

**Alaska Energy Cost Reduction Program
Progress Report**

Grantee: Alaska Power Company (a/k/a Alaska Power and Telephone Company)

Project Name: APC Automated Controls Project

Grant # 2195136

Period of Report: Second Quarter 2005 (April 1 through June 30, 2005)

Project activities completed:

The new switchgear and switchboard assemblies for Hydadburg are complete and operational.

Thorne Bay switchgear has been modified, tested, and shipped to site. Installation will commence the week of June 20.

Controlled Power has been contracted to build the generator control switchboard for Thorne Bay. Design is complete, components have been ordered. Assembly is scheduled for July with shipping to site scheduled for the end of August 2005.

Coffman Cove power plant control design has begun. Design is scheduled for completion by September 2005. Equipment will be ordered upon completion of the design.

Project existing or potential problems:

No problems exist to date. All material is within budgeted amounts.

Activities targeted for Next Reporting Period, Third Quarter 2005:

It is anticipated that the 480-volt switchgear will be installed next week. The Thorne Bay switchboard will be completed and shipped to site. Coffman Cove engineering will be complete.

ALASKA POWER & TELEPHONE COMPANY

PO BOX 3222 - 191 OTTO STREET
PORT TOWNSEND, WA 98368
(360) 385-1733 - (800) 982-0136
FAX (360) 385-5177

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July 22, 2005

Peter Crimp, Project Manager
Alaska Energy Authority
813 W. Northern Lights Blvd.
Anchorage, AK 99503

Dear Peter,

Enclosed is Alaska Power Company's quarterly reports for the Prince of Wales Island Automated Controls Project, Grant # 2195136. The documents include:

- Financial Report
- Project Progress Report

Reimbursable expenses for this project cannot be accurately accessed at this time because several clerical errors. A reimbursement request and all supporting documents will be prepared and submitted covering April, May, June, and July 2005 during the month of August.

With strictly design and testing process being done currently, photographs would show no activity or change. As such, no photographs were provided with this status report.

Every effort has been made to provide the necessary information. Please contact me if questions arise or if additional information is required.

Sincerely,



Karl B. Wood
Senior Accountant
Regulatory Affairs