



**National Rural Utilities
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SERVICE | INTEGRITY | EXCELLENCE

Alaska Power Association

Annual Meeting

Sheldon C. Petersen, CFC

CFC: Created and Owned by America's Electric Cooperative Network



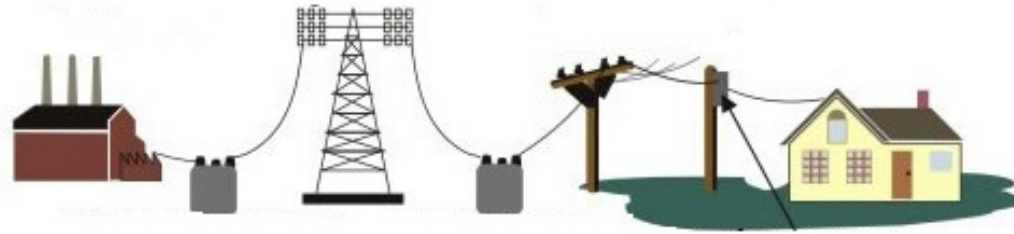
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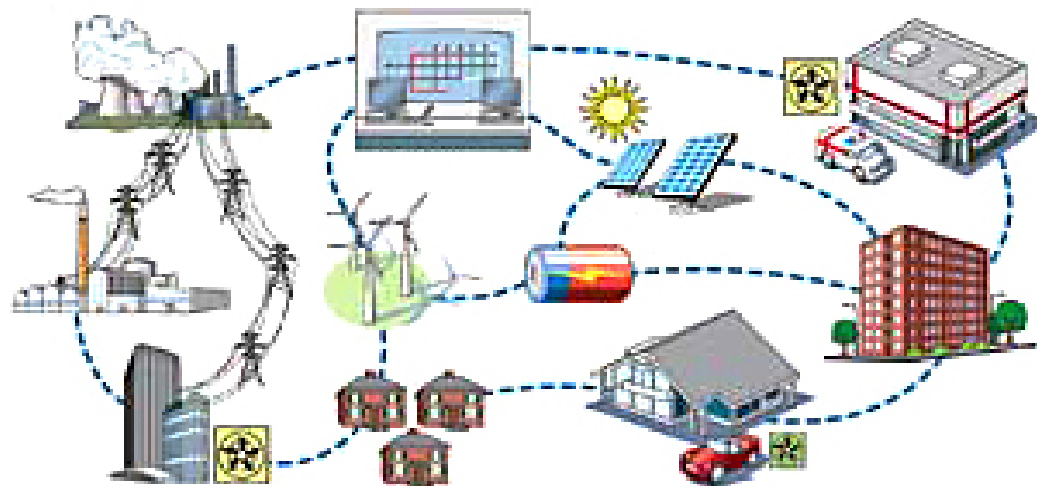
Turning Disruptive Technologies into Dynamic Opportunities

CFC: Created and Owned by America's Electric Cooperative Network

Traditional



Evolutionary



CFC Bond Issuance: January 2015

In January, CFC issued \$500 million in 10-year CTBs

- Marked the lowest interest rate on a 10-year ever issued by CFC
- At the time of issuance, it was the lowest in the marketplace for all of 2014 and 2015 YTD.

Rank	Issuer	Date
1	CFC	Jan. 2015
2	The Boeing Company	Oct. 2014
3	Canadian National Railway	Nov. 2014
4	Public Service Electric & Gas Company	Nov. 2014
5	Commonwealth Edison Company	Nov. 2014

Source: Mitsubishi UFJ Financial Group analysis



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KRTA: Alaska Snapshot

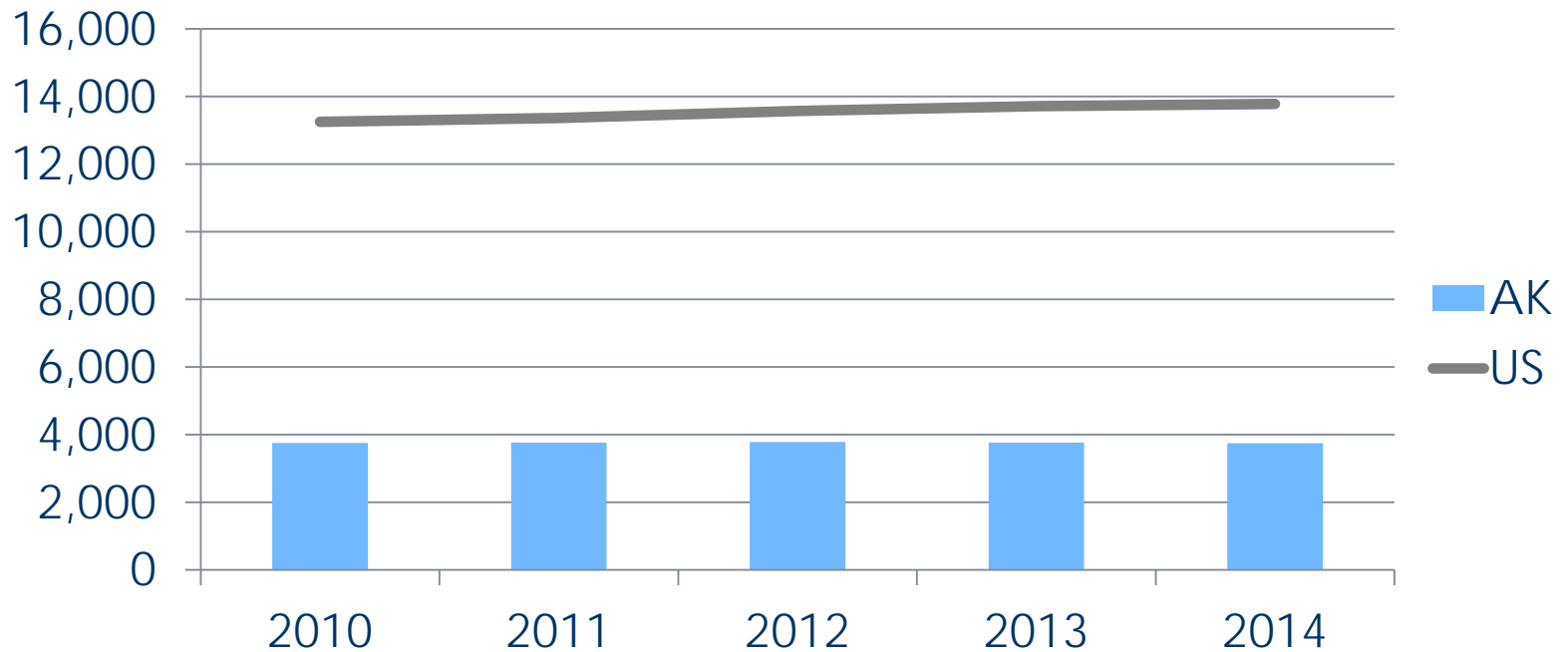


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Alaska Systems Are Small



KRTA #1, Average Total Consumers Served

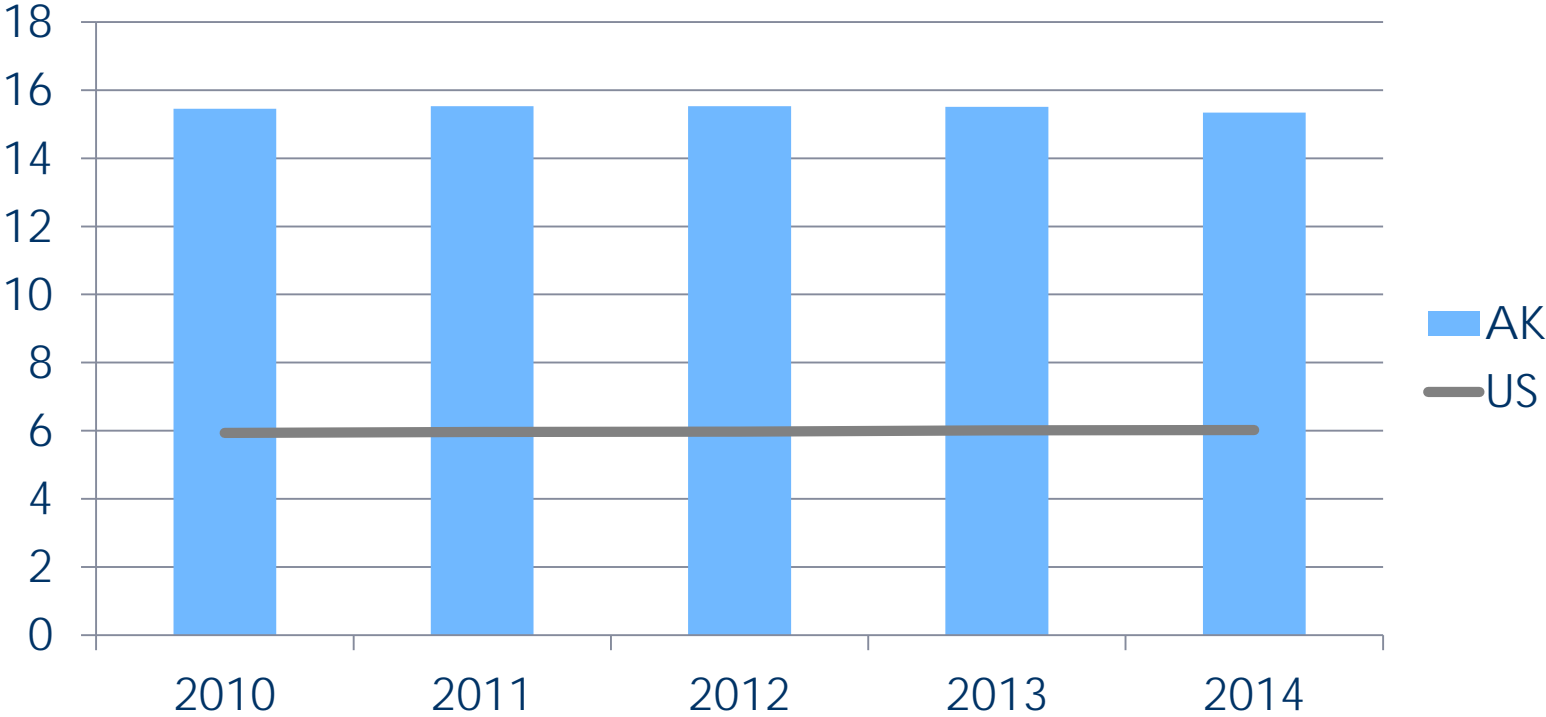


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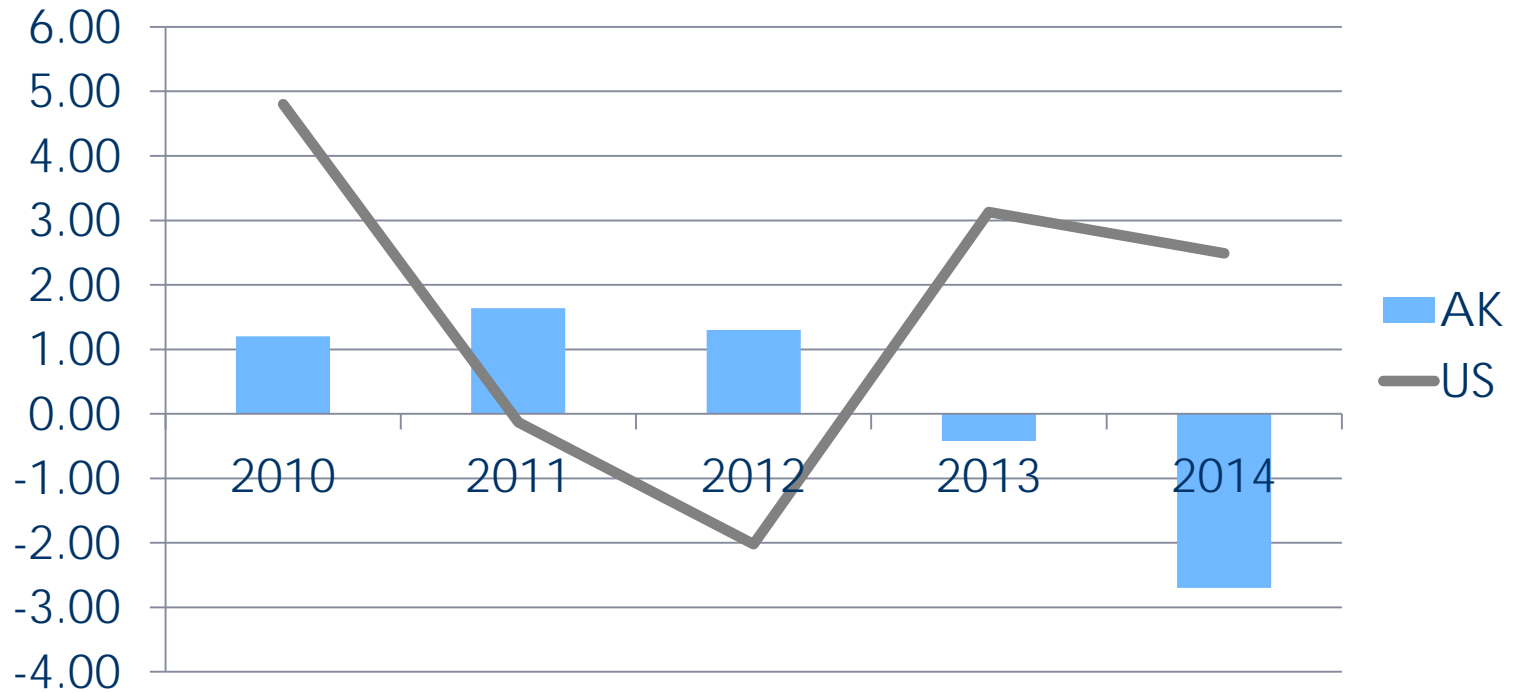
BUT, with High Consumer Density



KRTA #125, Average Consumers per Mile



AK Growth in kWh Sales



KRTA #114, Annual Growth in kWh Sold



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Alaska Dispatch News

First Year Ever With no Below-Zero Temps in Anchorage

Weather Service: 2014 was Alaska's Warmest Year on Record

Anchorage's last winter unofficially least snowy on record

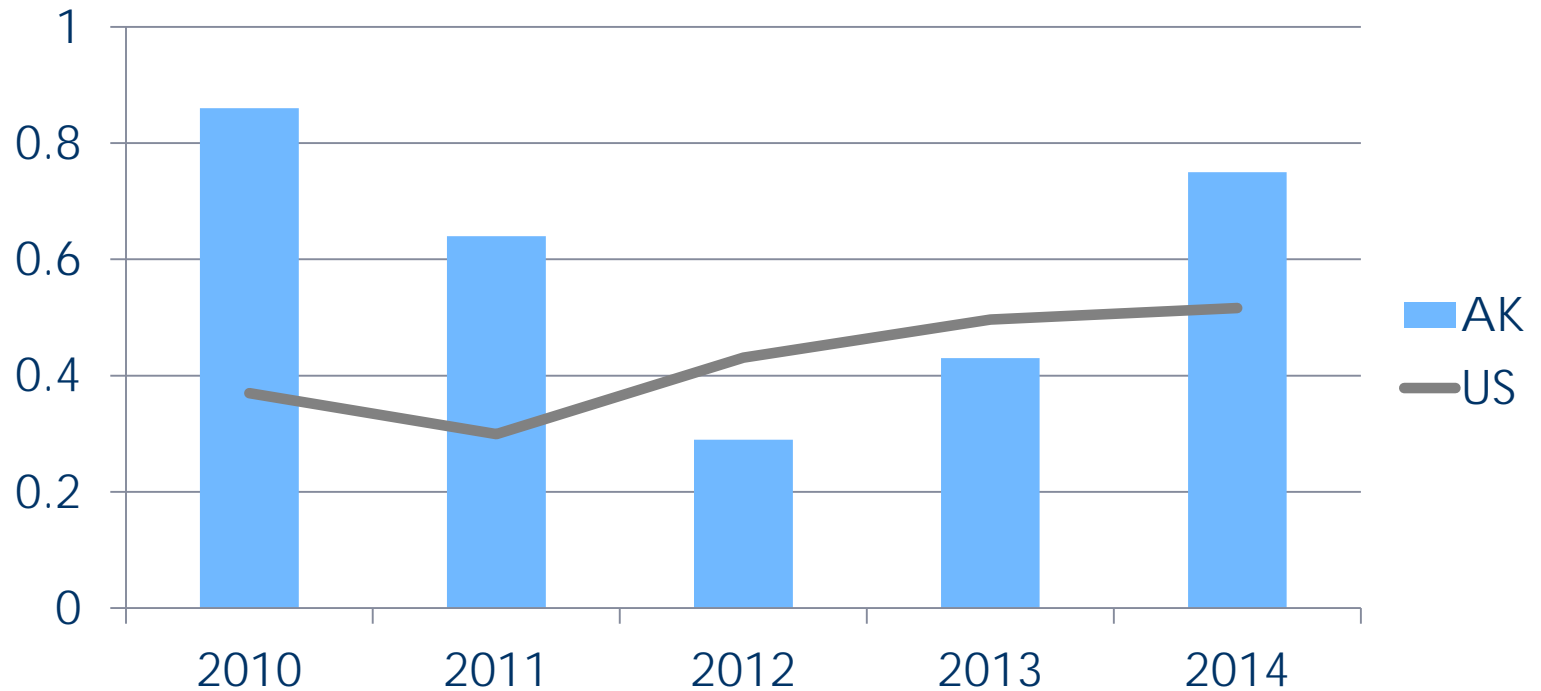


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Consumer Growth outpaces the Nation



KRTA #115, Annual Growth in Number of Consumers

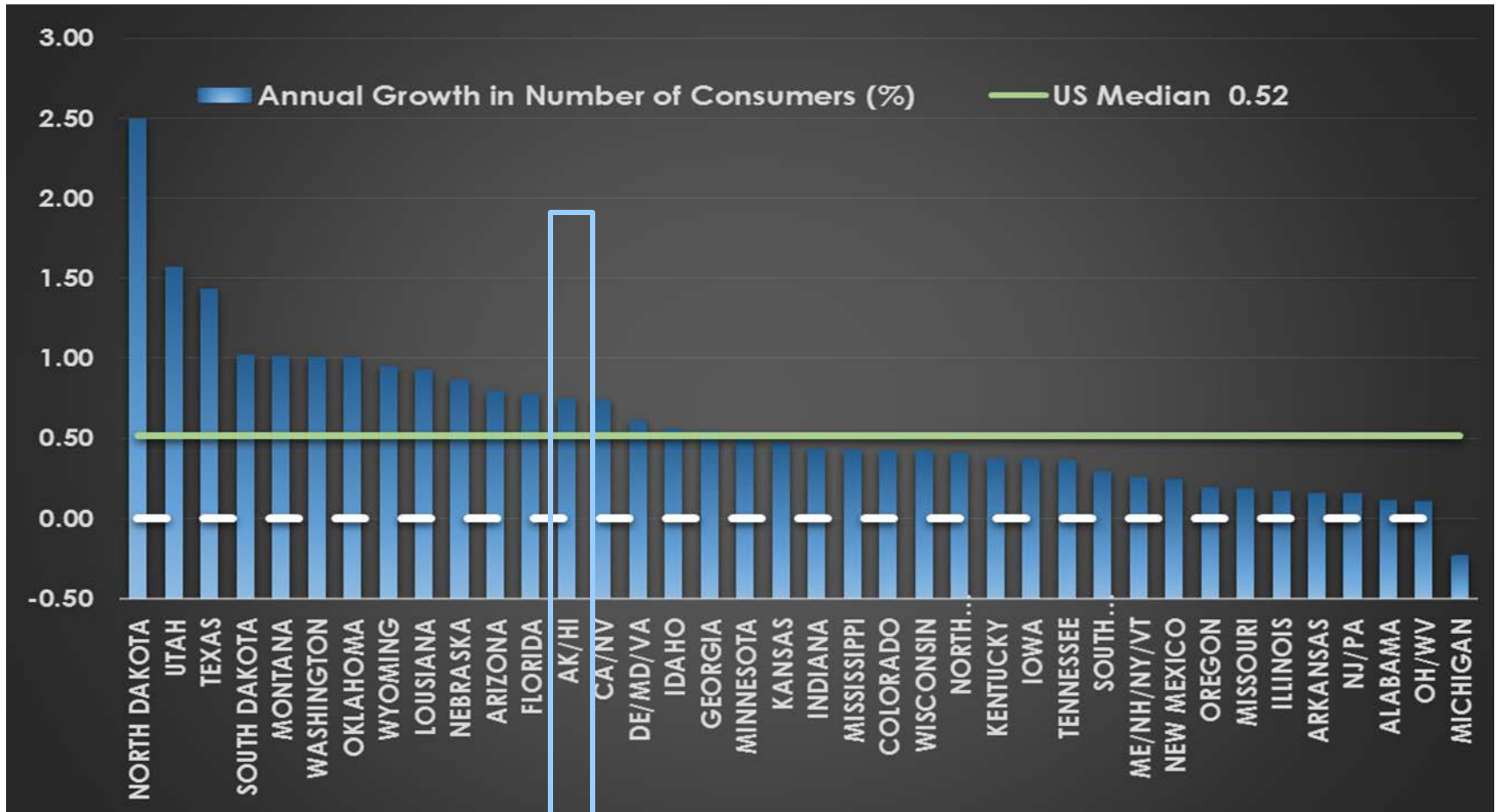


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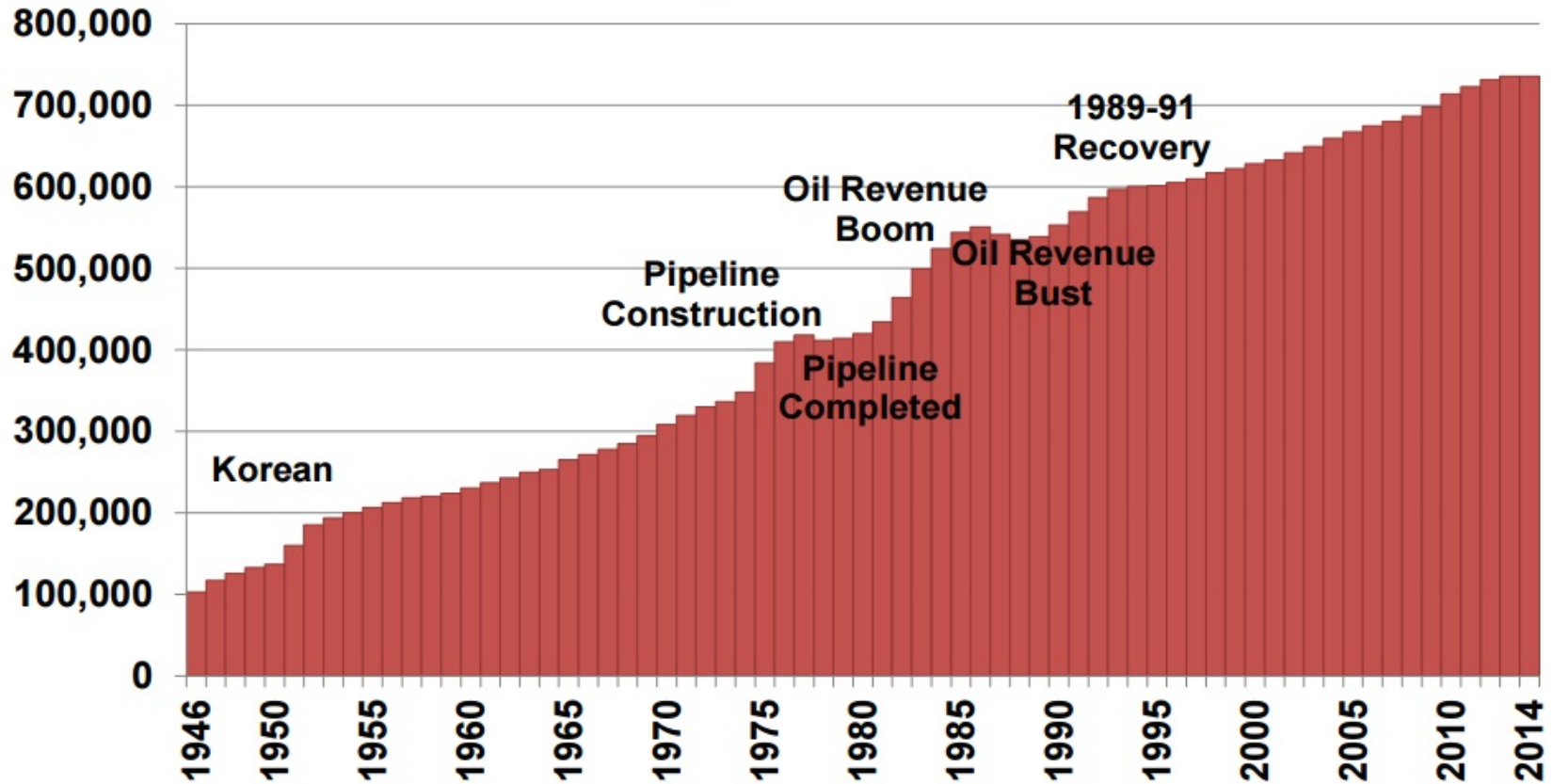
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2014 Annual Growth in Consumers by State



Consumer Growth outpaces the Nation



Source: Alaska Department of Labor and Workforce Development, Research and Analysis Section

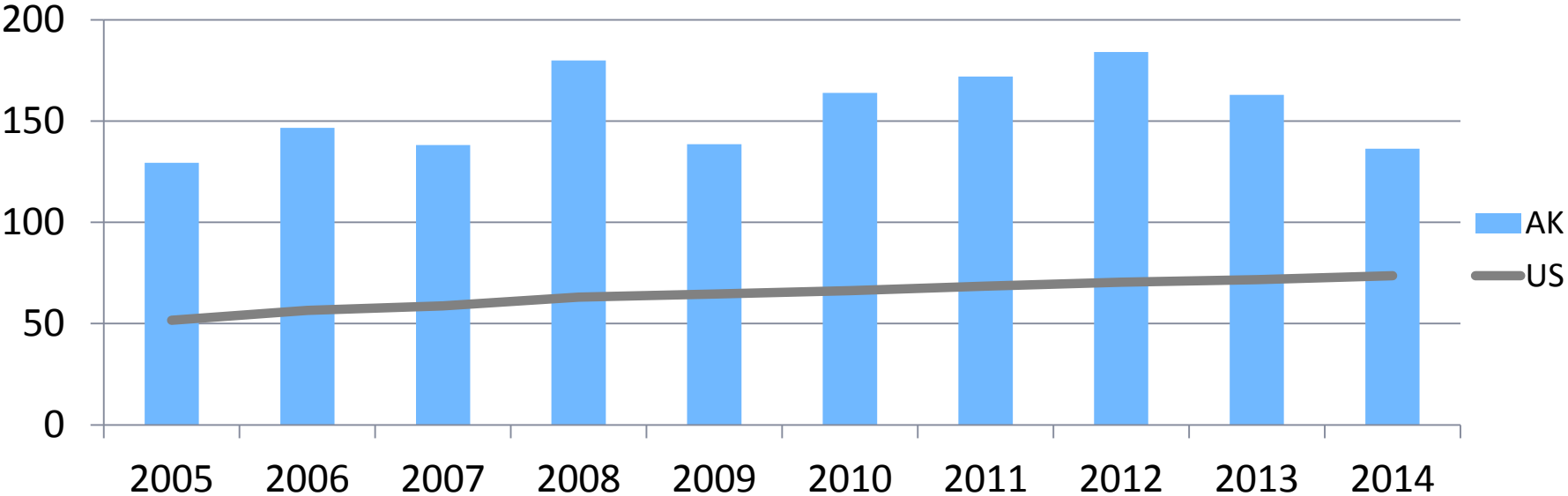


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Power Costs



KRTA #89, Power Cost Per Total kWh Sold (Mills)

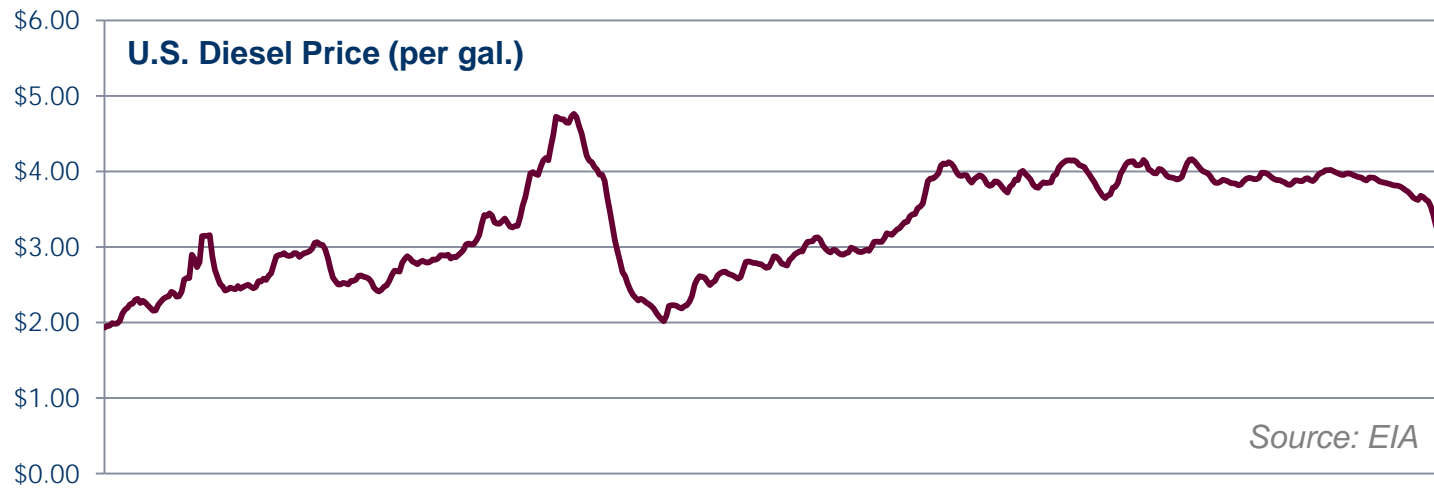
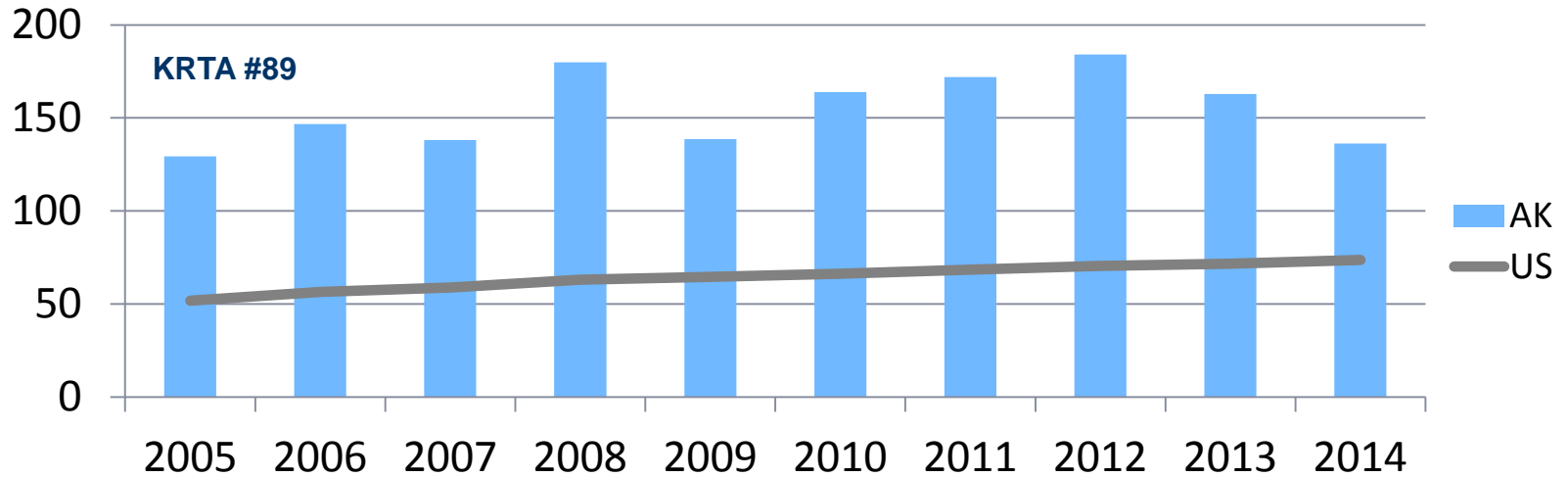


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Power Costs

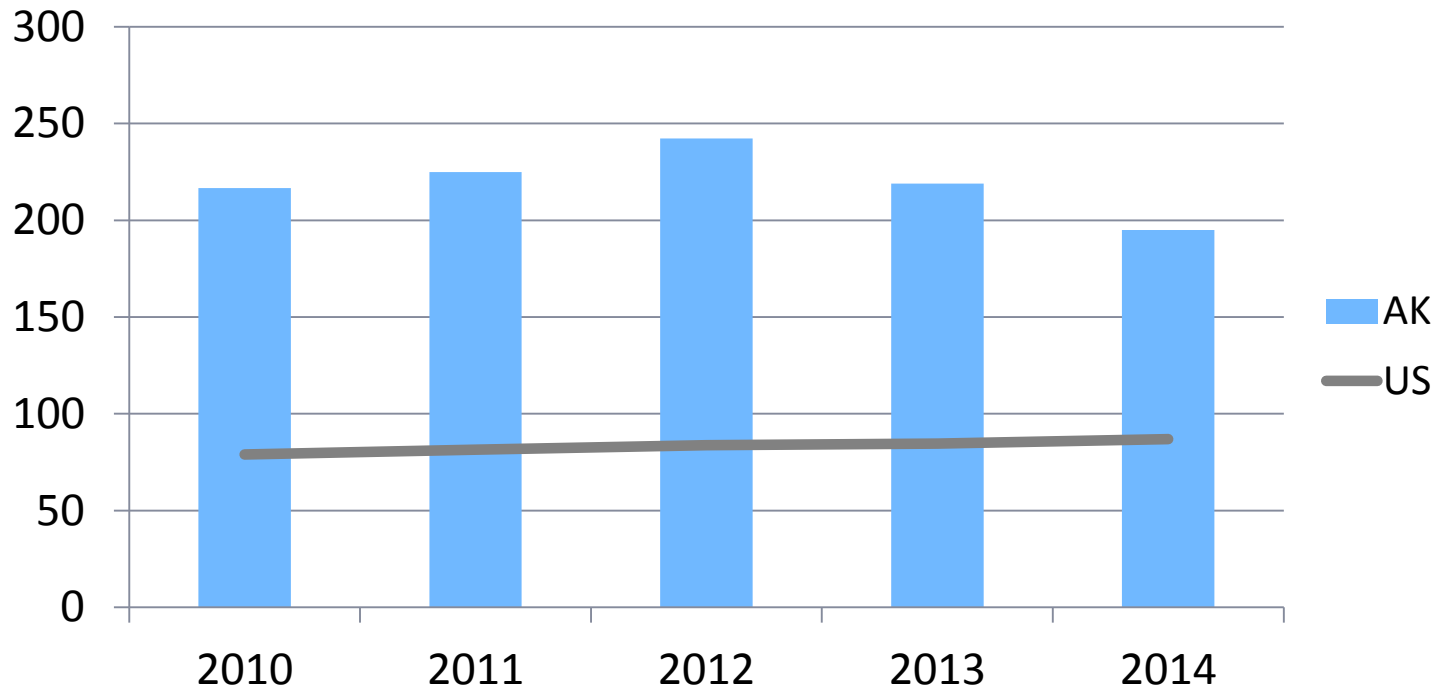


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Decline in Fixed Expenses



KRTA #101, Total Fixed Expenses per Total kWh Sold (Mills)

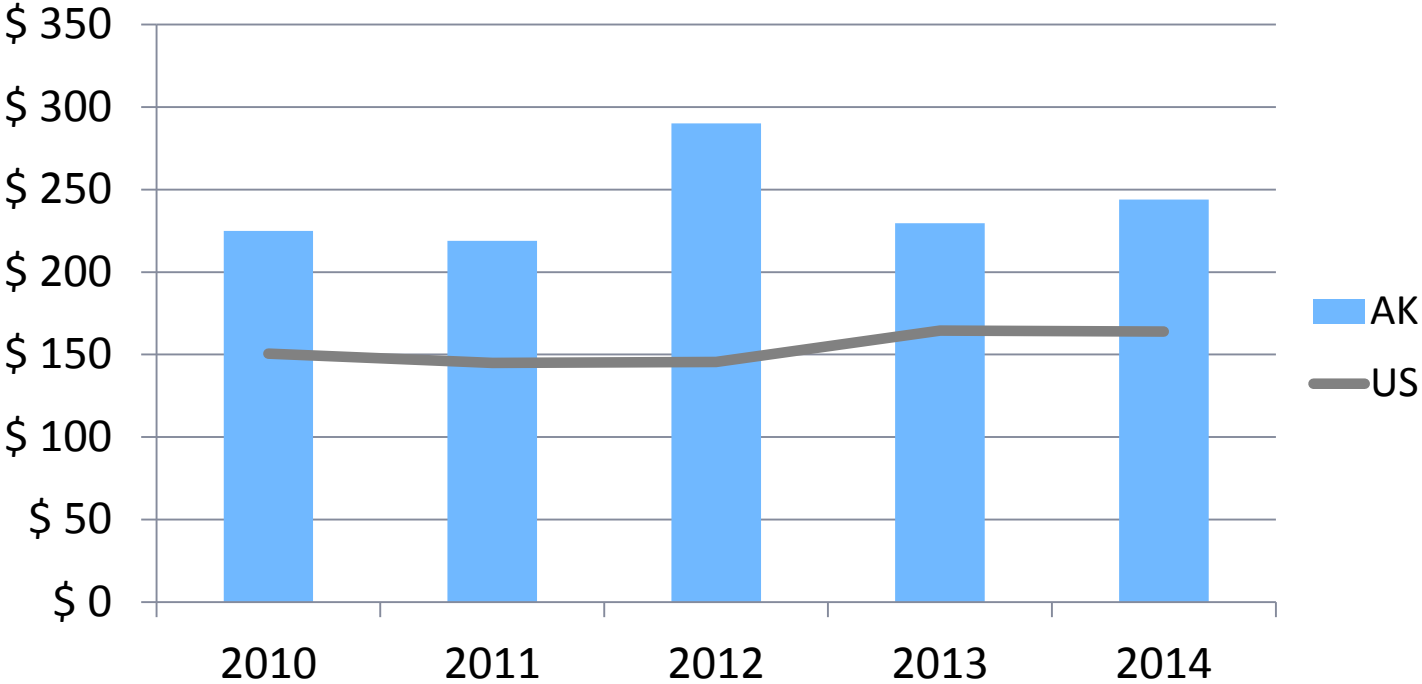


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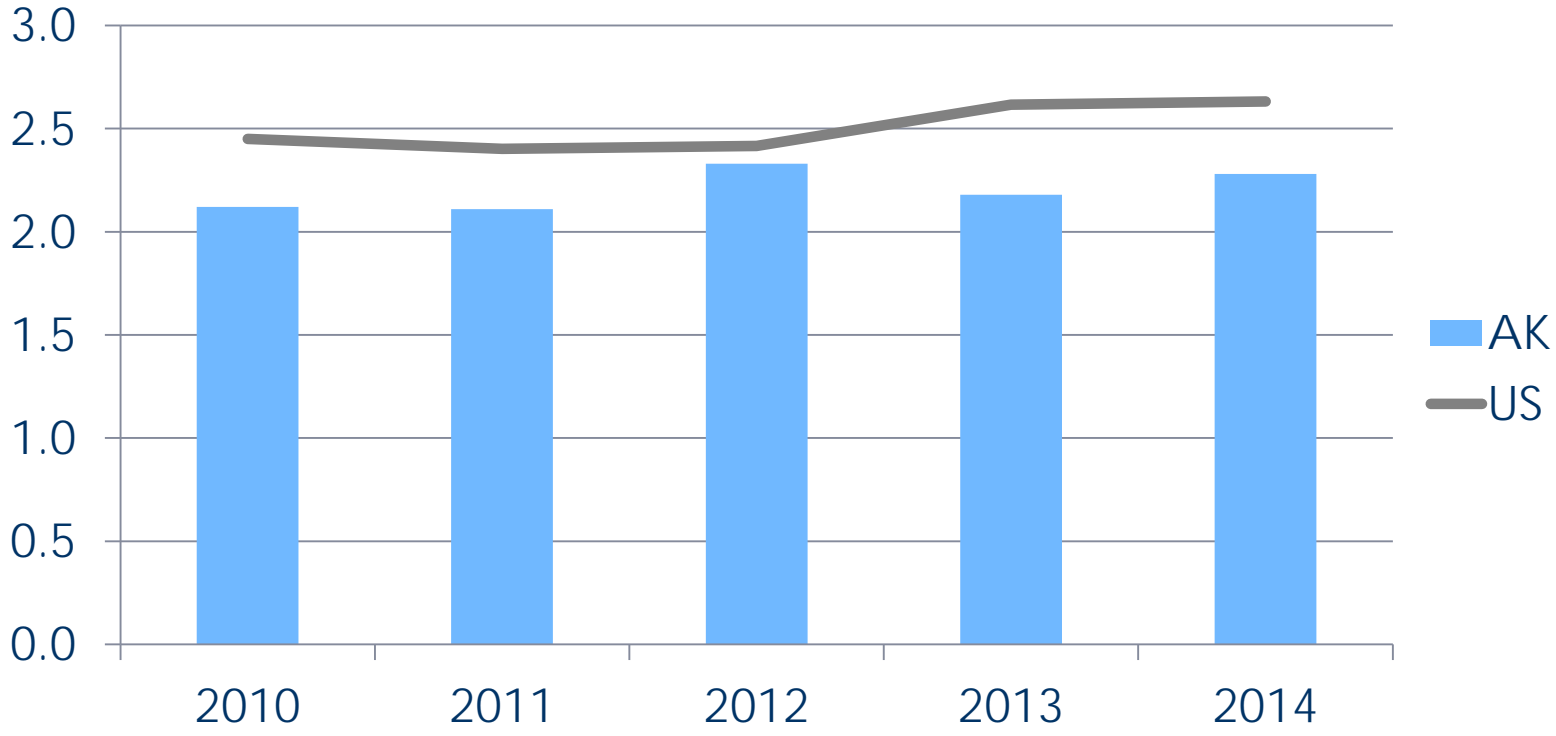
Healthy Margins



KRTA #57, Total Margins per Consumer



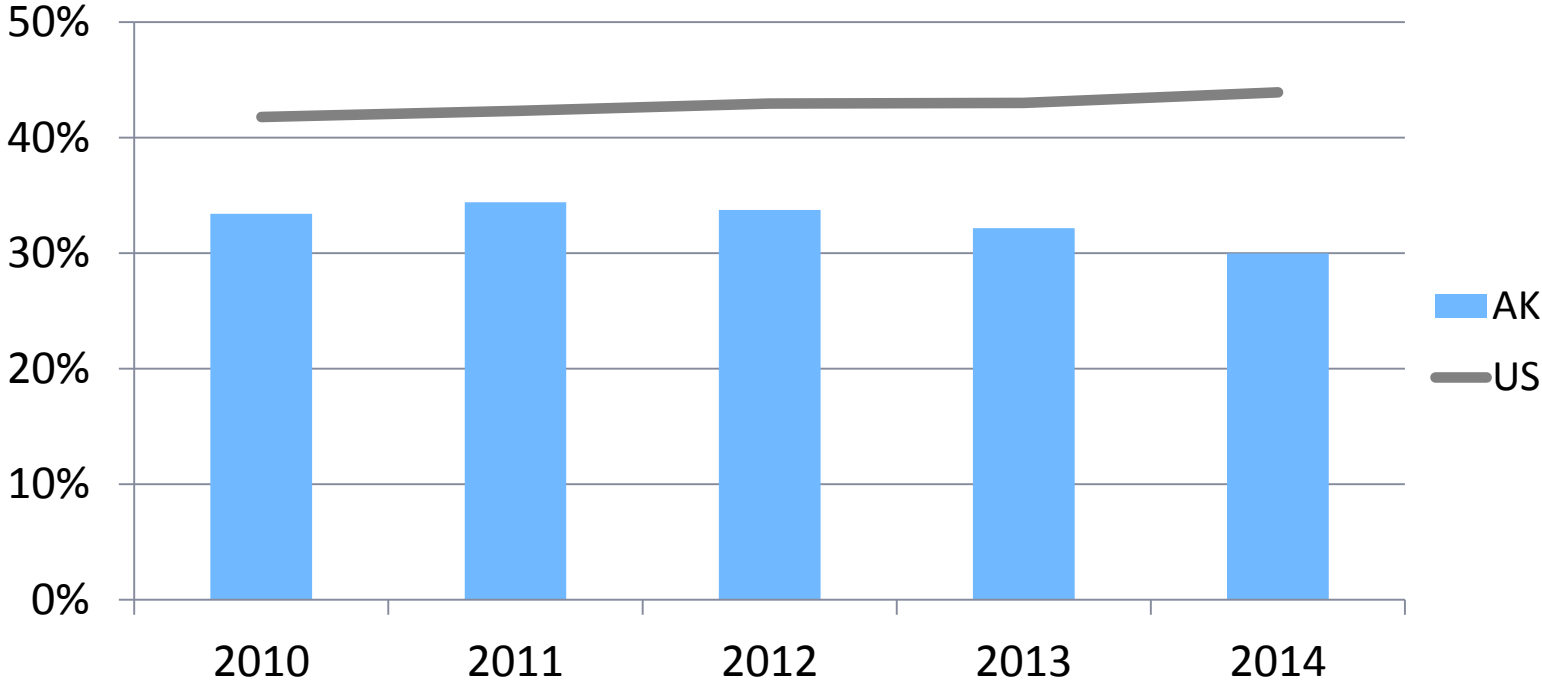
Strong Coverage Ratios



KRTA #6, Times Interest Earned Ratio (TIER)



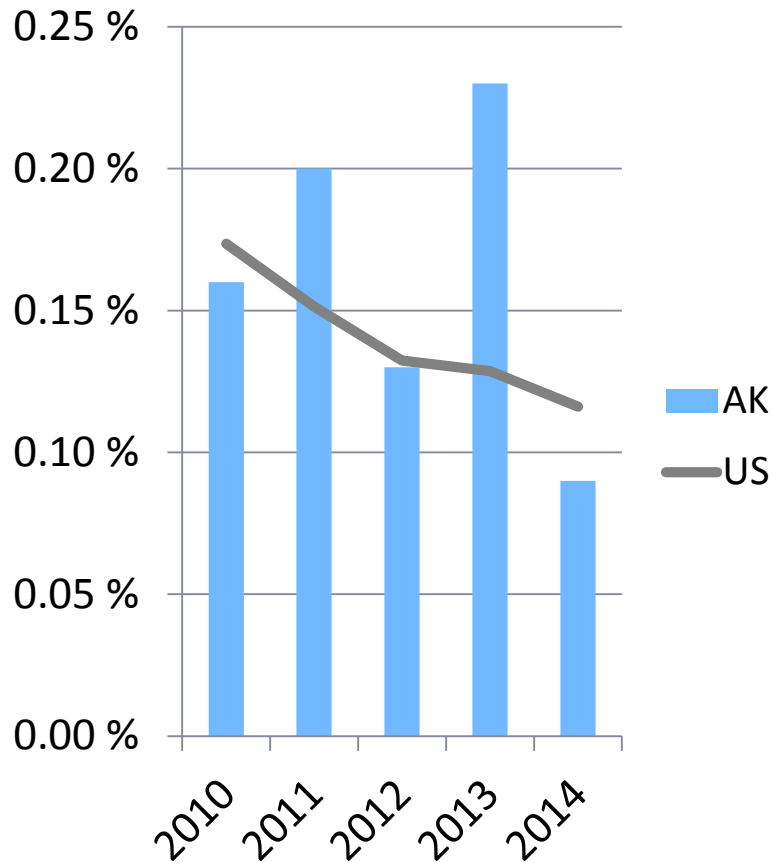
Healthy Equity Levels



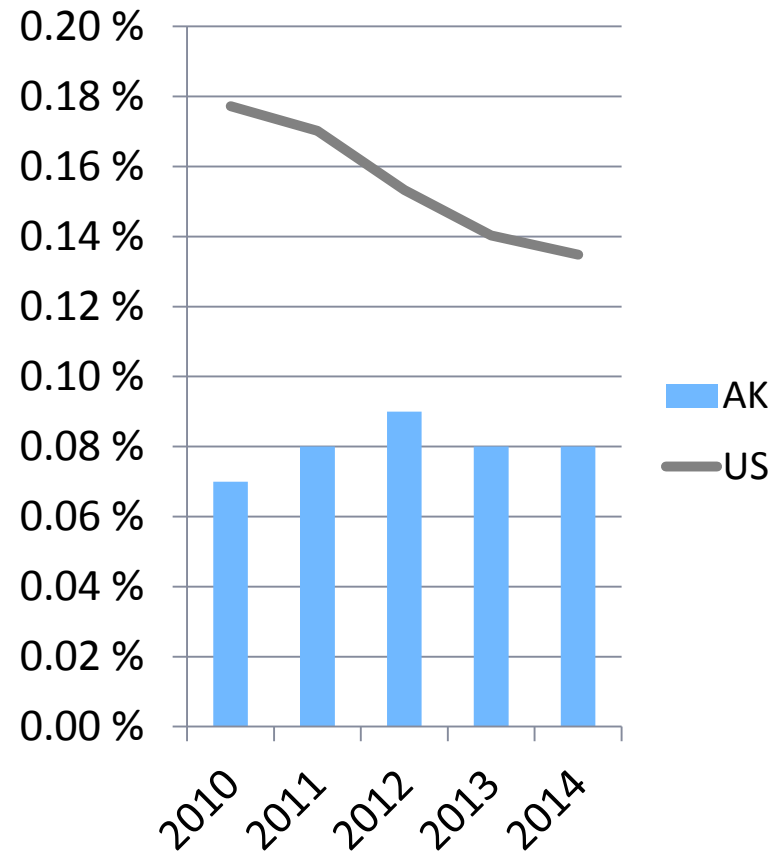
KRTA #16, Equity as a Percent of Assets



Delinquencies and Write-offs Well Managed



KRTA #58, A/R Over 60 Days



KRTA #59, Amount Written Off





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