

Credit & Collection Trends

Chugach Electric Association, Inc.

Board of Directors Finance Committee

September 26, 2007

The Billing & Collection Timeline

Day	Action
1	Bill Rendered
26	Unpaid Bill is “Past Due”
31	Second Bill (Past Due with Late Fee)
41	Delinquent “40 Day Notice”
52	Automated “PNS Call”
53	Door Tag “Shut-Off Notice”
56	Eligible for Credit Disconnect (unless exceptions apply)
61	Third “Delinquent” Bill (if first bill still not paid)

Payment Trends

(Average Monthly)

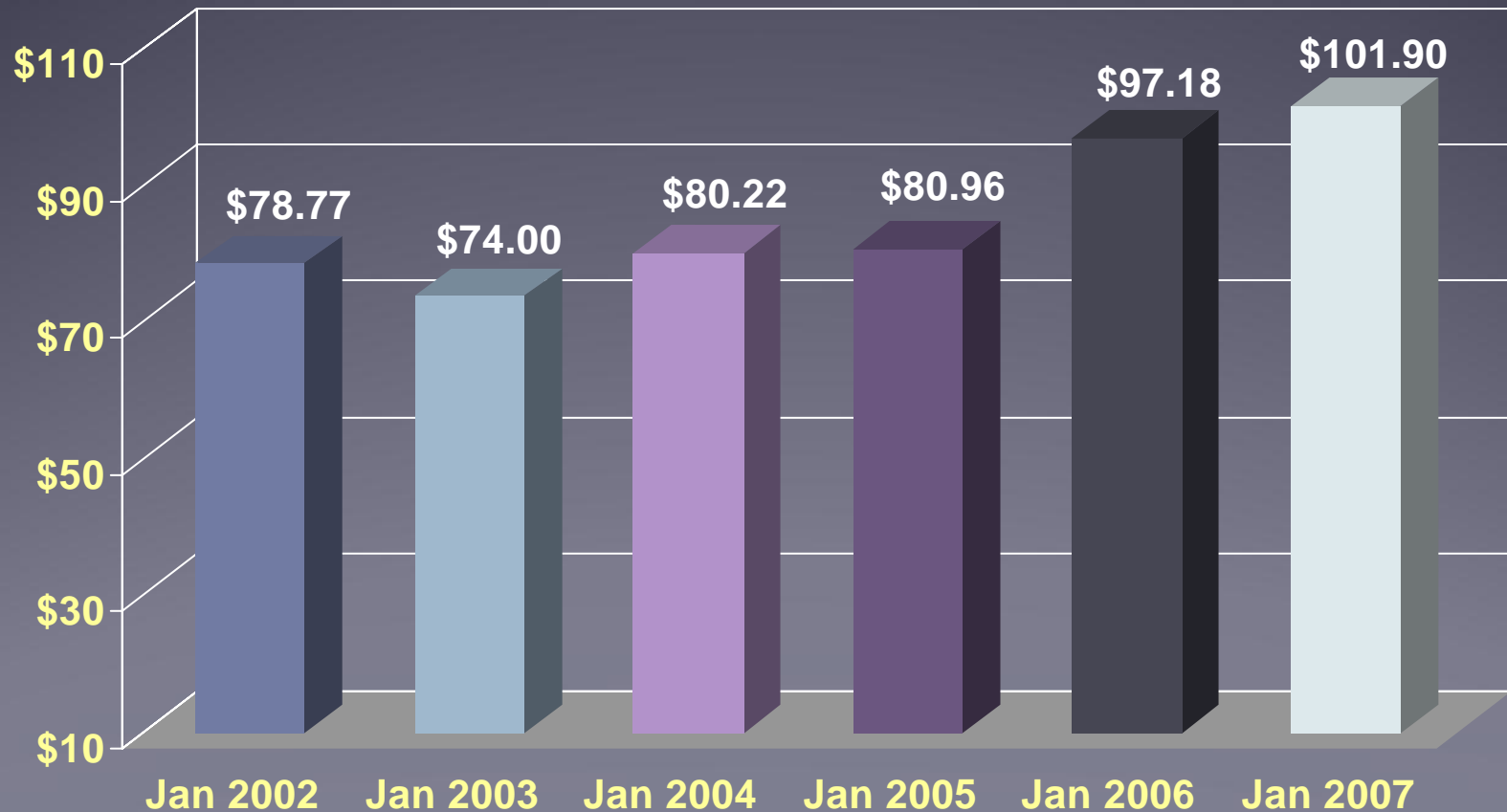
	2005	2006	2007
Bills	75,465	76,673	77,196
“40 Day” Notices	4,528	5,424	5,779
PNS Calls	2,681	3,057	3,708
Door Tags	1,607	1,716	2,009
Credit Disconnects	204	191	250
Credit Reconnects	141	123	143

Other Credit Statistics

(Average Monthly)

	2005	2006	2007
Phone Calls	3,811	4,648	5,098
NSF Checks	34	38	45
NSF Dollars	\$ 7,402	\$ 8,278	\$ 13,339
Energy Assistance Grants	101	107	116
Energy Assistance Dollars	\$ 15,971	\$ 17,642	\$ 18,353

Residential Bills 700 kWh per Month



Deposits

- **1,336 accounts with 60+ day balances**
- **980 have deposits**
- **644 have deposit since set-up**
- **171 have multiple deposits**
- **356 have no deposit**

Recent Bad Debt History

	2005	2006	2007*
Bad Debts (Dollars)	\$ 227,105	\$ 250,303	\$ 226,160
Bad Debts (% of Revenue)	0.17%	0.17%	0.26%

* Only one write-off so far in 2007

Conclusions

Bad Debt write-off percent will trend upwards due to:

- 1. Material increase in risky accounts**
- 2. Local economic conditions (including all energy prices)**
- 3. Changing credit card acceptance policy**

Prediction

Bad debt write-off will increase to about .35% of retail revenue in the near term and is likely to increase to .40% to .45% over time.

Questions