

V. ENTERPRISE ACTIVITIES PROFILE

V. ENTERPRISE ACTIVITIES

The Municipality of Anchorage owns and operates eight Enterprise Activities -- Anchorage Telephone Utility, Municipal Light and Power, Anchorage Water and Wastewater Utilities, Solid Waste Disposal and Municipal Refuse Collection Utilities, the Port of Anchorage, and Merrill Field Airport. Detailed information on each of these entities is contained in the 1992 Public Utility Operating and Capital Budgets document. The intent here is to extract and summarize some information to provide an overview of these important Municipal activities.

This section highlights some of the interrelationships which exist among General Government functions and Enterprise Activities -- Intragovernmental Charges (IGC's), the Municipal Utility Service Assessment (MUSA), and Utility Revenue Distribution. Following a discussion of these linkages, summary income, expense, debt and rate data are also presented.

INTRAGOVERNMENTAL CHARGES

The intragovernmental charge system is the mechanism used by the Municipality to account for the costs of certain services provided by one unit of government for another.

An IGC represents the cost for a service which one budget unit (servicer) provides to another (requestor). Net charges to utilities, operating grants and capital improvements are counted as general government revenues.

General government provides administrative services to the Municipal utilities, e.g., financial services, insurance, purchasing, and management. Utilities also provide services to general government, but in general these charges are handled through the regular customer billing procedures of the utilities, rather than through a charge-back system.

Figure 5-1 summarizes the IGC's to utilities contained in the 1992 budgets. Charges to utilities are \$13.7 million, approximately 71% of the total of \$19.2 million IGC revenues in the general government operating budget. Figure 5-1 also summarizes the changes in IGC's since 1986. The increase in utility charges in 1989 reflects centralization of the Management Information System Department from ATU.

Major components of utility IGC's are for self-insurance and general liability funds, labor and human relations, financial information system accounting services, utility collections and remittance processing, purchasing, and information systems. Over the last few years, IGC's to utilities have been declining as utilities have developed their own accounting and data processing capabilities. As utilities require fewer services from general government and this source of revenue declines, the fixed costs of data processing and financial services will have to be spread among the remaining users or some changes will need to be made to reduce the burden and improve efficiencies.

Figure 5-1

**Intragovernmental Charges
From General Government
(\$000 Omitted)**

	ACTUAL							
	<u>ATU</u>	<u>ML&P</u>	<u>Water</u>	<u>Waste- Water</u>	<u>Disposal</u>	<u>Refuse</u>	<u>Port</u>	<u>Merrill Field</u>
1986	\$ 3,740	\$ 2,861	\$1,039	\$1,351	\$ 261	\$ 233	\$ 145	\$ 81
1987	3,614	2,063	875	1,014	271	188	182	83
1988	2,558	1,417	734	807	234	179	198	57
1989	7,488	1,465	807	1,089	220	174	225	62
1990	7,808	1,299	941	1,225	219	180	234	57
1991	<u>8,268</u>	<u>1,401</u>	<u>1,050</u>	<u>1,383</u>	<u>307</u>	<u>215</u>	<u>258</u>	<u>73</u>
TOTAL	\$33,476	\$ 10,506	\$5,446	\$6,869	\$1,512	\$1,169	\$1,242	\$413

	PROJECTED							
1992	\$ 8,530	\$ 1,485	\$1,236	\$1,559	\$ 317	\$ 215	\$ 273	\$ 90
1993	8,956	1,600	1,274	1,606	338	244	288	92
1994	9,404	1,680	1,312	1,654	352	253	303	96
1995	9,874	1,750	1,351	1,704	366	264	318	99
1996	10,368	1,850	1,392	1,755	381	274	333	103
1997	10,887	1,950	1,433	1,808	396	285	348	108

MUNICIPAL UTILITY SERVICE ASSESSMENT (MUSA)

Utilities receive general services provided by the Municipality to all residents and businesses in the service area, such as fire and police protection, and street maintenance. Therefore, utilities which are financially self-supporting help pay for these services through a MUSA, which is analogous to property taxes paid by private property owners. The mill rate applied is the same as that applied against the value of private properties; however, there are differences in the way in which the value of the property is assessed. The utilities are assessed on the book value of the property, not the market value.

The income approach is often used by private utilities as the basis for appeal of the assessed valuation computed by the Municipality using the cost approach.

Figure 5-2 summarizes MUSA payments by utilities since MUSA was established by ordinance in 1976. Initially MUSA was applied to the telephone, electric and water utilities. Wastewater and Refuse Collection Utilities were included in 1986. Merrill Field

and the Port, not being a utility, are exempt from MUSA. Beginning in 1989, MUSA was applied to Solid Waste Disposal Utility. MUSA revenues are used in the Anchorage School District and general government in the same ratio as other property tax collections.

Figure 5-2

MUSA Paid 1976 Through 1991

(\$000 Omitted)

<u>Year</u>	<u>ATU</u>	<u>ML&P</u>	<u>Water</u>	<u>Wastewater</u>	<u>Solid Waste</u>	<u>Total</u>
1976	\$ 443	\$ 152	\$ 190	\$	\$	\$ 785
1977	1,378	414	511			2,303
1978	1,536	438	556			2,530
1979	1,442	386	444			2,272
1980	1,372	561	387			2,320
1981	994	416	302			1,712
1982	904	348	279			1,531
1983	1,287	502	395			2,184
1984	1,477	679	493			2,649
1985	1,524	870	888			3,282
1986	1,657	1,025	1,299	1,424	25	5,430
1987	2,439	1,480	2,156	2,082	32	8,189
1988	3,185	1,788	2,661	2,832	65	10,531
1989	4,773	2,755	1,265	1,134	488	10,415
1990	4,422	947	2,040	1,152	470	9,031
1991	<u>4,271</u>	<u>1,747</u>	<u>1,478</u>	<u>1,029</u>	<u>490</u>	<u>9,015</u>
TOTAL	\$33,104	\$14,508	\$15,344	\$ 9,653	\$1,570	\$74,179

MUSA Projected 1992 Through 1997

(\$000 Omitted)

<u>Year</u>	<u>ATU</u>	<u>ML&P</u>	<u>Water</u>	<u>Wastewater</u>	<u>Solid Waste</u>
1992	\$4,368	\$1,860	\$1,579	\$1,256	\$507
1993	4,604	2,000	1,640	1,307	538
1994	5,010	2,000	1,640	1,305	559
1995	5,312	2,000	1,640	1,328	582
1996	5,541	2,100	1,640	1,345	605
1997	5,741	2,100	1,651	1,357	603

UTILITY REVENUE DISTRIBUTION

The Home Rule Charter for the Municipality of Anchorage (September 1975) provided that Municipal utilities were to operate at a reasonable profit and that net profits from former city utilities would be applied for the benefit of the old City Service Area for five years after unification. This was, in effect, the way in which the new Municipality "purchased" the utilities from the city. In 1978, the Assembly passed an ordinance which halved the payment rate (from 100% to 50% of net profits) and lengthened the payment period (from five to ten years) for ATU and the Anchorage Water Utility. The following chart details the actual payments which were made in conformance with these requirements.

Figure 5-3

Utility Net Profit Distributions to Former City Service Area 1976-1985

(\$000 Omitted)

<u>Year</u>	<u>ATU</u>	<u>ML&P</u>	<u>Water</u>	<u>Total</u>
1976	\$ 730	\$ 566	\$ 15	\$ 1,311
1977	914	608	292	1,814
1978	978	503	314	1,795
1979	1,046	474	337	1,857
1980	1,119			1,119
1981	1,198	223		1,421
1982	1,281			1,281
1983	1,371			1,371
1984	1,467			1,467
1985	<u>1,570</u>	<u> </u>	<u> </u>	<u>1,570</u>
TOTAL	\$11,674	\$2,374	\$958	\$15,006

In 1985, the net profit distribution was succeeded by an ordinance providing for an investment return to all the residents of the Municipality from their ownership of the utilities. This Utility Revenue Distribution is analogous to the return paid to owners of private utilities. The Utility Revenue Distribution allows for a distribution to general government from surplus utility revenues. A maximum of 5% of gross revenues may be distributed "where prudent fiscal management permits." Payment is made following evaluation of revenues restricted by grants or contracts, cash needed for reinvestment in the utility, bond ratings, prudent cash flow and debt management considerations.

The ordinance applies to ATU, AWWU, ML&P and SWS. To date, only ATU has met the evaluation criteria. The distribution from ATU was \$5,500,000 in 1986, \$7,000,000

in 1987, \$5,000,000 in 1988, \$2,583,000 in 1989, \$4,000,000 in 1990 and an estimated \$2,500,000 in 1991. Revenue distributions paid by the utilities have reduced the level of property taxes which would otherwise have been necessary to fund services at the levels provided over the last few years.

FISCAL SUMMARIES

This section presents fiscal information pertaining to Municipally-owned utilities. The information is not a complete fiscal picture of the utilities; rather, the charts provide a brief overview. More information regarding the financial history and the budget summaries for each of the utilities are contained in the 1991 Public Utilities Operating and Capital Budgets.

The Municipal utilities are self-supported through user rates and have received no local tax assistance since 1984. The utilities have eased the tax burden for the taxpayers, through the Utility Revenue Distribution, MUSA, and their self-supported businesses.

A brief description of some of the fiscal indicators used here may be useful.

Net income is calculated by subtracting total expenses from total revenues. It is closely tied to utility rates as most revenues are from charges for services provided. If net income is large, it may indicate that rates are sufficient and will not need to be raised in the near future. If it is low or negative, a utility's equity is being eroded and it may be an indicator that a rate increase needs to be requested. In either case, expenses are monitored closely to be sure they are being kept as low as possible while still providing services to all customers.

Income and expenses for the regulated utilities (Anchorage Water and Wastewater Utility, Anchorage Telephone Utility, and Municipal Light and Power) have been computed using methodology prescribed by the Alaska Public Utilities Commission. The major difference between the regulatory and non-regulatory approach is the exclusion of depreciation on contributed plant under the regulatory rules.

Debt Service coverage is determined by dividing income available for debt service (current net operating revenue with adjustments made for depreciation and debt service payments and, in some cases, MUSA and interest revenue) by the accrued debt service on revenue bonds for the year. Debt service coverage is an indication of a utility's ability to pay for existing debt as well as its ability to finance new debt. For a utility to issue new debt, it must satisfy a number of criteria in the bond covenants and be able to show that projected debt service coverage will be at least equal to the minimum requirement contained in its covenants. Projected debt service coverage is one of several indicators used by the utilities to determine when to file for a rate increase and the size of the increase needed.

All of the utilities have met their debt coverage requirements in recent years and have been able to issue new debt to finance their growth as needed. The minimum debt service coverage requirement contained in each utility's bond covenants is included as a benchmark on each of the following graphs. No debt service coverage graphs are included for the Anchorage Wastewater Utility or Merrill Field Airport because those entities have not issued revenue bonds. A \$4.0 million Solid Waste Disposal revenue bond was sold in August 1989. The pro forma coverage ratio on this bond is estimated to be 6.35 while the bond covenant requirement is 1.25.

ANCHORAGE TELEPHONE UTILITY

The Anchorage Telephone Utility is the largest municipally-owned local telephone operating system in the United States. The following two figures summarize ATU's revenues, expenses, and net income, 1982-1992.

Figure 5-4

Anchorage Telephone Utility Revenues and Expenses

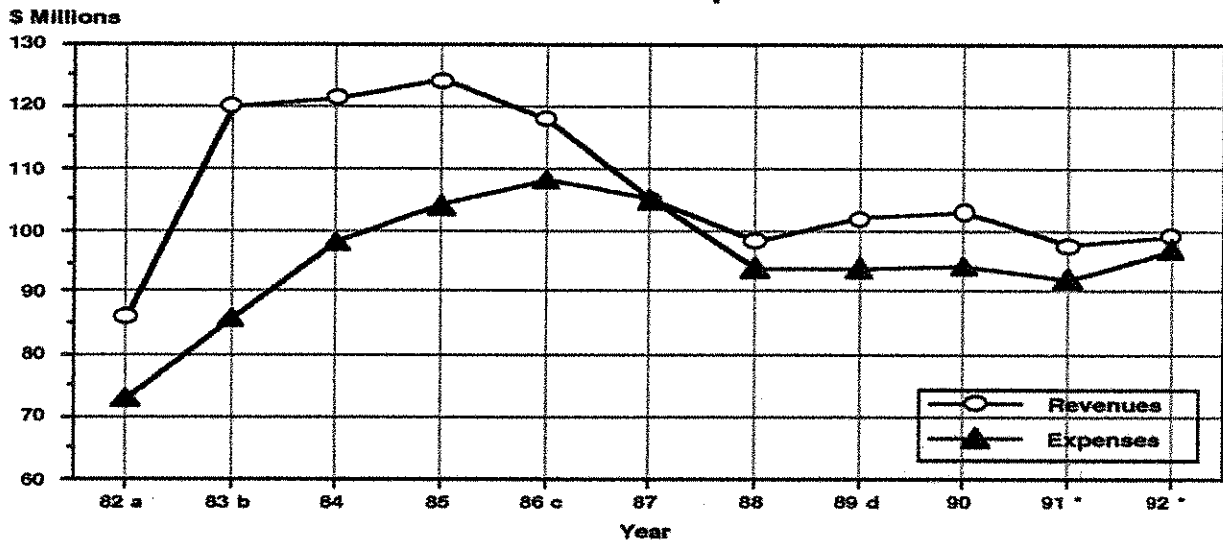
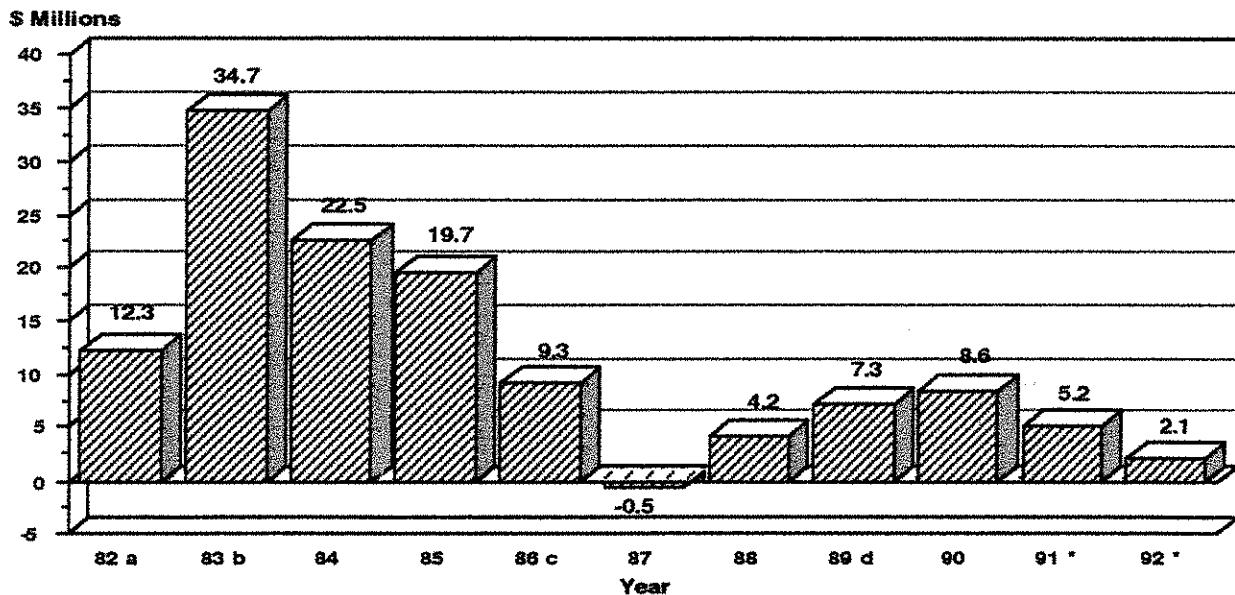


Figure 5-5

Anchorage Telephone Utility Net Income



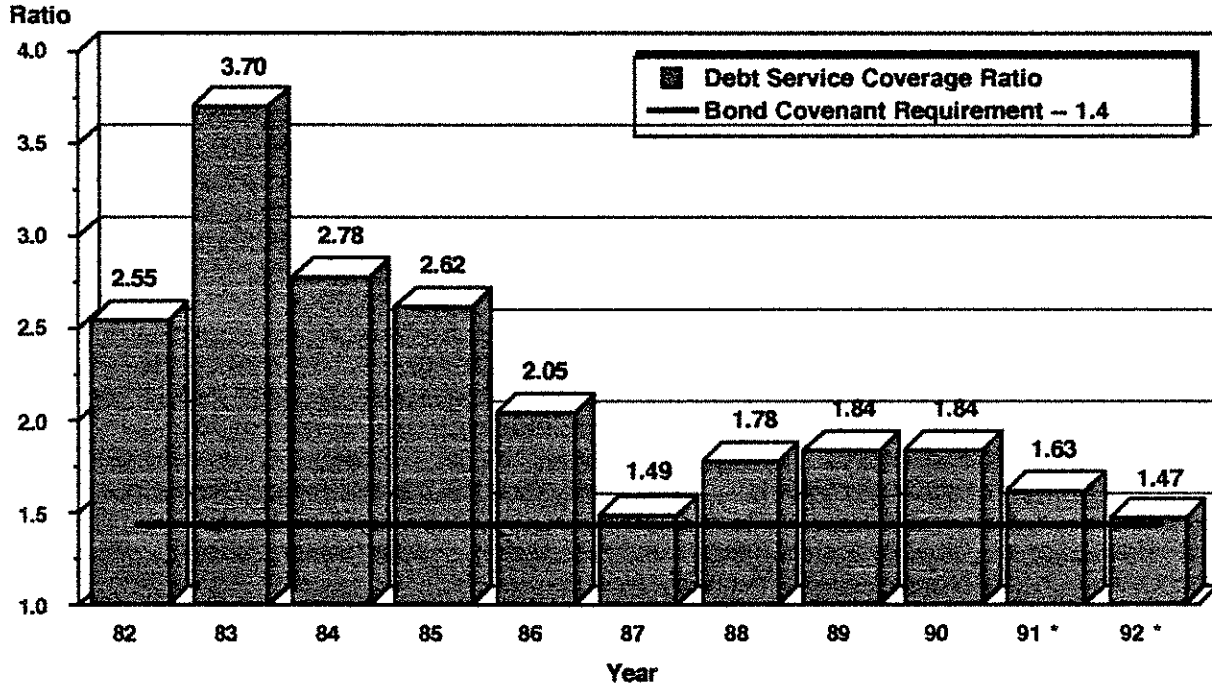
* Estimate

- Notes
- a) Included \$6.0 million in prior year toll settlement
 - b) Included \$20.8 million in prior year toll settlement
 - c) Expenses and adjusted net income don't include refunding loss of approximately \$12 million
 - d) Prior to extraordinary and unusual item adjustments totaling a loss of \$21.7 million

As of December 31, 1990, ATU had \$152 million in revenue bonds outstanding. Current debt service payments are approximately \$22 million per year. The following figure shows the debt service coverage ratio.

Figure 5-6

**Anchorage Telephone Utility
Debt Service Coverage**



* Estimate

ATU is a major local employer as shown below.

Figure 5-7

**Anchorage Telephone Utility
Actual Employees at Year End**

<u>Year</u>	<u>Employees</u>	<u>Year</u>	<u>Employees</u>
1982	729	1991*	654
1983	790	1992*	654
1984	854	1993*	654
1985	871	1994*	654
1986	1047	1995*	654
1987	865	1996*	654
1988	777	1997*	654
1989	657		
1990	630		

* Projected

The table below provides some comparative rates.

Figure 5-8

**Average Telephone Rates for
Private Line Rotary Service with Unlimited Calling,
Subscriber Line Charges, Surcharges, and Taxes**

<u>U.S. Cities</u>	<u>Average Rate*</u>	<u>Alaska Cities</u>	<u>Average Rate*</u>
National Average	\$17.78	Anchorage, AK	\$ 8.60
Honolulu, HI	\$17.51	Juneau, AK	\$ 9.42
Seattle, WA	\$17.54	Eagle River, AK	\$13.80
Buffalo, NY	\$27.11		

*These rates do not include additional charges for customer premise equipment.

ATU was granted a 9.42% permanent rate increase on July 1, 1989. Due to a shift in costs from long distance to local, a partial pass-through of these costs is represented in the local rate increases projected during the years 1992-1994. The projected changes in local service rates increase the average monthly bill as indicated in the following table.

Figure 5-9

**Projected Annual Rate Increases, Resulting Phone Rates
and Average Monthly Bills, and Cumulative Increases
1992 - 1997**

	<u>1991</u>	<u>1992</u>	<u>1993</u>	<u>1994</u>	<u>1995</u>	<u>1996</u>	<u>1997</u>
Annual Increase	0%	15%	27%	5%	0%	0%	0%
New Rate*	\$ 8.60	\$ 9.89	\$12.56	\$13.19	\$13.19	\$13.19	\$13.19
Cumulative Increase (from 1990)	0%	15%	46%	53%	53%	53%	53%
New Average Monthly Bill**	\$79.00	\$80.29	\$82.96	\$83.59	\$83.59	\$83.59	\$83.59
Cumulative Increase (from 1990)	0%	1.6%	5%	5.8%	5.8%	5.8%	5.8%

* These rates are for the phone service and charges priced in the previous table.

** Includes charges for enhanced services and long distance calls.

ANCHORAGE WATER AND WASTEWATER UTILITY

Figures 5-10 through 5-13 summarize revenue and expenses for water and wastewater operations.

Figure 5-10

Anchorage Water Utility Revenues and Expenses

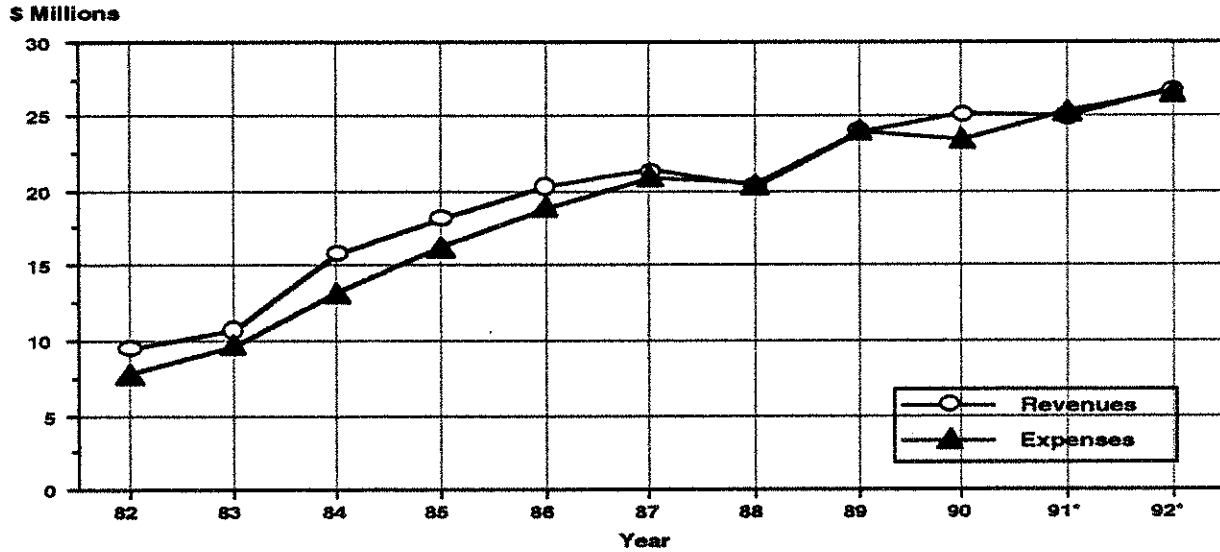
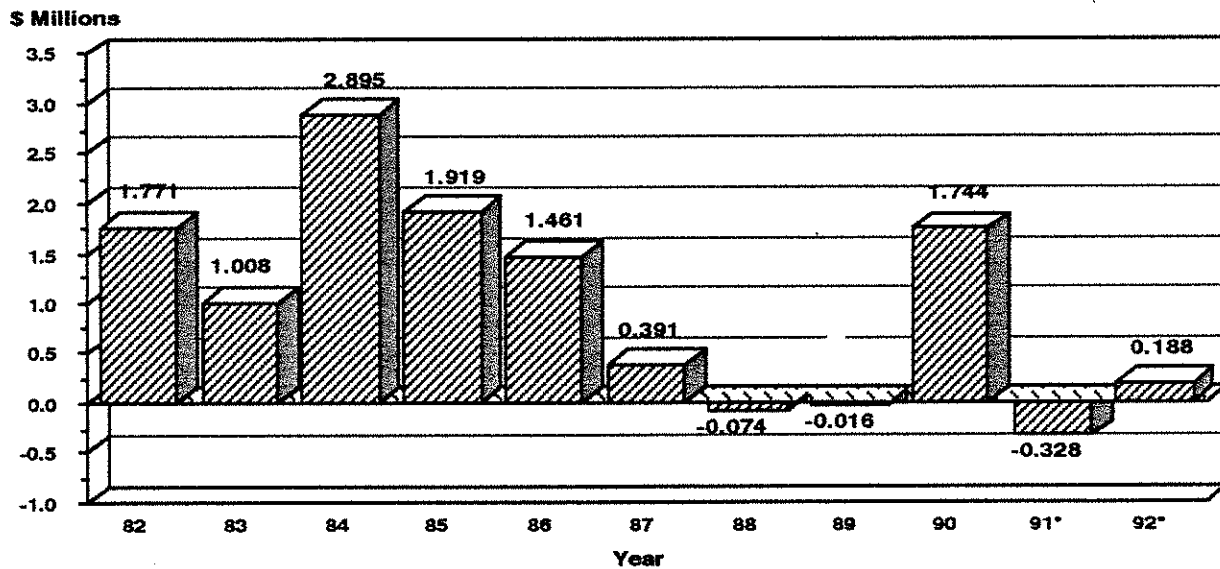


Figure 5-11

Anchorage Water Utility Net Income (Regulatory)



*Estimate

Figure 5-12

Anchorage Wastewater Utility
Revenues and Expenses

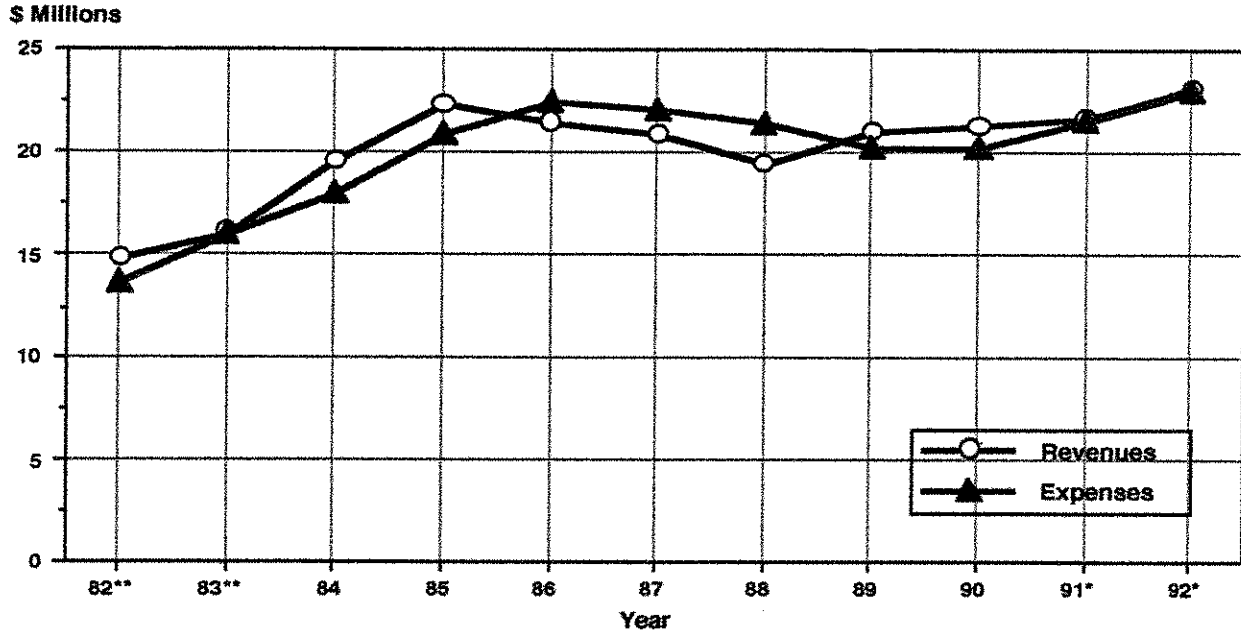
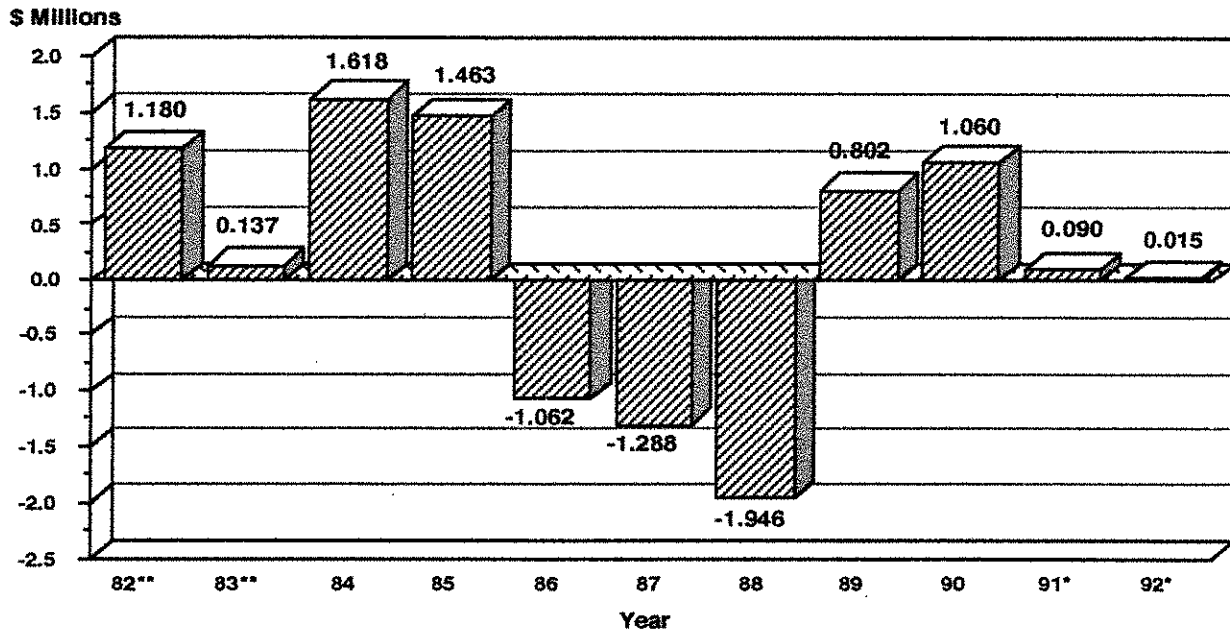


Figure 5-13

Anchorage Wastewater Utility
Net Income (Regulatory)



* Estimate

** Includes \$3.6 million operating transfer from areawide general fund each year for 1982 and 1983.

As of the end of 1990, the Water Utility had approximately \$47.2 million in revenue bonds and \$61.4 million in general obligation bonds outstanding, with combined debt service payments currently averaging about \$8.6 million per year. Wastewater has approximately \$79.4 million general obligation bonds outstanding with current debt service of about \$9.6 million annually. Debt coverage ratio applies only to revenue bonds and therefore is only shown for the Water Utility.

Figure 5-14

**Anchorage Water Utility
Debt Service Coverage**

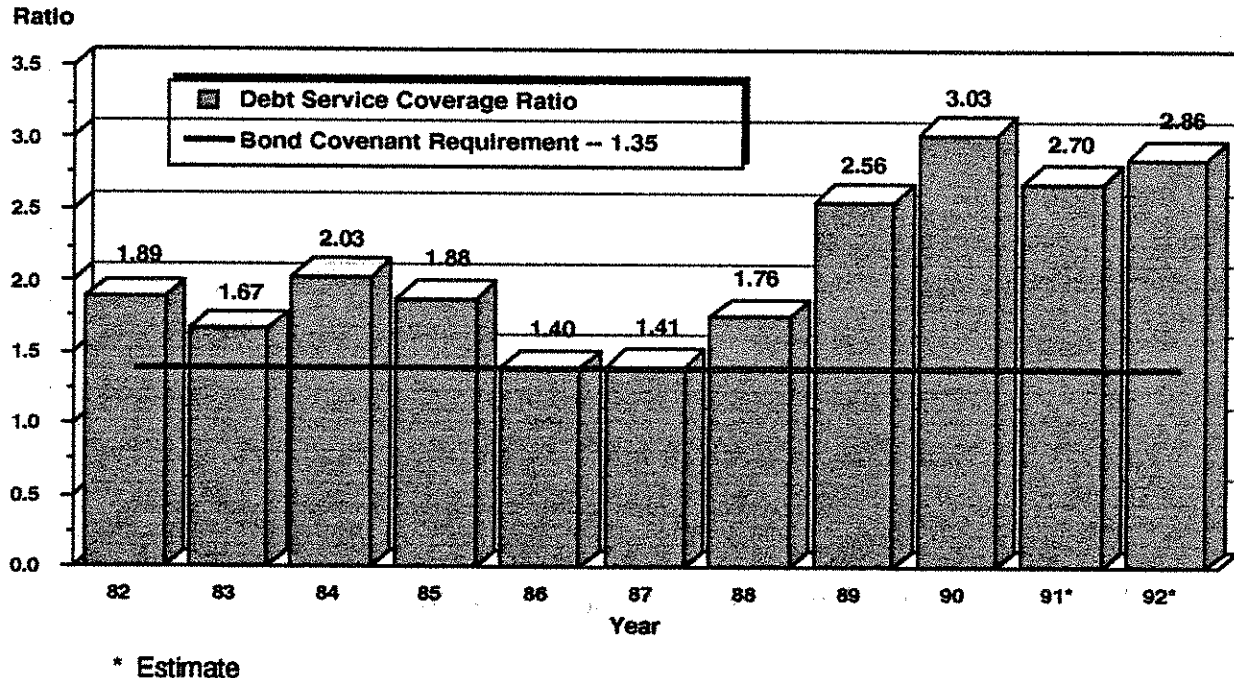


Figure 5-15 shows the employment history of AWWU.

Figure 5-15

**Anchorage Water and Wastewater Utility
Authorized Positions**

1981	202	1990	285
1982	229	1991*	285
1983	247	1992*	285
1984	284	1993*	285
1985	299	1994*	285
1986	315	1995*	291
1987	330	1996*	291
1988	312	1997*	291
1989	285		

* Projected.

Number of employees may be different than number of positions.

Figure 5-16 shows some comparative rates for water and wastewater services; while Figure 5-17 summarizes the history and timing of rate requests and approvals.

Figure 5-16

<u>Utility</u>	<u>Water Rate</u>	<u>Wastewater Rate</u>
Anchorage Water & Wastewater Utility Anchorage, Alaska	\$24.75 (Proposed)	\$21.55 (Proposed)
Norfolk Utilities Eagle River, Alaska	\$30.25	
Eklutna Utilities Eagle River, Alaska	\$34.97	
College Utilities Fairbanks, Alaska	\$48.67	\$43.66
Fairbanks Municipal Utilities Fairbanks, Alaska	\$27.25	\$30.85
City/Borough of Juneau Juneau, Alaska	\$19.00	\$31.00
North Slope Borough Barrow, Alaska	\$640.00	N/A (Included in Tax Base)

Rates as of September, 1991

Figure 5-17

**Anchorage Water and Wastewater Utility
Rate Change Summary
1986 - 1997**

WATER

<u>Year</u>	<u>Single Family Rate</u>	<u>Rate Change</u>
1986	\$15.65	15%
1987	19.60	25%
1988	18.25	(7%)
1989	23.35	28%
1990	23.35	0%
1991	24.75	6%
1992 *	24.75	0%
1993 *	24.75	0%
1994 *	26.25	6%
1995 *	26.25	0%
1996 *	28.10	7%
1997 *	28.10	0%

WASTEWATER

<u>Year</u>	<u>Single Family Rate</u>	<u>Rate Change</u>
1986	\$15.85	0%
1987	15.85	0%
1988 **	18.85	19%
1989	18.85	0%
1990	20.15	7%
1991	21.55	7%
1992 *	21.55	0%
1993 *	23.05	7%
1994 *	23.05	0%
1995 *	24.20	5%
1996 *	24.20	0%
1997 *	26.40	9%

* Projected

** Rate change due to cost-of-service study which shifted costs from commercial customers to residential customers. No overall revenue increase to the utility.

Figure 5-18

**Anchorage Water and Wastewater Utility
Financial Indicators**

Debt to Equity Ratio (Regulatory)

<u>Year</u>	<u>Water</u>	<u>Wastewater</u>
1986	85/15	97/3
1987	84/16	98/2
1988	84/16	100/0
1989	85/15	99/1
1990	84/16	91/9
1991	84/16	91/9
1992 *	84/16	90/10
1993 *	83/17	89/11
1994 *	82/18	88/12
1995 *	81/19	86/14
1996 *	79/21	85/15
1997 *	77/23	81/19

* Projected

MUNICIPAL LIGHT AND POWER

Revenues, expenses and net income for the power utility, calculated on the regulatory basis prescribed by the Alaska Public Utilities Commission, are shown below.

Figure 5-19

Municipal Light and Power Revenues and Expenses

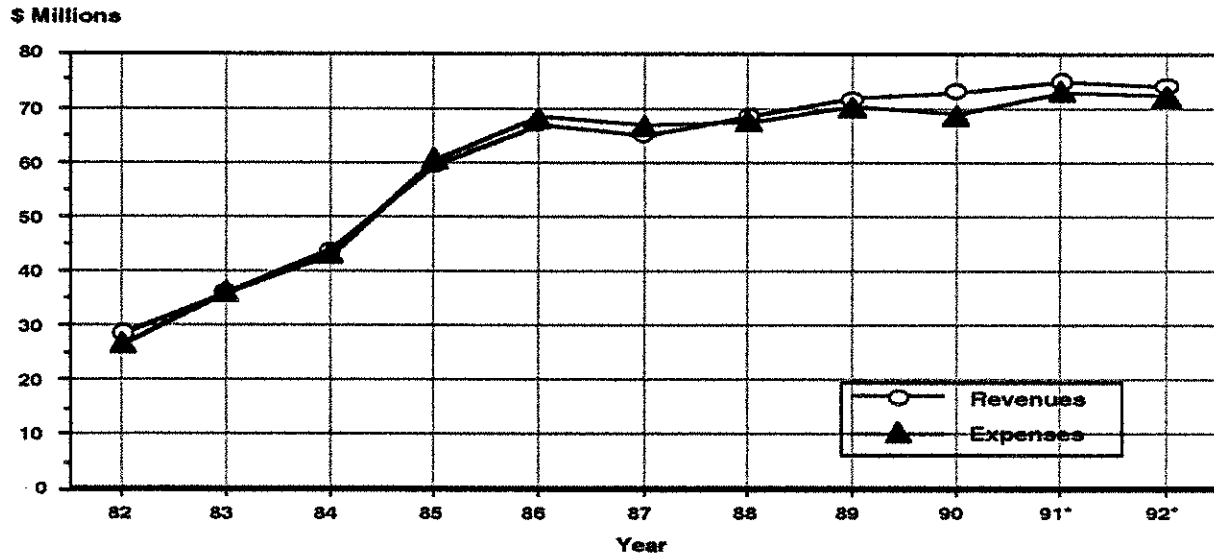
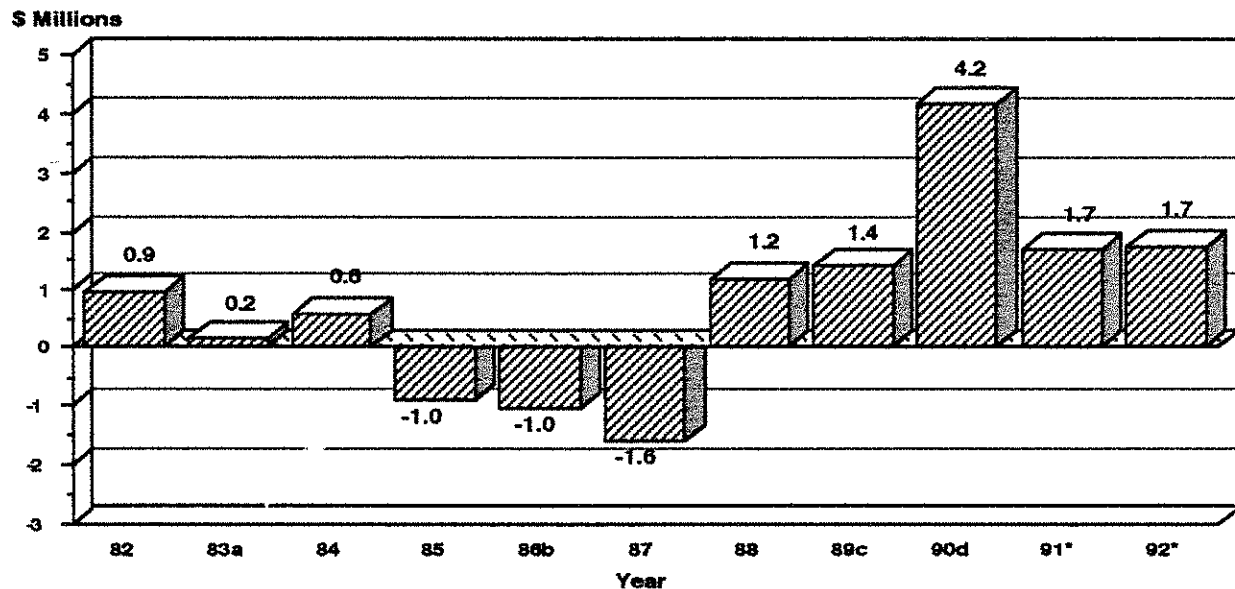


Figure 5-20

Municipal Light and Power Net Income (Regulatory)



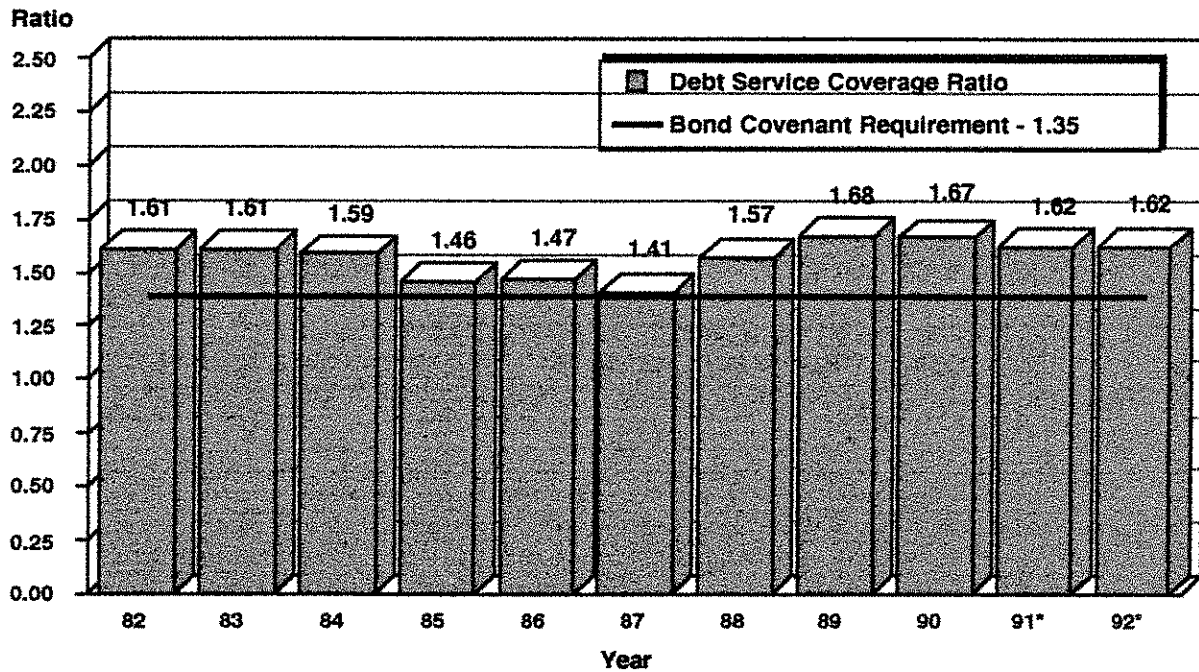
* Estimate

- Notes
- a) Gain on refunding of \$14.9 million not included
 - b) 1986 expenses and adjusted net income do not include refunding loss of \$19.7 million
 - c) 1989 does not include \$2,053,997 Extraordinary Gain
 - d) 1990 does not include unusual item of \$830,088 (return of the 1.25% gross receipts portion of MUSA rebated to ML&P by the Municipality in compliance with APUC Order U.89.60)

Municipal Light and Power will have \$194.4 million in revenue bonds outstanding as of December 31, 1991. Debt service coverage is shown below.

Figure 5-21

Municipal Light and Power Debt Service Coverage



* Estimate

The following table compares ML&P typical billings to those of selected electric utilities in Alaska and elsewhere in the United States.

Figure 5-22

Comparison of Average Revenues and Typical Billings

Utility	Typical Billings *			
	Residential (500 kWh)	Residential (1,000 kWh)	Commercial (1,500 kWh) (12 kW)	Commercial (10,000 kWh) (40 kW)
Selected Alaska Utilities				
Municipal Light & Power	\$51.95	\$ 98.39	\$151.67	\$ 965.80
Chugach Electric Association	43.26	80.27	125.03	762.70
Homer Electric Association	58.91	106.83	155.59	901.27
City of Seward	58.30	101.20	192.15	1,089.75
Fairbanks Municipal Utilities	52.05	91.55	174.40	1,032.90
GVEA (Fairbanks, Alaska)	58.36	96.72	172.33	866.70
Matanuska Electric Association (Palmer)	59.20	108.39	153.82	815.77
Selected Utilities Outside Alaska:				
Consolidated Edison Co. of New York	\$65.16	\$124.65	\$216.53	\$1,351.89
Florida Power & Light Co.	35.72	68.29	108.82	674.40
Georgia Power Co.	37.28	66.80	193.91	1,153.84
Houston Lighting & Power Co.	38.97	100.24	134.06	586.31
Los Angeles Department of Water & Power	45.86	91.41	136.15	890.60
Portland General Electric	30.58	58.57	98.37	545.75
Sacramento Municipal Utility District	37.14	90.91	124.09	770.60

* Compiled by ML&P staff based on rates in effect March 31, 1991.

The following table shows the rate increases granted to ML&P by the APUC in the last 12 years.

Figure 5-23

**Municipal Light and Power
Rate History**

<u>Date of Filing</u>	<u>Requested</u>	<u>Increase Granted</u>	<u>Date Granted</u>
January 1979	17.23%	14.40%	July 1979
February 1980	29.56%	35.06% *	October 1981
April 1982	14.98%	14.98%	September 1982
November 1983	10.77%	9.27%	April 1985
March 1986	16.13%	13.53%	February 1987
September 1987	11.60%	8.45%	January 1989
July 1990	4.14%	2.87% **	October 1, 1990

* Includes adjustments to base gas cost in permanent rates. This is the last time that gas cost adjustments were included in rate cases.

** Interim rate increase granted.

SOLID WASTE SERVICES

Solid Waste Services is composed of two utilities, Refuse Collection Utility and Solid Waste Disposal Utility. The information for these utilities is presented separately below.

Figure 5-24

Refuse Collection Utility Revenues and Expenses

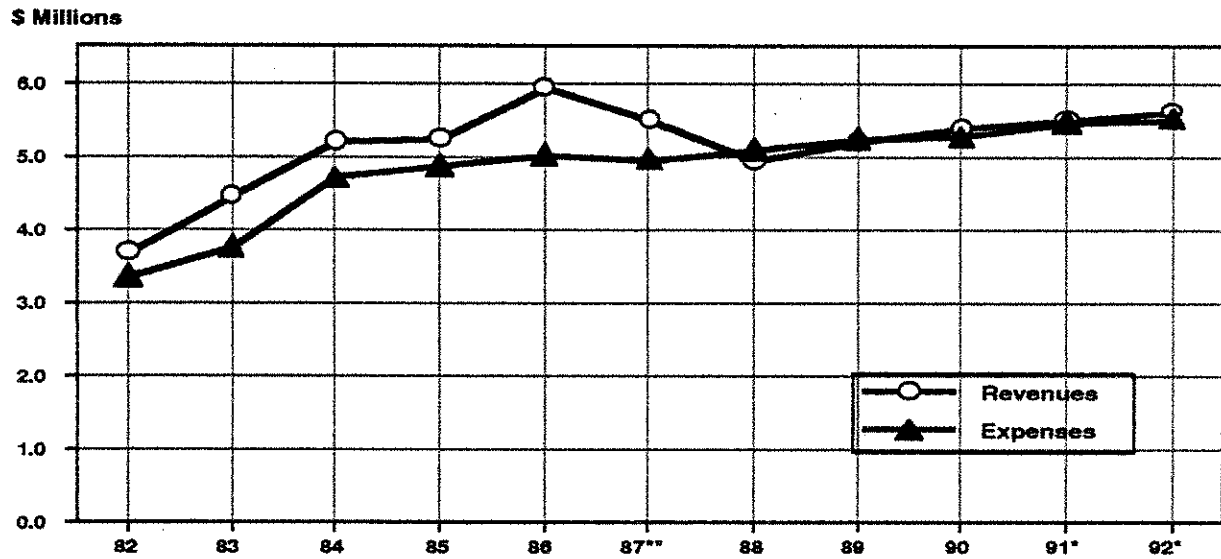
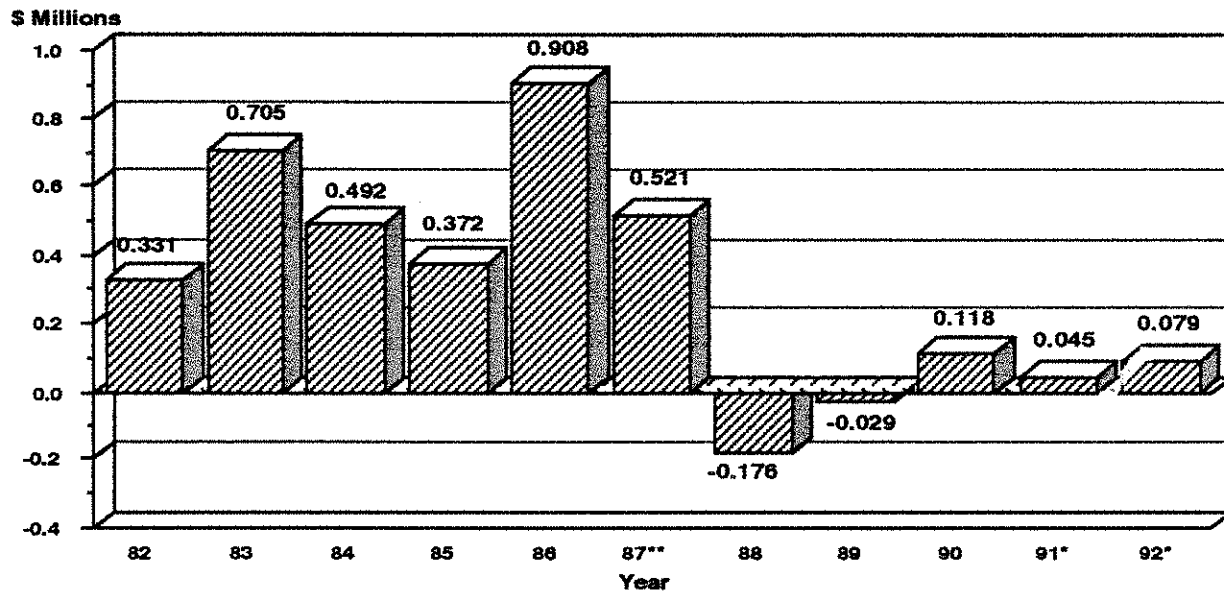


Figure 5-25

Refuse Collection Utility Net Income (Regulatory)



* Estimate

** 1987 expenses and net income do not include bond refunding loss of approximately \$600,000

Figure 5-26

Solid Waste Disposal Utility
Revenues and Expenses

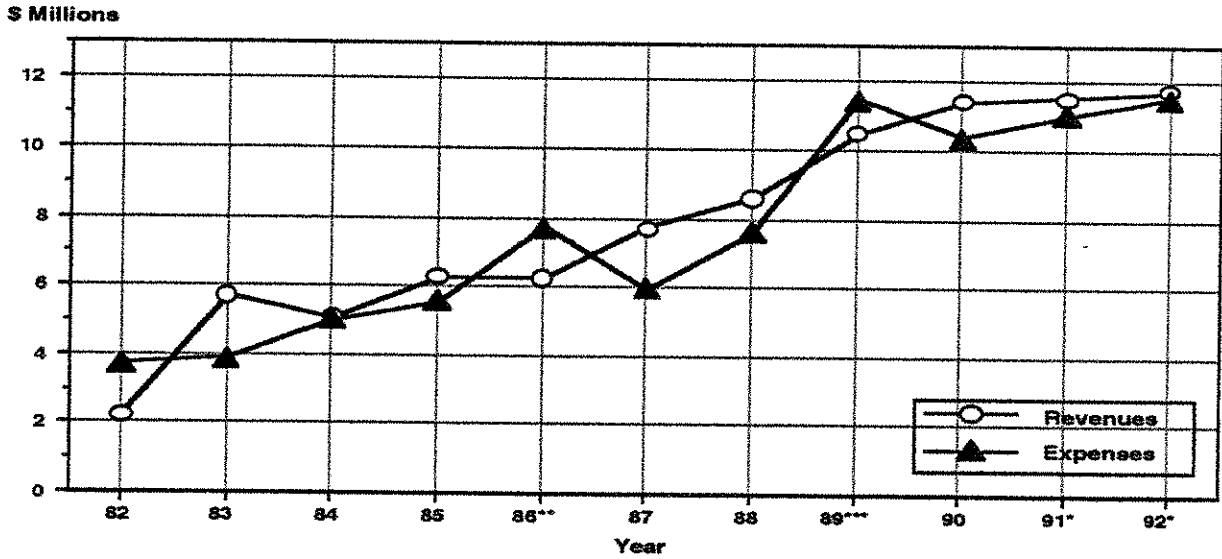
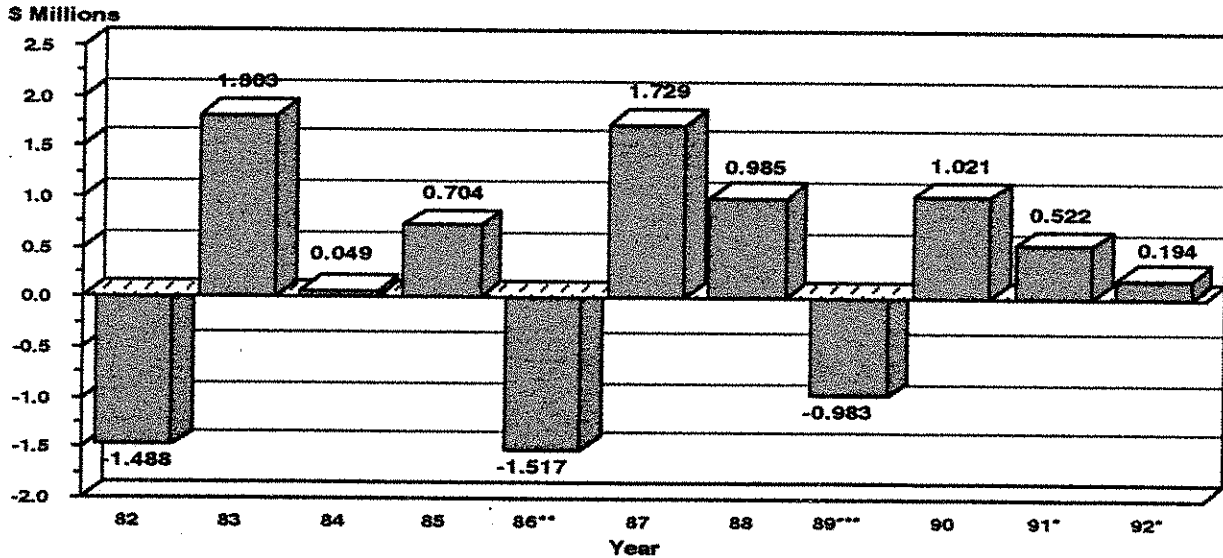


Figure 5-27

Solid Waste Disposal Utility
Net Income (Regulatory)



* Estimate

** 1986 loss due to accounting adjustment to reflect closing of shredder plant

*** 1989 loss includes approximately \$2,800,000 in Merrill Field landfill closure costs

As of the end of 1990 the Refuse Collection Utility had approximately \$3.31 million in revenue bonds outstanding, with debt service averaging about \$360,000 per year. As of the end of 1990 the Solid Waste Disposal Utility had approximately \$4 million in revenue bonds and \$24.1 million in general obligation bonds outstanding, with combined debt service averaging about \$2.8 million per year. The debt service coverage is shown below. Both utilities are required to maintain a ratio of at least 1.25.

Figure 5-28

**Refuse Collection Utility
Debt Service Coverage**

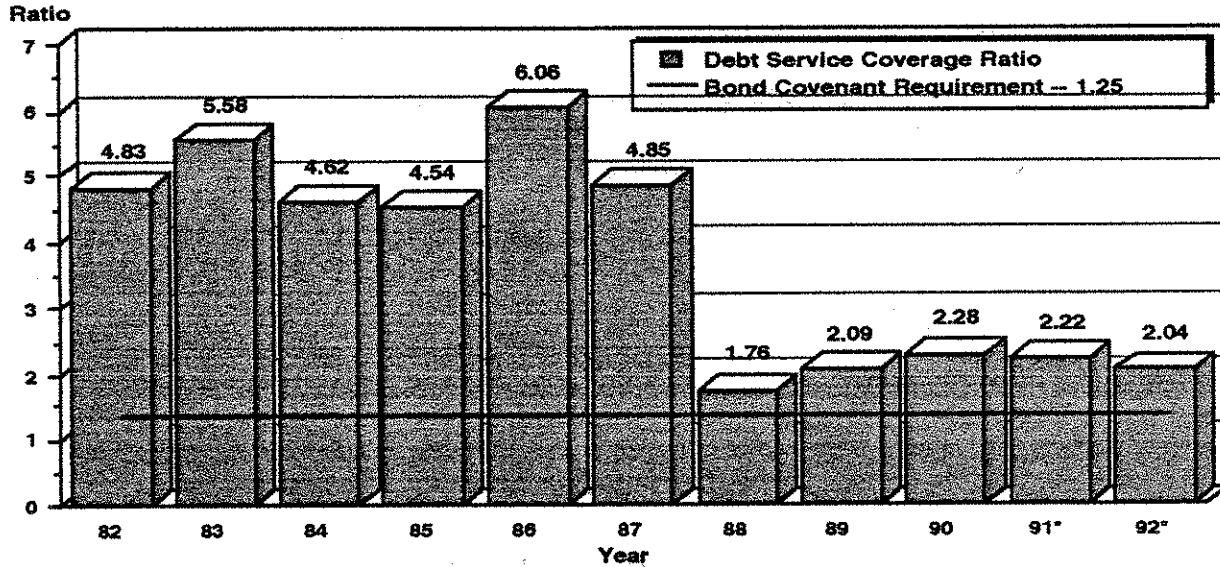
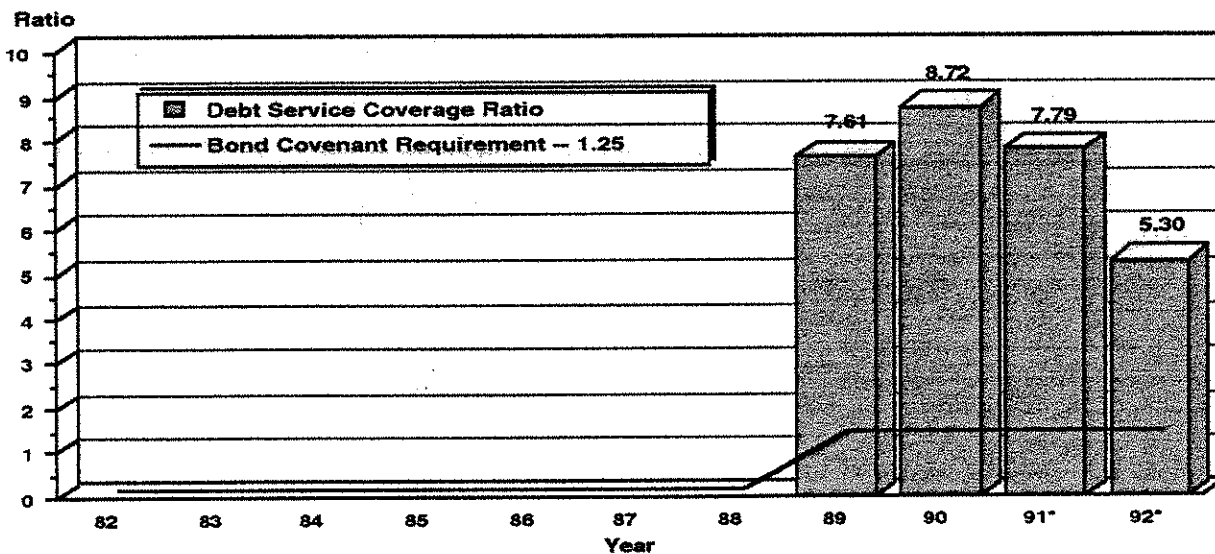


Figure 5-29

**Solid Waste Disposal Utility
Debt Service Coverage ****



* Estimate

** The Solid Waste Disposal Utility did not have any revenue bonds outstanding until 1989. Thus debt service coverage for the years 1982-1988 is not applicable.

A few comparative rates for refuse collection in other Alaska communities are shown below.

Figure 3-30

**Refuse Collection Utility
Comparative Rates**

<u>Utility</u>	<u>Approved</u>	<u>Residential Monthly</u>	<u>Commercial Monthly</u>
MOA Refuse Collection	07/31/90	\$15.00	\$ 50.50
Anchorage Refuse Inc.	01/01/89	14.04	66.68
Eagle River Refuse	09/15/89	14.37	57.39
Channel Sanitation (Juneau)	07/01/91	23.74	108.51
Peninsula Sanitation (Kenai)	06/11/91	13.73	54.34
Wasilla Refuse	11/24/86	20.00	65.00
Peninsula Sanitation (Girdwood)	06/11/91	21.37	105.82

It is difficult to make a valid comparison between the solid waste disposal rates charged in Anchorage and those charged in other Alaska communities. The type of disposal facility (landfill or waste to energy), the location of the landfill relative to population centers and the use of transfer facilities all complicate the comparison. In addition, some communities fund their disposal facilities fully or in part with tax dollars. There are currently no disposal systems in Alaska that are comparable to the Anchorage system. King County and the City of Seattle, Washington, have similar systems to Anchorage's system. A comparison of rates is shown below.

Figure 5-31

**Solid Waste Disposal Utility
Comparative Rates**

<u>Utility</u>	<u>Cars</u>	<u>Pickups</u>	<u>Commercial</u>
MOA Solid Waste Disposal	\$5.00 fixed	\$ 5.00 fixed	\$45.00/ton
King County, Washington	\$9.25 fixed	\$66.00/ton	\$66.00/ton
City of Seattle, WA	\$7.00 fixed *	\$83.00/ton *	\$83.00/ton *

* Scheduled to go into effect 06/01/92.

Rate histories are shown below.

Figure 5-32

**Solid Waste Services
Rate History**

<u>Refuse Collection Utility</u>			<u>Solid Waste Disposal Utility</u>	
<u>Date</u>	<u>Residential</u>	<u>Commercial</u>	<u>Date</u>	<u>Per Ton</u>
January 1, 1984	\$11.80	\$37.65	January 1, 1984	\$18.00
January 1, 1986	13.60	43.30	May 1, 1985	21.00
January 1, 1989	14.30	45.50	April 1, 1987	33.00
July 31, 1990	15.00	50.50	January 1, 1988	39.00
			January 1, 1989	45.00

PORT OF ANCHORAGE

Figure 5-33

Port of Anchorage Revenues and Expenses **

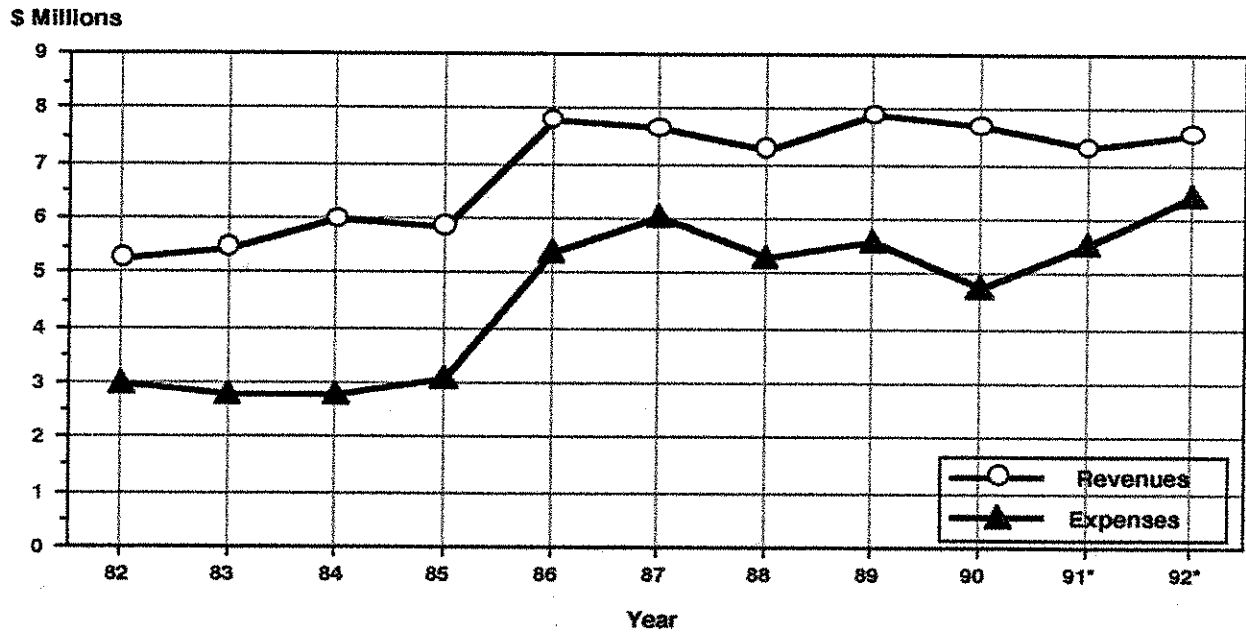
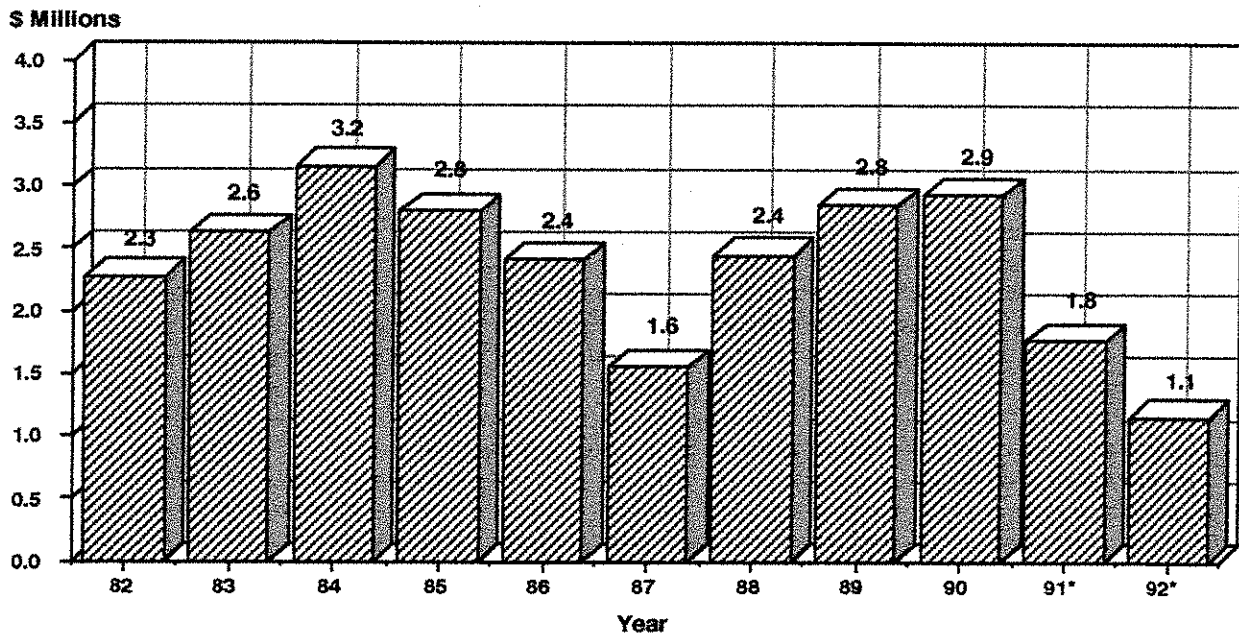


Figure 5-34

Port of Anchorage Net Income (Regulatory)



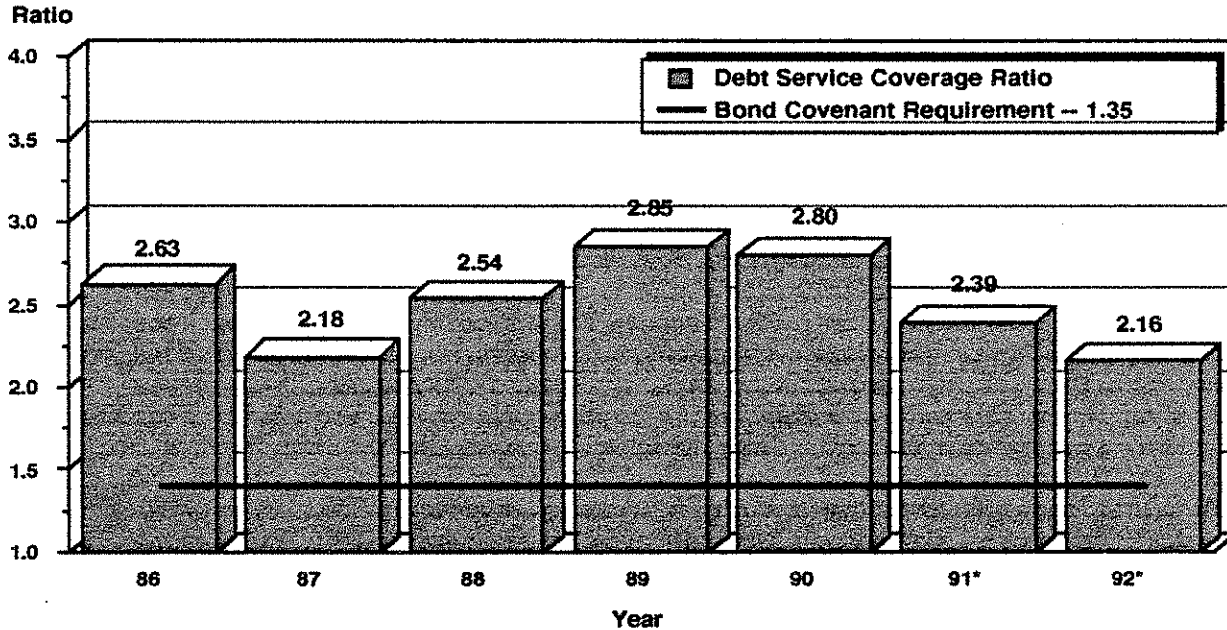
* Estimate

** Computed using methodology applied to regulated utilities.

As of December 31, 1990, the Port had \$4.7 million in general obligation bonds and \$16.2 million in revenue bonds outstanding. Combined debt service is currently about \$3.02 million per year. The coverage ratio for the revenue bond portion (approximately \$1.9 million in 1991) is shown in Figure 5-35:

Figure 5-35

**Port of Anchorage
Debt Service Coverage ****



* Estimate

** No Port Revenue Bonds outstanding prior to December, 1985.

A summary of rate changes is shown in Figure 5-36.

Figure 5-36

**Port of Anchorage
Rate Changes Percent of Increase**

<u>Revenue Category</u>	<u>1980</u>	<u>1981</u>	<u>1982</u>	<u>1983</u>	<u>1984</u>	<u>1985</u>	<u>1986</u>	<u>1987</u>	<u>1988</u>	<u>1989</u>
Preferential Usage Agreement Rate Changes	0%	15.0%	0%	0%	0%	0%	19.25%	0%	0%	0%
	<u>1990</u>	<u>1991</u>	<u>1992</u>	<u>1993</u>	<u>1994</u>	<u>1995</u>	<u>1996</u>	<u>1997</u>		
	0%	(6%)*	0%	0%	0%	0%	10.0%	0%		

* Decrease in Preferential Usage Agreement rates offset by increased revenues from Port Industrial Park leases of the PUA customers. Net effect is that total combined revenues, from both leases and preferential use agreements, should increase 3.3%

MERRILL FIELD AIRPORT

Figures 5-37 and 5-38 summarize the airport's income picture, calculated on the regulatory basis.

Figure 5-37

Merrill Field Airport Revenues and Expenses **

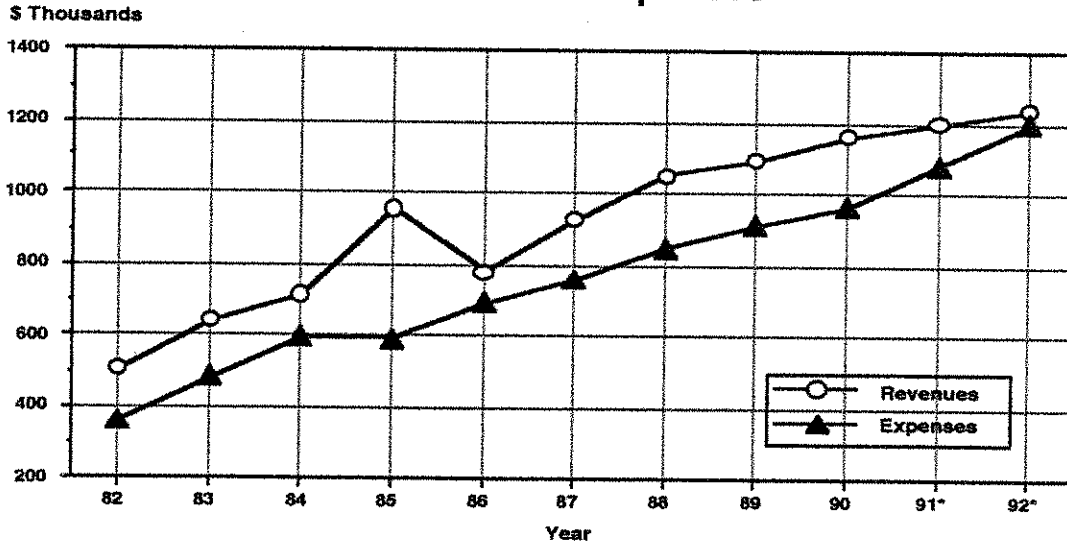
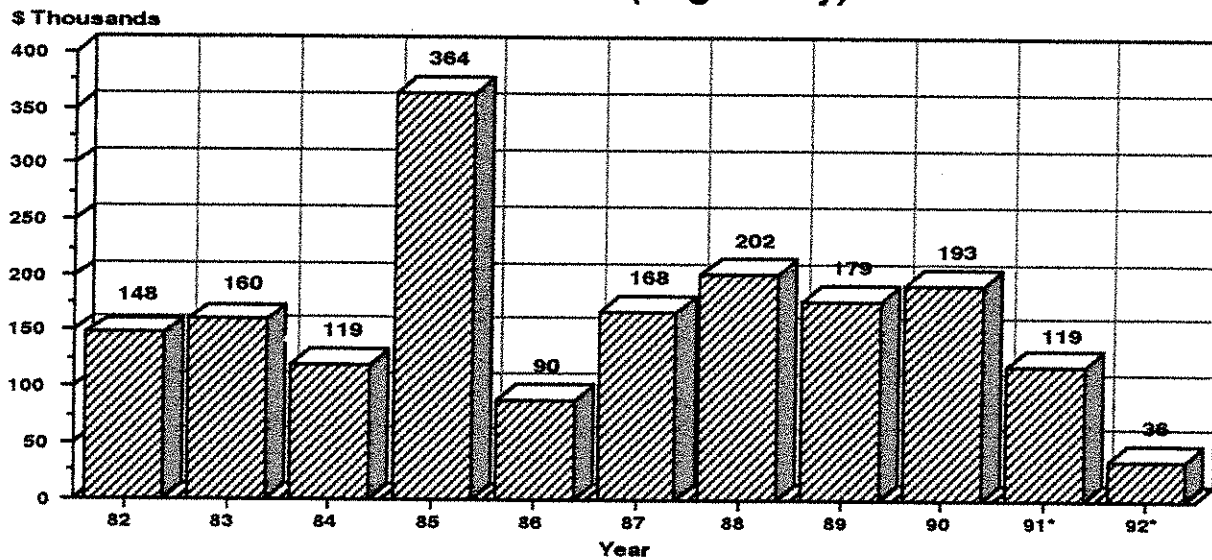


Figure 5-38

Merrill Field Airport Net Income (Regulatory)



* Estimate

** Computed using methodology applied to regulated utilities.

At the end of 1990, the Airport had no outstanding indebtedness.

The table below summarizes rate changes at Merrill Field.

Table 5-39

**Merrill Field -- Summary of Rate Changes
Percent of Increase**

<u>Revenue Category</u>	<u>1980</u>	<u>1981</u>	<u>1982</u>	<u>1983</u>	<u>1984</u>	<u>1985</u>	<u>1986</u>	<u>1987</u>	<u>1988</u>	<u>1989</u>
Lease/Access Fees	5.9	---	---	11.1	15.0	8.7	8.0	3.7	---	---
Transient Parking	---	---	---	50.0 *	---	---	---	---	---	---
Permanent Parking	---	---	---	12.7	---	---	---	---	---	---

<u>Revenue Category</u>	<u>1990</u>	<u>1991</u>	<u>1992</u>	<u>1993</u>	<u>1994</u>	<u>1995</u>	<u>1996</u>	<u>1997</u>
Lease/Access Fees	7.1	---	5.0	3.3	3.2	3.1	3.0	2.9
Transient Parking	---	---	---	33.3 *	---	---	---	---
Permanent Parking	---	---	---	11.3	---	---	---	---

* Each increase represents one additional dollar per day.