

July 2009
Financial Update

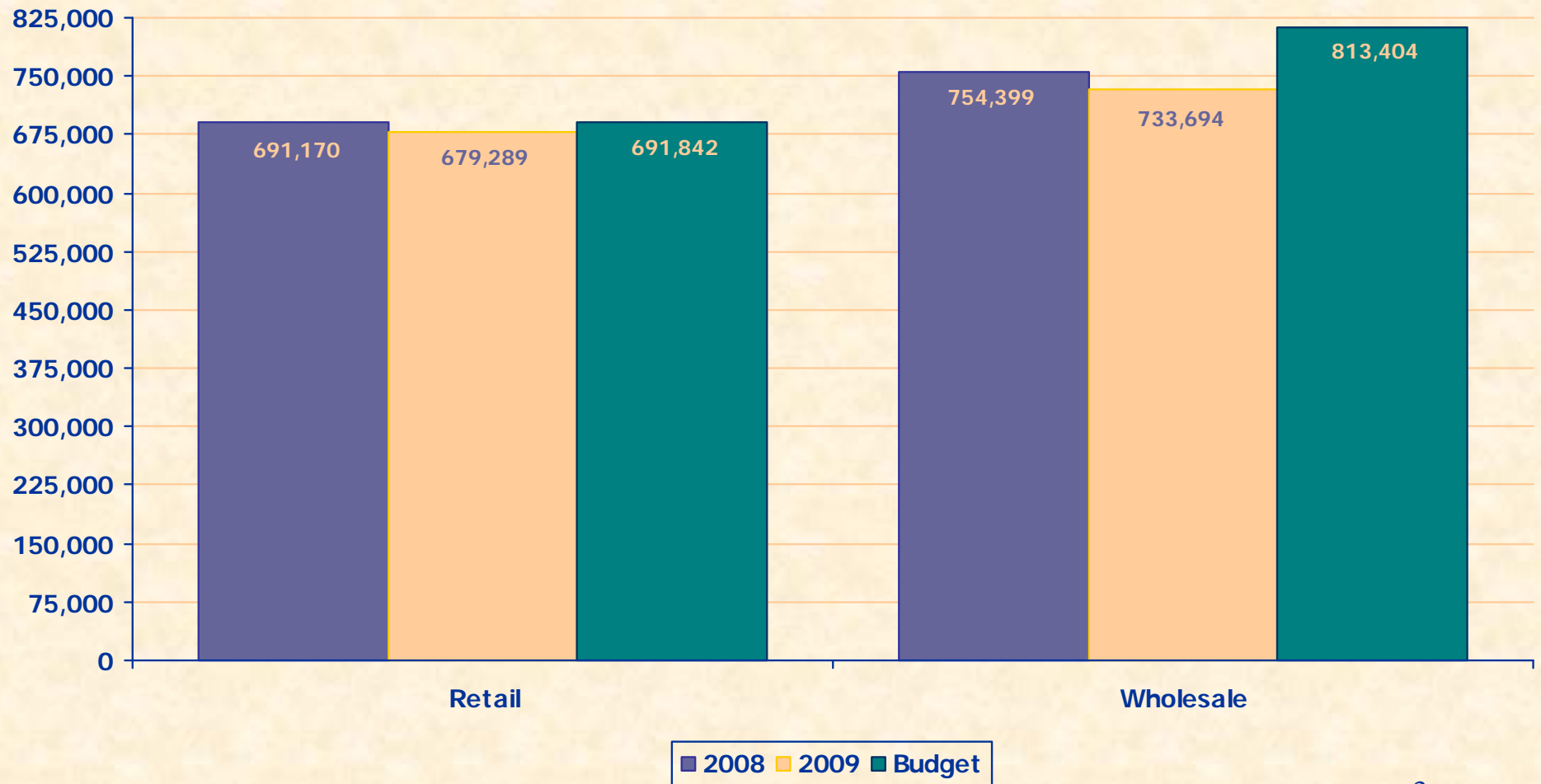
Chugach Electric Association, Inc.

September 9, 2009

July Financial Information

- **MWh Sales – YTD**
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July YTD MWh Sales



Comparative Statement of Operations

July 2009

	<u>Budget</u>	<u>Actual</u>	<u>Variance</u>
1. Operating Revenue & Patronage Capital	\$ 24,670,118	\$ 21,369,134	\$ (3,300,984)
2. Fuel Expense	12,080,388	9,574,774	(2,505,614)
3. Power Production Expense	1,949,589	1,956,156	6,567
4. Purchased Power Expense	3,275,514	2,864,300	(411,214)
5. Transmission Expense	588,540	550,971	(37,569)
6. Distribution Expense	1,181,468	1,276,822	95,354
7. Customer Expense	525,446	476,645	(48,801)
8. Administrative & General Expense	1,700,650	1,656,167	(44,483)
9. TOTAL Ops & Maint Expense (2 thru 8)	\$ 21,301,595	\$ 18,355,835	\$ (2,945,760)
10. Depreciation & Amortization Expense	\$ 2,693,060	\$ 2,683,021	\$ (10,039)
11. Tax Expense - Other	63,977	73,090	9,113
12. Interest on LT Debt	1,746,907	1,655,502	(91,405)
13. Interest Charged to Construction - Credit	(111,393)	(27,140)	84,253
14. Interest Expense - Other	143,666	118,487	(25,179)
15. Other Deductions	20,833	18,868	(1,965)
16. TOTAL Cost of Electric Service (9 thru 15)	\$ 25,858,645	\$ 22,877,663	\$ (2,980,982)
17. Patronage Capital & Operating Margins	\$ (1,188,527)	\$ (1,508,529)	\$ (320,002)
18. Non-Operating Margins - Interest	26,221	26,136	(85)
19. Allowance for Funds Used During Construction	9,319	9,767	448
20. Non-Operating Margins - Other	0	41,056	41,056
21. Patronage Capital or Margins	\$ (1,152,987)	\$ (1,431,570)	\$ (278,583)
Achieved TIER	0.34	0.14	(0.20)
Operating Revenue per kWh	\$ 0.1311	\$ 0.1150	\$ (0.0161)
Operating Cost per kWh	\$ 0.1374	\$ 0.1232	\$ (0.0142)

Year-End Forecast

	YTD Actuals	YTD Budget	Revised Forecast	
1. Operating Revenue & Patronage Capital	\$ 174,025,357	\$ 191,301,149	\$ 306,470,692	1,2,3
2. Fuel Expense	83,037,842	98,270,584	149,705,035	1
3. Power Production Expense	9,994,987	10,280,774	16,671,017	3
4. Purchased Power Expense	23,807,355	23,975,940	38,868,911	1,3
5. Transmission Expense	3,219,988	3,749,970	5,991,323	3
6. Distribution Expense	7,534,176	7,308,120	11,810,396	3
7. Customer Expense	3,062,150	3,326,980	5,321,153	3
8. Administrative & General Expense	11,114,592	12,224,534	19,513,099	3
9. TOTAL Ops & Maint Expense (2 thru 8)	\$ 141,771,090	\$ 159,136,902	\$ 247,880,934	
10. Depreciation & Amortization Expense	\$ 18,682,168	\$ 18,811,946	\$ 32,255,300	3
11. Tax Expense - Other	477,946	481,029	798,418	1
12. Interest on LT Debt	11,780,667	12,270,095	20,058,177	1,3
13. Interest Charged to Construction - Credit	(285,054)	(572,211)	(962,016)	3
14. Interest Expense - Other	721,754	851,179	1,314,189	1,3
15. Other Deductions	242,529	145,831	346,698	1
16. TOTAL Cost of Electric Service (9 thru 15)	\$ 173,391,100	\$ 191,124,771	\$ 301,691,700	
17. Patronage Capital & Operating Margins	\$ 634,257	\$ 176,378	\$ 4,778,992	
18. Non-Operating Margins - Interest	119,132	183,318	250,327	1
19. Allowance for Funds Used During Construction	88,695	47,871	113,944	1
20. Non-Operating Margins - Other	42,340	0	542,340	1
21. Patronage Capital or Margins	\$ 884,424	\$ 407,567	\$ 5,685,603	
TIER	1.08	1.03	1.28	

¹ Forecast based on 7 months actual and 5 months budget

² Forecast has been adjusted to reflect the fact that we have not finalized a firm contract with GVEA as anticipated

³ Forecast has been adjusted to reflect current assumption changes

System Statement of Operations

July YTD 2009

	Total	Generation	Transmission	Distribution
1. Operating Revenue & Patronage Capital	\$ 174,025,357	\$ 132,424,397	\$ 13,117,858	\$ 28,483,102
2. Fuel Expense	83,037,842	83,037,842	0	0
3. Power Production Expense	9,994,987	9,994,816	171	0
4. Purchased Power Expense	23,807,355	23,807,355	0	0
5. Transmission Expense	3,219,988	0	3,219,988	0
6. Distribution Expense	7,534,176	0	0	7,534,176
7. Customer Expense	3,062,150	0	0	3,062,150
8. Administrative & General Expense	11,114,592	4,156,245	1,536,387	5,421,960
9. TOTAL Ops & Maint Expense (2 thru 8)	\$ 141,771,090	\$ 120,996,258	\$ 4,756,546	\$ 16,018,286
10. Depreciation & Amortization Expense	\$ 18,682,168	\$ 8,969,498	\$ 3,403,929	\$ 6,308,741
11. Tax Expense - Other	477,946	49,877	19,052	409,017
12. Interest on LT Debt	11,780,667	4,241,040	3,824,005	3,715,622
13. Interest Charged to Construction - Credit	(285,054)	(133,766)	(50,539)	(100,749)
14. Interest Expense - Other	721,754	336,909	124,799	260,046
15. Other Deductions	242,529	0	173,631	68,898
16. TOTAL Cost of Electric Service (9 thru 15)	\$ 173,391,100	\$ 134,459,816	\$ 12,251,423	\$ 26,679,861
17. Patronage Capital & Operating Margins	\$ 634,257	\$ (2,035,419)	\$ 866,435	\$ 1,803,241
18. Non-Operating Margins - Interest	119,132	0	0	119,132
19. Allowance for Funds Used During Construction	88,695	41,898	15,856	30,941
20. Non-Operating Margins - Other	42,340	1,253	41,146	(59)
21. Patronage Capital or Margins	\$ 884,424	\$ (1,992,268)	\$ 923,437	\$ 1,953,255
Achieved TIER	1.08	0.53	1.24	1.53
Operating Revenue per kWh	\$ 0.1232	\$ 0.0938	\$ 0.0093	\$ 0.0420
Operating Cost per kWh	\$ 0.1228	\$ 0.0952	\$ 0.0087	\$ 0.0393

Comparative Balance Sheet

July 2008 & 2009

	<u>July 2008</u>	<u>July 2009</u>	<u>Change</u>
1. Total Utility Plant In Service	\$ 814,756,061	\$ 831,038,182	\$ 16,282,121
2. Construction Work In Progress	14,435,864	31,437,878	17,002,014
3. Total Utility Plant (1 plus 2)	\$ 829,191,925	\$ 862,476,060	\$ 33,284,135
4. Accum. Provision for Depreciation and Amort.	(379,670,917)	(408,581,954)	(28,911,037)
5. Net Utility Plant (3 minus 4)	\$ 449,521,008	\$ 453,894,106	\$ 4,373,098
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	2,704,134	5,000,530	2,296,396
11. Special Deposits	125,117	124,140	(977)
12. Accounts Receivable - Net	24,043,684	26,013,928	1,970,244
13. Materials and Supplies	30,336,719	30,412,345	75,626
14. Prepayments	985,015	1,089,443	104,428
15. Other Current & Accrued Assets	6,371,089	227,147	(6,143,942)
16. Total Current & Accrued Assets (10 thru 15)	\$ 64,565,758	\$ 62,867,533	\$ (1,698,225)
17. Deferred Debits	22,116,667	23,246,360	1,129,693
18. Total Assets & Other Debits (5 + 9 + 16 + 17)	\$ 548,513,819	\$ 552,481,110	\$ 3,967,291

Comparative Balance Sheet

July 2008 & 2009

	<u>July 2008</u>	<u>July 2009</u>	<u>Change</u>
19. Memberships	\$ 1,369,863	\$ 1,412,788	\$ 42,925
20. Patronage Capital & Margins & Equities	150,122,541	153,137,391	3,014,850
21. Total Margins & Equities (19 plus 20)	\$ 151,492,404	\$ 154,550,179	\$ 3,057,775
22. Long-Term Debt - Bonds (Net)	270,000,000	270,000,000	0
23. Long-Term Debt - Other (Net)	42,654,385	38,070,738	(4,583,647)
24. Total Long-Term Debt (22 plus 23)	\$ 312,654,385	\$ 308,070,738	\$ (4,583,647)
25. Notes Payable	34,085,645	45,088,647	11,003,002
26. Accounts Payable	8,002,770	5,021,713	(2,981,057)
27. Consumer Deposits	2,387,136	2,382,497	(4,639)
28. Other Current & Accrued Liabilities	38,165,159	35,615,357	(2,549,802)
29. Total Current & Accrued Liabilities (25 thru 28)	\$ 82,640,710	\$ 88,108,214	\$ 5,467,504
30. Deferred Credits	1,433,612	1,480,776	47,164
31. Misc Operating Reserves	292,708	271,203	(21,505)
32. Total Liab & Other Credits (21 + 24 + 29 + 30 + 31)	\$ 548,513,819	\$ 552,481,110	\$ 3,967,291
Equity Ratio	32.64%	33.41%	

Debt Summary

July 2009

	<u>12/31/08</u>	<u>Draws</u>	<u>Payments</u>	<u>07/31/09</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	48,463,659	0
CoBank Bond 2	3,500,000	0	1,166,666	2,333,334
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	539,090	3,321,604
Total Long-Term Debt*	\$ <u>358,787,158</u>	\$ <u>5,500,000</u>	\$ <u>51,632,773</u>	\$ <u>312,654,385</u>
Short-Term Debt				
CoBank Line of Credit	7,500,000	1,000,000	8,500,000	0
Commercial Paper	0	76,503,000	35,998,000	40,505,000
Notes Payable	2,860,000	0	2,860,000	0
Total Short-Term Debt	\$ <u>10,360,000</u>	\$ <u>77,503,000</u>	\$ <u>47,358,000</u>	\$ <u>40,505,000</u>
Total Debt	\$ <u>369,147,158</u>	\$ <u>83,003,000</u>	\$ <u>98,990,773</u>	\$ <u>353,159,385</u>

*Includes current portion of long-term debt.

Questions?