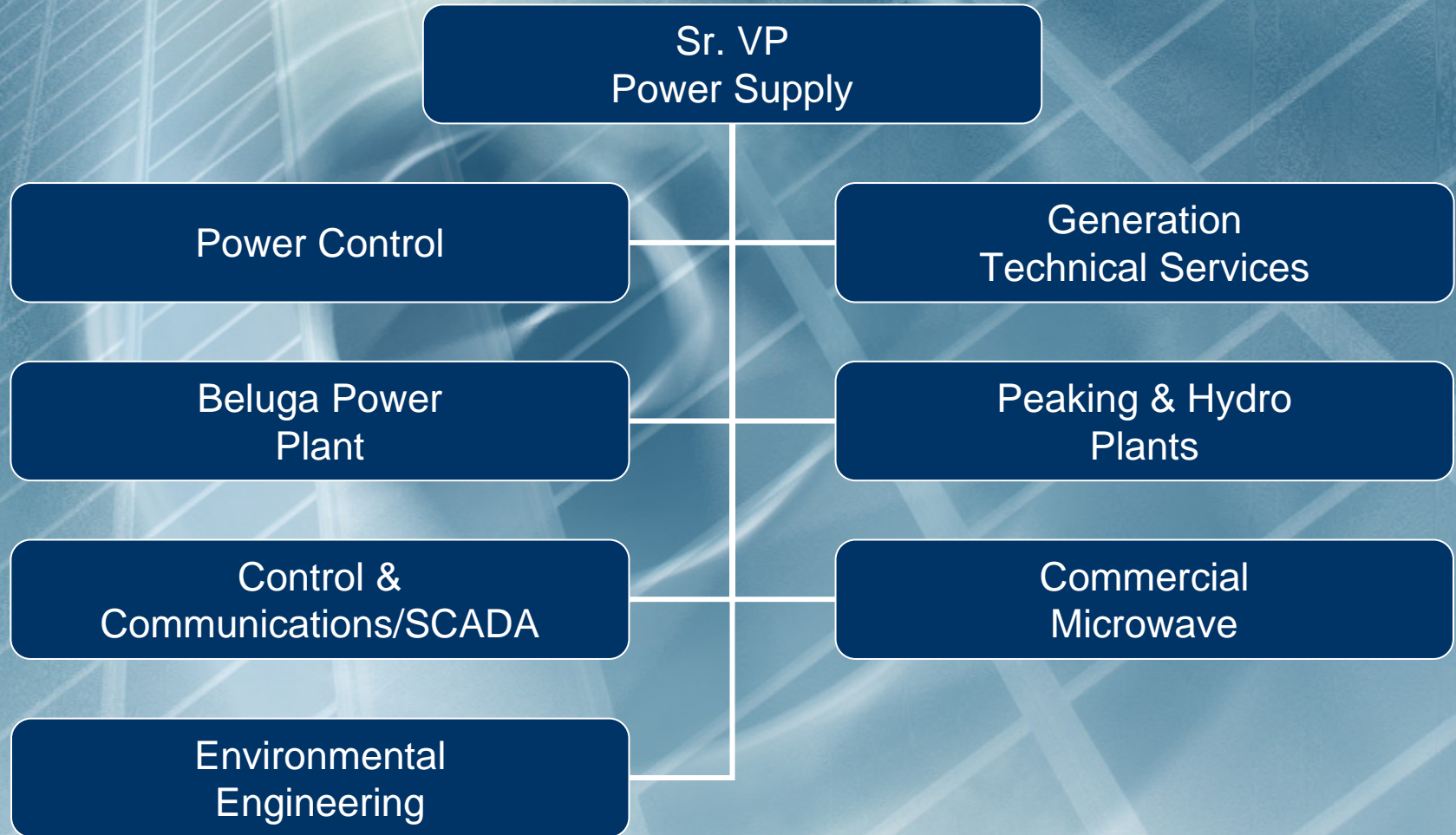


2009 Power Supply Operating Budget

Paul Risse

Power Supply Organizational Structure



2008 Accomplishments

- ◆ **New Generation**
 - ◆ Participation Agreement/O&M Agreement/Lease Agreement
 - ◆ Gas Turbine Contract
 - ◆ Gas Turbine Long Term Service Contract
- ◆ **Beluga Unit 7 Turbine Major Overhaul – “C” Inspection**
 - ◆ Achieved First 32,000 Hour Interval
 - ◆ Achieved Significant Parts Life Extension
 - ◆ Generator Inspection
 - ◆ Emergency Rewedge of Generator
 - ◆ Replacement of Unit’s Circuit Breaker
- ◆ **Final ADEC Acceptance of Unit 6 & 7 Upgrade Emissions**

2008 Accomplishments continued

- ◆ **Beluga Unit 8 Major Inspection**
 - ◆ Generator Inspection
 - ◆ HP and LP Deaerator Replacements
 - ◆ Water Chemistry Upgrade
- ◆ **Beluga Station Service Battery Replacements**
- ◆ **Beluga Unit 2 Controls Upgrade (anticipated)**
- ◆ **Beluga Flight Arrangements**
- ◆ **Beluga Culinary Staff Safe Serve Program**
- ◆ **Bernice Lake Water Injection System**
- ◆ **ADEC Acceptance of BLPP Water Injection System**

2008 Accomplishments continued

- ◆ **Cooper Lake 5 Year Dam Safety Inspection**
 - ◆ **License Compliance:**
 - ◆ Conducted an Emergency Action Plan (EAP) test drill
 - ◆ Negotiated the State Park Service Agreement for the design of the recreational parking lot
- ◆ **Generation Warehouse Zero Variance**
- ◆ **FAA Approval for Fire Island Wind Project**
- ◆ **Contract Award for SCADA Migration**

2008 Accomplishments continued

- ◆ **Lease Agreement with ML&P and AWWU for Tower Sharing**
- ◆ **Meeting Company Wide Needs for Storm Water Plan Development and Support**
- ◆ **Response to Cooper Lake Unit 1 & 2 Runner Damage**

2009 Operational/Strategic Challenges

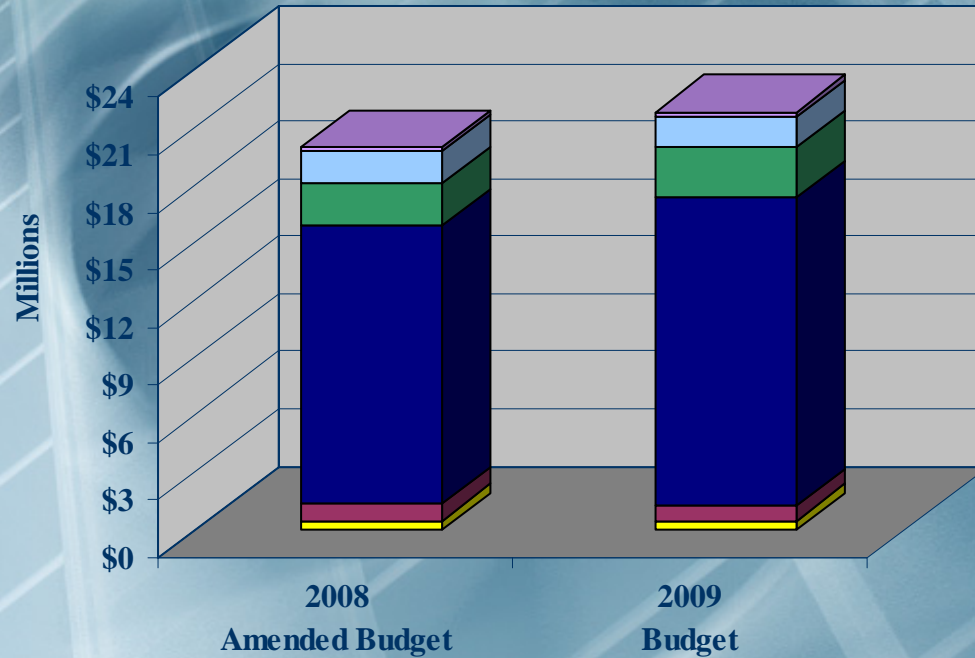
- ◆ **New Generation**
 - ◆ Administration of the Participation Agreement
 - ◆ Major Equipment Purchase Contracts
 - ◆ EpC Contract
 - ◆ Overall Management of the Project
- ◆ **Retaining and Obtaining Technical Staff**
- ◆ **Maintaining Reliability with Aging Equipment**
- ◆ **Work Management System Integration**
- ◆ **Integration of Unit 7 Water Chemistry System into Control System**
- ◆ **Beluga Flight Arrangements**
- ◆ **Beluga Unit 3 Transition Piece Replacements**
- ◆ **Bernice Lake Unit 3 Major Inspection**
- ◆ **Cooper Lake Unit 1 Major – Repair of Unit Damage**

2009 Operational/Strategic Challenges

- ◆ Cooper Lake Unit 2 Major – Repair of Unit Damage
- ◆ Installation and Completion of SCADA/EMS
- ◆ Compliance with the new MOA Storm Water Treatment Plan Regulations
- ◆ Development of Gas Storage Options
- ◆ Resolution of the Conoco Phillips Compression Dispute
- ◆ Complying with ADEC New APDES Regulations
- ◆ Complying with EPA's New SPCC Regulations
- ◆ GVEA Economy Sales Contract Ends March 31
- ◆ Working with Tariff Challenges and Tightening Gas Supply

Power Supply Budget Division Comparison

Less Fuel & Purchased Power



- Sr VP Power Supply
- Plants & Warehouses
- Control & Comm/Microwave
- Generation Technical Services
- Power Control
- Environmental Engineering

Sr. VP Power Supply

Sr. VP Power Supply Expense Budget Comparison

	2008	2009	Variance
	<u>Amended Budget</u>	<u>Budget</u>	<u>%</u>
Labor	463,062	443,362	
Materials & Supplies	1,000	996	
Other/Amortization	24,739	24,732	
Professional Services	0	12,000	
Transportation & Freight	5,000	5,004	
Travel & Education	0	8,220	
Total	\$493,801	\$494,314	0.1%

Generation Technical Services

Generation Technical Services Expense Budget Comparison

	2008	2009	Variance
	<u>Amended Budget</u>	<u>Budget</u>	<u>%</u>
Labor	668,195	634,748	
Materials & Supplies	7,000	6,500	
Professional Services	150,000	150,000	
Transportation & Freight	10,000	20,000	
Travel & Education	23,970	4,575	
Total	\$859,165	\$815,823	-5.0%

Power Plants and Warehouses

Power Plants and Warehouses Expense Budget Comparison

	2008	2009	Variance
	<u>Amended Budget</u>	<u>Budget</u>	<u>%</u>
Labor	7,754,504	8,701,783 ¹	
Materials & Supplies	2,683,793	3,003,403	
Other	0	1,500	
Professional Services	1,189,145	1,272,625	
Transportation & Freight	602,948	820,615	
Travel & Education	47,420	52,125	
Leases	93,000	93,000	
Utilities	18,425	20,175	
Eklutna	306,427	306,427	
Unit 8 Overhaul Amortization	822,058	483,333	
Beluga Gas Compression Amortization	570,000	854,697	
Vehicle/Warehouse Depreciation	189,252	200,726	
Total	<u>\$14,276,972</u>	<u>\$15,810,409</u>	10.7%

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

Peaking & Hydro Expense Budget Comparison

	2008	2009	Variance
	<u>Amended Budget</u>	<u>Budget</u>	<u>%</u>
Labor	213,920	187,788	
Materials & Supplies	3,930	1,280	
Professional Services	0	20,000	
Transportation & Freight	5,800	12,000	
Travel & Education	4,150	0	
Total	<u>\$227,800</u>	<u>\$221,068</u>	<u>-3.0%</u>

Power Control

Power Control Expense Budget Comparison

Fuel and Purchased Power

	2008 Amended Budget	2009 Budget	Variance %
Fuel	121,218,046	181,790,800	
Purchased Power	29,958,455	41,828,356	
Total	\$151,176,501	\$223,619,156	47.9%

Power Control Expense Budget Comparison (continued)

	2008	2009	Variance
	<u>Amended Budget</u>	<u>Budget</u>	<u>%</u>
Labor	2,107,769	2,386,961	
Materials & Supplies	6,000	5,000	
Other	108,094	116,269	
Professional Services	50,000	60,000	
Transportation & Freight	0	4,000	
Travel & Education	0	21,825	
Utilities	0	12,000	
Total	\$2,271,863	\$2,606,055	14.7%

Control & Communications/SCADA

Control & Communications / SCADA Expense Budget Comparison

	2008	2009	Variance
	<u>Amended Budget</u>	<u>Budget</u>	<u>%</u>
Labor	1,204,958	1,296,994	
Materials & Supplies	168,400	155,412	
Leases	60,000	69,992	
Professional Services	308,600	271,080	
Transportation & Freight	58,600	52,404	
Travel & Education	40,800	39,775	
Utilities	44,400	75,392	
Contract Services	81,500	62,496	
Total	<u>\$1,967,258</u>	<u>\$2,023,545</u>	<u>2.9%</u>

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

Commercial Microwave

Commercial Microwave Business Expense Budget Comparison

	2008	2009	Variance
	<u>Amended Budget</u>	<u>Budget</u>	<u>%</u>
Revenue	405,000	447,558	
Labor	(9,780)	(9,840)	
Other	(34,267)	(3,448)	
Professional Services	(12,500)	(12,500)	
Utilities	(10,200)	(10,200)	
Total	\$338,253	\$411,570	21.7%

Environmental Engineering

Environmental Engineering Expense Budget Comparison

	2008	2009	Variance
	<u>Amended Budget</u>	<u>Budget</u>	<u>%</u>
Labor	139,965	190,451	
Materials & Supplies	2,840	2,980	
Other	3,645	3,645	
Professional Services	63,000	34,000	
Transportation & Freight	7,840	7,840	
Travel & Education	14,350	17,275	
Total	\$231,640	\$256,191	10.6%

DISCUSSION