

**ALASKA POWER & TELEPHONE COMPANY**  
**PO BOX 3222 - 193 OTTO STREET**  
**PORT TOWNSEND, WA 98368**  
**(360) 385-1733 - (800) 982-0136**  
**FAX (360) 385-5177**

OCT 15 2003

October 14, 2003

Mr. Al Ewing  
Denali Commission Chief of Staff  
510 "L" Street, Suite 410  
Anchorage, AK 99501

RE: AEA Grant No. 2195137 Skagway / Dyea Line Extension Project  
Report Period: July 1, 2003 to September 30, 2003

Dear Mr. Ewing,

In compliance with the Alaska Energy Authority Grant Agreement, Alaska Power Co. submits the following second quarter reports:

Progress Report  
Financial Report

The majority of expenses to date have covered engineering design and permitting. As no major construction has occurred to date, I have not submitted photos at this time.

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

Respectfully submitted,



Karl B. Wood  
Senior Accountant

**Alaska Energy Cost Reduction Program  
Progress Report**

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

**Project Name:** APC Skagway Line Extension Program

**Grant # 2195137**

**Period of Report:** Third Quarter 2003 (July 1, 2003 to September 30, 2003)

**Project existing or potential problems:**

AP&T continues to monitor State D.O.T. road improvements while deferring installation of section #2, 9000 ft of underground. This will avoid installing the underground system, relocating it during road construction and reinstalling the underground system a second time. Roadwork should be completed May of 2004.

The distribution line construction may occur concurrent with the roadway work expected from Oct. 2003 to May 2004 or follow behind the roadway work.

**Activities targeted for Next Reporting Period, Fourth Quarter 2003:**

Stay abreast of DOT roadway plans as their design work begins.

Additional options for the Coffman Cove and Thorne Bay upgrades have been discussed.

**APC Skagway to Dyea Line Extension Project**

Grantee: **Alaska Power Company**

Period: July 1, 2003 to September 30, 2003

Grant Number: 2195136

Financial Report - Grant Funds

**Budget Summary by Work Item**

	Total Project Cost	Expenditures this period	Expenditures to Date	Balance	Next Month's Budget Estimate
Skagway Line Extension	444,540.00	378.62	358,805.51	85,734.49	-
			-	-	-
			-	-	-
<b>Totals</b>	<b>\$444,540.00</b>	<b>\$378.62</b>	<b>\$358,805.51</b>	<b>\$85,734.49</b>	<b>\$0.00</b>

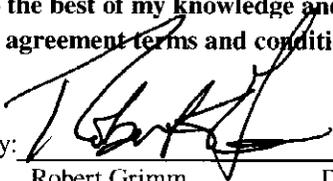
**Budget Summary by Fund Sources**

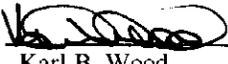
Grant @ 55.6%	247,164.24	210.51	199,495.86	47,668.38	-
APC @ 44.4%	197,375.76	168.11	159,309.65	38,066.11	-
<b>Totals</b>	<b>\$444,540.00</b>	<b>\$378.62</b>	<b>\$358,805.51</b>	<b>\$85,734.49</b>	<b>\$0.00</b>

**CERTIFICATION**

Requires two original signatures. The person certifying must be different from the person preparing the report. One signature should be an authorized representative of the grantee organization or highest ranking officer; the other should be the person who prepared the report.

**I certify to the best of my knowledge and belief the information above is correct and funds were spent in accordance with grant agreement terms and conditions.**

Certified By:  10-14-2003  
 Robert Grimm Date:  
 Title: President

Prepared By:  10/14/03  
 Karl B. Wood Date:  
 Title: Senior Accountant

7/1/03 through 9/30/03

Third Quarter Actual Allowable Costs Invoiced

Work Description	Total Project Budget		YTD Budget	Direct Labor	Fringe Benefits @ 52%	Direct Costs	Other Costs	Light Vehicle @ 26%	Total Qtr Project Expense	GRANT INVOICE Project to Date	APT PA DETAIL Project to Date Expenses	APT Cost % of Total Budget
	Budget											
S209 2.9 Mile Line Extension	444,540.00	444,540.00	444,540.00	223.57	81.26			73.79	378.62	358,805.51	430,749.56	96.90%
<b>Total Grant</b>	<b>444,540.00</b>	<b>444,540.00</b>	<b>444,540.00</b>	<b>223.57</b>	<b>81.26</b>	<b>-</b>	<b>-</b>	<b>73.79</b>	<b>378.62</b>	<b>358,805.51</b>	<b>430,749.56</b>	<b>96.90%</b>

POW Controls Project Budget

Allowable grant project expenditures to date @ 9/30/03  
 444,540.00  
 358,805.51  
 Grant Balance \$85,734.49

% of expenditures to total budget 80.71%

Third Quarter Actual Total Costs

Work Description	Direct Labor	Fringe Benefits @ 52%	Direct Costs	Other Costs	Light Vehicle @ 33%	G & A Overhead @ 25%	Total Project Expense
	<b>223.57</b>	<b>116.26</b>	<b>-</b>	<b>-</b>	<b>73.79</b>	<b>103.41</b>	<b>517.03</b>

Direct cost does not include MAS entries added to invoice but not processed in PA system yet.