

# October 2009 Financial Update

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Chugach Electric Association, Inc.

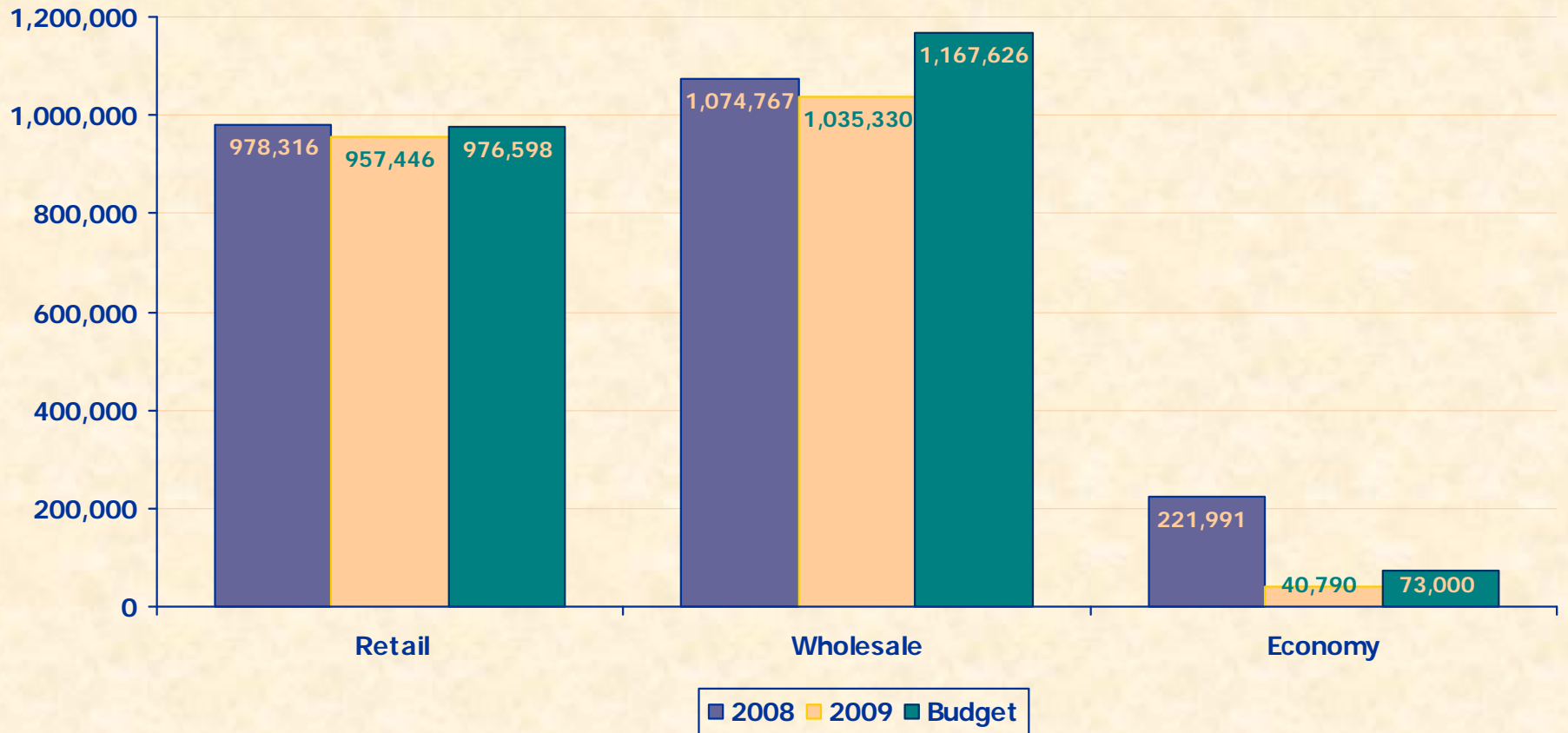
December 9, 2009

# October Financial Information

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- **YTD MWh Sales**
- **October Statement of Operations**
- **Year-End Forecast**
- **System Statement of Operations**
- **Balance Sheet**

# October YTD MWh Sales



# Comparative Statement of Operations

## October 2009

	<u>Budget</u>	<u>Actual</u>	<u>Variance</u>
<b>1. Operating Revenue &amp; Patronage Capital</b>	<b>\$ 25,679,495</b>	<b>\$ 22,144,883</b>	<b>\$ (3,534,612)</b>
2. Fuel Expense	13,166,390	9,319,546	(3,846,844)
3. Power Production Expense	1,332,136	1,172,377	(159,759)
4. Purchased Power Expense	1,931,397	2,678,373	746,976
5. Transmission Expense	562,035	450,948	(111,087)
6. Distribution Expense	1,121,206	979,391	(141,815)
7. Customer Expense	472,281	459,158	(13,123)
8. Administrative & General Expense	1,886,657	1,615,717	(270,940)
<b>9. TOTAL Ops &amp; Maint Expense (2 thru 8)</b>	<b>\$ 20,472,102</b>	<b>\$ 16,675,510</b>	<b>\$ (3,796,592)</b>
10. Depreciation & Amortization Expense	\$ 2,702,264	\$ 2,690,320	(11,944)
11. Tax Expense - Other	62,295	50,370	(11,925)
12. Interest on LT Debt	1,743,719	1,677,035	(66,684)
13. Interest Charged to Construction - Credit	(173,845)	(61,152)	112,693
14. Interest Expense - Other	222,450	64,293	(158,157)
15. Other Deductions	20,834	16,273	(4,561)
<b>16. TOTAL Cost of Electric Service (9 thru 15)</b>	<b>\$ 25,049,819</b>	<b>\$ 21,112,649</b>	<b>\$ (3,937,170)</b>
<b>17. Patronage Capital &amp; Operating Margins</b>	<b>\$ 629,676</b>	<b>\$ 1,032,234</b>	<b>\$ 402,558</b>
18. Non-Operating Margins - Interest	25,902	26,044	142
19. Allowance for Funds Used During Construction	14,543	15,636	1,093
20. Non-Operating Margins - Other	0	0	0
<b>21. Patronage Capital or Margins</b>	<b>\$ 670,121</b>	<b>\$ 1,073,914</b>	<b>\$ 403,793</b>
<b>Achieved TIER</b>	<b>1.38</b>	<b>1.64</b>	<b>0.26</b>
<b>Operating Revenue per kWh</b>	<b>\$ 0.1245</b>	<b>\$ 0.1105</b>	<b>\$ (0.0140)</b>
<b>Operating Cost per kWh</b>	<b>\$ 0.1214</b>	<b>\$ 0.1054</b>	<b>\$ (0.0160)</b>

# Year-End Forecast

	YTD Actuals	YTD Budget	Revised Forecast	
<b>1. Operating Revenue &amp; Patronage Capital</b>	<b>\$ 238,366,498</b>	<b>\$ 268,164,555</b>	<b>\$ 293,281,615</b>	1,2,3
2. Fuel Expense	110,534,325	136,607,481	136,837,257	1,2
3. Power Production Expense	13,911,479	14,247,480	16,570,478	3
4. Purchased Power Expense	32,444,906	32,437,460	39,044,263	1,3
5. Transmission Expense	4,815,574	5,353,035	5,828,126	3
6. Distribution Expense	10,524,340	10,458,625	12,053,168	3
7. Customer Expense	4,322,282	4,667,016	5,307,517	3
8. Administrative & General Expense	15,298,981	17,196,696	18,870,343	3
<b>9. TOTAL Ops &amp; Maint Expense (2 thru 8)</b>	<b>\$ 191,851,887</b>	<b>\$ 220,967,793</b>	<b>\$ 234,511,152</b>	
10. Depreciation & Amortization Expense	\$ 26,745,740	\$ 26,907,639	\$ 32,255,300	3
11. Tax Expense - Other	660,795	665,927	796,369	1
12. Interest on LT Debt	16,812,859	17,504,447	20,166,929	1,3
13. Interest Charged to Construction - Credit	(458,299)	(1,021,924)	(603,682)	3
14. Interest Expense - Other	918,544	1,475,844	1,047,133	1,3
15. Other Deductions	309,619	208,332	351,287	1
<b>16. TOTAL Cost of Electric Service (9 thru 15)</b>	<b>\$ 236,841,145</b>	<b>\$ 266,708,058</b>	<b>\$ 288,524,488</b>	
<b>17. Patronage Capital &amp; Operating Margins</b>	<b>\$ 1,525,353</b>	<b>\$ 1,456,497</b>	<b>\$ 4,757,127</b>	
18. Non-Operating Margins - Interest	200,240	262,023	252,731	1
19. Allowance for Funds Used During Construction	112,867	85,493	144,944	1,3
20. Non-Operating Margins - Other	42,650	0	542,650	1
<b>21. Patronage Capital or Margins</b>	<b>\$ 1,881,110</b>	<b>\$ 1,804,013</b>	<b>\$ 5,697,452</b>	
<b>TIER</b>	<b>1.11</b>	<b>1.10</b>	<b>1.28</b>	

<sup>1</sup> Forecast based on 10 months actual and 2 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

## October YTD 2009

	Total	Generation	Transmission	Distribution
<b>1. Operating Revenue &amp; Patronage Capital</b>	<b>\$ 238,366,498</b>	<b>\$ 179,493,455</b>	<b>\$ 18,465,721</b>	<b>\$ 40,407,322</b>
2. Fuel Expense	110,534,325	110,534,325	0	0
3. Power Production Expense	13,911,479	13,910,861	618	0
4. Purchased Power Expense	32,444,906	32,444,906	0	0
5. Transmission Expense	4,815,574	0	4,815,574	0
6. Distribution Expense	10,524,340	0	0	10,524,340
7. Customer Expense	4,322,282	0	0	4,322,282
8. Administrative & General Expense	15,298,981	5,742,317	2,112,444	7,444,220
<b>9. TOTAL Ops &amp; Maint Expense (2 thru 8)</b>	<b>\$ 191,851,887</b>	<b>\$ 162,632,409</b>	<b>\$ 6,928,636</b>	<b>\$ 22,290,842</b>
10. Depreciation & Amortization Expense	\$ 26,745,740	\$ 12,826,175	\$ 4,867,632	\$ 9,051,933
11. Tax Expense - Other	660,795	71,017	27,127	562,651
12. Interest on LT Debt	16,812,859	6,052,629	5,457,454	5,302,776
13. Interest Charged to Construction - Credit	(458,299)	(228,928)	(77,389)	(151,982)
14. Interest Expense - Other	918,544	444,657	155,205	318,682
15. Other Deductions	309,619	0	173,631	135,988
<b>16. TOTAL Cost of Electric Service (9 thru 15)</b>	<b>\$ 236,841,145</b>	<b>\$ 181,797,959</b>	<b>\$ 17,532,296</b>	<b>\$ 37,510,890</b>
<b>17. Patronage Capital &amp; Operating Margins</b>	<b>\$ 1,525,353</b>	<b>\$ (2,304,504)</b>	<b>\$ 933,425</b>	<b>\$ 2,896,432</b>
18. Non-Operating Margins - Interest	200,240	0	0	200,240
19. Allowance for Funds Used During Construction	112,867	55,529	19,602	37,736
20. Non-Operating Margins - Other	42,650	1,366	41,246	38
<b>21. Patronage Capital or Margins</b>	<b>\$ 1,881,110</b>	<b>\$ (2,247,609)</b>	<b>\$ 994,273</b>	<b>\$ 3,134,446</b>
<b>Achieved TIER</b>	<b>1.11</b>	<b>0.63</b>	<b>1.18</b>	<b>1.59</b>
<b>Operating Revenue per kWh</b>	<b>\$ 0.1197</b>	<b>\$ 0.0901</b>	<b>\$ 0.0093</b>	<b>\$ 0.0422</b>
<b>Operating Cost per kWh</b>	<b>\$ 0.1189</b>	<b>\$ 0.0913</b>	<b>\$ 0.0088</b>	<b>\$ 0.0392</b>

# Comparative Balance Sheet

## October 2008 & 2009

	<u>Oct 2008</u>	<u>Oct 2009</u>	<u>Change</u>
1. Total Utility Plant In Service	\$ 816,927,218	\$ 833,476,172	\$ 16,548,954
2. Construction Work In Progress	18,043,029	42,167,220	24,124,191
<b>3. Total Utility Plant (1 plus 2)</b>	<b>\$ 834,970,247</b>	<b>\$ 875,643,392</b>	<b>\$ 40,673,145</b>
4. Accum. Provision for Depreciation and Amort.	(387,187,323)	(416,604,908)	(29,417,585)
<b>5. Net Utility Plant (3 minus 4)</b>	<b>\$ 447,782,924</b>	<b>\$ 459,038,484</b>	<b>\$ 11,255,560</b>
6. Nonutility Property - Net	24,461	24,461	0
7. Investment in Associated Organizations	11,993,143	12,182,215	189,072
8. Special Funds	288,188	319,717	31,529
<b>9. Total Other Property &amp; Investments (6 thru 8)</b>	<b>\$ 12,305,792</b>	<b>\$ 12,526,393</b>	<b>\$ 220,601</b>
10. Cash & Temporary Investments	1,534,070	1,839,354	305,284
11. Special Deposits	140,191	125,037	(15,154)
12. Accounts Receivable - Net	29,084,297	33,873,285	4,788,988
13. Materials and Supplies	28,790,322	30,130,380	1,340,058
14. Prepayments	1,389,459	1,537,022	147,563
15. Other Current & Accrued Assets	10,465,840	183,721	(10,282,119)
<b>16. Total Current &amp; Accrued Assets (10 thru 15)</b>	<b>\$ 71,404,179</b>	<b>\$ 67,688,799</b>	<b>\$ (3,715,380)</b>
17. Deferred Debits	25,956,103	22,656,672	(3,299,431)
<b>18. Total Assets &amp; Other Debits (5 + 9 + 16 + 17)</b>	<b>\$ 557,448,998</b>	<b>\$ 561,910,348</b>	<b>\$ 4,461,350</b>

# Comparative Balance Sheet

## October 2008 & 2009

	<u>Oct 2008</u>	<u>Oct 2009</u>	<u>Change</u>
19. Memberships	\$ 1,383,983	\$ 1,425,273	\$ 41,290
20. Patronage Capital & Margins & Equities	150,430,781	154,092,814	3,662,033
<b>21. Total Margins &amp; Equities (19 plus 20)</b>	<b>\$ 151,814,764</b>	<b>\$ 155,518,087</b>	<b>\$ 3,703,323</b>
22. Long-Term Debt - Bonds (Net)	270,000,000	270,000,000	0
23. Long-Term Debt - Other (Net)	41,915,313	37,477,845	(4,437,468)
<b>24. Total Long-Term Debt (22 plus 23)</b>	<b>\$ 311,915,313</b>	<b>\$ 307,477,845</b>	<b>\$ (4,437,468)</b>
25. Notes Payable	45,604,515	54,437,468	8,832,953
26. Accounts Payable	6,439,387	8,355,010	1,915,623
27. Consumer Deposits	2,378,090	2,443,869	65,779
28. Other Current & Accrued Liabilities	36,969,045	31,724,110	(5,244,935)
<b>29. Total Current &amp; Accrued Liabilities (25 thru 28)</b>	<b>\$ 91,391,037</b>	<b>\$ 96,960,457</b>	<b>\$ 5,569,420</b>
30. Deferred Credits	2,039,696	1,634,242	(405,454)
31. Misc Operating Reserves	288,188	319,717	31,529
<b>32. Total Liab &amp; Other Credits (21 + 24 + 29 + 30 + 31)</b>	<b>\$ 557,448,998</b>	<b>\$ 561,910,348</b>	<b>\$ 4,461,350</b>
<b>Equity Ratio</b>	<b>32.74%</b>	<b>33.59%</b>	

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**Questions?**