

July 2006

Unbundled Financial Statements

Chugach Electric Association, Inc.

August 23, 2006

July Financial Information

- MWh Sales
- System Statement of Operations
- G&T Statement of Operations
- Distribution Statement of Operations
- Balance Sheet
- Statement of Cash Flows
- Overtime Information

MWh Sales YTD July 2006



System Statement of Operations

YTD July 2006

	<u>Total</u>	<u>G & T</u>	<u>Distribution</u>
1. Operating Revenue & Patronage Capital	\$ 148,029,689	\$ 116,446,934	\$ 31,582,755
2. Fuel Expense	64,578,058	64,578,058	0
3. Power Production Expense	7,955,011	7,955,011	0
4. Purchased Power Expense	16,043,467	16,043,467	0
5. Transmission Expense	3,051,109	3,051,109	0
6. Distribution Expense - Operations	2,840,889	0	2,840,889
7. Distribution Expense - Maintenance	3,744,092	0	3,744,092
8. Consumer Accounts Expense	2,569,042	0	2,569,042
9. Customer Service & Informational Expense	337,507	0	337,507
10. Administrative & General Expense	10,257,339	4,983,207	5,274,132
11. Total Ops & Maint Expense (2 thru 10)	\$ 111,376,514	\$ 96,610,852	\$ 14,765,662
12. Depreciation & Amortization Expense	\$ 16,615,628	\$ 10,659,342	\$ 5,956,286
13. Tax Expense - Other	495,236	69,121	426,115
14. Interest on LT Debt	14,190,285	10,097,655	4,092,630
15. Interest Charged to Construction - Credit	(232,416)	(106,378)	(126,038)
16. Interest Expense - Other	0	0	0
17. Other Deductions	211,009	182,293	28,716
18. Total Cost of Electric Service (11 thru 17)	\$ 142,656,256	\$ 117,512,885	\$ 25,143,371
19. Patronage Capital & Operating Margins	\$ 5,373,433	\$ (1,065,951)	\$ 6,439,384
20. Non-Operating Margins - Interest	506,077	0	506,077
21. Allowance for Funds Used During Construction	86,428	39,357	47,071
22. Non-Operating Margins - Other	(12,756)	(12,030)	(726)
23. Generation & Transmission Capital Credits	0	0	0
24. Other Capital Credits & Patronage Dividends	(56)	(40)	(16)
25. Extraordinary Items	0	0	0
26. Patronage Capital or Margins	\$ 5,953,126	\$ (1,038,664)	\$ 6,991,790
Achieved TIER	1.42	0.90	2.71
Operating Revenue per kWh	\$ 0.10	\$ 0.08	\$ 0.05
Operating Cost per kWh	\$ 0.10	\$ 0.08	\$ 0.04

G&T Statement of Operations

YTD July 2006

	Budget	Actual	Variance
1. Operating Revenue & Patronage Capital	\$ 120,492,289	\$ 116,446,934	\$ (4,045,355)
2. Fuel Expense	67,510,585	64,578,058	(2,932,527)
3. Power Production Expense	8,819,112	7,955,011	(864,101)
4. Purchased Power Expense	16,543,534	16,043,467	(500,067)
5. Transmission Expense	3,640,485	3,051,109	(589,376)
6. Distribution Expense - Operations	0	0	0
7. Distribution Expense - Maintenance	0	0	0
8. Consumer Accounts Expense	0	0	0
9. Customer Service & Informational Expense	0	0	0
10. Administrative & General Expense	5,107,037	4,983,207	(123,830)
11. Total Ops & Maint Expense (2 thru 10)	\$ 101,620,753	\$ 96,610,852	\$ (5,009,901)
12. Depreciation & Amortization Expense	10,630,699	10,659,342	28,643
13. Tax Expense - Other	60,053	69,121	9,068
14. Interest on LT Debt	9,716,544	10,097,655	381,111
15. Interest Charged to Construction - Credit	(256,293)	(106,378)	149,915
16. Interest Expense - Other	0	0	0
17. Other Deductions	84,108	182,293	98,185
18. Total Cost of Electric Service (11 thru 17)	\$ 121,855,864	\$ 117,512,885	\$ (4,342,979)
19. Patronage Capital & Operating Margins	\$ (1,363,575)	\$ (1,065,951)	\$ 297,624
20. Non-Operating Margins - Interest	0	0	0
21. Allowance for Funds Used During Construction	45,229	39,357	(5,872)
22. Non-Operating Margins - Other	0	(12,030)	(12,030)
23. Generation & Transmission Capital Credits	0	0	0
24. Other Capital Credits & Patronage Dividends	0	(40)	(40)
25. Extraordinary Items	0	0	0
26. Patronage Capital or Margins	\$ (1,318,346)	\$ (1,038,664)	\$ 279,682
Achieved TIER	0.86	0.90	0.03
Operating Revenue per kWh	\$ 0.08	\$ 0.08	\$ 0.00
Operating Cost per kWh	\$ 0.08	\$ 0.08	\$ 0.00

Dist Statement of Operations

YTD July 2006

	<u>Budget</u>	<u>Actual</u>	<u>Variance</u>
1. Operating Revenue & Patronage Capital	\$ 32,451,729	\$ 31,582,755	\$ (868,974)
2. Fuel Expense	0	0	0
3. Power Production Expense	0	0	0
4. Purchased Power Expense	0	0	0
5. Transmission Expense	0	0	0
6. Distribution Expense - Operations	2,608,348	2,840,889	232,541
7. Distribution Expense - Maintenance	3,988,522	3,744,092	(244,430)
8. Consumer Accounts Expense	2,650,948	2,569,042	(81,906)
9. Customer Service & Informational Expense	486,495	337,507	(148,988)
10. Administrative & General Expense	5,540,559	5,274,132	(266,427)
11. Total Ops & Maint Expense (2 thru 10)	\$ 15,274,872	\$ 14,765,662	\$ (509,210)
12. Depreciation & Amortization Expense	\$ 5,950,319	\$ 5,956,286	\$ 5,967
13. Tax Expense - Other	426,188	426,115	(73)
14. Interest on LT Debt	3,945,028	4,092,630	147,602
15. Interest Charged to Construction - Credit	(164,861)	(126,038)	38,823
16. Interest Expense - Other	0	0	0
17. Other Deductions	90,892	28,716	(62,176)
18. Total Cost of Electric Service (11 thru 17)	\$ 25,522,438	\$ 25,143,371	\$ (379,067)
19. Patronage Capital & Operating Margins	\$ 6,929,291	\$ 6,439,384	\$ (489,907)
20. Non-Operating Margins - Interest	245,716	506,077	260,361
21. Allowance for Funds Used During Construction	29,094	47,071	17,977
22. Non-Operating Margins - Other	0	(726)	(726)
23. Generation & Transmission Capital Credits	0	0	0
24. Other Capital Credits & Patronage Dividends	0	(16)	(16)
25. Extraordinary Items	0	0	0
26. Patronage Capital or Margins	\$ 7,204,101	\$ 6,991,790	\$ (212,311)
Achieved TIER	2.83	2.71	(0.12)
Operating Revenue per kWh	\$ 0.05	\$ 0.05	0.00
Operating Cost per kWh	\$ 0.04	\$ 0.04	0.00

Unbundled Balance Sheet

Assets & Other Debits

As of July 31, 2006

	<u>Total</u>	<u>G & T</u>	<u>Distribution</u>
1. Total Utility Plant In Service	\$ 775,661,756	\$ 467,394,412	\$ 308,267,344
2. Construction Work In Progress	16,734,220	5,336,220	11,398,000
3. Total Utility Plant (1 plus 2)	\$ 792,395,976	\$ 472,730,632	\$ 319,665,344
4. Accum. Provision for Depreciation and Amort.	(338,942,797)	(221,270,023)	(117,672,774)
5. Net Utility Plant (3 minus 4)	\$ 453,453,179	\$ 251,460,609	\$ 201,992,570
6. Nonutility Property - Net	24,461	0	24,461
7. Investment in Associated Organizations	11,881,980	8,484,380	3,397,600
8. Total Other Property & Investments (6 plus 7)	\$ 11,906,441	\$ 8,484,380	\$ 3,422,061
9. Cash & Temporary Investments	16,894,536	0	16,894,536
10. Special Deposits	206,191	72,357	133,834
11. Accounts Receivable - Net	23,398,409	18,385,926	5,012,483
12. Accounts Receivable - Due From G&T	3,072,338	0	3,072,338
13. Materials and Supplies	33,891,513	29,824,247	4,067,266
14. Prepayments	1,014,037	494,268	519,769
15. Other Current & Accrued Assets	1,803,675	1,636,324	167,351
16. Total Current & Accrued Assets (9 thru 15)	\$ 80,280,699	\$ 50,413,122	\$ 29,867,577
17. Deferred Debits	18,231,888	15,563,642	2,668,246
18. Total Assets & Other Debits (5 + 8 + 16 + 17)	\$ 563,872,207	\$ 325,921,753	\$ 237,950,454

Unbundled Balance Sheet

Liabilities & Other Credits

As of July 31, 2006

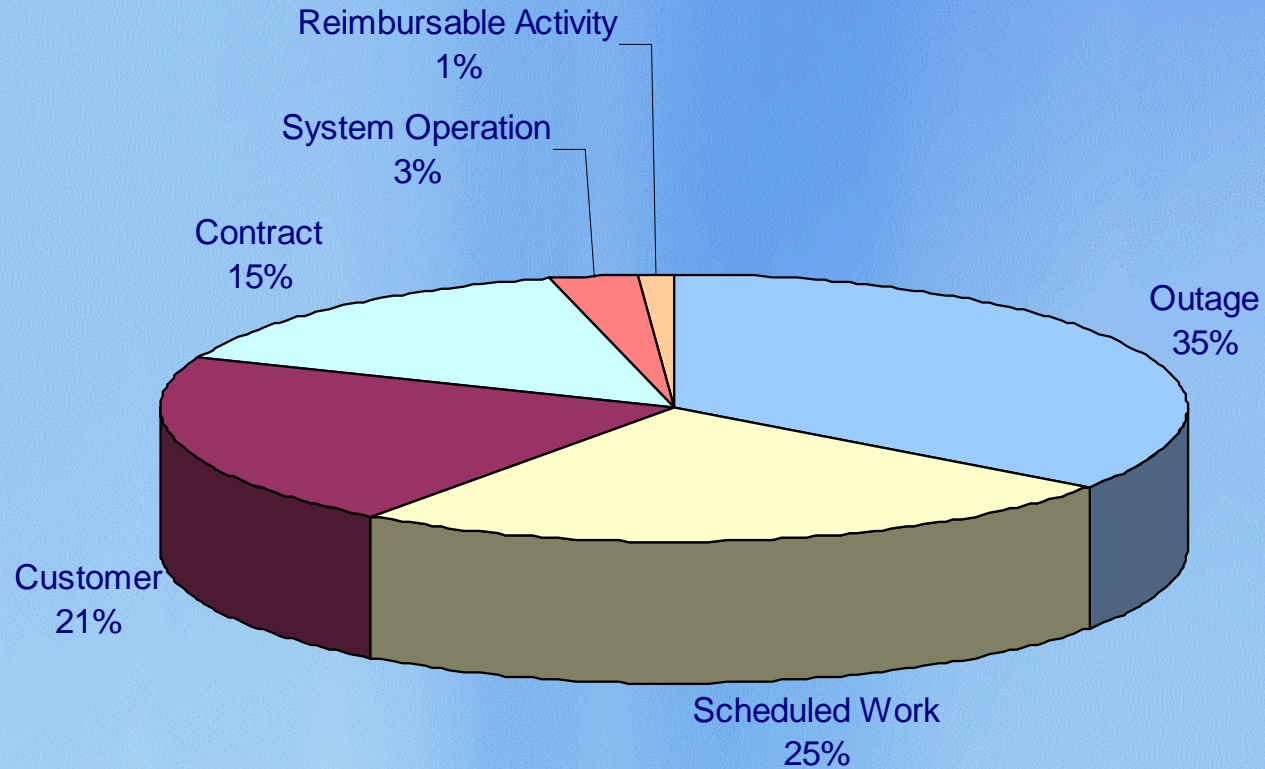
	<u>Total</u>	<u>G & T</u>	<u>Distribution</u>
19. Memberships	\$ 1,276,858	\$ 0	\$ 1,276,858
20. Patronage Capital & Margins & Equities	148,989,307	34,093,346	114,895,961
21. Total Margins & Equities (18 plus 19)	\$ 150,266,165	\$ 34,093,346	\$ 116,172,819
22. Long-Term Debt - Bonds (Net)	305,500,000	217,281,305	88,218,695
23. Long-Term Debt - Other (Net)	46,136,863	32,814,003	13,322,860
24. Total Long-Term Debt (22 + 23)	\$ 351,636,863	\$ 250,095,308	\$ 101,541,555
25. Notes Payable	13,728,569	9,764,194	3,964,375
26. Accounts Payable	4,830,413	1,082,043	3,748,370
27. Accounts Payable - Due to Distribution	3,072,338	3,072,338	0
28. Consumer Deposits	2,056,117	0	2,056,117
29. Other Current & Accrued Liabilities	36,063,659	27,583,395	8,480,264
30. Total Current & Accrued Liabilities (25 thru 29)	\$ 59,751,096	\$ 41,501,970	\$ 18,249,126
31. Deferred Credits	2,218,083	231,129	1,986,954
31. Total Liab & Other Credits (21 + 24 + 30 + 31)	\$ 563,872,207	\$ 325,921,753	\$ 237,950,454

Statement of Cash Flows

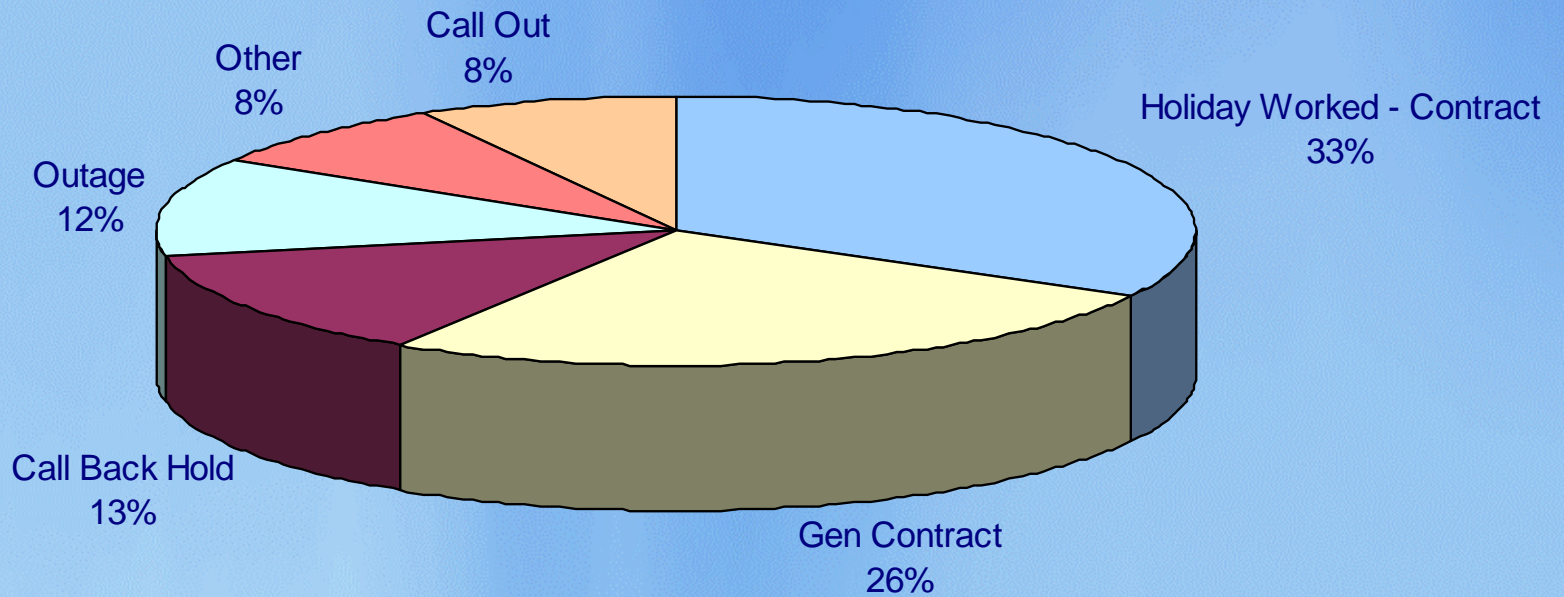
YTD July 31, 2006

	<u>Total</u>	<u>G&T</u>	<u>Distribution</u>
1. Cash flows from operating activities:			
Assignable margins	\$ 5,953,124	\$ (1,038,664)	\$ 6,991,788
Adjustments to reconcile assignable margins to net cash provided (used) by operating activities:			
Depreciation & amortization	16,615,628	10,659,342	5,956,286
Capitalization of interest	(318,844)	(145,735)	(173,109)
Other	1,072	780	292
Changes in assets and liabilities:			
(Increase) decrease in assets:	2,622,398	(2,407,342)	5,029,740
Increase (decrease) in liabilities:	(2,070,292)	(1,364,718)	(705,574)
Net cash provided by operating activities:	\$ 22,803,086	\$ 5,703,663	\$ 17,099,423
2. Cash flows from investing activities:			
Extension and replacement of plant	(8,340,681)	(2,916,442)	(5,424,239)
Net cash used for investing activities:	\$ (8,340,681)	\$ (2,916,442)	\$ (5,424,239)
3. Cash flows from financing activities:			
Repayments of long-term obligations	(7,492,354)	(5,328,800)	(2,163,554)
Loan to Distribution/from G&T	0	3,072,338	(3,072,338)
Patronage capital / Other	(726,109)	(1,007,952)	281,843
Net cash used for financing activities:	(8,218,463)	(3,264,414)	(4,954,049)
Net increase (decrease) in cash and cash equivalents	6,243,942	(477,193)	6,721,135
4. Cash & cash equivalents at beginning of year	\$ 10,650,594	\$ 477,193	\$ 10,173,401
5. Cash & cash equivalents at end of period	\$ 16,894,536	\$ 0	\$ 16,894,536

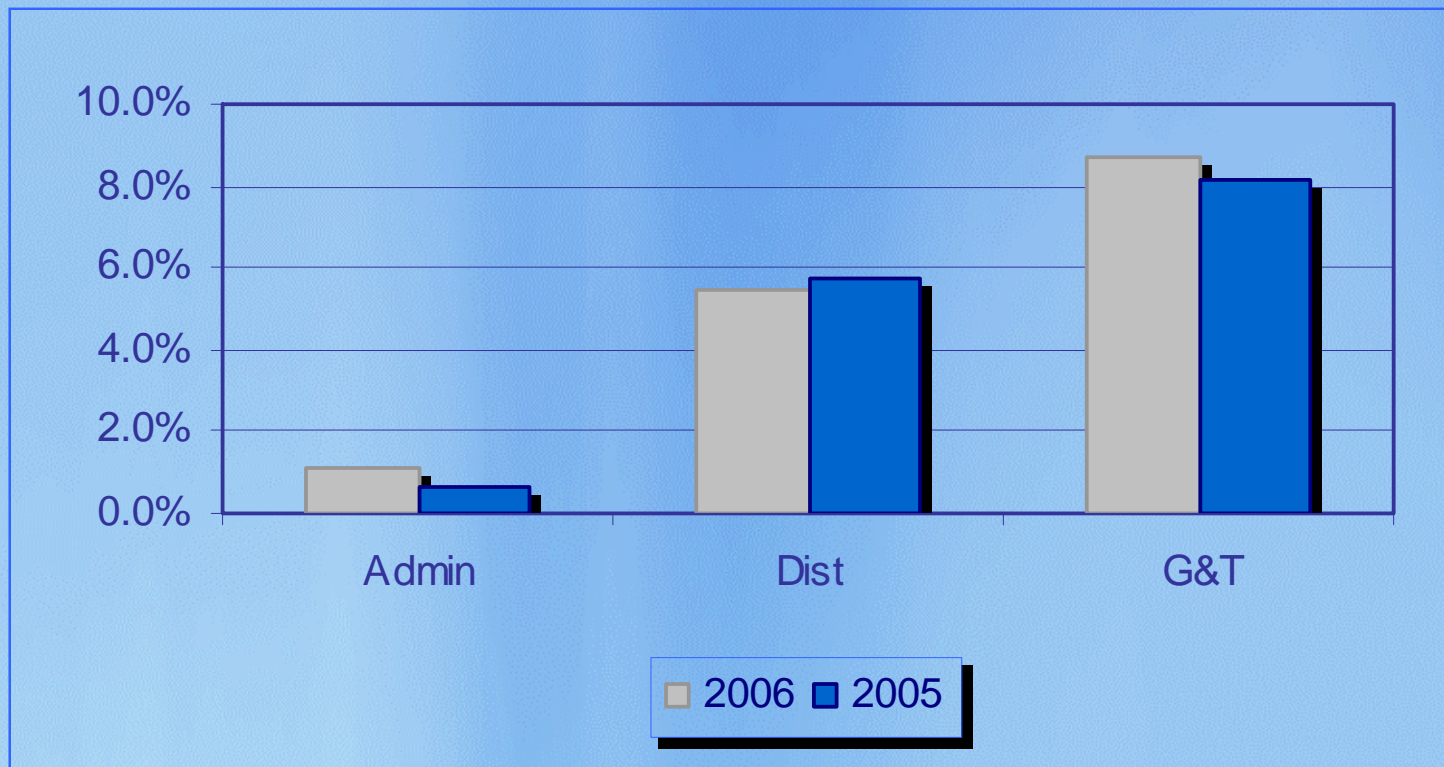
Outside Agreement - Overtime



Generation Agreement - Overtime



Unbundled Overtime as a Percentage of Total Hours YTD July 2006



Questions?