

**ELECTRIC DISTRIBUTION
UTILITY FUND BUDGET**

**City of Anchorage
1954**

ELECTRIC DISTRIBUTION UTILITY FUND
1954 BUDGET

OPERATING REVENUES

Code	Estimated 1953	Estimated 1954
E 600 Power & Light Sales.	\$2,136,263	\$2,136,300
E 607 Sales to Other Funds.	56,000	60,000
E 612 Customers Forfeits & Penalties.	8,000	5,288
E 614 Servicing Customers' Installations.	1,400	820
E 615 Miscellaneous Revenues.	4,600	3,700
Total Sales and Fees.	\$2,206,263	\$2,206,108
Depreciation Reserve.	46,200	89,908
TOTAL RESOURCES.	\$2,252,463	\$2,296,016

EXPLANATION OF ELECTRIC DISTRIBUTION REVENUE ESTIMATES

On November 1, 1953 the Electrical accounts consisted of the following:

Domestic Electricity Accounts.	6,121
Water Heater Service Accounts.	1,016
Commercial & Power Accounts.	1,474
Total.	8,611

In reviewing the records for 1953, it appeared that the 1953 estimate of revenue was not as conservative as it should have been. Using the present electrical customers as a base and anticipating a total increase in customers of 540, it appears reasonable that the power sales should be approximately the same in 1954 as the 1953 estimate. With the new billing machine containing statistical counters, it will be possible to keep an accurate record of revenue from the various classes of customers and the actual number of customers billed in each class each month. This record will permit a more scientific analysis of electrical sales and provide a better means of interpreting trends.

The sales to other funds represent City of Anchorage consumption. The increase in these sales has been caused primarily by the large increase in the number of street lights installed and in charging for energy used in traffic signals and other un-metered small services which have not been recorded in past years.

Customer forfeits and penalties represent charges for delinquent payments. It is anticipated that better current collections will be experienced as the result of the 10% penalty and extending the period in which to make payment.

Servicing customers' installations are reimbursable items, and miscellaneous revenue comes from sale of surplus on discarded items and personal services performed for other City departments.

The depreciation reserve is shown as a revenue in order that this money can be put back into improving the system and replacing existing worn-out installations. The total resources for budget purposes show only a slight increase over the 1953 budget.

ELECTRIC DISTRIBUTION UTILITY EXPENDITURES

<u>Code</u>		<u>Estimated 1953</u>	<u>Estimated 1954</u>
<u>Operating Expenses:</u>			
E 738	Purchased Power.	\$1,245,120	\$1,275,000
E 756	Supervision & Engineering.	42,000	38,000
E 758.1	Distribution Maps & Records.	12,500	12,700
E 761.1	Operation of Overhead Lines.	2,500	4,400
E 761.2	Operation of Underground Lines.	500	100
E 761.3	Removing & Resetting Trans- formers.	8,500	13,000
E 762.1	Removing & Resetting Meters.	15,500	16,500
E 762.2	Other Customer Services.	4,200	8,800
E 763	Operation Street Lights & Signals.	2,000	2,200
	Total Operating Expenses.	1,332,820	1,370,700
<u>Maintenance Expenses:</u>			
E 764	Supervision & Engineering.	5,500	14,800
E 768.1	Poles, Towers & Fixtures.	11,800	10,864
E 768.2	Conductors & Devices.	5,000	5,025
E 770	Line Transformers & Devices.	4,500	2,121
E 772	Meters.	13,000	9,000
E 775	Street Lights & Signals.	8,500	10,000
E 776	Rents.	93	93
	Total Maintenance Expenses	48,393	51,903
<u>General Expenses:</u>			
E 780.3	Meter Reading.	21,000	25,700
E 781	Accounting and Collections	68,228	58,500
E 795	Special Services.	5,000	-
E 801	Misc. General Expenses.	18,000	25,000
E 902	Stores Expense.	8,000	15,000
E 903	Transportation Expense.	10,000	12,000
	Total General Expenses.	\$ 130,228	\$ 136,200

<u>Code</u>		<u>Estimated 1953</u>	<u>Estimated 1954</u>
<u>Other Expenses:</u>			
E 503	Depreciation	\$ 46,200	\$ 89,908
E 507	Operating Taxes	27,720	37,388
E 530	Interest on Debt	14,907	13,969
E 210	Bond Retirement	25,000	25,000
E 411	Contribution to Municipality	337,463	350,000
	Total Other Expenses	<u>451,290</u>	<u>516,265</u>
<u>Capital Expenditures:</u>			
E 100.3	Construction Work	<u>289,732</u>	<u>220,948</u>
	TOTAL BUDGET	<u>\$2,252,463</u>	<u>\$2,296,016</u>

1954 WORK PROGRAM - ELECTRIC DISTRIBUTION

The Federal Power Commission system of accounting is used by the Electrical Distribution System. The interpretation of some of the expenses have not been too accurate in the past, therefore, discrepancies between the 1953 estimates and the 1954 estimates are readily apparent. In preparing the budget, the department was again handicapped by the short tenure of office of the Electrical Superintendent before the budget preparation period. It has been difficult for him to accurately apply unit costs since there has not been too much attention given toward that type of cost accounting previously. A summary of major items to be performed in 1954 follows:

Administrative Projects:

- (1) Inventory and set up a pole record.
- (2) Institute a system of keeping statistical records so that accurate forecasts can be made.
- (3) Set up an inventory of street lights & traffic signals.
- (4) Set up budget accounts in such fashion that budget control will be easily supervised.

Capital Projects:

- (1) Move location & install a new sub-station No. 3 (City Hall).
- (2) Install street lights - Annexation Area No. 1 (17 lights).

Capital Projects: (Continued)

- (3) Install four sectionalizing switches on 34 KV lines.
- (4) Investigate and install testing locations for possible carrier control for hot water heater load during power consumption peaks.
- (5) Conduct a power factor survey and make corrections where indicated.
- (6) Conduct a load survey in order to assist in future planning.
- (7) Make a preliminary study of underground construction in the down-town area in conjunction with Telephone, Water and Sewer Departments.
- (8) Construct and put in operation the 34 KV tie with the Bureau of Reclamation (attempting to use CEA facilities where possible).
- (9) Make study of installation of automatic reclosers & other methods of insuring uninterrupted customer service.
- (10) Removal of poles and wires throughout the area which are no longer in use (75 estimated).

These two lists are not to be construed as all inclusive. Other projects will be added as the situation demands (system modification or extension). The major items of expense include purchased power from A. P. U. It is anticipated that no material reduction of power costs will be obtained from the big Eklutna Project during this fiscal year. The policy of continued purchase of power through A. P. U. has not yet been determined, but it appears that A. P. U. will be providing generation facilities to firm up the Eklutna power supply. Therefore, no reduction in power purchases is anticipated during the 1954 fiscal year. The contribution to the municipality represents a dividend to the tax payers of the community, who are considered to be the stockholders. This contribution represents a very high rate of return on the City's investment. These dividends are passed on to the stockholders in the form of other municipal service which would ordinarily be paid out of taxes. In the event that other sources of revenue are available to replace this revenue source to the General Fund of the City, this contribution could be reduced with a resulting reduction in electrical rates.

Capital expenditures have been reduced materially for the coming year. The \$197,448 should be almost enough funds to accomplish the foregoing work program. An additional classification of capital expenditures follows:

E-2 Meters.	\$ 12,000	\$
Labor for installation.	<u>3,000</u>	
Total.		15,000
E-1 Transformers.	50,000	
Labor for installation.	<u>17,700</u>	
Total.		67,700
E-3 New services estimated. (330)		11,000
E-4 Tools and Equipment.		5,000
E-5 Office Equipment:		
1 - 66" steel desk.	235	
1 - Desk chair.	105	
4 - P 712 teletalks.	400	
1 - Monroe Calculator.	<u>610</u>	
Total.		1,350
E-6 Transportation Equipment:		
1 Jeep Station Wagon.	2,975	
1 Jeep with steel cab.	<u>2,350</u>	
Total.		5,325
E-7 Radio Equipment:		
1 Radio.	500	500
E-9 Street Lighting:		
Annexation Area No. 1.	7,000	7,000
Remaining Capital Expenditure Fund for allocation to projects.		<u>108,073</u>
Total Capital Expenditure Fund.		\$ 220,948

SUPERINTENDENT
Electrical Department, City

CLERKS
1 - Senior
1 - Junior

ESTIMATOR FOREMAN

RECORDS
1 - Sr. Draftsman

ENGINEERING
1 - Draftsman

DRAFTING
1 - Draftsman

GENERAL FOREMAN

LINE FOREMAN
(as required)

LINE FOREMAN

LINE CREWS
(as required)

LINE CREW
2-Linemen
2-Groundmen
1-Truckdriver

SERVICE FOREMAN

FIELD INVESTIGATOR

TROUBLE WAGON
2-Linemen

TROUBLE WAGON
2-Linemen

CUT-IN WAGON
1-Lineman

CUT-IN WAGON
1-Lineman

METER READERS
3-Readers

METER REPAIR
2-Lineman

ELECTRICAL DEPARTMENT

ORGANIZATION CHART

FISCAL YEAR 1954