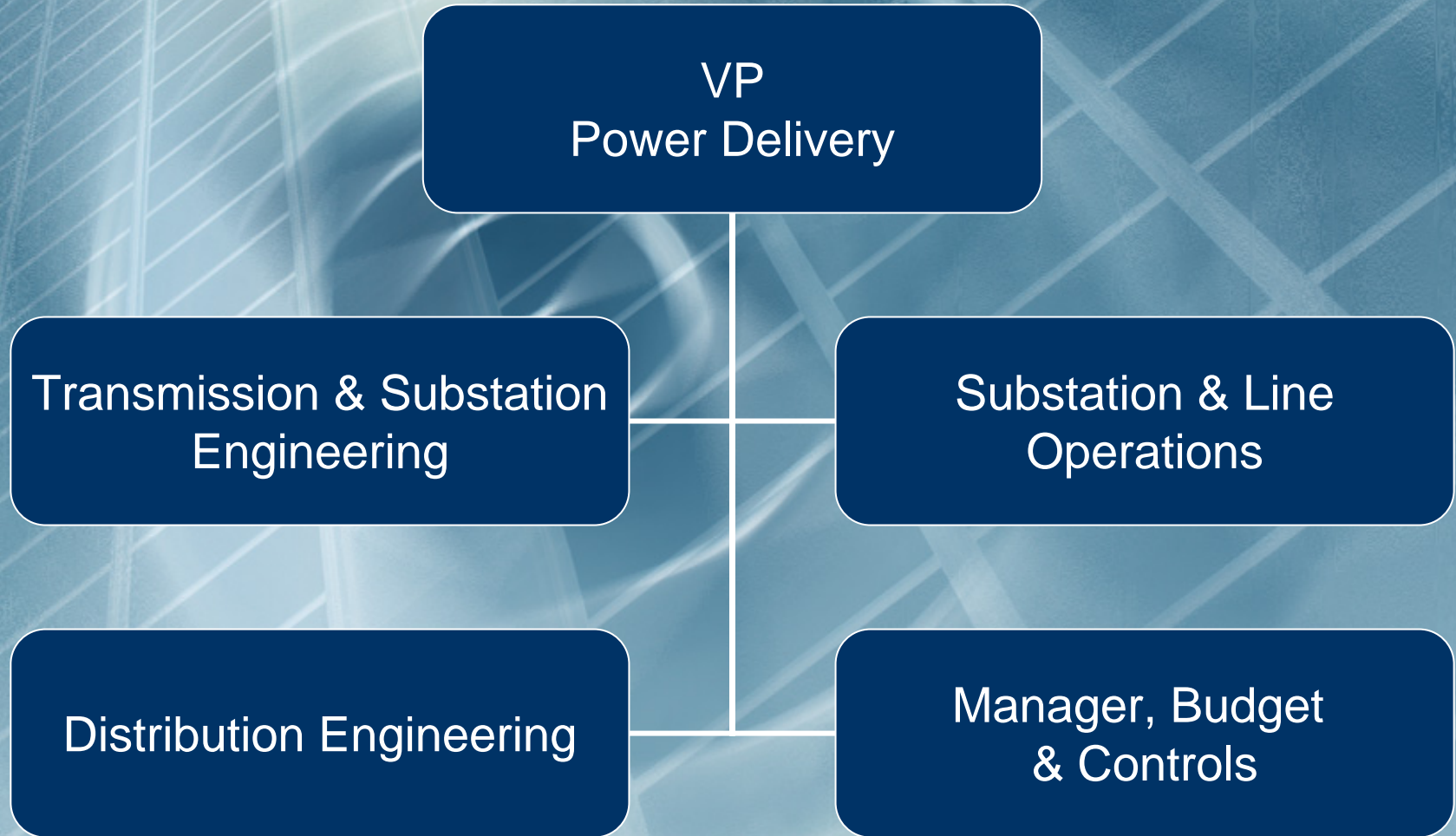


2009 Power Delivery Operating Budget

Ed Jenkin

Power Delivery Organizational Structure



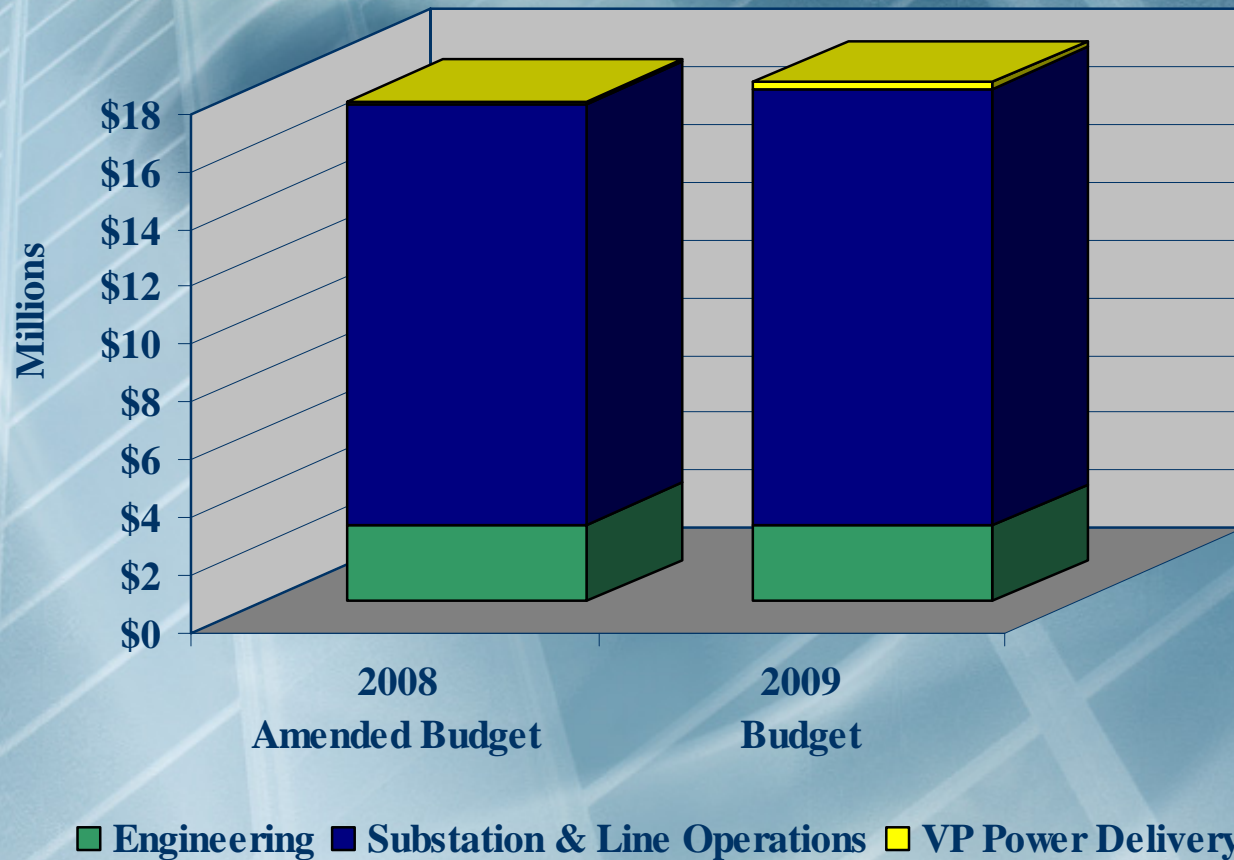
2008 Accomplishments

- ◆ **Completion of line and substation projects including:**
 - ◆ New 138kV T-Line along Elmore Road
 - ◆ 230 kV BZO breaker replacements
 - ◆ 34.5 kV cable termination replacements
 - ◆ Protection Upgrade at Quartz Creek Subs
 - ◆ \$3.4 million in O/H to U/G conversions
 - ◆ Dave's Creek Line Upgrades
- ◆ **Through PDM detected and corrected numerous potential substation equipment problems such that there have been no customer related outages year to date.**
- ◆ **Completion of Interconnection Guidelines for Non-Utility Generation.**
- ◆ **Award and soon completion of \$312,000 FEMA mitigation grant for Hope Feeder clearing.**
- ◆ **No documented safety violations resulting from on-site safety inspections.**

2009 Operational/Strategic Challenges

- ◆ Staff retention and replacement
- ◆ Design for several State/MOA relocation projects
- ◆ Finish construction of the South Anchorage Transmission-Loop
- ◆ Upgrade controls and protection at Teeland, Woodland Park, and Turnagain Substations
- ◆ Update Hazard Mitigation Plan
- ◆ Update Distribution System Long Range Plan
- ◆ Implementation of Operations Work Management System
- ◆ No outages due to Transmission or Substation equipment failures
- ◆ Reduce Total Distribution Outages
- ◆ No documented safety violations resulting from on-site safety inspections

Power Delivery Budget Division Comparison



VP Power Delivery

VP Power Delivery Expense Budget Comparison

| | 2008 | 2009 | Variance |
|-----------------------|------------------------------|----------------------|-----------------|
| | <u>Amended Budget</u> | <u>Budget</u> | <u>%</u> |
| Labor | 90,530 | 230,984 | |
| Materials & Supplies | 2,000 | 2,000 | |
| Other | 300 | 40,750 | |
| Professional Services | 0 | 7,000 | |
| Travel & Education | 1,950 | 6,675 | |
| Total | \$94,780 | \$287,409 | 203.2% |

Engineering

Engineering Expense Budget Comparison

| | 2008 | 2009 | Variance |
|--------------------------|------------------------------|----------------------|-----------------|
| | <u>Amended Budget</u> | <u>Budget</u> | <u>%</u> |
| Labor | 2,113,068 | 1,966,330 | |
| Materials & Supplies | 109,155 | 86,065 | |
| Other/Leases | 237,437 | 279,511 | |
| Professional Services | 112,849 | 200,049 | |
| Transportation & Freight | 55,158 | 57,808 | |
| Travel & Education | 35,300 | 33,475 | |
| Utilities | 1,200 | 0 | |
| Total | \$2,664,167 | \$2,623,238 | -1.5% |

Substation & Line Operations

Substation & Line Operations Expense Budget Comparison

| | 2008 | 2009 | Variance |
|--------------------------------|------------------------------|------------------------|-----------------|
| | <u>Amended Budget</u> | <u>Budget</u> | <u>%</u> |
| Labor | 8,522,327 | 8,929,550 ¹ | |
| Materials & Supplies | 1,118,854 | 1,348,962 | |
| Other | 105,413 | 109,420 | |
| Professional Services | 3,437,124 | 3,526,736 | |
| Transportation & Freight | 533,211 | 203,057 | |
| Travel & Education | 41,150 | 45,575 | |
| Leases | 316,596 | 523,391 | |
| Utilities | 22,100 | 22,000 | |
| Vehicle/Warehouse Depreciation | 468,717 | 439,431 | |
| Total | \$14,565,492 | \$15,148,122 | 4.0% |

¹ Increase includes shift of labor from capital/deferred to expense.

DISCUSSION