

CITY OF ANCHORAGE

1964

BUDGET

MUNICIPAL LIGHT & POWER DEPARTMENT

## CITY OF ANCHORAGE

## MUNICIPAL LIGHT and POWER OPERATING ACCOUNTS

## SUMMARY

CLASSIFICATION	ACTUAL COST 1961	ACTUAL COST 1962	ORIGINAL BUDGET 1963	ADJUSTED BUDGET 1963	DEPARTMENT REQUEST 1964	MANAGER RECOMMENDS 1964	COUNCIL APPROVED 1964
<b>REVENUES</b>							
Residential Sales	880,028	898,562	885,000	885,000	895,000	895,000	895,000
Commercial & Industrial	1,549,627	1,711,007	1,899,000	1,899,000	2,051,000	2,051,000	2,051,000
Public Street Lighting	100,976	105,905	116,000	116,000	125,000	125,000	125,000
Interdepartmental Sales	84,739	108,218	134,000	134,000	145,000	145,000	145,000
Forfeited Discounts	23,355	27,002	24,000	24,000	26,000	26,000	26,000
Miscellaneous Service	9,380	8,446	5,000	5,000	5,000	5,000	5,000
Rent from Property					12,000	12,000	12,000
Other Electric Revenue	26,171	33,991	73,000	58,000	60,000	60,000	60,000
Interest Revenue	16,749	13,118		15,000	15,000	15,000	15,000
<b>TOTAL REVENUE</b>	<b>2,691,025</b>	<b>2,906,249</b>	<b>3,136,000</b>	<b>3,136,000</b>	<b>3,334,000</b>	<b>3,334,000</b>	<b>3,334,000</b>
<b>EXPENSES</b>							
Production	1,086,761	1,265,289	1,369,130	1,384,010	1,455,110	1,455,110	1,455,110
Distribution	188,792	197,435	227,400	211,113	259,320	259,320	259,320
Customer Accounts	158,138	186,518	145,506	136,542	152,400	157,510	157,510
Sales Expense	4,745	5,847	6,000	14,000	23,920	23,920	23,920
Administration Expense	102,529	96,347	144,464	144,793	221,185	187,200	187,200
Depreciation	229,673	246,388	388,480	388,480	400,000	400,000	400,000
Payment in Lieu of Tax	50,642	52,300	54,874	54,874	62,720	62,720	62,720
Interest Expense					61,500	61,500	61,500
Other Income Deduction				10,000			
<b>TOTAL EXPENSE</b>	<b>1,821,280</b>	<b>2,050,124</b>	<b>2,335,854</b>	<b>2,343,812</b>	<b>2,636,155</b>	<b>2,607,280</b>	<b>2,607,280</b>
<b>NET INCOME</b>	<b>869,745</b>	<b>856,125</b>	<b>800,146</b>	<b>792,188</b>	<b>697,845</b>	<b>726,720</b>	<b>726,720</b>

DEPARTMENT  
 Municipal Light and Power Analysis of Retained Earnings

## SUMMARY

CLASSIFICATION	ACTUAL 1961	ACTUAL 1962	ORIGINAL BUDGET 1963	ADJUSTED BUDGET 1963	DEPARTMENT REQUEST 1964	MANAGER RECOMMENDS 1964	COUNCIL APPROVED 1964
<b>RETAINED EARNINGS</b>							
Balance January 1	1,089,566	1,131,317	558,917	558,917	139,666	139,666	139,666
Reserve for Construction	143,346	182,734	287,502	287,502	272,449	272,449	272,449
Net Income	869,745	833,067	800,146	792,188	697,845	726,720	726,720
Depreciation (non cash)	229,673	246,388	388,480	388,480	400,000	400,000	400,000
Prior Year Adjustments	( 499)	(258,603)					
	2,331,831	2,134,903	2,035,045	2,027,087	1,509,960	1,538,835	1,538,835
<b>DISTRIBUTION OF EARNINGS</b>							
Contribution to General Fund	435,273	450,870	605,436	597,782	638,280	638,280	638,280
Reserve for Prior Years Construction	182,734	287,502	287,502	272,449	272,449	272,449	272,449
(Construction Current Year	582,507	837,614	583,190	583,190	489,155	489,155	489,155
Contract Payment Generator (Note)				434,000	92,000	92,000	92,000
Balance December 31	1,131,317	558,917	558,917	139,666	18,076	46,951	46,951
	2,331,831	2,134,903	2,035,045	2,027,087	1,509,960	1,538,835	1,538,835

Note: The additional source of cash to liquidate the contract on the generator would be from the amortization of the Utility's contract with the U. S. Bureau of Reclamation. The above schedule relates only to the ability of the utility to reduce debt from operations and therefore the balance of funds required is shown as follows.

Total Annual Payment requirements for the generator contract

500,000      158,000      158,000

Less amount due from annual payment by U.S. Bureau of Reclamation

66,000      66,000      66,000

Amount to be Provided From Income

434,000      92,000      92,000

MUNICIPAL LIGHT AND POWER OPERATING EXPENSES			DETAIL			
CODE	CLASSIFICATION	ORIGINAL BUDGET 1963	ADJUSTED BUDGET 1963	DEPARTMENT REQUEST 1964	MANAGER RECOMMENDS 1964	COUNCIL APPROVED 1964
	<u>OPERATING REVENUES</u>					
3440	Residential Sales	885,000	885,000	895,000	895,000	895,000
3442	Commercial & Industrial	1,899,000	1,899,000	2,051,000	2,051,000	2,051,000
3444	Public Street Lighting	116,000	116,000	125,000	125,000	125,000
3448	Interdepartmental Sales	134,000	134,000	145,000	145,000	145,000
3450	Forfeited Discounts	24,000	24,000	26,000	26,000	26,000
3451	Miscellaneous Service Revenue	5,000	5,000	5,000	5,000	5,000
3454	Rent from Electric Property			12,000	12,000	12,000
3456	Other Electric Revenue	73,000	58,000	60,000	60,000	60,000
	Total Operating Revenue	3,136,000	3,121,000	3,319,000	3,319,000	3,319,000
	<u>NON-OPERATING REVENUES</u>					
3419	Interest Revenue		15,000	15,000	15,000	15,000
	TOTAL REVENUE	3,136,000	3,136,000	3,334,000	3,334,000	3,334,000
	<u>OPERATING EXPENSE</u>					
	<u>PRODUCTION</u>					
	Operating					
3546	Supervision & Engineering	7,900	7,900	15,710	15,710	15,710
3547	Fuel	440,000	445,000	400,000	400,000	400,000
3548	Generation Expense	114,870	114,870	123,090	123,090	123,090
3549	Miscellaneous Other Generation	4,930	6,230	4,500	4,500	4,500
3550	Rents	500	500	500	500	500
	Maintenance					
3551	Supervision & Engineering	8,000	8,700	15,710	15,710	15,710
3552	Maintenance of Structures	5,030	3,530	1,500	1,500	1,500
3553	Maint. Generating & Elec. Plant	30,770	24,770	35,000	35,000	35,000
3554	Maint. Misc. Other Plant	4,530	2,330	1,000	1,000	1,000
	Other Power Supply Expense					
3555	Purchased Power	747,600	768,480	855,600	855,500	855,500
3556	System Control & Load Dispatch.	5,000	1,700	2,500	2,500	2,500
	TOTAL PRODUCTION	1,369,130	1,384,010	1,455,110	1,455,110	1,455,110

MUNICIPAL LIGHT AND POWER OPERATING ACCOUNTS				DETAIL		
CODE	CLASSIFICATION	ORIGINAL BUDGET 1963	ADJUSTED BUDGET 1963	DEPARTMENT REQUEST 1964	MANAGER RECOMMENDS 1964	COUNCIL APPROVED 1964
	<u>DISTRIBUTION</u>					
	Operation					
3580	Supervision & Engineering	13,865	10,588	18,500	18,500	18,500
3582	Station Expenses	2,500	2,200	2,500	2,500	2,500
3583	Overhead line expense	30,000	25,750	30,000	30,000	30,000
3584	Underground line expense	2,000	2,300	2,500	2,500	2,500
3585	Street lighting	6,000	8,550	12,000	12,000	12,000
3579	Signal System Expense	6,000	8,000	7,000	7,000	7,000
3586	Meter Expenses	45,770	43,270	48,000	48,000	48,000
3587	Customer Installation expense	6,150	6,350	6,300	6,300	6,300
3588	Miscellaneous distribution	21,100	26,100	30,250	30,350	30,350
3589	Rents	1,570	1,570	1,570	1,570	1,570
	Maintenance					
3590	Supervision & Engineering	13,865	9,665	18,500	18,500	18,500
3591	Maintenance of Structures	480	600	1,000	1,000	1,000
3592	Maint. Station Equipment	5,000	3,850	5,000	5,000	5,000
3593	Maint. Overhead Lines	40,000	34,500	40,000	40,000	40,000
3594	Maint. Underground lines	3,600	1,950	2,000	2,000	2,000
3595	Maint. Line Transformers	5,000	1,650	5,000	5,000	5,000
3596	Maint. Street Lights	10,780	11,280	13,500	13,500	13,500
3597	Maint. Meters	600	600	500	500	500
3598	Maint. Miscellaneous Plant	120	120	200	200	200
3599	Maint. Signal Systems	13,000	12,220	15,000	15,000	15,000
	TOTAL DISTRIBUTION	227,400	211,113	259,320	259,320	259,320
	<u>CUSTOMER ACCOUNTS EXPENSE</u>					
3902	Meter Reading Expense	33,500	33,500	36,850	36,850	36,850
3903	Customers Records & Collection	108,006	99,042	110,550	115,660	115,660
3904	Uncollectible Accounts	4,000	4,000	5,000	5,000	5,000
	TOTAL CUSTOMER ACCOUNTS EXPENSE	145,506	136,542	152,400	157,510	157,510
	<u>SALES EXPENSE</u>					
3912	Sales Expense			11,920	11,920	11,920
3913	Advertising	4,500	9,500	10,000	10,000	10,000
3916	Miscellaneous Sales Expense	1,500	4,500	2,000	2,000	2,000
	TOTAL SALES EXPENSE	6,000	14,000	23,920	23,920	23,920

MUNICIPAL LIGHT AND POWER OPERATING ACCOUNTS				DETAIL		
CODE	CLASSIFICATION	ORIGINAL BUDGET 1963	ADJUSTED BUDGET 1963	DEPARTMENT REQUEST 1964	MANAGER RECOMMENDS 1964	COUNCIL APPROVED 1964
	<u>ADMINISTRATION &amp; GENERAL EXPENSE</u>					
	<u>Operation</u>					
3920	Administrative & General Salary	40,160	40,883	72,040	61,040	61,040
3921	Office supplies & expense	9,420	9,970	21,640	12,500	12,500
3923	Legal Services	21,594	21,594	15,830	15,830	15,830
3923	Outside services employed	5,000	6,406	23,000	23,000	23,000
3924	Property damage	10,780	9,780	8,000	8,000	8,000
3925	Injuries & Damages	5,000	5,000	10,275	6,000	6,000
3926	Employees Benefits	7,500	9,500	11,110	11,100	11,100
3930	Miscellaneous General Expense	1,000	1,500	2,000	2,000	2,000
3931	Rents	16,920	16,920	16,920	16,920	16,920
	<u>Maintenance</u>					
3932	Maint. General Plant	700	750	800	800	800
3933	Maint. Communication Equipment	26,390	22,490	39,570	30,000	30,000
	TOTAL ADMINISTRATION EXPENSE	144,464	144,793	221,185	187,200	187,200
3403	<u>DEPRECIATION</u>	388,480	388,480	400,000	400,000	400,000
3408	<u>PAYMENT IN LIEU OF TAXES</u>	54,874	54,874	62,720	62,720	62,720
	TOTAL OPERATING EXPENSE	2,335,854	2,333,812	2,574,655	2,545,780	2,545,780
	<u>NON-OPERATING EXPENSE</u>					
3427	Interest Expense			61,500	61,500	61,500
3426	Other Income Deductions		10,000			
	TOTAL EXPENSE	2,335,854	2,343,812	2,636,155	2,607,280	2,607,280
	<u>NET INCOME</u>	800,146	792,188	697,845	726,720	726,720

MUNICIPAL LIGHT AND POWER OPERATING EXPENSES						PERSONNEL SCHEDULE			
POSITION TITLE	PAY RANGE	ORIGINAL BUDGET 1963	ADJUSTED BUDGET 1963	DEPARTMENT REQUEST 1964		MANAGER RECOMMENDS 1964		COUNCIL APPROVED 1964	
<u>Classified Employees</u>									
Electric Utility Manager	1,367-1,600	1	1	1	18,500	1	18,500	1	18,500
Clerk Steno III	534-624	1	1	1	7,650	1	8,650	1	8,650
Clerk Steno II	456-534	o	1	1	5,500	1	5,500	1	5,500
Chief Electrical Engineer	1,125-1,315	1	1	1	16,410	1	16,410	1	16,410
Power Use Salesman	1,000-1,170	o	o	1	12,240	1	12,240	1	12,240
Office Supervisor	1,040-1,217	o	o	1	13,200	1	13,200	1	13,200
Sales & Promotion Engineer		1	1	o		o		o	
Generation Plant Supt.	1,081-1,265	o	1	1	16,100	1	16,100	1	16,100
Elec. Engineer, Ass't. to Chief Engineer	1,040-1,217	o	o	1	14,300	1	14,300	1	14,300
<u>Union Contracted Employees</u>									
Engineering Department:	Hourly Rate:								
Ass't. Elec. Engineer	6.72	o	o	1	12,470	1	12,470	1	12,470
Electrical Engineer II	6.72	o	o	1	13,270	1	13,270	1	13,270
Electrical Engineer I	5.97	1	1	1	12,280	1	12,380	1	12,380
Engineering Aide III	5.67	2	2	2	23,810	2	23,810	2	23,810
Generation Department:									
Plant Foreman	6.72	1	1	1	14,320	1	14,320	1	14,320
Plant Leadman	6.15	o	o	1	13,500	1	13,500	1	13,500
Plant Operators	5.97	5	5	5	64,240	5	64,240	5	64,240
Plant Mechanics	5.97	5	5	5	62,430	5	62,430	5	62,430
Operation & Maint. Depts.:									
General Foreman	7.08	1	1	1	16,030	1	16,030	1	16,030
Line Foreman	6.72	2	2	2	30,000	2	30,000	2	30,000
Lineman	5.97	6	7	7	89,390	7	89,390	7	89,390
Apprentice Lineman	3.86-5.97	2	1	1	12,040	1	12,040	1	12,040
Head Groundman	5.97	1	1	1	15,200	1	15,200	1	15,200
Groundman	4.84	1	1	1	10,100	1	10,100	1	10,100
Operation Clerk	5.44	1	1	1	11,000	0		0	
Service Foreman	6.72	1	1	1	15,200	1	15,200	1	15,200
Leadman	6.15	1	1	1	13,930	1	19,930	1	19,930
Lineman	5.97	1	1	1	13,280	1	13,280	1	13,280
Field Investigator	6.18	1	1	1	13,990	1	13,990	1	13,990
Meterman	5.97	1	1	1	13,200	1	13,200	1	13,200
Lineman, Cut-ins & Cut-outs	5.97	1	1	1	13,520	1	13,520	1	13,520
Meter Readers	5.44	2	2	2	24,600	2	24,600	2	24,600
Senior Clerk	4.15	1	1	1	9,030	1	9,030	1	9,030

MUNICIPAL LIGHT AND POWER OPERATING EXPENSES						PERSONNEL SCHEDULE				
POSITION TITLE	PAY RANGE	ORIGINAL BUDGET 1963	ADJUSTED BUDGET 1963	DEPARTMENT REQUEST 1964		MANAGER RECOMMENDS 1964		COUNCIL APPROVED 1964		
Electronics Supervisor	6.72	1	1	1	14,520	1	14,520	1	14,520	
Electronics Technician	5.97	1	1	1	12,400	1	12,400	1	12,400	
		44	46	50		49		49		
<u>Partial Year Employees</u>										
Junior Clerk	3.70	1	1	1	1,200	1	1,200	1	1,200	
Electronics Technician	5.97	o	o	1	6,200	1	6,200	1	6,200	
Relay & Transformer Maint.	5.97	o	o	1	6,250	1	6,250	1	6,250	
Engineering Aide III	5.67	o	o	2	6,540	2	6,540	2	6,540	
					667,840		656,840		656,840	
Unscheduled Overtime, storms, damage by others, etc.					30,000		30,000		30,000	
					697,840		686,840		686,840	



## ELECTRIC REVENUE ESTIMATES

Account 3440 - Domestic or Residential Sales. These revenues have not increased during 1963 any appreciable amount and, due to the large number of apartment vacancies, it is not expected that they will increase in 1964.

Account 3443 - Commercial and Industrial Sales

Account 3444 - Street Lights

Account 3448 - Interdepartmental Sales

All of the above accounts are expected to increase approximately 8% as they have in the past.

Other Operating Revenues. All other revenue accounts are expected to give the normal return as in prior years.

## OPERATING EXPENSE INFORMATION

**Power Production Expenses:** These accounts show a mild increase. This is due to an anticipated increase in power production, and is partly offset by a rate decrease in gas fuel. Expected increase in production is 9%, with the expected cost increase being 4%.

**Distribution Expenses:** Operation and Maintenance. These accounts show an increase due to increased labor cost plus expanded activity due to growth of the system.

**Customer Accounts Expenses:** Customer records and collection expense increase slightly based on the allocation of Finance Department costs.

**Sales Expenses:** This account is increased on the basis of employing a Sales and Promotion Engineer.

**Administration and General Expenses:** These expenses will increase due to increased activity and personnel, and to items not heretofore charged to this account.

**Other Expenses:** Total Other Expenses is increased due to increased depreciation cost caused by increased plant value, and to interest expense.

## CITY OF ANCHORAGE

## Municipal Light &amp; Power Department

## CAPITAL SUMMARY

MINOR ITEMS

Purchase and Install Transformers		\$ 35,000
Purchase and Install Meters		7,000
Install New Services		12,000
Purchase Tools and Equipment		1,700
Purchase Office Equipment		3,050
Communication Equipment		480
Install Street Lights		50,000
(100 new street lights request of Traffic Engineer)		
Install Traffic Signals		
#517 Controller & Test Equipment	\$ 1,375	
Ninth & I	7,000	
Ninth & E	7,000	
DeBarr & Bragaw	7,000	
15th and Lake Otis	<u>7,000</u>	29,375
Purchase Laboratory Equipment		1,650
Meter Lab	\$ 1,050	
Electronics Lab	<u>600</u>	
Install Short Line Extensions		20,000
not to exceed two-pole extensions or		
cost of \$1,000 or less each extension.		
Misc. Plant Replacement		30,000
not to exceed \$1,000 or less		<u>          </u>
 TOTAL MINOR ITEMS		 \$ 190,255

MAJOR ITEMS

ML&P Headquarters Building		
Architect's Estimate	\$ 349,900	
Budgeted 1963	<u>110,000</u>	
Balance to Budget 1964		\$ 239,900
 Generating Plant Parts Storage		 8,000
400 sq. ft. @ \$20		

MAJOR ITEMS - Continued

Two Oil Circuit Breaker Positions		
Tie to 34KV lines in downtown areas		
2 oil circuit breakers and controls	\$26,000	
1/2 mile 34KV line	<u>20,000</u>	46,000
Control Panel, steel, to match Turbine		
panels and contain oil circuit breakers		
controls and relays		<u>5,000</u>
TOTAL MAJOR ITEMS		\$ 298,900
TOTAL 1964 CONSTRUCTION		489,155

## MUNICIPAL LIGHT AND POWER DEPARTMENT

## CUSTOMER STATISTICS

In 1962 an average of 8,862 consumers were billed for electrical service. During the first ten months of 1963 8,841 consumers were billed.

It is probable that in 1964 there will be another small reduction in the number of accounts, but a substantial increase (8%) in kilowatt hours consumed. This apparent loss of consumers is mainly due to combining several accounts under one meter which results in no loss of load. Another trend is the removal of several small buildings, with the area then being used by one large building having only one meter but with a substantial increase in kilowatt hours consumed.

During the year 1963, 8,438 customers were served inside the corporate limits of Anchorage, and an average of 403 customers outside the City were served.

## Municipal Light &amp; Power Department

## WORK PROGRAM

Several projects started during 1963 will not be completed and operational until 1964.

The largest of these projects is the 15,000 kilowatt gas turbine-generator under contract to Westinghouse Electric Company. The component parts will be shipped and mostly received during November and December of 1963. Early in 1964 the completion of the erection will be accomplished and the generator will become operational.

In connection with the gas turbine-generator, a new switch yard was ordered and construction commenced during 1963. The erection and completion of connections will be accomplished early in 1964 and coordinated with the completion of the gas turbine.

During 1964 two oil switches are expected to be installed in the switch yard, along with 34.5kv tie lines to permit sectionalizing of the City 34.5kv system, and isolation of the City system from the total Anchorage area system. These switches will be remote controlled from panels in the existing turbine control room.

During 1964 about fifty street lights will be installed. Most of these will be in parts of the now poorly lighted areas or those areas having no lights at all. An example of this is First Avenue, both east and west of Post Road. Also, Third Avenue from the Alaska Native Service Hospital and extending to the old Palmer Highway will be studied for need. Many of the proposed lights will be installed at individual locations where adequate lighting is a necessity.

These, of course, are salient items. The department will be continually adding capacity on the existing system to serve new loads and increased loads.

During 1963 a site was chosen for the M. L. & P. Service and Headquarters Building. This site has been graded, back-filled and compacted to be ready for the building to be constructed during 1964.

A fire resistant type store room will have to be constructed to contain all the spare parts used on the turbines and the gas engines. This will be built adjacent to the present power plants.

## MUNICIPAL LIGHT AND POWER DEPARTMENT

## LOAD GROWTH

The following tabulation shows the trend of kilowatt capacity and energy requirements.

<u>Year</u>	<u>Kwh Billed</u>	<u>KW System Peak</u>
1960	81,293,000	19,200
1961	91,300,000	22,512
1962	100,195,000	25,636
1963	108,508,000*	27,700**
1964	118,000,000	29,900
1965	128,862,000	32,300
1966	140,457,000	34,885
1967	152,600,000	37,675
1968	166,334,000	40,700

\*Two months, November and December, estimated.

\*\*Estimated.

<u>Year</u>	<u>Generation Capacity-Kilowatts</u>	<u>System Load-KW</u>	<u>Total Capacity-KW</u>
1960	Bureau 16,000 City 6,000	19,200	22,000
1961	Bureau 16,000 City 6,000	22,512	22,000
1962	Bureau 16,000 City 6,000	25,636	22,000
	Turbine was installed but test runs only were made.		
1963	Bureau 16,000 City 21,000	27,700	37,000
1964	Addition of 15,000 KW Generator	29,900	52,000

This indicates that by 1967 additional capacity will be required for standby or reserve. This could be the addition of the steam unit mentioned by Parsons Company in their latest report, or there is a possibility of a Power Pool being formed which would vastly reduce the capacity of reserve generation required.