

**ALASKA POWER & TELEPHONE COMPANY**  
**PO BOX 3222 – 191 OTTO STREET**  
**PORT TOWNSEND, WA 98368**  
**(360) 385-1733 – (800) 982-0136**  
**FAX (360) 385-5177**

July 15, 2004



David Lockard, Project Manager  
Alaska Energy Authority  
813 W. Northern Lights Blvd.  
Anchorage, AK 99503

Dear David,

Enclosed are Alaska Power Company's reports for the Allakaket powerhouse Relocation and Upgrade Project, Grant # 2195191. The documents include:

- Financial Report
- Project Progress Report
- Photographic Progress Report

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

Sincerely,

A handwritten signature in black ink, appearing to read "Karl B. Wood".

Karl B. Wood  
Senior Accountant  
Regulatory Affairs

**Name of Project: Allakaket Relocation and Upgrades**  
**Financial Report - Grant Funds**

Grantee: Alaska Power Company

Period: April 1, 2004 to June 30, 2004

Grant Number: 2195191

**Financial Report - Grant Funds**

**Budget Summary by Work Item**

	Total Project Cost	Expenditures this period	Expenditures to date	Balance	Next Quarter's Budget Estimate
	757,000.00	\$9,661.06	17,404.65	739,595.35	-
			-	-	-
			-	-	-
<b>Totals</b>	<b>\$757,000.00</b>	<b>\$9,661.06</b>	<b>\$17,404.65</b>	<b>\$739,595.35</b>	<b>\$0.00</b>

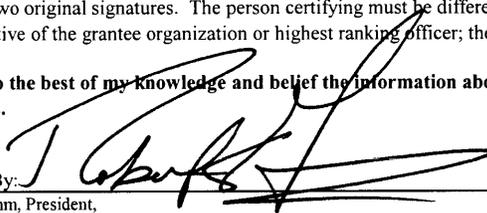
**Budget Summary by Fund Sources**

Grant	597,000.00	\$9,661.06	\$17,404.65	579,595.35	-
Grantee Match	160,000.00			160,000.00	-
<b>Totals</b>	<b>\$757,000.00</b>	<b>\$9,661.06</b>	<b>\$17,404.65</b>	<b>\$739,595.35</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 the 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:   
 Robert Grimm, President,  
 Alaska Power & Telephone Company

Prepared By:   
 Karl Wood, Sr. Accountant

Date: 7/15/2004

**Alaska Energy Cost Reduction Program  
Progress Report**

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

**Project Name:** Allakaket Powerhouse Relocation

**Grant # 2195191**

**Period of Report:** Second Quarter 2004 (April 1 to June 30, 2004)

**Project activities completed:**

The following permits were obtained:

- Fish Habitat
- Army Corp Engineers Nationwide Permit #3 Maintenance for river crossing pole
- Department of Natural Resources Gravel
- Department of Transportation awarded the driveway permit on June 18, 2004.

A lease agreement with the City of Allakaket was signed conveying site control for the surveyed site. Gravel from the abandoned airstrip was determined the best quality for pad construction. Work continues with several agencies to obtain the necessary permits for excavation of the gravel.

Generation module planning and design has been completed.

Bureau of Land Management conducted an on site environmental assessment. This report has not yet to come available.

**Project existing or potential problems:**

The process of legal reversion of old Allakaket airstrip from Federal Aviation Administration to Bureau of Land Management control has yet to be completed. Bureau of Land Management Hazardous Material Inspectors delaying their report keeps closure of this process undetermined.

**Activities targeted for Next Reporting Period, 3<sup>rd</sup> Quarter 2004:**

Continue efforts to obtain gravel from the airport

Acquire foundation pad materials, driveway culvert, and modules.

Because the ground needs to be completely thawed prior to pad construction for maximum compression, Alaska Native THC scheduled driveway and pad construction to begin in late August with completion in September.



Standing at approximate driveway location – looking towards the new Washeteria



Surveyors pacing out approximate southeast lot corner.



View of staking eastern side of power plant lot towards the new airport



Note the natural drainage between the power plant lot and the Washeteria lot.

