



POWER COST ADJUSTMENT

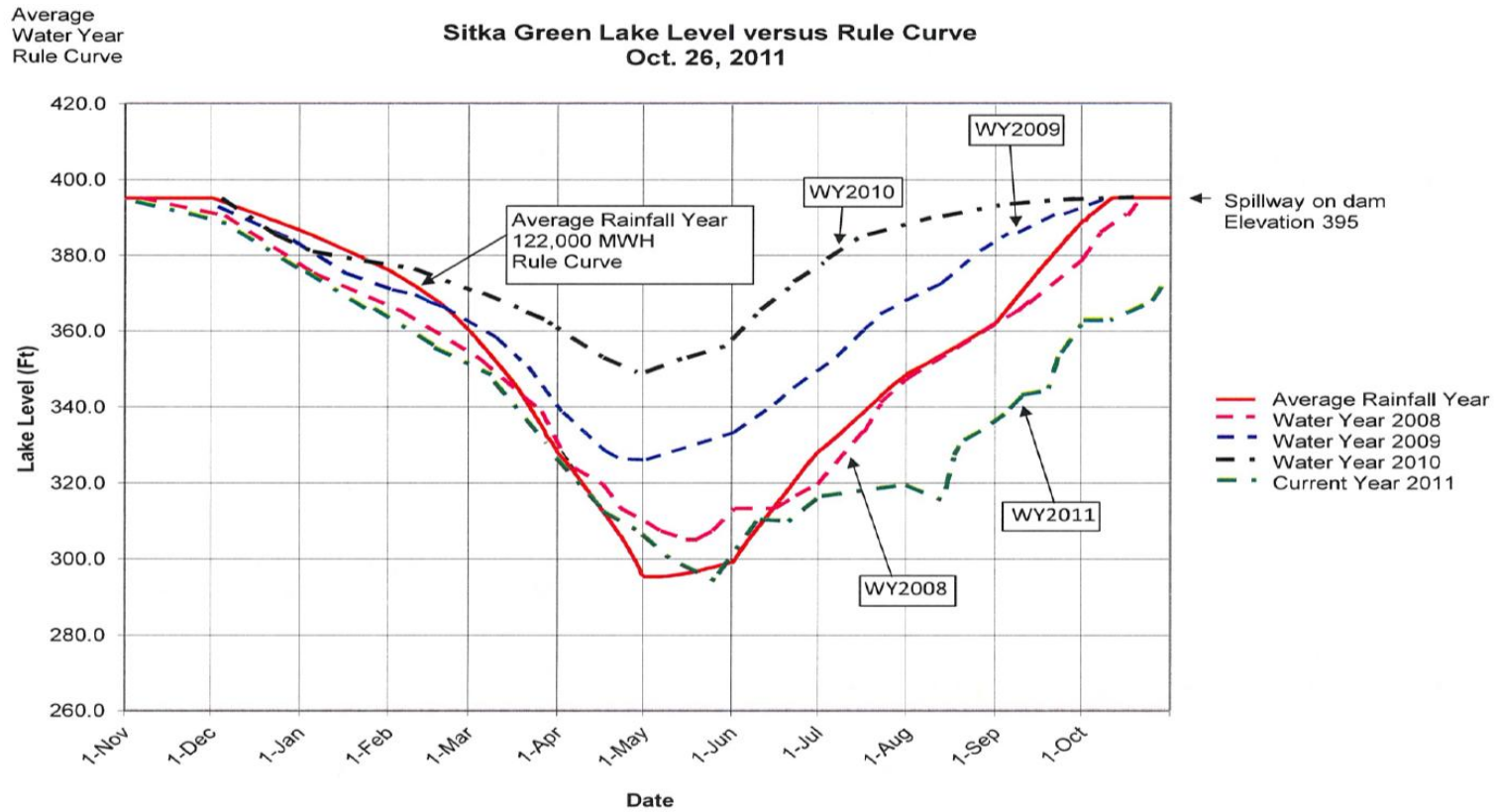
Fuel Surcharge

CURRENT SITUATION

- Lakes will not fill this year
- Scheduled diesel operations in Nov-Dec
- Forecast is for a dry & cold winter
- Fuel reserve account drawn down from Thimbleberry outage
- \$400,000 from cash reserve for fuel purchase in September must be recovered
- System load cannot be met solely by hydro

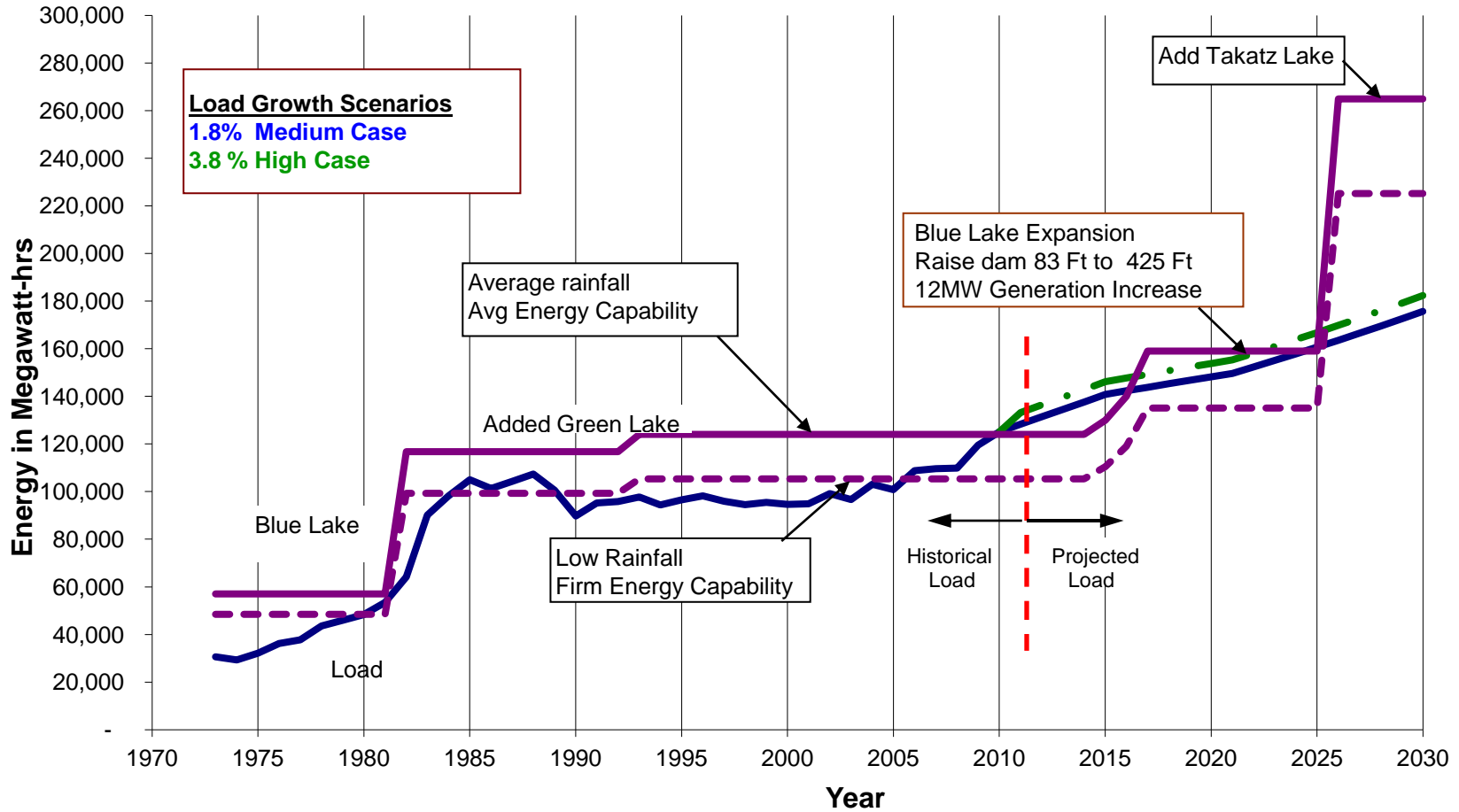
RULE CURVE – WY2012

10/31/2011



Sitka's Electric Energy Requirements and Resources (1973-2030)

October 13, 2011



10/31/2011

FUEL CHARGE – OBJECTIVES

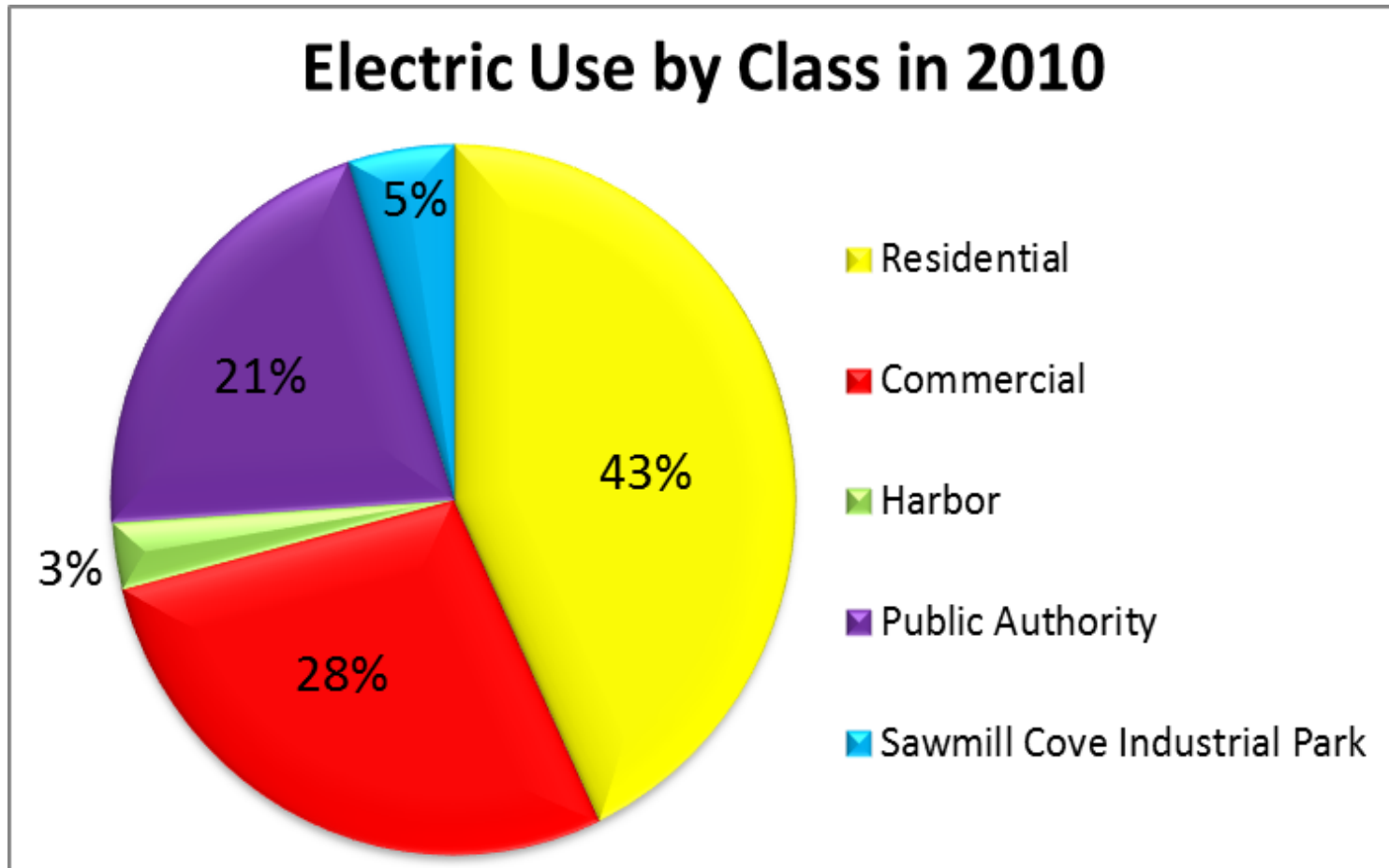
- Follow basic tenants of an enterprise fund
 - Cost of service recovered through rates
- Fuel costs do not draw down cash reserves
- Maintains bond covenant cash requirements
- Sends price signal before consumption allowing consumer usage modification
- Impacts all customer classes
- Seasonal customers pay

FUEL CHARGE - CONCERNS

- Forecast model has inherent variability
 - Weather
 - Electric Load
 - Precipitation
- Collects revenue before costs are incurred
- May not be well understood by customer base

CONSUMPTION BY KILOWATT HOURS SOLD

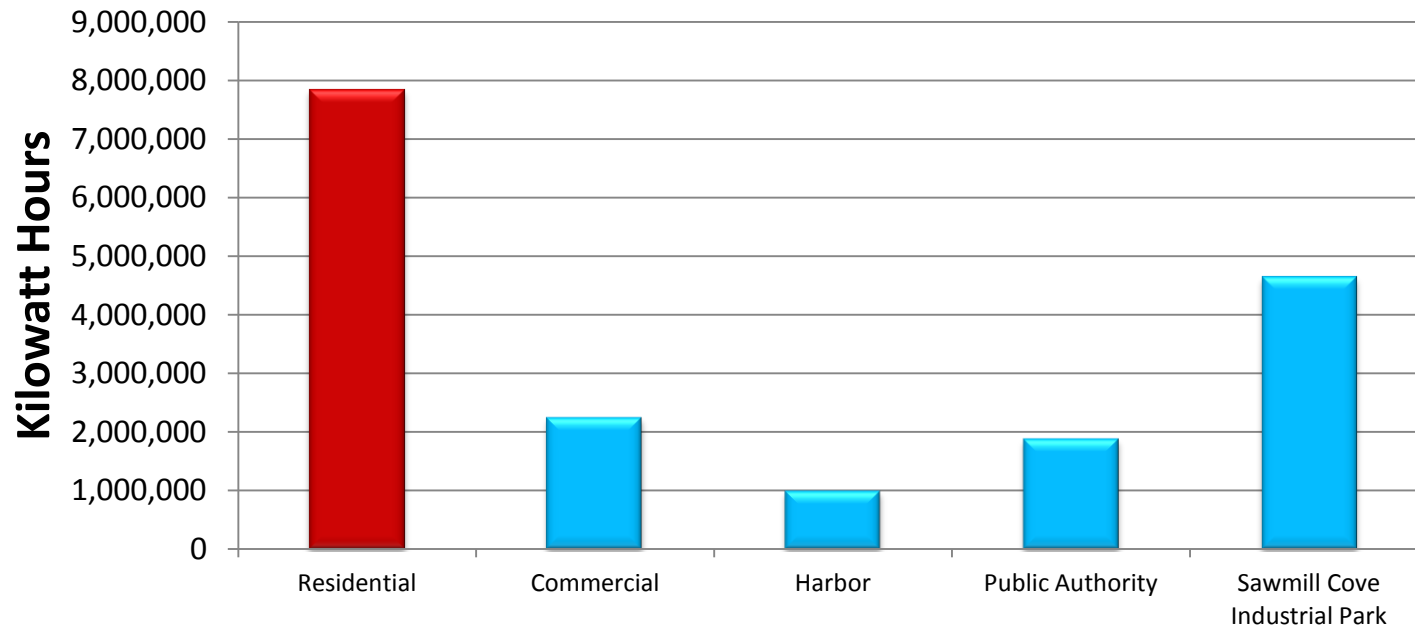
10/31/2011



SYSTEM LOAD GROWTH 2001-2010

10/31/2011

kWh Increase in Last 10 Years ¹



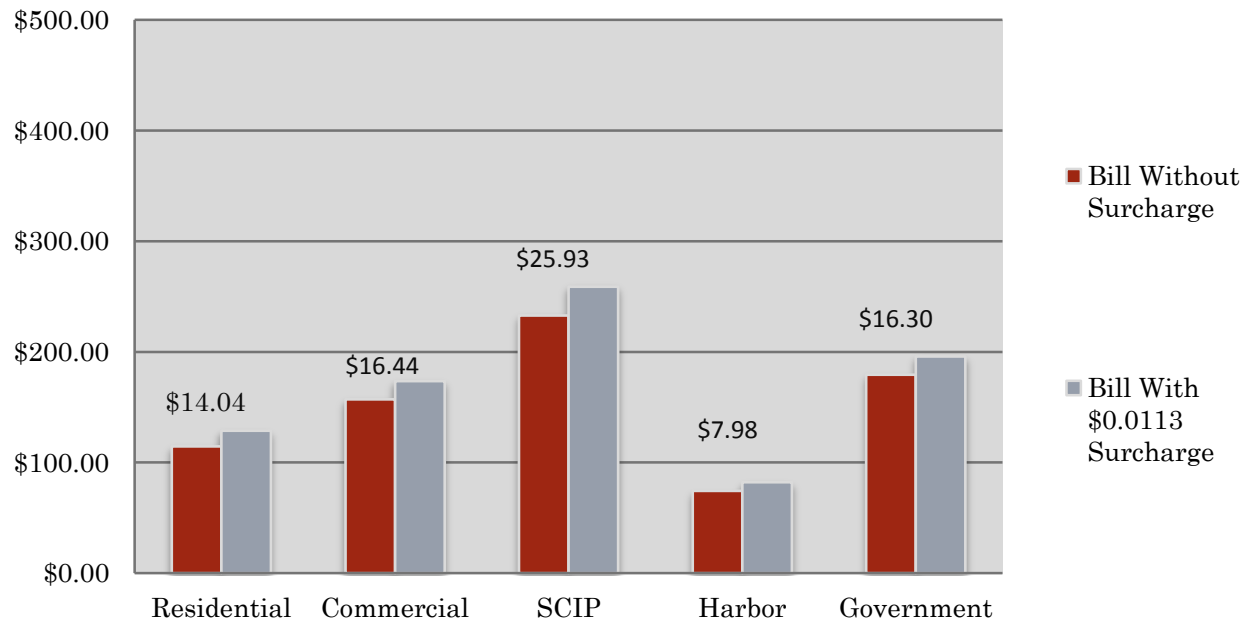
1 – Comprehensive Annual Financial Report

Consumer Class

FUEL CHARGE IMPACTS – JAN-MAR 2012

10/31/2011

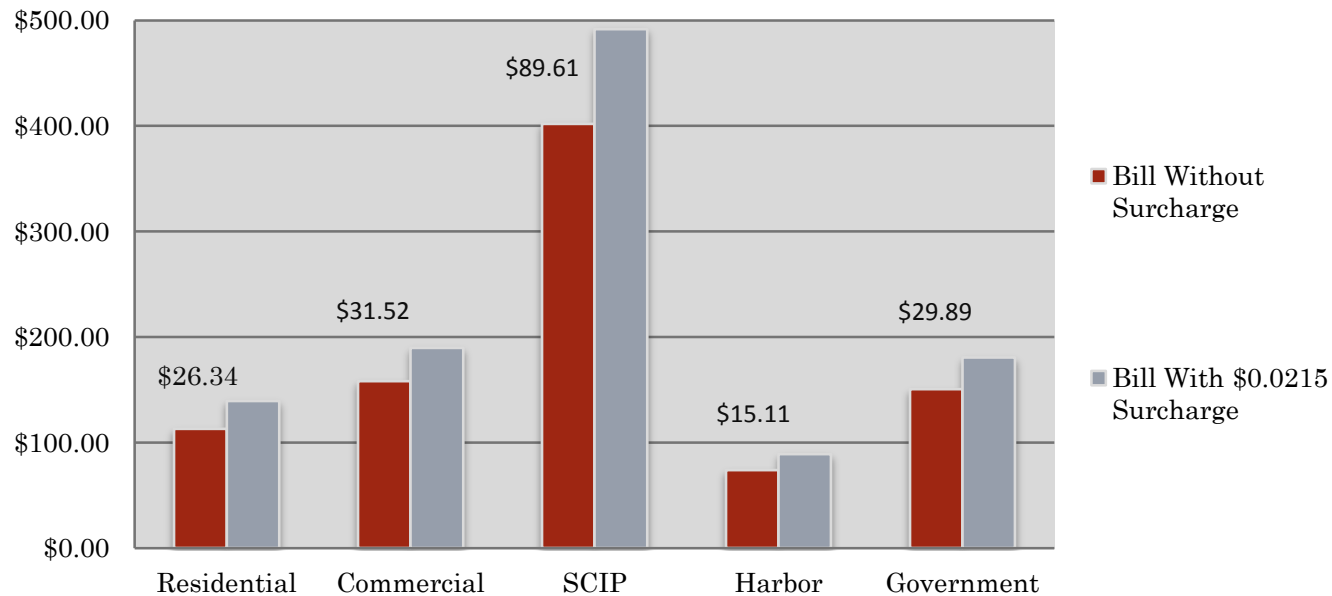
Average January Bill Difference



FUEL CHARGE IMPACTS – APR-JUN 2012

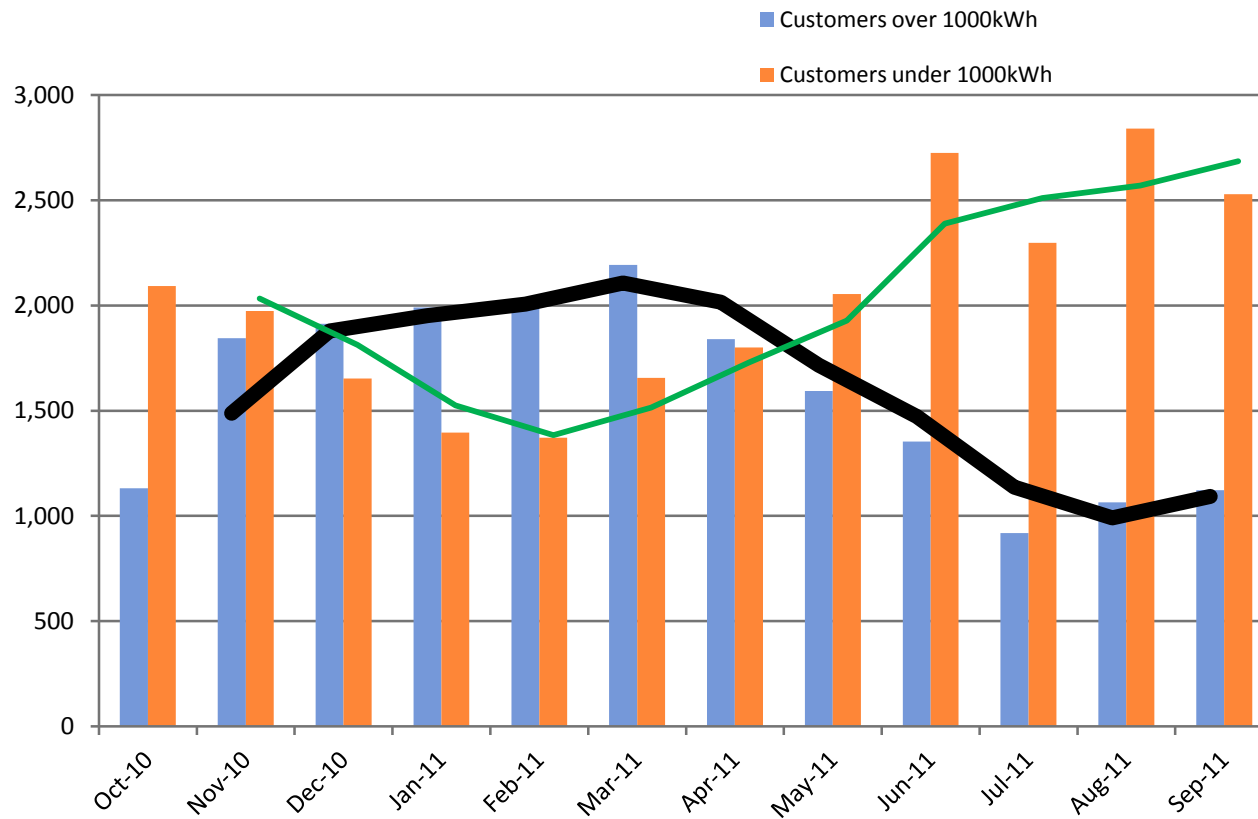
10/31/2011

Average April Bill Difference



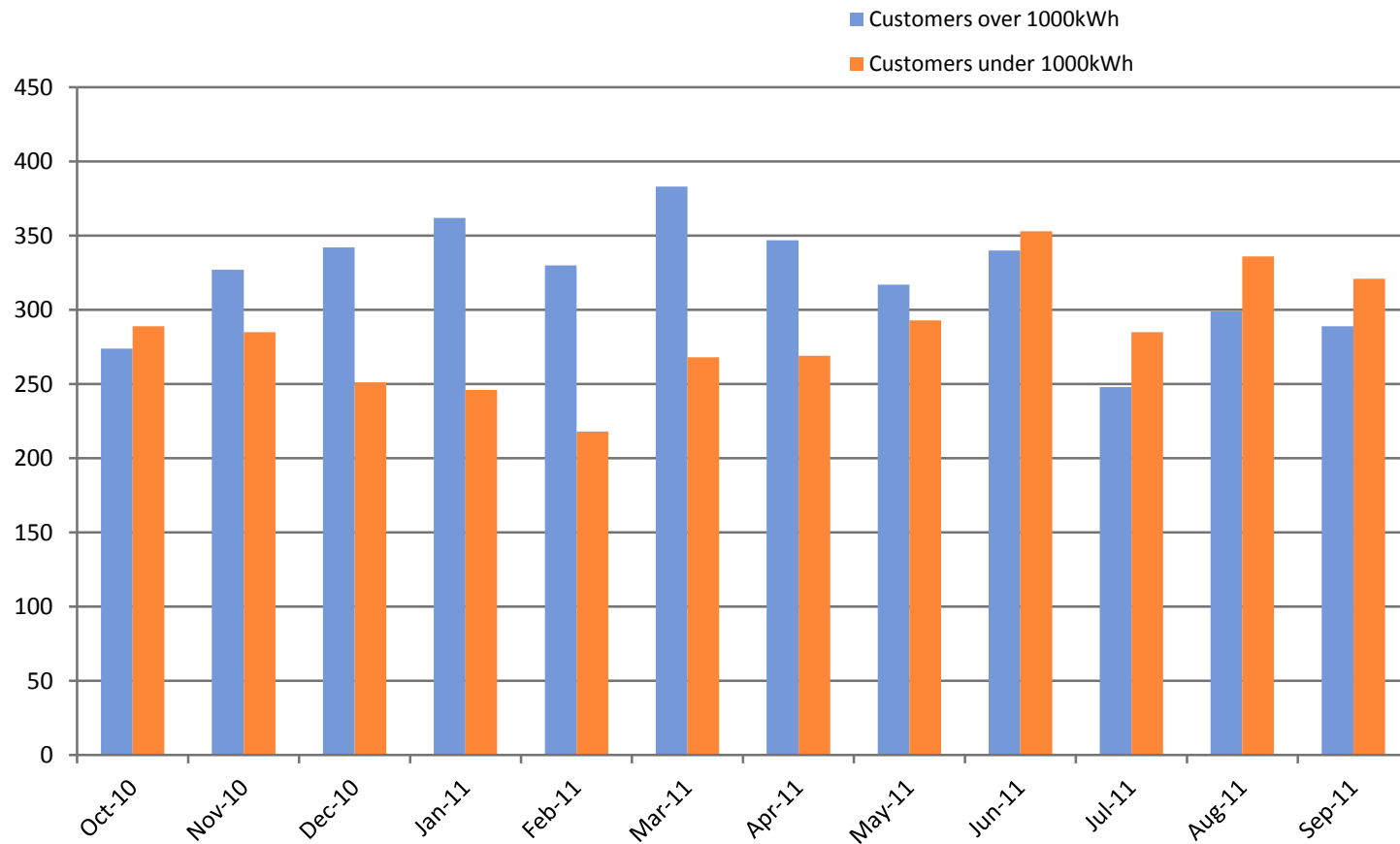
CUSTOMER CONSUMPTION

2010-2011 Residential Customers



CUSTOMER CONSUMPTION

Commercial Customers 10/10-9/11



CUSTOMER CONSUMPTION

Government Customers 10/10-9/11

