

August 2009 Financial Update

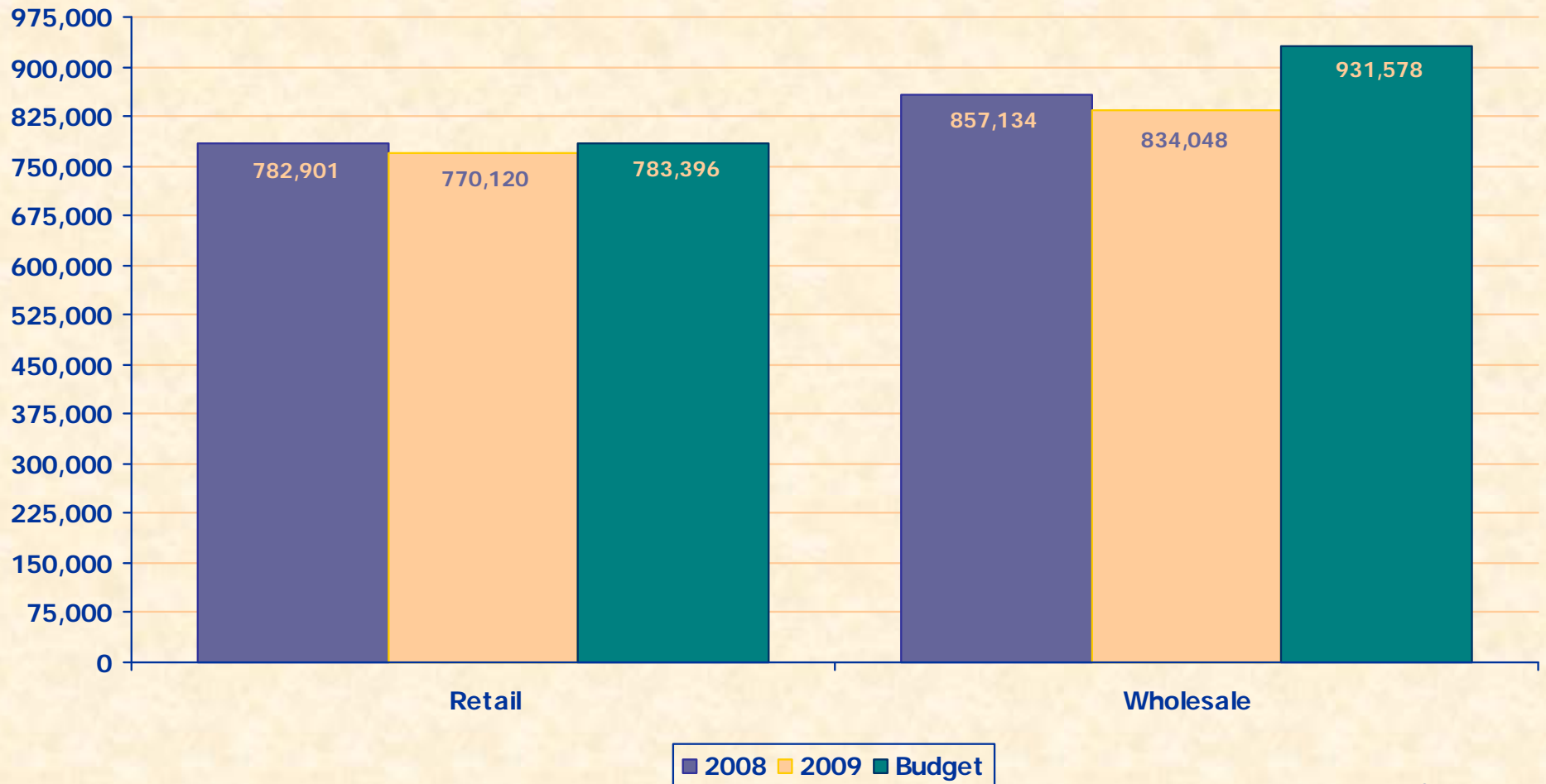
Chugach Electric Association, Inc.

October 14, 2009

August Financial Information

- **MWh Sales – YTD**
- **Comparative Statement of Operations – August 2009**
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August YTD MWh Sales



Comparative Statement of Operations

August 2009

	Budget	Actual	Variance
1. Operating Revenue & Patronage Capital	\$ 25,497,652	\$ 20,077,230	\$ (5,420,422)
2. Fuel Expense	12,617,180	8,424,012	(4,193,168)
3. Power Production Expense	1,363,180	1,422,180	59,000
4. Purchased Power Expense	3,262,781	2,904,276	(358,505)
5. Transmission Expense	493,471	600,170	106,699
6. Distribution Expense	1,023,475	921,713	(101,762)
7. Customer Expense	425,298	391,206	(34,092)
8. Administrative & General Expense	1,540,104	1,239,963	(300,141)
9. TOTAL Ops & Maint Expense (2 thru 8)	\$ 20,725,489	\$ 15,903,520	\$ (4,821,969)
10. Depreciation & Amortization Expense	\$ 2,695,258	\$ 2,683,680	\$ (11,578)
11. Tax Expense - Other	65,078	68,077	2,999
12. Interest on LT Debt	1,745,848	1,681,524	(64,324)
13. Interest Charged to Construction - Credit	(124,559)	(43,247)	81,312
14. Interest Expense - Other	195,244	65,496	(129,748)
15. Other Deductions	20,833	33,646	12,813
16. TOTAL Cost of Electric Service (9 thru 15)	\$ 25,323,191	\$ 20,392,696	\$ (4,930,495)
17. Patronage Capital & Operating Margins	\$ 174,461	\$ (315,466)	\$ (489,927)
18. Non-Operating Margins - Interest	26,480	25,696	(784)
19. Allowance for Funds Used During Construction	10,420	(5,781)	(16,201)
20. Non-Operating Margins - Other	0	0	0
21. Patronage Capital or Margins	\$ 211,361	\$ (295,551)	\$ (506,912)
Achieved TIER	1.12	0.82	(0.30)
Operating Revenue per kWh	\$ 0.1311	\$ 0.1050	\$ (0.0261)
Operating Cost per kWh	\$ 0.1302	\$ 0.1067	\$ (0.0235)

Year-End Forecast

	<u>YTD Actuals</u>	<u>YTD Budget</u>	<u>Revised Forecast</u>	
1. Operating Revenue & Patronage Capital	\$ 194,102,587	\$ 216,798,801	\$ 297,837,246	1,2,3
2. Fuel Expense	91,461,853	110,887,764	141,412,837	1,2
3. Power Production Expense	11,417,167	11,643,954	16,671,017	3
4. Purchased Power Expense	26,711,632	27,238,721	38,510,407	1,3
5. Transmission Expense	3,820,158	4,243,441	5,991,323	3
6. Distribution Expense	8,455,889	8,331,595	11,810,396	3
7. Customer Expense	3,453,356	3,752,278	5,321,153	3
8. Administrative & General Expense	12,354,555	13,764,638	19,513,099	3
9. TOTAL Ops & Maint Expense (2 thru 8)	\$ 157,674,610	\$ 179,862,391	\$ 239,230,232	
10. Depreciation & Amortization Expense	\$ 21,365,849	\$ 21,507,204	\$ 32,255,300	3
11. Tax Expense - Other	546,023	546,107	801,417	1
12. Interest on LT Debt	13,462,191	14,015,943	20,058,177	1,3
13. Interest Charged to Construction - Credit	(328,301)	(696,770)	(962,016)	3
14. Interest Expense - Other	787,250	1,046,423	1,314,189	1,3
15. Other Deductions	276,175	166,664	359,511	1
16. TOTAL Cost of Electric Service (9 thru 15)	\$ 193,783,797	\$ 216,447,962	\$ 293,056,810	
17. Patronage Capital & Operating Margins	\$ 318,790	\$ 350,839	\$ 4,780,436	
18. Non-Operating Margins - Interest	144,829	209,798	249,544	1
19. Allowance for Funds Used During Construction	82,914	58,291	113,944	1
20. Non-Operating Margins - Other	42,340	0	542,340	1
21. Patronage Capital or Margins	\$ 588,873	\$ 618,928	\$ 5,686,264	
TIER	1.04	1.04	1.28	

¹ Forecast based on 8 months actual and 4 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

August YTD 2009

	Total	Generation	Transmission	Distribution
1. Operating Revenue & Patronage Capital	\$ 194,102,587	\$ 147,033,190	\$ 14,808,609	\$ 32,260,788
2. Fuel Expense	91,461,853	91,461,853	0	0
3. Power Production Expense	11,417,167	11,416,549	618	0
4. Purchased Power Expense	26,711,632	26,711,632	0	0
5. Transmission Expense	3,820,158	0	3,820,158	0
6. Distribution Expense	8,455,889	0	0	8,455,889
7. Customer Expense	3,453,356	0	0	3,453,356
8. Administrative & General Expense	12,354,555	4,625,152	1,709,489	6,019,914
9. TOTAL Ops & Maint Expense (2 thru 8)	\$ 157,674,610	\$ 134,215,186	\$ 5,530,265	\$ 17,929,159
10. Depreciation & Amortization Expense	\$ 21,365,849	\$ 10,254,903	\$ 3,891,764	\$ 7,219,182
11. Tax Expense - Other	546,023	58,049	22,174	465,800
12. Interest on LT Debt	13,462,191	4,846,389	4,369,827	4,245,975
13. Interest Charged to Construction - Credit	(328,301)	(156,682)	(57,156)	(114,463)
14. Interest Expense - Other	787,250	371,615	134,820	280,815
15. Other Deductions	276,175	0	173,631	102,544
16. TOTAL Cost of Electric Service (9 thru 15)	\$ 193,783,797	\$ 149,589,460	\$ 14,065,325	\$ 30,129,012
17. Patronage Capital & Operating Margins	\$ 318,790	\$ (2,556,270)	\$ 743,284	\$ 2,131,776
18. Non-Operating Margins - Interest	144,829	0	0	144,829
19. Allowance for Funds Used During Construction	82,914	38,834	14,972	29,108
20. Non-Operating Margins - Other	42,340	1,253	41,146	(59)
21. Patronage Capital or Margins	\$ 588,873	\$ (2,516,183)	\$ 799,402	\$ 2,305,654
Achieved TIER	1.04	0.48	1.18	1.54
Operating Revenue per kWh	\$ 0.1210	\$ 0.0917	\$ 0.0092	\$ 0.0419
Operating Cost per kWh	\$ 0.1208	\$ 0.0933	\$ 0.0088	\$ 0.0391

Comparative Balance Sheet

August 2008 & 2009

	<u>Aug 2008</u>	<u>Aug 2009</u>	<u>Change</u>
1. Total Utility Plant In Service	\$ 814,675,258	\$ 833,074,747	\$ 18,399,489
2. Construction Work In Progress	16,567,509	36,375,172	19,807,663
3. Total Utility Plant (1 plus 2)	\$ 831,242,767	\$ 869,449,919	\$ 38,207,152
4. Accum. Provision for Depreciation and Amort.	(382,069,812)	(411,199,355)	(29,129,543)
5. Net Utility Plant (3 minus 4)	\$ 449,172,955	\$ 458,250,564	\$ 9,077,609
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	2,541,927	3,756,914	1,214,987
11. Special Deposits	125,117	124,140	(977)
12. Accounts Receivable - Net	25,632,460	29,610,204	3,977,744
13. Materials and Supplies	29,426,451	30,378,623	952,172
14. Prepayments	802,895	1,145,171	342,276
15. Other Current & Accrued Assets	8,945,751	260,355	(8,685,396)
16. Total Current & Accrued Assets (10 thru 15)	\$ 67,474,601	\$ 65,275,407	\$ (2,199,194)
17. Deferred Debits	23,491,256	23,032,465	(458,791)
18. Total Assets & Other Debits (5 + 9 + 16 + 17)	\$ 552,449,198	\$ 559,031,547	\$ 6,582,349

Comparative Balance Sheet

August 2008 & 2009

	Aug 2008	Aug 2009	Change
19. Memberships	\$ 1,374,293	\$ 1,417,244	\$ 42,951
20. Patronage Capital & Margins & Equities	150,151,958	152,839,820	2,687,862
21. Total Margins & Equities (19 plus 20)	\$ 151,526,251	\$ 154,257,064	\$ 2,730,813
22. Long-Term Debt - Bonds (Net)	270,000,000	270,000,000	0
23. Long-Term Debt - Other (Net)	42,408,573	37,818,144	(4,590,429)
24. Total Long-Term Debt (22 plus 23)	\$ 312,408,573	\$ 307,818,144	\$ (4,590,429)
25. Notes Payable	37,591,892	53,590,429	15,998,537
26. Accounts Payable	7,763,146	6,987,552	(775,594)
27. Consumer Deposits	2,363,986	2,350,206	(13,780)
28. Other Current & Accrued Liabilities	39,281,431	32,108,393	(7,173,038)
29. Total Current & Accrued Liabilities (25 thru 28)	\$ 87,000,455	\$ 95,036,580	\$ 8,036,125
30. Deferred Credits	1,221,210	1,648,556	427,346
31. Misc Operating Reserves	292,709	271,203	(21,506)
32. Total Liab & Other Credits (21 + 24 + 29 + 30 + 31)	\$ 552,449,198	\$ 559,031,547	\$ 6,582,349
Equity Ratio	32.66%	33.38%	

Debt Summary

August 2009

	<u>12/31/08</u>	<u>Draws</u>	<u>Payments</u>	<u>08/31/09</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	1,333,333	2,166,667
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	618,235	3,242,459
Total Long-Term Debt*	\$ <u>358,787,158</u>	\$ <u>5,500,000</u>	\$ <u>51,878,585</u>	\$ <u>312,408,573</u>
Short-Term Debt				
CoBank Line of Credit	7,500,000	1,000,000	8,500,000	0
Commercial Paper	0	86,003,000	37,003,000	49,000,000
Notes Payable	2,860,000	0	2,860,000	0
Total Short-Term Debt	\$ <u>10,360,000</u>	\$ <u>87,003,000</u>	\$ <u>48,363,000</u>	\$ <u>49,000,000</u>
Total Debt	\$ <u>369,147,158</u>	\$ <u>92,503,000</u>	\$ <u>100,241,585</u>	\$ <u>361,408,573</u>

*Includes current portion of long-term debt.

Questions?