\$4,436,000	\$1,003,838	\$3,432,162	\$4,436,000	\$0	100%	On-budget, construction to begin in 2004.
09.0452	South Anchorage Bulk Substation	12/17/2003	\$13,014,500	\$0	\$13,014,500	\$2,647,987	\$10,366,513	\$13,014,500	\$0	100%	On-track, site work to begin this year.
10.0727	New 138kV Huffman to South Anchorage	04/21/2004	\$6,066,000	\$0	\$6,066,000	\$65,686	\$6,000,314	\$6,066,000	\$0	100%	On-track, in preliminary design & route selection.
11.0487	35kV Feeders from South Anchorage Sub	04/21/2004	\$1,033,600	\$0	\$1,033,600	\$2,095	\$1,031,505	\$1,033,600	\$0	100%	On-track in design..

Retirement & Replacement

12.0651	Beluga Unit 5 Turbine Controls & Generator Protection	04/21/2004	\$1,292,156	\$0	\$1,292,156	\$87,889	\$1,204,267	\$1,292,156	\$0	100%	The contract has been finalized and sent to the vendor for signature May 7.
16.0942	SCADA-EMS Master Migration	Pending	\$2,503,000	\$0	\$2,503,000	\$178,976	\$2,324,024	\$2,503,000	\$0	100%	The project is in the evaluation and scoping phase. It is on schedule and budget per the current project plan.

Capitalized Maintenance

12.0854	Beluga Unit 7 Rotor Overhaul	Pending	\$11,335,000	\$0	\$11,335,000	\$7,586	\$11,327,414	\$11,335,000	\$0	100%	The outage for this project is scheduled for May 13. A similar project was performed on Beluga Unit 6 in 2003.
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