

CHUGACH ELECTRIC ASSOCIATION, INC.
COMPARATIVE FINANCIAL REPORT
OPERATING STATEMENT

MARCH, 2003

	<-----THIS MONTH'S PERFORMANCE ----->			<----- YEAR TO DATE ----->						
ITEM	MARCH BUDGET	MARCH ACTUAL	VARIANCE	CURRENT YTD BUDGET	CURRENT YTD ACTUAL	VARIANCE	% DIFF	LAST YEAR YTD ACTUAL	VARIANCE	
REVENUES:										
RETAIL	9,320,678	9,180,992	(139,686) U	29,721,789	28,455,719	(1,266,070) U	(4.26%)	31,149,288	(2,693,569) U	
WHOLESALE	4,675,377	10,791,326	6,115,949 F	14,913,242	19,205,207	4,291,965 F	28.78%	16,737,855	2,467,352 F	
ECONOMY ENERGY	626,723	759,737	133,014 F	1,998,321	1,914,690	(83,631) U	(4.19%)	192,170	1,722,520 F	
OTHER	185,000	226,002	41,002 F	555,000	663,390	108,390 F	19.53%	489,230	174,160 F	
1. TOTAL REVENUE	14,807,778	20,958,057	6,150,279 F	47,188,352	50,239,006	3,050,654 F	6.46%	48,568,543	1,670,463 F	
EXPENSES:										
2. FUEL	3,383,956	3,406,845	22,889 U	11,847,550	11,403,893	(443,657) F	(3.74%)	12,959,289	(1,555,396) F	
3. POWER PRODUCTION EXPENSE	1,005,749	894,247	(111,502) F	3,110,700	2,724,933	(385,767) F	(12.40%)	3,218,313	(493,380) F	
4. COST OF PURCHASED POWER	1,498,200	1,503,140	4,940 U	3,864,139	3,337,477	(526,662) F	(13.63%)	5,194,540	(1,857,063) F	
5. TRANSMISSION EXPENSE	350,456	372,489	22,033 U	1,046,513	1,194,608	148,095 U	14.15%	876,117	318,491 U	
6. DISTRIBUTION EXPENSE-OPERATIONS	375,014	358,238	(16,776) F	1,191,441	1,054,322	(137,119) F	(11.51%)	959,842	94,480 U	
7. DISTRIBUTION EXPENSE-MAINTENANCE	476,483	702,587	226,104 U	1,561,712	1,772,980	211,268 U	13.53%	1,668,271	104,709 U	
8. CONSUMER ACCOUNTS EXPENSE	373,692	394,507	20,815 U	1,235,856	1,223,185	(12,671) F	(1.03%)	1,161,207	61,978 U	
9. CUSTOMER SERVICE/INFO EXPENSE	62,022	61,727	(295) F	199,783	178,481	(21,302) F	(10.66%)	262,473	(83,992) F	
10. SALES EXPENSE	0	0	0 U	0	0	0 U	0.00%	0	0 U	
11. ADMINISTRATIVE/GENERAL EXPENSE	1,636,767	1,606,276	(30,491) F	5,197,104	5,009,233	(187,871) F	(3.61%)	4,673,314	335,919 U	
12. TOTAL OPERATIONS/MAINTENANCE EXP.	9,162,339	9,300,056	137,717 U	29,254,798	27,899,112	(1,355,686) F	(4.63%)	30,973,366	(3,074,254) F	
13. DEPRECIATION/AMORTIZATION EXP.	2,317,741	2,348,186	30,445 U	6,926,391	7,014,978	88,587 U	1.28%	6,240,618	774,360 U	
14. TAX EXPENSE-OTHER	67,534	64,228	(3,306) F	206,384	207,523	1,139 U	0.55%	217,968	(10,445) F	
15. LONG TERM INTEREST EXP.	2,002,426	1,961,844	(40,582) F	6,009,208	5,880,594	(128,614) F	(2.14%)	8,042,244	(2,161,650) F	
16. (INTEREST DURING CONSTRUCTION)	(56,115)	(35,523)	20,592 U	(166,715)	(107,878)	58,837 U	35.29%	(149,706)	41,828 U	
17. SHORT TERM INTEREST EXP.	4,440	2,747	(1,693) F	4,440	11,900	7,460 U	100.00%	103,247	(91,347) F	
18. OTHER DEDUCTIONS	8,333	2,737	(5,596) F	24,999	32,471	7,472 U	29.89%	58,037	(25,566) F	
19. TOTAL COST OF ELECTRIC SERVICE	13,506,698	13,644,275	137,577 U	42,259,505	40,938,700	(1,320,805) F	(3.13%)	45,485,774	(4,547,074) F	
20. PATRON CAPITAL/OPER. MARGINS	1,301,080	7,313,782	6,012,702 F	4,928,847	9,300,306	4,371,459 F	88.69%	3,082,769	6,217,537 F	
21. NON-OPER. MARGINS-INTEREST	27,018	29,597	2,579 F	86,324	86,564	240 F	0.28%	444,912	(358,348) U	
22. ALLOW-FUNDS DURING CONSTRUCTION	12,318	5,146	(7,172) U	36,596	15,003	(21,593) U	(59.00%)	23,425	(8,422) U	
23. NON-OPER. MARGINS-OTHER	0	72,426	72,426 F	0	71,219	71,219 F	100.00%	(193,189)	264,408 F	
24. G/T CAPITAL CREDITS	0	0	0 U	0	0	0 U	0.00%	0	0 U	
25. OTHER CAPITAL CREDITS	0	53,132	53,132 F	0	53,132	53,132 F	100.00%	223,941	(170,809) U	
26. EXTRAORDINARY ITEMS	0	0	0 U	0	0	0 U	0.00%	0	0 U	
27. PATRON CAPITAL/MARGINS	1,340,416	7,474,083	6,133,667 F	5,051,767	9,526,224	4,474,457 F	88.57%	3,581,858	5,944,366 F	

F = FAVORABLE U = UNFAVORABLE

**CHUGACH ELECTRIC ASSOCIATION, INC.
COMPARATIVE FINANCIAL REPORT
BALANCE SHEET**

MARCH, 2003

ASSETS	CURRENT YEAR 2003	LAST YEAR 2002	CHANGE	% DIFF.	LIABILITIES AND PATRONAGE CAPITAL	CURRENT YEAR 2003	LAST YEAR 2002	CHANGE	% DIFF.
TOTAL UTILITY PLANT IN SERVICE	736,732,136	718,751,950	17,980,186	2.50%	MEMBERSHIPS	1,118,278	1,068,628	49,650	4.65%
CONST WORK IN PROGRESS	17,068,171	28,462,345	(11,394,174)	(40.03%)	PATRONAGE CAPITAL AND MARGINS	129,638,143	128,692,831	945,312	0.73%
					OTHER MARGINS & EQUITIES	6,154,253	5,450,596	703,657	12.91%
TOTAL UTILITY PLANT	753,800,307	747,214,295	6,586,012	0.88%	TOTAL MARGINS & EQUITIES	136,910,674	135,212,055	1,698,619	1.26%
ACCUMULATED DEPR/AMORT	(286,207,945)	(267,608,595)	(18,599,350)	6.95%	LONG TERM DEBT BONDS (NET)	384,782,679	395,000,000	(10,217,321)	(2.59%)
NET UTILITY PLANT	467,592,362	479,605,700	(12,013,338)	(2.50%)	LONG TERM DEBT OTHER	0	392,255	(392,255)	(100.00%)
NON-UTILITY PROPERTY (NET)	3,550	3,550	0	0.00%	TOTAL LONG TERM DEBT	384,782,679	395,392,255	(10,609,576)	(2.68%)
INVEST IN ASSOC ORGANIZATIONS	10,997,887	10,541,346	456,541	4.33%	NOTES PAYABLE	5,503,651	16,000,000	(10,496,349)	(65.60%)
OTHER INVESTMENTS	1,186	8,306	(7,120)	100.00%	ACCOUNTS PAYABLE	6,741,398	6,801,240	(59,842)	(0.88%)
SPECIAL FUNDS	0	0	0	0.00%	CONSUMERS DEPOSITS	1,808,515	1,659,051	149,464	9.01%
TOTAL OTHER PROPERTY & INVEST	11,002,623	10,553,202	449,421	4.26%	OTHER CURRENT & ACCRUED LIABILITIES	14,822,039	16,426,471	(1,604,432)	(9.77%)
CASH & TEMP INVESTMENTS	4,616,336	7,663,285	(3,046,949)	(39.76%)	TOTAL CURRENT & ACCRUED LIABILITIES	28,875,603	40,886,762	(12,011,159)	(29.38%)
RESTRICTED CASH	802,705	773,200	29,505	3.82%	DEFERRED CREDITS	3,882,683	3,907,532	(24,849)	(0.64%)
NOTES RECEIVABLE	0	0	0	0.00%	MISCELLANEOUS OPERATING RESERVES	0	0	0	0.00%
ACCOUNTS RECEIVABLE (NET)	17,221,339	18,469,112	(1,247,773)	(6.76%)	TOTAL LIABILITIES & PATR CAPITAL	554,451,639	575,398,604	(20,946,965)	(3.64%)
MATERIALS AND SUPPLIES	22,805,096	15,419,289	7,385,807	47.90%					
PREPAYMENTS	3,343,058	2,936,160	406,898	13.86%					
OTHER CURRENT & ACCRUED ASSETS	471,549	457,021	14,528	3.18%					
TOTAL CURRENT & ACCRUED ASSETS	49,260,083	45,718,067	3,542,016	7.75%					
DEFERRED DEBITS	26,596,571	39,521,635	(12,925,064)	(32.70%)					
TOTAL ASSETS	554,451,639	575,398,604	(20,946,965)	(3.64%)					

CHUGACH ELECTRIC ASSOCIATION, INC.
COMPARATIVE FINANCIAL REPORT
STATEMENT OF OPERATIONS

CATEGORY	YTD MARCH BUDGET*	YTD MARCH ACTUALS**	YTD MARCH ACTUALS INCLUDING ADJUSTMENTS FOR 2001/2002***
REVENUES:			
1. TOTAL REVENUE	\$47,188,352	\$44,744,344	\$50,239,007
EXPENSES:			
2. FUEL EXPENSE	11,847,550	11,403,893	11,403,893
3. POWER PRODUCTION EXPENSE	3,110,700	2,724,933	2,724,933
4. COST OF PURCHASED POWER	3,864,139	3,337,477	3,337,477
5. TRANSMISSION EXPENSE	1,046,513	1,194,608	1,194,608
6. DISTRIBUTION EXPENSE-OPERATIONS	1,191,441	1,054,322	1,054,322
7. DISTRIBUTION EXPENSE-MAINTENANCE	1,561,712	1,772,980	1,772,980
8. CONSUMER ACCOUNTS EXPENSE	1,235,856	1,223,185	1,223,185
9. CUSTOMER SERVICE/INFO EXPENSE	199,783	178,481	178,481
## SALES EXPENSE	0	0	0
## ADMINISTRATIVE/GENERAL EXPENSE	5,197,104	5,009,233	5,009,233
## TOTAL OPERATIONS/MAINTENANCE EXP.	\$29,254,798	\$27,899,112	\$27,899,112
## DEPRECIATION/AMORTIZATION EXPENSE	6,926,391	7,014,978	7,014,978
## TAX EXPENSE-OTHER	206,384	207,523	207,523
## INTEREST-LONG TERM DEBT	6,009,208	5,880,594	5,880,594
## INTEREST ON CONSTRUCTION-CREDIT	(166,715)	(107,878)	(107,878)
## INTEREST EXPENSE-OTHER	4,440	11,901	11,901
## OTHER DEDUCTIONS	24,999	32,471	32,471
## TOTAL COST OF ELECTRIC SERVICE	\$42,259,505	\$40,938,701	\$40,938,701
## PATRONAGE CAPITAL/OPERATING MARGIN	\$4,928,847	\$3,805,643	\$9,300,306
## NON-OPERATING MARGINS-INTEREST	86,324	86,564	86,564
## ALLOWANCE FUNDS USED DURING CONST.	36,596	15,003	15,003
## NON-OPERATING MARGINS-OTHER	0	71,219	71,219
## GENER./TRANS. CAPITAL CREDITS	0	0	0
## OTHER CAPITAL CREDITS/DIVIDENDS	0	53,132	53,132
## EXTRAORDINARY ITEMS	0	0	0
## PATRONAGE CAPITAL OR MARGINS	\$5,051,767	\$4,031,561	\$9,526,224
MFI/I	1.84	1.68	2.62

* Revised for impact of RCA Order 30 and other requested budget revisions

** Actual operating results for YTD March 2003

*** Actual operating results for YTD March 2003 adjusted for \$5.5 million refund provision recorded in 2002

	YTD March	
	2003	2002
<u>Cash flows from operating activities:</u>		
Assignable margins	\$9,526,224	\$3,581,858
Adjustments to reconcile assignable margins to net cash provided (used) by operating activities:		
Provision for rate refund	(5,117,448)	0
Depreciation & Amortization	8,377,586	6,240,618
Allowance for funds used during construction	(122,881)	(173,131)
Property gains / (losses)	71,219	(193,189)
Other	54	970
Changes in assets and liabilities:		
(Increase) decrease in assets:		
Fuel cost recovery	0	(162,458)
Accounts receivable	8,995,215	3,833,288
Prepayments	(1,389,708)	(2,308,616)
Materials and supplies	(12,942)	2,006,507
Deferred charges	(291,603)	(1,260,649)
Other	(140,513)	(133,078)
Increase (decrease) in liabilities:		
Accounts payable	(3,479,935)	(4,211,665)
Fuel cost payable	1,113,073	0
Accrued interest	(4,385,524)	(5,192,242)
Deferred credits	(638,160)	(15,666,447)
Other (Fuel payable)	(723,421)	(4,014,076)
Net cash (used) provided by operating activities:	11,781,236	(17,652,310)
<u>Cash flows from investing activities:</u>		
Extension and replacement of plant	(3,850,991)	(3,628,304)
Investments in associated organizations	(35,413)	(65,436)
Net cash used for investing activities:	(3,886,404)	(3,693,740)
<u>Cash flows from financing activities:</u>		
Short-term obligations	(6,081,250)	0
Proceeds from long-term obligations	0	180,000,000
Repayments of long-term obligations	(4,713,670)	(154,719,945)

Retirement of patronage capital	(60,208)	(97,026)
Other	292,340	11,539
Net cash provided by financing activities:	<u>(10,562,788)</u>	<u>25,194,568</u>
Net increase (decrease) in cash and cash equivalents	(2,667,956)	3,848,518
<u>Cash and cash equivalents at beginning of year</u>	<u>\$7,284,292</u>	<u>\$3,814,767</u>
<u>Cash and cash equivalents at end of period</u>	<u>\$4,616,336</u>	<u>\$7,663,285</u>
<u>Supplemental disclosure of cash flow information</u>		
Interest expense paid, net of amounts capitalized	<u>\$10,170,140</u>	<u>\$13,188,028</u>