



Chelan County PUD Networks Board Update



May 24, 2010

www.chelanpud.org/fiber



Agenda

- ▼ **Operations update**
- ▼ **Financial update**
- ▼ **Medium-term outlook**
- ▼ **Next steps**

No action required today

Operations Update

▼ Current plan

95% of County by 2014

(2007 plan of 95% by 2012 with emphasis on rural and remote areas was slowed in 2009 and 2010 by budget constraints)

▼ Stimulus funding application

Operations Update

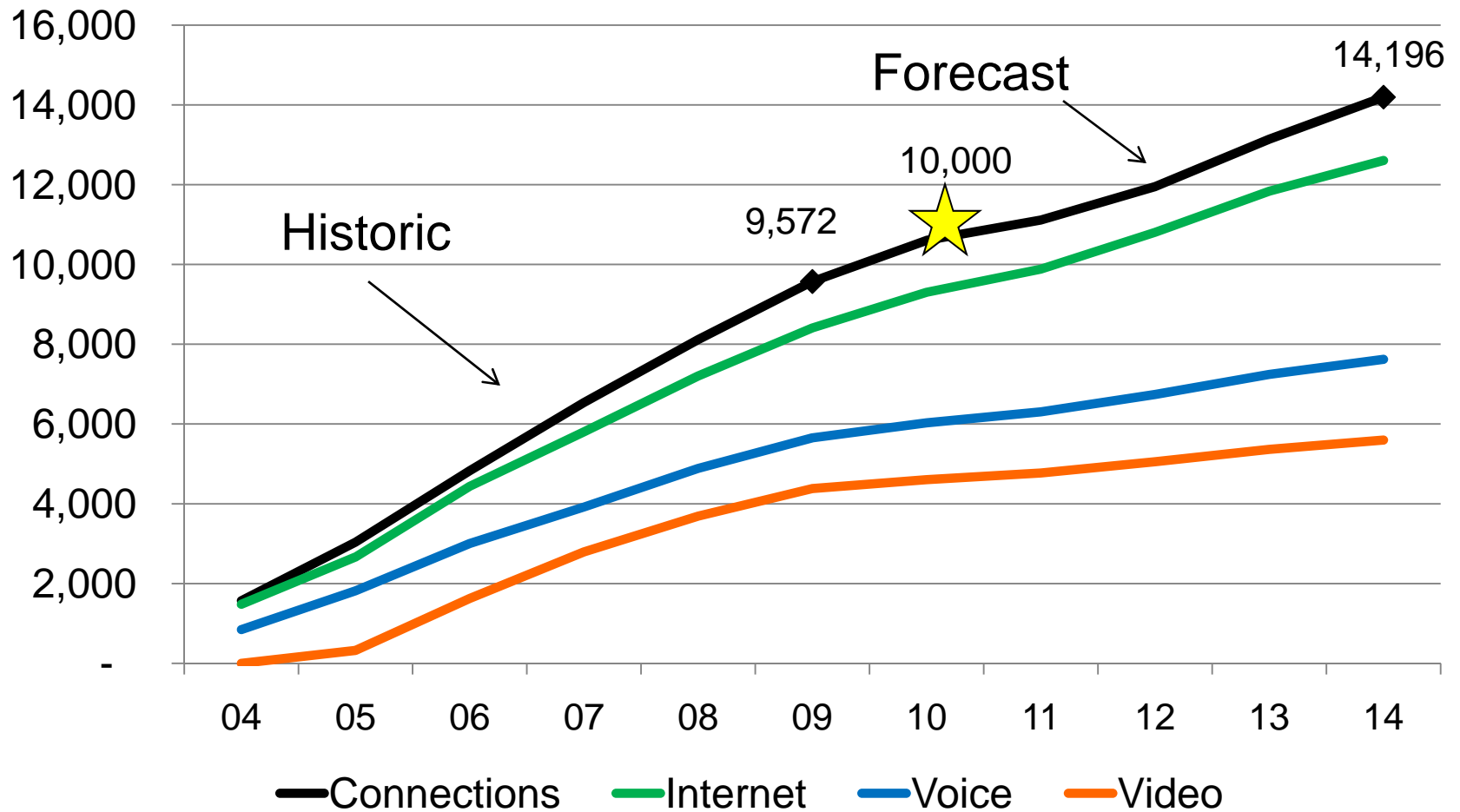
■ 2009 Year End Statistics

- Premises Passed – 30,258 (80% of the county, +2,219 during 2009)
- Connections – 9,572 (32% take rate, +1,455 during 2009)
 - Internet – 8,407 (28%)
 - Telephone – 5,653 (19%)
 - Television – 4,382 (14%)

■ 2010 Goals

- Premises Passed – 30,558 (300 new users passed)
- Connections – 10,592 (1,020 new end users)
 - ★ ***Reached 10,000 active connections during May***
- Internet – 9,307 (900 new internet users)
- Telephone – 6,073 (420 new telephone users)
- Television – 4,682 (300 new television users)

Customer Connection History & Forecast



Financial Update

Networks (in \$000s)	2009 Actuals	2009 Contingency Budget	Budget to Actual Over/(Under)	
			\$	%
Operating Revenue	6,039	5,600	439	8%
Operating Expenses	(3,626)	(3,972)	(346)	(9%)
Depreciation Expense	(4,764)	(4,561)	203	4%
Operating Loss	(2,351)	(2,933)	(582)	(20%)
Interest and other (Exp)/Inc	(4,733)	(4,677)	56	1%
Change in Net Assets before CIAC	(7,084)	(7,610)	(526)	(7%)
Capital Contributions	10	-	10	-%
Change in Net Assets	(7,074)	(7,610)	(536)	(7)%
Capital Expenditures	5,987	5,987	0	100%

Financial Update

Networks (in \$000s)	Balance Dec. 31, 2009
Current assets	7,186
Utility plant, original cost	81,499
Accumulated depreciation	(19,852)
Utility plant, net	61,647
Other assets	1,355
Total assets	70,188
Current liabilities	2,117
Long-term debt	91,094
Accumulated net assets*	(23,023)
Total liabilities and net assets	70,188

*(includes \$18 million transfer from Puget capacity reservation charge in 2007)

Financial Update

Invested in Networks to December 31, 2009:

- ▼ **Utility plant (original cost) \$ 81,499,000**

- ▼ **Total cash expended \$105,498,000**
 - Loans + capacity reservation funds – cash balance
 - Spent on plant, inventory, O&M, debt expense, etc.

Medium-Term Outlook

Networks (in \$000s)	2010 Forecast	2011 Forecast	2012 Forecast	2013 Forecast	2014 Forecast
Operating Revenue	6,400	6,784	7,333	7,954	8,477
Operating Expenses	(3,968)	(4,158)	(4,443)	(4,731)	(5,041)
Depreciation Expense	(5,129)	(5,386)	(5,648)	(5,953)	(4,500)
Operating Loss	(2,696)	(2,761)	(2,757)	(2,729)	(1,064)
Interest and other (Exp)/Inc	(4,829)	(6,506)	(7,565)	(8,878)	(10,106)
Change in Net Assets	(7,524)	(9,267)	(10,322)	(11,607)	(11,170)
Capital Expenditures	4,800	5,230	10,725	10,740	10,549

Next Steps

- ▼ **Results of stimulus funds application**
- ▼ **Completion of consultant study**
- ▼ **Develop action plan**

Questions or Comments?

See <http://www.chelanpud.org/fiber> for more information