

Chugach Electric Association, Inc 2003 Operating Budget

November 6, 2002



2003 Budget Scenarios

- **Budget 'A'**

- Assumes 3.97% interim and permanent rate increase in effect January – December
 - \$181.0 million revenue
 - \$174.1 million total cost of electric service
 - \$8.2 million margins
 - 1.34 MFI/I
 - 26.3% equity ratio

2003 Budget Scenarios (continued)

- **Budget 'B'**

- Assumes 3.97% interim rate increase in effect January – April and 5.00% permanent rate increase in effect May - December
 - \$181.9 million revenue
 - \$174.1 million total cost of electric service
 - \$9.1 million margins
 - 1.37 MFI/I
 - 26.5% equity ratio

2003 Statements of Cashflow

	<u>Budget 'A'</u>	<u>Budget 'B'</u>
<u>Cash flows from operating activities:</u>		
Assignable margins	<u>\$8,221,760</u>	<u>\$9,088,755</u>
Net cash provided by operating activities:	<u>28,797,479</u>	<u>29,664,474</u>
Net cash used for investing activities:	<u>(34,421,872)</u>	<u>(34,421,872)</u>
Net cash provided by financing activities:	<u>5,634,179</u>	<u>5,634,179</u>
Net increase in cash and cash equivalents	9,786	876,781
<u>Cash and cash equivalents at beginning of year</u>	<u>1,550,000</u>	<u>1,550,000</u>
<u>Cash and cash equivalents at end of period</u>	<u>\$1,559,786</u>	<u>\$2,426,781</u>

Budgeted 2003 Equity Ratio (Budget 'A')

❖ Projected Ending Equity (2002):

Total Equity (December 2001)	\$131,825,044
Plus: 2002 Projected Margins	8,858,947
Less: 2002 Capital Credits Rotations	(2,800,000)
2002 Ending Equity	137,883,991
2002 Ending Long Term Debt	399,526,434
Projected Equity Ratio:	25.7%

❖ Projected Ending Equity (2003):

Total Equity (December 2002)	\$137,883,991
Plus: 2003 Budgeted Margins	8,221,760
Less: 2003 Capital Credits Rotations	(3,500,000)
2003 Ending Equity	142,605,751
2003 Ending Long Term Debt	398,660,613
Projected Equity Ratio:	26.3%

DISCUSSION