

CHUGACH ELECTRIC ASSOCIATION, INC.

**2006-2010 Financial Management Plan
(FMP)**

Finance Committee

November 30, 2005

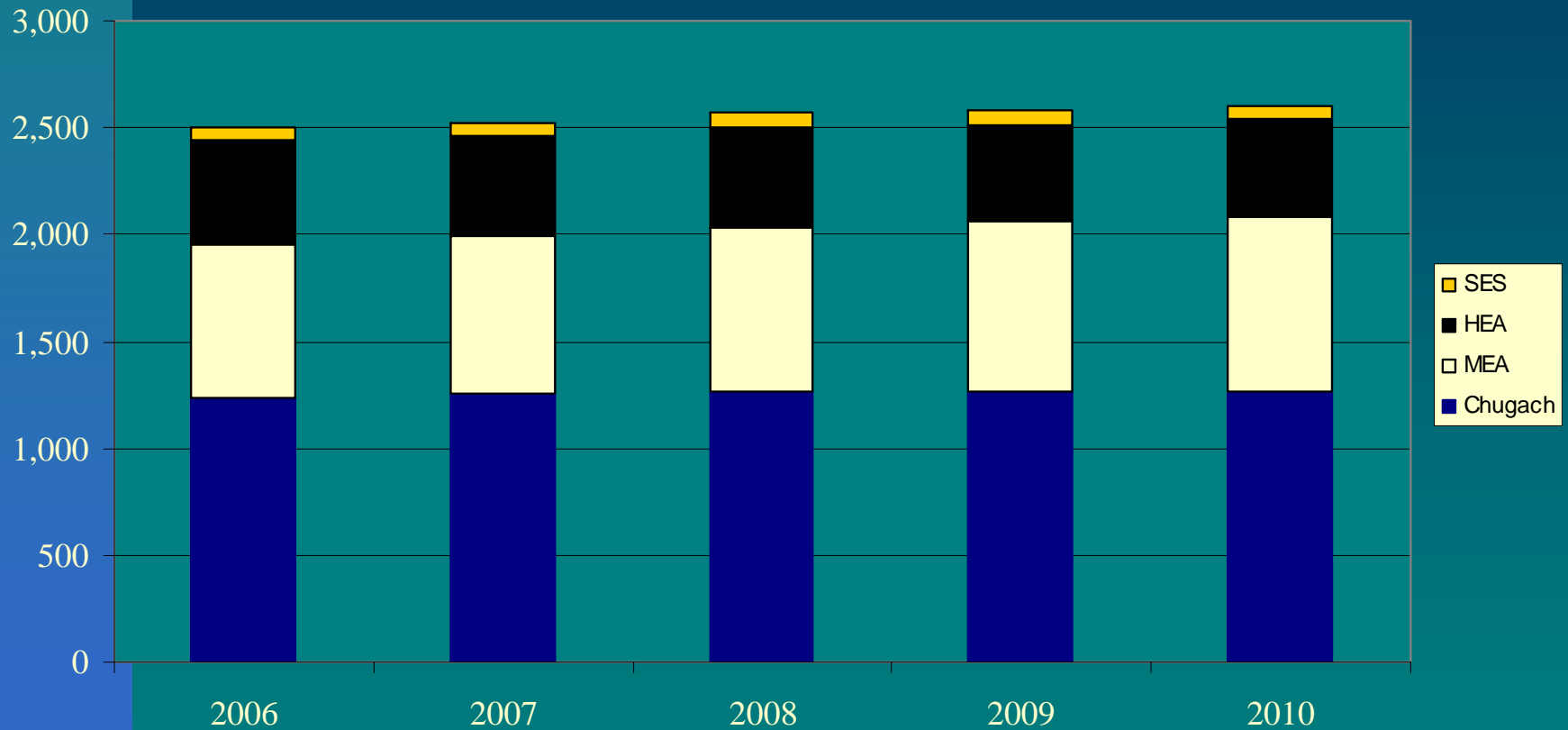
FMP Assumptions

- ❖ Sales projection per 2006-2010 Load Forecast
- ❖ Capital expenditures per 2006-2010 Capital Improvement Plan (CIP)
- ❖ Base expense projections per 2006 Operating budget
- ❖ Operating expenses other than Power Production are escalated 2.5%
- ❖ Depreciation Rates per 2002 study update
- ❖ Base electric rates assume the rates approved by the RCA as a result of the 2000 test year rate case

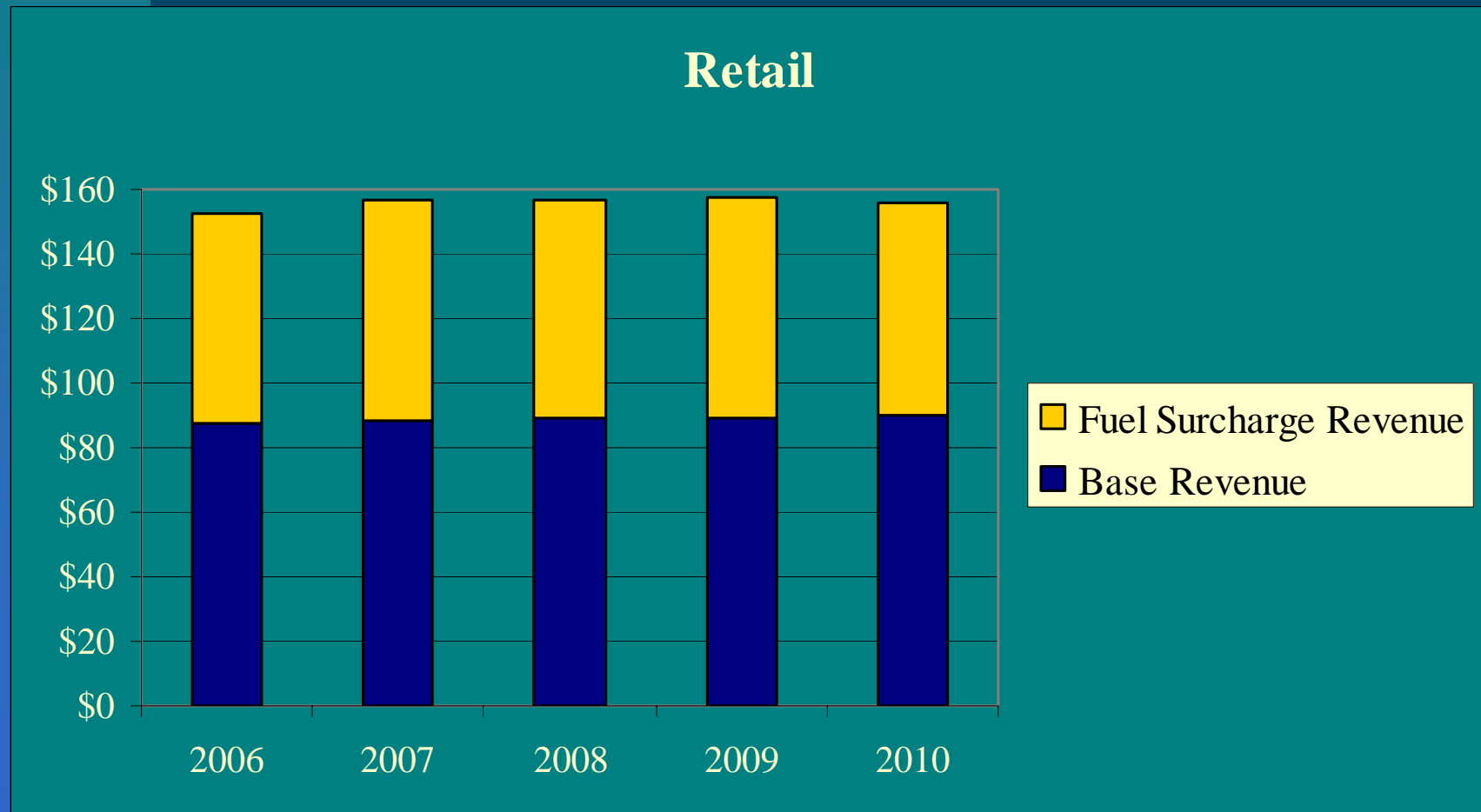
Business Planning Criteria Met

- ❖ Reliability
- ❖ Equity Ratio; $> 25\%$
- ❖ Capital Credits; 50% of prior years' margins
- ❖ Margins for Interest/Interest (MFI/I); > 1.20

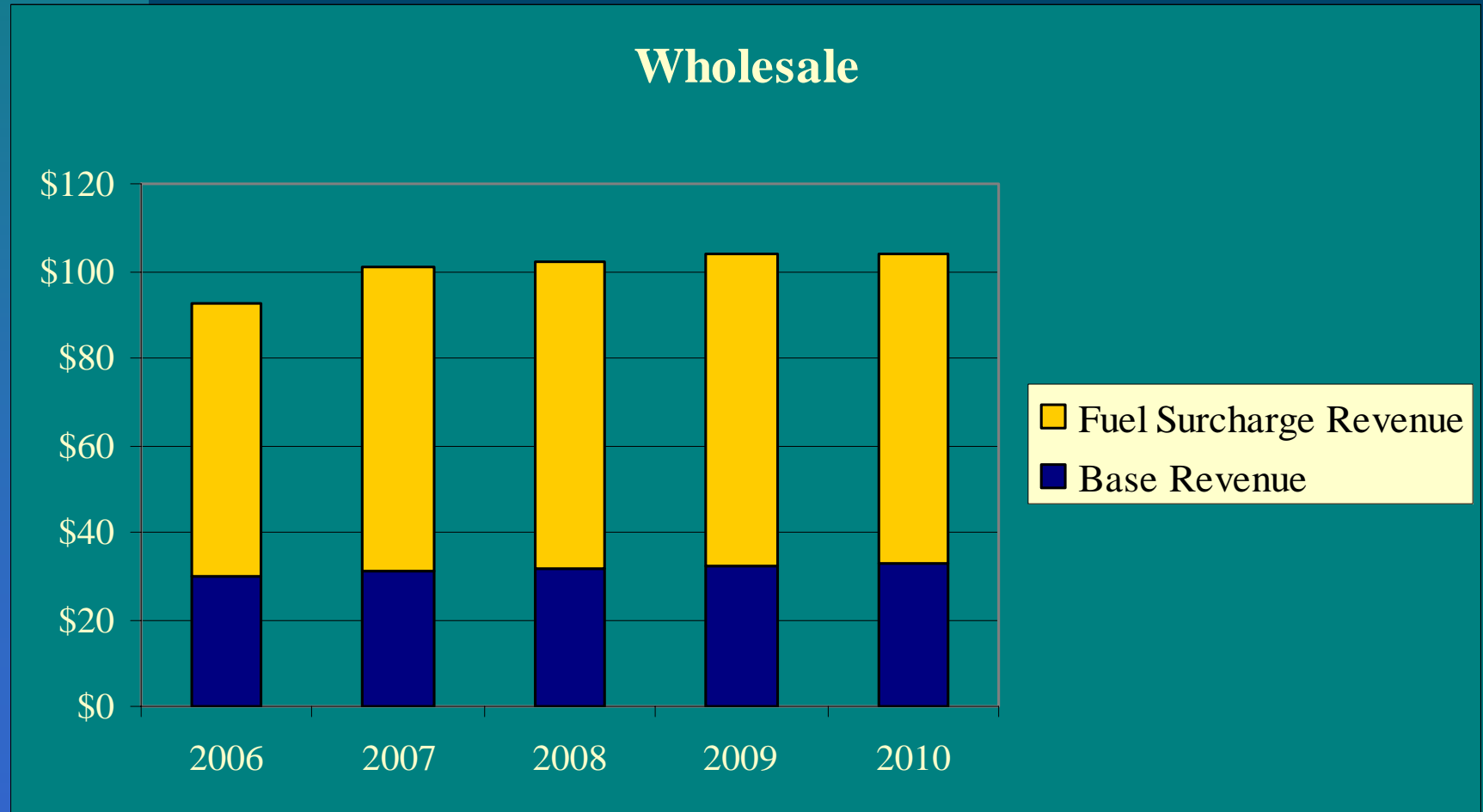
2006-2010 FMP Energy Sales (MWH)



2006-2010 FMP Components of Revenue (Millions)

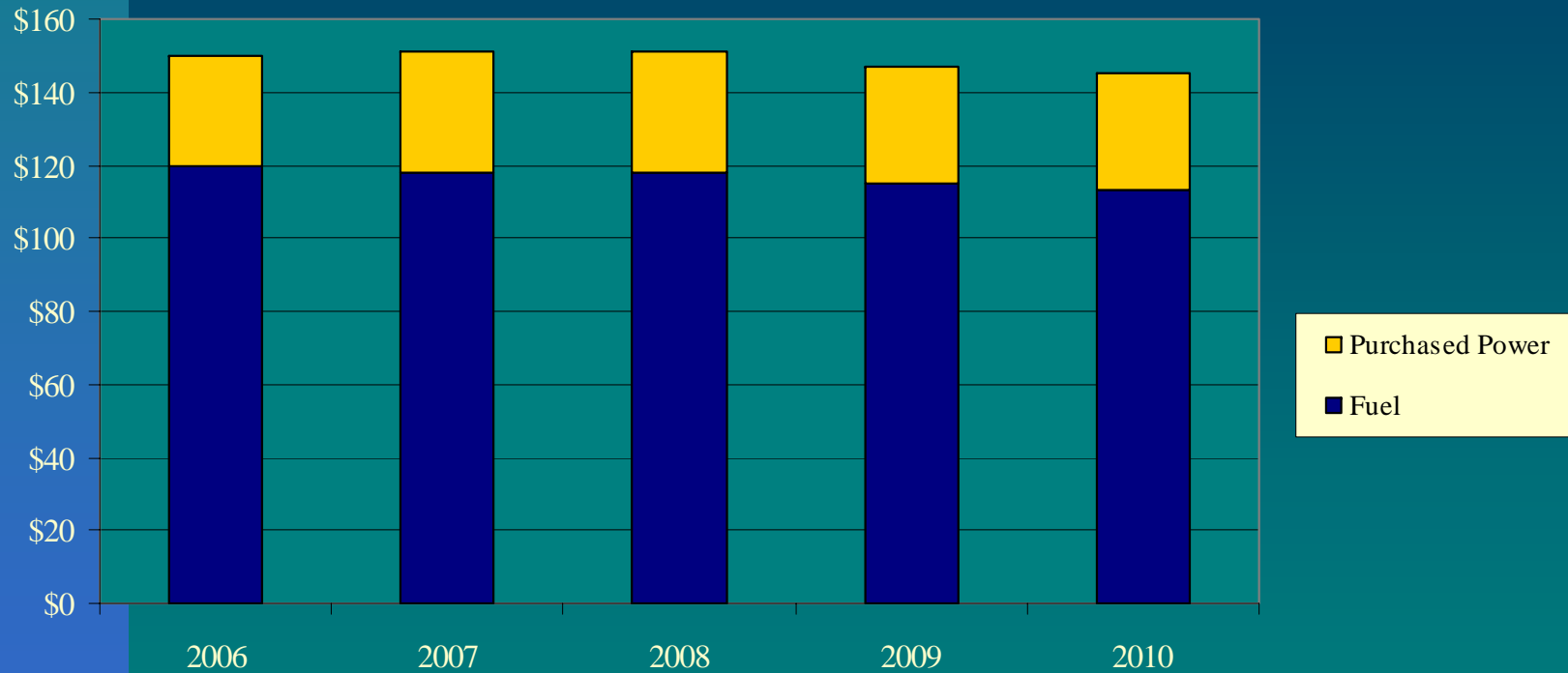


2006-2010 FMP Components of Revenue (Millions)

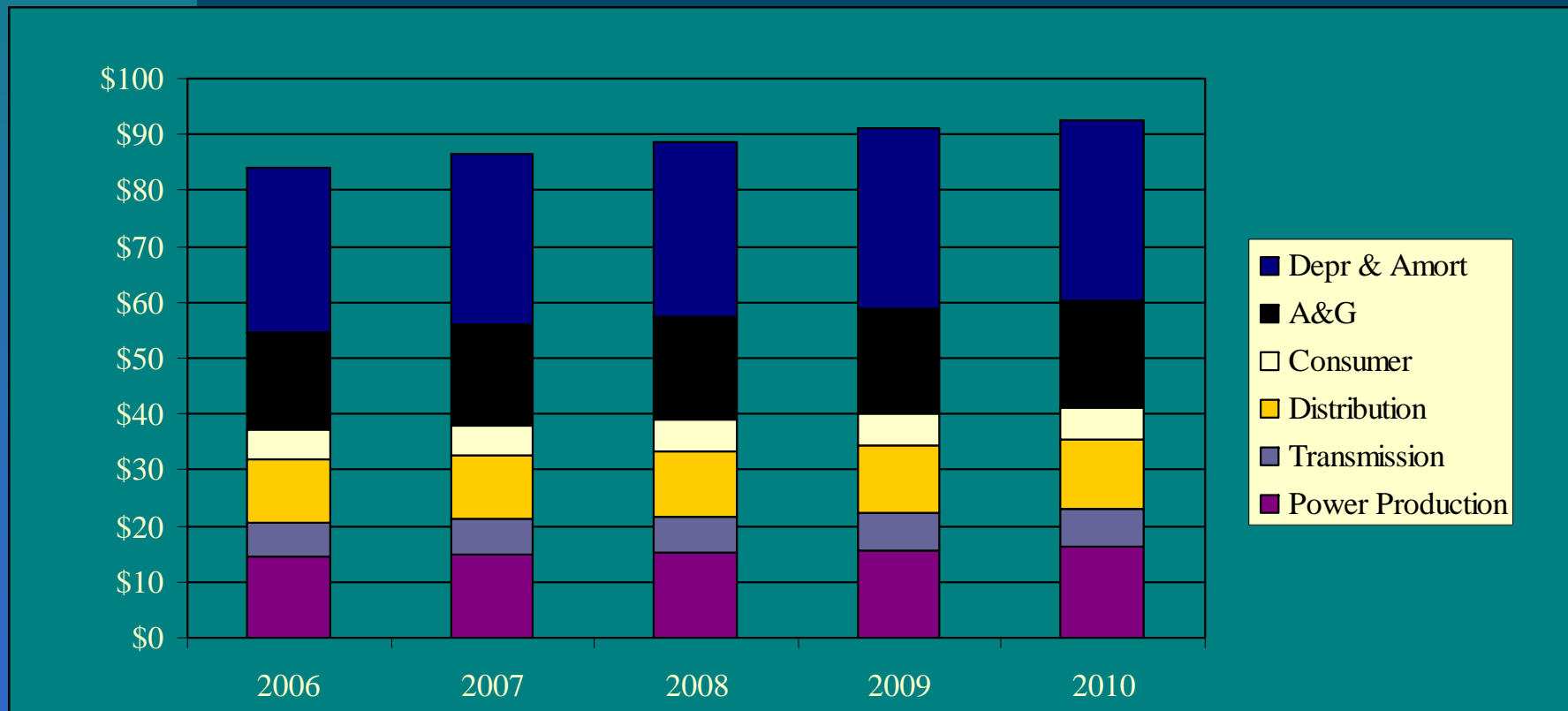


2006-2010 FMP

Fuel and Purchased Power (Millions)

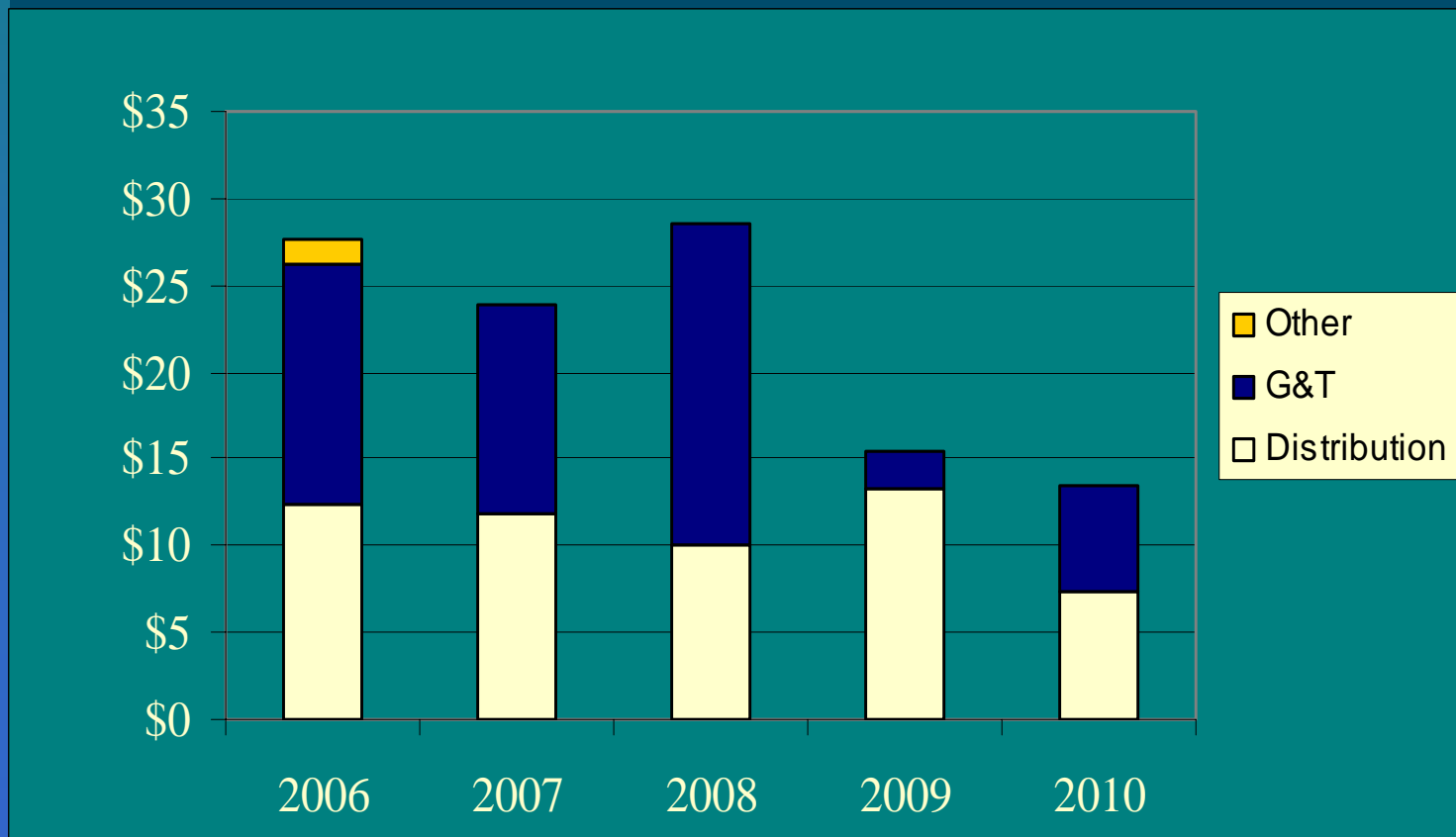


2006-2010 FMP Expenses (Millions)



2006-2010 FMP Capital Expenditures (Millions)

Approved 2006-2010 Capital Improvement Plan (CIP)



2006-2010 FMP Results (Millions)

	Equity Ratio	Margins	MF/I	Capital Credits	Rotation Period
2006	29.7%	\$12.2	1.52	\$3.9	18
2007	31.6%	\$11.5	1.50	\$6.0	19
2008	33.0%	\$11.1	1.49	\$5.7	19
2009	34.2%	\$9.8	1.43	\$5.5	19
2010	35.5%	\$9.6	1.43	\$4.9	19

2006-2010 FMP Ratios (In Millions)

	2006	2007	2008	2009	2010
Margins	\$12.2	\$11.5	\$11.1	\$9.8	\$9.6
MFI/I	1.52	1.50	1.49	1.43	1.43
Equity Ratio	29.7%	31.6%	33.0%	34.2%	35.5%
Debt Service Coverage	1.98	1.98	1.97	1.95	2.01
Net Change in Debt	-\$8.3	-\$13.7	-\$9.2	-\$9.8	-\$9.8
Current Ratio	1.38:1	1.32:1	1.28:1	1.55:1	1.92:1

FMP Unbundled Results (In Millions)

		2006	2007	2008	2009	2010
Generation & Transmission	Margins	\$0.3	\$0.7	\$0.8	\$0.3	\$0.9
	TIER	1.02	1.05	1.06	1.02	1.07

		2006	2007	2008	2009	2010
Distribution	Margins	\$11.8	\$10.9	\$10.3	\$9.5	\$8.7
	TIER	2.20	2.14	2.09	1.97	1.89

Sensitivity Analysis on 2006-2010 FMP

❖ Variable Interest Rates

- Change in variable interest rates of -150 to 150 basis points

	Margins (millions)	MFI/I	Equity Ratio
2006	\$11.4 - \$12.8	1.48 - 1.57	29.6% - 29.8%
2007	\$10.3 - \$12.8	1.42 - 1.58	31.3% - 31.8%
2008	\$10.1 - \$12.2	1.42 - 1.56	32.5% - 33.4%
2009	\$8.3 - \$11.3	1.35 - 1.53	33.6% - 34.8%
2010	\$8.8 - \$10.4	1.38 - 1.49	34.8% - 36.2%

Sensitivity Analysis on 2006-2010 FMP (continued)

❖ Capital Credit Rotation

- Current rotation (50% of prior year's margins)

	2006	2007	2008	2009	2010
Equity Ratio	29.7%	31.6%	33.0%	34.2%	35.5%
Rotation Period	18	19	19	19	19

- 0% of prior year's margins

	2006	2007	2008	2009	2010
Equity Ratio	30.2%	32.9%	35.0%	37.0%	38.8%
Rotation Period	19	20	21	22	23

- 20% of prior year's margins

	2006	2007	2008	2009	2010
Equity Ratio	30.0%	32.4%	32.4%	35.9%	37.6%
Rotation Period	19	19	20	21	21

- 35% of prior year's margins

	2006	2007	2008	2009	2010
Equity Ratio	29.8%	32.0%	33.6%	35.1%	36.6%
Rotation Period	19	19	19	20	20

Risk Environment

- ❖ Sales Forecast
- ❖ Regulatory Environment
- ❖ Interest Rate Shifts
- ❖ New generation is not included



DISCUSSION

	FY 2006	FY 2007	FY 2008	FY 2009	FY 2010
Retail Revenue	152,258,062	156,722,370	156,717,596	157,269,810	155,777,381
Wholesale Revenue	92,392,599	100,809,235	102,016,386	103,606,035	103,854,456
Economy Revenues	22,362,377	11,671,382	11,554,379	6,912,721	6,893,789
Other Revenues	2,607,791	2,703,419	2,750,031	2,782,376	2,831,348
Operating Revenue and Patronage	269,620,829	271,906,407	273,038,392	270,570,942	269,356,974
Fuel Expense	120,390,043	118,286,000	118,156,000	115,339,000	113,460,000
Power Production Expenses	14,582,696	14,803,000	15,243,000	15,745,000	16,167,000
Cost of Purchased Power	30,329,556	32,988,150	32,693,303	32,414,186	32,258,816
Transmission Expense	6,122,921	6,271,324	6,427,178	6,573,480	6,713,496
Distribution Expense-Operations	4,383,360	4,526,617	4,638,445	4,733,720	4,817,062
Distribution Expense-Maintenance	6,833,038	7,003,864	7,178,961	7,358,435	7,542,395
Consumer Accounts Expense	4,561,126	4,675,154	4,792,033	4,911,834	5,034,630
Customer Service/Information Expense	809,983	830,233	850,988	872,263	894,070
Sales Expense	0	0	0	0	0
A&G	17,386,980	17,821,087	18,266,046	18,722,129	19,189,614
Total Operations & Maintenance	205,399,703	207,205,429	208,245,954	206,670,047	206,077,083
Depreciation & Amortization	29,358,247	30,787,290	31,444,352	32,076,335	32,345,781
Taxes-Property	0	0	0	0	0
Taxes-Other	856,735	878,153	900,107	922,610	945,675
Interest on Long-Term Debt	23,448,911	23,223,856	22,939,320	22,648,029	22,165,956
Interest Charged to Construction	-900,861	-716,635	-717,137	-620,244	-447,240
Interest Expense-Other	126,666	0	0	0	0
Other Deductions	300,000	307,500	315,188	323,067	331,144
Total Cost of Electric Service	258,589,401	261,685,593	263,127,784	262,019,845	261,418,399
Patronage Capital	11,031,428	10,220,814	9,910,608	8,551,097	7,938,576
Non-Operating Margins-Interest	388,093	645,919	586,658	685,396	1,178,203
AFUDC	158,977	127,929	129,058	113,223	83,496
Non-Operating Margins-Other	0	0	0	0	0
G&T Capital Credits	0	0	0	0	0
Other capital credits	575,000	550,000	500,000	450,000	400,000
Extraordinary	0	0	0	0	0
Patronage Capital	12,153,498	11,544,661	11,126,323	9,799,716	9,600,275

**CHUGACH
POWERING ALASKA'S FUTURE**

2006-2010 FINANCIAL MANAGEMENT PLAN

**BALANCE SHEET
CONSOLIDATED**

	2006	2007	2008	2009	2010
Total Utility Plant In Service	792,312,543	827,283,224	846,362,661	856,332,042	868,376,146
Construction Work In Progress	31,542,267	19,457,924	21,017,185	25,534,945	24,605,619
Total Utility Plant	823,854,810	846,741,148	867,379,846	881,866,987	892,981,764
Accumulated Depreciation And Amortization	360,633,915	387,988,065	411,432,221	440,135,843	467,915,243
Net Utility Plant	463,220,895	458,753,084	455,947,625	441,731,143	425,066,521
Non-Utility Property	24,461	24,461	24,461	24,461	24,461
Investments in Associated Organizations	12,503,053	12,833,053	13,133,053	13,403,053	13,643,053
Other Investments	0	0	0	0	0
Special Funds	0	0	0	0	0
Total Other Property and Investments	12,527,514	12,857,514	13,157,514	13,427,514	13,667,514
Cash and Temporary Investments	4,763,093	5,735,871	3,780,580	14,410,965	27,563,304
Restricted Cash	216,191	216,191	216,191	216,191	216,191
Notes Receivable	0	0	0	0	0
Accounts Receivable Net	25,321,234	22,657,586	22,751,422	22,547,120	22,444,029
Materials And Supplies	24,765,805	25,384,950	26,019,574	26,670,063	27,336,815
Prepayments	806,983	827,158	847,837	869,033	890,759
Other Current And Accrued Assets	268,459	275,170	282,049	289,100	296,328
Total Current And Accrued Assets	56,141,765	55,096,926	53,897,653	65,002,472	78,747,425
Deferred Debits	19,000,355	16,675,091	16,771,443	14,177,403	11,968,023
Total Assets	550,890,529	543,382,615	539,774,235	534,338,532	529,449,483
Memberships	1,313,240	1,378,902	1,447,847	1,520,239	1,596,251
Patronage Capital And Margins	143,101,968	148,646,629	154,072,952	158,372,669	163,072,943
Other Margins And Equities	7,228,513	7,409,226	7,594,457	7,784,318	7,978,926
Total Margins And Equities	151,643,721	157,434,757	163,115,256	167,677,226	172,648,120
Long Term Debt Bonds	355,803,526	341,562,797	331,799,435	322,002,290	313,159,141
Long Term Debt Other	0	0	0	0	0
Total Long Term Debt	355,803,526	341,562,797	331,799,435	322,002,290	313,159,141
Notes Payable	8,728,569	9,240,725	9,763,358	9,797,141	8,843,145
Accounts Payable	17,396,494	17,857,809	17,825,152	17,622,578	17,599,587
Consumer Deposits	2,003,360	2,003,360	2,003,360	2,003,360	2,003,360
Other Current And Accrued Liabilities	12,636,234	12,604,541	12,589,047	12,557,312	12,517,504
Total Current And Accrued Liabilities	40,764,657	41,706,435	42,180,917	41,980,391	40,963,596
Deferred Credits	2,678,626	2,678,626	2,678,626	2,678,626	2,678,626
Miscellaneous Operating Reserves	0	0	0	0	0
Total Liabilities And Patronage Capital	550,890,529	543,382,615	539,774,235	534,338,532	529,449,483

CHUGACH**2006-2010 FINANCIAL MANAGEMENT PLAN****POWERING ALASKA'S FUTURE****STATEMENT OF CASH FLOWS****CONSOLIDATED**

	2006	2007	2008	2009	2010
Net Income	12,153,498	11,544,661	11,126,323	9,799,716	9,600,275
Depreciation and Amortization	31,493,664	33,059,058	33,716,104	34,636,227	34,555,161
Current and Other Liabilities	-2,998,231	429,621	-48,150	-234,310	-62,799
Current and Other Assets	-321,252	2,071,112	-3,124,121	-440,286	-592,615
Capitalized Interest	-1,059,838	-844,564	-846,195	-733,467	-530,736
Total Adjustments	27,114,343	34,715,227	29,697,637	33,228,165	33,369,011
Net Cash From Operations	39,267,841	46,259,889	40,823,960	43,027,881	42,969,286
Cash Flows From Investments	-344,726	-330,000	-300,000	-270,000	-240,000
Construction Expenditures	-27,173,171	-25,474,914	-27,792,698	-17,126,387	-15,150,422
Net Cash Used In Investing	-27,517,897	-25,804,914	-28,092,698	-17,396,387	-15,390,422
Transfer Of Restricted Construction	0	0	0	0	0
Long Term Debt Proceeds	0	0	0	0	0
Retirement Of Long Term Debt	-8,325,691	-13,728,573	-9,240,729	-9,763,362	-9,797,145
Change In Short Term Debt	0	0	0	0	0
Change In Memberships and Donations	238,840	246,375	254,176	262,253	270,620
Capital Credits	-3,900,000	-6,000,000	-5,700,000	-5,500,000	-4,900,000
Net Cash From Financing	-11,986,851	-19,482,198	-14,686,553	-15,001,109	-14,426,525
Net Cash Provided	-236,907	972,777	-1,955,291	10,630,385	13,152,339
Beginning of Year Cash	5,000,000	4,763,093	5,735,871	3,780,580	14,410,965
End of Year Cash	4,763,093	5,735,871	3,780,580	14,410,965	27,563,304

CHUGACH ELECTRIC ASSOCIATION, INC.
2006-2010 Financial Management Plan

Unbundled Statement of Operations
2006

Item	Total	G&T ¹	Distribution ²
Operating Revenue and Patronage Capital	\$269,620,829	\$213,923,299	\$55,697,530
Fuel Expense	\$120,390,043	\$120,390,043	\$0
Power Production Expense	\$14,582,696	\$14,582,696	\$0
Purchased Power Expense	\$30,329,556	\$30,329,556	\$0
Transmission Expense	\$6,122,921	\$6,122,921	\$0
Distribution Expense - Operations	\$4,383,360	\$0	\$4,383,360
Distribution Expense - Maintenance	\$6,833,038	\$0	\$6,833,038
Consumer Accounts Expense	\$4,561,126	\$0	\$4,561,126
Customer Service & Informational Expense	\$809,983	\$0	\$809,983
Administrative & General Expense	\$17,386,980	\$10,062,206	\$7,324,774
Total Operation & Maintenance Expense	\$205,399,703	\$181,487,422	\$23,912,281
Depreciation & Amortization Expense	\$29,358,247	\$19,204,961	\$10,153,286
Tax Expense - Other	\$856,735	\$120,443	\$736,292
Interest on LT Debt	\$23,448,911	\$13,567,313	\$9,881,598
Interest Charged to Construction - Credit	(\$900,861)	(\$602,790)	(\$298,071)
Interest Expense - Other	\$126,666	\$84,756	\$41,910
Other Deductions	\$300,000	\$168,688	\$131,312
Total Cost of Electric Service	\$258,589,401	\$214,030,792	\$44,558,608
Patronage Capital & Operating Margins	\$11,031,428	(\$107,493)	\$11,138,921
Non-Operating Margins - Interest	\$388,093	\$0	\$388,093
Allowance for Funds Used During Construction	\$158,977	\$106,376	\$52,601
Non-Operating Margins - Other	\$0	\$0	\$0
Generation and Transmission Capital Credits	\$0	\$0	\$0
Other Capital Credits and Patronage Dividends	\$575,000	\$332,689	\$242,311
Extraordinary Items	\$0	\$0	\$0
Patronage Capital or Margins	\$12,153,498	\$331,572	\$11,821,926
Achieved TIER	1.52	1.02	2.20

¹ G&T includes revenues and costs associated with production, transmission, and the microwave business.

² Distribution includes revenues and costs associated with distribution and customer service.

CHUGACH ELECTRIC ASSOCIATION, INC.
2006-2010 Financial Management Plan

Unbundled Statement of Operations
2007

Item	Total	G&T ¹	Distribution ²
Operating Revenue and Patronage Capital	\$271,906,407	\$215,470,115	\$56,436,292
Fuel Expense	\$118,286,000	\$118,286,000	\$0
Power Production Expense	\$14,803,000	\$14,803,000	\$0
Purchased Power Expense	\$32,988,150	\$32,988,150	\$0
Transmission Expense	\$6,271,324	\$6,271,324	\$0
Distribution Expense - Operations	\$4,526,617	\$0	\$4,526,617
Distribution Expense - Maintenance	\$7,003,864	\$0	\$7,003,864
Consumer Accounts Expense	\$4,675,154	\$0	\$4,675,154
Customer Service & Informational Expense	\$830,233	\$0	\$830,233
Administrative & General Expense	\$17,821,087	\$9,000,739	\$8,820,348
Total Operation & Maintenance Expense	\$207,205,429	\$181,349,213	\$25,856,216
Depreciation & Amortization Expense	\$30,787,290	\$20,111,133	\$10,676,157
Tax Expense - Other	\$878,153	\$94,304	\$783,849
Interest on LT Debt	\$23,223,856	\$13,679,104	\$9,544,752
Interest Charged to Construction - Credit	(\$716,635)	(\$221,439)	(\$495,196)
Interest Expense - Other	\$0	\$0	\$0
Other Deductions	\$307,500	\$155,306	\$152,194
Total Cost of Electric Service	\$261,685,593	\$215,167,620	\$46,517,973
Patronage Capital & Operating Margins	\$10,220,814	\$302,494	\$9,918,319
Non-Operating Margins - Interest	\$645,919	\$0	\$645,919
Allowance for Funds Used During Construction	\$127,929	\$39,530	\$88,399
Non-Operating Margins - Other	\$0	\$0	\$0
Generation and Transmission Capital Credits	\$0	\$0	\$0
Other Capital Credits and Patronage Dividends	\$550,000	\$323,956	\$226,044
Extraordinary Items	\$0	\$0	\$0
Patronage Capital or Margins	\$11,544,661	\$665,980	\$10,878,681
Achieved TIER	1.50	1.05	2.14

¹ G&T includes revenues and costs associated with production, transmission, and the microwave business.

² Distribution includes revenues and costs associated with distribution and customer service.

CHUGACH ELECTRIC ASSOCIATION, INC.
2006-2010 Financial Management Plan

Unbundled Statement of Operations
2008

Item	Total	G&T ¹	Distribution ²
Operating Revenue and Patronage Capital	\$273,038,392	\$216,077,966	\$56,960,426
Fuel Expense	\$118,156,000	\$118,156,000	\$0
Power Production Expense	\$15,243,000	\$15,243,000	\$0
Purchased Power Expense	\$32,693,303	\$32,693,303	\$0
Transmission Expense	\$6,427,178	\$6,427,178	\$0
Distribution Expense - Operations	\$4,638,445	\$0	\$4,638,445
Distribution Expense - Maintenance	\$7,178,961	\$0	\$7,178,961
Consumer Accounts Expense	\$4,792,033	\$0	\$4,792,033
Customer Service & Informational Expense	\$850,988	\$0	\$850,988
Administrative & General Expense	\$18,266,046	\$9,225,470	\$9,040,576
Total Operation & Maintenance Expense	\$208,245,954	\$181,744,951	\$26,501,003
Depreciation & Amortization Expense	\$31,444,352	\$20,473,391	\$10,970,961
Tax Expense - Other	\$900,107	\$96,661	\$803,446
Interest on LT Debt	\$22,939,320	\$13,451,326	\$9,487,995
Interest Charged to Construction - Credit	(\$717,137)	(\$308,175)	(\$408,962)
Interest Expense - Other	\$0	\$0	\$0
Other Deductions	\$315,188	\$159,189	\$155,999
Total Cost of Electric Service	\$263,127,784	\$215,617,343	\$47,510,441
Patronage Capital & Operating Margins	\$9,910,608	\$460,623	\$9,449,985
Non-Operating Margins - Interest	\$586,658	\$0	\$586,658
Allowance for Funds Used During Construction	\$129,058	\$55,460	\$73,598
Non-Operating Margins - Other	\$0	\$0	\$0
Generation and Transmission Capital Credits	\$0	\$0	\$0
Other Capital Credits and Patronage Dividends	\$500,000	\$293,194	\$206,806
Extraordinary Items	\$0	\$0	\$0
Patronage Capital or Margins	\$11,126,323	\$809,276	\$10,317,047
Achieved TIER	1.49	1.06	2.09

¹ G&T includes revenues and costs associated with production, transmission, and the microwave business.

² Distribution includes revenues and costs associated with distribution and customer service.

CHUGACH ELECTRIC ASSOCIATION, INC.
2006-2010 Financial Management Plan

Unbundled Statement of Operations
2009

Item	Total	G&T ¹	Distribution ²
Operating Revenue and Patronage Capital	\$270,570,942	\$213,489,824	\$57,081,118
Fuel Expense	\$115,339,000	\$115,339,000	\$0
Power Production Expense	\$15,745,000	\$15,745,000	\$0
Purchased Power Expense	\$32,414,186	\$32,414,186	\$0
Transmission Expense	\$6,573,480	\$6,573,480	\$0
Distribution Expense - Operations	\$4,733,720	\$0	\$4,733,720
Distribution Expense - Maintenance	\$7,358,435	\$0	\$7,358,435
Consumer Accounts Expense	\$4,911,834	\$0	\$4,911,834
Customer Service & Informational Expense	\$872,263	\$0	\$872,263
Administrative & General Expense	\$18,722,129	\$9,455,820	\$9,266,309
Total Operation & Maintenance Expense	\$206,670,047	\$179,527,486	\$27,142,561
Depreciation & Amortization Expense	\$32,076,335	\$20,840,689	\$11,235,646
Tax Expense - Other	\$922,610	\$99,078	\$823,532
Interest on LT Debt	\$22,648,029	\$12,870,377	\$9,777,652
Interest Charged to Construction - Credit	(\$620,244)	(\$38,638)	(\$581,605)
Interest Expense - Other	\$0	\$0	\$0
Other Deductions	\$323,067	\$163,169	\$159,898
Total Cost of Electric Service	\$262,019,845	\$213,462,160	\$48,557,684
Patronage Capital & Operating Margins	\$8,551,097	\$27,664	\$8,523,433
Non-Operating Margins - Interest	\$685,396	\$0	\$685,396
Allowance for Funds Used During Construction	\$113,223	\$7,053	\$106,170
Non-Operating Margins - Other	\$0	\$0	\$0
Generation and Transmission Capital Credits	\$0	\$0	\$0
Other Capital Credits and Patronage Dividends	\$450,000	\$255,725	\$194,275
Extraordinary Items	\$0	\$0	\$0
Patronage Capital or Margins	\$9,799,716	\$290,442	\$9,509,274
Achieved TIER	1.43	1.02	1.97

¹ G&T includes revenues and costs associated with production, transmission, and the microwave business.

² Distribution includes revenues and costs associated with distribution and customer service.

CHUGACH ELECTRIC ASSOCIATION, INC.
2006-2010 Financial Management Plan

Unbundled Statement of Operations
2010

Item	Total	G&T ¹	Distribution ²
Operating Revenue and Patronage Capital	\$269,356,974	\$212,178,609	\$57,178,365
Fuel Expense	\$113,460,000	\$113,460,000	\$0
Power Production Expense	\$16,167,000	\$16,167,000	\$0
Purchased Power Expense	\$32,258,816	\$32,258,816	\$0
Transmission Expense	\$6,713,496	\$6,713,496	\$0
Distribution Expense - Operations	\$4,817,062	\$0	\$4,817,062
Distribution Expense - Maintenance	\$7,542,395	\$0	\$7,542,395
Consumer Accounts Expense	\$5,034,630	\$0	\$5,034,630
Customer Service & Informational Expense	\$894,070	\$0	\$894,070
Administrative & General Expense	\$19,189,614	\$9,691,928	\$9,497,686
Total Operation & Maintenance Expense	\$206,077,083	\$178,291,240	\$27,785,843
Depreciation & Amortization Expense	\$32,345,781	\$20,828,738	\$11,517,043
Tax Expense - Other	\$945,675	\$101,555	\$844,120
Interest on LT Debt	\$22,165,956	\$12,304,867	\$9,861,089
Interest Charged to Construction - Credit	(\$447,240)	(\$122,016)	(\$325,224)
Interest Expense - Other	\$0	\$0	\$0
Other Deductions	\$331,144	\$167,248	\$163,896
Total Cost of Electric Service	\$261,418,399	\$211,571,632	\$49,846,767
Patronage Capital & Operating Margins	\$7,938,576	\$606,977	\$7,331,599
Non-Operating Margins - Interest	\$1,178,203	\$0	\$1,178,203
Allowance for Funds Used During Construction	\$83,496	\$22,780	\$60,717
Non-Operating Margins - Other	\$0	\$0	\$0
Generation and Transmission Capital Credits	\$0	\$0	\$0
Other Capital Credits and Patronage Dividends	\$400,000	\$222,050	\$177,950
Extraordinary Items	\$0	\$0	\$0
Patronage Capital or Margins	\$9,600,275	\$851,806	\$8,748,469
Achieved TIER	1.43	1.07	1.89

¹ G&T includes revenues and costs associated with production, transmission, and the microwave business.

² Distribution includes revenues and costs associated with distribution and customer service.

CHUGACH
POWERING ALASKA'S FUTURE

	2006	G&T	Distribution
Total Utility Plant In Service	792,312,543	488,281,072	304,031,472
Construction Work In Progress	31,542,267	15,071,405	16,470,862
Total Utility Plant	<u>823,854,810</u>	<u>503,352,477</u>	<u>320,502,334</u>
Accumulated Depreciation And Amortization	(360,633,915)	(236,521,705)	(124,112,210)
Net Utility Plant	<u>463,220,895</u>	<u>266,830,772</u>	<u>196,390,124</u>
Non-Utility Property	24,461	0	24,461
Investments in Associated Organizations	12,503,053	5,538,739	6,964,314
Total Other Property and Investments	12,527,514	5,538,739	6,988,775
Cash and Temporary Investments	4,763,093	0	4,763,093
Restricted Cash	216,191	75,357	140,834
Notes Receivable	0	0	
Accounts Receivable Net	25,321,234	17,448,251	7,872,983
Accounts Receivable Due From Gen/Trans			59,248,556
Materials And Supplies	24,765,805	21,902,367	2,863,438
Prepayments	806,983	454,642	352,341
Other Current And Accrued Assets	268,459	31,134	237,325
Total Current And Accrued Assets	56,141,765	39,911,751	75,478,570
Deferred Debits	19,000,355	15,466,833	3,533,522
Total Assets	<u>550,890,529</u>	<u>327,748,095</u>	<u>282,390,991</u>
Memberships	1,313,240	274,368	1,038,872
Patronage Capital And Margins	143,101,968	33,446,569	109,655,399
Other Margins And Equities	7,228,513	1,510,212	5,718,301
Total Margins And Equities	151,643,721	35,231,149	116,412,572
Long Term Debt Bonds	350,803,526	202,971,521	147,832,005
Long Term Debt Other	0	0	0
Total Long Term Debt	350,803,526	202,971,521	147,832,005
Notes Payable	13,728,569	7,943,217	5,785,352
Accounts Payable	17,396,494	15,226,709	2,169,785
Accounts Payable Due to Dist/Cust		59,248,556	
Consumer Deposits	2,003,360	0	2,003,360
Other Current And Accrued Liabilities	12,636,234	6,849,772	5,786,462
Total Current And Accrued Liabilities	45,764,657	89,268,255	15,744,958
Deferred Credits	2,678,626	277,170	2,401,456
Total Liabilities And Patronage Capital	<u>550,890,529</u>	<u>327,748,095</u>	<u>282,390,991</u>

CHUGACH
POWERING ALASKA'S FUTURE

	2007	G&T	Distribution
Total Utility Plant In Service	827,283,224	513,945,730	313,337,495
Construction Work In Progress	19,457,924	0	19,457,924
Total Utility Plant	846,741,148	513,945,730	332,795,419
Accumulated Depreciation And Amortization	(387,988,065)	(254,947,653)	(133,040,412)
Net Utility Plant	458,753,084	258,998,077	199,755,006
Non-Utility Property	24,461	0	24,461
Investments in Associated Organizations	12,833,053	5,684,926	7,148,127
Total Other Property and Investments	12,857,514	5,684,926	7,172,588
Cash and Temporary Investments	5,735,871	0	5,735,871
Restricted Cash	216,191	75,357	140,834
Notes Receivable	0	0	0
Accounts Receivable Net	22,657,586	15,612,796	7,044,790
Accounts Receivable Due From Gen/Trans			53,893,659
Materials And Supplies	25,384,950	22,449,926	2,935,024
Prepayments	827,158	466,009	361,149
Other Current And Accrued Assets	275,170	31,912	243,258
Total Current And Accrued Assets	55,096,927	38,635,999	70,354,586
Deferred Debits	16,675,091	13,929,227	2,745,864
Total Assets	543,382,615	317,248,230	280,028,044
Memberships	1,378,902	288,086	1,090,816
Patronage Capital And Margins	148,646,629	32,208,329	116,438,300
Other Margins And Equities	7,409,226	1,547,968	5,861,258
Total Margins And Equities	157,434,757	34,044,383	123,390,375
Long Term Debt Bonds	341,562,797	201,184,201	140,378,596
Long Term Debt Other	0	0	0
Total Long Term Debt	341,562,797	201,184,201	140,378,596
Notes Payable	9,240,725	5,442,887	3,797,838
Accounts Payable	17,857,809	15,504,331	2,353,478
Accounts Payable due to Dist/Cust		53,893,659	
Consumer Deposits	2,003,360	0	2,003,360
Other Current And Accrued Liabilities	12,604,541	6,901,599	5,702,942
Total Current And Accrued Liabilities	41,706,435	81,742,477	13,857,617
Deferred Credits	2,678,626	277,170	2,401,456
Total Liabilities And Patronage Capital	543,382,615	317,248,230	280,028,044

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POWERING ALASKA'S FUTURE

	2008	G&T	Distribution
Total Utility Plant In Service	846,362,661	524,681,219	321,681,442
Construction Work In Progress	21,017,185	0	21,017,185
Total Utility Plant	<u>867,379,846</u>	<u>524,681,219</u>	<u>342,698,627</u>
Accumulated Depreciation And Amortization	(411,432,221)	(269,442,096)	(141,990,125)
Net Utility Plant	455,947,625	255,239,123	200,708,502
Non-Utility Property	24,461	0	24,461
Investments in Associated Organizations	13,133,053	5,817,823	7,315,230
Total Other Property and Investments	13,157,514	5,817,823	7,339,691
Cash and Temporary Investments	3,780,580	0	3,780,580
Restricted Cash	216,191	75,357	140,834
Notes Receivable	0	0	0
Accounts Receivable Net	22,751,422	15,677,456	7,073,966
Accounts Receivable Due From Gen/Trans			58,564,223
Materials And Supplies	26,019,574	23,011,174	3,008,400
Prepayments	847,837	477,659	370,178
Other Current And Accrued Assets	282,049	32,710	249,339
Total Current And Accrued Assets	53,897,652	39,274,356	73,187,520
Deferred Debits	16,771,443	14,719,772	2,051,671
Total Assets	<u>539,774,235</u>	<u>315,051,074</u>	<u>283,287,385</u>
Memberships	1,447,847	302,490	1,145,357
Patronage Capital And Margins	154,072,953	31,662,582	122,410,371
Other Margins And Equities	7,594,457	1,586,667	6,007,790
Total Margins And Equities	163,115,257	33,551,739	129,563,518
Long Term Debt Bonds	331,799,435	194,562,968	137,236,467
Long Term Debt Other	0	0	0
Total Long Term Debt	331,799,435	194,562,968	137,236,467
Notes Payable	9,763,358	5,750,724	4,012,634
Accounts Payable	17,825,152	15,469,402	2,355,750
Accounts Payable due to Dist/Cust		58,564,223	
Consumer Deposits	2,003,360	0	2,003,360
Other Current And Accrued Liabilities	12,589,047	6,874,848	5,714,199
Total Current And Accrued Liabilities	42,180,917	86,659,197	14,085,943
Deferred Credits	2,678,626	277,170	2,401,456
Total Liabilities And Patronage Capital	<u>539,774,235</u>	<u>315,051,074</u>	<u>283,287,385</u>

CHUGACH
POWERING ALASKA'S FUTURE

	2009	G&T	Distribution
Total Utility Plant In Service	856,332,042	526,010,427	330,321,615
Construction Work In Progress	25,534,945	0	25,534,945
Total Utility Plant	<u>881,866,987</u>	<u>526,010,427</u>	<u>355,856,560</u>
Accumulated Depreciation And Amortization	(440,135,843)	(288,952,493)	(151,183,350)
Net Utility Plant	441,731,143	237,057,934	204,673,211
Non-Utility Property	24,461	0	24,461
Investments in Associated Organizations	13,403,053	5,937,431	7,465,622
Total Other Property and Investments	13,427,514	5,937,431	7,490,083
Cash and Temporary Investments	14,410,965	0	14,410,965
Restricted Cash	216,191	75,357	140,834
Notes Receivable	0	0	
Accounts Receivable Net	22,547,120	15,536,676	7,010,444
Accounts Receivable Due From Gen/Trans			50,964,639
Materials And Supplies	26,670,063	23,586,453	3,083,610
Prepayments	869,033	489,600	379,433
Other Current And Accrued Assets	289,100	33,527	255,573
Total Current And Accrued Assets	65,002,472	39,721,615	76,245,496
Deferred Debits	14,177,403	12,761,850	1,415,553
Total Assets	<u>534,338,532</u>	<u>295,478,829</u>	<u>289,824,343</u>
Memberships	1,520,239	317,615	1,202,624
Patronage Capital And Margins	158,372,670	31,559,129	126,813,540
Other Margins And Equities	7,784,318	1,626,333	6,157,985
Total Margins And Equities	167,677,227	33,503,078	134,174,149
Long Term Debt Bonds	322,002,290	182,986,819	139,015,471
Long Term Debt Other	0	0	0
Total Long Term Debt	322,002,290	182,986,819	139,015,471
Notes Payable	9,797,141	5,770,623	4,026,518
Accounts Payable	17,622,578	15,241,340	2,381,238
Accounts Payable due to Dist/Cust		50,964,639	
Consumer Deposits	2,003,360	0	2,003,360
Other Current And Accrued Liabilities	12,557,312	6,735,161	5,822,151
Total Current And Accrued Liabilities	41,980,391	78,711,763	14,233,267
Deferred Credits	2,678,626	277,170	2,401,456
Total Liabilities And Patronage Capital	<u>534,338,532</u>	<u>295,478,829</u>	<u>289,824,343</u>

CHUGACH
POWERING ALASKA'S FUTURE

	2010	G&T	Distribution
Total Utility Plant In Service	868,376,146	530,068,296	338,307,850
Construction Work In Progress	24,605,619	0	24,605,619
Total Utility Plant	<u>892,981,764</u>	<u>530,068,296</u>	<u>362,913,469</u>
Accumulated Depreciation And Amortization	(467,915,243)	(307,068,416)	(160,846,827)
Net Utility Plant	425,066,521	222,999,880	202,066,642
Non-Utility Property	24,461	0	24,461
Investments in Associated Organizations	13,643,053	6,043,748	7,599,305
Total Other Property and Investments	13,667,514	6,043,748	7,623,766
Cash and Temporary Investments	27,563,304	0	27,563,304
Restricted Cash	216,191	75,357	140,834
Notes Receivable	0	0	
Accounts Receivable Net	22,444,029	15,465,639	6,978,390
Accounts Receivable Due From Gen/Trans			46,428,903
Materials And Supplies	27,336,815	24,176,115	3,160,700
Prepayments	890,759	501,841	388,918
Other Current And Accrued Assets	296,328	34,366	261,962
Total Current And Accrued Assets	78,747,426	40,253,317	84,923,012
Deferred Debits	11,968,023	11,219,161	748,862
Total Assets	<u>529,449,483</u>	<u>280,516,106</u>	<u>295,362,280</u>
Memberships	1,596,251	333,496	1,262,755
Patronage Capital And Margins	163,072,943	30,980,633	132,092,311
Other Margins And Equities	7,978,926	1,666,992	6,311,934
Total Margins And Equities	172,648,120	32,981,120	139,667,000
Long Term Debt Bonds	313,159,141	173,842,338	139,316,803
Long Term Debt Other	0	0	0
Total Long Term Debt	313,159,141	173,842,338	139,316,803
Notes Payable	8,843,145	5,208,709	3,634,436
Accounts Payable	17,599,587	15,152,747	2,446,840
Accounts Payable due to Dist/Cust		46,428,903	
Consumer Deposits	2,003,360	0	2,003,360
Other Current And Accrued Liabilities	12,517,504	6,625,119	5,892,385
Total Current And Accrued Liabilities	40,963,596	73,415,478	13,977,021
Deferred Credits	2,678,626	277,170	2,401,456
Total Liabilities And Patronage Capital	<u>529,449,483</u>	<u>280,516,106</u>	<u>295,362,280</u>

CHUGACH ELECTRIC ASSOCIATION, INC.
Statements of Cash Flows
(Unaudited)

2006

	G&T	Distribution
<u>Cash flows from operating activities:</u>		
Assignable margins	\$331,572	\$11,821,926
Adjustments to reconcile assignable margins to net cash provided (used) by operating activities:		
Depreciation & amortization	20,700,512	10,793,152
Capitalization of interest	(709,166)	(350,672)
Other	(274)	0
Changes in assets and liabilities:		
(Increase) decrease in assets:		
Accounts receivable	(762,147)	(343,896)
Prepayments	(11,089)	(8,594)
Materials and supplies	(534,204)	(69,840)
Deferred charges	(1,292,664)	(41,996)
Other	2,749,240	(5,788)
Increase (decrease) in liabilities:		
Accounts payable/Fuel & Purchased Power payable	(2,175,413)	(1,261,837)
Consumer deposits	0	0
Other current and accrued liabilities	254,012	185,008
Deferred credits	0	0
Net cash provided by operating activities:	18,550,379	20,717,464
<u>Cash flows from investing activities:</u>		
Extension and replacement of plant	(13,820,300)	(13,352,872)
Investments in associated organizations	(152,558)	(192,168)
Net cash used for investing activities:	(13,972,858)	(13,545,040)
<u>Cash flows from financing activities:</u>		
Short-term obligations	0	0
Repayments of Long Term Debt	(4,817,165)	(3,508,526)
Loan to G&T / from Distribution	1,552,897	(1,552,898)
Retirement of patronage capital / Other	(1,313,253)	(2,347,907)
Net cash used for financing activities:	(4,577,521)	(7,409,331)
Net increase (decrease) in cash and cash equivalents	0	(236,907)
<u>Cash and cash equivalents at beginning of year</u>	\$0	\$5,000,000
<u>Cash and cash equivalents at end of period</u>	\$0	\$4,763,093

CHUGACH ELECTRIC ASSOCIATION, INC.
Statements of Cash Flows
(Unaudited)

2007

	G&T	Distribution
<u>Cash flows from operating activities:</u>		
Assignable margins	\$665,980	\$10,878,681
Adjustments to reconcile assignable margins to net cash provided (used) by operating activities:		
Depreciation & amortization	21,708,919	11,350,139
Capitalization of interest	(260,969)	(583,595)
Other	0	0
Changes in assets and liabilities:		
(Increase) decrease in assets:		
Accounts receivable	1,835,455	828,193
Prepayments	(11,367)	(8,808)
Materials and supplies	(547,559)	(71,586)
Deferred charges	(60,180)	113,676
Other	(778)	(5,933)
Increase (decrease) in liabilities:		
Accounts payable/Fuel & Purchased Power payable	277,620	183,694
Consumer deposits	0	0
Other current and accrued liabilities	51,827	(83,520)
Deferred credits	0	0
Net cash provided by operating activities:	23,658,949	22,600,940
<u>Cash flows from investing activities:</u>		
Extension and replacement of plant	(12,017,469)	(13,457,444)
Investments in associated organizations	(146,187)	(183,813)
Net cash used for investing activities:	(12,163,656)	(13,641,257)
<u>Cash flows from financing activities:</u>		
Short-term obligations	0	0
Repayments of Long Term Debt	(4,287,650)	(9,440,923)
Loan to G&T / from Distribution	(5,354,897)	5,354,896
Retirement of patronage capital / Other	(1,852,746)	(3,900,878)
Net cash used for financing activities:	(11,495,293)	(7,986,905)
Net increase (decrease) in cash and cash equivalents	(0)	972,778
<u>Cash and cash equivalents at beginning of year</u>	\$0	\$4,763,093
<u>Cash and cash equivalents at end of period</u>	\$0	\$5,735,871

CHUGACH ELECTRIC ASSOCIATION, INC.
Statements of Cash Flows
(Unaudited)

2008

	G&T	Distribution
<u>Cash flows from operating activities:</u>		
Assignable margins	\$809,276	\$9,877,267
Adjustments to reconcile assignable margins to net cash provided (used) by operating activities:		
Depreciation & amortization	22,071,161	11,644,943
Capitalization of interest	(363,635)	(482,560)
Other	0	0
Changes in assets and liabilities:		
(Increase) decrease in assets:		
Accounts receivable	(64,660)	(29,176)
Prepayments	(11,650)	(9,029)
Materials and supplies	(561,248)	(73,376)
Deferred charges	(2,388,314)	20,210
Other	(798)	(6,081)
Increase (decrease) in liabilities:		
Accounts payable/Fuel & Purchased Power payable	(34,930)	2,273
Consumer deposits	0	0
Other current and accrued liabilities	(26,751)	11,257
Deferred credits	0	0
Net cash provided by operating activities:	19,428,451	20,955,728
<u>Cash flows from investing activities:</u>		
Extension and replacement of plant	(16,350,802)	(11,441,897)
Investments in associated organizations	(132,897)	(167,103)
Net cash used for investing activities:	(16,483,699)	(11,609,000)
<u>Cash flows from financing activities:</u>		
Short-term obligations	0	0
Repayments of Long Term Debt	(6,313,396)	(2,927,333)
Loan to G&T / from Distribution	4,670,564	(4,670,563)
Retirement of patronage capital / Other	(1,301,920)	(3,704,124)
Net cash used for financing activities:	(2,944,751)	(11,302,020)
Net increase (decrease) in cash and cash equivalents	0	(1,955,291)
<u>Cash and cash equivalents at beginning of year</u>	\$0	\$5,735,871
<u>Cash and cash equivalents at end of period</u>	\$0	\$3,780,580

CHUGACH ELECTRIC ASSOCIATION, INC.
Statements of Cash Flows
(Unaudited)

2009

	G&T	Distribution
<u>Cash flows from operating activities:</u>		
Assignable margins	\$290,442	\$9,509,275
Adjustments to reconcile assignable margins to net cash provided (used) by operating activities:		
Depreciation & amortization	22,694,830	11,941,397
Capitalization of interest	(45,691)	(687,775)
Other	0	0
Changes in assets and liabilities:		
(Increase) decrease in assets:		
Accounts receivable	140,780	63,522
Prepayments	(11,942)	(9,254)
Materials and supplies	(575,279)	(75,210)
Deferred charges	103,781	(69,633)
Other	(818)	(6,233)
Increase (decrease) in liabilities:		
Accounts payable/Fuel & Purchased Power payable	(228,061)	25,487
Consumer deposits	0	0
Other current and accrued liabilities	(139,687)	107,952
Deferred credits	0	0
Net cash provided by operating activities:	22,228,354	20,799,529
<u>Cash flows from investing activities:</u>		
Extension and replacement of plant	(2,613,809)	(14,512,579)
Investments in associated organizations	(119,608)	(150,392)
Net cash used for investing activities:	(2,733,416)	(14,662,972)
<u>Cash flows from financing activities:</u>		
Short-term obligations	0	0
Repayments of Long Term Debt	(9,763,362)	0
Loan to G&T / from Distribution	(9,392,472)	9,392,471
Retirement of patronage capital / Other	(339,103)	(4,898,644)
Net cash used for financing activities:	(19,494,937)	4,493,827
Net increase (decrease) in cash and cash equivalents	0	10,630,384
<u>Cash and cash equivalents at beginning of year</u>	\$0	\$3,780,580
<u>Cash and cash equivalents at end of period</u>	\$0	\$14,410,965

CHUGACH ELECTRIC ASSOCIATION, INC.
Statements of Cash Flows
(Unaudited)

	2010	
	G&T	Distribution
<u>Cash flows from operating activities:</u>		
Assignable margins	\$851,806	\$8,748,467
Adjustments to reconcile assignable margins to net cash provided (used) by operating activities:		
Depreciation & amortization	22,316,483	12,238,678
Capitalization of interest	(144,796)	(385,941)
Other	0	0
Changes in assets and liabilities:		
(Increase) decrease in assets:		
Accounts receivable	71,038	32,053
Prepayments	(12,240)	(9,486)
Materials and supplies	(589,662)	(77,090)
Deferred charges	54,944	(54,944)
Other	(838)	(6,390)
Increase (decrease) in liabilities:		
Accounts payable/Fuel & Purchased Power payable	(88,593)	65,602
Consumer deposits	0	0
Other current and accrued liabilities	(110,042)	70,234
Deferred credits	0	0
Net cash provided by operating activities:	22,348,100	20,621,183
<u>Cash flows from investing activities:</u>		
Extension and replacement of plant	(6,625,888)	(8,524,534)
Investments in associated organizations	(106,318)	(133,682)
Net cash used for investing activities:	(6,732,206)	(8,658,216)
<u>Cash flows from financing activities:</u>		
Short-term obligations	0	0
Repayments of Long Term Debt	(9,706,394)	(90,751)
Loan to G&T / from Distribution	(4,535,736)	4,535,738
Retirement of patronage capital / Other	(1,373,764)	(3,255,615)
Net cash used for financing activities:	(15,615,894)	1,189,372
Net increase (decrease) in cash and cash equivalents	0	13,152,339
<u>Cash and cash equivalents at beginning of year</u>	\$0	\$14,410,965
<u>Cash and cash equivalents at end of period</u>	\$0	\$27,563,304

CHUGACH ELECTRIC ASSOCIATION, INC.
Anchorage, Alaska

BOARD MEETING
AGENDA ITEM SUMMARY

December 7, 2005

ACTION REQUIRED

AGENDA ITEM NO.

Information Only
 Motion
 Resolution
 Executive Session
 Other

TOPIC

Approval of the 2006-2010 Financial Management Plan (FMP)

DISCUSSION

The Finance Committee met November 30, 2005 and reviewed the 2006-2010 FMP.

The 2006-2010 FMP achieves the following financial ratios: Margins For Interest/Interest (MFI/I) of 1.52 – 1.43; Equity Ratio of 29.7% - 35.5%; and Capital Credit Rotations of \$3.9 – \$4.9.

CEO's RECOMMENDATION

Motion: Move that the Board of Directors adopt the 2006-2010 FMP as presented.