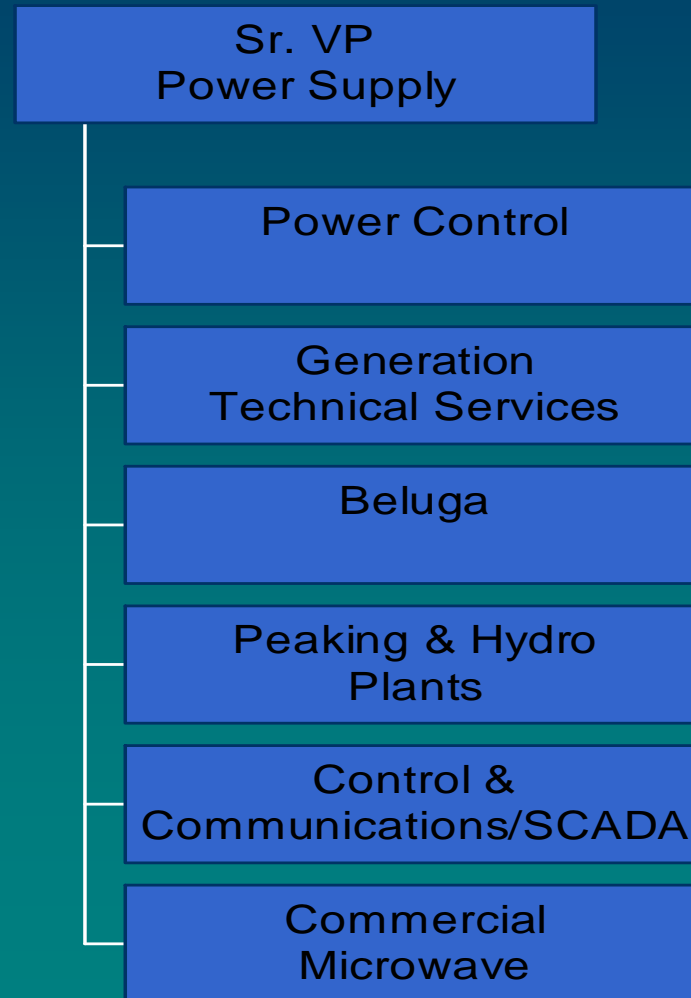


2007 Power Supply Operating Budget

Brad Evans

Power Supply Organizational Structure



2006 Accomplishments

- ❖ Unit 6 C Inspection under budget and completed ahead of schedule
- ❖ Beluga Unit 5 timely discovery of generator lifetime issues
- ❖ Elimination of 3 positions
- ❖ Glen Alps SCADA Back-up-Center installation on time and on budget
- ❖ New generation: preliminary engineering for combined cycle at IGT

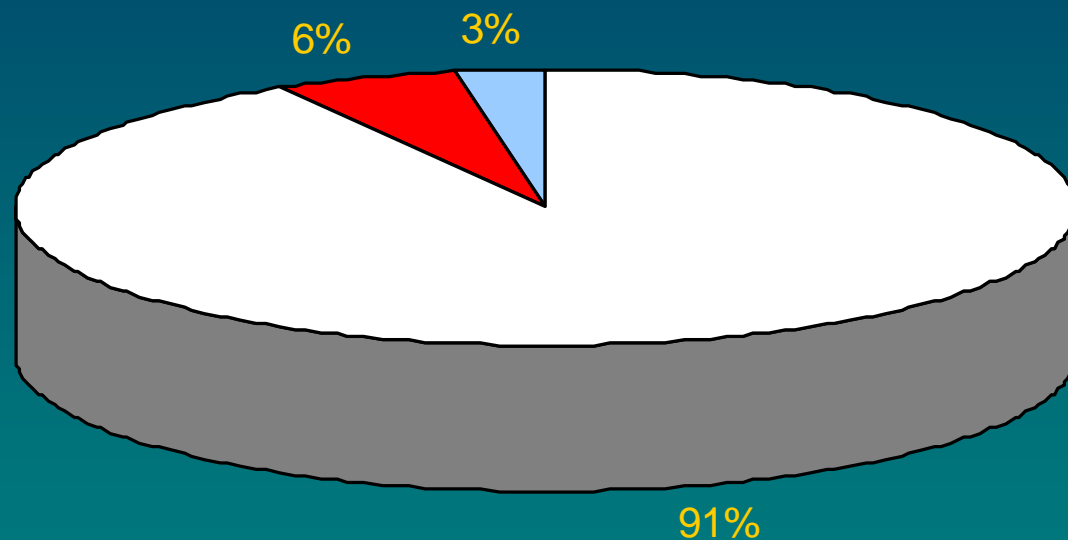
2006 Accomplishments (continued)

- ❖ Seward Wholesale contract: New rates, new terms and submittal of contract to RCA
- ❖ Cooper Lake Relicensing project: on time and budget
- ❖ Beluga Security Assessment: Completed with improvements underway
- ❖ Beluga Gas House Controls: Two units completed with third unit in progress on schedule and under budget

2007 Operational/Strategic Challenges

- ❖ Workforce replacements and training
- ❖ Unit 5 Major Inspection and Generator Rebuild
- ❖ New generation RFP and EPC contract
- ❖ Eclipse of 24,000 hrs on Beluga Unit 7
- ❖ Completion of telecommunications for sharing of SCADA back-up-control center
- ❖ Completion of SCADA migration contract with AML&P and RFP for system
- ❖ Physical Security Improvements
- ❖ Cyber Security for generation controls
- ❖ Beluga Unit 8 maintenance and retirement and replacement planning for 2014 retirement

Sr. VP Power Supply 2007 Expense Budget

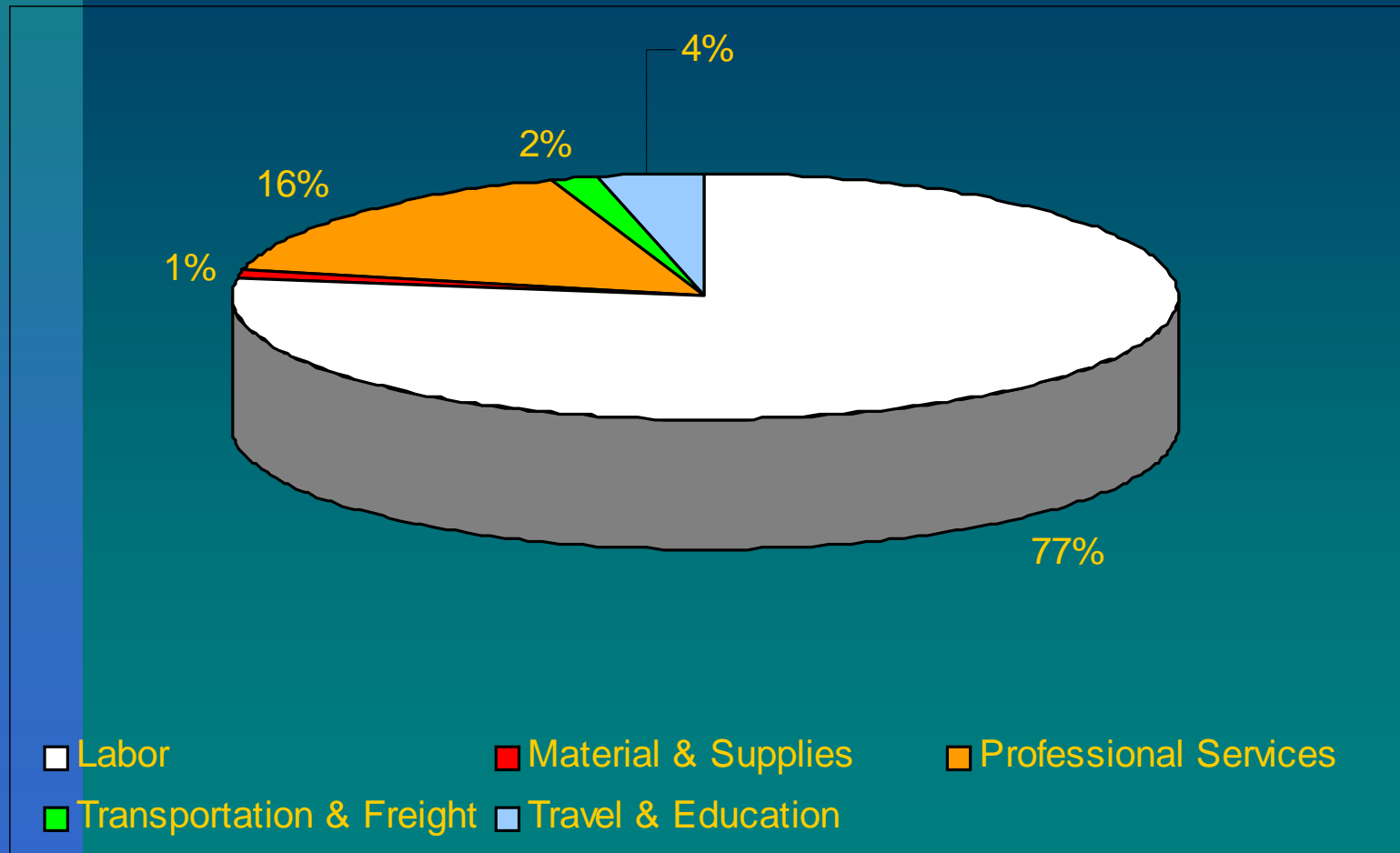


■ Labor ■ Material & Supplies/Other ■ Travel & Education/Transportation

Sr. VP Power Supply Expense Budget Comparison

	<u>2007 Budget</u>	<u>2006 Revised Budget</u>	<u>% Variance</u>
Labor	422,814	422,814	
Material & Supplies	1,000	10,000	
Other/Amortization	25,304	53,947	
Transportation & Freight	5,000	5,000	
Travel & Education	<u>7,325</u>	<u>4,190</u>	
Total	\$461,443	\$495,951	-7.0%

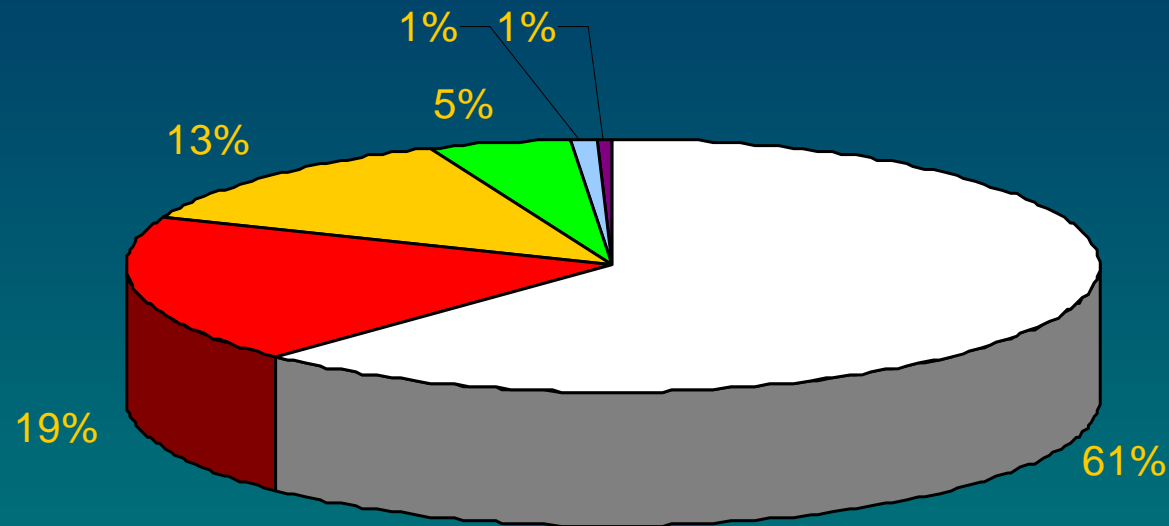
Generation Technical Services 2007 Expense Budget



Generation Technical Services Expense Budget Comparison

	<u>2007 Budget</u>	<u>2006 Revised Budget</u>	<u>% Variance</u>
Labor	939,440	1,345,928	
Material & Supplies	9,930	17,930	
Other	0	2,500	
Professional Services	200,000	111,250	
Transportation & Freight	19,800	5,800	
Travel & Education	44,710	54,480	
Total	\$1,213,880	\$1,537,888	-21.1%

Power Plants and Warehouses 2007 Expense Budget

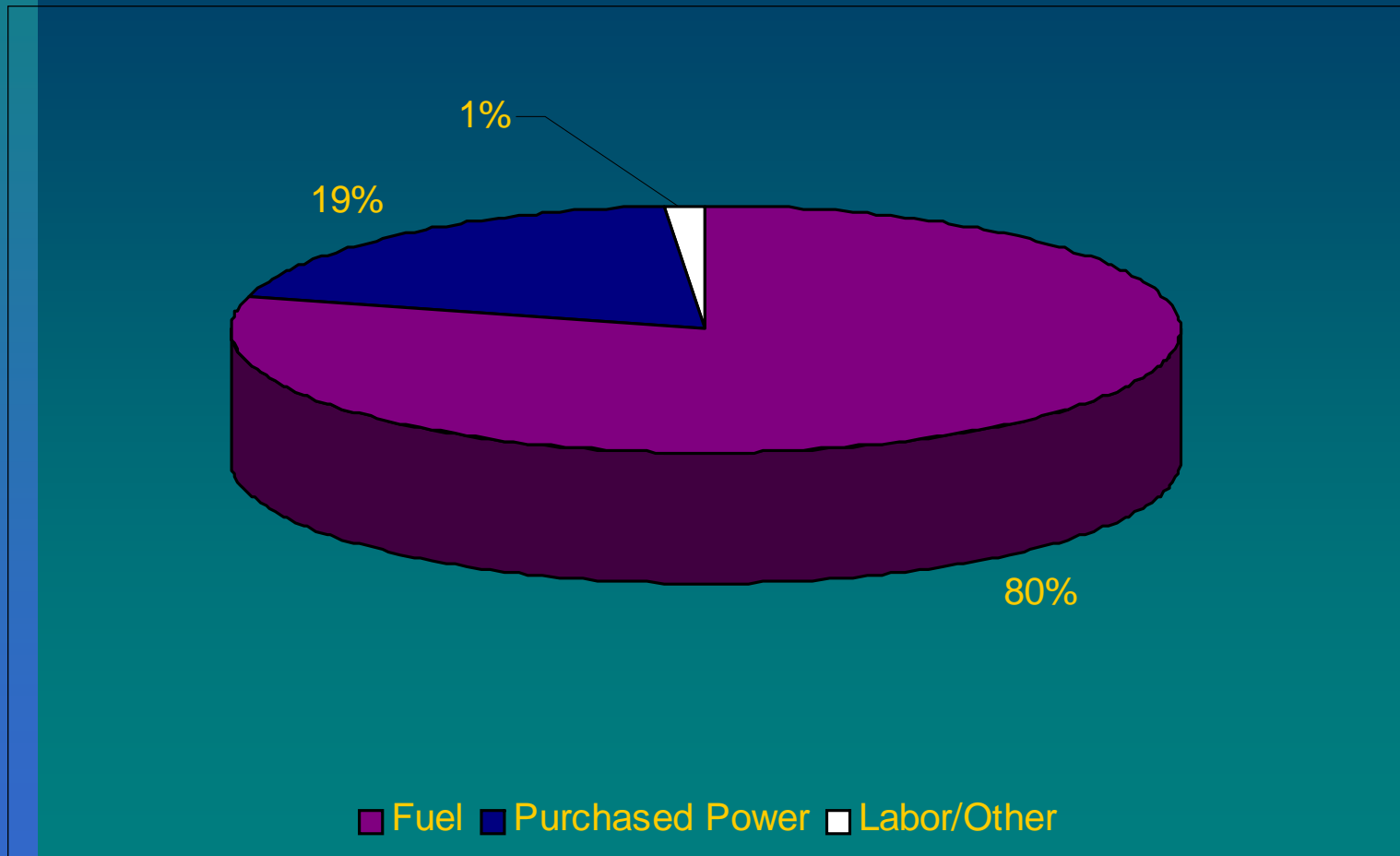


- Labor
- Professional Services
- Travel & Education
- Material & Supplies/Other
- Transportation & Freight
- Leases

Power Plants and Warehouses Expense Budget Comparison

	<u>2007 Budget</u>	<u>2006 Revised Budget</u>	<u>% Variance</u>
Labor	7,187,746	7,797,997	
Material & Supplies	2,161,350	1,827,245	
Other	20,575	108,175	
Professional Services	1,478,490	1,050,715	
Transportation & Freight	447,259	427,010	
Travel & Education	65,740	33,790	
Leases	80,000	80,000	
Eklutna	356,237	229,480	
Unit 8 Overhaul Amortization	392,137	392,137	
Vehicle/Warehouse depreciation	212,495	210,655	
Total	\$12,402,029	\$12,157,204	2.0%

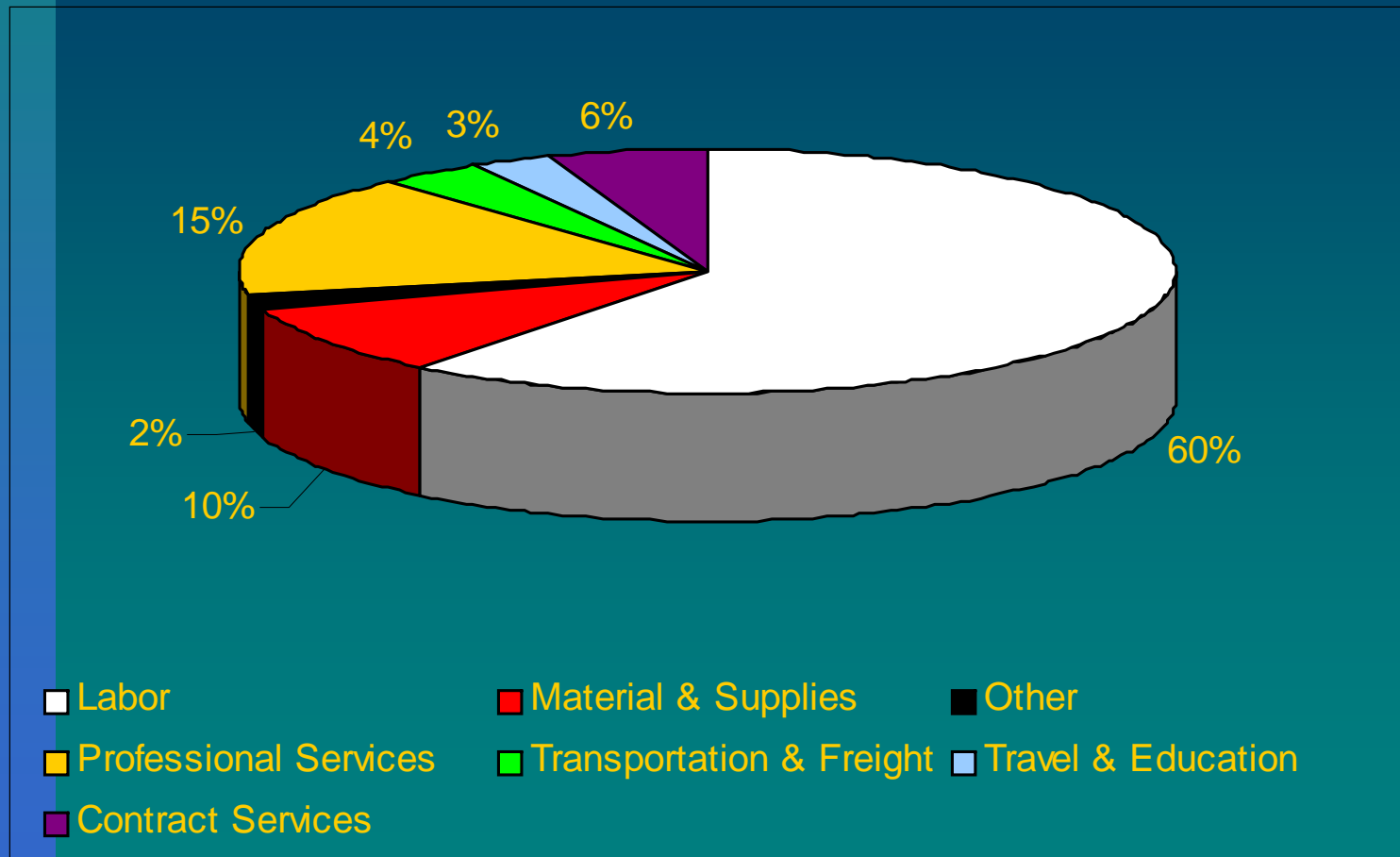
Power Control 2007 Expense Budget



Power Control Expense Budget Comparison

	<u>2007 Budget</u>	<u>2006 Revised Budget</u>	<u>% Variance</u>
Fuel	124,055,397	120,390,043	
Purchased Power	29,918,994	29,083,564	
Labor	1,823,111	1,883,821	
Material & Supplies	6,000	5,000	
Other	107,894	204,181	
Professional Services	50,000	50,000	
Transportation & Freight	20,000	20,000	
Travel & Education	<u>11,480</u>	<u>30,840</u>	
Total	\$155,992,876	\$151,667,449	2.9%

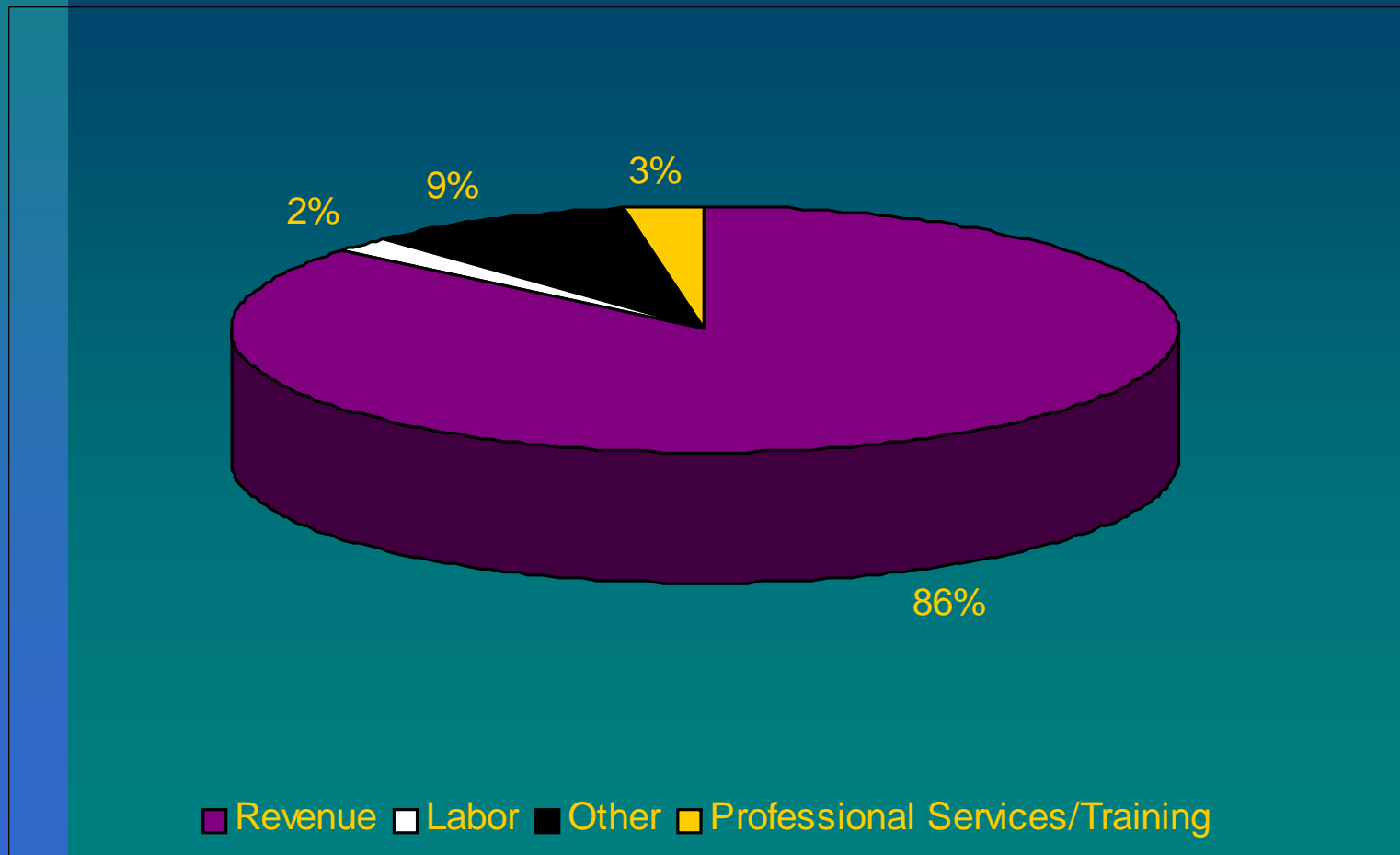
Control & Communications / SCADA 2007 Expense Budget



Control & Communications / SCADA Expense Budget Comparison

	<u>2007 Budget</u>	<u>2006 Revised Budget</u>	<u>% Variance</u>
Labor	1,157,596	1,190,651	
Material & Supplies	181,800	157,800	
Other	35,020	24,900	
Professional Services	306,900	308,400	
Transportation & Freight	72,350	80,350	
Travel & Education	50,850	34,130	
Contract Services	<u>107,500</u>	<u>117,500</u>	
Total	\$1,912,016	\$1,913,731	-0.1%

Commercial Microwave Business 2007 Expense Budget



Commercial Microwave Business Expense Budget Comparison

	<u>2007 Budget</u>	<u>2006 Revised Budget</u>	<u>% Variance</u>
Revenue	385,000	250,000	
Labor	(8,098)	(15,274)	
Other	(41,317)	(63,818)	
Professional Services	<u>(12,500)</u>	<u>(2,500)</u>	
Total	\$323,085	168,408	91.8%



DISCUSSION