

BUDGET OVERVIEW

MUNICIPAL LIGHT & POWER

11-YEAR SUMMARY

UTILITY FORMAT - 1997 OPERATING BUDGET (\$ in Thousands)

	Actual						Proforma						Budget						Forecast					
	1992	1993	1994	1995	1996	1997	1998	1999	2000	2001	2002	1992	1993	1994	1995	1996	1997	1998	1999	2000	2001	2002		
Financial Overview																								
Revenues	\$70,650	\$71,431	\$70,606	\$73,766	\$72,530	\$77,298	\$79,970	\$81,372	\$82,144	\$83,810	\$86,277													
Expenses (1)	70,159	69,747	66,852	67,951	68,561	72,939	73,809	75,299	76,284	77,527	79,216													
Net Income (Regulatory)	491	1,684	3,754	5,815	3,969	4,359	6,161	6,073	5,860	6,283	7,061													
Work Force Authorized per Budget (FT)	216	216	220	229	229	229	230	230	230	231	231													
Capital Improvements(2)	16,854	15,290	12,051	16,180	20,822	19,536	21,513	27,356	18,316	19,579	18,900													
Bond Sales (3)	0	67,715	1,500	0	90,730	0	0	0	0	0	0													
Net Non-Contributed Plant (12/31)(REG)	140,803	142,329	144,630	148,889	154,656	165,385	172,488	187,007	193,142	199,328	205,560													
Net Contributed Plant(12/31)	10,256	11,165	11,341	11,174	11,524	11,874	12,224	12,574	12,924	13,274	13,624													
Net Electric Plant(12/31)(GAAP)	151,059	153,494	155,971	160,063	166,180	177,259	184,712	199,581	206,066	212,602	219,184													
Retained Earnings (12/31)	43,433	45,118	48,885	54,750	59,545	64,896	71,241	77,313	83,173	89,598	96,858													
General Cash Pool	17,031	10,955	12,078	8,204	16,478	32,873	33,945	20,060	14,380	12,249	12,112													
General Cash Pool/Eklutna	5,100	5,100	5,100	5,100	5,100	0	0	0	0	0	0													
Construction Cash Pool	120	0	0	596	26,938	6,115	0	0	0	0	0													
Revenue Bond Reserve Investment	17,279	17,282	17,358	17,480	20,891	20,891	20,891	20,874	20,874	21,308	21,968													
Debt Service Cash Account	3,091	3,116	3,216	3,340	3,450	3,725	3,864	4,010	4,167	4,380	4,618													
Operating Reserve Cash	5,295	5,448	5,318	5,157	5,293	5,661	5,751	5,921	6,058	6,177	6,342													
Total Cash (12/31)	47,916	41,901	43,070	39,877	78,150	69,265	64,451	50,865	45,479	44,114	45,040													
IGC's - General Government	1,224	1,480	1,362	1,434	1,850	1,850	1,925	2,000	2,075	2,150	2,225													
MUSA - Regular (4)	1,760	1,706	1,881	1,999	2,137	2,302	2,414	2,634	2,732	2,830	2,929													
Total Outstanding Debt	190,520	186,165	182,465	176,970	202,718	195,703	188,278	179,923	171,578	167,096	164,370													
Total Annual Debt Service	17,160	16,950	17,182	17,148	18,625	20,424	20,416	20,891	20,391	21,346	21,491													
Debt Service Coverage (5)	1.78	1.74	1.77	1.90	1.72	1.67	1.77	1.78	1.77	1.77	1.78													
LT Debt/Equity Ratio	80.7/19.3	80.0/20.0	78.9/21.1	75.4/24.6	78.0/22.0	75.9/24.1	73.3/26.7	70.7/29.3	68.1/31.9	65.9/34.1	63.6/36.4													
Rate Change Percent (6)	0.41%	0.00%	3.48%	-0.33%	0.00%	0.00%	2.40%	1.00%	1.00%	1.90%	2.36%													
Statistical/Performance Trends:																								
Resident. Customer (500 kWh) (7)	\$47.74	\$48.22	\$47.26	\$49.42	\$49.40	\$50.85	\$52.07	\$52.59	\$53.12	\$54.13	\$55.41													
Total Residential Sales (kWh)	143,451	145,354	147,067	147,408	148,145	149,775	150,823	151,275	151,275	150,972	150,870													
Commercial & Industr. Sales (kWh)	636,185	648,579	659,666	664,331	657,743	683,138	692,514	700,822	706,064	708,222	709,386													
Total Kilowatt-Hour Sales	805,835	825,831	856,579	880,847	851,588	863,513	873,937	882,697	887,939	889,794	890,656													
Total Sales Revenue (in Dollars)	\$65,818	\$67,251	\$67,447	\$69,014	\$68,343	\$72,308	\$74,558	\$76,280	\$77,611	\$79,305	\$81,723													

(1) Fuel rates per MCF are set during the 3rd Qtr. based on a 3 month average price of light sweet crude oil futures and become effective Jan. 1 of the following year. An increase in fuel rates set in the 3rd Qtr. of 1996 is expected to increase 1997 production cost of fuel by approximately \$2.4M.

(2) Capital Expenditures are actuals through 1995 and Capital Improvement Budget/Plan for 1996 through 2002

(3) The 1986 Series A bonds were refinanced in 1993. 1998 reflects the refinancing of the 1986 Series B Bonds and a new issue of \$42 Million.

(4) Assumes no payment of the 1.25% gross receipts portion of MUSA as a dividend.

(5) Excludes MUSA from Operating Expenses.

(6) All rate increases reflect the effect on Total Retail Operating Revenues. 1991 was an interim rate increase. 1992 was a permanent rate increase. The APUC granted an interim and refundable rate increase of 3.48% effective 9/1/94. The APUC granted a permanent 3.15% permanent rate increase effective 1/1/95 which resulted in a refund of .33%.

(7) Rate charged to Residential customers as of March 31 each year on 500 kWh of power; includes Cost of Power Adjustment.

NOTE: Rate increases are shown in the outyears for purposes of projections only and have not been approved for implementation. It is intended that the need for rate increases be reviewed closely each year in conjunction with establishing operating budgets. Utilities will continue to strive to find ways to avoid projected rate increases.

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ANCHORAGE WATER UTILITY

11-YEAR SUMMARY

UTILITY FORMAT - 1997 OPERATING BUDGET (000'S)

	Actual					Budget					Forecast													
	1992	1993	1994	1995	1996	1997	1998	1999	2000	2001	2002	1992	1993	1994	1995	1996	1997	1998	1999	2000	2001	2002		
Financial Overview																								
Revenues	26,879	27,369	27,434	28,117	28,042	28,588	29,721	30,532	32,909	33,433	35,186	26,570	26,076	26,040	26,644	28,087	28,743	29,504	30,460	31,327	32,014	32,014	32,014	
Expenses	309	1,293	1,394	1,777	1,398	501	978	1,028	2,449	2,106	3,172	285	275	270	268	268	268	268	268	268	268	268	268	268
Net Income (Regulatory)	5,469	9,123	9,603	4,220	21,049	13,151	16,774	16,464	15,238	7,582	4,867	0	3,000	0	4,000	7,000	10,000	15,000	15,000	12,500	8,000	8,000	8,000	8,000
Capital Improvement Program *	293,089	295,193	303,338	302,902	306,689	310,522	314,404	318,334	342,313	346,592	370,924	21,296	22,589	23,983	27,158	27,659	28,637	29,665	32,114	34,220	37,392	37,392	37,392	37,392
Retained Earnings (12/31)	6,376	6,488	6,321	3,055	(1,296)	41	1,182	1,609	3,601	4,715	5,824	4,078	5,977	4,858	5,437	3,960	3,759	3,381	3,539	3,380	3,591	3,591	3,591	3,591
Operating Cash	9,678	9,671	12,083	13,982	15,859	17,711	19,772	22,351	23,212	24,162	25,112	20,132	22,136	23,262	20,000	21,712	24,713	27,340	30,352	32,257	34,527	34,527	34,527	34,527
Construction Cash Pool	1,129	1,296	1,274	1,274	1,302	1,471	1,515	1,561	1,623	1,688	1,755	1,371	1,273	1,419	1,434	1,477	1,521	1,567	1,645	1,728	1,814	1,814	1,814	1,814
Cash Reserves	107,536	108,996	107,386	105,425	107,326	112,047	119,471	131,366	141,756	149,050	151,332	8,766	8,844	8,547	9,221	9,748	10,579	11,941	14,210	15,334	16,039	16,039	16,039	16,039
Total Annual Debt Service	1.40	1.47	1.51	1.51	1.40	1.33	1.33	1.27	1.30	1.23	1.26	83 / 17	83 / 17	82 / 18	80 / 20	80 / 20	80 / 20	81 / 19	81 / 19	81 / 19	80 / 20	80 / 20	80 / 20	80 / 20
Debt Service Coverage (overall)	\$24.75	\$24.75	\$24.75	\$25.80	\$25.80	\$25.80	\$26.83	\$26.83	\$29.25	\$29.25	\$30.71	83 / 17	83 / 17	82 / 18	80 / 20	80 / 20	80 / 20	81 / 19	81 / 19	81 / 19	80 / 20	80 / 20	80 / 20	80 / 20
Debt/Equity Ratio																								
Rate Change Percent																								
Single Family Rate **																								
Statistical/Performance Trends:																								
Number of Customers	42,000	43,222	44,085	44,712	45,203	45,655	46,112	46,457	46,806	47,157	47,511	22,329	24,000	25,600	26,000	26,500	27,000	27,500	28,000	28,500	29,000	29,000	29,000	29,000
Average Treatment (GPD) (000)	670	674	680	685	696	702	708	713	717	722	726	5,333	5,440	5,487	5,558	5,620	5,660	5,690	5,725	5,750	5,790	5,790	5,790	5,790
Miles of Water Lines																								
Number of Hydrants																								

NOTE: Rate increases are shown in the outyears for purposes of projections only and have not been approved for implementation. It is intended that the need for rate increases be reviewed closely each year in conjunction with establishing operating budgets. AWWU will continue to strive to find ways to avoid projected rate increases.

Cost of Service Study will be conducted in conjunction with Revenue Requirements Study.

* 1992-1996 reflect actual expenditures.

** Cost-of-Service adjustment in 1995.

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REFUSE COLLECTIONS

11-YEAR SUMMARY

	UTILITY FORMAT - 1997 OPERATING BUDGET (\$ in Thousands)												
	Actual						Forecast						
	1992	1993	1994	1995	1996	1997	1998	1999	2000	2001	2002		
Financial Overview													
Revenues	5,701	5,676	5,665	5,779	5,724	5,715	6,029	6,087	6,145	6,204	6,264		
Expenses	5,315	5,378	5,153	5,307	5,518	5,553	5,629	5,724	5,815	5,849	5,933		
Net Income (Regulatory)	386	298	512	471	206	162	400	362	330	356	331		
Work Force Authorized per Budget (FT)*	16	16	16	16	16	16	16	16	16	16	16		
Capital Improvement Program	86	494	448	377	524	334	376	342	345	329	356		
Bond Sales	0	0	0	0	0	0	0	0	0	0	0		
Net Plant (12/31)	2,861	2,968	2,853	3,027	3,020	3,131	3,060	2,990	2,879	2,791	2,689		
Utility Revenue Distribution	0	0	0	0	0	0	0	0	0	0	0		
Retained Earnings (12/31)	4,416	4,714	5,226	5,700	5,910	6,070	6,470	6,830	7,160	7,520	7,850		
General Cash Pool	3,009	3,292	3,831	4,170	4,343	4,338	4,512	4,714	4,872	5,041	5,142		
Construction Cash Pool	1,075	790	586	510	174	174	174	174	174	174	174		
Bond Redemption Cash	357	366	360	353	353	353	353	353	353	353	353		
Total Cash (12/31)	4,441	4,448	4,777	5,033	4,870	4,865	5,039	5,241	5,399	5,568	5,668		
IGC's - General Government	124	141	86	81	88	121	123	123	126	126	128		
MUSA - 1.25%	0	0	0	0	0	0	0	0	0	0	0		
MUSA - Regular	58	48	53	52	57	62	63	65	67	69	71		
Total Outstanding Debt	2,975	2,800	2,615	2,520	2,290	2,045	1,790	1,525	1,245	955	650		
Total Annual Debt Service	349	339	329	347	349	344	344	343	347	344	345		
Debt Service Coverage	3	3	3	3	2	2	3	3	3	3	3		
Debt/Equity Ratio	39/61	37/63	33/67	30/70	27/73	25/75	21/79	18/82	15/85	11/89	8/92		
Rate Change Percent**							6.0%						
Residential Cost/month**							\$15.90						
Commercial (3Yd-1x/Wk)/Month**							\$53.53						
Statistical/Performance Trends													
Waste Collected (Tons)	44,356	45,277	44,721	45,821	45,250	45,250	45,700	46,160	46,620	47,090	47,560		
Average Residential Services	11,746	11,968	12,139	12,105	12,115	12,145	12,175	12,205	12,235	12,265	12,295		
Average Dumpsters Services	4,872	4,745	4,740	4,699	4,700	4,700	4,725	4,750	4,775	4,800	4,825		

*Excludes budgeted positions for SWS Admin (17) and Vehicle Maintenance (9).

** Last rate increase was in 1990

NOTE: Rate increases are shown in the outyears for purposes of projections only and have not been approved for implementation. It is intended that the need for rate increases be reviewed closely each year in conjunction with established operating budgets. Utilities will continue to strive to find ways to avoid projected rate increases.

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PORT OF ANCHORAGE

11-YEAR SUMMARY

UTILITY FORMAT - 1997 OPERATING BUDGET (\$ in Thousands)

Financial Overview	Actual											Budget			Forecast		
	1992	1993	1994	1995	1996	1997	1998	1999	2000	2001	2002	1997	1998	1999	2000	2001	2002
Revenues	\$7,268	\$7,123	\$7,712	\$8,197	\$8,858	\$8,902	\$8,970	\$9,255	\$9,335	\$10,372	\$10,001	\$8,902	\$8,970	\$9,255	\$9,335	\$10,372	\$10,001
Expenses	\$6,027	\$5,678	\$6,177	\$5,663	\$5,779	\$6,353	\$6,621	\$6,633	\$6,721	\$7,736	\$7,776	\$6,353	\$6,621	\$6,633	\$6,721	\$7,736	\$7,776
Net Income (Regulatory)	\$1,241	\$1,445	\$1,535	\$2,534	\$3,079	\$2,549	\$2,349	\$2,622	\$2,614	\$2,636	\$2,225	\$2,549	\$2,349	\$2,622	\$2,614	\$2,636	\$2,225
Work Force Authorized per Budget (FT)	21	21	21	21	21	21	21	21	21	21	21	21	21	21	21	21	21
Capital Program	\$1,830	\$2,533	\$9,202	\$5,000	\$4,961	\$5,429	\$1,349	\$2,325	\$2,449	\$18,131	\$1,225	\$5,429	\$1,349	\$2,325	\$2,449	\$18,131	\$1,225
Bond Sales	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$15,000	\$0	\$0	\$0	\$0	\$0	\$15,000	\$0
Net Plant (12/31)	\$48,014	\$51,713	\$49,933	\$48,020	\$50,052	\$52,352	\$51,391	\$53,041	\$54,750	\$60,246	\$66,810	\$52,352	\$51,391	\$53,041	\$54,750	\$60,246	\$66,810
Utility Revenue Distribution	\$179	\$179	\$179	\$358	\$601	\$696	\$801	\$792	\$856	\$883	\$878	\$696	\$801	\$792	\$856	\$883	\$878
Retained Earnings (12/31)	\$33,952	\$35,219	\$36,575	\$38,752	\$41,230	\$43,083	\$44,643	\$46,504	\$48,352	\$50,182	\$51,595	\$43,083	\$44,643	\$46,504	\$48,352	\$50,182	\$51,595
General Cash Pool	\$3,421	\$2,921	\$3,279	\$1,794	\$3,592	\$3,856	\$1,457	\$530	\$3,797	\$1,749	\$2,580	\$3,856	\$1,457	\$530	\$3,797	\$1,749	\$2,580
Construction Cash Pool	\$3,752	\$6,702	\$4,579	\$5,516	\$4,155	\$2,817	\$6,175	\$5,799	\$1,131	\$11,225	\$3,252	\$2,817	\$6,175	\$5,799	\$1,131	\$11,225	\$3,252
Bond Redemption Cash	\$2,915	\$2,916	\$2,916	\$1,000	\$1,000	\$1,000	\$1,000	\$1,000	\$1,000	\$2,334	\$2,334	\$1,000	\$1,000	\$1,000	\$1,000	\$2,334	\$2,334
Total Cash (12/31)	\$10,088	\$12,539	\$10,774	\$8,310	\$8,747	\$7,673	\$8,632	\$7,329	\$5,928	\$15,308	\$8,166	\$7,673	\$8,632	\$7,329	\$5,928	\$15,308	\$8,166
IGC's - General Government	\$281	\$151	\$170	\$172	\$224	\$247	\$252	\$257	\$262	\$267	\$272	\$247	\$252	\$257	\$262	\$267	\$272
Total Outstanding Debt	\$17,948	\$16,386	\$15,063	\$11,100	\$10,832	\$9,749	\$8,744	\$7,854	\$6,919	\$20,548	\$19,117	\$9,749	\$8,744	\$7,854	\$6,919	\$20,548	\$19,117
Total Annual Debt Service	\$3,060	\$2,969	\$2,690	\$4,552	\$726	\$1,655	\$1,531	\$1,371	\$1,369	\$2,704	\$2,705	\$1,655	\$1,531	\$1,371	\$1,369	\$2,704	\$2,705
Debt Service Coverage (Rev Bonds)	2.42	2.43	2.52	N/A	13.30	4.02	4.02	4.18	4.20	2.48	2.33	4.02	4.02	4.18	4.20	2.48	2.33
Debt/Equity Ratio	20/80	17/83	16/84	12/88	11/89	10/90	9/91	7/93	6/94	16/84	14/86	10/90	9/91	7/93	6/94	16/84	14/86
Rate Change % - Tariff	4.4%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%
% Change - Pref. Use Agree.	0.0%	0.0%	0.0%	0.0%	17.0%	0.0%	0.0%	0.0%	0.0%	5.0%	0.0%	0.0%	0.0%	0.0%	0.0%	5.0%	0.0%
Statistical/Performance Trends:																	
Tonnage (in thousands)	2,372	2,623	2,716	3,027	3,121	3,223	3,321	3,415	3,503	3,585	3,669	3,223	3,321	3,415	3,503	3,585	3,669
Revenue/Ton	\$2.38	\$2.30	\$2.41	\$2.27	\$2.54	\$2.48	\$2.44	\$2.46	\$2.43	\$2.47	\$2.45	\$2.48	\$2.44	\$2.46	\$2.43	\$2.47	\$2.45

NOTE: Rate increases are shown in the outyears for purposes of projections only and have not been approved for implementation. It is intended that the need for rate increases be reviewed closely each year in conjunction with established operating budgets. Utilities will continue to strive to find ways to avoid projected rate increases.

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MERRILL FIELD AIRPORT

11-YEAR SUMMARY

UTILITY FORMAT - 1997 OPERATING BUDGET (\$ in Thousands)

	Actual							Pro Forma		Budget				Forecast		
	1992	1993	1994	1995	1996	1997	1998	1999	2000	2001	2002	1998	1999	2000	2001	2002
Financial Overview																
Total Revenues	1,070	1,097	1,080	1,084	1,110	1,145	1,259	1,347	1,418	1,508	1,576	1,134	1,199	1,244	1,312	1,353
Total Expenses	943	1,018	938	873	1,002	1,072	1,134	1,199	1,244	1,312	1,353	1,25	148	174	196	223
Net Income Regulatory	127	79	142	211	108	73	125	148	174	196	223	10	10	10	10	10
Work Force Authorized per Budget (FT)	10	9	10	10	10	10	10	10	10	10	10	10	10	10	10	10
Capital Program *	1,816	1,868	2,124	85	480	1,690	2,765	3,240	1,850	2,200	1,000	0	0	0	0	0
Bond Sales	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Net Plant (12/31)	28,735	29,643	30,747	29,828	30,308	31,998	34,763	38,003	39,853	42,053	43,053	0	0	0	0	0
Utility Revenue Distribution	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Retained Earnings (12/31)	2,551	2,630	2,772	2,983	3,091	3,164	3,289	3,437	3,611	3,807	4,030	(3,086)	(202)	(28)	168	391
General Cash Pool	(3,086)	(3,033)	(984)	(656)	(548)	(475)	(350)	(202)	(28)	168	391	1,014	966	866	805	745
Construction Cash Pool	2,045	2,012	1,807	1,456	1,173	1,225	1,014	966	866	805	745	0	0	0	0	0
Bond Redemption Cash	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Total Cash (12/31)	-1,041	(1,021)	823	800	625	750	664	764	838	973	1,136	106	111	115	121	127
IGC's General Government	62	62	63	77	85	98	106	111	115	121	127	0	0	0	0	0
M U S A	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Total Debt	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Debt/Equity Ratio	0/100	0/100	0/100	0/100	0/100	0/100	0/100	0/100	0/100	0/100	0/100	0/100	0/100	0/100	0/100	0/100
Rate Change Percent	0	0	0	0	0	0	0%	3.3%	3.2%	3.1%	3.0%	0%	3.3%	3.2%	3.1%	3.0%
Lease Rate/S.F. Per Year	\$ 150	\$ 150	\$ 150	\$ 150	\$ 150	\$ 150	\$ 150	\$ 155	\$ 160	\$ 165	\$ 170	\$ 150	\$ 155	\$ 160	\$ 165	\$ 170
Tail-In Space/Month	\$ 40	\$ 40	\$ 40	\$ 40	\$ 40	\$ 40	\$ 40	\$ 45	\$ 45	\$ 45	\$ 45	\$ 40	\$ 45	\$ 45	\$ 45	\$ 45
Drive-Thru Space/Month	\$ 50	\$ 50	\$ 50	\$ 50	\$ 50	\$ 50	\$ 50	\$ 55	\$ 55	\$ 55	\$ 55	\$ 50	\$ 55	\$ 55	\$ 55	\$ 55
PERFORMANCE TRENDS																
Based Aircraft	943	916	905	907	915	940	970	1,010	1,040	1,080	1,100	660	660	660	660	660
Municipal Tiedowns	632	632	632	660	660	660	660	660	660	660	660	187,000	193,000	200,000	208,000	214,000
Flight Ops/Federal Year	225,713	230,156	210,257	177,959	180,000	183,000	187,000	193,000	200,000	208,000	214,000	98th	91st	82nd	78th	70th
National Airport Ranking	64th	57th	74th	108th	105th	103rd	98th	91st	82nd	78th	70th					

NOTE: Rate increases are shown in the outyears for purposes of projections only and have not been approved for implementation. It is intended that the need for rate increases be reviewed closely each year in conjunction with establishing operating budgets. Utilities will continue to strive to find ways to avoid projected rate increases.

*1992-1996 represents actual; 1997-2002 represents projected.

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