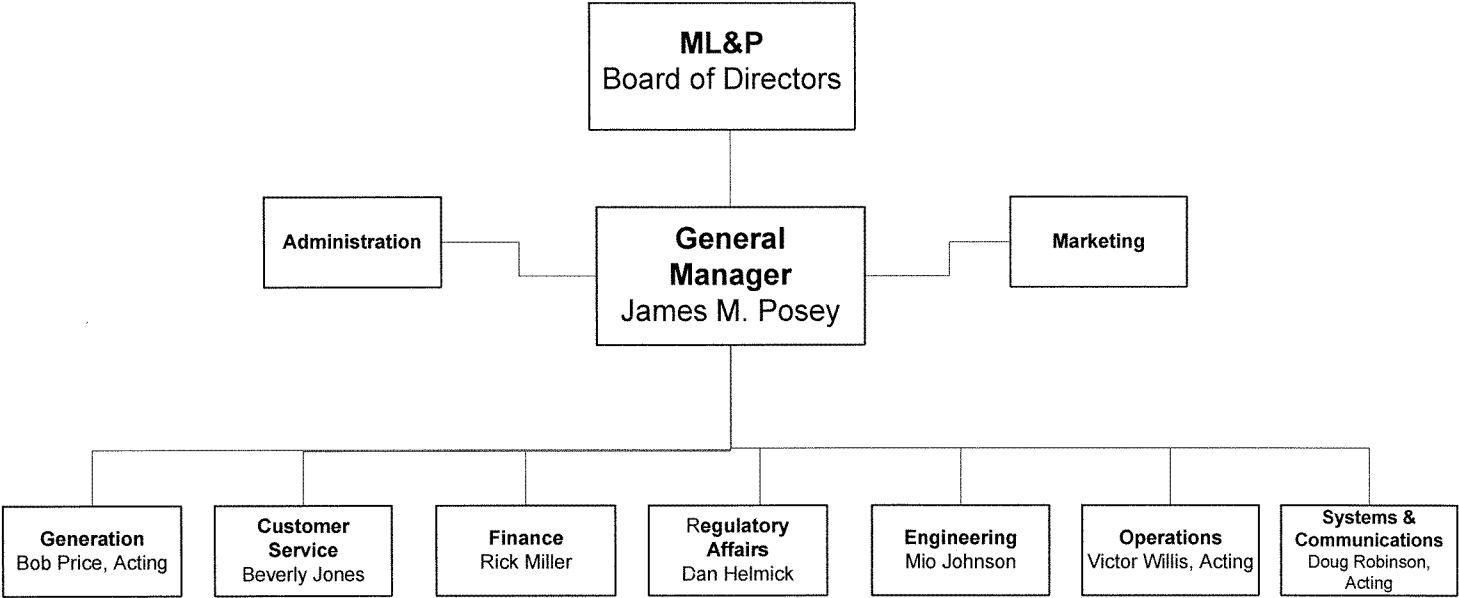


Municipal Light & Power Organization Chart



Municipal Light & Power

2011 Utility Profile

Organization

Municipal Light & Power (ML&P) is functionally structured into seven operating divisions: Generation & Power Management, Engineering, Operations, Finance, Regulatory Affairs, Customer Service, and Systems & Communication. Each division manager reports directly to the General Manager. Furthermore, ML&P administrative, personnel, and public relations efforts are performed as part of the General Manager's administrative group.

As of December 31, 2009, ML&P had 248 employees and total labor and benefit costs of approximately \$38.2 million, which includes operating and capital labor expenditures. Of these 248 employees, 178 were covered by a labor agreement with the IBEW and 70 were non-represented (covered by the Municipal Personnel Rules).

History

The history of ML&P is closely linked with the history and development of Anchorage itself. ML&P has emerged to serve a city with approximately half the population of the state at rates which are among the lowest in Alaska and that compare favorably with those of many metropolitan areas in the lower 48 states. ML&P has evolved into an acknowledged energy leader by being customer oriented, innovative, and responsive to customers' needs for safe, economical, and reliable electrical service.

When the Alaska Engineering Commission (AEC) initiated electrical service in Anchorage in 1916, Anchorage was just a small tent city in the wilderness. The City operated the electrical distribution system under a lease agreement, first with the AEC and later with the Alaska Railroad. This lease agreement continued until 1932 when the citizens of the young city bought the electrical distribution system for \$11,351.

A small steam plant and diesel power generators supplied Anchorage with electricity until 1929 when the private Anchorage Power & Light Company began supplying the community with electricity from a hydroelectric power plant on the Eklutna River, 40 miles northeast of Anchorage. The City acquired the Eklutna Plant from the Anchorage Power & Light Company in 1943. In 1955, the City contracted for 16,000 kilowatts (kW) of the generating capacity of a new Eklutna Hydroelectric power project of the U.S. Bureau of Reclamation and transferred "Little Eklutna" to that federal agency.

Between 1962 and 1984, ML&P installed seven turbine-generating units fired by natural gas and one heat recovery steam turbine generating unit. Unit 3, which was purchased in 1968 and remained in service for 36 years, was retired in 2004. Unit 3's replacement, which is the first new generating unit for ML&P in more than 20 years, began commercial operation August 16, 2007. The 30 megawatt simple cycle gas turbine is a GE LM2500+ and cost \$27.5 million to purchase and install. Four of the seven gas fired turbines have dual-fuel capability, which enhances ML&P's reliability in the event of a disruption of the natural gas transportation system. In addition to its two power plants, ML&P operates nineteen modern substations and is the south-end controller of the Alaska Intertie from Anchorage to Fairbanks.

In late 1996, the Municipality purchased a one-third working interest in the Beluga River Gas Field, which established a guaranteed fuel supply and serves as a means to stabilize fuel prices for years to come. In 1997, ML&P in association with Chugach Electric Association and Matanuska Electric Association purchased the Eklutna Hydroelectric Project from the federal government. On August 28, 2008 ML&P entered into an agreement with Chugach Electric Association for a dedicated 30% share of the output of the Southcentral Power Project (SPP) plant, varying in electrical output from 45 MW to 54 MW depending on season and temperature. The plant is anticipated to enter commercial operation by January 1, 2013.

Services

ML&P service area encompasses 19.9 contiguous square miles including a large portion of the commercial and high-density residential areas of the Municipality. In 2009, the average number of residential and commercial customers was 24,139 and 6,264 respectively. Commercial customers account for approximately eighteen percent of ML&P's customer billings and consume fifty-six percent of its output.

In 2009, electric retail sales totaled 1,115,964 MWh resulting in revenues of \$110,061,785. Total electric operating revenues including Miscellaneous Operating Revenue, Sales for Resale and Other Utility Operating Income were \$118,620,070. ML&P also has agreements to supply Fort Richardson Army Base and Elmendorf Air Force Base with firm electrical service.

Regulation

ML&P is subject to economic regulation by the Regulatory Commission of Alaska (RCA), which is composed of five members appointed to six-year staggered terms by the Governor and confirmed by the State Legislature. RCA regulation encompasses service area definition, tariff rules and regulations, service quality criteria and establishment of recurring rates and miscellaneous fees and charges.

The ML&P Board of Directors (Board) was created to govern ML&P by the Anchorage Municipal Assembly on September 9, 2008 by passage of Assembly Ordinance No. 2008-90(S). The Board is composed of nine members appointed to staggered five-year terms by the Mayor subject to confirmation by the Municipal Assembly. The general manager of ML&P shall not be a director but shall serve as executive secretary and staff to the Board.

The power to operate and manage ML&P is vested in the Board. The Board is responsible to the Municipal Assembly and may in general exercise any power unless otherwise provided in the Municipal Charter, Title 32, or prohibited by state law. Municipal Assembly approval continues to be required for the operating and capital budgets, proposed rate increases for filing with the RCA, the purchase or sale of real estate, proposed changes to Title 32, the exercise of eminent domain, the incurrence of debt, the appropriation of grants, amendments to collective bargaining agreements, and confirmation of the general manager and board members.

The Mayor, with concurrence of the Municipal Assembly, shall appoint the members of the Board. The Mayor shall appoint the general manager from candidates recommended by the Board. The general manager shall serve at the pleasure of the Mayor. ML&P budgets shall be submitted to the Administration before submittal to the Municipal Assembly for approval.

Environmental Mandates

Environmental mandates imposed by the Federal and State Governments will continue to add to the cost of environmental compliance. Scoping of environmental alternatives and pre-permitting assessments associated with equipment replacements, new generation, and services expansion will require effort to assure continued regulatory compliance. Recent changes to State oil spill prevention regulations are imposing additional requirements for corrosion protection of fuel storage tanks and piping. As a result, fuel system upgrades will be required.

Emergency Preparedness/Security

Because of the threat of natural disasters and potential for gas supply disruptions in Cook Inlet, ML&P is continuing its efforts to prevent and minimize threats to the utility as well as establishing recovery procedures. These efforts are done in conjunction with the MOA, state and federal agencies, and other local utilities. ML&P's Emergency Response Plan is currently being revised to include an annex for influenza pandemic preparedness. Upgraded fencing, increased closed circuit TV monitoring and 24-hour guard service at ML&P generation plants have been implemented to enhance security at ML&P's facilities. Alaska Partnership for Infrastructure Protection (APIP) continues to be a valuable tool for information flow from the private sector to the public sector to support emergency response and recovery.

Electric and Gas Plant

ML&P generates, transmits, distributes, and purchases electric power and has a one-third working interest in the Beluga River Gas Field.

- Power Generated/Purchased in 2009
 - ML&P Generated
 - 1,249,717 MWh
 - 1,098,465 MWh 87.89 %
 - Eklutna Hydroelectric Project 57,059 MWh 4.57 %
 - Purchased:
 - Bradley Lake Project 93,863 MWh 7.51 %
 - Chugach Electric Assoc. 330 MWh 0.03 %
- Total Thermal Generation capacity in 2009 342.5 Megawatts (MW) at 30°F
 - Power Plant One (4 Turbines & 2 Diesels) 100.6 MW 29.37 %
 - Power Plant Two (4 Turbines) 241.9 MW 70.63 %
 - Seven Gas Fired Turbines
 - One Heat Recovery Turbine
 - Four of the seven gas fired turbines are equipped to use No. 2 fuel oil as an alternate fuel
- Distribution System in 2009 385 Miles
 - Underground Cable 254 Miles 65.97%
 - Overhead Line 131 Miles 34.03 %
 - 19 Substations
- Total Electric Plant as of December 31, 2009 \$283,669,957
- Total Gas Plant as of December 31, 2009 \$ 98,074,008
- ML&P has a 53.33% ownership interest in the Eklutna Hydroelectric Project, which has 44.4 MW of installed capacity.
- Pursuant to a Power Sales Agreement with the Alaska Energy Authority, ML&P is required to purchase 25.9% of the output of the Bradley Lake Project, which has 126 MW of installed capacity.

Municipal Light & Power

2011 Budget Assumptions

Beginning January 1, 2006 all of ML&P's gas requirements for generation (except for purchases to meet peaking requirements) are supplied from its one-third interest in the Beluga River Unit Gas Field. Therefore, the transfer price of gas from the Gas Division to the Electric Division is, for all practicable purposes comprised of costs necessary to produce gas, and is budgeted to decrease from \$3.83/MCF in 2010 to \$3.30/MCF in 2011.

It is estimated that the 2011 contract price for natural gas sales to Chugach Electric Association, Inc. (CEA) will increase to \$4.18/MCF over the 2010 contract price of \$3.65/MCF. ML&P's contract with CEA expires in 2011.

On May 28, 2010, the RCA issued Order Number 1 in Docket U10-31 granting ML&P a 4.01% across-the-board interim and refundable rate increase to demand and energy charges effective June 1, 2010. ML&P anticipates permanent rates of 6% to be in effect for 2011.

Municipal Light & Power

Highlights and Future Events

New Generation

ML&P is at a point from a life cycle perspective where it must make significant generation capital additions over the next few years. Currently, there is \$176.2 million (in nominal dollars) in the capital budget for new generation to replace aging generation infrastructure. Modern generating units are much more efficient, allowing them to deliver more energy for the same amount of fuel. The goal of ML&P is to have new generation facilities online by mid 2013 at Plant 1 and mid 2014 at Plant 2.

Southcentral Power Project

ML&P entered into a participation agreement with Chugach Electric Association, Inc. (CEA) on August 28, 2008 to proceed with the joint development, construction and operation of the Southcentral Power Project (SPP). The design of the plant includes three GE LM6000PF DLE combustion turbines that recover exhaust heat to produce additional electricity in a steam bottoming cycle. Three machines have been purchased by SPP with total capacity of approximately 180 MW, of which ML&P's proportionate share will be 54 MW, or 30%. ML&P's estimated share of the cost of SPP is \$109.2 million. SPP is anticipated to enter commercial operation by January 1, 2013.

Dividend and Gross Receipts Payments

The dividend consists of a revenue distribution to general government of 5 percent of the utility's gross revenues (excluding restricted revenues) and a gross receipts payment considered supplemental MUSA at 1.25 percent times actual gross operating revenues. The dividend is based on prior year revenues confirmed after audit.

In response to a proposal from ML&P, the Regulatory Commission of Alaska issued a bench ruling on November 7, 2005, removing their restriction on dividend and dividend-like payments, thereby re-instating ML&P's ability to pay dividends to its owner, the Municipality of Anchorage. From 2006 to 2009 the total dividend and gross receipts distribution is \$28 million, averaging \$7 million a year.

ML&P Legacy Application Replacement

ML&P has been utilizing an HP3000 Minicomputer for most business and customer service applications. In November of 2001 Hewlett-Packard (HP) announced they would discontinue support for the HP3000 system in 2006. This date was extended by HP as they found many customers unable to transition off the hardware in a timely manner. ML&P has been migrating all of its existing applications on the HP3000 to new platforms. We expect this to be accomplished by the end of the second quarter in 2011.

Migration has been proceeding with major components completed including electronic time card system, continuing property records, Customer Service Support and Fleet Maintenance.

Replacement of more components with off the shelf products has proven to be the most cost effective. This project involves all divisions both in selection of a replacement system and in testing and implementation. It is expected that these replacements will take place with little affect on day-to-day operations. With limited ability to increase staffing, testing of replacement systems and keeping normal operations going will be our greatest challenge.

SCADA Replacement

ML&P's SCADA system was replaced in the first quarter of 2010 giving us the ability to control and monitor the generation, transmission, and distribution of electrical power to our customers. The replacement works hand in hand with the system located at Chugach Electric Association's headquarters in south Anchorage. The new system is based on the same database configuration enabling redundant systems in the event of a major failure by either company. The new system incorporates the latest technology and security controls generally followed by the Electrical industry.

This ends the 5 year process that has carried us into the future with modernized maintainable and more secure hardware and software. Additional follow-on projects mandated by evolving security and utility protection regulation will start in the near future including the ability to maintain and update skills related to the SCADA system with a standalone SCADA simulator and integrated backup resources.

Municipal Light & Power

11-Year Summary

Utility Format 2011 Operating Budget (in 000's)

Financial Overview:	Actual			ProForma		Budget		Forecast			
	2006	2007	2008	2009	2010	2011	2012	2013	2014	2015	2016
Revenues	\$120,367	\$104,457	\$108,140	\$120,398	\$139,875	\$137,754	\$138,439	\$146,041	\$141,951	\$158,867	\$166,841
Expenses	96,526	81,066	94,643	108,373	131,142	120,888	123,599	136,635	133,081	152,395	165,617
Special Item	-	-	921	-	-	-	-	-	-	-	-
Net Income After Special Item	23,842	23,391	14,418	12,025	8,733	16,866	14,841	9,406	8,870	6,472	1,223
Work Force Authorized per Budget - FTE	255	260	265	265	274	274	274	274	274	274	274
Capital Improvements	63,178	65,861	33,680	48,847	69,162	167,139	147,509	87,501	46,654	43,713	37,508
Bond Sales	-	-	-	129,362	-	175,860	-	96,723	-	26,379	-
Net Non-Contributed Plant (12/31) (REG)	274,692	305,538	313,856	317,346	322,962	331,451	340,684	496,417	605,635	607,301	603,114
Net Contributed Plant (12/31)	17,324	29,024	30,672	40,681	53,896	74,067	82,467	84,935	89,130	87,859	87,133
Net Electric Plant (12/31) (GAAP)	292,016	334,562	344,528	358,027	376,858	405,518	423,151	581,353	694,764	695,159	690,246
Retained Earnings (12/31)	197,070	214,492	223,717	230,341	233,060	243,061	251,144	253,759	255,457	254,962	248,372
General and Restricted Cash	70,238	48,013	55,611	113,845	112,693	87,833	52,455	35,586	24,319	42,367	48,645
Bond Construction Cash	-	-	-	75,768	50,000	121,965	28,702	62,440	34,000	28,968	-
Bond Redemption Investment	26,386	27,276	26,144	33,068	32,970	32,702	40,318	42,199	44,671	44,293	40,198
Debt Service Account	3,371	1,890	2,193	2,790	3,575	3,726	4,563	4,959	5,298	5,325	4,795
Grant Cash	(1,270)	(1)	-	-	-	-	-	-	-	-	-
Operating Fund Investment & Customer Deposits	8,524	8,044	9,202	9,765	11,665	11,465	10,865	12,565	12,165	14,665	15,965
Total Cash & Investments (12/31)	107,250	85,222	93,150	235,235	210,902	257,691	136,902	157,750	120,452	135,617	109,602
IGC's - General Government	3,260	3,612	3,726	3,751	3,875	3,903	3,990	4,032	4,074	4,116	4,160
Dividend	5,964	5,969	5,192	5,401	6,014	6,864	6,758	6,792	7,172	6,967	7,813
MUSA and Gross Receipts	3,551	3,671	4,314	4,405	5,073	5,617	5,962	6,339	7,462	11,100	11,687
Total Outstanding Debt	196,780	179,055	161,760	274,490	257,495	420,550	403,635	485,550	467,640	476,065	462,004
Total Annual Debt Service	32,901	28,440	27,071	26,730	33,057	32,702	40,318	42,199	44,671	44,293	40,198
Debt Service Coverage	1.86	2.14	1.90	1.83	1.57	1.59	1.43	1.47	1.48	1.51	1.53
LT Debt/Equity Ratio	50.0/50.0	45.5/54.5	42.0/58.0	54.4/45.6	52.5/47.5	63.4/36.6	61.6/38.4	65.7/34.3	64.7/35.3	65.1/34.9	65.0/35.0
Rate Change Percent	0.00%	0.00%	0.00%	0.00%	2.33%	0.00%	2.00%	8.00%	8.00%	5.00%	0.00%
Electric Statistical/Performance Trends:											
Residential Customer (500 kWh) (1)	\$52.60	\$46.84	\$57.35	\$60.36	\$65.01	\$65.63	\$65.74	\$70.96	\$70.81	\$78.98	\$82.30
Total Residential Sales (kWh)	148,255	147,246	147,725	147,643	147,000	147,441	147,883	148,327	148,772	149,218	149,666
Commercial & Industrial Sales (kWh)	747,400	753,227	754,542	760,450	759,869	761,389	762,912	764,438	764,438	765,202	766,733
Total Kilowatt Hour Sales (kWh)	895,656	900,473	902,267	908,093	906,869	908,830	910,795	912,765	913,210	914,421	916,399
Total Retail Sales Revenue	\$79,367	\$80,875	\$89,707	\$108,910	\$121,833	\$119,191	\$119,068	\$128,750	\$125,822	\$142,857	\$150,715

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

(1) Rates for Electric Residential customers as of March 31 each year using 500 kWh and including Cost of Power Adjustment.

Municipal Light & Power
2011 Work Force Projections

<u>Division:</u>	<u>2010</u>	<u>2011</u>	<u>2012</u>	<u>2013</u>	<u>2014</u>	<u>2015</u>	<u>2016</u>
Administration	15	15	15	15	15	15	15
Regulatory	8	8	8	8	8	8	8
Generation	81	81	81	81	81	81	81
Engineering	28	28	28	28	28	28	28
Operations	59	59	59	59	59	59	59
Customer Service	21	21	21	21	21	21	21
Finance	24	24	24	24	24	24	24
Systems & Communications	26	26	26	26	26	26	26
Subtotal	<u>262</u>	<u>262</u>	<u>262</u>	<u>262</u>	<u>262</u>	<u>262</u>	<u>262</u>
Part-Time/Temporary Positions	<u>24</u>	<u>24</u>	<u>24</u>	<u>24</u>	<u>24</u>	<u>24</u>	<u>24</u>
Total Positions	<u>286</u>	<u>286</u>	<u>286</u>	<u>286</u>	<u>286</u>	<u>286</u>	<u>286</u>
Total FTE	<u>274</u>	<u>274</u>	<u>274</u>	<u>274</u>	<u>274</u>	<u>274</u>	<u>274</u>

Municipal Light & Power
2011 Operating Budget
Statement of Revenue and Expenses

	<u>2009</u> <u>Actual</u>	<u>2010</u> <u>Proforma</u>	<u>2011</u> <u>Budget</u>
Operating Revenue			
Residential	\$17,973,827	\$19,113,000	\$19,353,000
Commercial & Industrial	76,949,102	82,612,000	83,087,000
Public Highway & Street Lighting	1,211,707	1,322,000	1,355,000
Military	13,927,149	15,548,000	15,396,000
Sales for Resale	8,522,078	11,188,000	11,275,000
Miscellaneous Service Revenue/COPA	(90,961)	4,438,000	1,100,000
Rent from Electric Property	127,169	130,000	130,000
Total Operating Revenue	118,620,070	134,351,000	131,696,000
Operating Expense			
Production Expense	40,096,863	54,061,000	50,441,000
Transmission Expense	560,833	513,000	616,000
Distribution Expense	8,378,660	8,760,000	9,358,000
Customer Account Expense	3,626,253	3,436,000	3,654,000
Customer Service & Information	427,423	432,000	387,000
Administrative & General Expense	9,446,731	9,681,000	10,078,000
Regulatory Debit/Credit	4,191,550	5,238,000	4,641,000
Depreciation Electric and Depletion Gas	25,846,816	26,418,000	25,441,000
Amortization of Intangible Plant	403,802	404,000	404,000
Taxes Other than Income	363,284	770,000	862,000
Total Operating Expense	93,342,214	109,713,000	105,882,000
Operating Income	25,277,856	24,638,000	25,814,000

Municipal Light & Power
2011 Operating Budget
Statement of Revenue and Expenses

	<u>2009</u> <u>Actual</u>	<u>2010</u> <u>Proforma</u>	<u>2011</u> <u>Budget</u>
Non-Operating Revenue			
Interest from Bond Redemption Cash	793,660	248,000	1,316,000
Interest from General Cash Pool	808,158	2,670,000	2,122,000
Interest from Debt Service Account	47,916	0	0
Miscellaneous Non-Operating Revenue	215,054	2,606,000	2,620,000
Restricted Interest Income	(86,585)	0	0
Total Non-Operating Revenue	1,778,202	5,524,000	6,058,000
Non-Operating Expense			
Misc. Non-Operating Expense	476,739	421,000	600,000
Interest on Bonded Debt	9,460,410	16,062,000	15,757,000
Amortization of Bond Discount/(Premium)	(1,151,836)	(1,074,000)	(949,000)
Amortization of Bond Sale Cost & Insurance	200,801	227,000	219,000
Amortization of Loss on Refunded Debt	1,812,470	1,583,000	1,342,000
Other Interest Expense	1,203,652	1,024,000	984,000
Interest During Construction	(1,375,798)	(1,887,000)	(8,564,000)
Total Non-Operating Expense	10,626,438	16,356,000	9,389,000
Transfers (MUSA and Gross Receipts)	4,404,760	5,073,000	5,617,000
Net Income - Before Special Item	12,024,861	8,733,000	16,866,000
Special Item	-	-	-
Net Income - After Special Item	12,024,861	8,733,000	16,866,000

Municipal Light & Power
2011 Operating Budget
Statement of Cash Sources and Cash Uses

	<u>2009</u>	<u>2010</u>	<u>2011</u>
	<u>Actual</u>	<u>Proforma</u>	<u>Budget</u>
Sources of Cash Funds			
Net Income	\$12,024,861	\$8,733,000	\$16,866,000
Depreciation/Depletion	25,709,690	25,802,000	24,825,000
Amortized Bond Discount/(Premium)	(1,151,836)	(1,074,000)	(949,000)
Amortization of Bond Sale Costs	200,801	227,000	219,000
Amortization of Refunded Debt	1,812,470	1,583,000	1,342,000
Grant Proceeds	-	-	-
Bond Proceeds	129,361,782	-	175,860,000
Deferred Charges and Other Assets	(317,000)	226,000	97,000
Contribution in Aid of Construction	3,063,935	2,336,000	2,351,000
Changes in Assets and Liabilities	38,002,571	22,703,374	1,699,164
	<hr/>	<hr/>	<hr/>
Total Sources of Cash Funds	208,707,274	60,536,374	222,310,165
Uses of Cash Funds			
Additions to Plant	49,352,327	67,874,929	158,575,655
Debt Principal Payment	17,270,000	16,995,000	16,945,000
	<hr/>	<hr/>	<hr/>
Total Uses of Cash Funds	66,622,327	84,869,929	175,520,655
	<hr/>	<hr/>	<hr/>
Net Increase (Decrease) in Cash Funds	142,084,947	(24,333,556)	46,789,510
Cash Balance, January 1	93,150,428	235,235,375	210,901,819
	<hr/>	<hr/>	<hr/>
Cash Balance, December 31	235,235,375	210,901,819	257,691,329
	<hr/> <hr/>	<hr/> <hr/>	<hr/> <hr/>
Detail of Cash & Investment Balance			
General Cash Less Customer Deposits	39,025,009	30,966,796	23,607,223
Bond Cash	75,767,821	50,000,000	121,965,000
Grant Construction	-	-	-
BRU Construction & Natural Gas Purchases Cash	74,820,104	81,725,915	64,226,365
Bond Investment	33,067,682	32,969,962	32,701,876
Debt Service	2,790,200	3,574,587	3,726,306
Operating Fund Investment & Customer Deposits	9,764,559	11,664,559	11,464,559
	<hr/>	<hr/>	<hr/>
Cash Balance, December 31	235,235,375	210,901,819	257,691,329
	<hr/> <hr/>	<hr/> <hr/>	<hr/> <hr/>

Municipal Light & Power

2011 Operating Budget

2011 Operating Budget Detail

	<u>2009</u> <u>Actual</u>	<u>2010</u> <u>Proforma</u>	<u>2011</u> <u>Budget</u>
Labor Expenses			
Personnel Costs	\$15,271,572	\$16,085,000	\$16,727,000
Benefit Costs	10,700,236	10,925,000	10,978,000
Self Insurance-Workers Comp.	631,708	638,000	643,000
Subtotal	26,603,517	27,648,000	28,348,000
Intragovernmental Expenses			
ERP Services	613,297	674,529	708,255
IT	619,311	623,394	654,564
Overheads	348,353	278,669	292,602
Mayor	234,021	176,690	185,525
Office of Emerg Mgmt	200,561	171,185	179,744
Purchasing	137,377	137,905	144,800
Employee Relations	106,646	114,195	119,905
Other Intragovernmental Charges	860,011	1,060,000	975,000
Subtotal	3,119,577	3,237,000	3,260,000
Other Expenses			
Depreciation, Depletion & Amortization	26,571,125	26,538,000	25,437,000
Gas Production Expense	16,215,457	13,654,000	12,861,000
Interest Expense	10,513,434	17,086,000	16,741,000
MUSA and Gross Receipts	4,404,760	5,073,000	5,617,000
Purchased Power	4,405,693	4,440,000	4,537,000
Natural Gas Purchases & Transportation	3,649,546	20,426,000	16,936,000
Regulatory Debits/Credits	4,191,550	5,238,000	4,641,000
Taxes Other than Income	363,284	770,000	862,000
Regulatory Compliance	1,166,070	987,000	699,000
Professional Services	676,118	466,000	603,000
Interest During Construction	(1,375,798)	(1,887,000)	(8,564,000)
Materials & Other Expenses	7,869,078	7,466,000	8,910,000
Subtotal	78,650,318	100,257,000	89,280,000
Total Expenses	<u>\$108,373,412</u>	<u>\$131,142,000</u>	<u>\$120,888,000</u>

Municipal Light & Power
2011 - 2016 Capital Improvement Budget (\$000)

<u>Project Category:</u>	<u>2011</u>	<u>2012</u>	<u>2013</u>	<u>2014</u>	<u>2015</u>	<u>2016</u>	<u>Total</u>
Production	\$112,617	\$106,330	\$47,789	\$15,511	\$20,436	\$13,784	\$316,467
Transmission	5,098	4,254	1,430	1,458	1,187	1,229	14,656
Distribution	15,874	14,487	15,807	13,182	12,751	13,213	85,314
General Plant	6,691	4,682	4,346	4,665	4,080	3,867	28,331
Regulatory Compliance	300	300	150	50	50	50	900
Beluga River Gas Field	26,559	17,456	17,979	11,788	5,209	5,365	84,356
Total Capital Budget	<u>\$167,139</u>	<u>\$147,509</u>	<u>\$87,501</u>	<u>\$46,654</u>	<u>\$43,713</u>	<u>\$37,508</u>	<u>\$530,024</u>

<u>Source of Funding</u>	<u>2011</u>	<u>2012</u>	<u>2013</u>	<u>2014</u>	<u>2015</u>	<u>2016</u>	<u>Total</u>
Revenue Bonds	103,895	93,263	62,985	28,434	31,411	28,968	348,956
Equity/Operations	36,685	36,790	6,537	6,432	7,093	3,175	96,712
Beluga Contributed	26,559	17,456	17,979	11,788	5,209	5,365	84,356
Total Capital Budget	<u>\$167,139</u>	<u>\$147,509</u>	<u>\$87,501</u>	<u>\$46,654</u>	<u>\$43,713</u>	<u>\$37,508</u>	<u>\$530,024</u>

Municipal Light & Power
2011 - 2016 Capital Improvement Budget (\$000)

<u>Production:</u>	<u>2011</u>	<u>2012</u>	<u>2013</u>	<u>2014</u>	<u>2015</u>	<u>2016</u>	<u>Total</u>
Steam	3,300	150	150	150	150	150	4,050
Turbines & Generators	105,813	103,796	46,123	13,375	18,950	12,600	300,657
Eklutna Power Plant	324	534	116	1,036	1,336	534	3,880
Structures & Improvements	<u>3,180</u>	<u>1,850</u>	<u>1,400</u>	<u>950</u>	<u>0</u>	<u>500</u>	<u>7,880</u>
Subtotal	112,617	106,330	47,789	15,511	20,436	13,784	316,467
<u>Transmission:</u>							
Land & Land Rights	90	70	70	70	70	80	450
Transmission Lines	588	593	597	602	607	613	3,600
Transmission Stations	<u>4,420</u>	<u>3,591</u>	<u>763</u>	<u>786</u>	<u>510</u>	<u>536</u>	<u>10,606</u>
Subtotal	5,098	4,254	1,430	1,458	1,187	1,229	14,656
<u>Distribution:</u>							
Distribution Equipment	4,375	3,575	4,400	1,900	1,025	1,025	16,300
Land & Land Rights	27	29	31	32	34	35	188
Meters	1,650	1,600	1,650	1,100	1,100	1,100	8,200
Overhead Lines	1,337	1,403	1,473	1,545	1,623	1,703	9,084
Street Lighting	17	17	18	19	20	21	112
Transformer Services	2,866	3,010	3,160	3,318	3,483	3,657	19,494
Underground Lines	<u>5,602</u>	<u>4,853</u>	<u>5,075</u>	<u>5,268</u>	<u>5,466</u>	<u>5,672</u>	<u>31,936</u>
Subtotal	15,874	14,487	15,807	13,182	12,751	13,213	85,314
<u>General Plant:</u>							
Communications	1,480	1,875	1,662	2,041	1,473	1,157	9,688
Furniture & Misc Equipment	80	70	72	73	70	71	436
Stores/Tools/Lab	970	331	373	354	355	417	2,800
Structures & Improvements	3,561	1,656	1,489	1,447	1,432	1,472	11,057
Transportation	<u>600</u>	<u>750</u>	<u>750</u>	<u>750</u>	<u>750</u>	<u>750</u>	<u>4,350</u>
Subtotal	6,691	4,682	4,346	4,665	4,080	3,867	28,331
<u>Regulatory Compliance:</u>							
Environmental	<u>300</u>	<u>300</u>	<u>150</u>	<u>50</u>	<u>50</u>	<u>50</u>	<u>900</u>
Subtotal	300	300	150	50	50	50	900
<u>Beluga River Gas Field:</u>							
Improvements	<u>26,559</u>	<u>17,456</u>	<u>17,979</u>	<u>11,788</u>	<u>5,209</u>	<u>5,365</u>	<u>84,356</u>
Subtotal	26,559	17,456	17,979	11,788	5,209	5,365	84,356
Total Capital Budget	<u>\$167,139</u>	<u>\$147,509</u>	<u>\$87,501</u>	<u>\$46,654</u>	<u>\$43,713</u>	<u>\$37,508</u>	<u>\$530,024</u>