

# September 2009 Financial Update

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Chugach Electric Association, Inc.

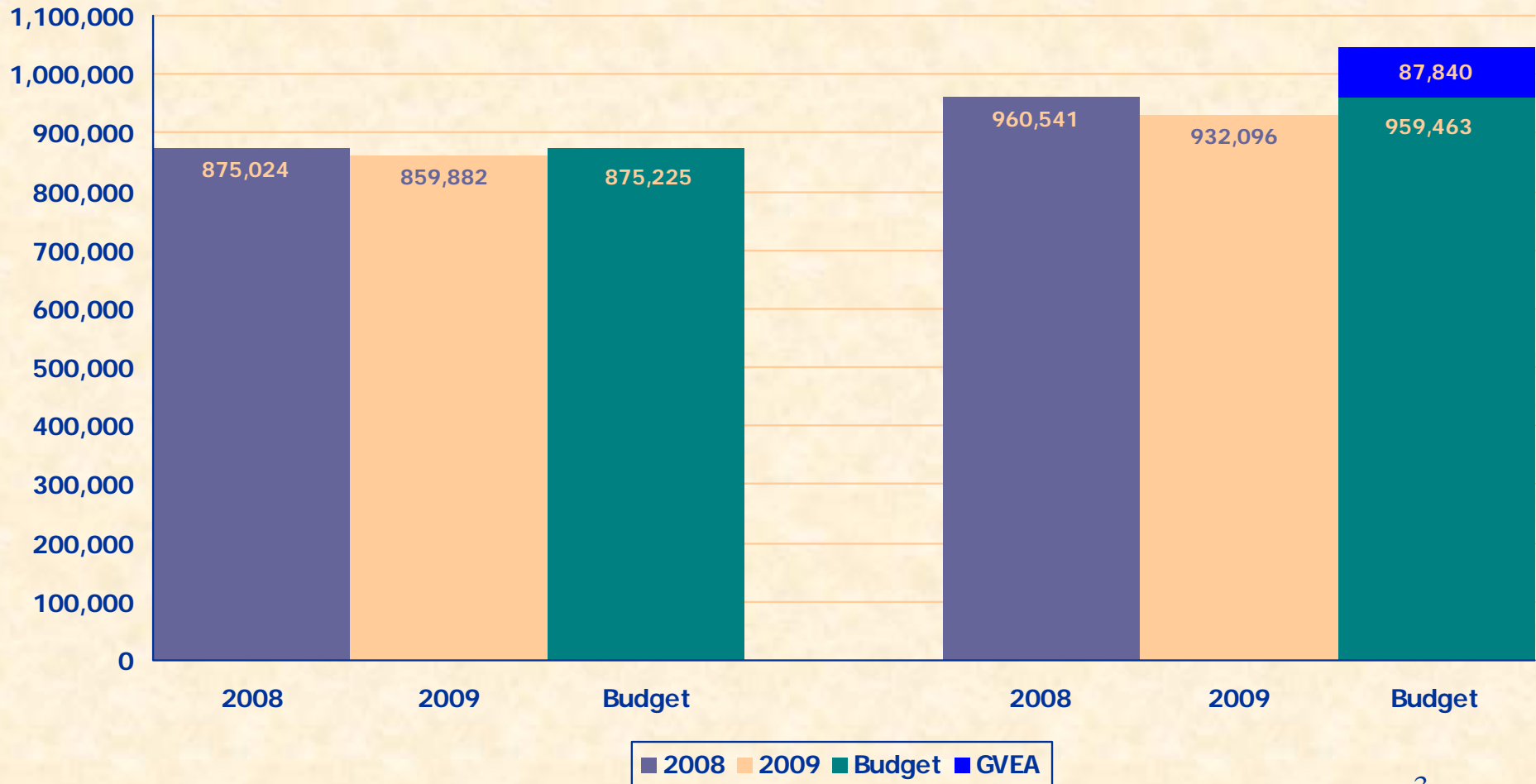
November 11, 2009

# September Financial Information

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# September YTD MWh Sales



# Comparative Statement of Operations

## September 2009

	<u>Budget</u>	<u>Actual</u>	<u>Variance</u>
<b>1. Operating Revenue &amp; Patronage Capital</b>	<b>\$ 25,686,261</b>	<b>\$ 22,119,029</b>	<b>\$ (3,567,232)</b>
2. Fuel Expense	12,553,327	9,752,925	(2,800,402)
3. Power Production Expense	1,271,390	1,321,934	50,544
4. Purchased Power Expense	3,267,342	3,054,901	(212,441)
5. Transmission Expense	547,559	544,469	(3,090)
6. Distribution Expense	1,005,824	1,089,060	83,236
7. Customer Expense	442,250	409,769	(32,481)
8. Administrative & General Expense	1,545,401	1,328,709	(216,692)
<b>9. TOTAL Ops &amp; Maint Expense (2 thru 8)</b>	<b>\$ 20,633,093</b>	<b>\$ 17,501,767</b>	<b>\$ (3,131,326)</b>
10. Depreciation & Amortization Expense	\$ 2,698,171	\$ 2,689,571	\$ (8,600)
11. Tax Expense - Other	57,524	64,402	6,878
12. Interest on LT Debt	1,744,785	1,673,633	(71,152)
13. Interest Charged to Construction - Credit	(151,308)	(68,845)	82,463
14. Interest Expense - Other	206,972	67,001	(139,971)
15. Other Deductions	20,834	17,171	(3,663)
<b>16. TOTAL Cost of Electric Service (9 thru 15)</b>	<b>\$ 25,210,071</b>	<b>\$ 21,944,700</b>	<b>\$ (3,265,371)</b>
<b>17. Patronage Capital &amp; Operating Margins</b>	<b>\$ 476,190</b>	<b>\$ 174,329</b>	<b>\$ (301,861)</b>
18. Non-Operating Margins - Interest	26,323	29,369	3,046
19. Allowance for Funds Used During Construction	12,658	14,316	1,658
20. Non-Operating Margins - Other	0	309	309
<b>21. Patronage Capital or Margins</b>	<b>\$ 515,171</b>	<b>\$ 218,323</b>	<b>\$ (296,848)</b>
<b>Achieved TIER</b>	<b>1.30</b>	<b>1.13</b>	<b>(0.17)</b>
<b>Operating Revenue per kWh</b>	<b>\$ 0.1332</b>	<b>\$ 0.1180</b>	<b>\$ (0.0152)</b>
<b>Operating Cost per kWh</b>	<b>\$ 0.1308</b>	<b>\$ 0.1171</b>	<b>\$ (0.0137)</b>

# Year-End Forecast

	YTD Actuals	YTD Budget	Revised Forecast	
<b>1. Operating Revenue &amp; Patronage Capital</b>	\$ 216,221,615	\$ 242,485,062	\$ 295,386,694	1,2,3
2. Fuel Expense	101,214,779	123,441,091	139,692,222	1,2
3. Power Production Expense	12,739,101	12,915,344	16,570,478	3
4. Purchased Power Expense	29,766,532	30,506,063	38,297,286	1,3
5. Transmission Expense	4,364,627	4,791,000	5,828,126	3
6. Distribution Expense	9,544,949	9,337,419	12,053,168	3
7. Customer Expense	3,863,125	4,194,528	5,307,517	3
8. Administrative & General Expense	13,683,264	15,310,039	18,870,343	3
<b>9. TOTAL Ops &amp; Maint Expense (2 thru 8)</b>	<b>\$ 175,176,377</b>	<b>\$ 200,495,484</b>	<b>\$ 236,619,140</b>	
10. Depreciation & Amortization Expense	\$ 24,055,420	\$ 24,205,375	\$ 32,255,300	3
11. Tax Expense - Other	610,425	603,631	808,295	1
12. Interest on LT Debt	15,135,824	15,760,728	20,176,723	1,3
13. Interest Charged to Construction - Credit	(397,147)	(848,078)	(603,682)	3
14. Interest Expense - Other	854,251	1,253,395	1,055,254	1,3
15. Other Deductions	293,346	187,498	355,848	1
<b>16. TOTAL Cost of Electric Service (9 thru 15)</b>	<b>\$ 215,728,496</b>	<b>\$ 241,658,033</b>	<b>\$ 290,666,878</b>	
<b>17. Patronage Capital &amp; Operating Margins</b>	<b>\$ 493,119</b>	<b>\$ 827,029</b>	<b>\$ 4,719,816</b>	
18. Non-Operating Margins - Interest	174,197	236,121	252,589	1
19. Allowance for Funds Used During Construction	97,230	70,949	144,944	1,3
20. Non-Operating Margins - Other	42,650	0	542,650	1
<b>21. Patronage Capital or Margins</b>	<b>\$ 807,196</b>	<b>\$ 1,134,099</b>	<b>\$ 5,659,999</b>	
<b>TIER</b>	<b>1.05</b>	<b>1.07</b>	<b>1.28</b>	

<sup>1</sup> Forecast based on 9 months actual and 3 months budget

<sup>2</sup> Forecast has been adjusted to reflect three months of non-firm sales to GVEA

<sup>3</sup> Forecast has been adjusted to reflect current assumption changes

# System Statement of Operations

## September YTD 2009

	Total	Generation	Transmission	Distribution
<b>1. Operating Revenue &amp; Patronage Capital</b>	<b>\$ 216,221,615</b>	<b>\$ 163,445,494</b>	<b>\$ 16,589,297</b>	<b>\$ 36,186,824</b>
2. Fuel Expense	101,214,779	101,214,779	0	0
3. Power Production Expense	12,739,101	12,738,483	618	0
4. Purchased Power Expense	29,766,532	29,766,532	0	0
5. Transmission Expense	4,364,627	0	4,364,627	0
6. Distribution Expense	9,544,949	0	0	9,544,949
7. Customer Expense	3,863,125	0	0	3,863,125
8. Administrative & General Expense	13,683,264	5,134,562	1,892,015	6,656,687
<b>9. TOTAL Ops &amp; Maint Expense (2 thru 8)</b>	<b>\$ 175,176,377</b>	<b>\$ 148,854,356</b>	<b>\$ 6,257,260</b>	<b>\$ 20,064,761</b>
10. Depreciation & Amortization Expense	\$ 24,055,420	\$ 11,540,491	\$ 4,379,687	\$ 8,135,242
11. Tax Expense - Other	610,425	65,089	24,863	520,473
12. Interest on LT Debt	15,135,824	5,448,896	4,913,089	4,773,839
13. Interest Charged to Construction - Credit	(397,147)	(193,949)	(68,522)	(134,676)
14. Interest Expense - Other	854,251	407,882	145,882	300,487
15. Other Deductions	293,346	0	173,631	119,715
<b>16. TOTAL Cost of Electric Service (9 thru 15)</b>	<b>\$ 215,728,496</b>	<b>\$ 166,122,765</b>	<b>\$ 15,825,890</b>	<b>\$ 33,779,841</b>
<b>17. Patronage Capital &amp; Operating Margins</b>	<b>\$ 493,119</b>	<b>\$ (2,677,271)</b>	<b>\$ 763,407</b>	<b>\$ 2,406,983</b>
18. Non-Operating Margins - Interest	174,197	0	0	174,197
19. Allowance for Funds Used During Construction	97,230	46,584	17,335	33,311
20. Non-Operating Margins - Other	42,650	1,366	41,246	38
<b>21. Patronage Capital or Margins</b>	<b>\$ 807,196</b>	<b>\$ (2,629,321)</b>	<b>\$ 821,988</b>	<b>\$ 2,614,529</b>
<b>Achieved TIER</b>	<b>1.05</b>	<b>0.52</b>	<b>1.17</b>	<b>1.55</b>
<b>Operating Revenue per kWh</b>	<b>\$ 0.1207</b>	<b>\$ 0.0912</b>	<b>\$ 0.0093</b>	<b>\$ 0.0421</b>
<b>Operating Cost per kWh</b>	<b>\$ 0.1204</b>	<b>\$ 0.0927</b>	<b>\$ 0.0088</b>	<b>\$ 0.0393</b>

# Comparative Balance Sheet

## September 2008 & 2009

	<u>Sep 2008</u>	<u>Sep 2009</u>	<u>Change</u>
1. Total Utility Plant In Service	\$ 816,626,753	\$ 833,206,375	\$ 16,579,622
2. Construction Work In Progress	16,202,964	34,863,744	18,660,780
<b>3. Total Utility Plant (1 plus 2)</b>	<b>\$ 832,829,717</b>	<b>\$ 868,070,119</b>	<b>\$ 35,240,402</b>
4. Accum. Provision for Depreciation and Amort.	(384,600,978)	(413,894,453)	(29,293,475)
<b>5. Net Utility Plant (3 minus 4)</b>	<b>\$ 448,228,739</b>	<b>\$ 454,175,666</b>	<b>\$ 5,946,927</b>
6. Nonutility Property - Net	24,461	24,461	0
7. Investment in Associated Organizations	11,993,216	12,182,216	189,000
8. Special Funds	288,188	319,717	31,529
<b>9. Total Other Property &amp; Investments (6 thru 8)</b>	<b>\$ 12,305,865</b>	<b>\$ 12,526,394</b>	<b>\$ 220,529</b>
10. Cash & Temporary Investments	9,410,901	6,333,179	(3,077,722)
11. Special Deposits	125,117	124,140	(977)
12. Accounts Receivable - Net	24,959,804	33,878,488	8,918,684
13. Materials and Supplies	28,629,504	30,094,956	1,465,452
14. Prepayments	1,417,356	1,751,453	334,097
15. Other Current & Accrued Assets	10,352,111	295,029	(10,057,082)
<b>16. Total Current &amp; Accrued Assets (10 thru 15)</b>	<b>\$ 74,894,793</b>	<b>\$ 72,477,245</b>	<b>\$ (2,417,548)</b>
17. Deferred Debits	24,226,384	22,473,264	(1,753,120)
<b>18. Total Assets &amp; Other Debits (5 + 9 + 16 + 17)</b>	<b>\$ 559,655,781</b>	<b>\$ 561,652,569</b>	<b>\$ 1,996,788</b>

# Comparative Balance Sheet

## September 2008 & 2009

	<u>Sep 2008</u>	<u>Sep 2009</u>	<u>Change</u>
19. Memberships	\$ 1,379,128	\$ 1,421,158	\$ 42,030
20. Patronage Capital & Margins & Equities	149,969,886	153,059,243	3,089,357
<b>21. Total Margins &amp; Equities (19 plus 20)</b>	<b>\$ 151,349,014</b>	<b>\$ 154,480,401</b>	<b>\$ 3,131,387</b>
22. Long-Term Debt - Bonds (Net)	270,000,000	270,000,000	0
23. Long-Term Debt - Other (Net)	42,162,217	37,564,958	(4,597,259)
<b>24. Total Long-Term Debt (22 plus 23)</b>	<b>\$ 312,162,217</b>	<b>\$ 307,564,958</b>	<b>\$ (4,597,259)</b>
25. Notes Payable	41,598,182	59,597,259	17,999,077
26. Accounts Payable	7,832,195	7,043,048	(789,147)
27. Consumer Deposits	2,362,600	2,370,205	7,605
28. Other Current & Accrued Liabilities	42,184,538	28,820,688	(13,363,850)
<b>29. Total Current &amp; Accrued Liabilities (25 thru 28)</b>	<b>\$ 93,977,515</b>	<b>\$ 97,831,200</b>	<b>\$ 3,853,685</b>
30. Deferred Credits	1,878,847	1,456,293	(422,554)
31. Misc Operating Reserves	288,188	319,717	31,529
<b>32. Total Liab &amp; Other Credits (21 + 24 + 29 + 30 + 31)</b>	<b>\$ 559,655,781</b>	<b>\$ 561,652,569</b>	<b>\$ 1,996,788</b>
<b>Equity Ratio</b>	<b>32.65%</b>	<b>33.43%</b>	

# Cash Flow

## September Year-To-Date

	<u>Total</u>	<u>G&amp;T</u>	<u>Distribution</u>
<b>1. Cash flows from operating activities:</b>			
Assignable margins	\$ 807,196	\$ (1,807,333)	\$ 2,614,529
Adjustments to reconcile assignable margins to net cash provided (used) by operating activities:			
Depreciation & amortization	27,607,982	18,605,297	9,002,685
Capitalization of interest	(494,377)	(326,390)	(167,987)
Other	288,578	126,614	161,964
Changes in assets and liabilities:			
(Increase) decrease in assets	7,499,362	7,991,128	(491,766)
Increase (decrease) in liabilities	(13,770,692)	(11,845,932)	(1,924,760)
<b>Net cash provided by operating activities:</b>	<b>\$ 21,938,049</b>	<b>\$ 12,743,384</b>	<b>\$ 9,194,665</b>
<b>2. Cash flows from investing activities:</b>			
Extension and replacement of plant	(21,389,832)	(12,735,777)	(8,654,055)
<b>Net cash used for investing activities:</b>	<b>\$ (21,389,832)</b>	<b>\$ (12,735,777)</b>	<b>\$ (8,654,055)</b>
<b>3. Cash flows from financing activities:</b>			
Repayments of notes payable	(2,860,000)	(2,860,000)	0
Repayments of long-term obligations	(46,624,942)	(31,919,436)	(14,705,506)
Proceeds from short-term borrowings	66,998,000	51,807,168	15,190,832
Repayments of short-term obligations	(19,498,000)	(12,446,288)	(7,051,712)
Temporary Intracompany Non Interest Bearing Balance*	0	(6,819,154)	6,819,154
Patronage capital / Other	278,602	2,230,103	(1,951,501)
<b>Net cash used for financing activities:</b>	<b>(1,706,340)</b>	<b>(7,607)</b>	<b>(1,698,733)</b>
Net increase (decrease) in cash and cash equivalents	(1,158,123)	0	(1,158,123)
<b>4. <u>Cash &amp; cash equivalents at beginning of year</u></b>	<b>\$ 7,491,302</b>	<b>\$ 0</b>	<b>\$ 7,491,302</b>
<b>5. <u>Cash &amp; cash equivalents at end of period</u></b>	<b>\$ 6,333,179</b>	<b>\$ 0</b>	<b>\$ 6,333,179</b>

\*“Temporary Intracompany Non Interest Bearing Balance” does not represent a debt or payable to any customer.

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**Questions?**