

## Second Quarter 2006 Railbelt Utility Bill Comparison

The attached charts illustrate the average bill calculation by utility for second quarter 2006 compared to the average bill calculation for first quarter 2006. This comparison includes all approved and pending rates for second quarter 2006.

Compared to last quarter, the fuel surcharge or wholesale power cost rate adjustments (WPCRA) *decreased* for Chugach, HEA, MEA and ML&P and *remained the same* for GVEA. In addition, MEA received RCA approval for a 1.89% base rate increase effective April 3, 2006. This increase to energy and demand rates was requested and approved through MEA's quarterly Simplified Rate Filing (SRF) process.

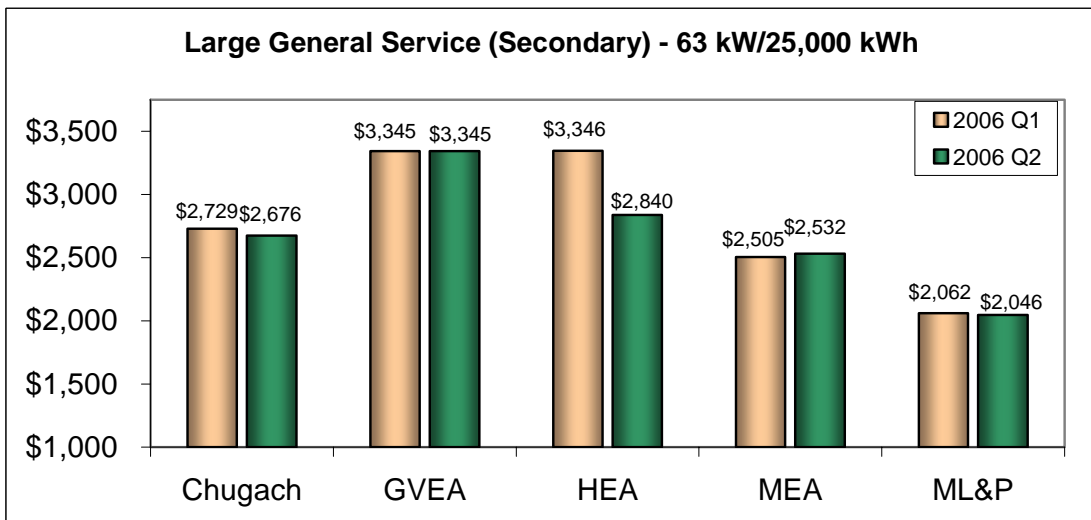
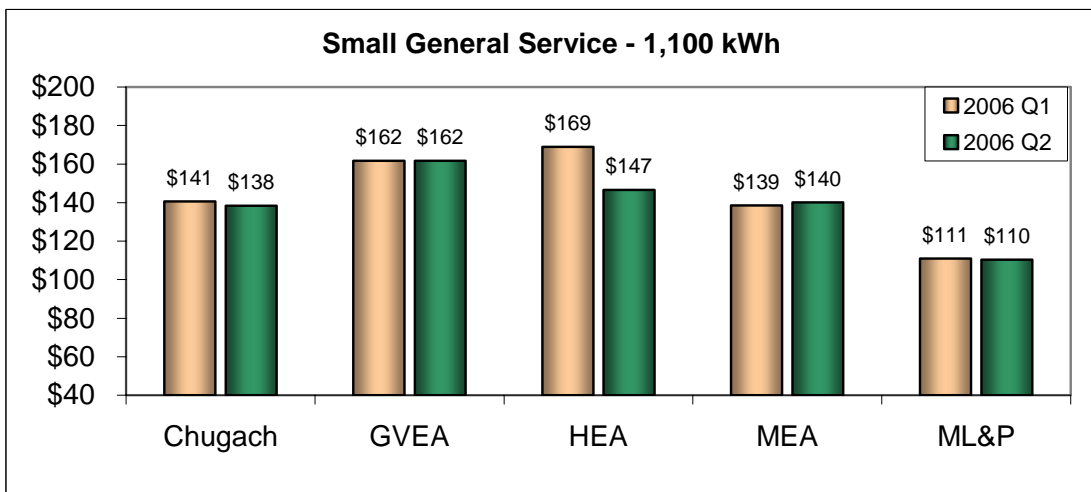
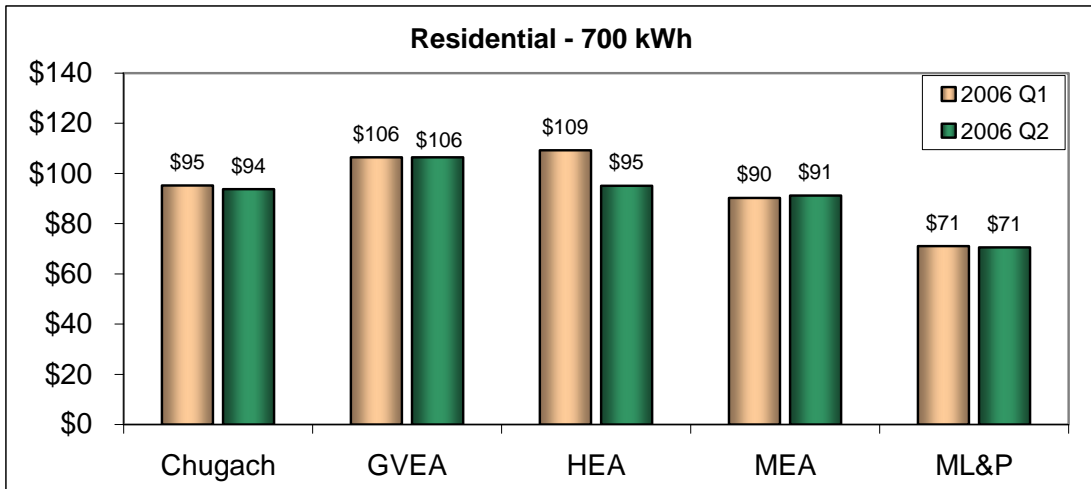
HEA's retail bill totals reflect significantly lower WPCRA. That reduction is primarily attributed to the flow-through of the margins received from the use of natural gas received from Agrium to operate Nikiski Unit No. 1.

Taxes and surcharges such as the Municipality of Anchorage 2% undergrounding surcharge may not be applicable to all utilities in this comparison; therefore, these are excluded from the average bill calculation. The RCC charge is included in the average bill calculation because the charge is applied equally to all utilities in this comparison.

The following tables summarize the retail bill comparison between Railbelt utilities for second quarter, 2006.

<b>RESIDENTIAL</b>	<b>Chugach</b>	<b>GVEA</b>	<b>HEA</b>	<b>MEA</b>	<b>ML&amp;P</b>
Q2 2006 Total Bill (700 kWh)	\$93.77	\$106.43	\$95.06	\$91.26	\$70.59
Percent Change from Previous Quarter	(1.6%)	0.0%	(13.0%)	1.2%	(0.6%)
Percent Difference from Chugach Bill	----	13.5%	1.4%	(2.7%)	(24.7%)
<b>SMALL GENERAL SERVICE</b>					
Q2 2006 Total Bill (1,100 kWh)	\$138.30	\$161.66	\$146.63	\$140.17	\$110.27
Percent Change from Previous Quarter	(1.7%)	0.0%	(13.2%)	1.2%	(0.6%)
Percent Difference from Chugach Bill	----	16.9%	6.0%	1.4%	(20.3%)
<b>LARGE GENERAL SERVICE</b>					
Q2 2006 Total Bill (25,000 kWh/63 kW)	\$2,676	\$3,345	\$2,840	\$2,532	\$2,046
Percent Change from Previous Quarter	(2.0%)	0.0%	(15.1%)	1.1%	(0.7%)
Percent Difference from Chugach Bill	----	25.0%	6.1%	(5.4%)	(23.5%)

**Average Total Bill by Utility  
Q1 2006 vs Q2 2006**



Tariff to tariff bill comparisons can be misleading. Railbelt utilities pursue differing strategic approaches to reliability levels and financial health that directly impact rate levels. Differences in fuel surcharge (or COPA) balancing accounts, rate design considerations, and miscellaneous general service fee levels can also significantly impact customer bill levels. Average bill calculation includes customer charge, energy charge, fuel surcharge and RCC. Taxes and surcharges such as the Municipality of Anchorage 2% undergrounding surcharge are excluded.