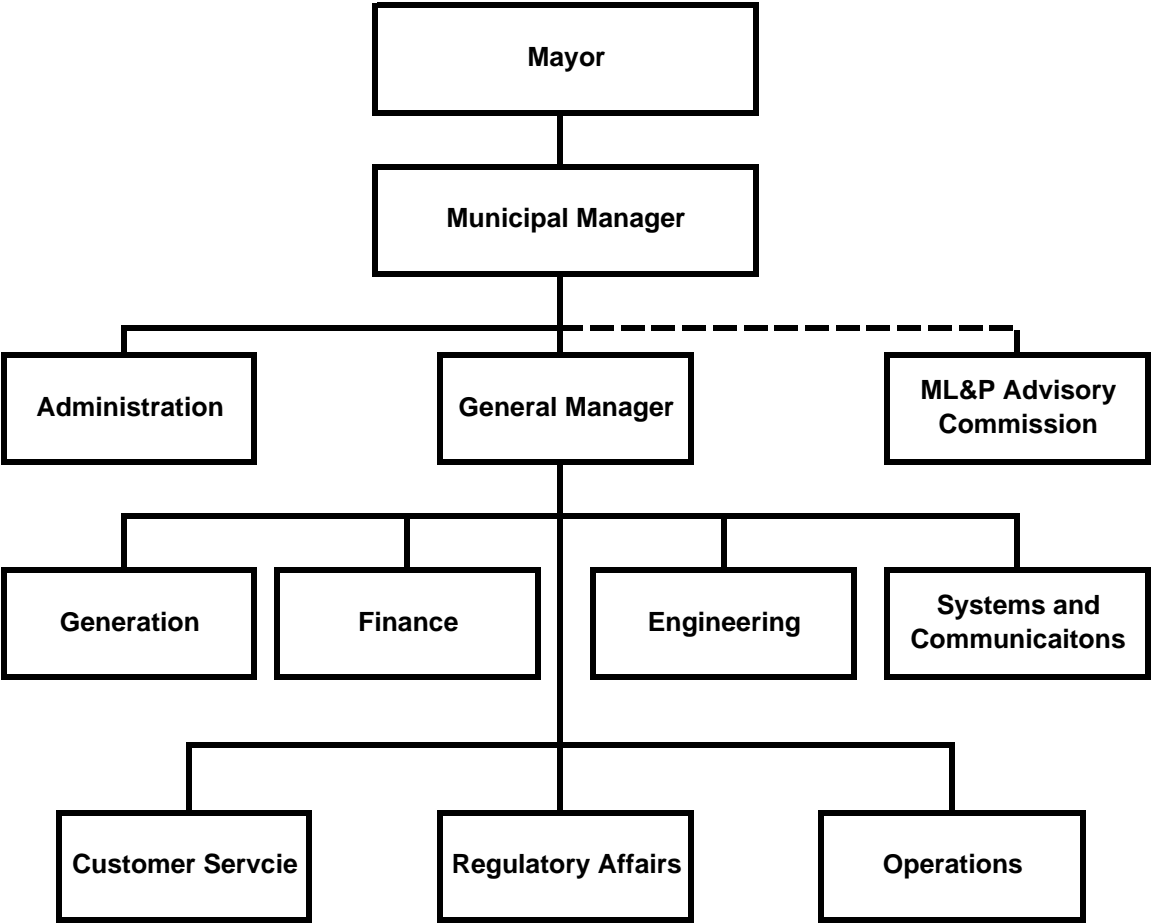


# Municipal Light and Power



## **Municipal Light and Power Organizational Overview**

Municipal Light and Power (ML&P) is functionally structured into eight operating divisions: Generation & Power Management, Engineering, Operations, Finance, Regulatory Affairs, Customer Service, Administration and Systems & Communication. Each division manager reports directly to the General Manager.

### **General Manager's Office**

The General Manager is responsible for the overall management of Municipal Light & Power. ML&P is functionally structured into eight operating divisions: Administrative, Generation and Power Management, Engineering, Operations, Finance, Regulatory Affairs, Customer Service and Systems & Communication. Each division's manager reports directly to the General Manager. The General Manager and Division Managers are responsible for coordinating both the strategic planning efforts and the efficient application of resources necessary to achieve ML&P's mission.

### **Administrative Division**

The Administrative Division provides support to the General Manager. Functions carried out by the Administrative section include: human resources, labor relations, safety, security, public relations, legal services, telephone switchboard/receptionist duties, and courier/mailroom operations.

### **Objectives and Tasks**

- Recruit and retain technically competent, highly skilled and professional employees to join the ML&P team by providing a competitive wage scale
- Continue to provide employees with the training and education necessary to maintain technical competence and professional credentials
- Successfully negotiate and administer the ML&P/IBEW Collective Bargaining Agreement
- Ensure labor contract management compliance and respond to union grievances
- Provide educational material and programs related to energy matters and safety for the public
- Maintain the security of ML&P facilities and personnel
- Coordinate with or assist other municipal departments in joint or common projects
- Coordinate with other utilities on matters of common concern
- Administer Municipal Policies and Procedures within the utility
- Prepare and review ML&P Policies and Procedures
- Administer AERC, MOA-OEO, and ERC regulations
- Ensure compliance with ADA, FMLA, and FLSA
- Coordinate security matters with state and federal agencies
- Maintain Employee Classification System
- Review and administer disciplinary actions
- Prepare and review letters of agreement and proposed amendments and modifications of the Collective Bargaining Agreement
- Resolve contract disputes with contractors
- Provide timely and accurate information to the media, customers, and the public about the utility and issues facing the electric industry
- Manage responses to the public, media and Mayor's office during power outages or emergency situations

- Manage and enhance ML&P's reputation by selectively participating in community events, programs and sponsorships that enhance the quality of life in Anchorage and offer positive public relations for the utility
- Manage ML&P contributions budget
- Maintain the Key Accounts Program by providing bi-monthly newsletters to commercial customers and information regarding demand-side management
- Provide pertinent information to residential and commercial customers through a newsletter published every other month and through bill stuffers
- Promote electric safety and energy conservation in elementary schools through presentations requested by the Anchorage School District
- Manage plant tours for vocational schools and other groups
- Manage special utility projects related to commercial accounts, renewable resources (Green Power) and energy efficiency
- Monitor the overall usage of the ML&P website and manage data to insure effectiveness

### **Generation and Power Management Division**

The Generation and Power Management Division is responsible for the production and dispatch of all thermal electricity at ML&P and the dispatch of the Eklutna Hydroelectric plant.

This includes operation, maintenance, engineering, and installation of equipment used in conjunction with the two municipally owned electric power plants. The division also provides full spectrum maintenance and support for the Eklutna Hydroelectric Power Plant of which ML&P owns 53 percent.

The Generation and Power Management division is also responsible for the safe and efficient operation of the Dispatch Center and for the management of environmental compliance programs.

The generation division is working to improve efficiency and safety by better organizing its drawing system. Plant personnel and contract engineers are working to update drawings to match the current plant configuration. The Piping and Instrument Diagrams (P&IDs) has been the focus of this effort. Accurate P&ID drawings will provide all personnel with an accurate map of the system. By installing tag numbers on all the equipment there will be no confusion operating valves to safe out a particular part of the system.

ML&P has agreed to become a 30% owner of the new Southcentral Power Plant (SPP) with the other 70% being owned by Chugach Electric Association. The planned commercial operation date for this new generation facility is fourth quarter 2012.

The **Generation Plant Operators** operate the turbines as required by the dispatch center. The operator's primary function is to monitor and respond to equipment alarms and trips. This is done on a 24 hour basis. They request assistance from the mechanical and electrical crews when major problems develop and also perform some light maintenance in the plants themselves.

The operators maintain regulatory logs and reports required by the Federal Energy Regulatory Commission (FERC) and Energy Information Administration (EIA).

The operators coordinate lock out/tag out safety procedures in the plant when equipment is taken out of service for maintenance.

One operator is designated to take care of demineralized water production for the boilers. Demineralized water is required to prevent deposits from building up inside the boiler tubes which would reduce their thermal efficiency.

The **Heavy Mechanical** crew performs overhauls and major maintenance of power production equipment. This experienced crew is trained to disassemble large industrial turbines, evaluate their condition and make necessary repairs. They also coordinate with Original Equipment Manufacturers on specialized repairs and acquisition of new parts. The crew also looks for new advancements in technology which can improve reliability and efficiency as obsolete equipment fails.

The **Electric/Electronic** section provides maintenance and installation of all instrumentation, which includes generation control and protective systems, supervisory control and data acquisition systems (SCADA), general plant electrical systems, and other related plant and construction work. The crew looks for new advancements in technology which can improve reliability and efficiency as obsolete equipment fails.

The **Eklutna** hydroelectric plant is managed by a ML&P Superintendent but operated by a CEA Operator. Maintenance is provided by the ML&P Heavy Mechanical & Electrical/Electronic crews. Light maintenance is performed by the CEA operator under the direction of the ML&P Superintendent. Plant electrical production and costs are shared between ML&P, CEA, and MEA (Matanuska Electric Association) based on a predetermined percentage of ownership.

The **Power Management** section performs studies and analysis to determine the optimal operation of ML&P's Generation and Hydroelectric resources and conducts a variety of power pooling and marketing studies to identify power sales opportunities between ML&P and other Railbelt utilities.

In addition, this section works with contracted software support consultants to implement new data bases and economic dispatch programs and produces many of the analyses ML&P relies on for strategic decisions related to power sales contracts, economic dispatch, and ML&P generation investment options. This section provides for operating guidelines and technical review, failure analysis, and system modeling. The two major functions of the Power Management section are as follows:

**Power Dispatch** is responsible for the safe and efficient control and dispatch of ML&P's interconnected electrical system, including the Eklutna Hydroelectric Project and the southern portion of the Alaskan Intertie. This section is responsible for continuous coordination with other utilities in the Railbelt to provide for system reliability and to pursue opportunities for power sales and purchases. In addition, this section responds to emergencies or unscheduled outages on the Interconnected System, ML&P Transmission System, and/or ML&P Power Plants and directs outage restoration procedures.

**Distribution Dispatch** operates the ML&P distribution system in a safe and reliable manner, responds to distribution system emergencies and unscheduled outages, directs restoration procedures to restore service as soon as practicable, and directs switching and tagging of scheduled maintenance, new services, and system improvements. This section also maintains ML&P's official record on the status of the distribution system as currently connected and produces Outage Reports.

The **Administrative** section is responsible for daily operation of the generation division's files, records, and budgetary tasks. One of these primary tasks is budget tracking and coordination with the finance division on expenditures. Capital and expense budget costs are controlled by this section. They also compile end-of-month reports on fuel usage and power generated from the plants, as required by ML&P accounting, FERC, and EIA. The administrative section also sends these reports to the necessary agencies.

The **Generation Warehouse** section maintains an inventory of critical spare parts for the generation division. Because Alaska is a remote location delays in getting materials could cause extended outage for ML&P customers. There is also an economic advantage to purchasing parts that have a long lead time; a 25% savings on parts that can cost several million dollars can be realized by doing this.

The warehouse personnel are experienced electricians and mechanics who know the ML&P systems well. They engineer design changes to the system when obsolete parts cannot be found by specifying requirements for new replacement parts. Different parts are required in different types of service. The service is defined by the product. Examples of the products are liquid fuel, natural gas, high pressure steam, condensate, hydraulic fluid, lube oil, glycol, hydrogen, etc. The operating temperature and operating pressure of these products requires that different design requirements be specified for each system.

ML&P is working to standardize the various systems and simplify the process of acquiring new parts. This will also improve safety in the plant. This can be done in conjunction with the P&ID work and the building of specifications for the systems.

### **Objectives and Tasks**

- Minimize customer outages
- Provide low cost power
- Provide electrical generation with the utmost reliability and efficiency
- Implement system improvements to replace obsolete parts, improve reliability and efficiency
- Representation on various state and national operating committees as required
- Address Occupational Safety and Health Act (OSHA) matters; implement Environmental Protection Agency (EPA) initiatives and all other related regulatory and training requirements
- Represent ML&P on inter-utility committees and subcommittees, including the Intertie Operating Committee and the Alaska Coordinating Council/Railbelt Coordinating Committee
- Provide Dispatch Center support 24 hours a day, 365 days a year under normal and emergency conditions
- Perform studies and analysis to determine the optimal integration of ML&P's generation and hydrothermal resources
- Act as Southern Operator of the Alaska Intertie
- Direct and control all of ML&P's switching and tagging operations
- Negotiate, schedule, and control wholesale power sale transactions
- Manage the comprehensive Dispatcher Training Program
- Direct restoration of service to customers following outages
- Dispatch and control ML&P Generation and the Eklutna Project and schedule ML&P Bradley Lake energy and capacity
- Produce analysis related to power sales, system operation, economic dispatch, and generation investment decisions
- Assist in the planning and installation of the improved SCADA and Energy Management System (EMS)

- Ensure the ability of the Dispatch Center to survive and function during and after disasters
- Conduct ongoing training for employees and implement a new simulator training program for Plant 2 operators

### **Engineering Division**

The Engineering Division is responsible for the planning, budgeting, design, coordination, and construction of transmission and distribution facilities that are required to provide consumers with safe and reliable electrical power.

The **Engineering Support and GIS** section is responsible for ML&P's GIS (Geographic Information System), rights-of-way acquisition of easements/permits/lands and record keeping, land surveying and project staking, underground locates, support, administration, and development of AUD (Autodesk utility design) encompassing ML&P's electronic Engineering design workflow. The Section is also responsible for the continuing property/facility records, CAD drafting, mapping, and the professional services contract administration as related to these responsibilities.

Additionally this section is also responsible to provide and develop tools to maintain the GIS, streamline Engineering business processes using workflows and technology to increase efficiency and maintain the integrity and accuracy of ML&P's design and asset data.

The **Station Design, System Protection and System Planning** section prepares complete substation and switchyard design packages, implements all the distribution and transmission system protection, purchases substation equipment, prepares specifications, contract documents, and procures construction contracts.

Also the section conducts distribution system normal study and transmission system load flow studies, prepare substation construction standards, provides technical support to other sections and divisions for system upgrades. Additionally this Section performs distribution system fault analyses, protective devices coordination, and manages the procurement of annual distribution transformer.

It also coordinates with other intertie utilities for transmission protection and transmission lines improvement.

The **System Planning** section conducts transmission and distribution load flow studies, prepares construction standards, provides technical support to other sections and divisions for system upgrades and modifications, prepares planning studies, performs distribution system fault and failure analyses, manages the annual distribution transformer order including procurement, purchase and evaluation.

The **System Protection** section performs relaying protection and coordination of all distribution and transmission systems and interfaces with other intertie utilities.

The **Transmission/Distribution Line Design and Customer Engineering** section is responsible for the design of major system improvements, relocations, undergrounding, and line extensions of the transmission and distribution systems; it also provides engineering services to new customers, including new service line extension design, minor customer service, and non-ML&P construction project reviews. In addition they also perform NESC safety compliance assessments, update material specifications and construction methods, develop standards and maintenance methods, evaluate material bids, prepare and administer the "unit price" construction contract and other project construction contracts, and do other special projects.

### **Objectives and Tasks**

- Responsive design of new customer services
- Design, construct, contract for, and manage substations, plant switchyards, system protection, and sectionalizing plans
- Maintain continuing property records and system maps utilizing the GIS system and other interfacing financial programs
- Investigation of customer service complaints and power quality issues
- Investigation of system safety concerns
- Research and integration of technological advances into the existing system
- Analysis of ML&P's power system and intertie system operation
- Perform class load research, voltage profiles, and contingency studies
- Development of required capital improvement plans and projects/budgets, as well as the engineering design and management of projects
- Development of special studies, including failure analysis reports
- Representation on both internal and external technical committees and other external utility/business committees as required
- Coordination with other governmental entities and utilities for use of right-of-way and location or relocation of underground plant
- Acquires easements necessary for both transmission and distribution plant
- Provide technical support necessary to comply with all applicable environmental laws and regulations while integrating environmental risks, costs, and impacts in the decision-making process
- Implementation, input and maintenance of ML&P's Geographic Information System

### **Operations Division**

The Operations Division oversees the construction, maintenance, and operation of the transmission and distribution systems, administration of contracts and contractors, facility maintenance, fleet and equipment maintenance, and warehousing of required material.

The **Line** section is responsible for the construction and maintenance of the transmission and distribution systems. This section also provides cut in/cut out assistance for the Customer Service Division and switching services as directed by the Generation and Power Management Division.

The **Technical Services** section provides services associated with electrical metering and substation maintenance including installation, calibration and testing of circuit breakers, relays, meters, transformers and SCADA equipment.

The **Fleet Services** section provides pre-purchase technical specifications, preventative and nonscheduled maintenance of all utility rolling stock, miscellaneous equipment, and hot line tools.

The **Electrical Services** section provides testing, repairs and tracking of transformers, facility maintenance and associated contract administration, as well as management of ML&P's PCB/Hazardous materials testing and disposal program.

The **Warehouse** section is responsible for receipt, storage and issuance of construction and maintenance material for Engineering and Operations. They also provide support to other divisions in processing purchase requisitions, including change orders and receiving goods.

### **Objectives and Tasks**

- Improve reliability and reduce service interruptions through ongoing inspection and preventative maintenance programs
- Maintain the pilot wire system
- Annually inspect and maintain ML&P's Central Business District (CBD) vault-duct system
- Maintain right-of-way clearing and maintenance program
- Provide SCADA support services
- Annual inspection of distribution system and scheduling of routine maintenance
- Preventative maintenance of substations and 115KV switch yards
- Continue comprehensive meter audit programs
- Continue system inspection programs using infrared and x-ray technologies
- Provide reliable fleet service and vehicle maintenance by performing annual vehicle safety inspections
- Provide improved street lighting by continuing the upgrade of older street lighting systems
- Provide efficient system construction
- Refine ML&P's Comprehensive Construction and Scheduling Program
- Annually monitor and evaluate unit price contracts and expedite bid programs
- Provide an effective, reliable construction feedback and tracking system
- Provide utility wide cost effective facility management by conducting annual heating and cooling systems inspections and on-going building maintenance inspections
- Identify and initiate the replacement of failing meters and equipment
- Evaluate new technologies and alternatives for meter service
- Conduct power theft investigations and gather evidence for collection efforts
- Inspect customer's premises for defective equipment which can cause high bills
- Direct PCB testing, removal, and disposal

### **Finance Division**

The Finance Division provides financial management and analysis of reports and budgets to ML&P's staff and Advisory Commission, the Administration, Assembly and regulatory agencies.

The **Accounting** section is responsible for financial analyses and reporting in the manner prescribed by the Federal Energy Regulatory Commission, Regulatory Commission of Alaska (RCA), and Generally Accepted Accounting Principles (GAAP). The Accounting section is also responsible for developing and maintaining the utility continuing property records (CPR) and providing accounts payable services.

The **Budgeting** section is responsible for financial forecasting, financial modeling, bond sale support, yearly operating and Capital Improvement Plan budget submissions, developing budgeting standards, ensuring budget compliance, and providing other situational fiscal analysis as required.

The **Payroll** section is responsible for collection and submission of employee time sheets for accurate payroll processing to meet bi-weekly payroll requirements; preparation of monthly health and welfare and pension and benefits reporting in compliance with collective bargaining agreements.

### **Objectives and Tasks**

- Provide accurate and timely financial and accounting information on a monthly basis
- Prepare reports necessary to meet internal and external reporting requirements
- Develop and analyze reports to convert financial data into meaningful management information



- Provide financial training on new or changing accounting pronouncements
- Assist and respond to the annual external audit and other internal audits
- Prepare and publish the audited financial statements
- Prepare the Form 1 report and file with the RCA
- Provide Regulatory Affairs with financial data to develop Revenue Requirement, Cost of Service and other regulatory filings, provide testimony and testify before the RCA
- Upgrade depreciation reserve segment of CPR for potential changes in depreciation policies
- Produce the annual business plans, operating budgets, and capital budgets
- Develop and implement long-range financial forecasts and reports
- Review capital work order set-up information for accuracy and completeness
- Provide budget analyses throughout the year for the Advisory Commission
- Provide historic and prospective budget data for requesting entities
- Provide state and federal agencies with detailed budget and accounting information as necessary
- Advise management on financial issues facing the utility
- Provide guidelines to management on attaining Equity Management Plan objectives
- Coordination with Human Resources on all IBEW hire/rehire orientations and employee/payroll matters

### **Regulatory Affairs Division**

The Regulatory Affairs Division is responsible for regulatory matters, long-range resource planning, operation of ML&P's interest in the Beluga River Unit (BRU) gas field, Federal and State environmental regulatory compliance, and pursuit of initiatives necessary to support the utility's financial health and competitive position.

The **Administrative** section is responsible for long-range planning, including the preparation of integrated resource plans, three-year electric system reports, gas and electric load forecasts, and coordination with other utility and State agencies regarding system-wide and Railbelt planning initiatives. Additionally, the section plays a major role in providing information and support to ML&P's Advisory Commission.

The **Rates and Tariffs** section is responsible for compliance with the Alaska Public Utilities Commission Act, as amended, and associated law. The fundamental function of this section is to maintain ML&P's tariff and special contracts under which the utility does business with the public. This includes activities such as tariff revisions, COPA filings, rate studies, and participation in all regulatory proceedings affecting ML&P's ability to perform its mission. This section also performs economic modeling and pricing, assists in negotiating power contracts, and engages in financial analyses for ML&P management.

The **Beluga Gas Field** section is responsible for meeting accounting and tax compliance requirements as well as insuring compliance with the BRU Joint Operating Agreement and Gas Balancing Agreement. This section is also responsible for acquisition of supplemental gas supplies, either through new source contracts, exchange agreements, or capital improvement efforts intended to increase/maintain field production, gas storage, or import of fuel resources from regions other than Cook Inlet.

The **Environmental** section is responsible for protecting the public's health by preventing hazardous materials releases by ML&P and maintaining compliance with operating permits and applicable environmental regulations.

### **Objectives and Tasks**

- Manage ML&P's regulatory proceedings
- Develop revenue requirement and cost of service studies.
- Conduct customer class load research in support of cost allocations
- Revise tariffs as required.
- Monitor federal and state regulatory proceedings and provide timely response to developments as they occur in those proceedings.
- Maintain a constructive relationship with regulatory agencies in order to achieve ML&P's goals in the regulatory arena
- Effectively represent ML&P's position to state and federal legislators and the RCA
- Assist with representation of ML&P's legislative agenda before the Alaska State Legislature and Congress
- Maintain constructive relationship with BRU partners, Conoco Phillips and Chevron Texaco to ensure efficient operations of the gas field
- Administer hazardous chemicals control programs and contaminated ground water treatment programs
- Conduct permit negotiations with State and Federal environmental agencies
- Manage Engineer of Record contract
- Manage fuel supply contracts
- Maintain gas fund accounts

### **Customer Service Division**

The Customer Service Division provides a full line of customer services for ML&P's electric customers.

The **Customer Service** section is responsible for any customer contact necessary to establish, maintain, and terminate electrical service and landlord contracts. This section explains rates and tariff applications as required, responds to residential and commercial service requests and bill inquiries, and processes cash receipts, while maintaining security of customer records. Customer Service is the focus for customer contact in the utility.

The **Credit and Collections** section is a primary function of the Division as it is responsible for negotiating payment schedules in accordance with ML&P's tariff, Alaska Statutes, and accepted Fair Credit Act practices, as well as providing anti-identity theft measures demanded by Federal statutes and practices. This section is also responsible for maintaining a low percentage of write-offs, coordinating all customer refunds and reviews, as well as preparation of accounts for legal referral.

**Billing**, another key function of the Division, receives the read data collected by the meter readers and processes, records, and renders billing statements to clearly inform the customer of their energy consumption.

The **Meter Reading** section is responsible for accurate and timely scheduled monthly meter reads, timely reads on customer connects and disconnects and delinquent door hanger notices. This section also investigates customer energy usage patterns, high bill complaints, customer equipment access issues and power theft incidents.

### **Objectives and Tasks**

- Create and maintain superior levels of customer satisfaction
- Respond to customer inquiries, including telephonic, e-commerce, and in-person contact, in the most efficient and timely way practical
- Provide accurate customer records, review and monitor updates to the tariff as business needs indicate

- Analyze billing functions for opportunities to improve the efficiency and quality of customer billing services
- Maintain a high collection index utilizing both internal and external resources
- Assign account representatives to key accounts for continued superior service
- Maintain statistical records of employee and Division performance standards
- Develop and maintain a well trained and highly energized work force, capable of meeting all customer demands
- Perform energy use evaluations and administer energy audit contracts for customers
- Develop team performance standards to support customer service efficiency and quality
- Review policies, procedures, and tariffs for compliance and improvements
- Research, develop and implement e-commerce strategies and capabilities
- Prepare and review installment agreements with customers
- Promote and maintain the Key Accounts Program in partnership with Public Relations
- Develop and maintain customer appreciation programs that invigorate and educate our customers about energy efficiency and the possibilities of renewables
- Represent the utility as the identity of ML&P through customer contact and superior service and maintain open lines of communication between the customer and the utility
- Conduct investigations of customer premise access issues

### **Systems and Communication Division**

The Systems and Communication Division provides internal communications, business systems installation and process control support for all ML&P Divisions and the General Manager's office. In addition, this Division provides recommendations for communication system upgrades, improvements and replacements ensuring equipment compatibility and cost efficiency.

The **Programming** section is responsible to ensure business practices and methodologies are applied through easy to use electronic products, applications, software and/or hardware products for all employees of ML&P from their first day of employment forward. This applies to commercial off the shelf products, applications created in-house, MOA applications.

The **Network Services** section is responsible for 24/7 Business LAN connectivity and support and telephone/voicemail services to all of ML&P. Network Services is also responsible to provide an efficient and reliable means for ML&P employees to communicate both internally and externally to ML&P customers, vendors, and other outside agencies.

The **Radio Shop** section is responsible to support process control and internal communications for all ML&P divisions. They work closely with MOA general government communications shop to provide adequate and interoperable two-way radio communications for ML&P and fulfill service contracts in support of wireless communications for Municipal Enterprise Activities (AWWU, SWS, and Port of Anchorage).

The **Energy Management System (EMS)** section provides configuration, maintenance and technical support for the ML&P SCADA/EMS system infrastructure and user computer consoles used to manage and control power generation, transmission and distribution systems.

The **Network Support** section supports and administrates Desktop and Network Server Hardware and Software for all ML&P divisions. They provide help desk support for ML&P computer users, provide disaster recovery planning and implementation to assure the availability of critical data, provide security and software update service for all network servers and desktop PCs.

The **Document Control and Records Management** section is responsible for establishing and maintaining utility wide document management and retrieval technologies.

**Objectives and Tasks**

- Maintain computer systems security to ensure data and system integrity
- Develop applications to meet ML&P business objectives
- Develop innovative, state-of-the-art alternatives for customer information and billing programs
- Manage hardware, software, and system procedures to improve operating efficiency and performance
- Provide enhancements and maintenance to operational data, wire line and wireless communication systems
- Develop and monitor long-range information system continuity plans
- Manage and maintain an efficient, cost-effective telecommunications system
- Provide advanced customer access technology
- Refine ML&P-wide document management and retrieval programs and maintain storage and retrieval system
- Maintain operating efficiency of EMS and SCADA software and hardware and provide 100 percent up-time of current redundant systems
- Maintain a real-time microwave communications backbone
- Perform annual inspections and maintenance of all subscriber radios and base stations
- Provide cost-effective reimbursable radio installation and repair service to client entities
- Provide communications and technology applications during emergencies
- Assist in maintaining presence on the World Wide Web
- Provide GIS function to support Engineering and Customer Service needs
- Provide data & SCADA resources for all other divisions
- Maintain internal physical security devices and closed circuit TV monitoring network
- Develop, implement, configure and maintain service area Fiber Optics system networking capabilities

## **Municipal Light and Power Business Plan**

### **Mission**

Provide service with competitive, safe, reliable energy.

### **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 2011, the average number of residential and commercial customers was 24,302 and 6,297 respectively. Commercial customers account for approximately eighteen percent of ML&P's customer billings, yet consume sixty-seven percent of its retail output. ML&P also has agreements to supply Fort Richardson Army Base and Elmendorf Air Force Base with firm electrical service.

### **Business Goals**

- Provide electricity on demand to ML&P customers 24 hours a day 365 days a year.
- Meet the needs and expectations of our customers by providing:
  - Competitive rates and reliable service for all customer classes
  - Prompt, reliable and courteous customer assistance
  - Support and assistance to the military bases and wholesale power customers
- Replace old turbines with more efficient, state-of-the-art turbines capable of achieving over 25% fuel savings.
- Operate the electrical system with optimum economic efficiency and strict adherence to environmental standards.
- Provide for the safety of both the public and our employees in the operation of the electrical system.
- Recruit and retain a highly skilled, diverse workforce dedicated to serving the Anchorage community.
- Improve system reliability by incorporating new components, technologies, and methods of cooperation with interconnected utilities.
- Maintain competitive rates by incorporating cost cutting technologies and streamlining business processes without jeopardizing the financial and operational integrity of the utility.
- Attain the financial objectives established in the Equity Management Plan.
- Promote efficient use of electrical energy.
- Continue to provide educational programs to school children and the community on electrical safety. Communicate factual information to customers and the public at large on issues affecting ML&P and the utility industry, including means by which the customer may undertake on their own volition measures to install cost-effective energy efficient technologies and promote energy conservation.
- Foster teamwork and an integrated approach to decision-making within the utility.
- Maintain equity and earn net income at a level sufficient to continue to pay annual dividends to the Municipality of Anchorage.

### **Strategies to Achieve Goals**

ML&P's strategic plan provides a framework to achieve results for the customer.

1. Provide affordable and competitive rates
2. Maintain low employee incident rate
3. Maintain low number of lost work days
4. Ensure highest possible bond rating

5. Achieve highest possible net income
6. Minimize customer outages and interruptions

**Performance Measures to Track Progress in Achieving Goals**

ML&P measures progress in achieving these customer commitments using the set of quantifiable performance measures.

1. Quarterly report on Residential Service Rates in Cents per Kilowatt Hour
2. Employee Incident reporting
3. Number of Lost Work Days report
4. Monthly Bond Rating Review
5. Monthly Net Income Statements, Annual report on Revenue per Kilowatt Hour Sold
6. As needed performance reporting on customer interruptions and outages

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## Municipal Light and Power

*Anchorage: Performance. Value. Results.*

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**Mission**

Provide service with competitive, safe, reliable energy.

**Core Services**

- Energy distribution
- Energy generation
- Customer service

**Direct Services**

Direct services provided by divisions

- Regulatory
- Administration
- Customer Service
- Finance
- Generation/Power Management

**Accomplishment Goals**

- Affordable and competitive rates
- Safe work environment
- Safe service
- Reliable service

**Performance Measures**

Progress in achieving goals will be measured by:

**Measure #1: Residential service rates in cents per kilowatt hour**

-	2009	2010	2011
Municipal Light & Power	11.89	12.57	12.60
Chugach Elec. Assoc.	15.42	13.10	14.01
Matanuska Elec. Assoc.	16.40	13.95	15.28
Homer Elec. Assoc.	19.74	17.08	20.61
Golden Valley Electric Assoc.	16.35	20.30	21.16

Note: Customer charge is \$6.56/month and energy usage is 750 kWh/month. Energy Charge effective 10/01/11 is 8.011 cents/kWh. The Cost of Power Adjustment (COPA) effective 10/1/11 is 1.927 cents/kWh. The Regulatory Charge is adjusted annually by RCA, and is currently .0492 cents/kWh.

**Measure #2: Employee incident rate**

2009	2010	2011
5.59	5.29	4.41

**Measure #3: Number of lost work days**

2009	2010	2011
244	98	83

Note: Reflects the total number of all days our employees experience "Lost Work Days" as defined by the Occupational Safety & Hazard Association (Employee missed work due to injury).



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## Customer Service and Finance Division Municipal Light and Power

*Anchorage: Performance. Value. Results.*

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**Mission**

Ensure Municipal Light and Power's (ML&P) business process requirements are efficiently and effectively conducted, while also meeting ML&P's stewardship obligations to the citizens of Anchorage.

**Core Services**

- Energy distribution
- Energy generation
- Customer service

**Direct Services**

- Financial services that maintain and protect the financial integrity of the utility
- Service all residential and commercial customer account needs
- Support utility wide communications and technical/business application needs of the utility

**Accomplishment Goals**

- Accurate and timely reporting of financial data
- Maintain sound key financial ratios
- Maintain optional business systems uptime
- Accurate and timely meter reading and customer billing

**Performance Measures**

Progress in achieving goals will be measured by:

**Measure #4: Percent of bills that go out within 1 day of meter read date**

2009	2010	2011
82%	85%	86%

**Measure #5: Net income**

2009	2010	2011
\$12,024,860	\$9,470,584	\$12,396,768

Note: Cumulative net income

<b>Measure #6: Municipal Light and Power bond rating</b>
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Standard & Poor's Rating Services			
2009	2010	2011	2012
A+	A+	A+	

Fitch Ratings			
2009	2010	2011	2012
A+	A+	A+	

Note: Rates the level of risk involved in investing in ML&P bonds; "A+" indicates the least amount of risk and is in the highest rating category.

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**Regulatory Division**  
**Municipal Light and Power**  
*Anchorage: Performance. Value. Results.*

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**Mission**

Provide a competitive, reliable energy source

**Core Services**

- Energy generation
- Energy distribution

**Direct Services**

- Produce energy to meet consumer demand
- Manage energy production to efficiently dispatch electric power

**Accomplishment Goals**

- Generation equipment availability
- Economical management of generation resources

**Performance Measures**

Progress in achieving goals will be measured by:

**Measure #7: Revenue per kWh (kilowatt-hour) sold**

Year 2010	ML&P	CEA	MEA	HEA	GVEA
Residential	12.95	13.27	13.81	16.78	20.22
Commercial	10.17	10.91	11.36	14.74	18.75

Year 2009	ML&P	CEA	MEA	HEA	GVEA
Residential	12.17	14.93	16.11	19.59	17.96
Commercial	9.51	12.67	14.02	17.58	16.51

Year 2008	ML&P	CEA	MEA	HEA	GVEA
Residential	10.41	14.32	14.27	16.62	18.48
Commercial	7.64	12.06	12.12	14.80	17.42

Note: Year 2008, 2009 and 2010 data reported in cents. Comparisons reported annually by American Public Power Association (APPA) and EIA (Energy Information Agency, U.S. Department of Energy).

CEA=Chugach Electric Association; MEA=Matanuska Electric Association; HEA= Homer Electric Association; GVEA = Golden Valley Electric Association.

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## Generation/Power Management Division Municipal Light and Power

*Anchorage: Performance. Value. Results.*

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**Mission**

Design, construct, operate and maintain generation, transmission and distribution facilities to serve anticipated electric power needs within ML&P's service area at the lowest reasonable cost.

**Core Services**

- Energy generation
- Energy distribution
- Customer service

**Direct Services**

- Design reliable and cost effective electrical systems
- Construct reliable and cost effective electrical systems in accordance with design standards
- Provide electrical system maintenance that insures continuity of a vital utility
- Maintain the Continuing Property Records (CPR) system to record equipment type and location

**Accomplishment Goals**

- Maintain voltages under normal conditions within plus or minus 5 percent (%) of nominal voltage
- Adhere to safety and construction standards
- Proactive preventative maintenance service
- Maintain an outage reporting database system in accordance with industry standards
- Restore power outage conditions in an expeditious and economical manner

**Performance Measures**

Progress in achieving goals will be measured by:

**Measure #8: Average length of an interruption, weighted by the number of customers affected**

2008	2009	2010
1.34	1.67	1.5

Note: IEEE Std. 1366 provides a benchmark for CAIDI of 1.45 hours

<b>Measure #9: Average interruption duration for customers served during a specific time period</b>
---

2008	2009	2010
.896	.659	.762

Note: IEEE Std. 1366 provides a benchmark for SAIDI of 1.15 hours

<b>Measure #10: Average number of times that a customer is interrupted during a specified time period</b>
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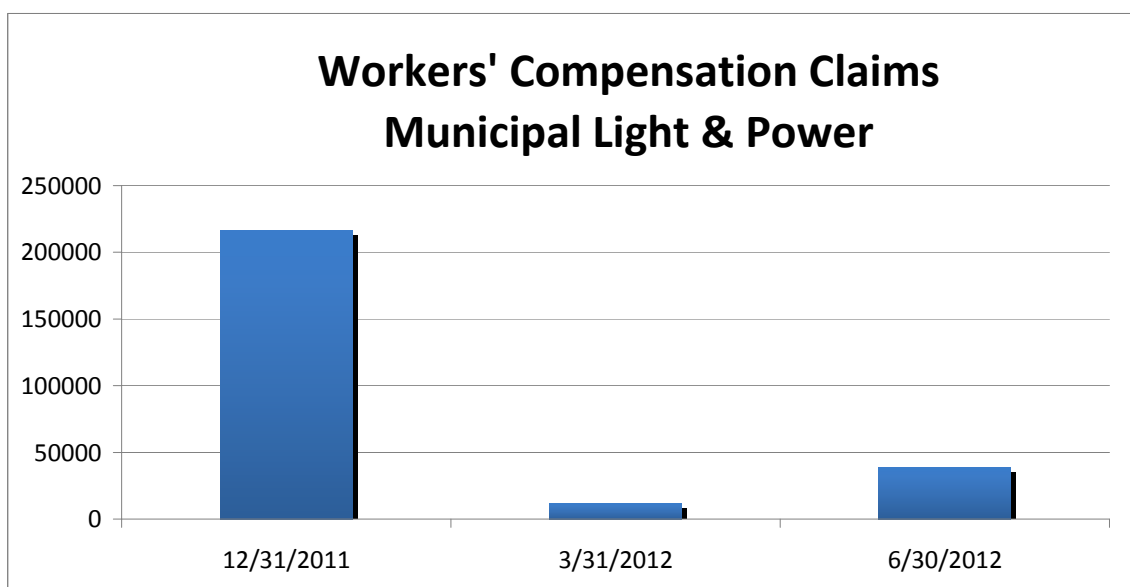
2008	2009	2010
.667	.394	.508

Note: IEEE Std. 1366 provides a benchmark for SAIFI of .88 interruptions per customer

**PVR Measure WC: Managing Workers' Compensation Claims**

Reducing job-related injuries is a priority for the Administration by ensuring safe work conditions and safe practices. By instilling safe work practices we ensure not only the safety of our employees but reduce the potential for injuries and property damage to the public. The Municipality is self-insured and every injury poses a financial burden on the public and the injured worker's family. It just makes good sense to WORK SAFE.

Results are tracked by monitoring monthly reports issued by the Risk Management Division.



## **Municipal Light and 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 \$221 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 Plant 2 new generation facilities online by fourth quarter 2015.

### **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 \$110 million. SPP is anticipated to enter commercial operation by first quarter 2013.

## **Municipal Light and Power External Impacts**

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 \$2.41/MCF in 2012 to \$2.26/MCF in 2013. However, ML&P will incur additional costs due to fees paid to Cook Inlet Natural Gas Storage Alaska, Inc. for seasonal gas storage beginning in the summer of 2012.

ML&P implemented a 6.83% permanent rate increase on October 1, 2011. ML&P will require frequent, significant rate increases during the next 3-4 years to support the large capital improvement program which it is now implementing.



## Municipal Light and Power Workforce Projections

<b>Division</b>	<b>2011</b>	<b>2012</b>	<b>2013</b>	<b>2014</b>	<b>2015</b>	<b>2016</b>	<b>2017</b>	<b>2018</b>
Administration	15	15	13	13	13	13	13	13
Customer Service	21	21	25	25	25	25	25	25
Engineering	28	28	29	29	29	29	29	29
Finance	24	21	21	21	21	21	21	21
Generation	81	81	81	81	81	81	81	81
Operations	59	59	51	51	51	51	51	51
Regulatory	8	8	7	7	7	7	7	7
Systems & Communications	26	26	27	27	27	27	27	27
<b>Total full time</b>	<b>262</b>	<b>259</b>	<b>254</b>	<b>254</b>	<b>254</b>	<b>254</b>	<b>254</b>	<b>254</b>
Part-Time/Temporary	24	24	28	28	28	28	28	28
<b>Total Positions</b>	<b>286</b>	<b>283</b>	<b>282</b>	<b>282</b>	<b>282</b>	<b>282</b>	<b>282</b>	<b>282</b>
<b>Total FTE</b>	<b>274</b>	<b>271</b>	<b>271</b>	<b>271</b>	<b>271</b>	<b>271</b>	<b>271</b>	<b>271</b>

## Municipal Light and Power 8 Year Summary

(\$ in thousands)

Financial Overview	2011	2012	2013	2014	2015	2016	2017	2018
	Actuals	Proforma	Budget	Forecast				
Revenues	138,357	126,830	144,651	155,519	175,014	172,630	184,737	195,257
Expenses	125,960	114,758	122,628	128,213	128,792	168,536	182,709	192,359
<b>Net Income (Loss) - Regulatory</b>	<b>12,397</b>	<b>12,072</b>	<b>22,023</b>	<b>27,307</b>	<b>46,222</b>	<b>4,094</b>	<b>2,028</b>	<b>2,898</b>
Work Force Authorized per Budget - FTE	233	271	271	271	271	271	271	271
Capital Improvements	93,388	82,696	125,445	62,056	5,504	49,833	27,610	27,291
Bond Sales/ Commercial Paper	-	50,000	75,000	114,500	20,500	275,000	-	-
Net Non-Contributed Plant (12/31) (REG)	305,212	309,247	408,554	412,850	662,108	656,101	641,192	626,276
Net Contributed Plant (12/31)	46,261	63,725	81,493	86,947	85,421	75,898	68,832	64,230
Net Electric Plant (12/31) (GAAP)	351,473	372,972	490,047	499,797	747,529	731,999	710,024	690,507
Retained Earnings (12/31)	240,373	247,339	256,823	277,026	315,603	311,076	304,603	298,395
General and Restricted Cash	107,423	99,128	71,429	53,820	29,847	10,757	42,389	42,117
Bond Construction Cash	122,000	35,700	94,600	29,600	19,100	2,100	-	-
Bond Redemption Investment	37,234	30,916	30,369	30,479	30,321	26,668	29,528	29,528
Debt Service Account	2,605	2,524	2,484	2,497	2,487	2,420	2,399	2,423
Operating Fund Investment & Customer Deposits	11,796	11,771	13,771	13,771	15,771	16,871	18,471	19,871
<b>Total Cash &amp; Investments (12/31)</b>	<b>276,182</b>	<b>180,040</b>	<b>212,654</b>	<b>130,167</b>	<b>97,526</b>	<b>58,816</b>	<b>92,788</b>	<b>93,939</b>
IGCs - General Government	3,139	3,592	4,244	4,594	4,624	4,596	5,142	5,206
Dividend	6,595	5,106	6,211	7,103	7,646	8,621	8,501	9,107
MUSA and Gross Receipts	5,376	5,550	6,480	6,480	6,480	10,340	10,421	10,468
Total Outstanding Debt	240,550	273,635	331,550	428,140	430,065	437,750	430,340	422,530
Total Annual Debt Service	31,914	30,916	30,369	30,478	30,321	26,668	29,492	29,528
Debt Service Coverage	1.57	1.45	1.82	2.01	2.19	2.36	1.56	1.56
LT Debt/Equity Ratio	50.0/50.0	52.5/47.5	56.4/43.6	60.7/39.3	57.7/42.3	58.5/41.5	58.6/41.4	58.6/41.4
Rate Change Percent	0.00%	0.00%	20.00%	0.00%	8.00%	0.00%	0.00%	0.00%
<b>Electric Statistical/Performance Trends:</b>								
Residential Customer (500 kWh) (1)	\$69.92	\$58.20	\$69.12	\$73.20	\$82.62	\$84.48	\$89.18	\$93.17
Total Residential Sales (kWh)	143,844	144,324	144,717	145,077	145,437	145,796	146,159	146,520
Commercial & Industrial Sales (kWh)	753,640	757,835	762,305	766,802	771,325	775,875	780,451	785,055
Total Kilowatt Hour Sales (kWh)	897,484	902,159	907,023	911,879	916,762	921,671	926,610	931,576
Total Retail Sales Revenue	\$115,680	\$101,123	\$116,886	\$126,716	\$145,615	\$150,556	\$162,061	\$172,056

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.

## Municipal Light and Power Statement of Revenues and Expenses

	2011 Actual	2012 Proforma	2012 Revised	2013 Proposed	13 v 12 % Change
<b>Operating Revenue</b>					
Residential	18,732,524	16,799,000	18,306,000	20,005,810	9.3%
Commercial & Industrial	81,243,174	70,694,000	77,708,000	82,082,062	5.6%
Public Highway & Street Lighting	1,258,236	1,040,000	1,262,000	1,288,690	2.1%
Military	15,381,907	12,590,000	14,018,000	13,509,471	-3.6%
Sales for Resale	17,053,859	19,673,000	10,712,000	21,666,390	102.3%
Miscellaneous Service Revenue/COPA	626,196	1,542,000	1,170,000	1,542,000	31.8%
Rent from Electric Property	121,756	122,000	120,000	122,000	1.7%
<b>Total Operating Revenue</b>	<b>134,417,652</b>	<b>122,460,000</b>	<b>123,296,000</b>	<b>140,216,422</b>	<b>13.7%</b>
<b>Non Operating Revenue</b>					
Interest from Bond Redemption Cash	127,049	120,000	608,000	168,724	-72.2%
Interest from General Cash Pool	1,155,345	1,440,000	1,515,000	1,611,898	6.4%
Interest from Debt Service Account	251	-	-	753	n/a
Miscellaneous Non-Operating Revenue	2,626,447	2,810,000	2,620,000	2,653,000	1.3%
Restricted Interest Income	29,785	-	200,000	-	n/a
<b>Total Non Operating Revenue</b>	<b>3,938,877</b>	<b>4,370,000</b>	<b>4,943,000</b>	<b>4,434,376</b>	<b>-10.3%</b>
<b>Total Revenue</b>	<b>138,356,528</b>	<b>126,830,000</b>	<b>128,239,000</b>	<b>144,650,798</b>	<b>12.8%</b>
<b>Operating Expense</b>					
Labor					
Labor	14,813,658	14,921,000	16,262,000	17,905,140	10.1%
Overtime	1,628,933	2,300,000	2,300,000	2,000,000	0.0%
Benefits	11,079,607	11,592,000	11,911,000	11,553,670	-3.0%
Workers Comp	425,067	450,000	552,000	535,440	-3.0%
Total Labor	27,947,265	29,263,000	31,025,000	31,994,250	3.1%
Non Labor	7,618,588	10,372,000	9,990,000	9,412,800	-5.8%
Travel	229,941	230,000	273,250	130,000	-52.4%
Capital Deferred	-	-	-	2,000,000	100.0%
Total Non Labor	7,848,529	10,602,000	10,263,250	11,542,800	12.5%
Natural Gas Purchases & Transportation	26,907,576	17,353,000	11,428,000	20,494,271	79.3%
Gas Production Expense	9,715,429	11,083,000	10,872,000	12,776,382	17.5%
Purchased Power	3,784,470	4,614,000	4,350,000	4,305,000	-1.0%
Regulatory Debit/Credit	3,432,854	(1,268,000)	(2,775,000)	(6,077,971)	119.0%
Transfers (MUSA and Gross Receipts)	5,375,710	5,550,000	5,745,000	6,480,360	12.8%
Taxes Other than Income	610,940	919,000	1,235,000	1,268,000	2.7%
Offset for labor & materials allocation	-	-	-	(3,900,000)	n/a
Depreciation Electric and Depletion Gas	25,544,941	26,348,000	25,593,000	30,042,128	17.4%
Amortization of Intangible Plant	403,802	404,000	404,000	404,000	0.0%
<b>Total Direct Cost</b>	<b>111,571,517</b>	<b>104,868,000</b>	<b>98,140,250</b>	<b>109,329,221</b>	<b>11.4%</b>
Intragovernmental Expenses	2,714,091	2,772,000	3,050,000	3,268,000	7.1%
<b>Total Operating Expense</b>	<b>114,285,608</b>	<b>107,640,000</b>	<b>101,190,250</b>	<b>112,597,221</b>	<b>11.3%</b>

## Municipal Light and Power Statement of Revenues and Expenses

	2011 Actual	2012 Proforma	2012 Revised	2013 Proposed	13 v 12 % Change
<b>Non-Operating Expense</b>					
Misc. Non-Operating Expense	288,540	300,000	450,000	450,000	0.0%
Commercial Paper Fees	-	1,075,000	-	1,140,000	n/a
Interest on Bonded Debt	14,969,376	14,001,000	14,102,000	13,283,974	-5.8%
Amortization of Bond Discount/(Premium)	(950,387)	(826,000)	(826,000)	(681,669)	-17.5%
Amortization of Bond Sale Cost & Insurance	201,908	178,000	308,000	30,172	-90.2%
Amortization of Loss on Refunded Debt	1,342,080	1,096,000	1,096,000	906,063	-17.3%
Other Interest Expense	991,232	947,000	947,000	906,386	-4.3%
Allowance for Funds Used During Construction	(5,168,598)	(9,653,000)	(8,700,000)	(6,004,116)	-31.0%
<b>Total Non-Operating Expense</b>	<b>11,674,151</b>	<b>7,118,000</b>	<b>7,377,000</b>	<b>10,030,810</b>	<b>36.0%</b>
<b>Total Expenses (Function Cost)</b>	<b>125,959,759</b>	<b>114,758,000</b>	<b>108,567,250</b>	<b>122,628,031</b>	<b>13.0%</b>
<b>Net Income</b>	<b>12,396,769</b>	<b>12,072,000</b>	<b>19,671,750</b>	<b>22,022,767</b>	<b>12.0%</b>
<b>Appropriation</b>					
<b>Total Expenses</b>				<b>122,628,031</b>	
Less: Non Cash items					
Depreciation, Depletion & Amortization				30,700,694	
Regulatory Debits/Credits				(6,077,971)	
Allowance for Funds Used During Construction				(6,004,116)	
Amortization of Loss on Refunded Debt				906,063	
Amortization of Bond Discount (Premium)				(681,669)	
Amortization of Bond Sale Cost & Insurance				30,172	
Total Non Cash				18,873,173	
<b>Amount to be Appropriated (cash expenses)</b>				<b>\$103,754,858</b>	

## Municipal Light and Power

### Reconciliation from 2012 Revised Budget to 2013 Proposed Budget

	Positions			
	Direct Costs	FT	PT	T
<b>2012 Revised Budget</b>	108,294,000	259	24	-
<b>2012 One-Time Requirements</b>				
- None	-	-	-	-
<b>Transfers (to)/from Other Agencies</b>				
- None	-	-	-	-
<b>Debt Service Changes</b>				
- Depreciation, Depletion and Amortization	(81,000)	-	-	-
<b>Changes in Existing Programs/Funding for 2013</b>				
- Salary and benefits adjustments plus \$1.9M to labor due to SAP change in methodology	2,987,231	-	-	-
- Reduction to materials associated with SAP change in methodology	(1,900,000)	-	-	-
- South Central Alaska Power Project - Depreciation cost	3,600,000	-	-	-
- Commercial Paper expense	1,140,000	-	-	-
- Natural Gas purchased and transported	9,066,000	-	-	-
- Reduction to AFUDC	2,696,000	-	-	-
- BRU - Production	1,904,000	-	-	-
- Increase to MUSA	735,000	-	-	-
- Regulatory Debits/Credits	(3,303,000)	-	-	-
- Interest Expense	(859,000)	-	-	-
<b>2013 Continuation Level</b>	<b>124,279,231</b>	<b>259</b>	<b>24</b>	<b>-</b>
<b>2013 One-Time Requirements</b>				
- None	-	-	-	-
<b>Transfers (to)/from Other Agencies</b>				
- None	-	-	-	-
<b>2013 Budget Adjustment for Accounting Transactions</b>				
- In 2013, in-line with best practice, MOA will no longer include accounting entry transactions for items previously appropriated.	-	-	-	-
- Depreciation, Depletion & Amortization	(30,700,694)	-	-	-
- Regulatory Debits/Credits	6,077,971	-	-	-
- Allowance for Funds Used During Construction	6,004,116	-	-	-
- Amortization of Loss on Refunded Debt	(906,063)	-	-	-
- Amortization of Bond Discount	681,669	-	-	-
- Amortization of Bond Sale Cost and Insurance	(30,172)	-	-	-
<b>2013 Proposed Budget Changes</b>				
- Salary and benefit adjustment	(596,408)	(3)	5	-
- Reduction of Principal Administrative Officer, Special Administrative Assistant II, Jr Administrative Officer	(334,242)	(2)	(1)	-
- Non labor reductions	(577,200)	-	-	-
- Travel reduction	(143,250)	-	-	-
<b>2013 Proposed Operating Budget</b>	<b>103,754,958</b>	<b>254</b>	<b>28</b>	<b>-</b>

## Municipal Light and Power Department Summary

	2011 Actuals	2012 Revised	2013 Proposed	13 v 12 % Chg
<b>Direct Cost by Division</b>				
MLP Administration	3,073,516	3,210,000	3,127,870	<2.56%>
MLP Customer Service	2,058,459	2,292,000	3,157,405	37.76%
MLP Engineering	2,206,153	2,518,000	2,486,985	<1.23%>
MLP Finance	42,525,614	40,495,000	46,330,500	14.41%
MLP Generation	69,010,497	51,053,000	59,440,500	16.43%
MLP Operations	7,817,745	8,369,000	9,903,689	18.34%
MLP Power Management	6,556,365	7,422,000	7,962,750	7.29%
MLP Regulatory Affairs	(13,864,592)	(14,264,000)	(19,605,669)	37.45%
MLP Systems & Communications	3,677,493	3,756,000	5,635,300	50.03%
<b>Direct Cost Total</b>	<b>123,061,250</b>	<b>104,851,000</b>	<b>118,439,331</b>	<b>12.96%</b>
<b>Intragovernmental Charges</b>				
Charges by Other Departments	2,898,508	3,443,000	4,188,700	21.66%
<b>Function Cost Total</b>	<b>125,959,758</b>	<b>108,294,000</b>	<b>122,628,031</b>	<b>13.24%</b>
Program Generated Revenue	(138,356,529)	(128,239,000)	(144,650,000)	12.80%
<b>Net Cost Total</b>	<b>(12,396,771)</b>	<b>(19,945,000)</b>	<b>(22,021,969)</b>	<b>10.41%</b>
<b>Direct Cost by Category</b>				
Personnel	23,762,747	26,470,000	31,994,250	20.87%
Supplies	36,242,812	22,282,750	22,329,081	0.21%
Travel	230,025	333,500	130,000	<61.02%>
Contractual/Other Services	16,339,760	19,751,750	24,532,000	24.20%
Debt Service/Depreciation	46,485,906	36,013,000	39,454,000	9.55%
<b>Direct Cost Total</b>	<b>123,061,250</b>	<b>104,851,000</b>	<b>118,439,331</b>	<b>12.96%</b>
<b>Position Summary as Budgeted</b>				
Full-Time	-	-	254	
Part-Time	-	-	28	
<b>Position Total</b>	<b>-</b>	<b>-</b>	<b>282</b>	

**Municipal Light and Power**  
**Division Summary**  
**MLP Administration**  
 (Dept ID # M1000)

	2011 Actuals	2012 Revised	2013 Proposed	13 v 12 % Chg
<b>Direct Cost by Category</b>				
Salaries and Benefits	1,340,878	1,726,000	1,630,870	<5.51%>
Supplies	314,048	262,000	176,000	<32.82%>
Travel	62,304	62,000	130,000	109.68%
Contractual/Other Services	1,356,286	1,160,000	1,191,000	2.67%
<b>Manageable Direct Cost Total</b>	<b>3,073,516</b>	<b>3,210,000</b>	<b>3,127,870</b>	<b>&lt;2.56%&gt;</b>
Debt Service, Depreciation	-	-	-	
<b>Direct Cost Total</b>	<b>3,073,516</b>	<b>3,210,000</b>	<b>3,127,870</b>	<b>&lt;2.56%&gt;</b>

**Positions as Budgeted**

	2011 Revised		2012 Revised		2013 Proposed	
	Full Time	Part Time	Full Time	Part Time	Full Time	Part Time
General Manager	-	-	-	-	1	-
Junior Admin Officer	-	-	-	-	1	-
Junior Clerk	-	-	-	-	2	-
Light & Power Superintendent	-	-	-	-	1	-
Personnel Analyst II	-	-	-	-	1	-
Regulatory Admin Assistant	-	-	-	-	1	-
Senior Office Associate	-	-	-	-	1	-
Shop Steward	-	-	-	-	1	-
Special Admin Assistant I	-	-	-	-	2	-
Special Admin Assistant II	-	-	-	-	1	-
Utility Division Mgr I	-	-	-	-	1	-
<b>Positions as Budgeted Total</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>13</b>	<b>-</b>

# Municipal Light and Power

## Division Detail

### MLP Administration

(Dept ID # M1000)

	2011 Actuals	2012 Revised	2013 Proposed	13 v 12 % Chg
<b>Direct Cost by Category</b>				
<b>Salaries and Benefits</b>				
1101 - Straight Time Labor	740,716	1,008,000	1,074,692	6.62%
1201 - Overtime	2,252	6,000	6,500	8.33%
1301 - Leave/Holiday Accruals	123,494	140,000	102,000	<27.14%>
1401 - Benefits	472,190	570,000	599,318	5.14%
1501 - Allow Differentials/Premiums	1,273	2,000	-	-
1601 - Vacancy Factor	-	-	(172,939)	-
501050 (new) - Utility WC Insurance	-	-	17,500	-
501060 (new) - Utility Gen Liab Insurance	-	-	3,800	-
501270 (new) - Moving Expenses	953	-	-	-
<b>Salaries and Benefits Total</b>	<b>1,340,878</b>	<b>1,726,000</b>	<b>1,630,870</b>	<b>&lt;5.51%&gt;</b>
<b>Supplies</b>	314,048	262,000	176,000	<32.82%>
<b>Travel</b>	62,304	62,000	130,000	109.68%
<b>Contractual/Other Services</b>	1,356,286	1,160,000	1,191,000	2.67%
<b>Manageable Direct Cost Total</b>	<b>3,073,516</b>	<b>3,210,000</b>	<b>3,127,870</b>	<b>&lt;2.56%&gt;</b>
<b>Debt Service, Depreciation</b>	-	-	-	-
<b>Direct Cost Total</b>	<b>3,073,516</b>	<b>3,210,000</b>	<b>3,127,870</b>	<b>&lt;2.56%&gt;</b>
<b>Intra-Governmental Charges</b>				
Charges By Other Departments	13,126	23,000	21,300	<7.39%>
<b>Net Cost</b>				
Manageable Direct Cost	3,073,516	3,210,000	3,127,870	<2.56%>
Debt Service, Depreciation	-	-	-	-
Charges By Other Departments	13,126	23,000	21,300	<7.39%>
<b>Net Cost Total</b>	<b>3,086,642</b>	<b>3,233,000</b>	<b>3,149,170</b>	<b>&lt;2.59%&gt;</b>



## Municipal Light and Power

### Division Summary

#### MLP Customer Service

(Dept ID # M2300)

	2011 Actuals	2012 Revised	2013 Proposed	13 v 12 % Chg
<b>Direct Cost by Category</b>				
Salaries and Benefits	1,638,544	1,788,000	2,683,905	50.11%
Supplies	42,128	42,000	36,000	<14.29%>
Travel	42,187	30,000	-	
Contractual/Other Services	335,600	432,000	437,500	1.27%
<b>Manageable Direct Cost Total</b>	<b>2,058,459</b>	<b>2,292,000</b>	<b>3,157,405</b>	<b>37.76%</b>
Debt Service, Depreciation	-	-	-	
<b>Direct Cost Total</b>	<b>2,058,459</b>	<b>2,292,000</b>	<b>3,157,405</b>	<b>37.76%</b>
<b>Revenue by Fund</b>				
Fund 530 - Municipal Light & Power	100,645,189	96,463,000	140,216,000	45.36%
<b>Revenue Total</b>	<b>100,645,189</b>	<b>96,463,000</b>	<b>140,216,000</b>	<b>45.36%</b>

#### Positions as Budgeted

	2011 Revised		2012 Revised		2013 Proposed	
	Full Time	Part Time	Full Time	Part Time	Full Time	Part Time
Customer Services Foreman	-	-	-	-	1	-
Electric Communications Tech	-	-	-	-	1	-
Junior Admin Officer	-	-	-	-	1	-
Lead Meter Reader	-	-	-	-	1	-
Meter Reader	-	-	-	-	3	-
Util AC Rep I/II/III/IV	-	-	-	-	14	1
Utility Account Rep II	-	-	-	-	1	-
Utility Account Specialist	-	-	-	-	2	-
Utility Division Mgr II	-	-	-	-	1	-
<b>Positions as Budgeted Total</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>25</b>	<b>1</b>

# Municipal Light and Power

## Division Detail

### MLP Customer Service

(Dept ID # M2300)

	2011 Actuals	2012 Revised	2013 Proposed	13 v 12 % Chg
<b>Direct Cost by Category</b>				
<b>Salaries and Benefits</b>				
1101 - Straight Time Labor	841,836	996,000	1,620,832	62.73%
1201 - Overtime	6,423	15,000	32,500	116.67%
1301 - Leave/Holiday Accruals	162,243	136,000	143,000	5.15%
1401 - Benefits	627,912	640,000	966,974	51.09%
1501 - Allow Differentials/Premiums	130	1,000	-	-
1601 - Vacancy Factor	-	-	(109,300)	-
501050 (new) - Utility WC Insurance	-	-	24,500	-
501060 (new) - Utility Gen Liab Insurance	-	-	5,400	-
<b>Salaries and Benefits Total</b>	<b>1,638,544</b>	<b>1,788,000</b>	<b>2,683,905</b>	<b>50.11%</b>
<b>Supplies</b>	42,128	42,000	36,000	<14.29%>
<b>Travel</b>	42,187	30,000	-	-
<b>Contractual/Other Services</b>	335,600	432,000	437,500	1.27%
<b>Manageable Direct Cost Total</b>	<b>2,058,459</b>	<b>2,292,000</b>	<b>3,157,405</b>	<b>37.76%</b>
<b>Debt Service, Depreciation</b>	-	-	-	-
<b>Direct Cost Total</b>	<b>2,058,459</b>	<b>2,292,000</b>	<b>3,157,405</b>	<b>37.76%</b>
<b>Intra-Governmental Charges</b>				
Charges By Other Departments	14,381	23,000	29,900	30.00%
<b>Program Generated Revenue</b>				
409010 (new) - Residential Revenue	18,732,524	18,306,000	20,006,000	9.29%
409040 (new) - Comm/Indust Sales	80,495,645	76,735,000	82,082,000	6.97%
409160 (new) - Public Str Hwy Lighting	1,258,236	1,262,000	1,289,000	2.14%
409270 (new) - Other Sales to Public Authority	-	-	13,509,000	-
409300 (new) - Sales for Resale	-	-	21,666,000	-
409350 (new) - Penalties	158,784	160,000	159,000	<0.63%>
409360 (new) - Misc Service Revenues	-	-	239,000	-
409370 (new) - Rent from Electric Property	-	-	122,000	-
409380 (new) - Other Electric Revenues	-	-	444,000	-
409500 (new) - Other Utility Operating Income	-	-	700,000	-
<b>Program Generated Revenue Total</b>	<b>100,645,189</b>	<b>96,463,000</b>	<b>140,216,000</b>	<b>45.36%</b>
<b>Net Cost</b>				
Manageable Direct Cost	2,058,459	2,292,000	3,157,405	37.76%
Debt Service, Depreciation	-	-	-	-
Charges By Other Departments	14,381	23,000	29,900	30.00%
Program Generated Revenue	(100,645,189)	(96,463,000)	(140,216,000)	45.36%
<b>Net Cost Total</b>	<b>(98,572,349)</b>	<b>(94,148,000)</b>	<b>(137,028,695)</b>	<b>45.55%</b>

**Municipal Light and Power**  
**Division Summary**  
**MLP Engineering**  
(Dept ID # M4000)

	2011 Actuals	2012 Revised	2013 Proposed	13 v 12 % Chg
<b>Direct Cost by Category</b>				
Salaries and Benefits	1,872,034	2,135,000	2,334,985	9.37%
Supplies	203,363	169,750	32,000	<81.15%>
Travel	19,823	90,250	-	
Contractual/Other Services	110,933	123,000	120,000	<2.44%>
<b>Manageable Direct Cost Total</b>	<b>2,206,153</b>	<b>2,518,000</b>	<b>2,486,985</b>	<b>&lt;1.23%&gt;</b>
Debt Service, Depreciation	-	-	-	
<b>Direct Cost Total</b>	<b>2,206,153</b>	<b>2,518,000</b>	<b>2,486,985</b>	<b>&lt;1.23%&gt;</b>

**Positions as Budgeted**

	2011 Revised		2012 Revised		2013 Proposed	
	Full Time	Part Time	Full Time	Part Time	Full Time	Part Time
Associate Engineer	-	-	-	-	2	-
Cable Locator	-	-	-	-	1	1
CPR Engineer	-	-	-	-	1	-
CPR Senior Clerk	-	-	-	-	1	-
Engineer in Training	-	-	-	-	7	-
Engineering Asst III	-	-	-	-	3	1
Engineering Asst IV	-	-	-	-	2	-
Foreman	-	-	-	-	1	-
Light & Power Engineer	-	-	-	-	3	-
Operator/Mechanic	-	-	-	-	-	1
Senior Clerk	-	-	-	-	1	-
Senior Engineer	-	-	-	-	3	-
Service Design & Ext Coord	-	-	-	-	1	-
Special Admin Assistant II	-	-	-	-	1	-
Utility Division Mgr II	-	-	-	-	1	-
Utility Technical Assistant	-	-	-	-	1	-
<b>Positions as Budgeted Total</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>29</b>	<b>3</b>

# Municipal Light and Power

## Division Detail

### MLP Engineering

(Dept ID # M4000)

	2011 Actuals	2012 Revised	2013 Proposed	13 v 12 % Chg
<b>Direct Cost by Category</b>				
<b>Salaries and Benefits</b>				
1101 - Straight Time Labor	1,351,722	1,700,000	3,194,204	87.89%
1201 - Overtime	179,367	83,000	(1,643,300)	<2079.88%>
1301 - Leave/Holiday Accruals	281,282	273,000	265,000	<2.93%>
1401 - Benefits	721,276	825,000	1,530,380	85.50%
1501 - Allow Differentials/Premiums	9,251	8,000	-	-
1601 - Vacancy Factor	-	-	(362,400)	-
501050 (new) - Utility WC Insurance	-	-	54,200	-
501060 (new) - Utility Gen Liab Insurance	-	-	11,900	-
540400 (new) - Admin Overhead Charges	315	-	-	-
540410 (new) - Engineering Overhead	(671,179)	(754,000)	(715,000)	<5.17%>
<b>Salaries and Benefits Total</b>	<b>1,872,034</b>	<b>2,135,000</b>	<b>2,334,985</b>	<b>9.37%</b>
<b>Supplies</b>	<b>203,363</b>	<b>169,750</b>	<b>32,000</b>	<b>&lt;81.15%&gt;</b>
<b>Travel</b>	<b>19,823</b>	<b>90,250</b>	<b>-</b>	<b>-</b>
<b>Contractual/Other Services</b>	<b>110,933</b>	<b>123,000</b>	<b>120,000</b>	<b>&lt;2.44%&gt;</b>
<b>Manageable Direct Cost Total</b>	<b>2,206,153</b>	<b>2,518,000</b>	<b>2,486,985</b>	<b>&lt;1.23%&gt;</b>
<b>Debt Service, Depreciation</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>Direct Cost Total</b>	<b>2,206,153</b>	<b>2,518,000</b>	<b>2,486,985</b>	<b>&lt;1.23%&gt;</b>
<b>Intra-Governmental Charges</b>				
Charges By Other Departments	28,267	43,000	66,100	53.72%
<b>Net Cost</b>				
Manageable Direct Cost	2,206,153	2,518,000	2,486,985	<1.23%>
Debt Service, Depreciation	-	-	-	-
Charges By Other Departments	28,267	43,000	66,100	53.72%
<b>Net Cost Total</b>	<b>2,234,420</b>	<b>2,561,000</b>	<b>2,553,085</b>	<b>&lt;0.31%&gt;</b>

## Municipal Light and Power Division Summary

### MLP Finance

(Dept ID # M2000)

	2011 Actuals	2012 Revised	2013 Proposed	13 v 12 % Chg
<b>Direct Cost by Category</b>				
Salaries and Benefits	(1,352,091)	(891,000)	(658,000)	<26.15%>
Supplies	374,938	1,480,000	18,000	<98.78%>
Travel	6,000	15,000	-	
Contractual/Other Services	676,761	1,267,000	1,602,500	26.48%
<b>Manageable Direct Cost Total</b>	<b>(294,392)</b>	<b>1,871,000</b>	<b>962,500</b>	<b>&lt;48.56%&gt;</b>
Debt Service, Depreciation	42,820,006	38,624,000	45,368,000	17.46%
<b>Direct Cost Total</b>	<b>42,525,614</b>	<b>40,495,000</b>	<b>46,330,500</b>	<b>14.41%</b>
<b>Revenue by Fund</b>				
Fund 530 - Municipal Light & Power	37,711,340	31,776,000	4,434,000	<86.05%>
<b>Revenue Total</b>	<b>37,711,340</b>	<b>31,776,000</b>	<b>4,434,000</b>	<b>&lt;86.05%&gt;</b>

### Positions as Budgeted

	2011 Revised		2012 Revised		2013 Proposed	
	Full Time	Part Time	Full Time	Part Time	Full Time	Part Time
Accountant	-	-	-	-	4	-
Administrative Officer	-	-	-	-	1	-
Junior Accountant	-	-	-	-	1	-
Junior Clerk	-	-	-	-	-	1
ML&P Supervisor	-	-	-	-	1	-
Principal Accountant	-	-	-	-	2	-
Senior Clerk	-	-	-	-	5	-
Senior Staff Accountant	-	-	-	-	1	-
Special Admin Assistant I	-	-	-	-	1	-
Special Admin Assistant II	-	-	-	-	1	-
Utility Division Mgr II	-	-	-	-	1	-
Utility Management Assistant	-	-	-	-	2	-
Utility Technical Assistant	-	-	-	-	1	-
<b>Positions as Budgeted Total</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>21</b>	<b>1</b>

**Municipal Light and Power****Division Detail****MLP Finance**

(Dept ID # M2000)

	2011 Actuals	2012 Revised	2013 Proposed	13 v 12 % Chg
<b>Direct Cost by Category</b>				
<b>Salaries and Benefits</b>				
1101 - Straight Time Labor	1,162,548	1,517,000	1,742,090	14.84%
1201 - Overtime	22,617	70,000	45,400	<35.14%>
1301 - Leave/Holiday Accruals	232,817	231,000	167,000	<27.71%>
1401 - Benefits	734,926	839,000	963,808	14.88%
1501 - Allow Differentials/Premiums	611	1,000	-	-
1601 - Vacancy Factor	-	-	(95,198)	-
501050 (new) - Utility WC Insurance	-	-	27,000	-
501060 (new) - Utility Gen Liab Insurance	-	-	5,900	-
511250 (new) - Generation OH Applied	2,082	-	-	-
540400 (new) - Admin Overhead Charges	(3,507,692)	(3,549,000)	(3,514,000)	<0.99%>
<b>Salaries and Benefits Total</b>	<b>(1,352,091)</b>	<b>(891,000)</b>	<b>(658,000)</b>	<b>&lt;26.15%&gt;</b>
<b>Supplies</b>	374,938	1,480,000	18,000	<98.78%>
<b>Travel</b>	6,000	15,000	-	-
<b>Contractual/Other Services</b>	676,761	1,267,000	1,602,500	26.48%
<b>Manageable Direct Cost Total</b>	<b>(294,392)</b>	<b>1,871,000</b>	<b>962,500</b>	<b>&lt;48.56%&gt;</b>
<b>Debt Service, Depreciation</b>	42,820,006	38,624,000	45,368,000	17.46%
<b>Direct Cost Total</b>	<b>42,525,614</b>	<b>40,495,000</b>	<b>46,330,500</b>	<b>14.41%</b>
<b>Intra-Governmental Charges</b>				
Charges by Other Departments	2,565,790	2,846,000	3,595,900	26.35%
<b>Program Generated Revenue</b>				
409040 (new) - Comm/Indust Sales	747,529	973,000	-	-
409270 (new) - Other Sales to Public Authority	15,381,907	14,018,000	-	-
409300 (new) - Sales for Resale	17,053,859	10,712,000	-	-
409340 (new) - COPA Contra Revenue Account	(935,949)	-	-	-
409360 (new) - Misc Service Revenues	239,338	230,000	-	-
409370 (new) - Rent from Electric Property	121,756	120,000	-	-
409380 (new) - Other Electric Revenues	443,695	160,000	-	-
409500 (new) - Other Utility Operating Income	720,328	620,000	-	-
440010 (new) - Cash Pools Short Term Interest	1,155,345	1,515,000	1,613,000	6.47%
440040 (new) - Other Short Term Interest	2,603,139	2,603,000	2,603,000	-
440140 (new) - Interest on Redemption Reserve	127,049	608,000	168,000	<72.37%>
440180 (new) - Restricted Interest	29,785	200,000	-	-
460050 (new) - Gain/Loss on Sale of Property	10,454	-	-	-
460090 (new) - Misc Non-Operating Income	13,105	17,000	50,000	194.12%
<b>Program Generated Revenue Total</b>	<b>37,711,340</b>	<b>31,776,000</b>	<b>4,434,000</b>	<b>&lt;86.05%&gt;</b>
<b>Net Cost</b>				
Manageable Direct Cost	(294,392)	1,871,000	962,500	<48.56%>
Debt Service, Depreciation	42,820,006	38,624,000	45,368,000	17.46%
<b>MLP - 38</b>				

**Municipal Light and Power****Division Detail****MLP Finance**

(Dept ID # M2000)

	2011 Actuals	2012 Revised	2013 Proposed	13 v 12 % Chg
<b>Net Cost</b>				
Charges by Other Departments	2,565,790	2,846,000	3,595,900	26.35%
Program Generated Revenue	(37,711,340)	(31,776,000)	(4,434,000)	<86.05%>
<b>Net Cost Total</b>	<b>7,380,064</b>	<b>11,565,000</b>	<b>45,492,400</b>	<b>293.36%</b>

**Municipal Light and Power**  
**Division Summary**  
**MLP Generation**  
(Dept ID # M3000)

	2011 Actuals	2012 Revised	2013 Proposed	13 v 12 % Chg
<b>Direct Cost by Category</b>				
Salaries and Benefits	8,768,632	9,286,000	10,087,000	8.63%
Supplies	58,789,807	40,142,000	44,342,000	10.46%
Travel	40,717	51,750	-	
Contractual/Other Services	1,247,697	1,409,250	4,847,500	243.98%
<b>Manageable Direct Cost Total</b>	<b>68,846,853</b>	<b>50,889,000</b>	<b>59,276,500</b>	<b>16.48%</b>
Debt Service, Depreciation	163,644	164,000	164,000	-
<b>Direct Cost Total</b>	<b>69,010,497</b>	<b>51,053,000</b>	<b>59,440,500</b>	<b>16.43%</b>

**Positions as Budgeted**

	2011 Revised		2012 Revised		2013 Proposed	
	Full Time	Part Time	Full Time	Part Time	Full Time	Part Time
Electrical Leadman	-	-	-	-	1	-
Engineer in Training	-	-	-	-	1	-
Foreman	-	-	-	-	6	-
Generation Design Tech	-	-	-	-	1	-
Generation Leadman	-	-	-	-	2	-
Junior Clerk	-	-	-	-	1	-
Light & Power Engineer	-	-	-	-	1	-
Light & Power Superintendent	-	-	-	-	7	-
Mechanical Leadman	-	-	-	-	1	-
Operator/Mechanic	-	-	-	-	39	9
Operator/Mechanic Helper	-	-	-	-	1	-
Senior Clerk	-	-	-	-	1	-
Senior Engineer	-	-	-	-	1	-
Utility Division Mgr II	-	-	-	-	1	-
Utility Technical Assistant	-	-	-	-	1	-
<b>Positions as Budgeted Total</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>65</b>	<b>9</b>



# Municipal Light and Power

## Division Detail

### MLP Generation

(Dept ID # M3000)

	2011 Actuals	2012 Revised	2013 Proposed	13 v 12 % Chg
<b>Direct Cost by Category</b>				
<b>Salaries and Benefits</b>				
1101 - Straight Time Labor	4,569,286	5,199,000	7,451,466	43.32%
1201 - Overtime	629,973	492,000	(1,181,500)	<340.14%>
1301 - Leave/Holiday Accruals	926,321	900,000	683,000	<24.11%>
1401 - Benefits	2,388,817	2,445,000	3,532,042	44.46%
1501 - Allow Differentials/Premiums	103,671	100,000	-	-
1601 - Vacancy Factor	-	-	(593,107)	-
501050 (new) - Utility WC Insurance	-	-	124,800	-
501060 (new) - Utility Gen Liab Insurance	-	-	27,300	-
511230 (new) - Materials Overhead	12,009	-	-	-
511250 (new) - Generation OH Applied	135,402	150,000	43,000	<71.33%>
540400 (new) - Admin Overhead Charges	3,153	-	-	-
<b>Salaries and Benefits Total</b>	<b>8,768,632</b>	<b>9,286,000</b>	<b>10,087,000</b>	<b>8.63%</b>
<b>Supplies</b>	<b>58,789,807</b>	<b>40,142,000</b>	<b>44,342,000</b>	<b>10.46%</b>
<b>Travel</b>	<b>40,717</b>	<b>51,750</b>	<b>-</b>	<b>-</b>
<b>Contractual/Other Services</b>	<b>1,247,697</b>	<b>1,409,250</b>	<b>4,847,500</b>	<b>243.98%</b>
<b>Manageable Direct Cost Total</b>	<b>68,846,853</b>	<b>50,889,000</b>	<b>59,276,500</b>	<b>16.48%</b>
<b>Debt Service, Depreciation</b>	<b>163,644</b>	<b>164,000</b>	<b>164,000</b>	<b>-</b>
<b>Direct Cost Total</b>	<b>69,010,497</b>	<b>51,053,000</b>	<b>59,440,500</b>	<b>16.43%</b>
<b>Intra-Governmental Charges</b>				
Charges By Other Departments	90,060	200,000	152,100	<23.95%>
<b>Net Cost</b>				
Manageable Direct Cost	68,846,853	50,889,000	59,276,500	16.48%
Debt Service, Depreciation	163,644	164,000	164,000	-
Charges By Other Departments	90,060	200,000	152,100	<23.95%>
<b>Net Cost Total</b>	<b>69,100,557</b>	<b>51,253,000</b>	<b>59,592,600</b>	<b>16.27%</b>

**Municipal Light and Power**  
**Division Summary**  
**MLP Operations**  
 (Dept ID # M5000)

	2011 Actuals	2012 Revised	2013 Proposed	13 v 12 % Chg
<b>Direct Cost by Category</b>				
Salaries and Benefits	5,781,453	6,181,000	7,878,689	27.47%
Supplies	1,060,507	1,130,000	1,112,000	<1.59%>
Travel	9,964	30,000	-	
Contractual/Other Services	965,821	1,028,000	913,000	<11.19%>
<b>Manageable Direct Cost Total</b>	<b>7,817,745</b>	<b>8,369,000</b>	<b>9,903,689</b>	<b>18.34%</b>
Debt Service, Depreciation	-	-	-	
<b>Direct Cost Total</b>	<b>7,817,745</b>	<b>8,369,000</b>	<b>9,903,689</b>	<b>18.34%</b>

**Positions as Budgeted**

	2011 Revised		2012 Revised		2013 Proposed	
	Full Time	Part Time	Full Time	Part Time	Full Time	Part Time
Apprentice Journeyman Lineman	-	-	-	-	-	4
Assistant Warehouseman	-	-	-	-	1	-
Cut In/Cut Out Lineman	-	-	-	-	1	-
Electric Communications Tech	-	-	-	-	-	1
Electrical Equipment Journeyman	-	-	-	-	1	-
Equipment Operator	-	-	-	-	-	1
Facility Maintenance Leadman	-	-	-	-	1	-
Foreman	-	-	-	-	6	-
Fueler	-	-	-	-	1	-
Head Warehouseman	-	-	-	-	1	-
Journeyman Lineman	-	-	-	-	9	-
Journeyman Meterman	-	-	-	-	2	-
Light & Power Mnt Journeyman	-	-	-	-	1	-
Light & Power Mnt Tech	-	-	-	-	1	1
Light & Power Superintendent	-	-	-	-	3	-
Loopwagon Leadman	-	-	-	-	2	-
Metering Leadman	-	-	-	-	1	-
Meterman Trainee	-	-	-	-	1	-
ML&P Supervisor	-	-	-	-	1	-
NECA Journeyman Lineman	-	-	-	-	-	5
Operator/Mechanic	-	-	-	-	-	1
Relay Substation Foreman	-	-	-	-	1	-
Relay Substation Leadman	-	-	-	-	2	-
Relay Substation Tech	-	-	-	-	1	-
Senior Clerk	-	-	-	-	2	-
Tree Trimmer	-	-	-	-	2	-
Tree Trimmer Foreman	-	-	-	-	1	-
Utility Division Mgr II	-	-	-	-	1	-
Utility Electrician Journeyman	-	-	-	-	1	-
Utility Technical Assistant	-	-	-	-	2	-
Vehicle Journeyman Mechanic	-	-	-	-	2	-
Vehicle Mechanic Foreman	-	MLP - 42	-	-	1	-

## Municipal Light and Power Division Summary

### MLP Operations

(Dept ID # M5000)

#### Positions as Budgeted

	2011 Revised		2012 Revised		2013 Proposed	
	<u>Full Time</u>	<u>Part Time</u>	<u>Full Time</u>	<u>Part Time</u>	<u>Full Time</u>	<u>Part Time</u>
Vehicle Mechanic Helper	-	-	-	-	1	-
Vehicle Mechanic Welder	-	-	-	-	1	-
<b>Positions as Budgeted Total</b>	-	-	-	-	<b>51</b>	<b>13</b>

# Municipal Light and Power

## Division Detail

### MLP Operations

(Dept ID # M5000)

	2011 Actuals	2012 Revised	2013 Proposed	13 v 12 % Chg
<b>Direct Cost by Category</b>				
<b>Salaries and Benefits</b>				
1101 - Straight Time Labor	2,834,005	3,018,000	5,816,506	92.73%
1201 - Overtime	531,893	740,000	(1,059,392)	<243.16%>
1301 - Leave/Holiday Accruals	572,468	570,000	480,000	<15.79%>
1401 - Benefits	1,529,297	1,638,000	2,887,274	76.27%
1501 - Allow Differentials/Premiums	64,912	65,000	-	-
1601 - Vacancy Factor	-	-	(412,400)	-
501050 (new) - Utility WC Insurance	-	-	115,400	-
501060 (new) - Utility Gen Liab Insurance	-	-	25,300	-
511230 (new) - Materials Overhead	247,268	150,000	26,000	<82.67%>
540400 (new) - Admin Overhead Charges	1,610	-	-	-
<b>Salaries and Benefits Total</b>	<b>5,781,453</b>	<b>6,181,000</b>	<b>7,878,689</b>	<b>27.47%</b>
<b>Supplies</b>	<b>1,060,507</b>	<b>1,130,000</b>	<b>1,112,000</b>	<b>&lt;1.59%&gt;</b>
<b>Travel</b>	<b>9,964</b>	<b>30,000</b>	<b>-</b>	<b>-</b>
<b>Contractual/Other Services</b>	<b>965,821</b>	<b>1,028,000</b>	<b>913,000</b>	<b>&lt;11.19%&gt;</b>
<b>Manageable Direct Cost Total</b>	<b>7,817,745</b>	<b>8,369,000</b>	<b>9,903,689</b>	<b>18.34%</b>
<b>Debt Service, Depreciation</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>Direct Cost Total</b>	<b>7,817,745</b>	<b>8,369,000</b>	<b>9,903,689</b>	<b>18.34%</b>
<b>Intra-Governmental Charges</b>				
Charges By Other Departments	58,605	134,000	140,700	5.00%
<b>Net Cost</b>				
Manageable Direct Cost	7,817,745	8,369,000	9,903,689	18.34%
Debt Service, Depreciation	-	-	-	-
Charges By Other Departments	58,605	134,000	140,700	5.00%
<b>Net Cost Total</b>	<b>7,876,350</b>	<b>8,503,000</b>	<b>10,044,389</b>	<b>18.13%</b>

**Municipal Light and Power**  
**Division Summary**  
**MLP Power Management**  
 (Dept ID # M7000)

	2011 Actuals	2012 Revised	2013 Proposed	13 v 12 % Chg
<b>Direct Cost by Category</b>				
Salaries and Benefits	2,369,129	2,564,000	3,042,000	18.64%
Supplies	4,178,394	4,841,000	4,915,000	1.53%
Travel	5,096	11,250	-	
Contractual/Other Services	3,746	5,750	5,750	-
<b>Manageable Direct Cost Total</b>	<b>6,556,365</b>	<b>7,422,000</b>	<b>7,962,750</b>	<b>7.29%</b>
Debt Service, Depreciation	-	-	-	
<b>Direct Cost Total</b>	<b>6,556,365</b>	<b>7,422,000</b>	<b>7,962,750</b>	<b>7.29%</b>

**Positions as Budgeted**

	2011 Revised		2012 Revised		2013 Proposed	
	Full Time	Part Time	Full Time	Part Time	Full Time	Part Time
Engineer in Training	-	-	-	-	1	-
Junior Clerk	-	-	-	-	1	-
Light & Power Superintendent	-	-	-	-	5	-
Power Dispatch Trainee	-	-	-	-	1	-
Power Dispatcher	-	-	-	-	7	-
Utility Management Assistant	-	-	-	-	1	-
<b>Positions as Budgeted Total</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>16</b>	<b>-</b>

# Municipal Light and Power

## Division Detail

### MLP Operations

(Dept ID # M5000)

	2011 Actuals	2012 Revised	2013 Proposed	13 v 12 % Chg
<b>Direct Cost by Category</b>				
<b>Salaries and Benefits</b>				
1101 - Straight Time Labor	2,834,005	3,018,000	5,816,506	92.73%
1201 - Overtime	531,893	740,000	(1,059,392)	<243.16%>
1301 - Leave/Holiday Accruals	572,468	570,000	480,000	<15.79%>
1401 - Benefits	1,529,297	1,638,000	2,887,274	76.27%
1501 - Allow Differentials/Premiums	64,912	65,000	-	-
1601 - Vacancy Factor	-	-	(412,400)	-
501050 (new) - Utility WC Insurance	-	-	115,400	-
501060 (new) - Utility Gen Liab Insurance	-	-	25,300	-
511230 (new) - Materials Overhead	247,268	150,000	26,000	<82.67%>
540400 (new) - Admin Overhead Charges	1,610	-	-	-
<b>Salaries and Benefits Total</b>	<b>5,781,453</b>	<b>6,181,000</b>	<b>7,878,689</b>	<b>27.47%</b>
<b>Supplies</b>	1,060,507	1,130,000	1,112,000	<1.59%>
<b>Travel</b>	9,964	30,000	-	-
<b>Contractual/Other Services</b>	965,821	1,028,000	913,000	<11.19%>
<b>Manageable Direct Cost Total</b>	<b>7,817,745</b>	<b>8,369,000</b>	<b>9,903,689</b>	<b>18.34%</b>
<b>Debt Service, Depreciation</b>	-	-	-	-
<b>Direct Cost Total</b>	<b>7,817,745</b>	<b>8,369,000</b>	<b>9,903,689</b>	<b>18.34%</b>
<b>Intra-Governmental Charges</b>				
Charges By Other Departments	58,605	134,000	140,700	5.00%
<b>Net Cost</b>				
Manageable Direct Cost	7,817,745	8,369,000	9,903,689	18.34%
Debt Service, Depreciation	-	-	-	-
Charges By Other Departments	58,605	134,000	140,700	5.00%
<b>Net Cost Total</b>	<b>7,876,350</b>	<b>8,503,000</b>	<b>10,044,389</b>	<b>18.13%</b>

**Municipal Light and Power**  
**Division Summary**  
**MLP Regulatory Affairs**  
 (Dept ID # M8000)

	2011 Actuals	2012 Revised	2013 Proposed	13 v 12 % Chg
<b>Direct Cost by Category</b>				
Salaries and Benefits	725,907	832,000	913,000	9.74%
Supplies	(29,494,773)	(26,363,000)	(29,555,919)	12.11%
Travel	4,555	9,750	-	
Contractual/Other Services	11,397,463	14,032,250	15,115,250	7.72%
<b>Manageable Direct Cost Total</b>	<b>(17,366,848)</b>	<b>(11,489,000)</b>	<b>(13,527,669)</b>	<b>17.74%</b>
Debt Service, Depreciation	3,502,256	(2,775,000)	(6,078,000)	119.03%
<b>Direct Cost Total</b>	<b>(13,864,592)</b>	<b>(14,264,000)</b>	<b>(19,605,669)</b>	<b>37.45%</b>

**Positions as Budgeted**

	2011 Revised		2012 Revised		2013 Proposed	
	Full Time	Part Time	Full Time	Part Time	Full Time	Part Time
Accountant	-	-	-	-	1	-
Environmental Engineer II	-	-	-	-	1	-
Junior Admin Officer	-	-	-	-	1	-
Light & Power Engineer	-	-	-	-	1	-
ML&P Supervisor	-	-	-	-	1	-
Utility Division Mgr II	-	-	-	-	1	-
Utility Tariff Analyst	-	-	-	-	1	-
<b>Positions as Budgeted Total</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>7</b>	<b>-</b>

**Municipal Light and Power****Division Detail****MLP Regulatory Affairs**

(Dept ID # M8000)

	2011 Actuals	2012 Revised	2013 Proposed	13 v 12 % Chg
<b>Direct Cost by Category</b>				
<b>Salaries and Benefits</b>				
1101 - Straight Time Labor	394,609	495,000	605,455	22.31%
1201 - Overtime	13,783	6,000	17,000	183.33%
1301 - Leave/Holiday Accruals	72,752	75,000	51,000	<32.00%>
1401 - Benefits	244,708	256,000	333,785	30.38%
1501 - Allow Differentials/Premiums	55	-	-	-
1601 - Vacancy Factor	-	-	(106,140)	-
501050 (new) - Utility WC Insurance	-	-	9,800	-
501060 (new) - Utility Gen Liab Insurance	-	-	2,100	-
<b>Salaries and Benefits Total</b>	<b>725,907</b>	<b>832,000</b>	<b>913,000</b>	<b>9.74%</b>
<b>Supplies</b>	(29,494,773)	(26,363,000)	(29,555,919)	12.11%
<b>Travel</b>	4,555	9,750	-	-
<b>Contractual/Other Services</b>	11,397,463	14,032,250	15,115,250	7.72%
<b>Manageable Direct Cost Total</b>	<b>(17,366,848)</b>	<b>(11,489,000)</b>	<b>(13,527,669)</b>	<b>17.74%</b>
<b>Debt Service, Depreciation</b>	3,502,256	(2,775,000)	(6,078,000)	119.03%
<b>Direct Cost Total</b>	<b>(13,864,592)</b>	<b>(14,264,000)</b>	<b>(19,605,669)</b>	<b>37.45%</b>
<b>Intra-Governmental Charges</b>				
Charges By Other Departments	77,783	94,000	91,900	<2.23%>
<b>Net Cost</b>				
Manageable Direct Cost	(17,366,848)	(11,489,000)	(13,527,669)	17.74%
Debt Service, Depreciation	3,502,256	(2,775,000)	(6,078,000)	119.03%
Charges By Other Departments	77,783	94,000	91,900	<2.23%>
<b>Net Cost Total</b>	<b>(13,786,809)</b>	<b>(14,170,000)</b>	<b>(19,513,769)</b>	<b>37.71%</b>



**Municipal Light and Power**  
**Division Summary**  
**MLP Systems & Communications**  
 (Dept ID # M1100)

	2011 Actuals	2012 Revised	2013 Proposed	13 v 12 % Chg
<b>Direct Cost by Category</b>				
Salaries and Benefits	2,618,261	2,849,000	4,081,800	43.27%
Supplies	774,400	579,000	1,254,000	116.58%
Travel	39,379	33,500	-	
Contractual/Other Services	245,453	294,500	299,500	1.70%
<b>Manageable Direct Cost Total</b>	<b>3,677,493</b>	<b>3,756,000</b>	<b>5,635,300</b>	<b>50.03%</b>
Debt Service, Depreciation	-	-	-	
<b>Direct Cost Total</b>	<b>3,677,493</b>	<b>3,756,000</b>	<b>5,635,300</b>	<b>50.03%</b>

**Positions as Budgeted**

	2011 Revised		2012 Revised		2013 Proposed	
	Full Time	Part Time	Full Time	Part Time	Full Time	Part Time
Administrative Officer	-	-	-	-	1	-
Application Services Supvr	-	-	-	-	1	-
Computer Operator II	-	-	-	-	1	-
Database Admin II	-	-	-	-	2	-
Electric Communications Foreman	-	-	-	-	1	-
Electric Communications Tech	-	-	-	-	1	-
Info Center Consultant III	-	-	-	-	1	-
Light & Power Superintendent	-	-	-	-	1	-
Network Analyst	-	-	-	-	1	-
Senior Admin Officer	-	-	-	-	2	-
Senior Electric Communications Tech	-	-	-	-	2	-
Senior Systems Analyst	-	-	-	-	1	-
Special Admin Officer	-	-	-	-	-	1
Systems Analyst	-	-	-	-	9	-
Systems Programmer II	-	-	-	-	1	-
Utility Division Mgr II	-	-	-	-	1	-
Utility Technical Assistant	-	-	-	-	1	-
<b>Positions as Budgeted Total</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>27</b>	<b>1</b>

**Municipal Light and Power**  
**Division Detail**  
**MLP Systems & Communications**  
(Dept ID # M1100)

	2011 Actuals	2012 Revised	2013 Proposed	13 v 12 % Chg
<b>Direct Cost by Category</b>				
<b>Salaries and Benefits</b>				
1101 - Straight Time Labor	1,468,030	1,686,000	2,537,988	50.53%
1201 - Overtime	34,847	46,000	(58,500)	<227.17%>
1301 - Leave/Holiday Accruals	277,950	270,000	268,000	<0.74%>
1401 - Benefits	831,812	842,000	1,362,412	61.81%
1501 - Allow Differentials/Premiums	5,476	5,000	-	-
1601 - Vacancy Factor	-	-	(79,300)	-
501050 (new) - Utility WC Insurance	-	-	42,000	-
501060 (new) - Utility Gen Liab Insurance	-	-	9,200	-
501270 (new) - Moving Expenses	146	-	-	-
<b>Salaries and Benefits Total</b>	<b>2,618,261</b>	<b>2,849,000</b>	<b>4,081,800</b>	<b>43.27%</b>
<b>Supplies</b>	774,400	579,000	1,254,000	116.58%
<b>Travel</b>	39,379	33,500	-	-
<b>Contractual/Other Services</b>	245,453	294,500	299,500	1.70%
<b>Manageable Direct Cost Total</b>	<b>3,677,493</b>	<b>3,756,000</b>	<b>5,635,300</b>	<b>50.03%</b>
<b>Debt Service, Depreciation</b>	-	-	-	-
<b>Direct Cost Total</b>	<b>3,677,493</b>	<b>3,756,000</b>	<b>5,635,300</b>	<b>50.03%</b>
<b>Intra-Governmental Charges</b>				
Charges by Other Departments	25,708	42,000	51,200	21.90%
<b>Net Cost</b>				
Manageable Direct Cost	3,677,493	3,756,000	5,635,300	50.03%
Debt Service, Depreciation	-	-	-	-
Charges by Other Departments	25,708	42,000	51,200	21.90%
<b>Net Cost Total</b>	<b>3,703,201</b>	<b>3,798,000</b>	<b>5,686,500</b>	<b>49.72%</b>

**Municipal Light and Power**  
**2013 - 2018 Capital Improvement Program**  
(in thousands)

<b>Project Category</b>	<b>2013</b>	<b>2014</b>	<b>2015</b>	<b>2016</b>	<b>2017</b>	<b>2018</b>	<b>Total</b>
Production	78,562	16,837	7,090	17,910	9,310	8,610	138,319
Transmission	1,773	1,626	4,800	1,990	240	240	10,669
Distribution	13,905	11,814	11,223	10,335	10,576	10,634	68,487
General Plant	4,926	3,683	3,082	6,738	2,005	2,030	22,464
Beluga River Gas Field	26,279	28,096	28,809	12,860	5,479	5,777	107,300
<b>Total</b>	<b>125,445</b>	<b>62,056</b>	<b>55,004</b>	<b>49,833</b>	<b>27,610</b>	<b>27,291</b>	<b>347,239</b>

<b>Source of Funding</b>	<b>2013</b>	<b>2014</b>	<b>2015</b>	<b>2016</b>	<b>2017</b>	<b>2018</b>	<b>Total</b>
Equity/Operations	23,921	20,516	14,393	26,873	19,181	18,464	123,348
Revenue Bond/Commercial Pay	72,600	10,800	9,050	7,250	-	-	99,700
Contribution in Aid of Constructi	2,645	2,644	2,752	2,850	2,950	3,050	16,891
Beluga Contributed	26,279	28,096	28,809	12,860	5,479	5,777	107,300
<b>Total</b>	<b>125,445</b>	<b>62,056</b>	<b>55,004</b>	<b>49,833</b>	<b>27,610</b>	<b>27,291</b>	<b>347,239</b>

# Municipal Light and Power

## 2013 Capital Improvement Budget

(in thousands)

<b>Project Title</b>	<b>Equity/ Operations</b>	<b>Revenue Bond/ Commercial Paper</b>	<b>Contribution in Aid of Construction</b>	<b>Beluga Contributed</b>	<b>Total</b>
Eklutna Power Plant	62	-	-	-	62
Steam	368	-	-	-	368
Structures & Improvements - Plant 1/Plant 2	200	-	-	-	200
Unit 3	729	-	-	-	729
Unit 5	676	-	-	-	676
Unit 6	368	-	-	-	368
Plant 2A	10	72,000	-	-	72,010
Plant 2 -Projects	4,150	-	-	-	4,150
Land & Land Rights - Transmission	40	-	-	-	40
Transmission Lines	70	500	-	-	570
Transmission Stations	1,063	100	-	-	1,163
Distribution Equipment	4,025	-	-	-	4,025
Land & Land Rights - Distribution	31	-	-	-	31
Meters	1,450	-	-	-	1,450
Overhead Lines	832	-	150	-	982
Street Lighting	44	-	-	-	44
Transformer Services	2,278	-	400	-	2,678
Underground Lines	2,600	-	2,095	-	4,695
Radio Communications	1,033	-	-	-	1,033
IT / Network	1,235	-	-	-	1,235
Command & Control	265	-	-	-	265
Misc Equipment	68	-	-	-	68
Stores/Tools/Lab	395	-	-	-	395
Structures & Improvements - General Plant	1,180	-	-	-	1,180
Transportation	750	-	-	-	750
Beluga River Gas Field	-	-	-	26,279	26,279
<b>Total</b>	<b>23,921</b>	<b>72,600</b>	<b>2,645</b>	<b>26,279</b>	<b>125,445</b>

## Municipal Light and Power Statement of Cash Sources and Uses

	2011 Actual	2012 Proforma	2013 Budget
<b>Sources of Cash Funds</b>			
Net Income	\$12,396,769	\$12,071,000	\$22,023,000
Depreciation/Depletion	25,948,743	26,752,000	30,796,000
Amortized Bond Discount/(Premium)	(950,387)	(826,000)	(681,669)
Amortization of Bond Sale Costs	201,908	178,000	30,172
Amortization of Refunded Debt	1,342,080	1,096,000	906,063
Bond Proceeds	-	50,000,000	75,000,000
Deferred Charges and Other Assets	(92,508)	635,000	-
Contribution in Aid of Construction	4,334,387	23,909,000	28,755,000
Changes in Assets and Liabilities	4,717,935	(33,996,973)	(42,259,284)
<b>Total Sources of Cash Funds</b>	<b>47,898,926</b>	<b>79,818,028</b>	<b>114,569,282</b>
<b>Uses of Cash Funds</b>			
Additions to Plant	93,616,774	73,672,236	112,865,860
Debt Principal Payment	16,945,000	16,915,000	17,085,000
<b>Total Uses of Cash Funds</b>	<b>110,561,774</b>	<b>90,587,236</b>	<b>129,950,860</b>
Net Increase (Decrease) in Cash Funds	(62,662,848)	(10,769,209)	(15,381,578)
Cash Balance, January 1	217,771,233	155,108,385	144,339,175
<b>Cash Balance, December 31</b>	<b>155,108,385</b>	<b>144,339,177</b>	<b>128,957,597</b>
<b>Detail of Cash and Investment Funds</b>			
General Cash Less Customer Deposits	29,120,908	36,978,085	32,191,651
Bond Cash	(3,950,761)	-	-
BRU Construction & Natural Gas Purchases Cash	78,328,322	62,174,918	39,261,567
Bond Investment	37,234,996	30,916,298	30,369,172
Debt Service	2,578,505	2,498,461	2,457,906
Operating Fund Investment & Customer Deposits	11,796,415	11,771,415	13,771,415
<b>Cash Balance, December 31</b>	<b>\$155,108,385</b>	<b>\$144,339,177</b>	<b>\$118,051,711</b>

## **About Municipal Light and Power**

### **Organization**

Municipal Light & Power (ML&P) is functionally structured into eight operating divisions: Generation & Power Management, Engineering, Operations, Finance, Regulatory Affairs, Customer Service, Administration, and Systems & Communication. Each division manager reports directly to the General Manager.

As of December 31, 2011, ML&P had 233 employees and total labor and benefit costs of approximately \$40.5 million, which includes operating and capital labor expenditures. Of these 233 employees, 170 were covered by a labor agreement with the IBEW and 63 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 fourth quarter 2012.

### **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 2011, the average number of residential and commercial customers was 24,302 and 6,297 respectively. Commercial customers account for approximately eighteen percent of ML&P's customer billings, yet consume sixty-seven percent of its retail output.

In 2011, electric retail sales totaled 1,124,883 MWh resulting in revenues of \$116,615,841. Total electric operating revenues including Miscellaneous Operating Revenue, Sales for Resale and Other Utility Operating Income were \$134,417,652. 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.

ML&P budgets are 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. 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 Unit Gas Field.

- Power Generated/Purchased in 2011
 

	1,318,470 MWh	
• ML&P Generated	1,173,700 MWh	89.02%
• Eklutna Hydroelectric Project	66,108 MWh	5.01%
• Purchased:		
- Bradley Lake Project	78,661 MWh	5.97%
- Chugach Electric Assoc.	0 MWh	0.00 %
- Total Thermal Generation capacity in 2011
 

	340.8 Megawatts (MW) at 30°F	
• Power Plant One (4 Turbines & 2 Diesels)	98.9 MW	29%
• Power Plant Two (4 Turbines)	241.9 MW	71%
• 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 2011
 

	377 Miles	
• Underground Cable	252 Miles	66.84%
• Overhead Line	125 Miles	33.16 %
• 19 Substations		
- Total Electric Plant as of December 31, 2011
 

	\$383,717,028
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- Total Gas Plant as of December 31, 2011
 

	\$104,115,822
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- 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.