

June 2009
Financial Update

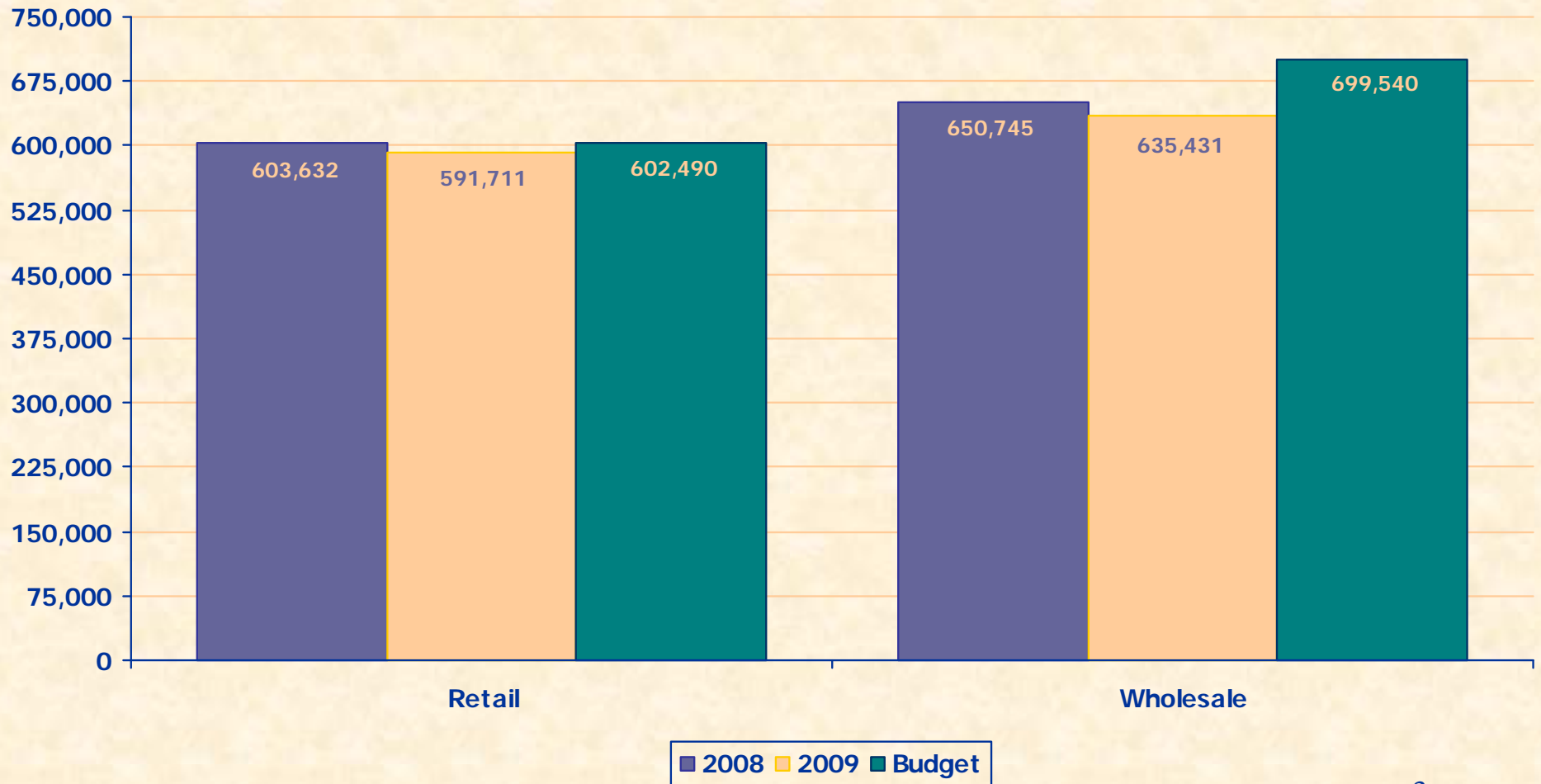
Chugach Electric Association, Inc.

August 12, 2009

June Financial Information

- **MWh Sales**
- **Statement of Operations**
- **Balance Sheet**
- **Statement of Cash Flows**
- **Debt Summary**

June YTD MWh Sales



Comparative Statement of Operations

June YTD 2009

	<u>Budget</u>	<u>Actual</u>	<u>Variance</u>
1. Operating Revenue & Patronage Capital	\$ 166,631,031	\$ 152,656,223	\$ (13,974,808)
2. Fuel Expense	86,190,196	73,463,068	(12,727,128)
3. Power Production Expense	8,331,185	8,038,831	(292,354)
4. Purchased Power Expense	20,700,426	20,943,056	242,630
5. Transmission Expense	3,161,430	2,669,017	(492,413)
6. Distribution Expense	6,126,652	6,257,354	130,702
7. Customer Expense	2,801,534	2,585,506	(216,028)
8. Administrative & General Expense	10,523,884	9,458,425	(1,065,459)
9. TOTAL Ops & Maint Expense (2 thru 8)	\$ 137,835,307	\$ 123,415,257	\$ (14,420,050)
10. Depreciation & Amortization Expense	\$ 16,118,886	\$ 15,999,147	\$ (119,739)
11. Tax Expense - Other	417,052	404,855	(12,197)
12. Interest on LT Debt	10,523,188	10,125,165	(398,023)
13. Interest Charged to Construction - Credit	(460,818)	(257,914)	202,904
14. Interest Expense - Other	707,513	603,267	(104,246)
15. Other Deductions	124,998	223,661	98,663
16. TOTAL Cost of Electric Service (9 thru 15)	\$ 165,266,126	\$ 150,513,438	\$ (14,752,688)
17. Patronage Capital & Operating Margins	\$ 1,364,905	\$ 2,142,785	\$ 777,880
18. Non-Operating Margins - Interest	157,097	92,997	(64,100)
19. Allowance for Funds Used During Construction	38,553	78,928	40,375
20. Non-Operating Margins - Other	0	1,284	1,284
21. Patronage Capital or Margins	\$ 1,560,555	\$ 2,315,994	\$ 755,439
Achieved TIER	1.15	1.23	0.08
Operating Revenue per kWh	\$ 0.1326	\$ 0.1245	\$ (0.0081)
Operating Cost per kWh	\$ 0.1316	\$ 0.1227	\$ (0.0089)

System Statement of Operations

June YTD 2009

	Total	Generation	Transmission	Distribution
1. Operating Revenue & Patronage Capital	\$ 152,656,223	\$ 116,590,715	\$ 11,398,862	\$ 24,666,646
2. Fuel Expense	73,463,068	73,463,068	0	0
3. Power Production Expense	8,038,831	8,038,693	138	0
4. Purchased Power Expense	20,943,056	20,943,056	0	0
5. Transmission Expense	2,669,017	0	2,669,017	0
6. Distribution Expense	6,257,354	0	0	6,257,354
7. Customer Expense	2,585,506	0	0	2,585,506
8. Administrative & General Expense	9,458,425	3,538,896	1,307,214	4,612,315
9. TOTAL Ops & Maint Expense (2 thru 8)	\$ 123,415,257	\$ 105,983,713	\$ 3,976,369	\$ 13,455,175
10. Depreciation & Amortization Expense	\$ 15,999,147	\$ 7,684,277	\$ 2,916,132	\$ 5,398,738
11. Tax Expense - Other	404,855	39,309	15,016	350,530
12. Interest on LT Debt	10,125,165	3,645,059	3,286,629	3,193,477
13. Interest Charged to Construction - Credit	(257,914)	(120,375)	(46,099)	(91,440)
14. Interest Expense - Other	603,267	278,446	105,415	219,406
15. Other Deductions	223,661	0	173,631	50,030
16. TOTAL Cost of Electric Service (9 thru 15)	\$ 150,513,438	\$ 117,510,429	\$ 10,427,093	\$ 22,575,916
17. Patronage Capital & Operating Margins	\$ 2,142,785	\$ (919,714)	\$ 971,769	\$ 2,090,730
18. Non-Operating Margins - Interest	92,997	0	0	92,997
19. Allowance for Funds Used During Construction	78,928	37,079	14,258	27,591
20. Non-Operating Margins - Other	1,284	462	179	643
21. Patronage Capital or Margins	\$ 2,315,994	\$ (882,173)	\$ 986,206	\$ 2,211,961
Achieved TIER	1.23	0.76	1.30	1.69
Operating Revenue per kWh	\$ 0.1245	\$ 0.0950	\$ 0.0093	\$ 0.0417
Operating Cost per kWh	\$ 0.1227	\$ 0.0958	\$ 0.0085	\$ 0.0382

Comparative Balance Sheet

June 2008 & 2009

	<u>June 2008</u>	<u>June 2009</u>	<u>Change</u>
1. Total Utility Plant In Service	\$ 812,645,982	\$ 831,051,838	\$ 18,405,856
2. Construction Work In Progress	21,401,487	25,573,192	4,171,705
3. Total Utility Plant (1 plus 2)	\$ 834,047,469	\$ 856,625,030	\$ 22,577,561
4. Accum. Provision for Depreciation and Amort.	(381,442,755)	(405,946,339)	(24,503,584)
5. Net Utility Plant (3 minus 4)	\$ 452,604,714	\$ 450,678,691	\$ (1,926,023)
6. Nonutility Property - Net	24,461	24,461	0
7. Investment in Associated Organizations	11,993,216	12,177,447	184,231
8. Special Funds	292,709	271,203	(21,506)
9. Total Other Property & Investments (6 thru 8)	\$ 12,310,386	\$ 12,473,111	\$ 162,725
10. Cash & Temporary Investments	5,415,484	3,805,102	(1,610,382)
11. Special Deposits	125,117	124,140	(977)
12. Accounts Receivable - Net	22,423,652	28,798,576	6,374,924
13. Materials and Supplies	27,079,006	31,038,745	3,959,739
14. Prepayments	1,149,693	1,169,211	19,518
15. Other Current & Accrued Assets	4,746,026	193,251	(4,552,775)
16. Total Current & Accrued Assets (10 thru 15)	\$ 60,938,978	\$ 65,129,025	\$ 4,190,047
17. Deferred Debits	21,195,553	22,901,263	1,705,710
18. Total Assets & Other Debits (5 + 9 + 16 + 17)	\$ 547,049,631	\$ 551,182,090	\$ 4,132,459

Comparative Balance Sheet

June 2008 & 2009

	<u>June 2008</u>	<u>June 2009</u>	<u>Change</u>
19. Memberships	\$ 1,365,648	\$ 1,409,053	\$ 43,405
20. Patronage Capital & Margins & Equities	151,392,028	154,584,094	3,192,066
21. Total Margins & Equities (19 plus 20)	\$ 152,757,676	\$ 155,993,147	\$ 3,235,471
22. Long-Term Debt - Bonds (Net)	270,000,000	270,000,000	0
23. Long-Term Debt - Other (Net)	42,899,657	38,322,745	(4,576,912)
24. Total Long-Term Debt (22 plus 23)	\$ 312,899,657	\$ 308,322,745	\$ (4,576,912)
25. Notes Payable	34,079,441	38,081,912	4,002,471
26. Accounts Payable	7,015,319	6,297,332	(717,987)
27. Consumer Deposits	2,417,082	2,420,729	3,647
28. Other Current & Accrued Liabilities	36,296,505	38,519,676	2,223,171
29. Total Current & Accrued Liabilities (25 thru 28)	\$ 79,808,347	\$ 85,319,649	\$ 5,511,302
30. Deferred Credits	1,291,242	1,275,346	(15,896)
31. Misc Operating Reserves	292,709	271,203	(21,506)
32. Total Liab & Other Credits (21 + 24 + 29 + 30 + 31)	\$ 547,049,631	\$ 551,182,090	\$ 4,132,459
Equity Ratio	32.80%	33.60%	

Cash Flow ~ June 2009 YTD

	<u>Total</u>	<u>G&T</u>	<u>Distribution</u>
1. Cash flows from operating activities:			
Assignable margins	\$ 2,315,994	\$ 104,033	\$ 2,211,961
Adjustments to reconcile assignable margins to net cash provided (used) by operating activities:			
Depreciation & amortization	18,372,254	12,371,010	6,001,244
Capitalization of interest	(336,841)	(217,810)	(119,031)
Other	0	0	0
Changes in assets and liabilities:			
(Increase) decrease in assets	13,037,785	12,622,723	415,062
Increase (decrease) in liabilities	(3,741,118)	(3,083,478)	(657,640)
Net cash provided by operating activities:	\$ 29,648,074	\$ 21,796,478	\$ 7,851,596
2. Cash flows from investing activities:			
Extension and replacement of plant	(10,444,800)	(6,207,308)	(4,237,492)
Net cash used for investing activities:	\$ (10,444,800)	\$ (6,207,308)	\$ (4,237,492)
3. Cash flows from financing activities:			
Repayments of notes payable	(2,860,000)	(2,860,000)	0
Repayments of long-term obligations	(45,887,502)	(31,414,584)	(14,472,918)
Proceeds from short-term borrowings	45,503,000	33,992,896	11,510,104
Repayments of short-term obligations	(19,498,000)	(10,869,301)	(8,628,699)
Temporary Intracompany Non Interest Bearing Balance*	0	(4,581,025)	4,581,025
Patronage capital / Other	(146,972)	142,844	(289,816)
Net cash used for financing activities:	(22,889,474)	(15,589,170)	(7,300,304)
Net increase (decrease) in cash and cash equivalents	(3,686,200)	0	(3,686,200)
4. Cash & cash equivalents at beginning of year	\$ 7,491,302	\$ 0	\$ 7,491,302
5. Cash & cash equivalents at end of period	\$ 3,805,102	\$ 0	\$ 3,805,102

*"Temporary Intracompany Non Interest Bearing Balance" does not represent a debt or payable to any customer.

Debt Summary

June 2009

	<u>12/31/08</u>	<u>Draws</u>	<u>Payments</u>	<u>06/30/09</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	48,463,659	0
CoBank Bond 2	3,500,000	0	1,000,000	2,500,000
CoBank Bond 3	18,376,673	0	699,160	17,677,513
CoBank Bond 4	20,086,132	0	764,198	19,321,934
CoBank Bond 5	3,860,694	0	460,484	3,400,210
Total Long-Term Debt*	\$ 358,787,158	\$ 5,500,000	\$ 51,387,501	\$ 312,899,657
Short-Term Debt				
CoBank Line of Credit	7,500,000	1,000,000	8,500,000	0
Commercial Paper	0	66,503,000	32,998,000	33,505,000
Notes Payable	2,860,000	0	2,860,000	0
Total Short-Term Debt	\$ 10,360,000	\$ 67,503,000	\$ 44,358,000	\$ 33,505,000
Total Debt	\$ 369,147,158	\$ 73,003,000	\$ 95,745,501	\$ 346,404,657

*Includes current portion of long-term debt.

Questions?