

BUDGET OVERVIEW

MUNICIPAL LIGHT & POWER

SUMMARY

UTILITY FORMAT - 1999 OPERATING BUDGET (\$000'S)

Financial Overview	Actual				Proforma	Budget
	1994	1995	1996	1997	1998	1999
Revenues	\$70,606	\$73,766	\$73,014	\$85,873	\$85,091	\$84,082
Expenses (1)	66,852	67,951	67,873	80,232	81,177	79,661
Net Income (Regulatory)	3,754	5,815	5,141	5,641	3,914	4,421
Work Force Authorized per Budget (FT)	220	229	229	229	229	230
Capital Improvements (2)	12,051	16,180	20,165	14,029	23,600	13,012
Bond Sales (3)	1,500	0	199,630	0	0	0
Net Non-Contributed Plant (12/31)(REG)	144,630	148,889	274,828	272,194	272,143	269,626
Net Contributed Plant (12/31)	11,341	11,174	10,812	10,912	11,012	11,113
Net Electric Plant (12/31)(GAAP)	155,971	160,063	285,640	283,106	283,155	280,739
Retained Earnings (12/31)	48,885	54,750	60,578	67,138	71,132	75,554
General Cash	9,780	6,901	1,799	15,662	17,979	16,162
Bond Construction Cash	965	596	23,697	4,998	0	0
Bond Redemption Investment	17,358	17,480	25,681	25,794	25,250	25,228
Debt Service Account	3,216	3,340	5,222	6,201	5,624	5,588
Investment in Eklutna	5,100	5,100	0	4,604	4,604	4,604
Operating Fund Invsmt. & Customer Deposits	6,651	6,460	6,631	6,561	6,601	6,682
Total Cash (12/31)	43,070	39,877	63,030	63,820	60,058	58,264
IGCs - General Government	1,362	1,434	1,612	1,510	2,100	2,700
MUSA - Regular (4)	1,881	1,999	2,137	2,245	2,286	2,320
Total Outstanding Debt	182,465	176,970	316,995	309,348	300,048	290,213
Total Annual Debt Service	17,182	17,148	18,662	25,941	27,319	27,337
Senior Debt Service Coverage	1.66	1.78	2.58	1.68	1.62	1.69
LT Debt/Equity Ratio	79/21	75/25	84/16	76/22	76/24	75/25
Rate Change Percent (5)	3.48%	(0.33%)	0.00%	0.00%	0.00%	0.00%
Statistical/Performance Trends:						
Resident. Customer (500 kWh) (6)	\$47.26	\$49.42	\$49.40	\$49.08	\$47.91	\$47.91
Total Residential Sales (kWh)	147,067	147,408	148,022	144,108	147,577	148,610
Commercial & Industr. Sales (kWh)	659,666	664,331	676,835	687,804	690,250	699,914
Total Kilowatt-Hour Sales	856,579	880,847	877,025	905,820	884,474	889,183
Total Sales Revenue (in Dollars)	\$67,447	\$69,014	\$69,381	\$70,892	\$69,771	\$70,432

- (1) Fuel rates per MCF for sales to ML&P Electric Division are being held constant at \$1.50 plus taxes and royalties.
- (2) Capital Expenditures are actuals through 1997 and Capital Improvement Budget/Plan for 1998 through 2004.
- (3) The 1986 Series A bonds were refinanced in 1993. 1996 reflects the refinancing of the 1986 Series B Electric Bonds, a new issue of \$42.530 million for Electric Capital, and a new Senior issue of \$78.245 million and a new Junior issue of \$30 million for the purchase of Beluga River Gas Field.
- (4) Assumes no payment of the 1.25% gross receipts portion of MUSA as a dividend.
- (5) All rate increases reflect the effect on Total Electric 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% rate increase effective 1/1/95 which resulted in a refund of .33%.

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

NOTE: Due to the potential restructuring of the electric industry, Forecast years 2000-2004 have been omitted to preserve the integrity of sensitive utility information.

ANCHORAGE WATER UTILITY

11-YEAR SUMMARY

UTILITY FORMAT - 1999 OPERATING BUDGET (\$000'S)

Financial Overview	Actual				Proforma	Budget	Forecast				
	1994	1995	1996	1997	1998	1999	2000	2001	2002	2003	2004
Revenues	27,434	28,117	28,448	29,072	29,653	30,094	30,710	33,403	34,281	35,664	36,715
Expenses	26,040	26,340	25,040	25,232	25,960	27,577	28,373	29,522	30,589	31,446	31,238
Net Income (Regulatory)	1,394	1,777	3,408	3,840	3,693	2,517	2,337	3,881	3,692	4,218	5,477
Work Force Authorized per Budget (FT)	270	269	268	268	265	263	263	260	255	250	250
Capital Improvement Program *	9,603	4,220	13,608	16,234	6,954	24,545	16,567	25,514	5,318	12,027	17,017
New Debt	0	0	0	0	11,000	15,000	17,000	19,000	14,000	6,500	12,500
Net Plant (12/31)	303,338	302,902	299,805	318,827	313,135	313,624	318,445	312,599	325,893	318,504	320,017
Retained Earnings (12/31)	23,983	25,760	29,168	33,008	36,701	39,219	41,555	45,436	49,128	53,346	58,823
Operating Cash	6,321	3,055	2,157	6,525	5,190	5,839	5,510	5,867	5,318	5,066	4,603
Construction Cash Pool	4,858	7,315	2,845	(5,541)	7,331	2,877	1,644	1,403	1,734	1,291	979
Cash Reserves	12,083	13,982	15,887	18,387	20,178	21,678	22,561	23,710	24,945	26,030	27,040
Total Cash 12/31	23,262	24,353	20,889	19,371	32,698	30,394	29,715	30,980	31,996	32,387	32,621
IGCs - General Government	1,291	1,274	1,306	1,226	1,193	1,866	1,922	1,980	2,059	2,142	2,227
MUSA - Regular	1,419	1,502	1,434	1,433	1,476	1,520	1,566	1,613	1,693	1,778	1,867
Total Outstanding Debt	107,386	105,605	103,364	101,428	110,023	122,103	134,312	147,764	155,555	155,348	160,445
Total Annual Debt Service	8,547	8,920	8,764	8,345	8,510	9,960	12,798	14,363	15,513	16,148	17,079
Debt Service Coverage (overall)	1.51	1.51	1.67	1.76	1.69	1.38	1.19	1.22	1.16	1.16	1.13
Debt/Equity Ratio	82 / 18	80 / 20	78 / 22	75 / 25	75 / 25	76 / 24	76 / 24	76 / 24	76 / 24	74 / 26	73 / 27
Rate Change Percent								9.00%		5.00%	
Single Family Rate **	\$24.75	\$25.80	\$25.80	\$25.80	\$25.80	\$25.80	\$25.80	\$28.12	\$28.12	\$29.53	\$29.53
Statistical/Performance Trends:											
Number of Customers	44,085	44,712	45,166	47,152	47,525	49,474	50,216	50,969	51,737	52,510	53,298
Average Treatment (GPD) (000)	25,600	24,600	25,100	25,900	26,000	26,500	26,500	27,000	27,000	27,000	27,500
Miles of Water Lines	680	743	748	761	767	770	777	782	787	791	796
Number of Hydrants	5,487	5,534	5,581	5,700	5,770	5,858	5,916	5,975	6,035	6,095	6,155

* 1994-1998 reflect actual expenditures.

** Cost-of-Service adjustment in 1995. A new Cost-of-Svc Study will be conducted in conjunction with Revenue Requirements Study.

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.

ANCHORAGE WASTEWATER UTILITY

11-YEAR SUMMARY

UTILITY FORMAT - 1999 OPERATING BUDGET (\$000'S)

Financial Overview	Actual				Proforma	Budget	Forecast				
	1994	1995	1996	1997	1998	1999	2000	2001	2002	2003	2004
Revenues	23,730	23,975	24,498	24,670	24,799	25,005	25,157	26,317	26,850	28,042	28,646
Expenses	22,026	21,483	21,428	21,338	22,013	23,862	23,661	23,668	24,287	24,711	25,038
Net Income (Regulatory)	1,704	2,492	3,070	3,332	2,786	1,143	1,496	2,649	2,563	3,331	3,608
Work Force Authorized per Budget (FT)	270	269	268	268	265	263	263	260	255	250	250
Capital Improvement Program *	5,212	5,536	5,907	4,058	6,377	10,100	9,227	7,969	8,103	8,027	19,167
New Debt (Bonds, Loan Fund)	2,443	106	3,555	1,090	2,200	5,200	6,500	7,700	7,000	6,700	10,300
Net Plant (12/31)	247,772	247,238	245,585	242,373	238,563	233,668	228,122	221,870	214,858	207,024	198,304
Retained Earnings (12/31)	6,656	9,148	12,218	15,550	18,336	19,479	20,976	23,625	26,188	29,519	33,128
Operating Cash	5,527	3,805	5,174	7,133	6,440	5,004	3,919	3,922	3,754	4,029	4,441
Construction Cash Pool	3,381	1,887	1,414	377	(87)	323	372	410	447	401	397
Cash Reserves	192	334	361	288	288	288	288	288	288	288	288
Total Cash 12/31	9,100	6,026	6,948	7,798	6,641	5,615	4,579	4,620	4,489	4,718	5,126
IGCs - General Government	1,509	1,507	1,487	1,361	1,352	2,037	2,098	2,161	2,247	2,337	2,431
MUSA - Regular	1,110	1,130	1,113	1,156	1,191	1,226	1,263	1,301	1,366	1,434	1,506
Total Outstanding Debt	73,862	68,855	66,719	61,989	58,479	57,567	57,957	59,447	59,864	59,658	62,845
Total Annual Debt Service	9,355	9,077	9,040	9,014	8,756	9,076	8,850	8,826	9,112	9,377	9,489
Debt Service Coverage (overall)	1.15	1.24	1.24	1.26	1.21	1.01	1.02	1.13	1.10	1.13	1.15
Debt/Equity Ratio	85 / 15	81 / 19	78 / 22	73 / 27	70 / 30	69 / 31	68 / 32	66 / 34	64 / 36	62 / 38	61 / 39
Rate Change Percent								5.00%		5.00%	
Single Family Rate **	\$21.65	\$ 21.80	\$ 21.80	\$ 21.80	\$ 21.80	\$ 21.80	\$ 21.80	\$ 22.89	\$ 22.89	\$ 24.03	\$ 24.03
Statistical/Performance Trends											
Number of Customers	46,782	47,374	47,714	48,748	49,098	49,588	50,084	50,585	51,091	51,602	52,118
Average Treatment (GPD) (000)	31,000	30,600	30,700	30,500	30,400	32,500	32,800	33,100	33,300	33,500	33,700
Miles of Wastewater Lines	676	680	683	687	690	694	696	698	700	703	708

* 1994-1998 reflect actual expenditures.

** Cost-of-Service adjustment in 1995. A new Cost-of-Service Study will be conducted in conjunction with Revenue Requirements Study.

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.

REFUSE COLLECTIONS

11-YEAR SUMMARY

UTILITY FORMAT - 1999 OPERATING BUDGET (\$000'S)

Financial Overview	Actual				Proforma	Budget	Forecast				
	1994	1995	1996	1997	1998	1999	2000	2001	2002	2003	2004
Revenues	5,665	5,779	5,844	5,787	5,776	5,767	5,818	5,873	5,928	5,984	6,041
Expenses	5,153	5,307	5,316	5,381	5,564	5,748	5,778	5,863	5,928	5,981	6,022
Net Income (Regulatory)	512	472	528	406	212	18	40	10	0	3	18
Work Force Authorized per Budget (FT)*	16	16	16	16	16	16	16	16	16	16	16
Capital Improvement Program	448	377	272	397	652	470	450	450	481	455	480
Bond Sales	0	0	0	0	0	0	0	0	0	0	0
Net Plant (12/31)	2,853	3,027	2,826	2,921	3,124	3,115	3,062	2,987	2,917	2,831	2,769
Utility Revenue Distribution	0	0	0	0	0	0	0	0	0	0	0
Retained Earnings (12/31)	5,226	5,700	6,230	6,631	6,840	6,860	6,900	6,910	6,910	6,910	6,930
General Cash Pool	3,831	4,170	4,660	4,899	4,679	4,615	4,428	4,224	3,989	3,758	3,858
Construction Cash Pool	586	510	384	324	372	200	200	200	200	200	200
Bond Redemption Cash	360	353	352	351	352	350	350	350	350	350	0
Total Cash (12/31)	4,777	5,033	5,396	5,574	5,403	5,165	4,978	4,774	4,539	4,308	4,058
IGCs - General Government	86	81	85	98	126	185	189	194	199	204	209
MUSA - 1.25%	0	0	0	0	0	0	0	0	0	0	0
MUSA - Regular	53	52	57	53	54	57	57	58	60	61	63
Total Outstanding Debt	2,615	2,520	2,290	2,045	1,790	1,525	1,245	955	650	330	0
Total Annual Debt Service	329	347	356	359	360	357	359	353	352	349	340
Debt Service Coverage	3.34	3.05	3.06	2.81	2.28	1.81	1.89	1.86	1.87	1.82	1.86
Debt/Equity Ratio	33/67	30/70	26/74	23 / 77	20 / 80	18 / 82	15 / 85	12 / 88	8 / 92	4 / 96	0 / 100
Rate Change Percent**											
Residential Cost/month** [\$15.00/mo]											
Commercial (3Yd-1x/Wk)/Month** [\$50.50/mo]											
Statistical/Performance Trends											
Waste Collected (Tons)	44,721	45,821	43,714	45,611	45,148	45,150	40,635	40,635	40,635	40,635	40,635
Average Residential Services	12,139	12,105	12,082	12,111	12,115	12,166	12,191	12,215	12,239	12,264	12,288
Average Dumpster Services	4,740	4,699	4,732	4,684	4,770	4,803	4,827	4,851	4,875	4,900	4,924

* Excludes budgeted positions for SWS Admin (16) and Vehicle Maintenance (9).

** Last rate increase was in 1990.

SOLID WASTE DISPOSAL

11-YEAR SUMMARY

UTILITY FORMAT - 1999 OPERATING BUDGET (\$000'S)

Financial Overview	Actual				Proforma	Budget	Forecast				
	1994	1995	1996	1997	1998	1999	2000	2001	2002	2003	2004
Revenues	12,694	13,431	13,742	14,275	13,675	13,673	13,802	13,933	14,077	14,222	14,369
Expenses	10,747	11,487	15,699	12,612	12,484	13,099	13,857	13,977	14,008	13,951	13,843
Net Income (Regulatory)	1,947	1,944	(1,957)	1,663	1,191	574	(55)	(44)	69	271	526
Work Force Authorized per Budget (FT)*	32	32	32	32	32	32	32	32	32	32	32
Capital Improvement Program	2,108	9,743	1,790	347	6,777	5,351	1,474	1,384	1,348	1,346	1,862
Bond Sales/ New Debt	0	7,634	1,564	0	2,900	6,100	0	0	0	0	0
Net Plant (12/31)	33,917	33,439	42,753	40,662	39,789	47,920	46,514	44,934	43,246	41,637	40,555
Utility Revenue Distribution	0	0	200	0	200	0	0	0	0	0	0
Retained Earnings (12/31)	10,371	12,315	10,158	11,821	12,812	13,386	13,330	13,286	13,356	13,626	14,152
General Cash Pool ****	5,408	6,724	4,840	3,540	1,262	3,422	382	(1,385)	(3,061)	(4,738)	(6,833)
Future Landfill Closure Cash Reserve	2,918	3,383	3,901	5,753	6,552	7,195	7,843	8,496	9,153	9,816	10,483
Construction Cash Pool	(395)	(965)	583	1,677	900	300	300	300	300	300	300
Bond Redemption Cash	410	373	373	371	370	370	370	370	370	370	370
Total Cash (12/31)	8,341	9,515	9,697	11,341	9,084	11,287	8,895	7,781	6,763	5,748	4,320
IGCs - General Government	133	127	121	147	190	294	301	309	316	324	332
MUSA - 1.25%	143	146	153	149	164	158	159	160	161	162	163
MUSA - Regular	324	319	323	423	526	531	641	657	674	691	708
Total Outstanding Debt	26,480	32,984	32,848	30,603	31,173	34,848	31,859	28,754	25,519	22,159	18,654
Total Annual Debt Service	3,295	3,234	3,451	3,919	3,904	3,964	4,653	4,614	4,576	4,533	4,504
Revenue Bond Coverage	16.07	16.04	11.54	5.50	5.37	4.08	2.66	2.68	2.73	2.76	2.85
Debt/Equity Ratio	62/38	65/35	68/32	64 / 36	64 / 36	66 / 34	64 / 36	62 / 48	59 / 41	56 / 44	51 / 49
Rate Change Percent											
User Rate/Ton** [\$45.00/ton]											
Pickup Rate***											
Car Rate** [\$5.00/ton]											
Statistical/Performance Trends											
Tons Disposed	285,250	292,650	325,668	309,267	298,831	300,490	302,740	305,010	307,300	309,600	311,920
Vehicle Count	188,843	196,498	187,517	200,742	194,046	195,123	196,584	198,058	199,545	201,039	202,545

* Excludes budgeted positions for SWS Admin (16) and Vehicle Maintenance (9).

** Last rate increase was in 1989.

*** Rate was increased from \$5 to \$10 as an equity adjustment in 1993.

**** Solid Waste Disposal will explore alternatives to mitigate negative cash flow projected in the outyears.

PORT OF ANCHORAGE

11-YEAR SUMMARY

UTILITY FORMAT - 1999 OPERATING BUDGET (\$000'S)

Financial Overview	Actual				Proforma	Budget	Forecast				
	1994	1995	1996	1997	1998	1999	2000	2001	2002	2003	2004
Revenues	\$7,712	\$8,197	\$8,885	\$7,964	\$8,711	\$8,755	\$8,955	\$9,447	\$9,299	\$9,317	\$9,518
Expenses	6,177	5,663	5,696	5,772	6,410	7,096	7,167	7,355	7,548	7,834	7,840
Net Income (Regulatory)	1,535	2,534	3,189	2,192	2,301	1,659	1,788	2,092	1,751	1,483	1,678
Budgeted Positions	21	21	21	21	21	21	21	21	21	21	21
Capital Program	9,202	5,000	3,243	3,466	4,493	3,515	6,855	883	1,065	1,045	2,855
Bond Sales	0	0	0	0	0	0	0	0	0	0	0
Net Plant (12/31)	49,933	48,020	59,170	57,410	55,069	56,709	56,105	57,797	58,347	63,166	59,889
Utility Revenue Distribution	179	358	601	696	0	0	0	0	0	0	0
MESA	0	0	0	0	0	576	540	585	598	578	569
Retained Earnings (12/31)	36,575	38,752	41,340	42,836	45,137	46,796	48,584	50,676	52,427	53,910	55,588
General Cash Pool	3,279	1,794	3,583	2,704	2,718	2,248	2,046	2,668	5,405	8,291	9,988
Construction Cash Pool	4,579	5,516	4,517	5,607	5,671	7,527	9,633	5,455	2,405	2,695	3,855
Bond Redemption Cash	2,916	1,000	1,000	999	1,000	1,000	1,000	1,000	1,000	1,000	1,000
Total Cash (12/31)	10,774	8,310	9,100	9,310	9,389	10,775	12,679	9,123	8,810	11,986	14,843
IGCs - General Government	170	172	188	198	246	292	295	298	301	304	307
Total Outstanding Debt	15,063	11,100	10,828	9,735	8,735	7,845	6,910	5,920	4,870	3,760	2,580
Total Annual Debt Service	2,690	5,672	727	1,663	1,784	1,371	1,369	1,370	1,371	1,369	1,370
Debt Service Coverage (Rev Bonds)	2.52	3.24	10.53	3.74	3.78	3.41	3.54	3.83	3.67	3.66	3.77
Debt/Equity Ratio	16 / 84	12 / 88	10 / 90	10 / 90	9 / 91	7 / 93	6 / 94	5 / 95	4 / 96	3 / 97	2 / 98
Rate Change % - Tariff											
Containers	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%
Petroleum, Bulk	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%
Cement, Bulk	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%	17.0%	0.0%	0.0%	0.0%	0.0%	5.0%	0.0%	0.0%	0.0%
Statistical/Performance Trends:											
Tonnage (in thousands)	2,716	3,027	3,088	3,316	3,084	3,030	3,061	3,092	3,123	3,155	3,188
Revenue/Ton	\$2.41	\$2.27	\$2.57	\$2.36	\$2.50	\$2.56	\$2.60	\$2.71	\$2.70	\$2.70	\$2.69

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.

