

MUNICIPALITY OF ANCHORAGE

PAGE

Public Utilities	Unit No. 8001	Utility Anchorage Telephone Utility	Unit No. 8300	Division	Unit No.
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MISSION

The mission of the Anchorage Telephone Utility is to provide its customers access to a modern and reliable telecommunications exchange system at reasonable and affordable prices.

GOALS TO ACCOMPLISH MISSION

- ° Plan, procure and implement modern switching and transmission systems to meet customer service requirements.
- ° Provide new service offerings consistent with state-of-the-art communications equipment technology.
- ° Ensure prudent management of available resources.
- ° Develop and implement quality assurance policies, practices and procedures throughout ATU.
- ° Enhance the utility's data processing system to improve customer service and reduce costs through automation.
- ° Improve customer services and public awareness.
- ° Integrate Municipal-wide telecommunication services and rates.
- ° Realign functional organization to improve effectiveness of utility management programs.

Public Utilities	Unit No 8001	Utility Anchorage Telephone Utility	Unit No 8300	Division	Unit No.
------------------	-----------------	---	-----------------	----------	----------

PLANNING ASSUMPTIONS

The following assumptions have been used in developing ATU's 1985-1990 long-range plans.

The assumptions are based upon the primary driving force behind the utility which is the population and living unit forecast that impacts residential and business subscriber growth. In an attempt to predict future events and conditions the utility engaged in long-range planning of population and subscriber forecast to determine the present and future level and quality of service requirements. The plan emphasizes the decade of the eighties, but provides forecast data extending through the year 2005.

The forecast was prepared to present three scenarios, an optimistic view, a most probable view, and a pessimistic view. This was done to emphasize the point that many intangibles are involved in formulating such a forecast, and that any one of these forecasts can be correct depending upon the occurrences of the intangibles.

For example, if we were to assume that the rest of the eighties will grow as rapidly as the first three years, then the "optimistic" forecast would be appropriate. On the other hand, if there is a marked downturn in business and residential construction activity, coupled with a downward trend in the economy then the "pessimistic" forecast would be expected to occur. After careful consideration of all data gathered under three scenarios the chances are more likely that we will follow the "most probable" forecast, which indicates a more moderate growth rate through the forecast period, and this is the forecast used for Anchorage Telephone Utility planning purposes.

Public Utilities	Unit No. 8001	Utility Anchorage Telephone Utility	Unit No. 8300	Division	Unit No.
------------------	------------------	---	------------------	----------	----------

PLANNING ASSUMPTIONS (Cont.)

- ° Utilizing the "most probable" forecast data, line growth will continue in the six to eight percent range through 1986 tapering downward to four to five percent through 1990.
- ° Wire center boundaries will remain constant.
- ° Electromechanical central offices will be replaced by state-of-the-art digital switching systems.
- ° The six wire centers serving the Anchorage Bowl area represent 95 percent of ATU's total lines in service. The remaining includes Elmendorf, Fort Richardson, Girdwood, Hope, and Indian. This ratio will remain fairly constant over the next seven years with the wire centers in the Anchorage Bowl area slightly increasing to 96 percent representation of ATU's total operation.
- ° Space study recommendations completed in 1984 will be adopted to provide building facilities to house the projected ATU workforce.
- ° Interexchange carrier access to ATU's network will be paid by access charges for interstate service instead of traditional cost settlement methods.
- ° End user charges will be implemented for both business and residential telephone subscribers for access to the interstate toll network.
- ° The revenues derived from interstate access charges will be equivalent to those that would have been received under cost settlement methods.

Public Utilities	Unit No. 8001	Utility Anchorage Telephone Utility	Unit No. 8300	Division	Unit No.
------------------	------------------	---	------------------	----------	----------

PLANNING ASSUMPTIONS (Cont.)

- ° The Alaska Public Utilities Commission will retain the existing method of sharing intrastate interexchange revenues; however, intrastate interexchange revenue requirements will be shifted to local ratepayers.
- ° A permit to provide cellular mobile radio service will be granted to a joint venture of ATU and the Matanuska Telephone Association by the FCC.
- ° An accounting and financial reporting system will be implemented by ATU.
- ° Extended area service will be provided to Girdwood in 1985 and local rate zones will be eliminated.
- ° The unbundling of local service rates will be approved by the Alaska Public Utilities Commission. This will provide for a separate rate for local access and the telephone instrument.
- ° The sales plan for embedded CPE will be approved by the APUC.
- ° Single line business and residential inside wiring installation will be deregulated.

Public Utilities	Unit No. 8001	Utility Anchorage Telephone Utility	Unit No. 8300	Division	Unit No.
------------------	------------------	---	------------------	----------	----------

FACTORS DRIVING THE UTILITY

- ° Growth in the Anchorage population with concomitant increase in demand for efficient, timely, and reliable residential telephone service.
- ° Commercial and industrial development within ATU's service area that affects demand for modern and competitively priced business telecommunications services.
- ° FCC mandated implementation of end user charges.
- ° Implementation of interstate carrier access charges.
- ° Development of intrastate settlement methodology.
- ° Unbundling of basic service rates.
- ° Municipal government policies impacting the operation of the utility.
- ° Need for development of specialized accounting and financial systems.
- ° Potential competition from emerging communications technology that may allow affordable by-pass of ATU's facilities.
- ° Human resource planning, 1982 Consent Decree and successful implementation of a career development and training program.
- ° Undergrounding projects.

Public Utilities	Unit No. 8001	Utility Anchorage Telephone Utility	Unit No. 8300	Division	Unit No.
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OBJECTIVES AND PROGRAMS TO SATISFY OBJECTIVES
1985 - 1990 BUSINESS PLAN

PART I

GENERAL MANAGER/EXECUTIVE OFFICE DIVISION

Public Utilities	Unit No. 8001	Utility Anchorage Telephone Utility	Unit No. 8300	Division	Unit No.
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OBJECTIVES AND PROGRAMS TO SATISFY OBJECTIVES

Executive Office

1. Address legal matters on a timely basis.
 - ° Retain on-site legal counsel.
 - ° Develop and maintain communications with Municipal legal.
 - ° Provide legal liaison with regulatory bodies for the purpose of reviewing and providing legal counsel on regulatory issues and impacts.
 - ° Establish regulatory affairs function.
2. Provide direction on ATU business activities.
 - ° Review trends, determine alternative courses of action concerning ATU involvement in the non-regulated sector of the telecommunications industry.
 - ° Provide guidance to improve the financial position of the utility.
 - ° Prepare contingency plans to meet changing regulatory and business conditions.
 - ° Prepare policy decisions for overall utility management and goals.

Public Utilities	Unit No. 8001	Utility Anchorage Telephone Utility	Unit No. 8300	Division	Unit No.
<p><u>Executive Office</u> (Cont.)</p> <p>3. Determine policy on union labor negotiations and union relationships.</p> <ul style="list-style-type: none"> ° Formalize plan for future union negotiations. ° Prepare alternative compensation plans that address incentive criteria. ° In conjunction with Finance and Data Processing, develop a contract pricing model. <p>4. Promote a positive working atmosphere.</p> <ul style="list-style-type: none"> ° Establish schedule of meetings to review state of the business and address management concerns. ° Enhance employee recognition and awards programs. ° Implement a Supervisory Training Program. ° Provide guidance on employee training and Consent Decree compliance. <p>5. Enhance public awareness and improve public image of utility.</p> <ul style="list-style-type: none"> ° Develop formal Public Affairs Office. ° Define procedures and policy on who speaks for utility. ° Train Public Affairs staff. ° Develop customer service policy guidance committee. 					

Public Utilities	Unit No. 8001	Utility Anchorage Telephone Utility	Unit No. 8300	Division	Unit No.
<p><u>Executive Office</u> (Cont.)</p> <p>6. Improve organizational management effectiveness.</p> <ul style="list-style-type: none"> ° Establish financial reporting requirements. ° Realign functional responsibilities to improve program effectiveness. ° Provide specific management guidelines. <p>7. Establish effective cost of quality standards throughout the utility.</p> <ul style="list-style-type: none"> ° Analyze present operating standards. ° Compare to industry standards. ° Establish quality assurance practices. <p>8. Structure data reporting to assure compliance to standards.</p> <ul style="list-style-type: none"> ° Selecting data for reliable assurance confirmation. ° Establish method of data gathering. ° Charting accumulated data. <p>9. Organize a quality assurance team.</p> <ul style="list-style-type: none"> ° Staff quality assurance team. ° Provide training in quality. ° Monitor compliance with standards. 					

Public Utilities	Unit No. 8001	Utility Anchorage Telephone Utility	Unit No. 8300	Division	Unit No.
<p><u>Executive Office</u> (Cont.)</p> <p>10. Collect reference material to reflect industry wide standards.</p> <ul style="list-style-type: none">° Organize and update quality assurance standards - library. <p>11. Organize a Quality Improvement Program.</p> <ul style="list-style-type: none">° Management commitment.° Employee awareness.° Measurement.° Zero defects plan.° Corrective action.° Error cause removal.° Quality councils.					

Public Utilities	Unit No. 8001	Utility Anchorage Telephone Utility	Unit No. 8300	Division	Unit No.
------------------	------------------	---	------------------	----------	----------

OBJECTIVES AND PROGRAMS TO SATISFY OBJECTIVES
1985 - 1990 BUSINESS PLAN

PART II

ATU SERVICES DIVISION

Public Utilities	Unit No. 800	Utility Anchorage Telephone Utility	Unit No. 8300	Division	Unit No.
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MISSION

The mission of the Anchorage Telephone Utility's ATU Services Division is to offer telecommunications equipment (CPE) for sale or lease to commercial and residential customers in the Anchorage market.

GOALS

The goals of the ATU Services Division are:

1. Increase the profitability of non-regulated operations.
2. Improve on the product line offerings to ensure that market demands can be accommodated.
3. Solidify and expand on the existing ATU commercial customer base.
4. Promote ATU's presence in the non-regulated telecommunication CPE market.
5. Deliver reliable and quality services to ATU customers.
6. Train, educate and promote employee development and participation to ensure the efficient delivery of services and the availability of qualified personnel resources.

FACTORS DRIVING THE ATU SERVICES DIVISION OF ATU

1. Increased competition in all areas of telecommunications equipment sales and services.
2. Deregulation developments within the telephone industry.

Public Utilities	Unit No. 8001	Utility Anchorage Telephone Utility	Unit No. 8300	Division	Unit No.
------------------	------------------	---	------------------	----------	----------

Factors Driving the ATU Services Division of ATU (Cont.)

3. Population growth and commercial development within the Anchorage market area.
4. Federal/State and Municipal regulatory requirements.

PLANNING ASSUMPTIONS

The following assumptions have been used in developing ATU Services Division 1985-1990 long-range plans and are based on the best data available at this time.

1. The mandate of the ATU Services Division's non-regulated activities is to provide quality telecommunication equipment and service at a cost that ensures a reasonable profit to the utility.
2. Improved data processing and fiscal reporting systems will be in place to support non-regulated activities.
3. Modifications to the ATU-IBEW labor agreement will be negotiated to provide for more efficient, flexible and economical use of marketing and marketing support employees.
4. Certain Municipal policies, procedures and regulations will be modified to accommodate the requisite business needs of the non-regulated enterprise activities.

Public Utilities	Unit No. 8001	Utility Anchorage Telephone Utility	Unit No. 8300	Division	Unit No.
------------------	------------------	---	------------------	----------	----------

OBJECTIVES AND PROGRAMS TO SATISFY THOSE OBJECTIVES

Marketing/Sales Section

1. Review existing product line offerings to upgrade and expand on product lines to meet market demands, as required.
 - ° Analyze market needs and potentials to identify suitability of current product offerings and potential new markets based on technological advancements.
 - ° Strengthen relationship with manufacturers in areas of product improvement, pricing, and delivery.
 - ° Implement a programming unit in Marketing to program software controlled key systems and PBX's.
2. Develop and implement a more efficient and effective marketing organizational format to improve delivery of products and services.
 - ° Implement the concept of two marketing districts (North and South).
 - ° Reorganize marketing staff so that each district is fully self-sufficient.
 - ° Relieve direct sales staff of extraneous record keeping on non-sales related paper-work.

Public Utilities	Unit No. 8001	Utility Anchorage Telephone Utility	Unit No. 8300	Division	Unit No.
------------------	------------------	---	------------------	----------	----------

Marketing/Sales Section (Cont.)

3. Establish formal marketing goals/programs to meet revenue requirement projections.
 - ° Form Executive Management Steering Committee.
 - ° Develop inter-divisional plan to provide for the efficient and timely financial review of sales forecasts and organizational changes.
 - ° Analyze results of sale forecasts and adjust reasonable sales revenue goals for district units.
 - ° Compare actual performance to forecast and explain variances.
 - ° Utilize forecast information to efficiently maintain inventory levels.
4. Develop and implement a bonus or commission program for marketing personnel.
 - ° Negotiate with the IBEW to modify work rules of marketing staff to reduce operating costs.
 - ° Contract to arrive at an incentive salary-commission program within industry "norms".

Public Utilities	Unit No. 8001	Utility Anchorage Telephone Utility	Unit No. 8300	Division	Unit No.
------------------	------------------	---	------------------	----------	----------

Marketing/Sales Section (Cont.)

5. Maximize the operations and potential of the marketing retail center to be constructed at the ATU Administration building.
 - ° Fully utilize the "hands-on" experience as a sales aid.
 - ° Staff and operate the center in the most efficient manner in response to customer demand.
 - ° Keep public informed of services offered through usage of newspapers and electronic media.

Installation and Maintenance Section

1. Develop and implement a revised organizational format that improves the delivery of installation and maintenance services to ATU customers.
 - ° Reorganize installation and maintenance process so that it is compatible with the north and south district sales concept.
 - ° Review and improve the current installation/maintenance procedure.
 - ° Investigate utilizing satellite warehousing for more efficient supply channels.
2. Develop expanded revenue markets adaptable to the capabilities of ATU's experienced crafts employees.
 - ° Establish an improved awareness program for installation and maintenance personnel to aid in developing sales leads and notifying marketing staff for follow up.

Public Utilities	Unit No. 8001	Utility Anchorage Telephone Utility	Unit No. 8300	Division	Unit No.
------------------	------------------	---	------------------	----------	----------

Installation and Maintenance Section (Cont.)

- ° Analyze new market revenue sources (e.g., service to non-ATU customers) and promote ATU's capabilities within the commercial markets.
- 3. Develop and implement a more efficient and economical telephone refurbishing program.
 - ° Analyze the telephone refurbishing program to determine the economics of contractor refurbishing services vis-a-vis establishing an internal refurbishing capability.
 - ° Analyze the impact of the refurbishing program on inventory requirements.
 - ° Review procedures of returning refurbished stock to inventory.
- 4. Develop and implement a more efficient maintenance dispatch and reporting program.
 - ° Compile equipment type and related information for inclusion in the test desk service system.
 - ° Design forms and establish billing procedures.

Marketing Support Section

- 1. Define a more efficient and responsive automated billing and records-keeping program that will support non-regulated sales and leasing programs.
 - ° Participate in the ABARS system development to ensure all needs are addressed.
 - ° Analyze and improve the current billing system where possible.
 - ° Review and improve the billing forms and form flow.

Public Utilities	Unit No. 8001	Utility Anchorage Telephone Utility	Unit No. 8300	Division	Unit No.
<p><u>Marketing Support Section</u> (Cont.)</p> <p>2. In conjunction with finance develop and implement an accounts receivable credit and collection procedure that will interface with the automated billing system.</p> <ul style="list-style-type: none"> ° Establish credit criterion and perform credit check utilizing available resources. ° Analyze collection procedures and modify to achieve most efficient results. <p>3. Design, implement and monitor an effective product promotion and advertising program for non-regulated products and services.</p> <ul style="list-style-type: none"> ° Consult with advertising agencies for the development of an ad campaign. ° Participate in local equipment show and exhibits. ° Evaluate results versus the goals of the promotional and advertising program. <p>4. Develop and implement a program to evaluate and assess the equipment capabilities of ATU product lines, new product developments and technologies.</p> <ul style="list-style-type: none"> ° Analyze product line for deletion and additions. ° Conduct customer surveys to determine trends. ° Expand manufacturer contact in order to stay abreast of technology changes. 					

Public Utilities	Unit No. 8001	Utility Anchorage Telephone Utility	Unit No. 8300	Division	Unit No.
------------------	------------------	---	------------------	----------	----------

Marketing Support Section (Cont.)

- ° Critique new ATU products and services on customer satisfaction, component failure, and maintenance requirements.
- ° Evaluate competitors product and equipment capabilities for use by ATU marketing staff.
- 5. Develop and implement training programs designed to improve the sales techniques, equipment knowledge, and overall capabilities of the marketing staff and supporting activities.
 - ° Conduct formal and informal in-house marketing training.
 - ° Contract professional training as required.
 - ° Furnish training to improve proposal writing.
 - ° Conduct educational sessions on equipment capabilities.
- 6. Review and implement pricing strategies to ensure all costs are being recovered.
 - ° Analyze current pricing strategies with regard to cost recovery and competition.
 - ° Utilize computer support to perform price modeling.
 - ° Automate pricing information for ready access and updating.

Public Utilities	Unit No. 8001	Utility Anchorage Telephone Utility	Unit No. 8300	Division	Unit No.
<p>OBJECTIVES AND PROGRAMS TO SATISFY OBJECTIVES</p> <p>1985 - 1990 BUSINESS PLAN</p> <p>PART III</p> <p>FINANCE DIVISION</p>					

Public Utilities	Unit No. 8001	Utility Anchorage Telephone Utility	Unit No. 8300	Division	Unit No.
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OBJECTIVES AND PROGRAMS TO SATISFY OBJECTIVES

Director's Office

1. Improve personnel awareness in regulatory matters, tariffs, accounting and cost separation procedures.
 - ° Prepare written procedures.
 - ° Obtain qualified consultants to conduct staff training.
 - ° Design and conduct classes.
2. Document and inform personnel of available data sources.
 - ° Prepare a bibliography of financial reference books.
 - ° Obtain list and description of all data available to or maintained by other ATU divisions.
 - ° Obtain list and description of all pertinent data maintained by Municipality of Anchorage.
 - ° Establish a library and a person responsible for organizing and updating the library.
3. Enhance awareness of industry changes affecting division employees' responsibilities.
 - ° Inform employees of industry changes using a print format that distinguishes between "FYI" and "Action Items".

Public Utilities	Unit No. 8001	Utility Anchorage Telephone Utility	Unit No. 8300	Division	Unit No.
------------------	------------------	---	------------------	----------	----------

Director's Office (Cont.)

- ° Prepare and distribute periodic summary reports on regulatory and industry issues.
- ° Conduct periodic sessions with each section to discuss and determine the impact of industry change on ATU jobs.
- 4. Establish accounting compliance function.
 - ° Define and implement compliance procedures that ensure accounting accuracy and conformance with Federal, Municipal and internal accounting requirements.
 - ° Ensure integrity of overall reporting and control systems starting with revenue accounting procedures and effective implementation of the Chart of Accounts.

Accounting - General, Plant, and Revenue

- 1. Provide timely, accurate financial reports.
 - ° Formalize accounting data input controls and procedures.
 - ° Establish and define requirements for a general ledger and financial reporting system at ATU.
 - ° Establish responsibility for accounting manual and ensuring it is maintained on a current basis.
- 2. Provide timely, accurate accounting of revenue.
 - ° In coordination with ABARS, develop and implement an accounting system for financial leases, reimbursable work orders and other non-standard bills.
 - ° Formalize direct billing input procedures.

Public Utilities	Unit No. 8001	Utility Anchorage Telephone Utility	Unit No. 8300	Division	Unit No.
------------------	------------------	---	------------------	----------	----------

Accounting - General, Plant, and Revenue (Cont.)

3. Provide timely, accurate accounting for fixed assets.
 - ° Prepare and implement work order processing procedures.
 - ° Define user requirements for a mechanized work order cost accumulation system.
 - ° Define user requirements for a mechanized unit cost CPR system.
4. Establish inventory accountability and control.
 - ° Develop major and minor material inventory procedures.
 - ° Develop monthly station apparatus inventory procedures.
 - ° Prepare allocation tables for assigning minor materials to cost centers.
 - ° Develop reporting requirements and review process to monitor compliance with inventory policies and procedures.
 - ° Establish procedures to write on/off inventory in the general ledger.
5. Design and implement asset management programs.
 - ° Prepare procedures for field verification of fixed assets.
 - ° Conduct field verification of assets.
 - ° Establish cyclical inventory verification of tools and furniture.

Public Utilities	Unit No. 8001	Utility Anchorage Telephone Utility	Unit No. 8300	Division	Unit No.
------------------	------------------	---	------------------	----------	----------

Accounting - General, Plant, and Revenue (Cont.)

6. Distribute overhead and labor costs.

- ° Define user requirements for a mechanized overhead clearing process.
- ° Develop average clearing rates, apply overheads to labor and make other allocations on a timely and consistent basis.
- ° Develop average labor rates and average unit costs.

7. Obtain adequate capital recovery.

- ° Prepare depreciation rate studies.
- ° Implement automated depreciation accounting.

Financial Planning/Budgets/Payroll

1. Develop budgetary responsibility reporting within ATU cost centers.

- ° Design comprehensive business plan preparation manual.
- ° Define user requirements and departmental operating statements.
- ° Establish procedures for budgetary input, reporting and performance appraisal.

Public Utilities	Unit No. 8001	Utility Anchorage Telephone Utility	Unit No. 8300	Division	Unit No.
------------------	------------------	---	------------------	----------	----------

Financial Planning/Budgets/Payroll

2. Provide forecasting and financial modeling necessary for prudent managerial decision making.
 - ° Define financial modeling requirements.
 - ° Develop procedures for producing and utilizing regulated and non-regulated forecasts in integrated financial projections.
 - ° Develop periodic financial analysis reports of deregulated activities.
3. Provide timely, accurate information needed to manage the capital budget.
 - ° Define user requirements for a capital expenditure reporting system.
 - ° Establish procedures for planning, monitoring and revising capital projects.
 - ° Prepare bond sale proposals, studies and reportings to secure capital financing for the utility.
4. Increase accuracy and efficiency of daily time ticket payroll processing.
 - ° Define user requirements for automated daily time ticket code input conversion and edit capability.
 - ° Produce automatic weekly payroll data entry file for each employee.
 - ° Produce management control reports by account, hours and functions prepared.

Public Utilities	Unit No. 8001	Utility Anchorage Telephone Utility	Unit No. 8300	Division	Unit No.
------------------	------------------	---	------------------	----------	----------

Revenue Requirements

1. Develop program revenue requirements studies.
 - ° Interstate access tariff revenues.
 - ° Intrastate interexchange revenues.
 - ° Local revenues.
2. Determine all regulated revenue sources available.
 - ° Monitor and update interim settlements for intrastate toll settlements.
 - ° True-up outstanding toll settlement studies.
 - ° Develop the procedures for receipt and transmittal of pooled interstate revenues with the National Exchange Carrier Association (NECA).
3. Develop philosophy for local operating tariff development.
 - ° Prepare filings and public testimony to eliminate local rate zones and to provide extended area service to Girdwood.
 - ° Recognize the new environment and implement tariff changes as required.
 - ° Standardize tariff development.

Public Utilities	Unit No. 8001	Utility Anchorage Telephone Utility	Unit No. 8300	Division	Unit No.
------------------	------------------	---	------------------	----------	----------

Revenue Requirements (Cont.)

4. Monitor and update interstate access tariff in-house.
 - ° Develop staff specifically responsible for tariff.
 - ° Implement procedures for development of new tariffs.
 - ° Create procedures for handling of inquiries on tariffs.
 - ° Train personnel utilizing tariffs.
 - ° Provide utility-wide briefings on tariff developments.
5. Define requirements for carrier access and billing system (CABS).
 - ° Develop and implement all standard operating procedures related to bill transmittal, revenue collection, inquiry treatment, journal entries and calculation of access minutes.
 - ° Prepare and update procedures on billing for interstate special circuits.
6. Prepare jurisdictional cost separation studies.
 - ° Produce source studies on revenues, expenses and plant.
 - ° Develop user requirements to process studies in-house.
 - ° Analyze rate development models to interface with separations studies.

Public Utilities	Unit No. 8001	Utility Anchorage Telephone Utility	Unit No. 8300	Division	Unit No.
------------------	------------------	---	------------------	----------	----------

Procedures/Accounts Payable

1. Enhance preparation, implementation and adherence to ATU standard operating procedures (SOPS).
 - ° Formalize the development process of procedures.
 - ° Review and update procedures on a timely basis.
 - ° Audit compliance to procedures.
2. Enhance processing of accounts payable.
 - ° Acquire ATU direct input and edit capability on FIS.
 - ° Prepare documentation at ATU to pay bills.

Public Utilities	Unit No. 8001	Utility Anchorage Telephone Utility	Unit No. 8300	Division	Unit No.
------------------	------------------	---	------------------	----------	----------

OBJECTIVES AND PROGRAMS TO SATISFY OBJECTIVES
1985 - 1990 BUSINESS PLAN

PART IV

ADMINISTRATION DIVISION

Public Utilities	Unit No. 8001	Utility Anchorage Telephone Utility	Unit No. 8300	Division	Unit No.
------------------	------------------	---	------------------	----------	----------

Personnel

1. Enhance personnel record keeping and employee tracking.
 - ° Define user requirements for personnel and resource center data.
2. Provide career development, training and counseling services.
 - ° Design and implement career development seminars and work shops.
 - ° Coordinate, plan and implement training programs.
3. Ensure ATU compliance with Consent Decree provisions through 1987.
 - ° Maintain data on Consent Decree provisions relating to advances schooling, seminars, workshops, cross-training, hiring and promoting.
 - ° Provide an employee career development program and counseling service.

Data Processing

1. Automation of records management function to improve operational efficiency and customer relations.
 - ° Implement automated mapping and cable locate system.
 - ° Implement on-line trouble ticket and trouble reporting system.
 - ° Implementation of on-line cable records system.

Public Utilities	Unit No. 8001	Utility Anchorage Telephone Utility	Unit No. 8300	Division	Unit No.
------------------	------------------	---	------------------	----------	----------

Data Processing (Cont.)

2. Strategic hardware planning and performance monitoring to insure adequate computer resources to support utility growth.
 - ° Quarterly updates to Long-range Data Processing Plan.
 - ° Upgrade computer hardware that supports operational information section.
 - ° Upgrade computer hardware that supports Directory Information section.
 - ° Expand communications network to support additional terminal devices.
3. Evaluation, purchase and implementation of financial software packages to enable responsive financial planning and tracking.
 - ° Implement budgeting modeling system.
 - ° Implement accounting and financial reporting systems.
 - ° Develop work order system.
 - ° Develop time management system.
4. Expand usage of automated decision support capabilities to enable effective management decisions based on current information.
 - ° Purchase and install intelligent work stations.
 - ° Implement distributive data processing capabilities.

Public Utilities	Unit No. 8001	Utility Anchorage Telephone Utility	Unit No. 8300	Division	Unit No.
------------------	------------------	---	------------------	----------	----------

Facilities Section

1. Develop and implement in-house preventive maintenance data base.
 - ° Gather and validate all equipment information as to model, serial, type, size, etc.
 - ° Input all of the above information after validation.
2. Continue an active preventive maintenance program to include replacement and/or upgrade of present installed equipment.
 - ° Implement a program to identify higher than normal failure rate items and replace with more suitable types of equipment.
3. Implement and administer service contracts to ensure optimum performance standards.
 - ° Review, as necessary, all service contracts and revise/update specifications to allow more efficient use of funds and less contract administration time.
 - ° Analyze new requirement areas to determine the need for contracted services as opposed to in-house functions.
4. Maintain and improve the overall response to maintenance call outs that have a direct impact on ATU's service to its subscribers.
 - ° Standby generation.
 - ° Boiler maintenance.
 - ° Air conditioning.
 - ° Ventilation.
 - ° Humidification.

Public Utilities	Unit No. 8001	Utility Anchorage Telephone Utility	Unit No. 8300	Division	Unit No.
<p><u>Facilities Section (Cont.)</u></p> <p>5. Expand vehicle storage area by approximately 45,000 square feet (100 spaces) and provide approximately 13,800 square feet of shop and office area.</p> <ul style="list-style-type: none"> ° Provide requirements to a design/architectural firm. ° Analyze and review design plans with Public Works. ° Assist Public Works as necessary to facilitate design and construction. <p>6. Provide perimeter and access security at all ATU facilities.</p> <ul style="list-style-type: none"> ° Evaluate present and future security needs. ° Construct specifications with the aid of a security consultant to facilitate Request for Proposals. ° Evaluate and select proposals. ° Recommend vendor/installation contractor. <p>7. Design and construct a 7,200 square foot storage facility in the south cable yard at the plant service complex. This building would be of such a design so as to easily be converted to office or shop usage.</p> <ul style="list-style-type: none"> ° Dispose of existing storage sheds after removing materials stored in them. ° Provide requirements to a design firm. 					

Public Utilities	Unit No. 8001	Utility Anchorage Telephone Utility	Unit No. 8300	Division	Unit No.
<p><u>Facilities Section (Cont.)</u></p> <ul style="list-style-type: none"> ° Analyze and review design with Public Works. ° Assist Public Works as necessary to facilitate construction. <p>8. Upgrade gray office building to provide modern office environment (wall relocation, carpet, wallpaper, restrooms, windows, and HVAC).</p> <ul style="list-style-type: none"> ° Remodel building to meet recommendations resulting from space management study. ° Work in conjunction with contractors as necessary. <p>9. Construct cellular radio modular buildings for various locations that will provide housing for transmitter/receiver/power equipment.</p> <ul style="list-style-type: none"> ° Submit design requirements to support Request for Proposals for modular buildings. ° Coordinate site installation of module. ° Install ancillary support equipment as necessary. <p>10. Upgrade roofing/structures at the plant service complex, west wire center, and east wire center.</p> <ul style="list-style-type: none"> ° Submit specifications to support bid for general roof repair. ° Make bid recommendation. ° Coordinate with contractor to accomplish all phases of repair. 					

Public Utilities	Unit No. 8001	Utility Anchorage Telephone Utility	Unit No. 8300	Division	Unit No.
------------------	------------------	---	------------------	----------	----------

Facilities Section (Cont.)

11. Design and construct new wire center facility at Girdwood.
 - ° Provide design/architectural plan requirements to Public Works.
 - ° Analyze and review design plans with Public Works.
 - ° Assist Public Works as necessary to facilitate design and construction.

Vehicles Section

1. Improve reliability and reduce out-of-service time by increasing on-going inspections and the preventive maintenance program on fleet vehicles and equipment.
 - ° Expand inspections.
 - ° Maintain proper stocking levels.
 - ° Enhance quality control.
 - ° Evaluate and update program as needed.
 - ° Maintain proper manpower levels.
2. Improve the non-scheduled repair maintenance program to obtain better reliability and efficiency of fleet vehicles and equipment.
 - ° Identify priorities.
 - ° Obtain proper tools.

Public Utilities	Unit No. 8001	Utility Anchorage Telephone Utility	Unit No. 8300	Division	Unit No.
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Vehicles Section (Cont.)

- ° Obtain proper repair parts.
- ° Ensure quality control.
- 3. When economically feasible, upgrade existing vehicles and equipment to obtain improved reliability, availability, and efficiency.
 - ° Analyze Fleet Maintenance Report data to determine high maintenance cost vehicles that require replacement.
 - ° Research manufacturers' products.
 - ° Originate specifications.
 - ° Initiate and finalize bid process.
- 4. Expand existing fuel supplies for day-to-day operations and obtain additional supply for emergency use in fleet vehicles and equipment.
 - ° Upgrade existing fuel dock area.
 - ° Down-size fleet vehicles where possible.
 - ° Convert to diesel power when feasible.
 - ° Expand bulk storage facilities.

Public Utilities	Unit No. 8001	Utility Anchorage Telephone Utility	Unit No. 8300	Division	Unit No.
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Vehicles Section (Cont.)

5. Improve the in-house Fleet Maintenance Management Report which provides, on an on-going basis, current up-to-date data and status of total maintenance costs of fleet vehicles and equipment.
 - ° Screen data for validity.
 - ° Enhance portions of original program.
 - ° Evaluate and define areas of concern.

Warehouse/Purchasing Section

1. Enhance reliability of warehouse inventory control.
 - ° Turn-up on-line inventory system.
 - ° Measure vendor performance/compliance.
 - ° Identify economic order quantities.
 - ° Perform warehouse floor space utilization study.

Public Utilities	Unit No. 8001	Utility Anchorage Telephone Utility	Unit No. 8300	Division	Unit No.
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OBJECTIVES AND PROGRAMS TO SATISFY OBJECTIVES

1985 - 1990 BUSINESS PLAN

PART V

UTILITY SERVICES DIVISION

Public Utilities	Unit No. 8001	Utility Anchorage Telephone Utility	Unit No. 8300	Division	Unit No.
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OBJECTIVES AND PROGRAMS NECESSARY TO SATISFY OBJECTIVESUtility Services Administration

1. Train, educate and encourage employee participation in all applicable areas of technical and administrative educational programs.
 - ° Schedule vendor technical schooling.
 - ° Schedule employees for appropriate Municipal training programs.
 - ° Schedule employees attendance based upon current work load requirements.
 - ° Perform on the job training.
 - ° Monitor employees' progress.
2. Increase safety programs for the protection of employees as well as switching equipment.
 - ° First aid training.
 - ° Personal safety around equipment.
 - ° Static conditions around switching equipment.

Public Utilities	Unit No. 8001	Utility Anchorage Telephone Utility	Unit No. 8300	Division	Unit No.
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Utility Services Administration (Cont.)

3. Expand the project management system for major construction projects.
 - ° Implement techniques for controlling and reporting progress during project(s) life cycle through implementation of time bar diagrams and critical path method.
 - ° Establish authority and responsibility guidelines.
 - ° Motivate project management team members.
 - ° Measure project performance.
 - ° Expand information systems to respond to project flexibility requirements.
4. Develop work force analysis, cost analysis, and special studies as required.
 - ° Conduct special workforce/cost analyses and studies at regular intervals.
5. Establish and implement work order cost controls.
 - ° Report and track daily, weekly, and monthly estimated and incurred work order costs for performance measurement.
6. Monitor and ensure contract compliance.
 - ° Identify areas of concern and status of construction and maintenance contracts and perform timely comprehensive reviews to ensure contract compliance.

Public Utilities	Unit No. 8001	Utility Anchorage Telephone Utility	Unit No. 8300	Division	Unit No.
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Utility Services Administration (Cont.)

7. Coordinate all projects and analysis with the business managers.

- ° Develop and improve both formal and informal means of coordinating projects and analysis.

Outside Plant Section

1. Develop a comprehensive computerized data base for work order generation.

- ° Implement a continual update program for broad gauge estimating of projects.
- ° Establish associated software for costing, planning, and analysis of outside plant facilities.
- ° Establish a material encumbrance system whereby the computer generated material lists are encumbered and future material usage forecasted against on hand quantities.
- ° Train plant engineers on use of programs.

2. Convert plant-in-place records to a computerized data base.

- ° Perform project definition and product selection.
- ° Complete wire enter pilot project conversion and review.
- ° Implement any changes which result from pilot project.
- ° Train operators on graphics work stations and plotter operation.
- ° Convert remaining wire centers.

Public Utilities	Unit No. 8001	Utility Anchorage Telephone Utility	Unit No. 8300	Division	Unit No.
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Outside Plant Section (Cont.)

3. Establish planning service to develop fundamental feeder route relief plan.
 - ° Establish Planning Section for long-range outside plant planning.
 - ° Maintain on-going Feeder Cable Administration, Facility Analysis Plan, and Detailed Distribution Area Planning studies.
 - ° Start administrative route layout sheet programs.
 - ° Define existing and ultimate sectionalization plan.
 - ° Create schematics and taper code network based on sectionalization plan.
 - ° Establish data base for analyzing and compiling cable fill parameters.
4. Expedite the conversion of manual records and documents in the plant service section to a data base system.
 - ° Work with Data Processing to initiate ATU-OIS system program.
 - ° Convert cable records, service orders, special circuit cards, and subscriber trouble report tickets.
 - ° Perform training in the use of the new system.
5. Train personnel in computer applications and programming.
 - ° Conduct training classes on the use of computer terminals and micro-computers.
 - ° Prepare an information packet on available hardware and software within ATU.

Public Utilities	Unit No. 8001	Utility Anchorage Telephone Utility	Unit No. 8300	Division	Unit No.
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Outside Plant Section (Cont.)

6. Enhance procedures for subscriber trouble reporting.
 - ° Consolidate subscriber trouble reports to TAC, 611, and Four Wire desk.
 - ° Improve response time to trouble reports.
 - ° Make changes as required in personnel schedules to meet trouble report volumes.
7. Develop and provide for cost effective operation through implementation of management and productivity enhancements.
 - ° Establish Management Productivity study.
 - ° Develop data base for work order tracking.
 - ° Dedicate personnel to cable acceptance programs for preventive cable maintenance.
 - ° Establish additional trouble access points.
 - ° Continue with on-going program of training trouble-shooters with latest technology and test equipment.

Switching Services Section

1. Continue program to reduce central office related trouble report index to lowest possible figure.
 - ° Refine and expand program for preventive maintenance of telephone switching systems.

Public Utilities	Unit No. 8001	Utility Anchorage Telephone Utility	Unit No. 8300	Division	Unit No.
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Switching Services Section (Cont.)

- ° Continue development of working relationships with equipment manufacturers field support groups.
- ° Computerize trouble report filing and clearing to provide more timely identification of trends and special attention requirements.
- 2. Continue development and refinement of computer controlled program for monitoring central office and large PBX systems.
 - ° Arrange for software modification as necessary to improve system operation.
 - ° Computerize PBX customer trouble report filing and clearing to provide better tracking of systems operation.
 - ° Hand off "business day" control of PBX trouble report taking and filed force dispatch to ATU Services group.
- 3. Reduce level of central office circuit packs returned to manufacturer in which no trouble is found.
 - ° Provide increased level of technical training to concerned employees.
 - ° Encourage closer relationship with equipment manufacturer in Customer Support groups for information exchange.
 - ° Develop improved procedures for trouble isolation and identification.

Public Utilities	Unit No. 8001	Utility Anchorage Telephone Utility	Unit No. 8300	Division	Unit No.
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Switching Services Section (Cont.)

4. Enhance systems power plant maintenance program to better forecast major maintenance and replacement requirements.
 - ° Develop program for personnel specialization in central office power systems.
 - ° Provide additional technical training in areas of battery operation and maintenance and rectifier operation and maintenance.
5. Reorganization central office maintenance section, resulting from the reduction in work force requires to support the digital switching network.
 - ° Educate employees as to need for change and specialization.
 - ° Work with union representation to ensure effective transitions with minimum disruption of primary objective.
 - ° Encourage participation in management training programs offered.
 - ° Broaden base of participation in project committee programs and ensure dissemination of project status to all.
6. Enhance telephone switching system security both through control of remote system access and premises access.
 - ° Refine procedures for control of remote access to system.
 - ° Install state-of-the-art entry control in various switching facility sites.

Public Utilities	Unit No. 8001	Utility Anchorage Telephone Utility	Unit No. 8300	Division	Unit No.
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Switching Services Section (Cont.)

7. Improve operational and maintenance efficiencies in private line and data circuit unit.
 - ° Acquisition of "state-of-the-art" testing facility to include remote test units to access circuits not routed through central site.
 - ° Establish computerized trouble reporting and clearing program for more timely identification of circuits requiring priority action.
 - ° Provide advanced training in the speciality of data and private line technology.
 - ° Upgrade test equipment with efficient and expanded capability devices.
8. Coordinate telephone system software upgrade projects to ensure the service/least cost to customer.
 - ° Review new features and acquisition of manufacturers' latest software releases for ATU switching systems.
 - ° Establish better coordination with vendors to control software upgrade projects.
 - ° Work through Software Coordination Committee to ensure consistency of program features and operational/maintenance characteristics in all ATU systems.
9. Monitor project for replacement of existing North Wire Center switching system with digital equipment.
 - ° Participate in the project management system.
 - ° Layout installation of job site.
 - ° Prepare test charts for operational testing.

Public Utilities	Unit No. 8001	Utility Anchorage Telephone Utility	Unit No. 8300	Division	Unit No.
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Switching Services Section (Cont.)

10. Refine six year plan for upgrading central office to state-of-the-art digital switching.
 - ° Identify current status with regard to current subscriber forecasts.
 - ° Adjust plan accordingly.
 - ° Obtain executive level approvals.
 - ° Distribute modified plan.
11. Redefine existing policies and procedures currently in use for estimating work order construction costs.
 - ° Review existing policy and procedure documentation.
 - ° Conduct staff and administrative meetings to review desired changes.
 - ° Adjust policy and procedure manual accordingly.
 - ° Monitor results and progress.
12. Design and construct additions to existing central office systems to meet subscriber service demands.
 - ° Monitor current forecast reports to determine validity.
 - ° Develop necessary request for proposal (RFP) documents.
 - ° Develop necessary construction work order approvals.

Public Utilities	Unit No. 8001	Utility Anchorage Telephone Utility	Unit No. 8300	Division	Unit No.
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Switching Services Section (Cont.)

- ° Conduct RFP response evaluations and present work of annual charge (PWAC) studies.
- ° Obtain necessary executive and Assembly approvals.
- ° utilize existing project management techniques on a utility-wide basis.
- ° Construct extensions to existing systems as required.

Switching Services

Traffic

1. Provide efficient directory assistance service.
 - ° Provide accurate, timely updates to directory assistance files.
 - ° Cross train and upgrade skills of traffic personnel.
 - ° Provide cost effective and professional services to ATU customers including interexchange carriers and other local Alaska telephone companies.
2. Define computerized scheduling for operators.
 - ° Define user data processing requirements.
 - ° Investigate and select software.
 - ° Establish procedures and training guidelines.

Public Utilities	Unit No. 8001	Utility Anchorage Telephone Utility	Unit No. 8300	Division	Unit No.
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Switching Services - Special Systems Engineering

1. Provide redundant routing and facilities for all high density inter-office transmission systems to preclude catastrophic service outages due to a single event.
 - ° Design and construct over a five (5) year period, optical fiber transmission facilities to inter-connect all central offices.
2. Provide an integrated digital transmission system that interfaces with new digital central offices which will provide extended area service and enhanced telephone service to the Turnagain Arm communities.
3. Provide an integrated wide band digital network connecting all ATU central offices.
4. Provide new or enhanced service offerings.

Regulated Services Section

1. Expand the hours and services offered at the Phone Center Stores.
 - ° Analyze operations of Phone Center Stores to reduce peak waiting lines.
 - ° Expand hours of operation to furnish better service.
 - ° Open new stores in areas of need.

Public Utilities	Unit No. 8001	Utility Anchorage Telephone Utility	Unit No. 8300	Division	Unit No.
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Regulated Services Section (Cont.)

2. Develop, implement, and monitor an improved directory/yellow page editing process to preclude abnormal error rates.
 - ° Evaluate current directory validating procedures to identify areas causing high error rates.
 - ° Monitor contractor's performance in yellow page advertisement program to ensure that quality and profit objectives are achieved.
3. In conjunction with finance implement automated intrastate/interstate access charge program.
 - ° Document access charge program for automation.
 - ° Train personnel on operations of access charge application.
 - ° Develop proposal for inclusion of access charge processing in Municipality's billing system.

Public Utilities	Unit No.	Utility	Unit No.	Division	Unit No.
	8001	Anchorage Telephone Utility	8300		

	RESOURCE IMPACTS (\$ in thousands)					
	<u>1985</u>	<u>1986</u>	<u>1987</u>	<u>1988</u>	<u>1989</u>	<u>1990</u>
Growth Factors						
Access Lines (% growth)	6.8%	5.9%	4.9%	3.9%	3.9%	4.0%
Revenue	130,511	136,362	144,437	153,903	164,206	174,604
Expenses	<u>112,773</u>	<u>120,150</u>	<u>128,697</u>	<u>137,371</u>	<u>146,944</u>	<u>156,601</u>
Net Income	17,738	16,212	15,740	16,532	17,263	18,003
Non-Regulated Net Income (included above)	(13)	353	742	1,162	1,642	2,211
Regulated Rate of Return	14.1%	11.5%	10.5%	10.5%	10.5%	10.5%
Personnel Increases						
Regulated	39	4	8	3	5	2
Regulated - Traffic	60	17	34	41	49	48
Non-Regulated	<u>(4)</u>	<u>(7)</u>	<u>(3)</u>	<u>(2)</u>	<u>(2)</u>	<u>(4)</u>
Total ATU	95	14	39	42	52	46
Capital Spending	36,212	29,805	19,491	23,679	21,948	24,384
Bond Sales (\$ in thousands)	20,600	15,500	11,500	15,500	13,500	15,500
Interstate End user Charges (monthly)						
Business	6.00	6.00	6.00	6.00	6.00	6.00
Residential	1.00	2.00	2.00	2.00	2.00	2.00

MUNICIPALITY OF ANCHORAGE

PAGE

Public Utilities	Unit No. 8001	Utility Anchorage Telephone Utility	Unit No. 8300	Division	Unit No.
MUNICIPALITY OF ANCHORAGE FINANCIAL DATA					
LINE ITEM DESCRIPTION	1983 ACTUAL	1984 PRO-FORMA			
			1985 PROPOSED	1985 ADOPTED	
(\$ in thousands)					
<u>OPERATING BUDGET</u>					
Revenue	120,166	122,559	130,511	130,511	
Expense	85,481	97,959	112,773	130,773	
Net Income	34,685	14,600	17,738	17,738	
<u>CAPITAL BUDGET</u>					
Central Office Equipment	18,906	11,560	9,890	9,890	
Outside Plant	8,597	10,474	8,300	8,300	
Special Systems	-0-	3,242	2,990	2,990	
Data Systems	1,500	3,585	920	920	
General Services	686	-0-	970	970	
Coin Phones	1,921	705	500	500	
Facility/Vehicles	1,415	6,077	8,142	8,142	
CAPITAL IMPROVEMENT BUDGET WITHOUT CPE	33,025	35,643	31,712	31,712	
CAPITALIZED CUSTOMER PREMISE RENTAL EQUIPMENT	3,000	4,700	4,500	4,500	
TOTAL CAPITAL BUDGET	36,025	40,343	36,212	36,212	

MUNICIPALITY OF ANCHORAGE

PAGE

Public Utilities

Unit No.
8001

Utility
Anchorage Telephone
Utility

Unit No.
8300

Division

Unit No.

PAGE

MUNICIPALITY OF ANCHORAGE
FINANCIAL DATA

LINE ITEM DESCRIPTION	1983 ACTUAL	1984 PRO-FORMA	1985 PROPOSED	1985 ADOPTED
STATEMENT OF REVENUE AND EXPENSE				
(\$ in thousands)				
REVENUE				
REVENUE FROM SERVICES				
Subscriber Line	35,457	35,533	36,852	36,852
Public Telephone	888	1,150	1,495	1,495
Toll Service	47,350	51,300	54,899	54,899
Telegraph Commissions	25	30	32	32
Commercial Revenue	7,539	10,000	14,208	14,208
*Rent of Facilities	416	441	467	467
Rent of Equipment	424	2,040	2,852	2,852
Total Revenue from Services	92,099	100,494	110,805	110,805
REVENUES FROM SALES				
Sales and Financial Leases	2,437	6,365	9,618	9,618
OTHER REVENUE				
Installations	878	1,292	3,544	3,544
Other Revenue From Operations	141	159	170	170
Interest Income	4,871	5,541	7,751	7,751
Delayed Income Credit	20,855	-0-	-0-	-0-
Miscellaneous	(10)	4	-0-	-0-
Total Other Revenues	26,735	6,996	11,465	11,465
Uncollectables	(1,105)	(1,296)	(1,377)	(1,377)
TOTAL REVENUE	120,166	112,559	130,511	130,511

Public Utilities	Unit No. 8001	Utility Anchorage Telephone Utility	Unit No. 8300	Division	Unit No.
MUNICIPALITY OF ANCHORAGE FINANCIAL DATA					
LINE ITEM DESCRIPTION	1983 ACTUAL	1984 PRO-FORMA			
			1985 PROPOSED	1985 ADOPTED	
<u>COST OF GOODS SOLD</u>					
Cost of Goods Sold	1,665	3,862	5,300	5,300	
<u>DIRECT EXPENSES</u>					
Maintenance	25,637	29,482	32,906	32,906	
Installation	608	801	1,780	1,780	
Traffic Operations	5,714	7,779	10,843	10,843	
Total Direct Expenses	31,959	38,062	45,529	45,529	
<u>SELLING, GENERAL AND ADMINISTRATIVE</u>					
Selling and Sales Administration	1,317	2,625	3,029	3,029	
Commercial Expenses	12,373	13,728	15,174	15,174	
Administrative Expenses	8,261	7,872	8,497	8,497	
Total General & Administrative Expenses	21,951	24,225	26,700	26,700	
<u>DEPRECIATION, TAXES AND INTEREST</u>					
Depreciation	16,843	17,144	18,310	18,310	
MUSA	1,287	1,418	1,611	1,611	
Interest on Funded Debt	11,365	12,770	14,812	14,812	
Other Interest Expense	411	478	511	511	
Total Other Expenses	29,906	31,810	35,244	35,244	
TOTAL EXPENSES	85,481	97,959	112,773	112,773	
NET INCOME	34,685	14,600	17,738	17,738	
* Financial Statement adjusted to eliminate impact of rental transactions from the regulated activity to the non-regulated activity.					

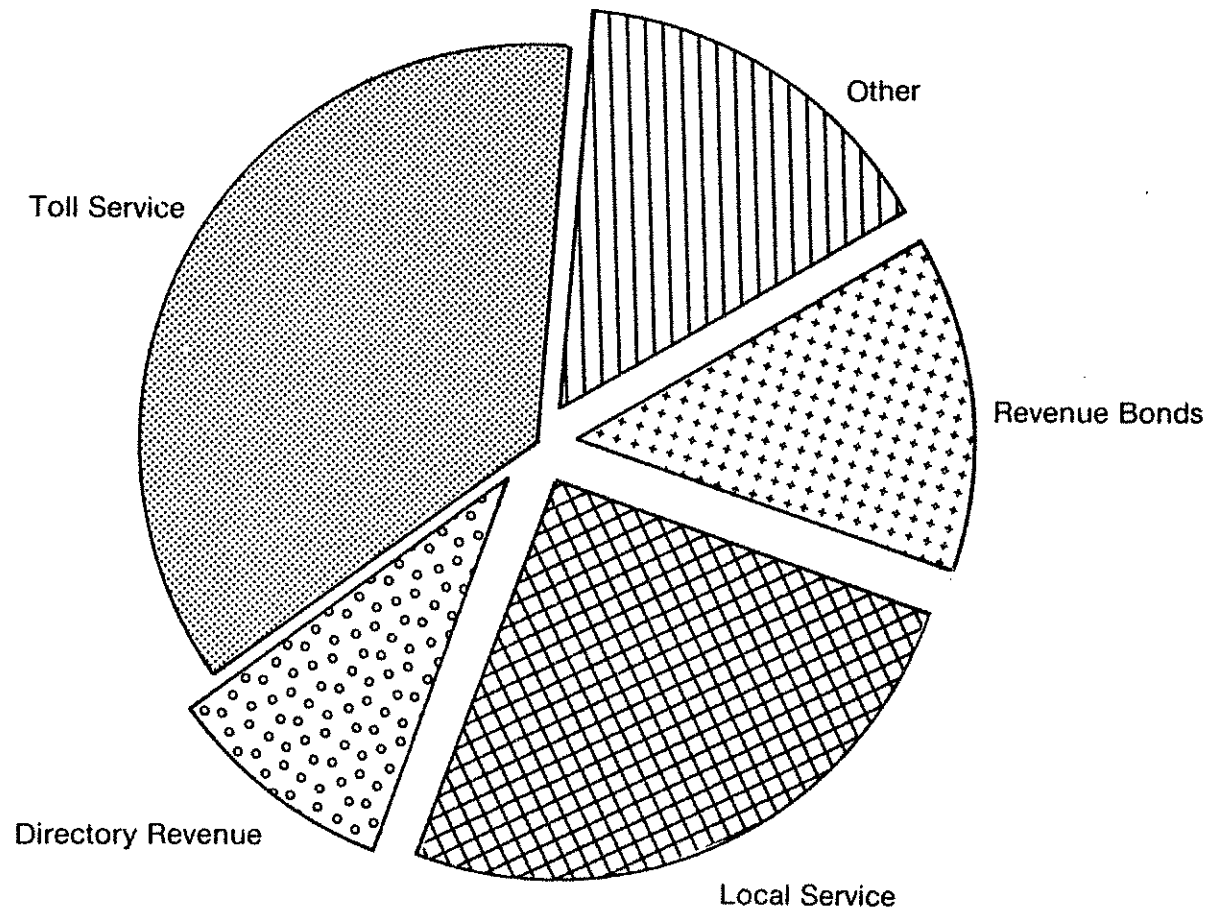
Public Utilities	Unit No. 8001	Utility Anchorage Telephone Utility	Unit No. 8300	Division	Unit No.
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CAPITAL IMPROVEMENT PROJECTIONS
1985 - 1990

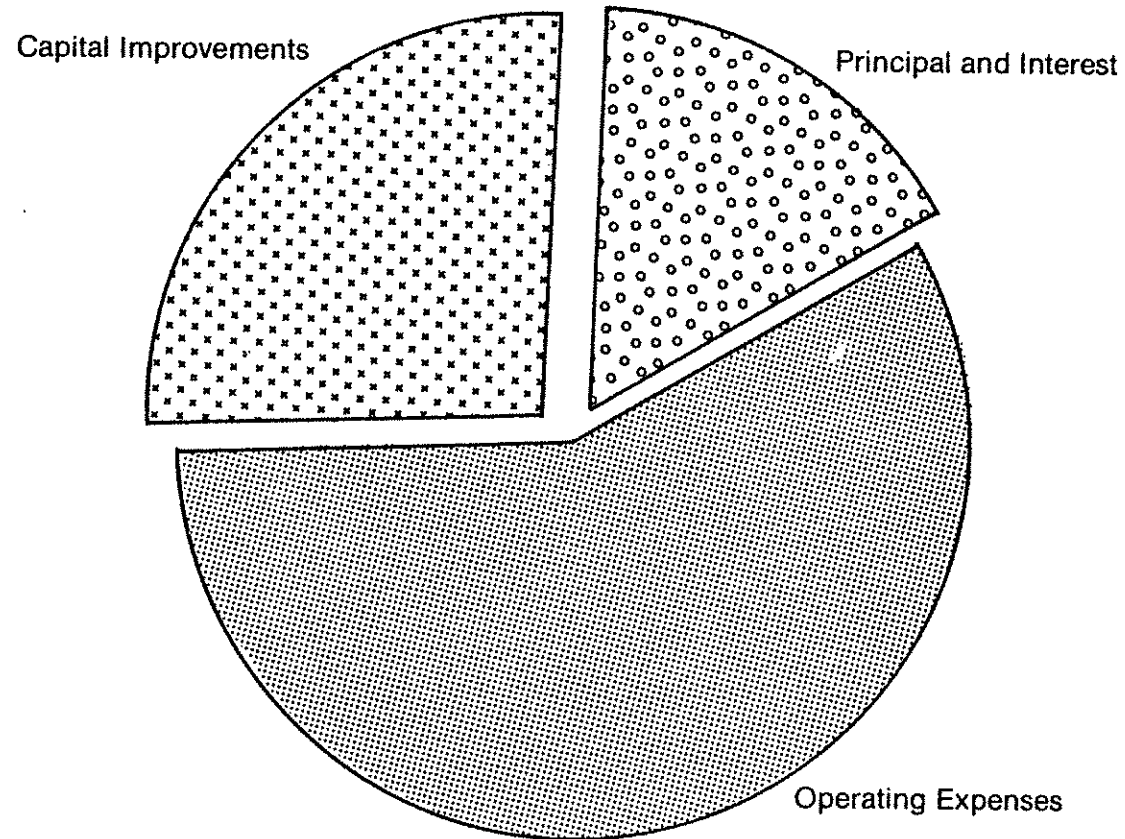
(\$ in thousands)

<u>CIP</u>	<u>1985</u>	<u>1986</u>	<u>1987</u>	<u>1988</u>	<u>1989</u>	<u>1990</u>	<u>TOTAL</u>
<u>BONDS</u>							
Central Office Equipment	4,355	5,880	2,055	5,915	3,345	5,575	27,125
Outside Plant	6,550	6,915	7,295	7,601	7,876	8,170	44,407
Coin Phones	500	500	500	500	500	500	3,000
Special Systems	2,300	1,180	730	800	1,100	785	6,895
Facility/Vehicles	5,570	0	0	0	0	0	5,570
Data Systems	920	610	470	380	415	375	3,170
SUBTOTAL	20,195	15,085	11,050	15,196	13,236	15,405	90,167
<u>OPERATIONAL</u>							
Central Office Equipment	5,535	6,535	390	410	395	310	13,575
Outside Plant	1,750	1,800	1,855	1,915	2,020	2,121	11,461
Special Systems	690	330	270	330	270	280	2,170
General Services	970	525	551	578	607	638	3,869
Facility/Vehicles	2,572	1,530	1,625	1,750	1,920	2,130	11,527
Customer Premise Equipment	4,500	4,000	3,750	3,500	3,500	3,500	22,750
SUBTOTAL	16,017	14,720	8,441	8,483	8,712	8,979	65,352
TOTAL CIP	36,212	29,805	19,491	23,679	21,948	24,384	155,519

ANCHORAGE TELEPHONE UTILITY
MAJOR SOURCES OF FUNDS
1985



ANCHORAGE TELEPHONE UTILITY
MAJOR USES OF FUNDS 1985



**ANCHORAGE TELEPHONE UTILITY
ACCESS LINES**

BUSINESS

RESIDENTIAL

TOTAL

