

ALASKA LEGISLATURE

HOUSE and SENATE FINANCE COMMITTEE FILES, 2005-2006 2777

Annual Report 2004

Alaska Village Electric Cooperative

Building a brighter future.



The new power plant and bulk fuel tank farm in Upper Kalskag, Alaska.

LETTER TO THE MEMBERSHIP

Annual Report for 2004

March 29, 2005

To our AVEC membership:

2004 was a satisfactory year, financially. Operating margins were about \$400,000 and non-operating margins were about \$1,400,000. We ended the year with \$1,800,000 in overall margins.

The very high cost of fuel in 2004 led to a 30% increase in our fuel expense. We paid \$7,000,000 for fuel in 2003 and \$9,500,000 in 2004. This cash outlay depleted our cash reserves to the lowest levels we have seen in ten years. Although our cash is low, we still have a very good cash ratio with our current assets at 5.4 times current liabilities. Due to our low cash position and the 2004 payment of \$500,000 to power plant operators for past service, the Board of Directors decided not to make a general capital credit distribution in 2004.

Our total utility plant investment at the end of the year was \$100,000,000 - \$6,000,000 more than the year before. No money was borrowed in 2004 from the Rural Utilities Service for this plant investment. As a result, our equity - the portion of our assets owned by our members - is 49.5% of our total assets.

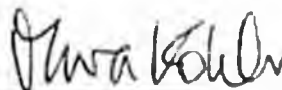
In 2004, AVEC was approved for another \$20,000,000 of grant funds for Denali Commission energy projects. This brings the total awarded to us by the Denali Commission to \$74,000,000. Last year we also were approved for a \$1,100,000 grant from the Rural Utilities Service for wind/diesel generation in Hooper Bay. Grants received in the last two years from other federal agencies now total \$3,800,000. To date, we have spent almost \$65,000,000 on Denali Commission projects, and have matched their grants with over \$7,000,000 of AVEC equity funds. We completed projects in Kalskag, Kaltag and Koyuk. We launched new major projects in Kasigluk, Nunapitchuk, Toksook Bay, Gambell and Savoonga in 2004. Interties are currently being built to connect Tununak and Nightmute to Toksook Bay.

Power Cost Equalization was funded at \$15,700,000 in 2004, which started out at about 8% below full funding. As the cost of oil rose over the summer, PCE levels were cut back several times, most recently to 65% of full funding. Governor Murkowski's proposed FY06 budget included full funding for PCE at \$20,700,000 but recent action by a House Finance subcommittee reduced that number back down to \$15,700,000. That equates to 75% of full funding, if fuel prices are the same as last year. Right now, fuel prices are again significantly higher than in 2004. AVEC has presented strong testimony to the House Finance Committee requesting restoration of the original funding level, but a lot of support will be necessary from rural Alaskans if this goal is to be achieved. AVEC continues its efforts to obtain federal funds to increase the value of the endowment fund so that it will be available for the foreseeable future.

On the good news front, we welcome the community of Teller to the AVEC cooperative family. Although the transfer is not 100% complete, AVEC has been the provider of electric service to Teller since January 1, 2005.



Robert L. Beans, Chairman of the Board



Meera Kohler, President and CEO

REPORT TO THE MEMBERSHIP

SCHOLARSHIPS AND YOUTH RALLY

The AVEC Board of Directors awarded scholarships totaling \$23,000 to students from our villages who sent in complete applications this year. Six students each received scholarships worth \$2,000, three students received \$1,000 and 17 students received \$500 each toward their higher studies. Students in the following villages were awarded financial help: Chevak; Eek; Emmonak; Holy Cross; Hooper Bay; Marshall; Mekoryuk; Mt. Village; New Stuyahok; Noatak; Nulato; Nunapitchuk; Old Harbor; Pilot Station; Russian Mission; Scammon Bay; Shaktoolik; St. Mary's; Togiak; and Toksook Bay.

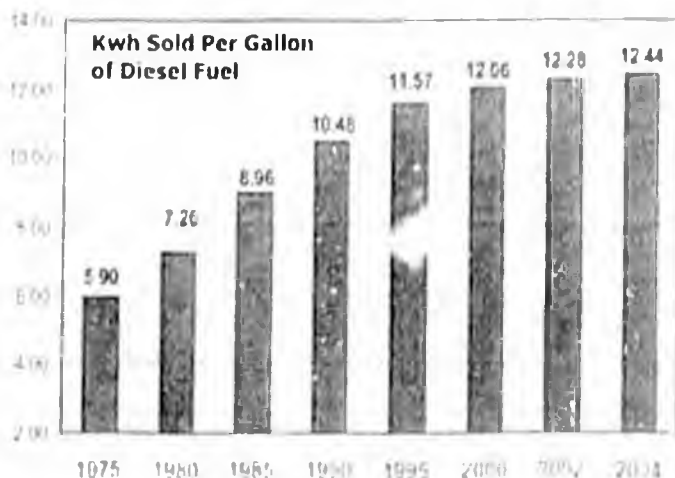
Last year the AVEC board of directors approved sending two high school students to participate in the Idaho Youth Rally; a week-long educational camp held each summer. Kelsey Ulak of Scammon Bay and Robert Lockwood of St. Michael were chosen to represent AVEC at this event.

CAPITAL CREDITS

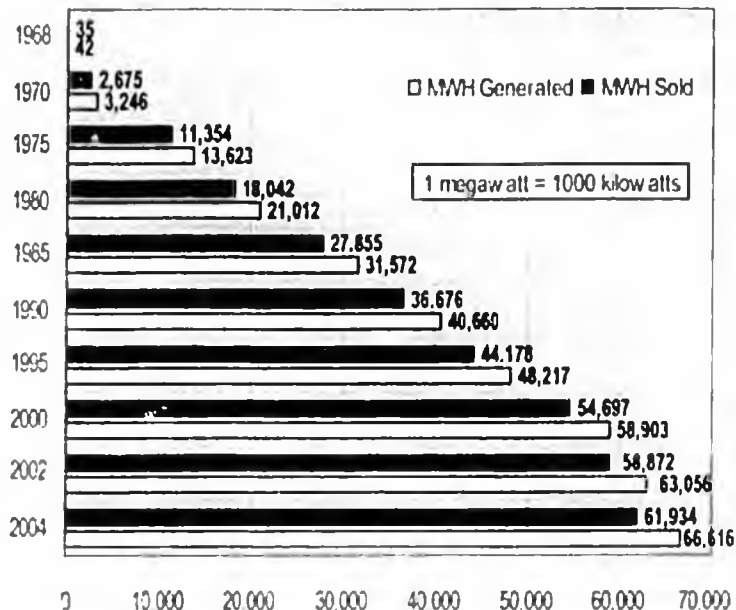
AVEC's Board of Directors approved the distribution of \$15,000 of the Cooperative's capital credits to deceased members' estates. AVEC is operated on a cooperative nonprofit basis for the mutual benefit of its patrons. Capital credits are distributed when a cooperative has margins in excess of their operating costs and expenses.

INCREASED FUEL EFFICIENCY

AVEC has shown a steady increase in fuel efficiency. This has been achieved by upgrading our engines and power plants and using new technology.



TOTAL MEGAWATT HOURS GENERATED AND SOLD



PLANT OPERATOR BENEFITS

In 2003 the AVEC board of directors authorized putting \$550,000 aside to distribute a pro-rated lump sum payment to past operators in lieu of retirement benefits. Checks totaling nearly \$550,000 were distributed in 2004. The amount of money each operator received was pro-rated based on their length of service. AVEC is working with the cities to get current power plant operators enrolled in the State PERS retirement program.

REGIONAL PLANT OPERATOR TRAINING

AVEC reinstated the Regional Power Plant Operator Training program in 2004, and around 30 operators attended training sessions held in Elim, Anvik, Selawik and Emmonak. Bad weather canceled Togiak's training session.

TOP 10 PLANT OPERATORS OF THE YEAR

Once again AVEC chose the Top 10 Plant Operators of the Year in order to reward the operators with the best performance for the year. The Top 10 Plant Operators receive a 3-in-1 winter jacket along with a cash bonus. Operators are selected based on some of the following criteria: responsiveness to requests for assistance; performing duties satisfactorily; keeping the daytank full of fuel; total hours of unscheduled power outages; keeping the plant clean; running the most efficient generator; and turning in completed paperwork.

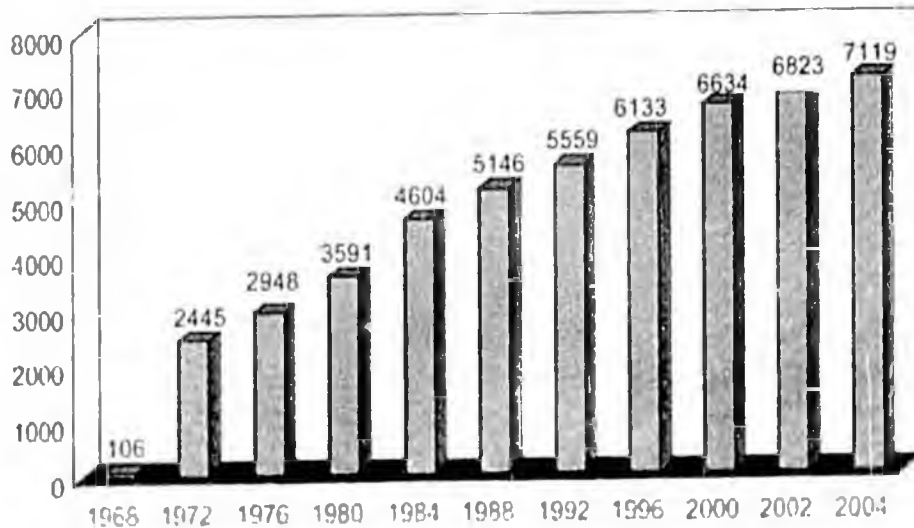
CONSUMERS

As of December 31, 2004

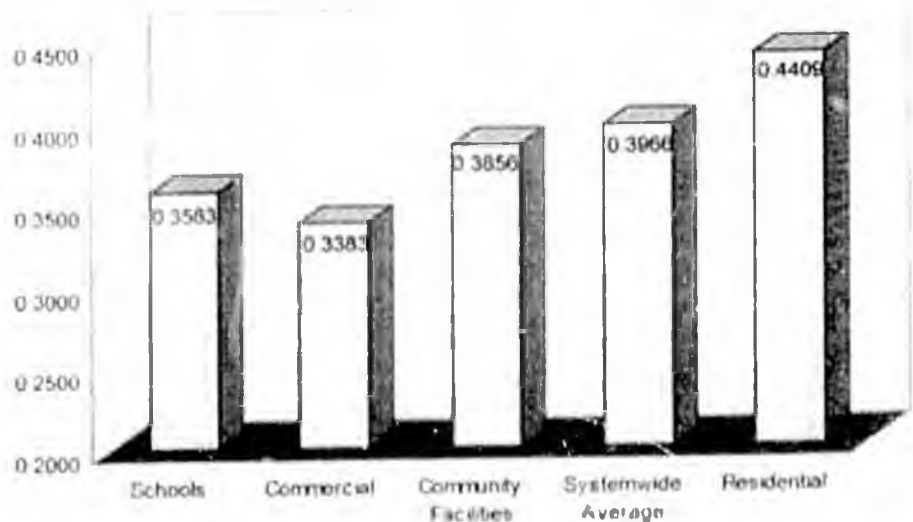
The system overall showed a 2% increase in consumers for the year. Thirty-two villages showed an increase in consumers, five remained the same and fourteen villages had slight decreases. The total number of consumers is a record high at 7,119.

Alakanuk	183	Holy Cross	101	Minto	106
Ambler	16	Hooper Bay	273	Mountain Village	233
Anvik	72	Huslia	128	New Stuyahok	134
Brevig Mission	102	Kaltag	100	Nightmute	69
Chevak	230	Kasigluk	141	Noatak	134
Eek	122	Kiana	160	Noorvik	180
Elim	125	Kivalina	104	Nulato	146
Emmonak	273	Koyuk	131	Nunapitchuk	158
Gambell	209	Lower Kalskag	100	Old Harbor	122
Goodnews Bay	98	Marshall	129	Pilot Station	161
Grayling	82	Mekoryuk	126	Pitkas Point	37
				Quinhagak	199
				Russian Mission	94
				St. Mary's/Andreafsky	247
				St. Michael	131
				Savoonga	207
				Scammon Bay	135
				Selawik	236
				Shageluk	60
				Shaktolik	80
				Shishmaref	189
				Shungnak	84
				Stebbins	162
				Togiak	274
				Toksook Bay	154
				Tununak	118
				Upper Kalskag	92
				Wales	72

CONSUMERS SERVED AT YEAR'S END



AVERAGE REVENUE PER KWH BY CONSUMER CLASS

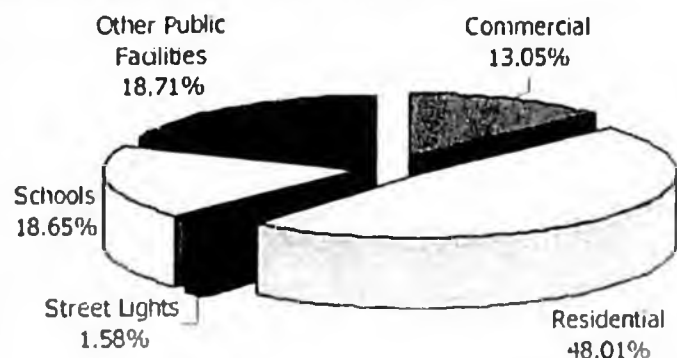


A Toksook Bay sunset.

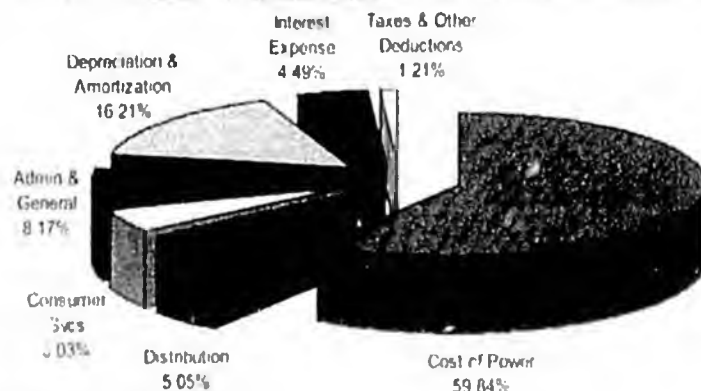


BALANCE SHEET

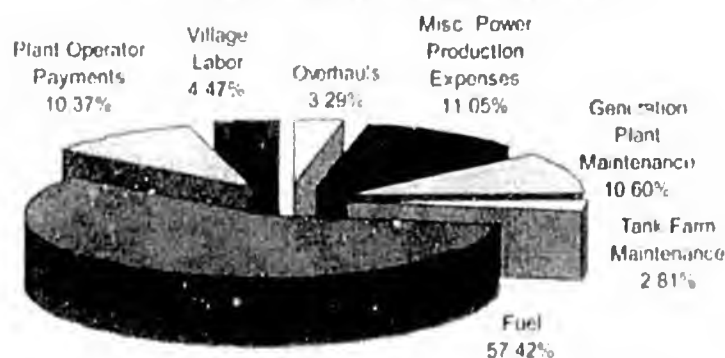
SOURCE OF ELECTRIC REVENUE



TOTAL COST OF SERVICE BY ITEM



POWER PRODUCTION EXPENSES



ASSETS

	12/31/04	12/31/03
Total Utility Plant	\$100,888,041	\$93,864,668
Accumulated Provision for Depreciation	59,481,331	55,793,606
Net Utility Plant	41,406,709	\$38,071,062
Other Property & Investments	5,340,312	4,952,432
Current & Accrued Assets	17,168,667	18,071,731
Deferred Debits	34,200	116,958
TOTAL ASSETS	\$64,249,891	\$61,212,183

LIABILITIES

Equities	\$31,715,788	\$30,016,563
Long Term Debt	28,994,441	28,865,407
Current & Accrued Liabilities	3,253,574	2,125,843
Deferred Credits	206,088	204,370
TOTAL LIABILITIES	\$64,249,891	\$61,212,183
Equities As Percent Of Assets	49.5%	49%

STATEMENT OF OPERATIONS

	12/31/04	12/31/03
Operating Revenue	\$24,681,763	\$23,860,270
Cost of Power	14,526,840	\$13,622,021
Distribution Expense	1,226,648	1,189,912
Customer Expense	1,221,120	1,127,500
Administrative & General Expense	1,983,386	1,864,488
Depreciation & Amortization Expense	3,936,052	3,948,753
Interest Expense	1,090,579	1,142,450
Taxes & Other Deductions	292,719	293,302
TOTAL COST OF ELECTRIC SERVICE	\$24,277,344	\$23,188,432
Operating Margin	404,419	671,838
Interest Income	496,746	731,880
Other Non-Operating Income	905,198	567,688
TOTAL MARGIN (OR LOSS)	\$1,806,363	\$1,971,406

NEW POWER PLANTS AND TANK FARMS

AVEC completed construction of three new modular-style power plants and bulk fuel tank farms in Kalskag, Kaltag and Koyuk last year. The communities of Toksook Bay, Gambell and Savoonga also received new bulk fuel tank farms. Site preparation and/or construction started on new power plants in Toksook Bay, Gambell and Nunapitchuk; wind generation projects in Gambell and Savoonga; and tielines between the communities of Toksook Bay/Tununak and Kasigluk/Nunapitchuk. These photos show some of the major projects funded by the Denali Commission. Other projects funded include overhead conversions and installation of new energy-efficient diesel engines.



Cranes lift tanks into the new tank farms, like this one at Toksook Bay.



Before (left) and after (right) photos of the old and new power plant and tank farm at Kaltag. This project also included a new fuel fill line and heat recovery system.



The photo above shows the land that was cleared and prepared for building the new power plant, tank farm and fuel fill line at Kaltag.



Kalskag's new power plant and bulk fuel tank farm.

Karl Haddow took this photo of a grizzly bear that appeared near the new Kaltag power plant.



Koyuk's new power plant and bulk fuel tank farm.



Local residents like this crew in Koyuk are trained and hired to work on the construction of the bulk fuel tank farms and power plants.



AVEC MEMBERS AND EVENTS



Extreme Weather Conditions

Extreme weather conditions are just one challenge AVEC faces in providing reliable power to our members. Once again, powerful fall storms pounded Alaska's western coastal areas and caused damage in numerous AVEC communities. After the fall storms cease, winter comes along bringing strong winds that cause snowdrifts to build up and almost bury homes and other buildings, including some of our older-style power plants.



Kivalina photo credits: Patrick Hughes (top) and Sam Lindquist.

Community Events

Goodnews Bay residents had fun participating in spring clean up and 4th of July activities last year.



Local Residents Trained and Hired



Kasigluk youngsters watched the welding students during training.



AVEC places an emphasis on training and hiring local residents to help with our improvement projects. Since 2001, 48 consumers received training as welders, heavy equipment operators or mechanics, and 46 trainees were hired. Denali Commission-funded projects occurred in 17 communities so far, resulting in 110 local jobs, for an overall local hire rate of 64%!



Clifford Semaken and Norman Madros, Jr. of Kaltag.

Locals worked on Toksook Bay's new bulk fuel tank farm.



Gambell's Busy Beach

The beach at Gambell was busy again this summer, as construction crews moved tanks for the new bulk fuel tank farm that were dropped off



by barge. The previous summer a bulk fuel pipeline that starts at the beach was built. The photo below shows residents carving up a whale they harvested.



Sven Haakanson, Sr. Memorial Potlatch

Family and friends of Sven Haakanson, Sr. gathered in Old Harbor on July 8 to dedicate the airport in his name and hold a memorial potlatch. Perry Eaton made a memorial mask that was burned in a traditional ceremony to honorably let Sven's spirit go.



AVEC Board of Directors



Charlie Curtis
Vice-Chairman
Kiana



Walter Sampson
Treasurer
Noorvik

Gambell

Savoonga

Nome

Koyuk

Galena



Helena Jones
Member
Ambler

Minto

Emmonak
Alakanuk

Stebbins

St. Michael

McGrath

330 Miles

Scammon Bay
Hooper Bay

St. Marys
Pilot St.
Chevuk

Grayling

Anvik



Julia Walker
Secretary
Anvik



Meera Kohler
President & CEO

Tununak
Toksook Bay

L/U Kalskag
Nunapitchuk

Marshall

Holy Cross

Passan Mission

Aniak

Bethel

398 Miles



Robert Beans
Chairman, Mt. Village

Eek

Quinhagak

Goodnews Bay

Togalak

New Stuyahok

Dillingham

332 Miles

Anchorage

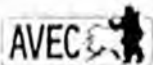
252 Miles

Kodiak

Old Harbor



Phyllis Clough
Member
Old Harbor



Alaska Village Electric Cooperative
4831 Eagle Street; Anchorage, AK 99503
(907) 561-1818 • www.avec.org



Power Cost Equalization Program Guide

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Throughout this publication, the following abbreviations and terms are used:

- AEA: Alaska Energy Authority
- RCA: Regulatory Commission of Alaska
- kWh: Kilowatt-hour
- PCE: Power Cost Equalization
- PCE LEVEL: Amount payable per eligible kWh, expressed in cents.

INTRODUCTION

The State of Alaska's Power Cost Equalization program has been helping rural electric utility customers by paying part of their electricity costs since 1985. Prior to that time, the Power Production Assistance Program (1980) and the Power Cost Assistance Program (1981) were in effect.

The goal of the PCE program is to provide economic assistance to customers in rural areas of Alaska where, in many instances, the kilowatt-hour charge for electricity can be three to five times higher than the charge in the more urban areas of the State. For example, in 2003, while the average energy rate paid by residential customers in Anchorage, Fairbanks and Juneau was 10.57 cents/kWh, comparable and typical rates in rural communities before PCE credit were:

Cold Bay 42.46¢/kWh Fort Yukon 33.48¢/kWh

Elim 40.21¢/kWh Unalaska 22.36¢/kWh

PCE is the core element to insure the financial viability of centralized power generation in rural communities, and therefore increase the standards of living through the availability of communications, lighting, and the operation of a variety of infrastructures, including water and sewer systems, incinerators, etc.

State funds are appropriated by the Legislature for the PCE program each year and are paid to utilities on behalf of eligible customers. The cost of this statewide program in FY03 was \$15.5 million which provided assistance to 188 rural communities with a total population of about

79,229. The Regulatory Commission of Alaska and the Alaska Energy Authority administer the PCE Program.

The Legislature has established functions for each agency by statute. AS 42.45.100-170 governs RCA and AEA program responsibilities. RCA determines if a utility is eligible to be in the program and calculates the amount of PCE per kWh payable to the utility. AEA determines the eligibility of the community facilities and of other customers and authorizes payment to the electric utility. The utility is required to reduce each customer's bill by the amount that the State pays for PCE.

This publication offers a general description of the PCE program. Further information on any aspect of the program is available from:

Alaska Energy Authority
813 West Northern Lights Blvd.
Anchorage, AK 99503
Telephone: (907) 269-3000
Toll Free (Alaska Only) 1-888-300-8534
Fax: (907) 269-3044

Regulatory Commission of Alaska
701 West 8th Avenue, Suite 300
Anchorage, AK 99501
Telephone: (907) 276-6222
Fax: (907) 276-0160

FY 2003 PCE Program Participating Utilities

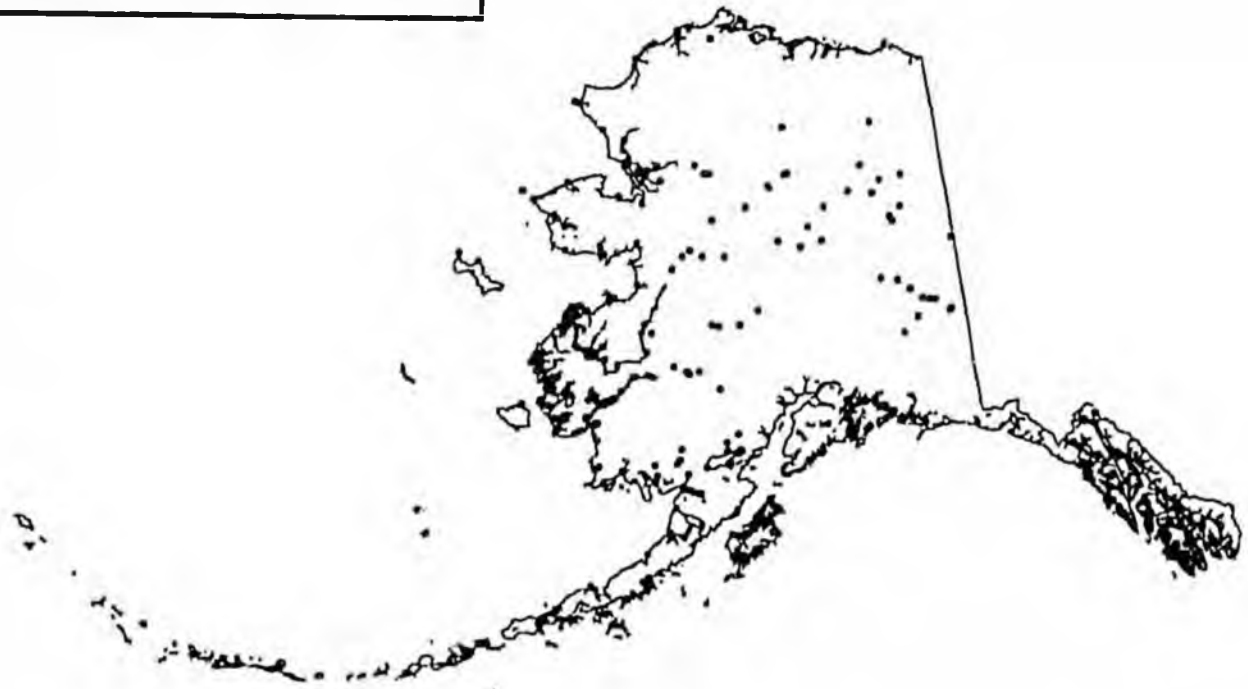
Akhlok, City of		Alutiq Power Company
Akiachak Ltd.		Karluk
Aklak, City of		Andreanof Electric
Akutan Electric Utility		Alka
Alaska Power Company		Aniak Light & Power Company
Aiatna/Aliakaket	Hydaburg	Atmautluak Tribal Utilities
Bettles/Evansville	Klawock	Boavor Joint Utilities
Chistochina	Mentasta	Bethel Utilities Corporation
Coffman Cove	Naukaii	Bethel/ Oscarville
Craig	Northway.	Buckland, City of
Dot Lake	Northway/Village	Central Utilities, Inc.
Eagle/Eagle Village	Skagway	Chaikyltsik Village Energy System
Haines/(Cov. Life	Tellin	Chenega Bay IRA Village Council
& Mosquito Lake)	Thome Bay/	Chignik Electric
Healy Lake	Kassan	Chignik Lagoon Power Utilit-
Hollis	Tok	Chignik Lake Electric
	Whale Pass	Chitna Electric Inc.
		Circle Electric Inc.
Alaska Village Electric Coopera-		Cordova Electric Cooperative Inc.
live		Cordova Eyak
Aakanuk	Nightmute	Diomedea Joint Utilities
Ambler	Noatak	Egegik Light & Power Company
Andreafsky	Noorvil:	Ekwok Electric
Anvik	Nulato	Elfin Cove Electric Utility
Brevig Mission	Nunapitchuk	False Pass Electric Association
Chevak	Old Harbor	G & K Inc.
Eek	Pilot Station	Cold Bay
Elim	Pitka's Point	Galena, City of
Emmonak	Quinhagak	Golovin Power Utilities
Gambell	Russlan Mission	Gustavus Electric Company
Goodnews Bay	Savoonga	Gwltchyya Zheo Utilities
Grayling	Scammon Bay	Fort Yukon
Holy Cross	Selawik	Hughes Power & Light
Hooper Bay	Shageluk	Igluglg Electric Company
Huslia	Shaktoolik	I-N-N Electric Cooperative
Katag	Shishmaref	Iliamna
Kasigluk	Shungnak	Newhalen
Kiana	Saint Mary's	Nondalton
Kivalina	Saint Michael	Ipnachlaq Electric Company
Koyuk	Stebbins	Deering
Lower Kalskag	Togalak	King Cove, City of
Marshall	Toksook Bay	Kipnuk Light Plant
Mekoryuk	Tununak	Kobuk Valley Electric Cooperative
Minto	Upper Kalskag	Kokhanok Village Council
Mountain Village	Wales	Kollganok Village Council
New Stuyahok		Kotlik Electric Service

FY2003 PCE Program Participating Utilities

Kotzebue Electric Association Inc.
 Kotukuk, City of
 Kwethluk, Inc.
 Kwig Power Company
 Kwiggillingok
 Larsen Bay Utility Company
 Levelock Electric Cooperative
 Lime Village Power System
 Manley Utility Company
 Manokotak Power Company
 McGrath Light & Power
 Middle Kuskokwim Electric Coop.
 Chuathbaluk Sleotmute
 Crooked Creek Stony River
 Red Devil
 Naknek Electric Association Inc.
 King Salmon South Naknek
 Naknek
 Napaklak Ircinraq Power Company
 Napaklak Electric Utility
 Naterkaq Light Plant
 Chyomak
 Nelson Lagoon Electric Cooperative
 Nikolai Light & Power Utility
 Nome Joint Utility System
 North Slope Borough
 Anaktuvuk Pass Point Lay
 Atkasuk Nulqsut
 Kaktovik Wainwright
 Point Hope Nuiqsut
 Nunam Iqqa Electric Company
 Nushagak Electric Cooperative Inc.
 Alaknegik Dillingham
 Ouzinkie, City of
 Pedro Bay Village Council
 Perryville, City of
 Pilot Point Village Council
 Platinum, City of
 Port Helden, City of
 Puvurnaq Power Company
 Kongiganak
 Ruby, City of
 Sand Point Electric Inc.
 St. George Municipal Electric Utility
 St. Paul Municipal Electric Utility
 Takotna Community Association
 Tanalian Electric Cooperative
 Port Alsworth
 Tanana Power Company
 Tatitlek Electric Utility
 Teller Power Company
 Tenakee Springs Electric Utility
 Tilting-Hai'a Regional Electric
 Authority
 Angoon Klukwan
 Chilkat Valley Kake
 Hoonah Whitestone
 Tuluksak Traditional Council
 Tuntutullak Community Service
 Assn.
 Twin Hills Village Council
 Umnak Power Company
 Nikolski
 Unalakleet Valley Electric Coopera-
 tive
 Unalaska Electric Utility
 Urganraq Power Company
 Newtok
 Venetie Village Electric
 White Mountain, City of
 Yakutat, City of

**Power Cost Equalization Program
Participating Communities**

7



FREQUENTLY ASKED QUESTIONS AND ANSWERS

ARE ALL ELECTRIC UTILITIES IN THE STATE ELIGIBLE FOR PCE?

No. The PCE program is for electric utilities that have high costs, that had a minimal level of residential use in 1983, and that used diesel fuel for most of their power generation in 1984. The Railbelt electric utilities, the electric utility in Juneau and those utilities that receive electric power from the Four Dam Pool facilities (Ketchikan, Wrangell, Petersburg, Kodiak, Glennallen, Valdez) are not eligible for PCE assistance.

HOW DO ELECTRIC UTILITIES PARTICIPATE IN THIS PROGRAM?

An electric utility sends a request to RCA to participate in the PCE program. If RCA determines that a utility is eligible, the utility provides information to RCA for determination of the PCE level. RCA's staff assists the utilities in locating and identifying the required information.

WHAT INFORMATION MUST A UTILITY PROVIDE TO RCA TO DETERMINE THE PCE LEVEL?

The utility must provide the RCA its costs for a specific time period, usually a year. The utility must also report how many kilowatt hours have been generated and sold during the same time period, as well as how many gallons of fuel it took to produce the kilowatt hours generated.

WHAT HAPPENS IF A UTILITY DOES NOT SUBMIT ALL THE INFORMATION NEEDED BY RCA TO DETERMINE THE PCE LEVEL?

If a utility does not submit all the information required to determine the PCE level, or if RCA believes there are reasons to question some of the financial information provided, it will determine an Interim & Refundable PCE level. If RCA approves a permanent PCE level that is lower than the Interim & Refundable PCE level, the utility will have to refund the excess PCE payments it received back to AEA. The utility may collect back from its customers, any overpayment that was made. If RCA approves a permanent PCE level that is higher than the Interim & Refundable PCE level, the utility will have forfeited the additional PCE credit it would have received if the filing had been complete and timely.

A utility may also incur a refund situation if it does not notify the RCA of a change in the cost of fuel at the time the change occurs, or a change in their rates.

IF A UTILITY RECEIVES OTHER KINDS OF ASSISTANCE, IS THE PCE CALCULATION AFFECTED?

Yes. The program legislation requires that if a utility receives other assistance that reduces its rates on a kWh basis, the cost calculation to determine the PCE level will be reduced by that amount.

ARE THERE OTHER REQUIREMENTS THAT A UTILITY MUST MEET IN ORDER TO BE IN THE PCE PROGRAM?

An electric utility is required to install and maintain necessary metering equipment. The statute also requires a utility to use energy conservation measures when and where possible, and to determine if it can generate electricity with fuel other than diesel.

3 AAC 107.240 (E) states that "An eligible electric utility shall organize and maintain, in accordance with standard accounting practices, the accounts of its electric fund as a separate accounting entity in a self-balancing set of account that includes the assets, liabilities, balance, revenue, and expenses of the electric fund.

Additionally, the utility must file monthly reports with AEA in order to receive payment; it must maintain good administrative practices and keep records of its costs and revenues. Upon request, the records of the utility are to be made available to AEA and RCA.

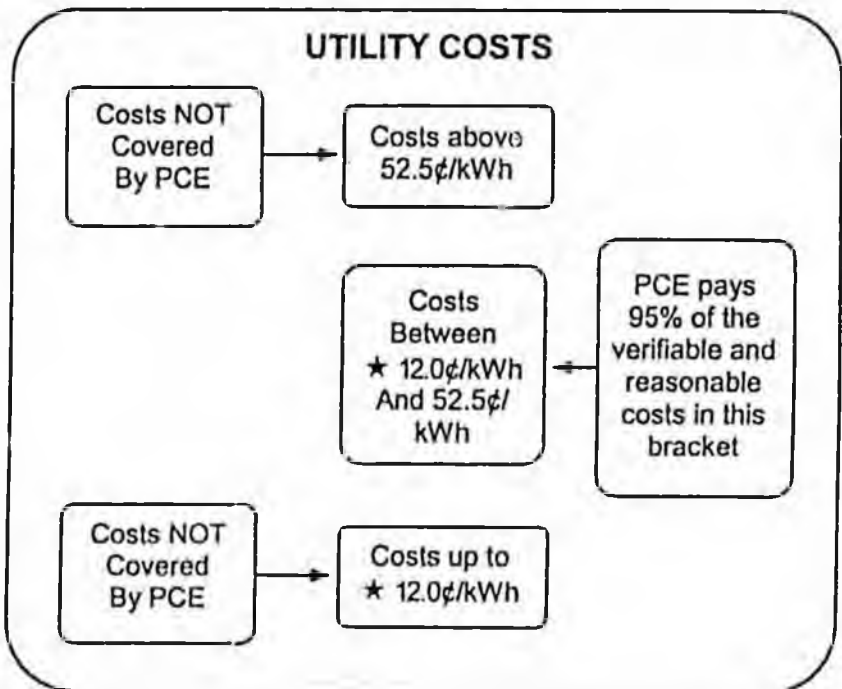
IF A UTILITY PARTICIPATES IN THE PCE PROGRAM, DOES THIS MEAN RCA WILL ALSO REGULATE THE RATES THE UTILITY CHARGES ITS CUSTOMERS?

Not necessarily. If a utility has annual revenues of more than \$50,000, it may be subject to rate regulation. Non-regulated utilities are not subject to rate regulation. Both regulated and non-regulated utilities are required to have a Certificate of Public Convenience and Necessity issued by RCA in order to operate and charge for its services.

HOW IS THE PCE LEVEL DETERMINED?

PCE is computed on a kWh basis for each rate schedule. Different classes of customers, such as residential and community facilities, may have different PCE levels.

A formula is used to determine PCE levels: 95% of a utility's costs between ★ 12.0¢/kWh and 52.5¢/kWh are used to calculate the PCE level. If costs are below ★ 12.0¢/kWh, they are not eligible for PCE. If the eligible costs are more than 52.5¢/kWh, the maximum PCE level is 38.48¢/kWh ($52.5¢ - ★ 12.0¢/kWh = 40.5¢/kWh \times 95\% = 38.48¢$).



★ Base may vary on annual basis, per AS 42.45.110(c)(2).

WHAT DOES RCA CONSIDER TO BE REASONABLE COSTS WHEN IT DETERMINES THE PCE LEVEL?

The PCE level is determined by using only necessary and reasonable costs that can be verified by RCA. The program statutes require the RCA to eliminate any duplicative or unnecessary costs from the PCE level calculation. The utility's profit is not included when determining the PCE level.

There are two categories of costs used in determining the PCE level:

- Fuel expenses: the costs of fuel, including transportation.
- Non-fuel expenses: costs such as salaries, insurance, taxes, power plant parts and supplies, interest and other reasonable costs.

The procedures followed by RCA to establish PCE levels for regulated or unregulated utilities are comparable. For a regulated utility, the costs allowed to determine the PCE level are the same, except for profit, as those used to determine the utility's rate.

For an unregulated utility, RCA does not establish the utility's rates. However, to determine the PCE level, it allows expenses comparable to those included in rates of regulated utilities.

For Example:

A utility may not include in its rates, depreciation expenses on facilities unless those facilities have been purchased by the utility. If a utility has been provided with a generator purchased with grant money, the depreciation expense for that generator is not allowed in the PCE level calculation of that utility.

ARE THERE ESTABLISHED STANDARDS FOR UTILITY EXPENSES?

Yes. RCA has established minimum generation efficiency standards. The standards require that a utility's fuel expense be calculated as if the generation system produced at least the minimum number of kWh for each gallon of fuel.

As indicated by the following charts, the standards are based on size, with larger utilities that sell more kilowatt hours having higher standards than smaller utilities that sell less kilowatt hours.

For Example:

A utility that relies on all diesel generation sells fewer than 100,000 kWh annually, and sells 5.5 kWh for each gallon of fuel consumed. In calculating the PCE level for this utility, RCA would calculate fuel costs as if the utility sold 8 kWh for each gallon of fuel consumed. This means the PCE level would be lower than a level based on actual fuel costs.

The current standards established by regulation are:

Minimum efficiency standards for utilities that rely on all-diesel generation measured in kWh sold per gallon consumed with classification by annual kWh sales

<u>Effective Date</u>	<u>Less than 100,000</u>	<u>100,000 to 499,999</u>	<u>500,000 to 999,999</u>	<u>1,000,000 to 9,999,999</u>	<u>More than 10,000,000</u>
10/1/03	8 kWh/gal	9 kWh/gal	10 kWh/gal	11 kWh/gal	12 kWh/gal

Minimum efficiency standards for utilities that do not rely on all-diesel generation measured in kWh generated per gallon consumed with classification by annual kWh generated

<u>Effective Date</u>	<u>Less than 100,000</u>	<u>100,000 to 499,999</u>	<u>500,000 to 999,999</u>	<u>1,000,000 to 9,999,999</u>	<u>More than 10,000,000</u>
10/1/03	8.5 kWh/gal	10 kWh/gal	11 kWh/gal	12 kWh/gal	13 kWh/gal

WHAT ASSISTANCE IS AVAILABLE TO A UTILITY TO MEET THESE STANDARDS?

Efficiency improvement assistance such as general engineering and technical support for system upgrades, including the analysis of systems to determine appropriate efficiency improvements is available through AEA. Funding may be available through the Power Project Fund, Rural Power System Upgrades, or Bulk Fuel Systems. To receive more information on these programs, contact the Alaska Energy Authority.

IF THE RATE OF ONE UTILITY IS HIGHER THAN THE RATE OF ANOTHER UTILITY, WILL THEIR PCE LEVELS BE DIFFERENT?

Probably, but not necessarily. In general, the higher the costs to produce electricity, the higher the utility's rates. However, there are many different ways a utility may charge its customers for electricity.

For Example:

Some utilities charge all customers the same amount for each kilowatt hour sold.

Some utilities divide their customers into "classes," such as residential and commercial, and charge different rates to each class. In some instances different rates are charged within a class.

Utilities may further divide customer class into subclasses, determined by electric usage. However, each customer in each subclass is charged the same rate.

Different approaches to designing rates mean that two utilities with the same costs per kWh may charge different rates to their customers. Since PCE levels are based on a utility's rates or costs, whichever is less, two utilities with the same costs could receive the same PCE level for each kWh even if they had different rates.

ARE ALL UTILITY CUSTOMERS ELIGIBLE TO RECEIVE PCE CREDIT? HOW MUCH?

The statute excludes from PCE, State and Federal offices and facilities, as well as commercial customers. All other utility customers are generally eligible to receive PCE credits, within the following statutory limits:

- Residential customers are eligible for PCE credit up to 500 kilowatt hours per month per customer;
- Community facilities, as a group, can receive PCE credit for 70 kWh per month multiplied by the number of residents in the community.

All eligible customers, including community facilities, must pay to the utility at least ★ 12.0¢ for every kWh eligible for PCE assistance, plus any difference between the PCE level per kWh and the rate charged by the utility. Customers must also pay to the utility the full rate for all kWh used in excess of those eligible for PCE. Customers receiving donated or unbilled power are not eligible for PCE.

★ Base may vary on annual basis, per AS 42.45.110(c)(2).

WHAT PART OF A RESIDENTIAL CUSTOMER'S BILL IS ELIGIBLE FOR PCE CREDIT?

A residential customer will only receive PCE credit for up to 500 kWh per month.

For example:

If a customer used 400 kWh in one month, and the utility charges 50¢/kWh, and the approved PCE level is 37¢/kWh;

Then the customer's bill would be calculated as follows:

400 kWh x 50 cents/kWh =	\$200.00
<i>minus PCE credit:</i>	
400 kWh x 37 cents/kWh =	\$148.00
the customer pays	\$ 52.00

Another example is:

If a customer used 800 kWh in one month, and the utility charges 50¢/kWh, and the approved PCE level is 37¢/kWh;

Then the customer's bill would be calculated as follows:

800 kWh x 50 cents/kWh =	\$400.00
<i>minus PCE credit:</i>	
500 kWh x 37 cents/kWh =	\$185.00
the customer pays	\$215.00

WHAT IS A COMMUNITY FACILITY CUSTOMER?

The PCE statute defines a community facility as a water, sewer or charitable educational facility, public outdoor lighting, or a community building whose operation is not paid for by the state or federal government or by a private commercial organization. A community building is further defined as a community facility that is not operated for profit, and that is open to the general public. AEA determines the community buildings that may be included in this class of customers based upon information provided by the utility and the facility owner.

DOES A COMMUNITY FACILITY CUSTOMER RECEIVE PCE FOR ALL THE KILOWATT HOURS IT USES?

Yes, in most cases. For customers designated as community facilities, the statute sets a total limit on the number of kilowatt hours eligible for PCE within each community. The monthly limit for all community facilities in a community is calculated by multiplying the number of residents in the community, determined by the Department of Community and Economic Development, by 70 kWh. In most communities, the group monthly limit is not reached.

For Example:

If the total kWh usage of all community facilities in one community is 5,000 kWh in one month,

And there are 50 residents in the community.

Then the utility would receive PCE for only 3,500 kWh
(70 kWh x 50 residents = 3,500 kWh).

The remaining 1,500 kWh are not eligible for PCE.

WHAT HAPPENS AFTER RCA APPROVES A PCE LEVEL?

RCA notifies the utility and AEA of the PCE level. Then the utility computes the customer's bill for the total electricity used during the month, subtracts the amount to be paid by the PCE program, and charges the customer the difference. The PCE statute requires that the customer is notified of the PCE credit with every bill.

HOW DOES THE UTILITY RECEIVE PCE PAYMENTS FROM AEA?

The utility files a PCE Utility Monthly Report with AEA which shows the kilowatt hours eligible for PCE payments. This report also contains other utility data as required by AEA. The utility also must submit a copy of its monthly records supporting the eligible kWh usage. This back-up data documents in summary for each customer: the kWh consumption, gross billed, kWh eligible for PCE credit; the dollar amount of PCE credit given, the net amount due for that month, payments made by the customer during that month and the total amount due.

The information provided with the monthly report is used to verify compliance with the program requirements.

WHAT HAPPENS IF A UTILITY DOES NOT SUBMIT ALL THE INFORMATION NEEDED BY AEA TO AUTHORIZE PAYMENT?

If a utility does not submit all the information in the monthly report required to authorize payment, or if AEA believes there are reasons to question some of the information provided,

AEA will work with the utility to resolve the problem. However, if the utility does not provide evidence to support its claim, AEA may suspend payment of PCE assistance in full or in part, as applicable, until the problem is resolved.

UNDER WHAT OTHER SITUATION MAY AEA WITHHOLD PCE PAYMENTS?

3 AAC 107.240 (f) states that "An eligible electric utility shall make its records available to the authority and the commission within 60 days after receipt of a request to do so. "

AEA may also withhold payment at the request of RCA, if the utility has not submitted its annual update filing. Payment will resume when the required filing is received by the RCA.

HOW DOES A UTILITY'S PCE LEVEL CHANGE?

A regulated utility must obtain RCA's approval to change any rate it charges to its customers. It's PCE level may be adjusted when a change to the utility's rates are approved by RCA.

An unregulated utility does not have to have approval by RCA to change any of its rates. In addition to providing financial information to justify changes in its PCE level, an unregulated utility must file information annually with RCA to support that its existing PCE level is correct.

The utility is also required to send a fuel price change form to RCA whenever fuel is purchased for the utility. The utility must also report to the RCA, any change in it's rates.

WHAT HAPPENS IF THERE IS NOT ENOUGH MONEY TO FUND THE PCE PROGRAM?

If there are not enough funds to pay for the cost of the program in a given fiscal year, the PCE levels must be reduced. AEA notifies RCA that it has determined there is not enough money to fund the program, identifies the pro-rata reduction needed, and when it must be implemented. The RCA proportionately changes the PCE level for each utility in the program, and notifies the utility of the change.

For Example:

In February, AEA determines that PCE monies will not last through the fiscal year (June 30). It notifies RCA that, to keep some level of funding for the entire year for all participating utilities, a reduction of 10% in all PCE levels must take place effective in May. RCA issues a notice to participating utilities.

IS THERE TRAINING AVAILABLE ON THE PCE PROGRAM?

Yes. AEA, with assistance from RCA, may provide training to staff of a participating utility and take part in workshops that address all aspects of the PCE program. Individuals or utilities interested in training may call AEA.

**State of Alaska Statute
Index**

Power Cost Equalization Program

Section 42.45.070

Power cost equalization endowment fund established.

Section 42.45.080

Powers and duties of the commissioner of revenue.

Section 42.45.085

Use of the power cost equalization fund.

Section 42.42.099

Definition

Section 42.45.100

Power cost equalization and rural electric fund.

Section 42.45.110

Entitlement to power cost equalization.

Section 42.45.115

Exclusion from eligibility.

Section 42.45.120

Notice to customers.

Section 42.45.130

Cost minimization

Section 42.45.140

Customer petitions.

Section 42.45.150

Definitions for AS 42.45.100—42.45.150

Section 42.45.160

Adjustments to power cost equalization

Section 42.45.170

Equalization assistance to unregulated utilities.

**Alaska Energy Authority
Regulation
Index**

Power Cost Equalization Program

- 3 AAC 107.200**
Technical requirements; metering.
- 3 AAC 107.210**
Overpayments.
- 3 AAC 107.220**
Power cost equalization pro-rata reduction.
- 3 AAC 107.230**
Exclusions from power cost equalization.
- 3 AAC 107.240**
Reporting and recordkeeping requirements.
- 3 AAC 107.250**
Power cost equalization and the commission.
- 3 AAC 107.260**
Standards for customer eligibility.
- 3 AAC 107.270**
Definitions.

As of 4/04, there are pending regulations changes to the Power Cost Equalization Program that may, or may not be adopted.

**Regulatory Commission of Alaska
Regulation
Index**

Power Cost Equalization Program

3 AAC 52.600

Applicability, purposes, and waiver.

3 AAC 52.610

Computation of power cost equalization.

3 AAC 52.620

Generation efficiency and line loss standards.

3 AAC 52.630

Standards for non-fuel costs.

3 AAC 52.640

Adjustments to power cost equalization.

3 AAC 52.650

Processing of power cost equalization requests.

3 AAC 52.660

Annual filing requirements.

3 AAC 52.670

Other requirements.

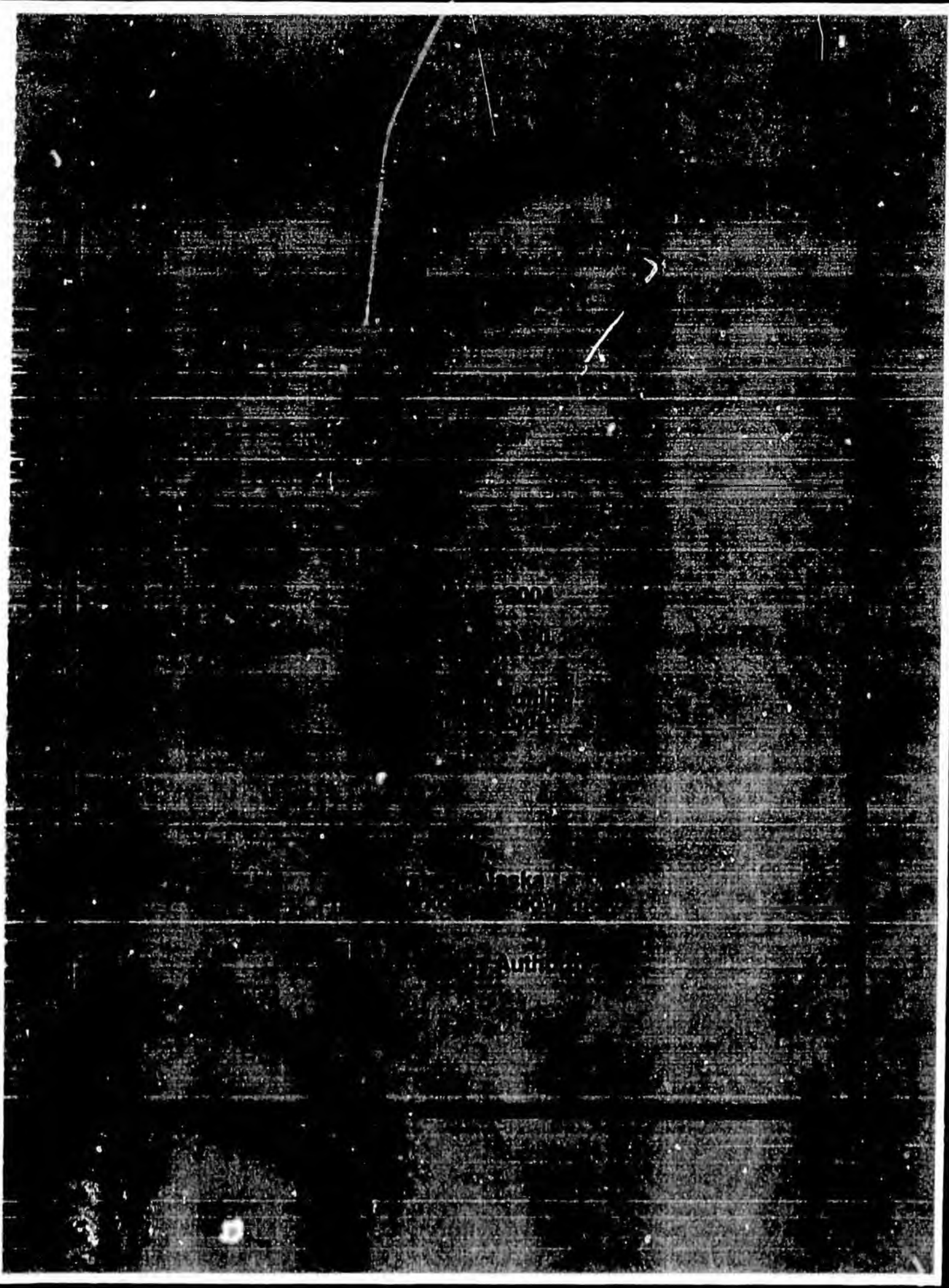
3 AAC 52.680

Effect on power cost equalization for non-compliance.

3 AAC 52.690

Definitions.

As of 4/04, there are pending regulations changes to the Power Cost Equalization Program that may, or may not be adopted.





December 2004

Executive Director's Statement:

This report provides statistical data on the Power Cost Equalization (PCE) program for the fiscal year ended June 30, 2004.

The cost of electricity for customers in rural parts of Alaska is generally from three to five times higher than for customers in more urban areas of the State. PCE provide assistance to the customers of rural electric utilities by paying part of their electricity costs. Thus, it ultimately insures the viability of the local utility and the availability of reliable centralized power. About 79,000 people live in the 181 communities that participated in the PCE program in 2004.

The FY04 appropriation allowed for PCE payments at the 92% level during the first three (3) months, 83% level for the next six (6) months, 75% level for the next two (2) months, and 63% level for the last month of the program year. Disbursements totaled approximately \$15.6 million.

The FY04 report may be accessed via our web site at www.aidea.org. Printed and electronic copies of this report, or similar information on prior years, can be obtained by calling my office at (907) 269-3000.

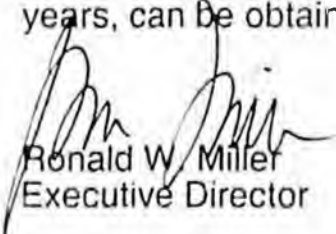

Ronald W. Miller
Executive Director

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The Alaska Energy Authority complies with Title II of the Americans with Disabilities Act of 1990. This publication is available in alternative communications formats upon request. Please contact the Authority at (907) 269-3000 to make any necessary arrangements.

Data for the Power Cost Equalization Annual Statistics comes from utility monthly PCE reports submitted by participating utilities/communities. Alaska Energy Authority staff reviews the report for completeness, otherwise, data submitted by the utilities/communities is not altered.

Data for prior fiscal years does not include data collected after the publication of the PCE Annual Statistics Report for that fiscal year. Data for this fiscal year reflects only those reports that have been processed prior to the close of the internal review period.

**Power Cost Equalization (PCE) Program
Participating Communities**



FY04 PCE Program Participating Utilities

Aklachak Native Community	Chitina Electric Inc.	Naterkaq Light Plant
Akiak, City of	Circle Electric Utility	Chefornak
Akutan Electric Utility	Cordova Electric Co-op	Nelson Lagoon Electric Cooperative
Alaska Power Company	Diomedea Joint Utilities	Nikolai Light & Power
Allakake/Alatna Hydaburg	Egegik Light and Power	Nome Joint Utility System
Bettles/Evansville Klawock	Ekwok Electric	North Slope Borough
Chistochina Mentasta	Elfin Cove Electric Utility	Anaktuvuk Pass Point Hope
Coffman Cove Nauyasit	False Pass Electric Association	Atkasuk Point Lay
Craig Northway/Northway Village	G & K	Kaktovik Wainwright
Dot Lake Skagway	Cold Bay	Nuiqsut
Eagle/Eagle Village Totlin	Galena, City of	Nunam Iqua Electric Company
Haines Thome Bay/Kassan	Golovin Power Utilities	Nushagak Electric Cooperative
Healy Lake Tok	Gustavus Electric Company	Dillingham/Aloknagik
Hollis Whale Pass	Gwitchyaa Zhee Utilities	Ouzinkie, City of
Alaska Village Electric Cooperative	Ft. Yukon	Pedro Bay Village Council
Alakanuk Nightmute	Hughes Power & Light	Perryville, City of
Ambler Noatak	Igiugig Electric Company	Pilot Point Electrical
Anvik Noorvik	I-N-N Electric Cooperative	Platinum, City of
Brevig Mission Nulato	Iliamna Nondalton	Port Helden, City of
Chevak Nunapitchuk	Newhalen	Puvuruaq Power Company
Eek Old Harbor	Inside Passage Electric Cooperative	Kongiganak
Elim Pilot Station	Angoon Kako	Ruby, City of
Emmonak Pitka's Point	Chilkat Valley Klukwan	Sand Point Electric Company
Gambell Quinhagak	Hoonah	St. Paul Municipal Electrical Utility
Goodnews Bay Russian Mission	Ipnatchiaq Electric Company	Takotna Community Association Utilities
Grayling Savoonga	Deering	Tanalian Electric Cooperative
Holy Cross Scammon Bay	King Cove, City of	Port Alsworth
Hooper Bay Selawik	Kipnuk Light Plant	Tanana Power Company
Huslia Shageluk	Kobuk Valley Electric Company	Tatitlek Electric Utility
Kaitag Shaktoolik	Kokhanok Village Council	Teller Power Company
Kasigluk Shishmaref	Kolliganek Village Council	Tenakee Springs, City of
Kinna Shungnak	Kotlik Electric Services	Tuluksak Traditional Power Utility
Kivalina St. Mary's/Androafsky	Kotzebue Electric Association	Twin Hills Village Council
Koyuk St. Michael	Koyukuk, City of	Umnak Power Company
Lower Kalskag Stebbins	Kweihluk, Inc.	Nikolski
Marshall Togiak	Kwig Power Company	Unalakleet Valley Electrical Cooperative
Mokoryuk Toksook Bay	Kwigillingok	Unalaska Electric Utility
Minto Tununak	Larsen Bay Utility Company	Unqusrag Power Company
Mt. Village Upper Kalsag	Levelock Electric Cooperative	Newtok
New Stuyahok Wales	Lime Village Electric Company	White Mountain Utilities
Ajuliq Power Company	Manley Utility Company	Yakutat Power
Karluk	Manokotak Power Company	
Andreanof Electric Corporation	McGrath Light & Power	
Aniak Light & Power Company	Middle Kuskokwim Electric Cooperative	
Almautluak Joint Utilities	Chuathbaluk Stoetmute	
Beaver Joint Utilities	Crooked Creek Stony River	
Bethel Utilities Corp.	Red Devil	
Bethel Oscarville	Naknek Electric Association	
Buckland, City of	Naknek/South Naknek/King Salmon	
Central Electric, Inc.	Napaklak Ircinraq Power Company	
Chenega Bay IRA Village Council	Napasklak Electric Utility	
Chignik Electric		
Chignik Lagoon Power Utility		

HIGHLIGHTS OF THE POWER COST EQUALIZATION PROGRAM

Eligibility

Utility

An electric utility participating in the Power Cost Equalization Program (PCE) must:

- provide electric service to the public for compensation;
- during calendar year 1983, have had less than 7,500 megawatt hours of residential consumption or less than 15,000 megawatt hours if two or more communities were served; and
- during calendar year 1984, the utility has used diesel-fired generators to produce more than 75% of its electrical consumption.

Customers

Customer eligibility is based on actual power sold. State and federal offices/facilities, commercial and public schools are excluded from PCE. Residential customers are eligible for PCE credit up to 500 kWh/month/customer. Community facilities, as a group, can receive PCE credit for up to 70 kWh/month multiplied by the number of residents in a community.

Formula Used to determine PCE level/kWh for a utility:

Formula: 95% of the eligible costs per kWh between 12.0 cents/kWh, "the floor" and, 52.5 cents/kWh, "the ceiling".

Costs below 12.0 cents/kWh and above 52.5 cents/kWh are not eligible for PCE.

If the eligible costs are 52.5 cents/kWh or more, the maximum PCE level is 38.48 cents/kWh (52.5 cents - 12.0 cents = 40.5 - cents x 95% = 38.48 cents).

A participating utility must meet generation efficiency and line loss standard, otherwise the PCE level is reduced to reflect those standards.

Process

The Regulatory Commission of Alaska (RCA)

RCA determines the PCE level per kWh for each utility. Two categories of costs are used in determining the PCE level: a) fuel expenses: the cost of fuel, including transportation; and b) non-fuel expenses; other costs such as salaries, insurance, taxes, power plant parts and supplies, interest and other reasonable costs.

The Alaska Energy Authority (AEA)

Eligible utilities then submit monthly reports to AEA that document the eligible power sold. AEA calculates the amount of PCE on a monthly basis and issues payment to the utility to cover PCE credits that the utility has already provided to its eligible customers in the form of a reduced monthly electric bill. AEA also determines the eligibility of customers and of community facilities.

Authority

PCE is governed by Alaska Statutes 42.45.110-170, and by the Alaska Administrative Code 3 AAC 94.305-330 and 3 AAC 52.600-690.

FY04 POWER COST EQUALIZATION PROGRAM STATISTICS

	Fiscal year 2004	Fiscal year 2003	Percent Change 2003 - 2004
Participation Statistics			
Population Served	78,166	79,229	-1.3%
Communities Served	181	185	-2.2%
Participating Utilities	85	89	-4.5%
Total Residential Customers	25,747	25,713	0.1%
Total Eligible Community Facilities Customers	1,768	1,776	-0.5%
Total Eligible Customers	27,515	27,489	0.1%
Production Statistics			
Total Diesel Generation (kWh)	382,971,145	370,976,960	3.2%
Total "Other" (Hydroelectric/Wind) Generation (kWh) (1)	25,440,228	26,246,540	-3.1%
Total Purchased Power (kWh)	44,138,782	45,840,367	-3.7%
Total kWh Sold (All Customers) (2)	411,939,787	403,156,646	2.2%
PCE Eligible kWh - Residential	90,450,341	89,786,393	0.7%
PCE Eligible kWh - Community Facilities	35,210,266	33,828,803	4.1%
Total PCE Eligible kWh shown as percent of total kWh sold.	31%	31%	0.0%
Average Monthly PCE Eligible kWh - Residential Customers (3)	293	291	0.7%
Average Monthly PCE Eligible kWh - Community Facilities	1,660	1,587	4.6%
Average Monthly PCE Eligible kWh - Community Facilities / Per Resident	38	36	5.6%
Financial Statistics			
Weighted Average Price of Fuel Oil (\$/gallon) (4)	1.5748	1.4362	9.7%
Total Fuel Oil Consumed (gallons)	28,476,898	27,295,935	4.3%
Total Cost of Fuel Oil Purchased by the Utilities (\$)	40,850,408	36,400,050	12.2%
Total Operating Costs (\$)	59,995,049	59,003,506	1.7%
Operating expenses per total kWh sold (\$)	0.1453	0.1464	-0.7%
PCE legislative funding appropriations	15,700,000	15,700,000	0.0%
Total PCE payments (\$) (5)	15,617,225	15,448,480	1.1%
Average PCE payment per eligible kWh (\$)	0.1200	0.1250	-4.0%
Average annual required PCE payment per customer (\$) (3)	568.00	562.00	1.1%

(1) FY03 data amended from 25,599,909 kWh's to 26,246,540 kWh's to reflect correction to Kotzebue Electric Cooperative data, resulting in an increase of 646,631 kWh generated non-diesel during FY03.

(2) Value reduced by 1,063,387 in FY03, and 1,061,360 in FY04 to eliminate double counting of kWh's where power is sold/purchased between utilities participating in the PCE Program.

(3) Calculation assumes all customers were eligible to receive twelve (12) months of PCE credit.

(4) Prior year reports contained a "straight" average cost of fuel per gallon, beginning in FY04, a "weighted" average cost of fuel will be reported.

(5) During FY04 PCE payments were made at a 92% level for the first three (3) months, a 83% level for the next six (6) months, a 75% level for the next two months, and 63% for the last month.

**State of Alaska: Alaska Energy Authority
Fiscal Year 2004 Power Cost Equalization Program
by Utility/Community**

Utility/Community	[a]	[b]	[c]	[d]	[e]	[f=d+e]	[g]
	Popu- lation	Number of Customers		PCE Eligible kWh			Total kWh Sold
		Resi- dential	Community Facilities	Residential	Community Facilities	Total	
Akiachak Native Community Electric Co.	622	135	8	410,878	107,032	517,910	1,116,738
Akiak, City of	346	79	14	159,896	0	159,896	708,439
Akutan Electric Utility	748	37	10	160,101	137,022	297,123	509,443
Alaska Power Company							
Aleknagik, Aleknagik	162	75	16	205,402	106,070	311,472	584,450
Bethel, Evanaville	58	30	6	123,008	38,679	161,687	624,810
Chistochina	84	35	2	114,328	31,357	145,685	278,331
Coffman Cove	161	119	12	377,494	92,254	469,748	702,949
Craig	1,562	640	45	2,528,721	1,116,298	3,645,019	9,919,067
Dot Lake	52	29	1	92,564	34,087	126,651	357,362
Eagle, Eagle Village	152	153	9	314,399	22,196	336,595	689,838
Haines	1,872	907	23	3,206,495	381,385	3,587,880	11,364,458
Healy Lake	31	13	3	42,401	21,851	64,252	131,736
Hollis	150	95	1	273,103	2,593	275,696	535,315
Hydaburg	364	123	10	548,182	142,351	690,533	1,352,013
Klawock	848	308	21	1,270,540	264,480	1,535,028	8,427,144
Mentasta	139	37	7	105,265	106,042	211,307	347,957
Nauyas	110	53	0	194,457	0	194,457	438,410
Northway, Northway Village	282	106	5	362,715	76,892	439,607	1,398,000
Shagwey	641	571	45	1,738,801	706,440	2,445,241	10,455,919
Tenn	142	51	4	167,574	51,052	218,626	418,070
Thome Bay/Kasaan	558	267	28	896,386	382,436	1,278,822	3,118,579
Toa	1,444	690	11	2,675,791	80,251	2,756,042	11,073,124
Whale Pass	62	57	1	139,903	1,559	141,462	277,322
Total -- Alaska Power Company *	9,074	4,359	250	15,577,537	3,658,273	19,035,810	62,492,854
Alaska Village Electric Cooperative							
Akiak	659	165	11	627,979	307,509	935,488	1,786,518
Ambler	295	91	8	317,295	173,606	490,901	1,339,748
Aniak	109	54	8	145,519	62,555	208,074	420,156
Brewing Mission	307	84	12	275,917	175,633	451,550	817,579
Chevak	654	202	14	711,564	570,970	1,282,534	2,296,676
Eek	291	96	9	318,397	101,127	419,524	667,220
Elim	339	100	12	377,048	141,145	518,193	1,190,231
Emmonak	745	231	15	746,951	495,004	1,241,955	2,693,187
Gambell	639	178	14	547,672	236,899	784,571	1,657,238
Goodnews Bay	234	82	8	256,004	132,206	388,210	650,312
Graying	192	64	11	199,302	125,827	325,129	536,831
Holy Cross	232	83	11	287,435	123,181	410,616	678,940
Hooper Bay	1,075	259	15	799,554	213,528	1,013,082	2,306,021
Huslia	285	104	14	373,869	106,080	479,949	850,425
Kaktavik	223	81	9	268,516	51,558	320,074	648,845
Kasigogvik	527	118	10	472,166	145,856	618,022	1,338,037
Kiana	399	136	15	456,722	200,997	657,719	1,469,054
Kivalina	383	87	6	341,104	114,460	455,570	1,156,126

NOTES: *** = Calculations cannot be made due to lack of data or other circumstances

() = see endnotes on Page 9

Columns a - c Values extracted from June 2004 utility reports

Columns d, e, g Values summed from fiscal year 2004 utility reports

* Totals reflect all data reported by utility for fiscal year 2004

**Fiscal Year 2004
Power Cost Equalization Program by
Utility/Community**

[h]		[i]	[j=I/h]	[k]	[l]	[m]	[n]	[o]	[p=I/(b+c)]	[q=I*100/M]	[r=g/(m+n+o)]	[s=f/g]	[t=d/b/12]	[u=e/a/12]	[v=k*100/g]	[w=m/h]	[x]	[y]	[z=x-y]	Utility/Community
Total Fuel Used (diesel)		Average Price of Fuel	Total Non-fuel Expenses	Required PCE Payments	Total kWh Generated Diesel	Total kWh Generated Non-diesel	Total kWh Purchased Diesel and Non-diesel	Average Annual Required PCE Payment per Customer	Average PCE Payment per Eligible kWh	Total kWh Sold vs. Total kWh Generated Purchased %	Eligible kWh versus Total kWh Sold %	Average monthly Eligible kWh per		Non-fuel Expenses per kWh Sold	kWh Generated with Diesel per Gallon of Fuel Used kWh/gal	Average Residential Rate (based on monthly usage of 500 kWh) cents/kWh	PCE Rate 6/30/2004 cents/kWh	Effective Residential Rate 6/30/2004 cents/kWh		
gallons	cost \$											Residential Customer	Community Facility							
	(\$/gal)	(\$)	\$	kWh	kWh	kWh	\$	cents	%	%	kWh/person	cents/kWh	kWh/gal	cents/kWh	cents/kWh	cents/kWh				
120,588	207,267	1.72	217,655	91,539	1,334,739		640	17.7	83.7	46.4	254	14	19.5	11.07	42.00	15.81	26.19	Akiachak Native Community Electric Co.		
71,572	104,011	1.45	87,679	21,217	891,670		228	13.3	79.5	22.6	169	0	12.4	12.46	39.00	10.09	28.91	Akiak, City of		
48,724	79,551	1.63	96,410	49,683	550,174		1,057	16.7	92.6	58.3	361	15	18.9	11.29	32.30	12.79	19.51	Akutan Electric Utility		
53,773	117,651	2.19	83,371	84,787	648,861		932	27.2	90.1	53.3	228	55	14.3	12.07	48.32	20.90	27.42	Alakaket, Aletna		
58,368	82,135	1.41	74,967	34,316	703,820		953	21.2	88.8	25.9	342	56	12.0	12.06	40.86	16.44	24.42	Bettles, Evansville		
25,576	32,443	1.27	39,884	29,878	306,436		808	20.5	90.8	52.3	272	31	14.3	11.98	40.74	16.36	24.38	Chustochna		
57,572	66,865	1.16	64,136	55,320	771,010		422	11.8	91.2	66.8	264	48	9.1	13.39	29.02	9.25	19.77	Coffman Cove		
141,958 (2)	154,607 (2)	1.09	806,574	156,349	1,917,495	22,019,200 (4)	228	4.0	***	36.7	329	60	8.1	13.51	18.20	3.23	14.97	Craig		
*** (2)	*** (2)	***	15,551	9,751	*** (2)		325	7.7	*** (2)	35.4	266	55	4.4	***	23.10	5.88	17.22	Dot Lake		
58,474	70,354	1.20	128,692	65,932	781,344		407	19.6	88.3	48.8	171	12	18.7	13.36	40.86	15.09	25.77	Eagle, Eagle Village		
47,306	53,727	1.14	515,975	145,387	646,400	11,692,810 (4)	156	4.1	92.1	31.6	295	17	4.5	13.66	17.66	2.95	14.71	Haines		
14,339	18,129	1.26	43,540	13,490	152,986		843	21.0	80.1	48.8	272	59	33.1	10.67	40.32	16.11	24.21	Healy Lake		
32,848 (1)	35,316 (1)	1.08	51,485	11,814	404,160 (1)		123	4.3	*** (1)	51.5	240	1	9.6	***	18.20	3.23	14.97	Holla		
102,543	124,989	1.22	72,997	29,610	1,427,000		223	4.3	94.7	51.1	371	35	5.4	13.92	18.20	3.23	14.97	Hydaburg		
*** (1)	*** (1)	***	144,002	65,860	*** (1)		200	4.3	*** (1)	18.2	344	26	1.7	***	18.20	3.23	14.97	Klawock		
34,255	43,097	1.26	57,845	46,202	405,760		1,050	21.9	85.8	60.7	237	64	16.6	11.85	42.68	17.53	25.15	Merasta		
44,577	48,763	1.09	39,948	22,473	499,242		424	11.6	87.8	44.4	306	0	9.1	11.20	28.78	9.11	19.67	Naukat		
121,569	156,848	1.29	88,293	85,818	1,583,944		773	19.5	88.1	31.5	285	23	6.3	13.03	42.93	17.67	25.26	Northway, Northway Village		
13,006	15,678	1.16	480,014	99,050	114,800	3,454,640 (7)	7,237,212 (4)	161	4.1	96.8	234	254	70	4.6	8.83	17.66	2.95	14.71	Seagway	
40,782	59,631	1.46	36,882	48,354	473,310		879	22.1	88.3	52.3	274	30	8.8	11.61	46.96	20.08	26.88	Tedn		
*** (1)	*** (1)	***	55,884	54,728	*** (1)		186	4.3	*** (1)	41.0	280	57	1.8	***	18.20	3.23	14.97	Thome Bay/Kasaan		
861,311 (1)	1,078,242 (1)	1.25	671,543	212,194	12,518,973 (1)		303	7.7	*** (1)	24.9	323	5	6.1	14.53	23.10	5.88	17.22	Tot		
27,824	31,272	1.12	38,430	17,647	338,160		304	12.5	82.0	51.0	205	2	13.9	12.15	30.61	10.21	20.40	Whale Pass		
1,736,081	2,189,146	1.26	3,510,013	1,268,059	23,603,701	3,454,640	40,940,222						5.6						Total - Alaska Power Company	
139,699	192,123	1.38	*** (1)	171,388	1,590,963		974	18.3	94.5	52.4	317	39	*** (1)	13.54	41.91	15.18	26.73	Akanuk		
105,396	202,583	1.92	*** (1)	130,830	1,421,617		1,322	26.7	94.2	36.6	291	49	*** (1)	13.49	45.31	17.21	28.10	Ambler		
38,474	50,775	1.32	*** (1)	47,007	469,023		758	22.6	89.6	49.5	225	48	*** (1)	12.19	45.64	17.41	28.23	Amuk		
69,644	97,829	1.40	*** (1)	84,723	685,462		883	18.8	92.3	55.2	274	48	*** (1)	12.71	45.92	17.58	28.34	Aring Mission		
200,129	271,817	1.36	*** (1)	233,735	2,648,550		1,082	18.2	86.7	55.8	294	56	*** (1)	13.23	43.89	16.36	27.53	Chavak		
55,417	67,567	1.22	*** (1)	79,018	721,901		753	18.8	92.4	62.9	278	29	*** (1)	13.03	41.78	15.10	26.68	Era		
80,492	118,150	1.31	*** (1)	95,721	1,248,354		855	18.5	95.3	43.5	314	35	*** (1)	13.80	42.20	15.35	26.85	Elm		
201,846	291,203	1.44	*** (1)	219,235	2,810,040		891	17.7	95.8	46.1	269	55	*** (1)	13.92	41.81	15.12	26.69	Emmonak		
141,138	172,924	1.23	*** (1)	149,271	1,974,123		777	19.0	83.9	47.3	256	31	*** (1)	13.99	42.00	15.23	26.77	Gambel		
56,049	78,133	1.39	*** (1)	74,997	695,165		833	19.3	93.5	59.7	260	17	*** (1)	12.40	42.71	15.66	27.05	Goodnews Bay		
46,352	70,542	1.52	*** (1)	67,919	588,761		906	20.9	91.2	60.6	260	55	*** (1)	12.70	43.17	16.35	27.52	Graying		
54,340	81,933	1.51	*** (1)	83,911	708,012		893	20.4	95.9	60.5	289	44	*** (1)	13.03	42.37	15.45	26.92	Holy Cross		
179,955	235,310	1.31	*** (1)	190,801	2,422,721		1,091	18.8	95.2	43.9	257	17	*** (1)	13.46	41.06	14.67	26.39	Hooper Bay		
77,648	139,015	1.79	*** (1)	105,996	918,941		818	22.1	82.7	56.4	300	31	*** (1)	11.61	45.92	17.58	26.34	Husa		
57,498	91,009	1.58	*** (1)	70,921	663,172		788	22.2	87.8	49.3	278	19	*** (1)	11.53	45.68	17.43	28.25	Katag		
*** (1)	*** (1)	***	*** (1)	120,380	*** (1)		941	19.5	*** (1)	46.2	333	23	*** (1)	***	41.06	15.22	26.76	Kasiguk		
120,553	229,698	1.91	*** (1)	151,922	1,641,661		1,005	23.1	89.5	44.8	280	42	*** (1)	13.62	49.03	19.80	29.83	Kiana		
87,755	164,132	1.87	*** (1)	99,706	1,235,360		1,072	21.9	93.6	39.4	327	25	*** (1)	14.06	45.59	17.38	28.21	Kivalina		

NOTES *** - Calculations cannot be made due to lack of data or other circumstances (1) - see endnotes on Page 9
 Columns h, i, k, m, n, o - Values summed from fiscal year 2004 utility reports
 Column k - Total non-fuel expenses consists of salaries, insurance, taxes, supplies, interest, and other verifiable reasonable costs
 Column l - Total amount utility was reimbursed for PCE credit given to eligible customers during fiscal year 2004

Column q - Calculated PCE rate based on 12 months of data
 Column s - Residential rates as reported by the utility in fiscal year 2004
 Column y - Rates based on FCA Letter Order effective June 2004. PCE rate reflects 63% funding level

**State of Alaska: Alaska Energy Authority
Fiscal Year 2004 Power Cost Equalization Program
by Utility/Community**

Utility/Community	Popu- lation	(b) Number of Customers		(d) Residential	(e) PCE Eligible kWh		(g) Total kWh Sold	
		Resi- dential	Community Facilities		Residential	Community Facilities		(f=d+e) Total
Alaska Village Electric Cooperative	Koyuk	329	94	11	375,017	195,977	570,994	1,345,208
	Lower Katakag	260	96	7	272,872	86,688	359,560	548,379
	Marshall	364	105	10	414,029	175,912	589,941	1,040,948
	Mekoryuk	204	107	8	265,115	90,113	355,228	859,853
	Minto	229	84	5	297,975	154,793	452,768	646,125
	Mountain Village	757	196	15	710,738	291,211	1,001,949	2,532,839
	New Stuyahok	479	115	11	452,289	122,469	574,758	1,148,899
	Nightmute	224	49	8	206,687	55,507	262,194	520,984
	Noatak	455	110	9	484,559	200,932	685,491	1,430,025
	Noomk	677	185	10	635,002	277,578	912,578	1,952,376
	Nulato	345	119	15	412,036	237,337	649,373	1,068,944
	Nunapitchua	512	132	10	475,787	65,904	541,691	1,121,799
	Old Harbor	229	98	9	311,217	135,768	446,985	693,961
	Pilot Station	546	140	14	522,877	200,014	722,891	1,577,772
	Pitkas Point	94	34	4	118,265	37,146	155,411	312,340
	Qunhagak	572	179	12	589,516	300,294	889,810	1,637,061
	Russian Mission	328	77	5	284,874	44,179	329,053	757,566
	Savoonga	686	168	15	618,677	290,063	908,740	1,792,822
	Scammon Bay	491	108	7	404,853	65,405	470,258	1,028,330
	Selawik	778	212	17	750,700	489,972	1,240,672	2,542,423
	Shageluk	145	57	7	126,621	55,669	182,290	373,373
	Shaktotuk	218	68	7	269,475	84,339	353,814	808,051
	Shishmaref	589	156	13	584,795	165,194	749,989	1,592,712
	Shungnak	249	64	9	267,999	164,908	432,907	1,453,923
	St. Mary's, Andreafsky	688	210	14	586,173	236,206	822,379	2,507,575
	St. Michael	390	115	12	378,648	315,831	694,479	1,751,195
	Stebbins	588	140	14	439,313	188,494	627,807	1,349,870
	Togalak	804	246	17	817,426	271,930	1,089,356	2,392,439
	Tosoon Bay	549	127	10	477,707	132,233	609,940	1,215,697
	Tunashuk	323	89	8	323,287	69,748	393,035	755,418
	Upper Katsik	248	76	7	273,354	43,626	316,980	535,702
	Wales	159	59	6	155,713	83,638	239,351	573,212
Total - Alaska Village Electric Cooperative *		21,295	6,000	528	20,824,810	8,807,223	29,631,833	61,978,968
Alutiq Power Company	Katla	23	14	2	43,843	12,451	56,294	96,597
Andreanof Electric Corporation	Alta	102	28	2	119,394	58,057	177,451	327,812
Arctic Light & Power Company		538	177	11	714,722	55,862	770,584	2,086,540
Atmautluak Joint Utilities		291	64	5	214,500	33,901	248,491	579,634
Beaver Joint Utilities	(1)							
Bethel Utilities Corp		5,736	1,587	18	7,378,692	1,734,970	9,111,871	40,669,843
Buckland, City of	(1)							
Central Elec. Inc. Inc		120	130	1	216,888	4,822	221,710	454,612
Chenega IITA Village Council		90	23	3	82,110	20,875	102,985	241,784

NOTES: *** - Calculations cannot be made due to lack of data or other circumstances
 Columns a - c: Values extracted from June 2004 utility reports
 Columns d, e, g: Values summed from fiscal year 2004 utility reports
 * Totals reflect all data reported by utility for fiscal year 2004

() - see endnotes on Page 9

**Fiscal Year 2004
Power Cost Equalization Program by
Utility/Community**

[h]	[i]	[j=I/h]	[k]	[l]	[m]	[n]	[o]	[p=I/(b+c)]	[q=I*100/M]	[r=g/(m+n+o)]	[s=l/g]	[t=d/b/12]	[u=e/a/12]	[v=k*100/g]	[w=m/h]	[x]	[y]	[z=x-y]	Utility/Community
Total Fuel Used (diesel)		Average Price of Fuel	Total Non-fuel Expenses	Required PCE Payments	Total kWh Generated Diesel	Total kWh Generated Non-diesel	Total kWh Purchased Diesel and Non-diesel	Average Annual Required PCE Payment per Customer	Average PCE Payment per Eligible kWh	Total kWh Sold vs. Total kWh Generated Purchased %	Eligible kWh versus Total kWh Sold %	Average monthly Eligible kWh per		Non-fuel Expenses per kWh Sold	kWh Generated with Diesel per Gallon of Fuel Used kWh/gal	Average Residential Rate (based on monthly usage of 500 kWh) cents/kWh	PCE Rate 6/30/2004 cents/kWh	Effective Residential Rate 6/30/2004 cents/kWh	
gallons	cost \$	(\$/gal)	(\$)	\$	kWh	kWh	kWh	\$	cents	%	%	Residential Customer	Community Facility kWh/person	cents/kWh	kWh/gal	cents/kWh	cents/kWh	cents/kWh	
96,010	145,060	1.51	*** (9)	101,455	1,397,278			966	17.8	96.3	42.4	332	50	*** (9)	14.55	40.49	14.33	26.16	Koyuk Alaska Village Electric Cooperative
90,870 (11)	128,752 (11)	1.42	*** (9)	69,183	1,224,793 (11)			672	19.2	*** (11)	65.8	237	28	*** (9)	13.48	41.51	14.94	26.57	Lower Kalskag
79,713	110,890	1.39	*** (9)	112,017	1,093,743			974	19.0	95.2	56.7	329	40	*** (9)	13.72	42.16	15.33	26.83	Marshall
65,633	89,343	1.36	*** (9)	66,763	924,069			581	18.8	93.1	41.3	206	37	*** (9)	14.08	41.53	14.95	26.58	Mokonyuk
56,366	63,757	1.13	*** (9)	77,094	722,562			866	17.0	89.4	70.1	296	56	*** (9)	12.82	40.34	14.24	23.10	Minto
199,594	270,217	1.35	*** (9)	193,375	2,736,720			916	19.3	92.6	39.6	302	32	*** (9)	13.71	42.24	15.38	26.86	Mountain Village
92,657	120,303	1.30	*** (9)	107,041	1,213,885			850	18.6	94.6	50.0	328	21	*** (9)	13.10	39.94	14.00	25.94	Now Stryahok
49,748	67,479	1.36	*** (9)	59,591	586,617			1,045	22.7	88.8	50.3	352	21	*** (9)	11.79	43.10	15.89	27.21	Nightmute
109,521	297,653	2.72	*** (9)	206,204	1,511,830			1,733	30.1	94.6	47.9	367	37	*** (9)	13.80	51.45	20.89	30.56	Noatak
150,578	285,168	1.89	*** (9)	199,589	2,065,615			1,024	21.9	94.5	46.7	286	34	*** (9)	13.72	44.62	16.80	27.82	Noorvik
85,982	136,990	1.59	*** (9)	138,928	1,148,831			1,037	21.4	93.0	60.7	289	57	*** (9)	13.36	43.99	16.42	27.57	Nulato
193,198 (12)	267,709 (12)	1.39	*** (9)	107,626	2,630,244 (12)			758	19.9	*** (12)	48.3	300	11	*** (9)	13.61	41.98	15.22	26.76	Nunapituk
64,271	92,352	1.44	*** (9)	76,229	796,158			712	17.1	87.2	64.4	265	49	*** (9)	12.39	45.34	17.23	28.11	Old Harbor
125,278	174,421	1.39	*** (9)	146,310	1,659,358			950	20.2	95.1	45.8	311	31	*** (9)	13.25	41.54	14.96	26.58	Pilot Station
*** (13)	*** (13)	***	*** (9)	28,979	*** (13)			763	18.9	*** (13)	49.1	285	33	*** (9)	***	41.12	14.70	26.42	Pitkas Point
127,587	168,813	1.32	*** (9)	157,387	1,740,870			824	17.7	94.0	54.4	274	44	*** (9)	13.64	41.34	14.84	26.50	Quinhagak
59,875	79,017	1.32	*** (9)	60,766	806,540			741	18.5	93.9	43.4	308	11	*** (9)	13.47	42.05	15.26	26.79	Russian Mission
150,894	200,865	1.33	*** (9)	170,567	1,910,217			932	18.8	93.9	50.7	307	35	*** (9)	12.66	41.89	15.16	26.73	Savoonga
85,500	113,290	1.33	*** (9)	93,440	1,108,913			786	19.2	92.7	45.7	312	11	*** (9)	12.97	42.82	15.72	27.10	Scammon Bay
206,273	387,446	1.88	*** (9)	272,208	2,733,839			1,189	21.9	93.0	48.8	295	52	*** (9)	13.25	45.27	17.19	28.08	Selawik
31,506	53,113	1.69	*** (9)	42,971	465,639			671	23.6	92.0	48.8	185	32	*** (9)	12.87	46.19	17.74	28.45	Shageluk
61,083	78,862	1.29	*** (9)	66,146	853,065			882	18.7	94.7	43.8	330	32	*** (9)	13.97	41.50	14.93	26.57	Shaktooka
128,589	171,355	1.33	*** (9)	134,901	1,727,287			798	18.0	92.2	47.1	312	23	*** (9)	13.43	41.47	14.91	26.56	Shashmarof
107,998	219,643	2.03	*** (9)	109,756	1,536,181			1,504	25.4	94.6	29.8	349	55	*** (9)	14.22	47.02	18.24	28.78	Shingnak
225,358 (14)	300,006 (14)	1.33	*** (9)	153,464	2,970,975 (14)			685	18.7	*** (14)	32.8	233	29	*** (9)	13.18	41.12	14.70	26.42	St. Mary's, Andreahay
100,221	149,049	1.49	*** (9)	126,162	1,466,458			993	18.2	92.1	51.4	274	67	*** (9)	14.63	40.93	14.59	26.34	St. Michael
108,999	151,104	1.39	*** (9)	116,401	1,427,508			756	18.5	94.6	46.5	261	27	*** (9)	13.10	42.66	15.62	27.04	Stebbins
210,093	274,169	1.30	*** (9)	205,033	2,667,664			783	18.9	89.7	45.5	277	28	*** (9)	12.70	42.59	15.59	27.00	Togalak
105,570	141,606	1.34	*** (9)	117,462	1,306,468			857	19.3	93.1	50.2	313	20	*** (9)	12.38	42.23	15.37	26.86	Toosook Day
62,890	83,391	1.33	*** (9)	77,831	785,122			802	19.8	96.2	52.0	303	18	*** (9)	12.48	42.69	15.64	27.05	Tununak
*** (15)	*** (15)	***	*** (9)	61,971	*** (15)			747	19.6	*** (15)	54.1	300	15	*** (9)	***	41.51	14.64	26.57	Upper Kalsag
47,933	63,505	1.32	*** (9)	47,563	639,930			732	19.9	83.3	44.9	220	44	*** (9)	13.35	48.68	19.23	29.45	Wales
5,002,183	7,440,086	1.49	15,768,548	5,879,673	66,740,214									25.4					Total - Alaska Village Electric Cooperative
14,845	25,979	1.75	57,339	15,846	126,393			990	28.1	78.4	58.3	261	45	59.4	8.51	60.00	21.65	38.35	Karuk Alutiq Power Company
33,053	73,815	2.23	23,995	29,751	340,556			992	16.8	98.3	54.1	355	47	7.3	10.30	50.00	13.63	36.37	Alutik Andeanof Electric Corporation
192,576	254,899	1.32	735,336	168,391	2,468,700			896	21.9	14.5	36.9	336	9	35.2	12.82	48.74	16.92	31.82	Arvak Light & Power Company
50,498	106,667	1.80	87,122	42,258	475,326 (16)			812	17.0	*** (16)	42.9	278	10	15.0	***	46.80	17.10	29.70	Atmautiuk Joint Utilities
														***					Beaver Joint Utilities
3,204,503	6,821,269	2.13	4,025,000	910,349	43,497,600			567	10.0	93.5	22.4	387	25	9.9	13.57	28.20	8.31	19.89	Boothel Utilities Corp
50,104	61,217	1.22	146,543	63,922	501,699			488	28.8	90.6	48.8	139	3	32.7	10.02	50.89	22.41	28.48	Buckland, City of
22,548	42,658	1.89	31,160	15,022	270,650			578	14.0	89.3	42.6	298	19	12.9	12.00	38.50	11.51	26.99	Central Electric, Inc.
																			Chenega IFTA Village Council

NOTES *** = Calculations cannot be made due to lack of data or other circumstances. () = see endnotes on Page 9
 Columns h, i, k, m, n, o: Values summed from fiscal year 2004 utility reports.
 Column k: Total non-fuel expenses consists of salaries, insurance, taxes, supplies, interest, and other verifiable reasonable costs.
 Column l: Total amount utility was reimbursed for PCE credit given to eligible customers during fiscal year 2004.

Column q: Calculated PCE rate based on 12 months of data.
 Column x: Residential rates as reported by the utility in fiscal year 2004.
 Column y: Rates based on FICA Letter Order effective June 2004. PCE rate reflects 63% funding level.

**Fiscal Year 2004
Power Cost Equalization Program by
Utility/Community**

[h]		[i]	[j=l/h]	[k]	[l]	[m]	[n]	[o]	[p=l/(b+c)]	[q=l*100/l]	[r=g/(m+n+o)]	[s=l/g]	[t=d/b*12]	[u=a/m*12]	[v=k*100/g]	[w=m/h]	[x]	[y]	[z=x-y]		
Total Fuel Used (diesel)		Average Price of Fuel	Total Non-fuel Expenses	Required PCE Payments	Total kWh Generated Diesel	Total kWh Generated Non-diesel	Total kWh Purchased Diesel and Non-diesel	Average Annual Required PCE Payment per Customer	Average PCE Payment per Eligible kWh	Total kWh Sold vs. Total kWh Generated Purchased %	Eligible kWh versus Total kWh Sold %	Average monthly Eligible kWh per		Non-fuel Expenses per kWh Sold	kWh Generated with Diesel per Gallon of Fuel Used kWh/gal	Average Residential Rate (based on monthly usage of 500 kWh) cents/kWh	PCE Rate 6/30/2004 cents/kWh	Effective Residential Rate 6/30/2004 cents/kWh		Utility/Community	
gallons	cost											Residential Customer	Community Facility								
	\$	(\$/gal)	(\$)	\$	kWh	kWh	kWh	\$	cents	%	%		kWh/person	cents/kWh	kWh/gal	cents/kWh	cents/kWh	cents/kWh			
46,722	80,695	1.73	72,251	28,581	544,926			357	13.3	91.8	43.0	174	66	14.4	11.66	32.50	11.06	21.44		Chignik Electric Chignik Lagoon Power Utility	
39,416	63,000	1.60	69,257	15,759	468,021			404	13.1	90.8	28.4	240	12	16.4	11.82	39.50	11.72	27.78		Chitina Electric Inc.	
34,750	43,096	1.24	86,608	37,593	372,000			989	28.3	88.5	40.3	247	38	26.3	10.71	50.00	23.10	26.90		Circle Electric Utility	
584,673	695,659	1.19	4,528,393	515,042	7,856,688	15,536,756 (7)		585	8.7	90.5	27.9	380	75	21.4	13.44	33.74	7.30	26.44		Cordova Electric Cooperative, Inc.	
42,600	71,406	1.68	214,393	45,795	516,030			996	25.1	89.2	39.6	272	34	46.6	12.11	50.00	19.08	30.92		Diomedea Joint Utilities	
65,183	94,607	1.45	225,517	46,046	412,000 (17)			548	22.6	*** (17)	31.1	160	77	34.4	***	55.00	17.90	37.10		Egegik Light and Power	
32,284	68,250	2.11	57,966	23,924	414,600			342	12.7	96.5	47.0	185	35	14.5	12.84	50.00	18.27	31.73		Ekwoik Electric	
33,712	64,562	1.92	60,690	11,744	409,133			280	10.8	87.2	30.6	203	62	17.0	12.14	25.00	8.19	16.81		Elfin Cove Electric Utility	
44,394	65,538	1.48	21,559	12,974	433,206 (18)			351	10.8	*** (18)	38.2	208	56	6.8	***	42.00	9.02	32.98		False Pass Electric Association	
221,498	491,557	2.22	631,080	44,102	2,985,149			1,192	24.5	92.1	6.8	203	70	22.9	13.48	45.12	19.79	25.33	Cold Bay	G & K	
724,076	1,053,531	1.46	*** (22)	124,170	9,466,799			393	9.0	76.0	19.1	215	69	*** (22)	13.07	25.00	7.31	17.69		Galena, City of	
64,557	97,086	1.50	118,615	39,341	736,244			715	17.0	79.0	39.7	277	42	20.4	11.40	38.00	13.19	24.81		Golovin Power Utilities	
138,322	213,163	1.54	411,911	247,820	1,732,100			634	26.7	87.3	57.1	179	7	29.2	12.52	50.48	23.74	26.74		Gustavus Electric Company	
207,698	344,467	1.66	362,638	142,391	2,840,000			552	14.2	89.0	39.6	267	28	14.3	13.67	34.36	11.19	23.17	Fort Yukon	Gwitchyaa Zhee Utilities	
37,325	122,080	3.27	38,238	27,077	*** (19)			934	25.4	*** (19)	49.6	216	50	17.8	***	51.00	21.00	30.00		Hughes Power & Light	
21,314	42,315	1.99	33,677	24,488	219,726			875	27.3	85.9	47.6	242	60	17.8	10.31	58.30	23.33	34.97		Igugig Electric Company	
53,816	86,703	1.61	852,709	222,545	700,005	2,178,108 (7)		1,147	27.6	78.4	36.7	279	39	38.8	13.01	49.60	21.08	28.52	Iliamna, Newhalen, Nondaton	I-N-N Electric Cooperative	
151,724	182,542	1.20	*** (21)	143,297	2,035,171			724	16.2	86.8	50.1	280	38	*** (21)	13.41	32.75	12.92	19.83	Angoon	Inside Passage Electric Cooperative	
***	***	***	*** (21)	79,450	***			449	16.2	***	47.0	232	0	*** (21)	***	32.75	12.92	19.83	Chilkaet Valley		
347,282	465,901	1.34	*** (21)	338,179	5,009,783			942	16.2	90.7	46.0	357	62	*** (21)	14.43	32.75	12.92	19.83	Hoonah		
285,247	350,435	1.23	*** (21)	184,240	3,939,070			656	16.2	90.2	32.0	310	16	*** (21)	13.81	32.75	12.92	19.83	Kake		
*** (22)	*** (22)	***	*** (21)	35,162	*** (22)			676	16.2	*** (22)	62.9	317	31	*** (21)	***	14.32	12.92	1.40	Kluwan		
784,251	908,878	1.27	964,356	780,327	10,984,024									8.6						Total - Inside Passage Electric Cooperative	
55,249	97,102	1.76	94,972	38,888	732,925			670	13.2	90.8	44.2	319	66	14.3	13.27	38.50	10.12	28.38	Deering	Ignatchiak Electric Company	
107,290	138,028	1.29	298,768	53,609	1,405,020	2,260,750 (7)		258	4.6	91.3	34.6	227	70	8.9	13.10	20.00	3.29	16.71		King Cove, City of	
129,647	215,822	1.66	187,871	139,081	1,755,377			880	23.6	91.5	36.7	323	0	11.7	13.54	32.00	17.34	14.66		Kipnuk Light Plant	
														***							Kobuk Valley Electric Company
26,403	62,187	2.36	88,946	67,681	348,815			1,231	31.6	83.9	73.2	273	29	30.4	13.21	60.00	24.24	35.78		Kokhanok Village Council	
38,004	70,495	1.85	119,681	44,356	478,800			608	18.7	89.3	55.6	230	27	28.0	12.60	50.00	18.26	31.74		Kotiganok Village Council	
154,730	251,152	1.62	220,115	61,290	1,972,932			381	10.6	76.9	38.3	263	14	14.5	12.75	30.00	8.00	22.00		Kotik Electric Services	
1,491,233	1,785,941	1.20	5,142,832	460,571	21,513,770	953,238 (20)		459	8.2	92.4	27.1	327	48	24.8	14.43	26.04	6.62	19.42		Kotzebue Electric Association	
																					Koyukuk, City of
																					Kwethluk, Inc.
63,622	99,699	1.57	100,898	75,338	730,800			866	19.9	83.8	55.2	342	7	14.7	11.49	50.00	15.41	34.59	Kangigook	Kwig Power Company	
8,041	10,295	1.28	49,082	26,439	75,556	695,823 (7)		464	13.2	74.4	34.9	198	67	8.5	9.40	40.00	11.43	28.57		Larsen Bay Utility Company	
36,834	56,723	1.54	91,720	37,909	415,100			774	25.9	80.2	43.9	229	36	27.5	11.27	45.00	20.79	24.21		Levelock Electric Cooperative	
9,101	40,378	4.44	62,517	11,556	99,263			608	32.0	77.1	47.3	143	25	81.7	10.91	80.00	24.24	55.76		Lime Village Electric Utility	
26,772	30,582	1.14	103,826	34,735	294,120			451	31.6	81.3	46.0	117	6	43.4	10.99	60.10	24.24	35.86		Manley Utility Company	
113,521	212,662	1.87	51,404	43,274	*** (23)			428	14.1	*** (23)	29.2	250	3	4.9	***	34.00	13.44	20.56		Manokotax Power Company	
221,650	310,160	1.40	561,359	162,757	2,963,200			920	17.6	87.0	35.9	320	60	21.8	13.37	42.63	13.81	28.62		McGrath Light & Power	
20,200	34,332	1.70	69,482	37,319	213,737			933	31.8	96.7	56.7	224	22	33.6	10.58	56.27	24.24	32.03	Chumotona	Madre Kuskokwim Electric Cooperative	

NOTES *** = Calculations cannot be made due to lack of data or other circumstances. () = see endnotes on Page 9
 Columns h, i, k, m, n, o: Values summed from fiscal year 2004 utility reports
 Column k: Total non-fuel expenses consists of salaries, insurance, taxes, supplies, interest, and other verifiable reasonable costs
 Column l: Total amount utility was reimbursed for PCE credit given to eligible customers during fiscal year 2004

Column q: Calculated PCE rate based on 12 months of data
 Column x: Residential rates as reported by the utility in fiscal year 2004
 Column y: Rates based on RCA Letter Order effective June 2004. PCE rate reflects 63% funding level.

**State of Alaska: Alaska Energy Authority
Fiscal Year 2004 Power Cost Equalization Program
by Utility/Community**

Utility/Community	[a]	[b]	[c]	[d]	[e]	[f=d+e]	[g]
	Popu- lation	Number of Customers		PCE Eligible kWh			Total kWh Sold
		Resi- dential	Community Facilities	Residential	Community Facilities	Total	
Middle Kuskokwim Electric Cooperative							
Crooked Creek	146	34	4	107,689	33,750	141,439	239,826
Red Dowl	35	15	2	44,384	9,031	53,415	118,126
Seelmute	93	33	3	93,107	35,933	129,040	217,250
Stony River	57	23	3	44,719	7,474	52,193	101,355
Total - Middle Kuskokwim Electric Cooperative *	429	139	18	381,428	111,845	493,271	883,146
Naknek Electric Association	1,155	717	44	2,075,914	914,000	2,989,914	18,946,124
Napaskiak Ircinraq Power Company	353	94	4	361,755	32,675	394,430	544,474
Napaskiak Electric Utility	408	96	7	386,502	43,725	410,227	757,654
Naterkaq Light Plant	419	78	6	320,436	47,140	367,576	649,723
Nelson Lagoon Electric Cooperative	70	52	6	140,031	25,008	165,039	356,248
Nikolai Light & Power	120	41	6	131,987	100,800	232,787	377,416
Nome Joint Utility System	3,493	1,593	61	5,309,249	2,704,358	8,013,607	27,226,457
North Slope Borough							
Anaktuvuk Pass	302	83	3	282,708	174,966	457,674	3,606,751
Atkasuk	231	57	3	237,443	176,708	414,151	3,097,904
Kaktovik	306	71	4	262,752	186,219	448,971	3,283,566
Nuqsut	443	94	6	382,785	145,533	528,318	4,249,436
Point Hope	709	160	4	698,346	179,487	877,833	5,955,247
Point Lay	256	57	3	209,781	137,860	347,641	2,433,932
Wainwright	543	125	5	439,549	238,498	678,047	4,611,102
Total - North Slope Borough *	2,790	647	28	2,513,364	1,239,271	3,752,635	27,237,938
Nunam Iqua Electric Company	204	42	5	143,021	137,905	280,926	644,125
Nushagak Electric Cooperative	2,749	983	44	4,054,052	948,592	5,002,644	17,464,734
Ouzinkie, City of	189	82	5	299,058	82,806	381,864	688,825
Padro Bay Village Council	46	32	4	60,523	38,257	98,780	171,517
Perryville, City of	(1)						
Pilot Point Electrical	76	48	9	118,443	18,955	137,398	401,501
Platinum, City of	37	26	4	26,287	3,816	29,903	139,538
Port Hedden, City of	(1)						
Puvungaq Power Company	359	93	4	356,740	9,395	366,135	895,416
Ruby, City of	(1)						
Sand Point Electric Company	919	310	22	1,069,891	548,307	1,618,198	3,781,788
St. Paul Municipal Electrical Utility	533	154	31	694,460	447,720	1,142,180	4,511,557
Takotna Community Association Utilities	49	20	6	65,033	41,160	106,193	225,073
Tanalian Electric Cooperative	110	56	0	170,493	0	170,493	607,427
Tanana Power Company	278	117	11	320,932	134,106	455,037	1,203,547
Tatibetka Electric Utility	109	36	8	121,028	78,255	199,283	394,399
Teller Power Company	(1)						
Tenakee Springs, City of	98	100	10	209,015	35,009	244,024	394,727
Tuluksaq Traditional Power Utility	461	76	5	739,748	52,300	792,048	3,211,653
Twin Hills Village Council	76	28	4	79,591	31,568	111,159	139,667
Umnak Power Company	41	16	6	47,882	24,080	71,962	170,506
Unalakleet Valley Electrical Cooperative	757	260	14	850,659	388,192	1,238,851	3,767,770

NOTES: *** = Calculations cannot be made due to lack of data or other circumstances

(1) = see endnotes on Page 9

Columns a - c: Values extracted from June 2004 utility reports

Columns d, e, g: Values summed from fiscal year 2004 utility reports

* Totals reflect all data reported by utility for fiscal year 2004

**Fiscal Year 2004
Power Cost Equalization Program by
Utility/Community**

[h]		[i]	[j=I/h]	[k]	[l]	[m]	[n]	[o]	[p=l/(b+c)]	[q=l*100/g] Average PCE Payment per Eligible kWh	[r=g/(m+n+o)] Total kWh Sold vs. Total kWh Generated Purchased %	[s=l/g] Eligible kWh versus Total kWh Sold %	[t=d/h/12] Average monthly Eligible kWh per Residential Customer	[u=a/m/12] Community Facility kWh/person	[v=k*100/g] Non-fuel Expenses per kWh Sold	[w=m/h] kWh Generated with Diesel per Gallon of Fuel Used	[x] Average Residential Rate (based on monthly usage of 500 kWh)	[y] PCE Rate 6/30/2004	[z=x-y] Effective Residential Rate 6/30/2004	Utility/Community
Total Fuel Used (diesel)		Average Price of Fuel	Total Non-fuel Expenses	Required PCE Payments	Total kWh Generated Diesel	Total kWh Generated Non-diesel	Total kWh Purchased Diesel and Non-diesel	Average Annual Required PCE Payment per Customer	Average PCE Payment per Eligible kWh	Total kWh Sold vs. Total kWh Generated Purchased %	Eligible kWh versus Total kWh Sold %	Average monthly Eligible kWh per Residential Customer	Community Facility kWh/person	Non-fuel Expenses per kWh Sold	kWh Generated with Diesel per Gallon of Fuel Used	Average Residential Rate (based on monthly usage of 500 kWh)	PCE Rate 6/30/2004	Effective Residential Rate 6/30/2004	Utility/Community	
gallons	cost	(\$/gal)	(\$)	\$	kWh	kWh	kWh	\$	cents	%	%	kWh/person	cents/kWh	kWh/gal	cents/kWh	cents/kWh	cents/kWh	cents/kWh		
25,258	42,748	1.69	68,424	44,743	254,434			1,177	31.6	94.3	59.0	264	19	28.5	10.07	56.27	24.24	32.03	Crooked Creek	Middle Kuskokwim Electric Cooperative
14,490	26,476	1.83	68,461	16,839	126,434			991	31.5	93.4	45.2	247	22	58.0	8.73	56.27	24.24	32.03	Red Devil	
25,314	42,857	1.69	69,424	41,057	229,258			1,140	31.8	94.8	59.4	235	32	32.0	9.06	56.27	24.24	32.03	Sleetmute	
13,994	23,651	1.69	69,067	16,594	116,418			638	31.8	87.1	51.5	162	11	68.1	8.32	56.27	24.24	32.03	Stony River	
99,256	170,063	1.71	344,858	156,552	940,281									39.0						Total - Middle Kuskokwim Electric Cooperative
1,437,581	1,444,365	1.00	3,136,649	243,988	21,011,177			321	8.2	90.2	15.8	241	66	16.6	14.62	23.32	6.39	16.93		Naknek Electric Association
***	***	***	81,499	121,469	***		617,100 (24)	1,239	30.8	***	72.4	321	8	15.0	***	57.89	22.94	34.95		Napakiak Ironraq Power Company
74,091	118,718	1.60	150,932	82,303	934,820			799	20.1	81.0	54.1	318	9	19.9	12.62	45.00	15.45	29.55		Napaskiak Electric Utility
69,770	125,972	1.81	95,908	49,264	831,710			586	13.4	78.1	56.6	342	9	14.8	11.92	34.00	10.62	23.38	Chelomak	Naterkaq Light Plant
33,734	48,004	1.42	71,458	40,725	390,019			702	24.7	91.3	46.3	224	30	20.1	11.56	42.00	18.90	23.10		Nelson Lagoon Electric Cooperative
39,182	70,880	1.81	42,004 (18)	47,474	401,400			1,010	20.4	94.0	61.7	268	70	***	10.24	50.00	16.03	33.97		Nikolai Light & Power
1,906,371	1,876,727	0.98	3,215,175	307,619	30,123,392			186	3.8	90.4	29.4	278	65	11.8	15.80	21.98	3.49	18.49		Nome Joint Utility System
576,657	522,789	0.91	327,377	25,421	4,079,983			296	5.6	88.4	12.7	284	48	9.1	7.08	15.00	1.89	13.11	Anaktuvuk Pass	North Slope Borough
264,780	427,519	1.61	249,165	19,064	3,488,399			318	4.6	88.8	13.4	347	64	8.0	13.17	15.00	1.89	13.11		Atkasuk
308,989	429,260	1.39	359,907	20,815	4,179,300			278	4.6	78.6	13.7	308	51	11.0	13.53	15.00	1.89	13.11		Kaktovik
387,846	468,879	1.21	264,471	17,210	5,258,049			172	3.3	80.8	12.4	339	27	6.2	13.56	15.00	1.89	13.11		Nuqsut
395,989	549,887	1.39	297,369	29,348	6,661,767			179	3.3	89.4	14.7	364	21	5.0	16.82	15.00	1.89	13.11		Point Hope
248,548	344,308	1.39	313,769	16,483	3,164,489			275	4.7	76.9	14.3	307	45	12.9	12.73	15.00	1.89	13.11		Point Lay
377,950	524,438	1.39	309,514	28,913	5,141,097			222	4.3	89.7	14.7	293	37	6.7	13.60	15.00	1.89	13.11		Wainwright
2,560,756	3,267,079	1.28	2,121,572	157,254	31,973,084									7.8						Total - North Slope Borough
56,597	90,929	1.61	49,918	25,156	678,528			535	9.0	95.2	43.6	284	56	7.7	11.95	35.00	11.50	23.50		Nunami Iqua Electric Company
1,273,241	1,277,148	1.00	2,249,843	376,039	19,091,800			366	7.5	91.5	28.6	344	29	12.9	14.99	21.14	5.76	15.38	Dillingham	Nushagak Electric Cooperative
38,555	60,075	1.56	137,610	48,830	472,620	352,240 (7)		561	12.8	83.5	55.4	304	37	20.0	12.26	34.00	10.76	23.24		Ouzinkie, City of
20,413	47,340	2.32	40,415	24,748	202,832			687	25.1	84.6	57.6	158	60	23.6	9.94	60.00	23.75	36.25		Pedro Bay Village Council
39,298	72,015	1.83	68,561	21,817	461,880			383	15.9	86.9	34.2	206	21	17.1	11.75	35.00	13.56	21.44	Pilot Point	Pilot Point Electrical
28,615	34,400	1.20	28,397	7,608	190,480			254	25.4	73.3	21.4	84	8	20.4	6.66	50.00	23.71	26.29		Platinum, City of
87,430	141,544	1.62	146,997	38,996	721,183 (18)			402	10.7	*** (18)	40.9	320	2	16.4	***	40.00	8.34	31.66	Kongiganak	Puvumaq Power Company
299,466	562,579	1.88	784,726	281,180	4,060,121			847	17.4	93.1	42.8	288	50	20.8	13.50	33.11	13.08	20.03		Ruby, City of
371,910	699,415	1.88	414,114	153,034	5,171,494			827	13.4	87.2	25.3	376	70	9.2	13.91	41.00	11.18	29.82		Sand Point Electric Company
28,219	48,436	1.72	33,697	20,849	248,706			802	19.6	90.5	47.2	271	70	15.1	8.81	48.10	16.03	32.07		St. Paul Municipal Electrical Utility
54,806	118,831	2.18	62,130	33,226	668,247			593	19.5	90.9	28.1	254	0	10.2	12.24	44.20	15.47	28.73	Port Alsworth	Takotna Community Association Utilities
104,270	140,193	1.34	326,127	109,284	1,378,060			854	24.0	87.3	37.8	229	40	27.1	13.22	49.09	17.72	31.37	Tanana	Tanana Power Company
41,325	79,638	1.93	15,420	22,077	502,100			502	11.2	78.5	50.0	280	58	3.9	12.15	39.00	9.17	29.83		Tattletale Electric Utility
36,239	61,920	1.71	56,936	38,729	444,900			352	15.9	88.7	61.8	174	30	14.4	12.28	36.00	12.60	23.40		Teller Power Company
50,286	83,821	1.67	22,649 (29)	29,924	605,468			369	10.2	80.2	56.0	263	9	***	12.04	45.00	7.84	37.16		Tenakee Springs, City of
21,199 (18)	40,278 (18)	***	15,488 (18)	21,496	151,380			672	19.3	92.3	79.6	237	35	***	***	50.00	15.02	34.98		Tulaksak Traditional Power Utility
20,379	43,437	2.13	25,509	12,701	214,988			577	17.8	79.3	42.2	249	49	15.0	10.55	40.00	14.13	25.87	Nikolski	Twin Hills Village Council
305,134	372,191	1.22	588,497	117,609	3,936,000			429	9.5	95.7	32.9	273	43	15.8	12.90	26.92	7.43	19.49		Umalakleet Valley Electrical Cooperative

NOTES *** = Calculations cannot be made due to lack of data or other circumstances. () = see endnotes on Page 9.
 Column h, i, k, m, n, o: Values summed from fiscal year 2004 utility reports.
 Column k: Total non-fuel expenses consists of salaries, insurance, taxes, supplies, interest, and other verifiable reasonable costs.
 Column l: Total amount utility was reimbursed for PCE credit given to eligible customers during fiscal year 2004.
 Column q: Calculated PCE rate based on 12 months of data.
 Column x: Residential rates as reported by the utility in fiscal year 2004.
 Column y: Rates based on NCA Letter Order effective June 2004. PCE rate reflects 63% funding level.

**State of Alaska: Alaska Energy Authority
Fiscal Year 2004 Power Cost Equalization Program
by Utility/Community**

Utility/Community	[a]	[b]	[c]	[d]	[e]	[f=d+e]	[g]
	Popu- lation	Number of Customers		PCE Eligible kWh			Total kWh Sold
		Resi- dential	Community Facilities	Residential	Community Facilities	Total	
Unalaska Electric Utility	4,051	453	52	1,825,965	3,142,959	4,968,924	29,001,510
Unqsrag Power Company	326	65	3	213,721	21,514	235,235	367,060
White Mountain Utilities	214	71	9	219,902	158,544	378,446	759,726
Yakutat Power	806	286	22	1,155,306	516,417	1,671,723	6,384,919

Endnotes:

- (1) Utility reported less than twelve (12) months of data. See page 10 for summary.
- (2) Includes four (4) months of Hollis data.
- (3) See Tok.
- (4) All kWh's purchased were hydro generated.
- (5) Eight (8) months of data, the remaining four months are included with Craig.
- (6) See Craig.
- (7) All kWh's generated non-diesel, were hydro generated.
- (8) Includes Dot Lake data.
- (9) Non-fuel expenses for AVEC communities are reported as a total for the utility.
- (10) See Nunapitchuk.
- (11) Includes Upper Kalskag data.
- (12) Includes Kasigluk data.
- (13) See St. Mary's.
- (14) Includes Pitka's Point data.
- (15) See Lower Kalskag.
- (16) Nine (9) months of data reported for this category.
- (17) Eight (8) months of data reported for this category.
- (18) Eleven (11) months of data reported for this category.
- (19) No generation reported. New power house construction in progress.
- (20) Formally known as Tlingit-Haida Regional Electric (THREA).
- (21) Non-fuel expenses for IPEC communities are reported as a total for the utility.
- (22) See Chikot Valley.
- (23) No data reported for this category.
- (24) All kWh's purchased were diesel generated.
- (25) Five (5) months of data reported for this category.
- (26) All kWh's generated non-diesel, were wind generated.

NOTES: (1) - Calculations cannot be made due to lack of data or other circumstances.
 Columns a - c: Values extracted from June 2004 utility reports.
 Columns d, e, g: Values summed from fiscal year 2004 utility reports.
 * Totals reflect all data reported by utility for fiscal year 2004.

(1) - see endnotes on Page 9

**Fiscal Year 2004
Power Cost Equalization Program by
Utility/Community**

[h]		[i]	[j=l/h]	[k]	[l]	[m]	[n]	[o]	[p=l/(b+c)]	[q=l*100/v]	[r=g/(m+n+o)]	[s=f/g]	[t=d/b/12]	[u=e/n/12]	[v=k*100/g]	[w=m/h]	[x]	[y]	[z=x-y]	
Total Fuel Used (diesel)		Average Price of Fuel	Total Non-fuel Expenses	Required PCE Payments	Total kWh Generated Diesel	Total kWh Generated Non-diesel	Total kWh Purchased Diesel and Non-diesel	Average Annual Required PCE Payment per Customer	Average PCE Payment per Eligible kWh	Total kWh Sold vs. Total kWh Generated Purchased	Eligible kWh versus Total kWh Sold	Average monthly Eligible kWh per		Non-fuel Expenses per kWh Sold	kWh Generated with Diesel per Gallon of Fuel Used	Average Residential Rate (based on monthly usage of 500 kWh)	PCE Rate 6/30/2004	Effective Residential Rate 6/30/2004		Utility/Community
gallons	cost											Residential Customer	Community Facility							
	\$	(\$/gal)	(\$)	\$	kWh	kWh	kWh	\$	cents	%	%	%	kWh/person	cents/kWh	kWh/gal	cents/kWh	cents/kWh	cents/kWh		
2,139,658	2,678,941	1.25	3,412,368	261,306	20,930,780		394,800 (24)	517	5.3	95.6	17.1	336	65	11.8	13.99	20.53	4.59	21.94		Unalaska Electric Utility
38,820	58,464	1.51	142,649	59,491	384,444			875	25.3	95.5	64.1	274	5	38.9	9.90	64.00	19.47	44.53	Newtok	Unqsrag Power Company
71,221	128,588	1.81	120,218	64,256	898,600			803	17.0	84.5	49.8	258	62	15.8	12.62	43.00	12.89	30.11	White Mountain	White Mountain Utilities
461,951	630,213	1.36	834,584	134,440	6,982,583			436	8.0	91.4	26.2	337	53	13.1	15.12	31.87	6.15	25.72	Yakutat	Yakutat Power

NOTES *** - Calculations cannot be made due to lack of data or other circumstances. () - see endnotes on Page 9
 Columns h, i, k, m, n, o - Values summed from fiscal year 2004 utility reports.
 Column k - Total non-fuel expenses consists of salaries, insurance, taxes, supplies, interest, and other verifiable reasonable costs.
 Column l - Total amount utility was reimbursed for PCE credits given to eligible customers during fiscal year 2004.

Column q - Calculated PCE rate based on 12 months of data.
 Column x - Residential rates as reported by the utility in fiscal year 2004.
 Column y - Rates based on RCA Letter Order effective June 2004. PCE rate reflects 63% funding level.

**State of Alaska: Alaska Energy Authority
Fiscal Year 2004
Power Cost Equalization Program
by Utility/Community -- Partial Year Reporting**

Utility/Community	(a)	(b)	(c)		(d)	(e)		(f+d+e)	(g)
	Months of Data	Population	Number of Customers		PCE Eligible kWh			Total kWh Sold	
			Residential	Community Facilities	Residential	Community Facilities	Total		
Beaver Joint Utilities	9	76	42	9	69,590	15,995	85,585	214,729	
Buckland, City of	10	426	84	5	286,974	0	286,974	696,115	
Chignik Electric	10	77	57	11	145,764	57,260	203,024	514,084	
Kobuk Valley Electric Company	10	106	34	6	82,941	24,433	107,374	437,951	
Koyukuk, City of	11	101	48	3	86,178	11,368	97,544	221,190	
Kwethluk, Inc.	11	693	158	10	401,011	76,560	477,571	1,097,629	
Perryville, City of	8	111	34	0	85,964	0	85,964	228,973	
Port Heiden, City of	10	108	53	7	117,775	46,337	164,112	662,820	
Ruby, City of	5	195	109	14	86,096	61,293	147,389	232,583	
Teller Power Company	10	247	67	5	171,261	24,690	195,951	628,265	

Partial Year Endnotes:

- (1) Three (3) months of data reported for this category.
- (2) No data reported for this category.
- (3) All kWh's purchased were diesel generated.
- (4) Nine (9) months of data reported for this category.
- (5) Seven (7) months of data reported for this category.
- (6) All kWh's generated non-diesel were wind generated.

NOTES: *** - Calculations cannot be made due to lack of data or other circumstances. () - see endnotes.
 Columns a - c: Values extracted from the final utility report received in fiscal year 2004.
 Columns d, e, g: Values extracted from fiscal year 2004 utility reports.

**Fiscal Year 2004
Power Cost Equalization Program by
Utility/Community--Partial Year**

[h]		[i]	[j]=i/h	[k]	[l]	[m]	[n]	[o]	[p]=l/(b+c)	[q]=i*100/r	[r]=g/(m+n)	[s]=l/g	[t]=d/b/12	[u]=e/m/12	[v]=k*100/g	[w]=m/h	[x]	[y]	[z]=x-y	
Total Fuel Used (diesel)		Average Price of Fuel	Total Non-fuel Expenses	Required PCE Payment	Total kWh Generated Diesel	Total kWh Generated Non-diesel	Total kWh Purchased Diesel and Non-diesel	Average Annual Required PCE Payment per Customer	Average PCE Payment per Eligible kWh	Total kWh Sold versus Total kWh Generated %	Eligible kWh versus Total kWh Sold %	Average monthly Eligible kWh per		Non-fuel Expenses per kWh Sold	kWh Generated with Diesel per Gallon of Fuel Used kWh/gal	Average Residential Rate (based on monthly usage of 500 kWh) cents/kWh	PCE Rate Last Month Reported cents/kWh	Effective Residential Rate cents/kWh	Utility/Community	
gallons	cost											Residential Customer	Community Facility							
	\$	(\$/gal)	(\$)	\$	kWh	kWh	kWh	\$	cents	%	%	kWh/person	cents/kWh	kWh/gal	cents/kWh	cents/kWh	cents/kWh			
31,430	60,395	1.92	*** (2)	17,620	293,400			345	20.6	73.2	39.9	138	18	*** (2)	9.33	42.00	15.62	26.38	Beaver Joint Utilities	
95,753	179,183	1.87	64,569	39,433	282,680 (1)			443	13.7	***	41.2	285	0	9.3	***	38.00	10.97	27.03	Buckland, City of	
53,192	66,067	1.24	85,899	33,132	567,540			487	16.3	90.6	39.5	213	62	16.7	10.67	38.00	15.76	22.24	Chignik Electric	
***	***	***	*** (2)	21,133	***		444,260 (2)	528	19.7	***	24.5	203	19	*** (2)	***	53.00	17.45	35.55	Kobuk Valley Electric Company	
20,820	39,362	1.89	18,747	12,804	353,250 (4)			251	13.1	***	14.1	150	9	8.5	***	45.00	8.76	36.24	Koyukuk, City of	
92,279	171,959	1.86	91,656	51,854	1,315,693			309	10.9	83.4	43.5	212	9	8.4	14.26	44.00	12.33	31.67	Kwethluk, Inc.	
23,912	43,538	1.82	22,007	10,688	263,040			314	12.4	87.0	37.5	211	0	9.6	11.00	30.00	11.64	18.36	Perryville, City of	
61,217	87,346	1.43	47,840 (5)	14,117	723,860	8,673 (6)		235	8.6	90.5	24.8	185	38	7.2	11.82	30.00	8.24	21.76	Port Heiden, City of	
24,861	43,642	1.76	15,999	19,635	*** (2)			160	13.3	***	63.4	15	26	6.9	***	18.00	12.52	33.48	Ruby, City of	
49,287 (4)	82,309 (4)	1.67	166,014	63,552	687,278			883	32.4	91.4	31.2	210	8	26.4	***	56.39	28.86	27.53	Teller Power Company	

NOTES *** = Calculations cannot be made due to lack of data or other circumstances. () = see endnotes on Page U
 Columns h, i, k, m, n, o: Values summed from fiscal year 2004 utility reports
 Column k: Total non-fuel expenses consists of salaries, insurance, taxes, supplies, interest, and other variable reasonable costs
 Column l: Total amount utility was reimbursed for PCE credit given to eligible customers during fiscal year 2004

Column q: Calculated PCE rate based data reported in fiscal year 2004
 Column r: Residential rates as reported by the utility in fiscal year 2004
 Column y: Rates based on NCA Letter Order

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POWER COST EQUALIZATION PROGRAM
HISTORICAL TRENDS
 Fiscal Year 1990 - 2004

	Fiscal Year 90	Fiscal Year 91	Fiscal Year 92	Fiscal Year 93	Fiscal Year 94	Fiscal Year 95	Fiscal Year 96	Fiscal Year 97	Fiscal Year 98	Fiscal Year 99	Fiscal Year 00	Fiscal Year 01	Fiscal Year 02	Fiscal Year 03	Fiscal Year 04
PARTICIPATION															
Participating Utilities	96	96	96	96	95	95	96	96	97	98	94	91	90	89	85
Communities Served	163	160	164	166	173	175	180	191	193	194	188	189	187	185	181
Population Served	68,764	67,223	67,922	69,626	73,392	75,776	75,488	77,406	78,179	79,377	77,625	79,708	79,555	79,229	78,166
CUSTOMERS															
Residential	19,991	19,816	20,059	20,857	21,732	22,361	23,316	23,820	24,423	25,226	24,753	25,123	25,426	25,713	25,747
Commercial	4,999	4,895	5,037	5,363	5,202	5,299	6,391	5,778	5,895	5,955	(1)	(1)	(1)	(1)	(1)
Community Facilities	1,133	1,195	1,276	1,285	1,366	1,361	1,452	1,510	1,609	1,627	1,675	1,732	1,740	1,776	1,768
Total Customers	26,123	25,906	26,372	27,505	28,300	29,021	31,159	31,108	31,927	32,808	26,428	26,855	27,166	27,489	27,515
FUNDING															
Appropriations (\$)	\$16,814,000	\$16,912,100	\$15,029,700	\$18,026,700	\$17,920,000	\$18,635,000	\$19,385,600	\$18,500,000	\$18,700,000	\$18,050,000	\$15,700,000	\$17,090,222	\$15,700,000	\$15,700,000	\$15,700,000
Disbursements (\$)	\$17,785,256	\$19,607,435	\$15,731,165	\$17,341,042	\$17,516,024	\$18,493,448	\$19,201,515	\$17,906,275	\$18,503,992	\$17,949,524	\$14,415,676	\$17,076,203	\$15,469,105	\$15,448,480	\$15,617,225
Disbursements/Customer (\$)	\$681	\$757	\$596	\$630	\$619	\$637	\$616	\$576	\$580	\$547	\$545	\$636	\$569	\$562	\$568
Funding Level (Annual Average % of full PCE rates)	100%	100%	81.67%	89.17%	95%	97.5%	97.5%	85%	85%	(2)	100%	(3)	(4)	(5)	(7)
CONSUMPTION															
Total MWH Sold (MWH)	293,086	286,508	309,552	313,535	340,102	359,569	363,783	374,455	383,549	403,663	391,454	390,802	401,804	403,157	411,939,787
PCE Eligible MWH Residential & Commercial (6)	112,251	111,065	102,009	104,545	105,630	108,217	112,484	115,803	118,553	128,836	85,873	87,524	89,315	89,786	90,450,341
PCE Eligible KWH/Month/Cust, Resid & Comrc	385	379	339	332	327	326	316	326	326	364	265	290	293	291	293
PCE Eligible MWH Community Facilities	18,004	19,703	22,185	23,331	24,344	26,447	27,420	28,308	29,954	33,016	30,216	33,062	34,342	33,829	35,210,266
Elig. KWH/Month/Capita, Community Facilities	23.0	25.0	27.0	28.0	28.0	28.0	30.0	31.0	32.0	35.0	32.4	35.0	36.0	36.0	38.0
Total PCE Eligible MWH (MWH)	130,255	130,769	124,193	127,877	129,974	134,194	139,904	144,112	148,507	161,852	116,089	120,585	123,657	123,615	125,660
Eligible KWH/Month/Cust, Total Customers	428	427	392	388	383	385	374	386	388	411	293	325	379	327	331
COSTS															
Average Price of Fuel Oil (\$/gallon)	\$0.920	\$1.050	\$1.000	\$0.990	\$0.970	\$1.010	\$1.01	\$1.11	\$1.07	\$0.98	\$1.10	\$1.37	\$1.32	\$1.33	\$1.43
Total Gallons of Fuel Oil Consumed (gallons)	24,827,962	23,540,785	24,251,425	24,932,287	26,663,700	27,861,416	27,540,292	29,159,435	28,380,048	28,296,365	27,697,657	27,358,835	28,161,794	27,295,935	28,476,898
Total Cost of Fuel Oil (\$)	\$22,865,957	\$24,631,042	\$24,222,958	\$25,246,066	\$27,391,271	\$27,616,949	\$27,849,969	\$31,174,864	\$30,235,332	\$27,701,300	\$30,427,210	\$37,178,880	\$37,059,110	\$36,400,050	\$40,850,408
Total Operating Costs (\$)	\$40,998,307	\$38,058,236	\$42,014,478	\$43,974,601	\$48,431,445	\$47,200,227	\$52,174,734	\$51,068,505	\$53,803,948	\$54,539,372	\$41,487,005	\$55,436,898	\$57,169,071	\$59,003,506	\$59,995,049
EFFICIENCY RATIOS															
Operating Expenses per total KWH Sold (\$/kwh)	\$0.1400	\$0.1330	\$0.1360	\$0.1400	\$0.1270	\$0.1310	\$0.1430	\$0.1360	\$0.1400	\$0.1350	\$0.1060	\$0.1410	\$0.1410	\$0.1464	\$0.1453
RATES															
Average PCA/PCE per Eligible KWH (\$/kwh)	\$0.1395	\$0.1500	\$0.1220	\$0.1350	\$0.1350	\$0.1380	\$0.1370	\$0.1240	\$0.1250	\$0.1450	\$0.1240	\$0.1416	\$0.1251	\$0.1250	\$0.1200

(1) Commercial customers are ineligible to receive PCE credit, per July 2000 legislation.

(2) PCE funding levels for FY99 were paid at the reduced level of 85% for the first ten (10) months of the program year, and reduced to 73.5% for the last two (2) months of the program year.

(3) PCE funding levels for FY01 were paid at the 100% level for the first eleven (11) months, and reduced to 74% for the last month of the program year.

(4) PCE funding levels for FY02 were paid at the reduced level of 92% for the first seven (7) months, 80% for the next four (4) months, and 66% for the last month of the program year.

(5) PCE funding levels for FY03 were paid at the reduced level of 84% for the first eight (8) months, 90% for the next three (3) months, and 92% for the last month of the program year.

(6) PCE Eligible MWH Residential & Commercial is a combined total for years FY90 - FY99. FY00 - FY04 represents residential eligible MWH's only.

(7) PCE funding levels for FY04 were paid at the reduced level of 92% for the first three (3) months, 83% for the next six (6) months, 75% for the next two months, and 63% for the last month of the program year.

Amendments to the Fiscal Year 2003
PCE Annual Statistical Report

Kotzebue Electric Cooperative:

Column "J" – Average Cost of Fuel

Published: \$1.48

Amended: \$1.20

Column "N" – Total kWh Generated Non-Diesel

Published: 400,563

Amended: 1,047,194

1/26/06

LOW

INCOME

HOME

ENERGY

ASST.

PROGRAM

HFIN

FILE

It's easy to apply!

Just complete the application form, enclose the requested information and mail it to us.

Applications must be postmarked between September 1 and April 30. Payments are awarded beginning November 1.

Income guidelines change annually. This information may be obtained on our website at www.hss.state.ak.us/dpa/heat or by calling (800) 470-3058.



The Heating Assistance Program is funded by the federal Low Income Home Energy Assistance Program (LIHEAP)

State of Alaska
Heating Assistance Program
400 Willoughby, Suite 301
Juneau, AK 99801-1700



The Heating Assistance Program



Let us help you
stay warm
this winter!

(800) 470-3058
www.hss.state.ak.us/dpa/heat



Need help with heating bills?

The Heating Assistance Program strives to ensure that no one's health is jeopardized due to the inability to pay heating bills.

For many Alaska households, heating costs place a severe and continuing stress on the family's budget. In some instances, the household is forced to make painful decisions regarding which bills to pay and which necessities to survive without.

The Heating Assistance Program (HAP) helps eligible low-income households pay for winter heating costs. HAP will provide a one-time benefit to eligible households to be used for heat and associated electric bills. The payment amount is determined by geographic location, fuel type, income, and household size.



How does it work?

We provide a one-time benefit to eligible households to be used for heating bills.

- ◆ An overdue bill or cut-off notice is not required.
- ◆ You do not have to own your home or pay heating bills directly to be eligible for assistance.
- ◆ You do not have to be receiving public assistance to qualify.

How to apply...

STEP 1: Application

Application forms are available from your heating supplier, electric company, WIC clinic, Senior Center, Division of Public Assistance Office, or we'll mail one to you upon request. You can also download one from our web site at:

<http://www.hss.state.ak.us/dpa/heat>

To apply, complete the application form, enclose the following information, and mail it to us:

- ◆ Proof of gross income from all household members for the calendar month prior to application date;
- ◆ A copy of your current heat and electric bills (if you pay for your home energy directly);
- ◆ If you rent, a copy of your rental agreement and a recent rent receipt.



STEP 2: Notification

We will determine if you are eligible based on the information provided. You will be notified of eligibility status within 45 days. If you are eligible, you will be informed of the amount of assistance you will receive.

STEP 3: Payment

If you are eligible, a payment is made to your heating vendor as a credit to your account or, in some cases, directly to you.

For more information contact us at:
(800) 470-3058
www.hss.state.ak.us/dpa/heat

State of Alaska
Department of Health & Social Services

Frank H. Murkowski
Governor
P.O. Box 1100C1
Juneau, Alaska 99811-0001
FACT SHEET



Karleen Jackson
Commissioner
907-465-3030
FAX: 907-465-3068
www.hss.state.ak.us

December 6, 2005

Heating Assistance Program Funding

What is the Heating Assistance Program?

- The Heating Assistance Program (HAP) provides assistance to low-income households to offset the cost of home heating.
- The program is 100 percent federally funded by the Low-Income Home Energy Assistance Program (LIHEAP) block grant.
- The Heating Assistance Program accepts applications from September 1 through April 30, and begins issuing benefits on November 1. An eligible household will receive one heating assistance grant during this period. The grant is typically paid to the home energy vendor and reflected as a credit on the customer's account.
- Congress is expected to fund LIHEAP in FY 2006 at the same level as FY 2005, a total of \$11.9 million for Alaska's state and tribal LIHEAP.

Issues

- The Governor is requesting \$8.8 million in state funds in fiscal year 2006 to supplement the LIHEAP funds. The funds will be used to increase household grants. The Department will also grant funds to the Alaska tribal LIHEAP providers to supplement their programs.
- The price of home heating oil has increased 90% over the past two years, based upon Alaska spot market prices from 10 communities around the state. This is creating great difficulties for low income Alaskans, as their grants do not adequately cover their increased costs.
- In Kotzebue the average grant two years ago purchased 735 gallons of home heating oil compared to 402 gallons today. In Nome the number of gallons has decreased from 650 to 339 gallons.
- In fiscal year 2005, 9,055 households received a HAP grant, with another 4,924 households served by tribal LIHEAP providers. So far this winter the number of applications received by the HAP has increased 18 % over the same time last year. Low-income households in virtually every community in Alaska are assisted by LIHEAP.

Major Goals

- Increase benefits for Heating Assistance Program recipients and tribal LIHEAP programs to counter increases in energy prices.
- Continue to provide benefits to all eligible Alaskan households that apply for assistance.
- Minimize the economic impact of customer bad debt on Alaska home energy suppliers, particularly in rural Alaska.

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2/1/06

PPT

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FILE

PPT STUDIES

Alaska Department of Revenue

February 1, 2006

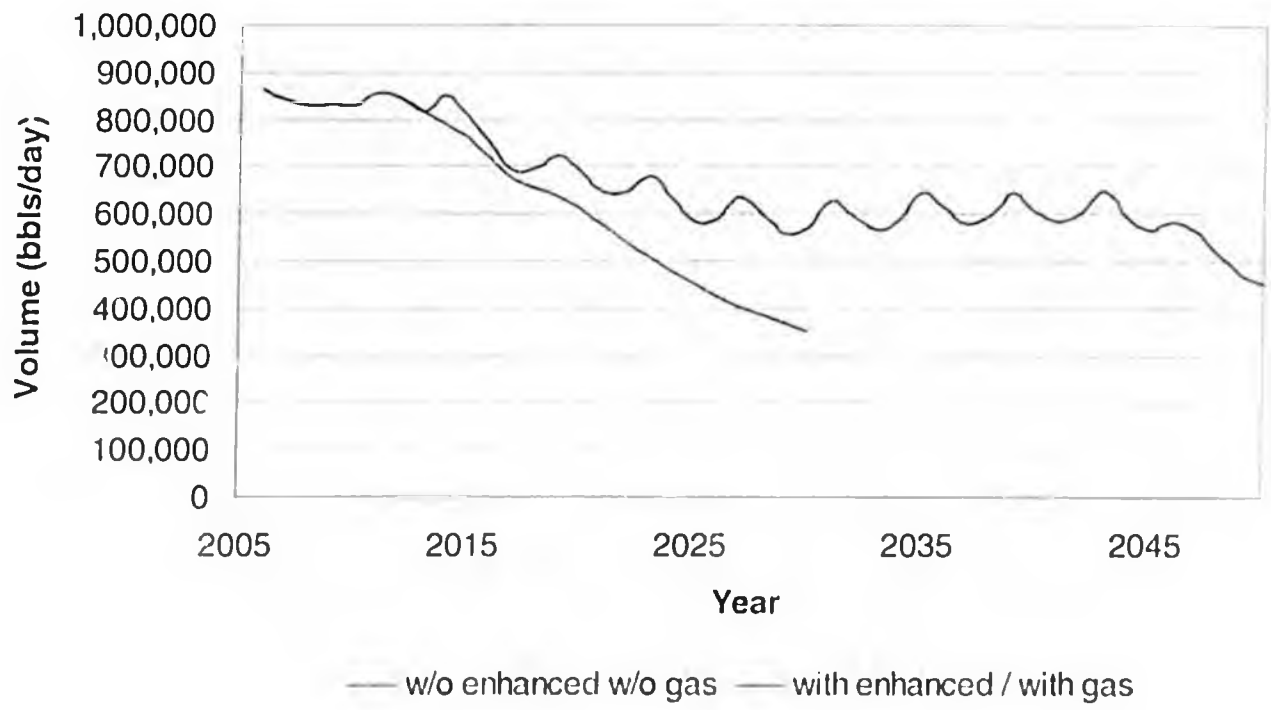
PPT

- Wellhead Value less:
 - Operating cost
 - Property tax
 - Royalty
 - Capital cost
- x tax rate
- y credit on capital costs

Volume Scenarios

- No enhanced volumes / No gasline
- Gasline and enhanced volumes

Figure 1
Volume Scenarios



Costs and Prices

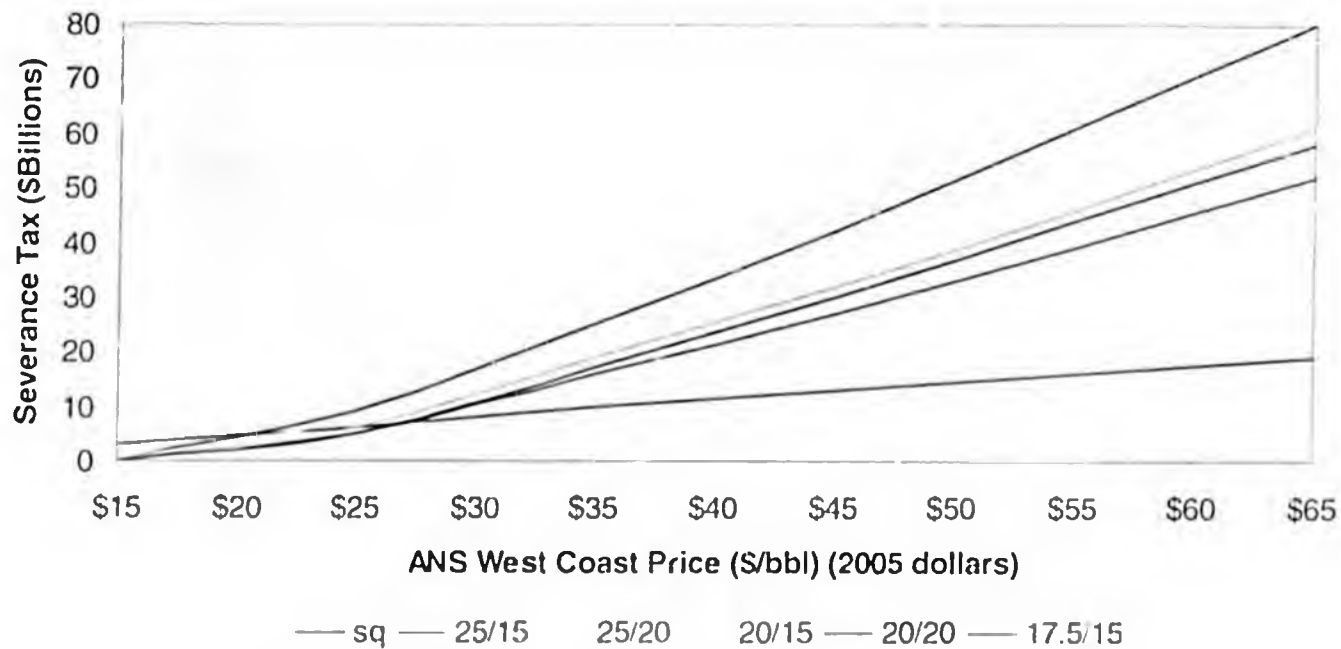
- Costs
 - \$100 mm/yr exploration
 - \$1/bbl on-going capital
 - \$4/bbl developmental capital on 2/3 of oil on existing fields
 - \$4/bbl developmental capital on new fields
 - \$4/bbl operating costs

Costs and prices are real \$2005 dollars
escalating at 2%/year

Cumulative Revenues

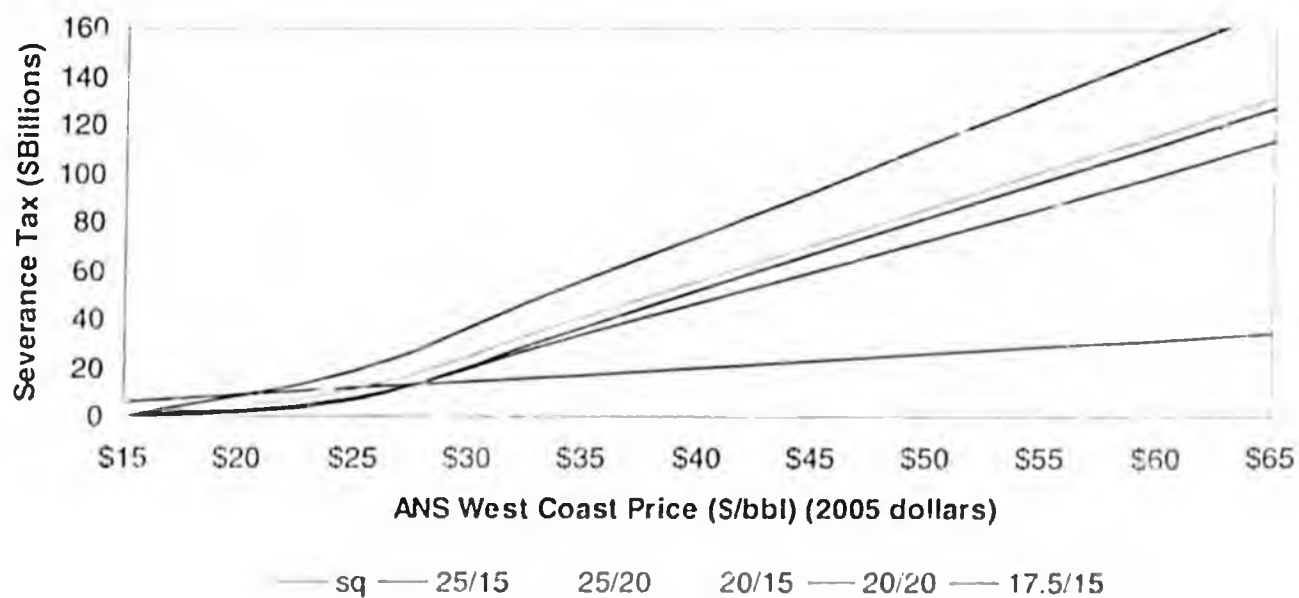
- Without enhanced volumes / without gasline (through 2030)
- With enhanced volumes / with gasline (through 2050)

Figure 2
Cumulative Oil Severance Taxes 2006-2030 (\$)
Without Gasline / Without Enhanced Volumes



Total revenues \$3 billion less to \$61 billion more than status quo

Figure 3
 Cumulative Oil Severance Taxes 2006-2050 (\$B)
 With Gasline / With Enhanced Volumes

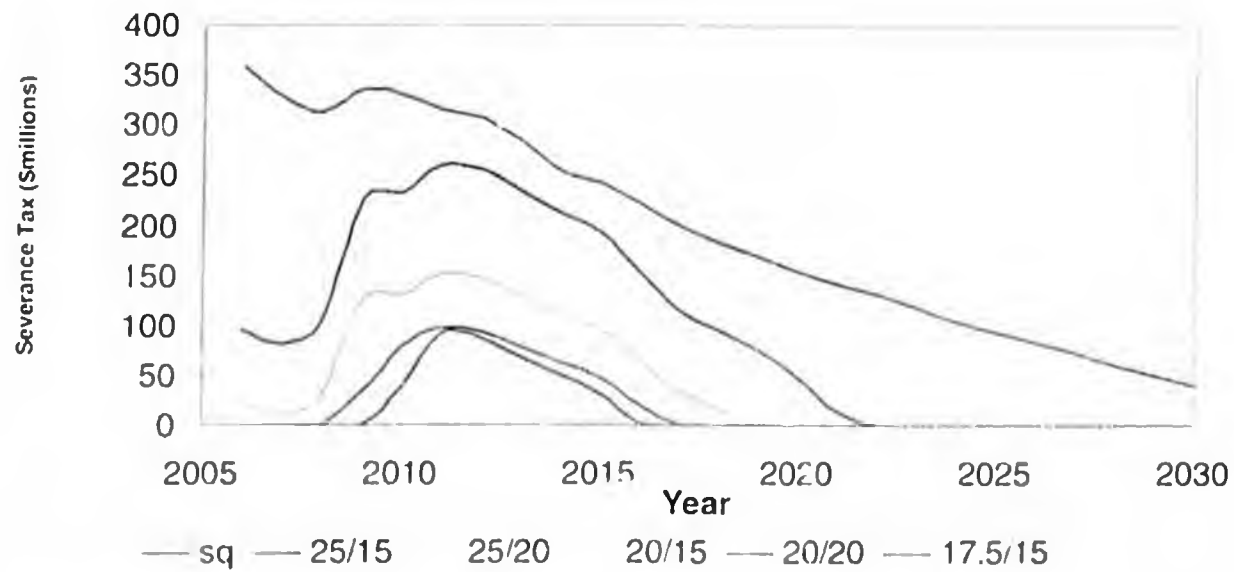


Total revenues \$6 billion less to \$134 billion more than status quo

Annual Revenues

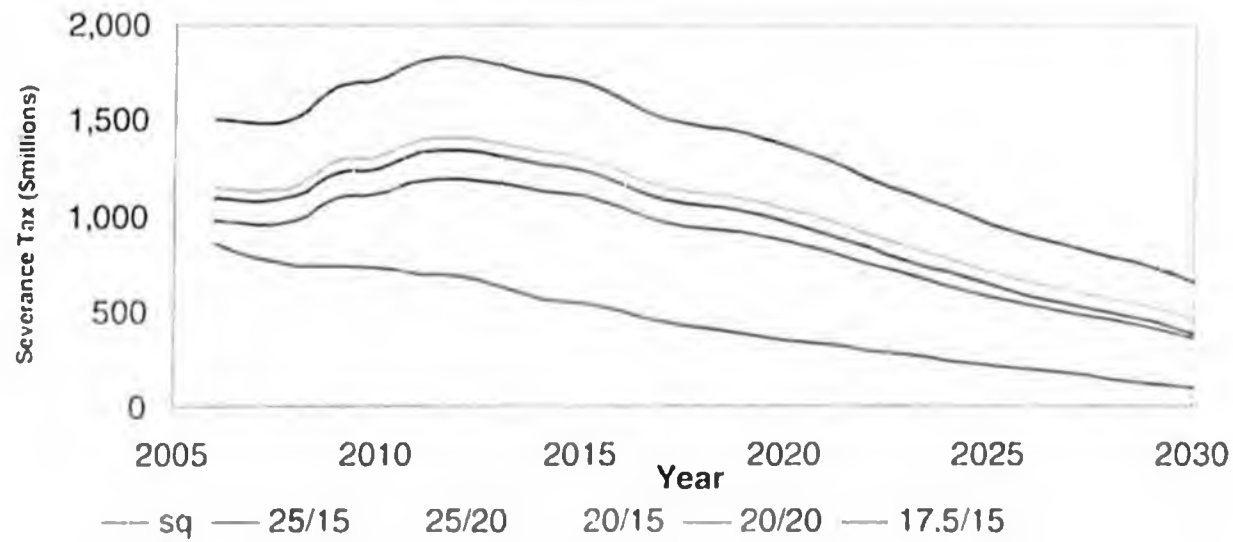
- Without enhanced volumes / without gasline (through 2030)
 - \$20
 - \$40
 - \$60
- With gasline / with enhanced volumes (through 2050)
 - \$20
 - \$40
 - \$60

Figure 4
 Annual Oil Severance Tax (\$mm)
 No Gasline / No Enhanced Volumes
 \$20



Average annual revenues \$100 - \$180 million less than status quo

Figure 5
Annual Oil Severance Tax (\$mm)
No Gasline / No Enhanced Volumes
\$40



Average annual revenues \$400 - \$900 million more than status quo