

September 2008 Unbundled Financials

Chugach Electric Association, Inc.

Finance Committee

November 12, 2008

September Financial Information

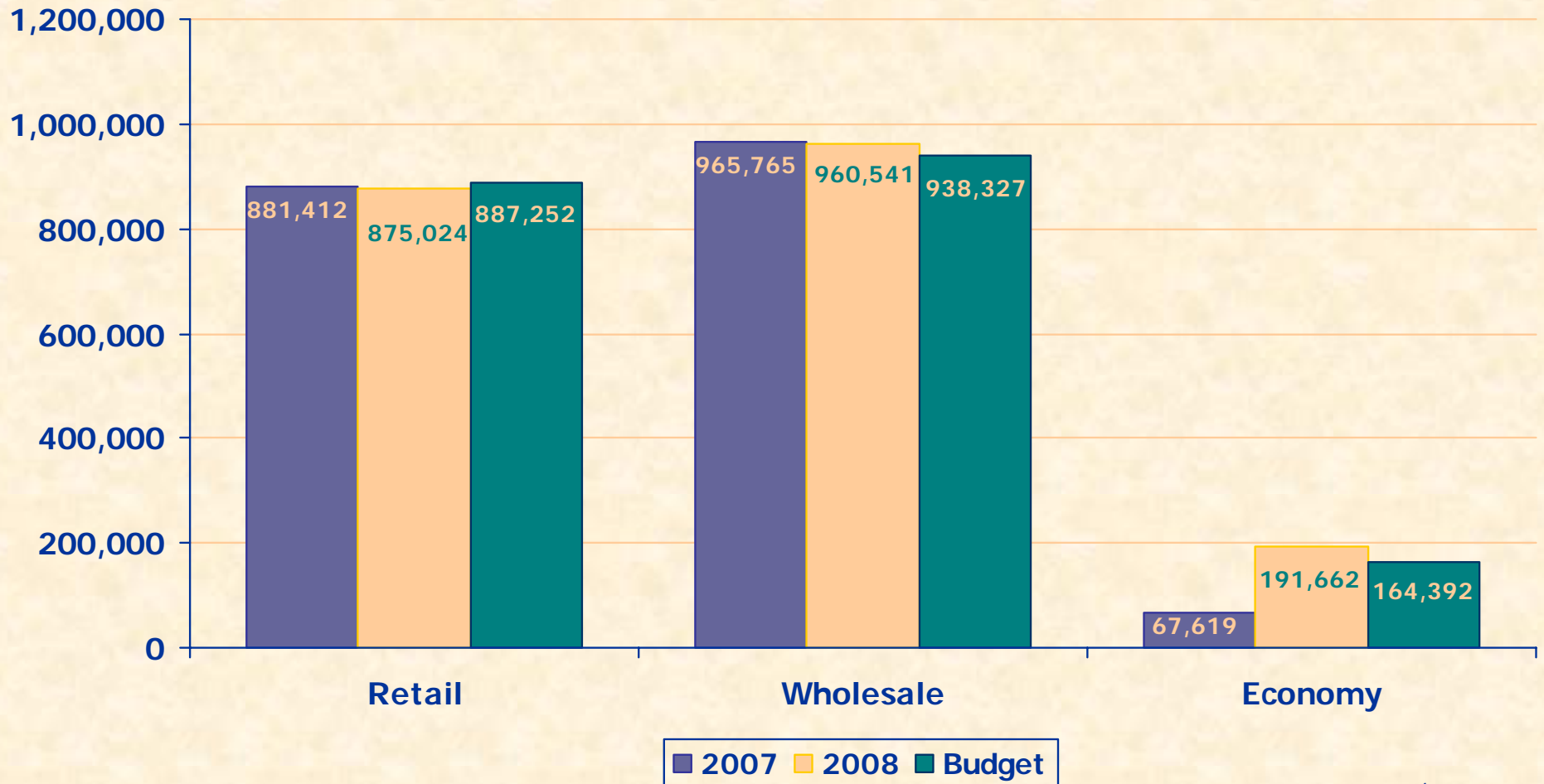
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Comparative Statement of Operations

September 2008

	<u>Actuals</u>	<u>Budget</u>	<u>Variance</u>
1. Operating Revenue & Patronage Capital	\$ 23,225,086	\$ 20,612,936	\$ 2,612,150
2. Fuel Expense	10,830,206	8,556,462	2,273,744
3. Power Production Expense	1,253,810	1,842,836	(589,026)
4. Purchased Power Expense	2,895,028	2,642,412	252,616
5. Transmission Expense	473,030	539,642	(66,612)
6. Distribution Expense	1,083,933	970,013	113,920
7. Customer Expense	437,696	440,094	(2,398)
8. Administrative & General Expense	1,655,616	1,341,284	314,332
9. TOTAL Ops & Maint Expense (2 thru 8)	\$ 18,629,319	\$ 16,332,743	\$ 2,296,576
10. Depreciation & Amortization Expense	\$ 2,662,128	\$ 2,566,731	\$ 95,397
11. Tax Expense - Other	64,872	64,009	863
12. Interest on LT Debt	1,737,053	1,920,004	(182,951)
13. Interest Charged to Construction - Credit	(34,942)	(80,979)	46,037
14. Interest Expense - Other	328,635	64,167	264,468
15. Other Deductions	18,196	20,834	(2,638)
16. TOTAL Cost of Electric Service (9 thru 15)	\$ 23,405,261	\$ 20,887,509	\$ 2,517,752
17. Patronage Capital & Operating Margins	\$ (180,175)	\$ (274,573)	\$ 94,398
18. Non-Operating Margins - Interest	30,967	25,830	5,137
19. Allowance for Funds Used During Construction	8,099	35,003	(26,904)
20. Non-Operating Margins - Other	1,002	0	1,002
21. Patronage Capital or Margins	\$ (140,107)	\$ (213,740)	\$ 73,633
TIER	0.92	0.89	

September MWh Sales - YTD



2008 Year-End Forecast

	YTD Actuals	YTD Budget	Revised Forecast	
1. Operating Revenue & Patronage Capital	\$ 204,651,479	\$ 197,075,158	\$ 279,271,044	^{1&2}
2. Fuel Expense	94,663,415	86,523,885	129,207,576	^{1&2}
3. Power Production Expense	12,523,044	12,764,773	16,195,185	²
4. Purchased Power Expense	23,133,146	23,404,589	30,847,940	¹
5. Transmission Expense	4,601,905	4,934,182	6,183,569	
6. Distribution Expense	9,428,136	8,885,256	12,426,124	
7. Customer Expense	4,017,769	4,352,180	5,740,544	
8. Administrative & General Expense	14,303,413	13,488,834	18,719,730	²
9. TOTAL Ops & Maint Expense (2 thru 8)	\$ 162,670,828	\$ 154,353,699	\$ 219,320,668	
10. Depreciation & Amortization Expense	\$ 22,825,522	\$ 22,597,383	\$ 30,822,409	^{1&2}
11. Tax Expense - Other	610,734	666,109	829,487	¹
12. Interest on LT Debt	16,074,579	17,366,628	21,285,738	^{1&2}
13. Interest Charged to Construction - Credit	(313,066)	(769,355)	(433,066)	^{1&2}
14. Interest Expense - Other	859,318	123,750	1,374,118	^{1&2}
15. Other Deductions	83,893	187,498	146,395	¹
16. TOTAL Cost of Electric Service (9 thru 15)	\$ 202,811,808	\$ 194,525,712	\$ 273,345,749	
17. Patronage Capital & Operating Margins	\$ 1,839,671	\$ 2,549,446	\$ 5,925,295	
18. Non-Operating Margins - Interest	309,002	292,789	408,476	¹
19. Allowance for Funds Used During Construction	89,068	332,556	134,068	^{1&2}
20. Non-Operating Margins - Other	27,341	0	552,341	¹
21. Patronage Capital or Margins	\$ 2,265,082	\$ 3,174,791	\$ 7,020,180	
TIER	1.14	1.18	1.33	

¹Forecast based on 9 months actual and 3 months budget

²Forecast has been adjusted to reflect current assumption changes

Generation Statement of Operations

September 2008 - YTD

		<u>Budget</u>		<u>Actual</u>		<u>Variance</u>
1. Operating Revenue & Patronage Capital	\$	140,589,111	\$	147,977,115	\$	7,388,004
2. Fuel Expense		86,523,885	\$	94,663,415		8,139,530
3. Power Production Expense		12,764,773	\$	12,520,614		(244,159)
4. Purchased Power Expense		23,404,589	\$	23,133,146		(271,443)
5. Transmission Expense		0	\$	0		0
6. Distribution Expense		0	\$	0		0
7. Customer Expense		0	\$	0		0
8. Administrative & General Expense		4,826,675		5,099,499		272,824
9. TOTAL Ops & Maint Expense (2 thru 8)	\$	127,519,922	\$	135,416,674	\$	7,896,752
10. Depreciation & Amortization Expense	\$	10,307,467		10,299,568	\$	(7,899)
11. Tax Expense - Other		75,798		59,256		(16,542)
12. Interest on LT Debt		6,149,223		5,687,079		(462,144)
13. Interest Charged to Construction - Credit		(131,021)		(104,649)		26,372
14. Interest Expense - Other		21,075		237,595		216,520
15. Other Deductions		63,879		0		(63,879)
16. TOTAL Cost of Electric Service (9 thru 15)	\$	144,006,343	\$	151,595,523	\$	7,589,180
17. Patronage Capital & Operating Margins	\$	(3,417,232)	\$	(3,618,408)	\$	(201,176)
18. Non-Operating Margins - Interest		0	\$	0		0
19. Allowance for Funds Used During Construction		56,634	\$	30,506		(26,128)
20. Non-Operating Margins - Other		0	\$	9,353		9,353
21. Patronage Capital or Margins	\$	(3,360,598)		(3,578,549)	\$	(217,951)
Achieved TIER		0.45		0.37		(0.08)
Operating Revenue per kWh	\$	0.0800		0.0800	\$	-
Operating Cost per kWh	\$	0.0800		0.0800	\$	-

Transmission Statement of Operations

September 2008 - YTD

	<u>Budget</u>	<u>Actual</u>	<u>Variance</u>
1. Operating Revenue & Patronage Capital	\$ 18,038,232	\$ 17,762,890	\$ (275,342)
2. Fuel Expense	0	0	0
3. Power Production Expense	0	2,430	2,430
4. Purchased Power Expense	0	0	0
5. Transmission Expense	4,934,182	4,601,905	(332,277)
6. Distribution Expense	0	0	0
7. Customer Expense	0	0	0
8. Administrative & General Expense	1,907,935	1,925,677	17,742
9. TOTAL Ops & Maint Expense (2 thru 8)	\$ 6,842,117	\$ 6,530,012	\$ (312,105)
10. Depreciation & Amortization Expense	\$ 4,499,284	\$ 4,284,052	(215,232)
11. Tax Expense - Other	30,992	24,130	(6,862)
12. Interest on LT Debt	6,270,174	5,581,188	(688,986)
13. Interest Charged to Construction - Credit	(245,117)	(98,523)	146,594
14. Interest Expense - Other	39,427	258,290	218,863
15. Other Deductions	26,119	(14,925)	(41,044)
16. TOTAL Cost of Electric Service (9 thru 15)	\$ 17,462,996	\$ 16,564,224	\$ (898,772)
17. Patronage Capital & Operating Margins	\$ 575,236	\$ 1,198,666	\$ 623,430
18. Non-Operating Margins - Interest	0	0	0
19. Allowance for Funds Used During Construction	105,952	27,655	(78,297)
20. Non-Operating Margins - Other	0	3,773	3,773
21. Patronage Capital or Margins	\$ 681,188	\$ 1,230,094	\$ 548,906
Achieved TIER	1.11	1.22	0.11
Operating Revenue per kWh	\$ 0.0100	\$ 0.0100	-
Operating Cost per kWh	\$ 0.0100	\$ 0.0100	-

Distribution Statement of Operations

September 2008 - YTD

	<u>Budget</u>	<u>Actual</u>	<u>Variance</u>
1. Operating Revenue & Patronage Capital	\$ 38,447,817	\$ 38,911,474	\$ 463,657
2. Fuel Expense	0	0	0
3. Power Production Expense	0	0	0
4. Purchased Power Expense	0	0	0
5. Transmission Expense	0	0	0
6. Distribution Expense	8,885,256	9,428,136	542,880
7. Customer Expense	4,352,180	4,017,769	(334,411)
8. Administrative & General Expense	6,754,225	7,278,237	524,012
9. TOTAL Ops & Maint Expense (2 thru 8)	\$ 19,991,661	\$ 20,724,142	\$ 732,481
10. Depreciation & Amortization Expense	\$ 7,790,633	\$ 8,241,902	\$ 451,269
11. Tax Expense - Other	559,318	527,348	(31,970)
12. Interest on LT Debt	4,947,231	4,806,312	(140,919)
13. Interest Charged to Construction - Credit	(393,217)	(109,894)	283,323
14. Interest Expense - Other	63,249	363,433	300,184
15. Other Deductions	97,500	98,818	1,318
16. TOTAL Cost of Electric Service (9 thru 15)	\$ 33,056,375	\$ 34,652,061	\$ 1,595,686
17. Patronage Capital & Operating Margins	\$ 5,391,442	\$ 4,259,413	\$ (1,132,029)
18. Non-Operating Margins - Interest	292,789	309,002	16,213
19. Allowance for Funds Used During Construction	169,969	30,907	(139,062)
20. Non-Operating Margins - Other	0	14,215	14,215
21. Patronage Capital or Margins	\$ 5,854,200	\$ 4,613,537	\$ (1,240,663)
Achieved TIER	2.18	1.96	(0.22)
Operating Revenue per kWh	\$ 0.0400	\$ 0.0400	-
Operating Cost per kWh	\$ 0.0400	\$ 0.0400	-

Balance Sheet, Assets & Other Debits September 2008

	<u>Total</u>	<u>G & T</u>	<u>Distribution</u>
1. Total Utility Plant In Service	\$ 816,626,753	\$ 477,694,471	\$ 338,932,282
2. Construction Work In Progress	16,202,964	8,565,553	7,637,411
3. Total Utility Plant (1 plus 2)	\$ 832,829,717	\$ 486,260,024	\$ 346,569,693
4. Accum. Provision for Depreciation and Amort.	(384,600,978)	(248,377,391)	(136,223,587)
5. Net Utility Plant (3 minus 4)	\$ 448,228,739	\$ 237,882,633	\$ 210,346,106
6. Nonutility Property - Net	24,461	0	24,461
7. Investment in Associated Organizations	11,993,216	8,215,582	3,777,634
8. Special Funds	288,188	138,716	149,472
9. Total Other Property & Investments (6 thru 8)	\$ 12,305,865	\$ 8,354,298	\$ 3,951,567
10. Cash & Temporary Investments	9,410,901	0	9,410,901
11. Special Deposits	125,117	48,035	77,082
12. Accounts Receivable - Net	24,959,804	19,414,415	5,545,389
13. Temporary Intracompany Non-Interest Bearing Balance	1,047,944	0	1,047,944
14. Materials and Supplies	28,629,504	21,821,913	6,807,591
15. Prepayments	1,417,356	686,362	730,994
16. Other Current & Accrued Assets	10,352,111	10,151,129	200,982
17. Total Current & Accrued Assets (10 thru 16)	\$ 75,942,737	\$ 52,121,854	\$ 23,820,883
18. Deferred Debits	24,226,384	22,674,367	1,552,017
19. Total Assets & Other Debits (5 + 9 + 17 + 18)	\$ 560,703,725	\$ 321,033,152	\$ 239,670,573

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

Balance Sheet, Liabilities & Other Credits

September 2008

	<u>Total</u>	<u>G & T</u>	<u>Distribution</u>
20. Memberships	\$ 1,379,128	\$ 0	\$ 1,379,128
21. Patronage Capital & Margins & Equities	149,969,886	35,827,181	114,142,705
22. Total Margins & Equities (20 plus 21)	\$ 151,349,014	\$ 35,827,181	\$ 115,521,833
23. Long-Term Debt - Bonds (Net)	270,000,000	184,842,000	85,158,000
24. Long-Term Debt - Other (Net)	42,162,217	28,864,254	13,297,963
25. Total Long-Term Debt (23 plus 24)	\$ 312,162,217	\$ 213,706,254	\$ 98,455,963
26. Notes Payable	41,598,182	28,478,116	13,120,066
27. Accounts Payable	7,832,195	4,742,392	3,089,803
28. Temporary Intracompany Non-Interest Bearing Balance	1,047,944	1,047,944	0
29. Consumer Deposits	2,362,600	0	2,362,600
30. Other Current & Accrued Liabilities	42,184,538	36,801,604	5,382,934
31. Total Current & Accrued Liabilities (26 thru 30)	\$ 95,025,459	\$ 71,070,056	\$ 23,955,403
32. Deferred Credits	1,878,847	290,945	1,587,902
33. Misc Operating Reserves	288,188	138,716	149,472
34. Total Liab & Other Credits (22 + 25 + 31 + 32 + 33)	\$ 560,703,725	\$ 321,033,152	\$ 239,670,573
Equity Ratio	32.65%	14.36%	53.99%

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

Statements of Cash Flows

September 2008 - YTD

	<u>Total</u>	<u>G&T</u>	<u>Distribution</u>
1. Cash flows from operating activities:			
Assignable margins	\$ 2,265,082	\$ (2,542,139)	\$ 4,807,221
Adjustments to reconcile assignable margins to net cash provided (used) by operating activities:			
Depreciation & amortization	26,552,923	17,233,849	9,319,074
Capitalization of interest	(402,134)	(237,649)	(164,485)
Other	162	345,097	(344,935)
Changes in assets and liabilities:			
(Increase) decrease in assets	(9,528,073)	(11,789,759)	2,261,686
Increase (decrease) in liabilities	4,099,302	6,771,233	(2,671,931)
Net cash provided by operating activities:	\$ 22,987,262	\$ 9,780,632	\$ 13,206,630
2. Cash flows from investing activities:			
Extension and replacement of plant	(16,441,962)	(9,001,150)	(7,440,812)
Net cash used for investing activities:	\$ (16,441,962)	\$ (9,001,150)	\$ (7,440,812)
3. Cash flows from financing activities:			
Short-term obligations	37,213,659	25,476,471	11,737,188
Repayments of long-term obligations	(38,983,564)	(36,927,421)	(2,056,143)
Temporary Intracompany Non Interest Bearing Balance*	0	(2,580,301)	2,580,301
Patronage capital / Other	(1,574,430)	13,251,769	(14,826,199)
Net cash used for financing activities:	(3,344,335)	(779,482)	(2,564,853)
Net increase (decrease) in cash and cash equivalents	3,200,965	0	3,200,965
4. Cash & cash equivalents at beginning of year	\$ 6,209,936	\$ 0	\$ 6,209,936
5. Cash & cash equivalents at end of period	\$ 9,410,901	\$ 0	\$ 9,410,901

Questions?