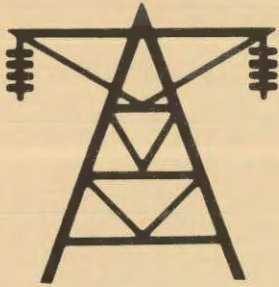


PUBLIC UTILITIES

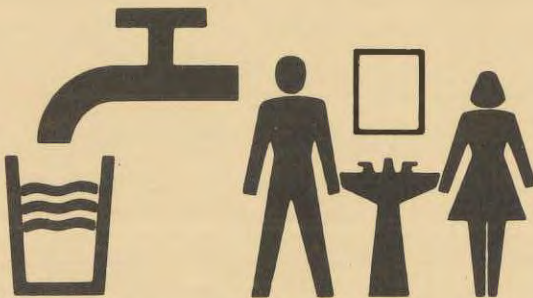


MUNICIPAL LIGHT AND
POWER

ANCHORAGE
TELEPHONE UTILITY



MERRILL FIELD



WATER AND WASTEWATER UTILITY



SOLID WASTE
SERVICES

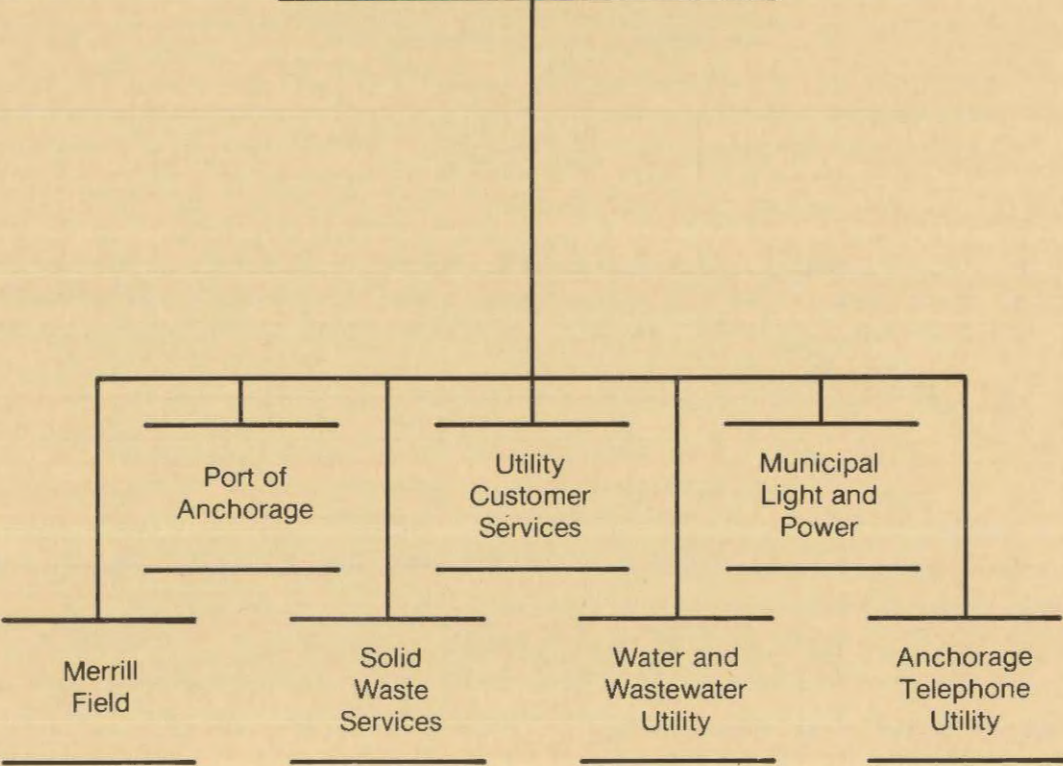


PORT OF ANCHORAGE



UTILITY
CUSTOMER SERVICES

EXECUTIVE MANAGER
PUBLIC UTILITIES



EXECUTIVE SUMMARY

Executive Area

PUBLIC UTILITIES

PUBLIC UTILITIES BUSINESS PLANNING

Planning for the Future

The utilities in 1983 made a transition from a budget process that emphasized only the numbers, to a process that emphasizes the planning aspects of utility operations. This process also expanded the one-year budget to a six-year plan with a longer horizon. Looking into the future, the utilities will face a number of business issues.

Utilities take seriously their charter of providing the best service possible at reasonable rates. During the recent years of expansion, utility facilities and resources have been extended to their maximum. The future holds additional growth for the Municipality of Anchorage and the surrounding areas, and will provide a continuing challenge.

We, in attempting to provide high quality service, recognize that the quality is often judged by a customer's perception of how they are treated. Future programs will emphasize customer relations even more than now, and stress a positive attitude when dealing with customers.

Another aspect of quality of service is the reliability and quality of equipment and facilities. Emphasis in future years is being placed on new enhancements. The enhancements will be those that provide better service while maintaining rates at reasonable levels. The utilities will provide new technological services, but only if these services improve quality while not adversely impacting rates.

Business planning by the utilities also considers public safety and quality of life. Future plans include additional undergrounding of wires and cables, as well as lighting areas that now lack street lighting.

The future, as visualized, will show a continued growth pattern as new subdivisions and commercial buildings are completed. This growth will financially impact all utilities, as new, more expensive facilities are built and placed into service. Rates will increase for all utility services, but these increases will only be those necessary to provide for the quality of service demanded by Anchorage citizens.

The future will provide challenges, but the utilities are anticipating them, and through the planning process identifying program solutions.

Major Programs

Following is a summary of the programs shown in the utilities' business plans. The programs shown here are only a small number of those shown in utility documents.

Customer Service:

- Provide new and better services to customers.
- Expand community awareness programs.
- Provide new disposal sites.
- Consolidate service areas where services are the same.

Quality of Life:

- Plan resource recovery facilities to maximize on energy recovery from Solid Waste.
- Provide incentive program to reduce neighborhood litter.
- Continue public planning process for disposal sites.
- Convert overhead lines to underground.
- Improve water quality and availability.
- Expand capacity of treatment facilities.
- Establish recycle center.

Public Safety:

- Establish programs to ensure the safety of the public and employees.
- Convert overhead lines to underground.
- Expand community awareness programs.
- Maintain safe facilities.

Quality of Service:

- Upgrade equipment with new cost effective equipment.
- Improve relationships with other area utilities.
- Emphasize data processing enhanced operations.
- Provide adequate facilities and work space.
- Expand Port facilities.
- Maintain Port dredging operation.
- Expand airport facilities.
- Respond to service demands generated by population growth.

CAPITAL IMPROVEMENT PROJECTIONS (millions)

Utility	YEAR					
	1984	1985	1986	1987	1988	1989
Telephone	\$ 32.2	\$ 20.9	\$ 30.6	\$ 17.0	\$ 27.3	\$ 22.9
Electric	37.3	25.2	20.8	24.0	40.8	28.9
Water	85.7	76.8	71.9	13.7	16.6	14.8
Wastewater	43.0	38.2	20.1	10.6	11.0	8.1
Refuse Collection	.5	.6	.5	.7	.6	.5
Solid Waste	11.3	4.8	3.4	75.5	1.1	.5
Port	12.0	9.2	4.5	7.1	3.8	3.0
Airport	8.3	1.3	3.6	3.2	4.7	3.8
TOTAL	\$ 230.3	\$ 177.0	\$ 155.4	\$ 151.8	\$ 105.9	\$ 82.5

OPERATING EXPENSE PROJECTIONS (millions)

Utility	YEAR					
	1984	1985	1986	1987	1988	1989
Telephone	\$ 96.1	\$ 106.6	\$ 117.9	\$ 131.2	\$ 144.4	\$ 159.0
Electric	41.1	47.8	58.0	66.1	73.2	81.4
Water	14.2	14.5	16.3	18.4	21.5	24.7
Wastewater	19.4	20.6	23.1	26.1	30.4	34.8
Refuse Collection	4.6	4.9	5.3	5.6	6.1	6.5
Solid Waste	4.9	6.3	6.8	7.3	7.7	10.8
Port	4.7	4.9	5.1	5.4	5.7	5.9
Airport	.6	.7	.8	.9	1.0	1.0
TOTAL	\$ 185.6	\$ 206.3	\$ 233.3	\$ 261.0	\$ 290.0	\$ 324.1

Regulatory Method**NET INCOME PROJECTIONS (thousands)**

Utility	YEAR					
	1984	1985	1986	1987	1988	1989
Telephone	\$ 9,740	\$ 11,607	\$ 13,030	\$ 14,488	\$ 15,956	\$ 17,573
Electric	3,249	659	1,042	1,374	1,895	2,206
Water	571	1,782	4,334	5,119	6,978	7,277
Wastewater	1,811	4,288	7,040	6,992	10,178	10,574
Refuse Collection	83	412	82	512	101	141
Solid Waste	11	84	178	98	83	1,470
Port	1,371	1,246	1,458	1,325	1,115	878
Airport	117	144	161	182	204	228
TOTAL	\$ 16,953	\$ 20,222	\$ 27,325	\$ 30,090	\$ 36,510	\$ 40,347

Regulatory Method**PERSONNEL PROJECTIONS**

Utility	YEAR					
	1984	1985	1986	1987	1988	1989
Telephone	805	810	820	826	836	844
Electric	169	192	196	202	204	205
Water/Wastewater	284	300	323	346	391	427
Solid Waste	69	73	73	74	76	76
Port	16	17	17	18	18	18
Airport	6	7	7	8	9	9
TOTAL	1,349	1,399	1,436	1,474	1,534	1,579