

Table 10
Savings and Financial Results of ML&P and Chugach Combinations

KEY RESULTS	Combination Cases						
	1	2	3	4	5	6	7
	MLP Acquires Chugach	Chugach Acquires ML&P	Private Entity Acquires Both	Govt Entity Acquires Both	New G&T (Govt Owned)	Joint Contracted Operations	Single Jointly- Owned Power Plant
Retail Rate Savings 2009-2020 (\$ millions)							
Savings (Increase) 2009-2020	\$172	(\$49)	(\$350)	\$206	\$30	\$97.0	\$86
Average % Savings (Increase)	6.5%	(1.9%)	(13.1%)	7.7%	1.1%	3.6%	3.2
Average Annual Savings (Increase)	\$14.4	(\$4)	(\$29)	\$17	\$2.5	\$8	\$5
Equity Reimbursements (\$millions)¹							
Chugach Members	\$159	n/a	\$159	\$159	\$44	-	-
Municipality of Anchorage	n/a	\$160	\$160	\$160	\$92	-	-
Acquisition Payment Method (\$millions)²							
Bonds Issued for Existing Debt	\$370	\$171	\$544	\$544	\$391	-	-
Bonds Issued for Equity Reimbursement	\$162	\$163	\$64	\$325	\$139	-	-
Cash/Equity Contribution	-	-	\$256	-	-	-	-
Total Acquisition Payment (\$millions)							
Total Acquisition Payment	\$532	\$334	\$864	\$869	\$530	-	-
Key Financial Metrics							
Average Debt/Equity Ratio	3.3	1.9	1.1	100% debt	100% debt	n/a	n/a
Average Times Interest Earned Ratio (TIER)	-	1.28	-	-	-	n/a	n/a
Average Debt Service Coverage Ratio	1.50	-	-	1.35	1.35	n/a	n/a
Weighted Average Cost of Capital	6.6%	8.1%	8.7%	5.1%	5.0%	n/a	n/a
End of Study Period (2020) Cash Balance (Mil \$s)	\$42	\$105	\$354	\$43	\$9	n/a	n/a

Notes:

¹Equity reimbursements are the principal amounts due to ML&P and Chugach.

²Acquisition payment reflects costs of bond issuance by purchasing entity to net the principal amount of equity due.