

March 2009 Financial Update

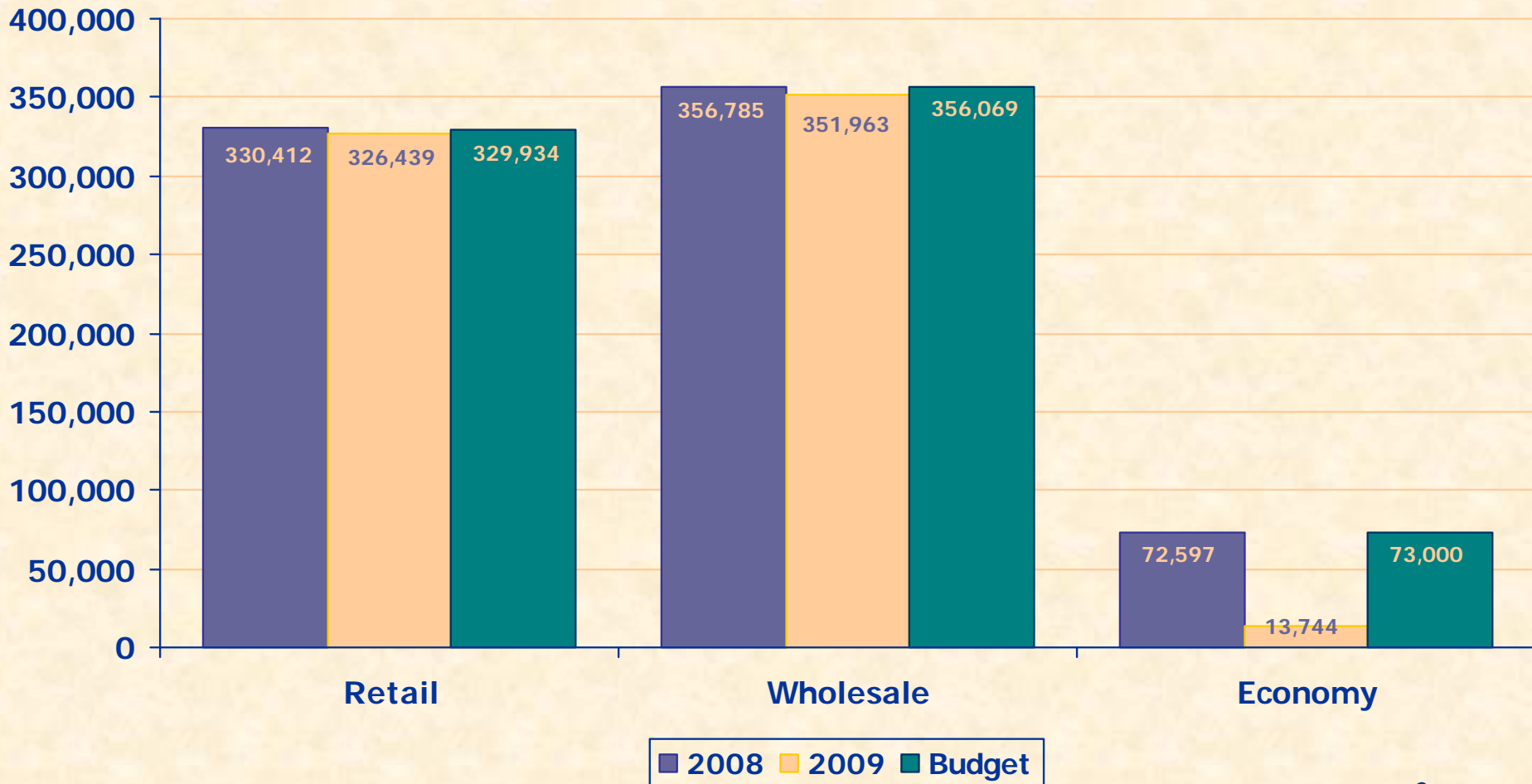
Chugach Electric Association, Inc.

May 13, 2009

March Financial Information

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March YTD MWh Sales



Comparative Statement of Operations

March 2009

	<u>Budget</u>	<u>Actual</u>	<u>Variance</u>
1. Operating Revenue & Patronage Capital	\$ 28,426,947	\$ 26,459,303	\$ (1,967,644)
2. Fuel Expense	14,769,414	12,812,812	(1,956,602)
3. Power Production Expense	1,307,488	1,450,566	143,078
4. Purchased Power Expense	3,514,587	3,618,393	103,806
5. Transmission Expense	530,375	468,800	(61,575)
6. Distribution Expense	950,952	827,902	(123,050)
7. Customer Expense	478,165	391,833	(86,332)
8. Administrative & General Expense	1,697,132	1,748,263	51,131
9. TOTAL Ops & Maint Expense (2 thru 8)	\$ 23,248,113	\$ 21,318,569	\$ (1,929,544)
10. Depreciation & Amortization Expense	\$ 2,685,332	2,661,049	\$ (24,283)
11. Tax Expense - Other	71,990	66,415	(5,575)
12. Interest on LT Debt	1,753,998	1,676,626	(77,372)
13. Interest Charged to Construction - Credit	(68,977)	(41,606)	27,371
14. Interest Expense - Other	120,401	85,390	(35,011)
15. Other Deductions	20,833	175,846	155,013
16. TOTAL Cost of Electric Service (9 thru 15)	\$ 27,831,690	\$ 25,942,289	\$ (1,889,401)
17. Patronage Capital & Operating Margins	\$ 595,257	\$ 517,014	\$ (78,243)
18. Non-Operating Margins - Interest	26,347	27,199	852
19. Allowance for Funds Used During Construction	5,771	13,603	7,832
20. Non-Operating Margins - Other	0	0	0
21. Patronage Capital or Margins	\$ 627,375	\$ 557,816	\$ (69,559)
Achieved TIER	1.36	1.33	(0.03)
Operating Revenue per kWh	\$ 0.1314	\$ 0.1243	\$ (0.0071)
Operating Cost per kWh	\$ 0.1286	\$ 0.1219	\$ (0.0067)

Comparative Statement of Operations

March YTD 2009

	Budget	Actual	Variance
1. Operating Revenue & Patronage Capital	\$ 89,914,519	\$ 83,417,070	\$ (6,497,449)
2. Fuel Expense	47,135,754	40,227,308	(6,908,446)
3. Power Production Expense	3,871,868	4,386,881	515,013
4. Purchased Power Expense	10,535,561	11,185,527	649,966
5. Transmission Expense	1,554,255	1,362,606	(191,649)
6. Distribution Expense	2,937,823	2,813,223	(124,600)
7. Customer Expense	1,362,000	1,222,709	(139,291)
8. Administrative & General Expense	5,273,852	4,641,816	(632,036)
9. TOTAL Ops & Maint Expense (2 thru 8)	\$ 72,671,113	\$ 65,840,070	\$ (6,831,043)
10. Depreciation & Amortization Expense	\$ 8,050,264	7,967,754	\$ (82,510)
11. Tax Expense - Other	222,871	213,094	(9,777)
12. Interest on LT Debt	5,270,387	5,073,072	(197,315)
13. Interest Charged to Construction - Credit	(198,946)	(121,412)	77,534
14. Interest Expense - Other	350,584	354,370	3,786
15. Other Deductions	62,499	223,595	161,096
16. TOTAL Cost of Electric Service (9 thru 15)	\$ 86,428,772	\$ 79,550,543	\$ (6,878,229)
17. Patronage Capital & Operating Margins	\$ 3,485,747	\$ 3,866,527	\$ 380,780
18. Non-Operating Margins - Interest	78,349	79,847	1,498
19. Allowance for Funds Used During Construction	16,644	30,579	13,935
20. Non-Operating Margins - Other	0	1,275	1,275
21. Patronage Capital or Margins	\$ 3,580,740	\$ 3,978,228	\$ 397,488
Achieved TIER	1.68	1.78	0.10
Operating Revenue per kWh	\$ 0.1313	\$ 0.1232	\$ (0.0081)
Operating Cost per kWh	\$ 0.1263	\$ 0.1175	\$ (0.0088)

System Statement of Operations

March YTD 2009

	Total	Generation	Transmission	Distribution
1. Operating Revenue & Patronage Capital	\$ 83,417,070	\$63,691,814	\$6,351,075	\$13,374,181
2. Fuel Expense	40,227,308	40,227,308	0	0
3. Power Production Expense	4,386,881	4,386,881	0	0
4. Purchased Power Expense	11,185,527	11,185,527	0	0
5. Transmission Expense	1,362,606	0	1,362,606	0
6. Distribution Expense	2,813,223	0	0	2,813,223
7. Customer Expense	1,222,709	0	0	1,222,709
8. Administrative & General Expense	4,641,816	1,737,854	643,218	2,260,744
9. TOTAL Ops & Maint Expense (2 thru 8)	\$ 65,840,070	\$57,537,570	\$2,005,824	\$6,296,676
10. Depreciation & Amortization Expense	\$ 7,967,754	\$3,824,483	\$1,456,058	\$2,687,213
11. Tax Expense - Other	213,094	17,986	6,871	188,237
12. Interest on LT Debt	5,073,072	1,826,306	1,646,719	1,600,047
13. Interest Charged to Construction - Credit	(121,412)	(54,407)	(20,678)	(46,327)
14. Interest Expense - Other	354,370	158,759	59,943	135,668
15. Other Deductions	223,595	62,615	23,919	137,061
16. TOTAL Cost of Electric Service (9 thru 15)	\$ 79,550,543	\$63,373,312	\$5,178,656	\$10,998,575
17. Patronage Capital & Operating Margins	\$ 3,866,527	\$ 318,502	\$ 1,172,419	\$2,375,606
18. Non-Operating Margins - Interest	79,847	0	0	79,847
19. Allowance for Funds Used During Construction	30,579	13,715	5,253	11,611
20. Non-Operating Margins - Other	1,275	459	176	640
21. Patronage Capital or Margins	\$ 3,978,228	\$ 332,676	\$ 1,177,848	\$2,467,704
Achieved TIER	1.78	1.18	1.72	2.54
Operating Revenue per kWh	\$ 0.1232	\$ 0.0941	\$ 0.0094	\$ 0.0412
Operating Cost per kWh	\$ 0.1175	\$ 0.0936	\$ 0.0077	\$ 0.0338

Comparative Balance Sheet

Assets & Other Debits

	March 2008	March 2009	Change
1. Total Utility Plant In Service	\$ 810,008,996	\$ 825,158,504	\$ 15,149,508
2. Construction Work In Progress	15,892,543	21,842,957	5,950,414
3. Total Utility Plant (1 plus 2)	\$ 825,901,539	\$ 847,001,461	\$ 21,099,922
4. Accum. Provision for Depreciation and Amort.	(374,878,056)	(397,109,632)	(22,231,576)
5. Net Utility Plant (3 minus 4)	\$ 451,023,483	\$ 449,891,829	\$ (1,131,654)
6. Nonutility Property - Net	24,461	24,461	0
7. Investment in Associated Organizations	11,993,216	12,177,590	184,374
8. Special Funds	663,334	259,921	(403,413)
9. Total Other Property & Investments (6 thru 8)	\$ 12,681,011	\$ 12,461,972	\$ (219,039)
10. Cash & Temporary Investments	3,732,545	12,529,795	8,797,250
11. Special Deposits	125,117	124,140	(977)
12. Accounts Receivable - Net	26,893,638	37,511,659	10,618,021
13. Materials and Supplies	30,793,883	29,644,081	(1,149,802)
14. Prepayments	1,708,070	2,031,403	323,333
15. Other Current & Accrued Assets	2,108,424	397,862	(1,710,562)
16. Total Current & Accrued Assets (10 thru 15)	\$ 65,361,677	\$ 82,238,940	\$ 16,877,263
17. Deferred Debits	20,790,842	22,880,322	2,089,480
18. Total Assets & Other Debits (5 + 9 + 16 + 17)	\$ 549,857,013	\$ 567,473,063	\$ 17,616,050

Comparative Balance Sheet

Liabilities & Other Credits

	<u>March 2008</u>	<u>March 2009</u>	<u>Change</u>
19. Memberships	\$ 1,354,538	\$ 1,399,373	\$ 44,835
20. Patronage Capital & Margins & Equities	152,931,235	156,324,012	3,392,777
21. Total Margins & Equities (19 plus 20)	\$ 154,285,773	\$ 157,723,385	\$ 3,437,612
22. Long-Term Debt - Bonds (Net)	270,000,000	270,000,000	0
23. Long-Term Debt - Other (Net)	44,396,463	39,889,357	(4,507,106)
24. Total Long-Term Debt (22 plus 23)	\$ 314,396,463	\$ 309,889,357	\$ (4,507,106)
25. Notes Payable	39,497,040	51,870,106	12,373,066
26. Accounts Payable	4,500,399	4,585,583	85,184
27. Consumer Deposits	2,419,383	2,398,064	(21,319)
28. Other Current & Accrued Liabilities	32,610,292	39,488,054	6,877,762
29. Total Current & Accrued Liabilities (25 thru 28)	\$ 79,027,114	\$ 98,341,807	\$ 19,314,693
30. Deferred Credits	1,484,329	1,258,593	(225,736)
31. Misc Operating Reserves	663,334	259,921	(403,413)
32. Total Liab & Other Credits (21 + 24 + 29 + 30 + 31)	\$ 549,857,013	\$ 567,473,063	\$ 17,616,050
Equity Ratio	32.92%	33.73%	

Statements of Cash Flows

March YTD 2009

	<u>Total</u>	<u>G&T</u>	<u>Distribution</u>
1. Cash flows from operating activities:			
Assignable margins	\$ 3,978,228	\$ 1,510,524	\$ 2,467,704
Adjustments to reconcile assignable margins to net cash provided (used) by operating activities:			
Depreciation & amortization	9,161,792	6,169,983	2,991,809
Capitalization of interest	(151,992)	(94,054)	(57,938)
Other	179	(9,927)	10,106
Changes in assets and liabilities:			
(Increase) decrease in assets	5,598,001	9,058,166	(3,460,165)
Increase (decrease) in liabilities	(2,463,677)	(1,439,706)	(1,023,971)
Net cash provided by operating activities:	\$ 16,122,531	\$ 15,194,986	\$ 927,545
2. Cash flows from investing activities:			
Extension and replacement of plant	(2,533,066)	(2,931,565)	398,499
Net cash used for investing activities:	\$ (2,533,066)	\$ (2,931,565)	\$ 398,499
3. Cash flows from financing activities:			
Payments of notes payable	(1,000,000)	(684,600)	(315,400)
Repayments of long-term obligations	(44,390,696)	(30,389,871)	(14,000,825)
Proceeds from short-term borrowings	45,503,000	33,992,896	11,510,104
Repayments of short-term obligations	(7,500,000)	(4,547,856)	(2,952,144)
Temporary Intracompany Non Interest Bearing Balance*	0	(8,029,894)	8,029,894
Patronage capital / Other	(1,163,276)	28,161	(1,191,437)
Net cash used for financing activities:	(8,550,972)	(9,631,164)	1,080,192
Net increase (decrease) in cash and cash equivalents	5,038,493	2,632,257	2,406,236
4. Cash & cash equivalents at beginning of year	\$ 7,491,302	\$ 0	\$ 7,491,302
5. Cash & cash equivalents at end of period	\$ 12,529,795	\$ 2,632,257	\$ 9,897,538

Debt Summary

March 2009

	<u>12/31/08</u>	<u>Draws</u>	<u>Payments</u>	<u>03/31/09</u>
Long-Term Debt				
2001 Series A Bonds	\$ 150,000,000	\$ 0	\$ 0	\$ 150,000,000
2002 Series A Bonds	120,000,000	0	0	120,000,000
CFC Promissory Notes Payable	42,963,659	5,500,000	40,500,000	0
CoBank Bond 2	3,500,000	0	500,000	3,000,000
CoBank Bond 3	18,376,673	0	699,160	17,677,513
CoBank Bond 4	20,086,132	0	0	20,086,132
CoBank Bond 5	3,860,694	0	227,876	3,632,818
Total Long-Term Debt	\$ <u>358,787,158</u>	\$ <u>5,500,000</u>	\$ <u>41,927,036</u>	\$ <u>314,396,463</u>
Short-Term Debt				
CFC Promissory Notes Payable	0	0	7,963,659	0
CoBank Line of Credit	7,500,000	0	7,500,000	0
Commercial Paper	0	46,003,000	500,000	45,503,000
Total Short-Term Debt	\$ <u>7,500,000</u>	\$ <u>46,003,000</u>	\$ <u>15,963,659</u>	\$ <u>45,503,000</u>
Total Debt	\$ <u>366,287,158</u>	\$ <u>51,503,000</u>	\$ <u>57,890,695</u>	\$ <u>359,899,463</u>

*CFC Promissory Notes Payable was reclassified from Long-Term Debt to Short-Term Debt in January 2009.



Questions?