

Edgar Filing: ALASKA POWER & TELEPHONE CO - Form U-3A-2

ALASKA POWER & TELEPHONE CO

Form U-3A-2

May 07, 2002

UNITED STATES  
SECURITIES AND EXCHANGE COMMISSION  
Washington, DC 20549

FORM U-3A2

December 31, 2001

Statement by Holding Company Claiming Exemption under Rule U-3a-2 from the provisions of the Public Utility Holding Company Act of 1935

ALASKA POWER & TELEPHONE COMPANY

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(Name of Company)

hereby files with the Securities Exchange Commission, pursuant to Rule 2, its statement claiming exemption as a holding company from the provisions of the Public Utility Holding Company Act of 1935, and submits the following information:

1. Name, State of organization, location and nature of business of claimant and every subsidiary thereof, other than any exempt wholesale generator (EWG) or foreign utility company in which claimant directly or indirectly holds an interest.
2. A brief description of the properties of claimant and each of its subsidiary public utility companies used for the generation, transmission, and distribution of electric energy for sale, or for the production, transmission and distribution of natural or manufactured gas, indicating the location of principal generating plants, transmission lines, producing fields, gas manufacturing plants, and electric and gas distribution facilities, including all such properties which are outside the State in which claimant and its subsidiaries are organized and all transmission or pipelines which deliver or receive electric energy or gas at the borders of such State.
3. The following information for the last calendar year with respect to claimant and each of its subsidiary public utility companies:
  - (a) Number of kWh. Of electric energy sold (at retail or wholesale) and Mcf. Of natural or manufactured gas distributed at retail.
  - (b) Number of kWh. of electric energy and Mfc. Of natural or manufactured gas distributed at retail outside the State in which each company is organized.
  - (c) Number of kWh. Of electric energy and MCF. OF NATURAL OR MANUFACTURED AS SOLD AT WHOLESALE OUTSIDE THE State in which each such company is organized, or at the State line.
  - (d) Number of kWh. Of electric energy and Mcf. Of natural or manufactured gas purchased outside the State in which each such company is organized or at the State line.
4. The following information for the reporting period with respect to claimant and each interest it holds directly or indirectly in an EWG or a foreign utility company, stating monetary amounts in United States dollars:

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- (a) Name, location, business address and description of the facilities used by the EWG or foreign utility company for the generation, transmission and distribution of electric energy for sale or for the distribution at retail of natural or manufactured gas.
- (b) Name of each system company that holds an interest in such EWG or foreign utility company; and description of the interest held.
- (c) Type and amount of capital invested, directly or indirectly, by the holding company claiming exemption; any direct or indirect guarantee of the security of the EWG or foreign utility company by the holding company claiming exemption; and any debt or other financial obligation for which there is recourse, directly or indirectly, to the holding company claiming exemption or another system company, other than the EWG or foreign utility company.

Potential persons who are to respond to the collection of information contained in this form are not required to respond unless the form displays a currently valid OMB control number. SEC 1834 (2-97)

- (d) Capitalization and earnings of the EWG or foreign utility company during the reporting period.
- (e) Identify any service, sales or construction contract(s) between the EWG or foreign utility company and a system company, and describe the services to be rendered or goods sold and fees or revenues under such agreement(s).

EXHIBIT A

A consolidating statement of income and surplus of the claimant and its subsidiary companies for the last calendar year, together with a consolidating balance sheet of claimant and its subsidiary companies as of the close of such calendar year.

The above-named claimant has caused this statement to be duly executed on its behalf by its authorized officer on this 7th day of May, 2002.

ALASKA POWER & TELEPHONE COMPANY

-----  
Name of claimant

By Russell A. Smith  
-----  
(title) VP/CONTROLLER  
-----

CORPORATE SEAL

Attest: HOWARD GARNER , EXECUTIVE VICE PRESIDENT  
-----

Name, title, and address of officer to whom notices and correspondence concerning this statement should be addressed:

ALASKA POWER & TELEPHONE COMPANY  
-----

RUSSELL A. SMITH, VP/CONTROLLER  
-----

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(Name) P.O. BOX 3222, PORT TOWNSEND, WASHINGTON 98368 (Title)

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## EXHIBIT B

| Item No. | Caption Heading          | Amount        |
|----------|--------------------------|---------------|
| 1        | Total Assets             | \$121,767,421 |
| 2        | Total Operating Revenues | 10,453,876    |
| 3        | Net Income               | 1,571,592     |

## EXHIBIT C

An organizational chart showing the relationship of each EWG or foreign utility company to associate companies in the holding-company system.

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## ATTACHMENTS TO FORM U-3A-2

### EXHIBIT C

1. Name of claimant is Alaska Power & Telephone Company (AP&T). AP&T operates as a regulated public utility providing electric and/or telephone service. AP&T is fully regulated by the Regulatory Commission of Alaska (RCA). AP&T is a Holding Company with the following subsidiaries:

#### Electric Operations

Alaska Power Company - Serving the following communities in Alaska: Skagway, Haines, Tok, Dot Lake, Chistochina, Mentasta Lake, Tetlin, Tanacross, Healy Lake, Bettles/Evansville, Northway, Northway Village, Allakaket/Alatna, Eagle, Eagle Village, Craig, Hydaburg, Hollis, Coffman Cove, Klawock, and Whale Pass. (Retail and wholesale electric generation and distribution).

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BBL Hydro, Inc. - Prince of Wales Island (wholesale hydroelectric generation).

Goat Lake Hydro, Inc. - Skagway (wholesale hydroelectric generation).

### Telecommunication Operations

Alaska Telephone Company - Serving the following communities in Alaska: Skagway, Tok, Dot Lake, Dry Creek, Tetlin, Chisana, Healy Lake, Craig, Hydaburg, Hollis, Naukati, Whale Pass, Myers Chuck, Edna Bay, Metlakatla, Petersburg, Wrangell, and Haines.

Bettles Telephone, Inc. - Serving; Bettles, Evansville and Jim River Camp.

North Country Telephone, Inc. - Serving; Eagle and Eagle Village.

AP&T Wireless Inc. - Serving; Ketchikan, Juneau and the surrounding areas.

AP&T Long Distance Inc. - Serving; Alaska communities

2. All public utility operations of AP&T are conducted solely within Alaska.

There is no natural gas activity. Diesel-powered generators and or hydroelectric generation systems generate the electric service in each location. There is no intertie to other electric systems or generation sources.

3. (a) Number of kWh sold (by individual subsidiary):  
Alaska Power Company        59,000,239 kWh retail  
    2,341,700 kWh wholesale

(b) None sold or distributed out of the state of Alaska.

(c) None sold or distributed out of the state of Alaska.

(d) None sold or distributed out of the state of Alaska.

4. There are no holdings directly or indirectly in an EWG. The following subsidiary of AP&T holds an interest in a foreign hydroelectric generation company.

### Nonregulated Operations

HydroWest International ("HWI"), located in Cayman Islands, is a holding company for offshore operations related to the HydroWest Group, providing engineering and consulting services, primarily related to small hydroelectric power projects. A 25% equity ownership share of Inversiones Pasabien, S.A. was transferred from HWG to HWI in 2001.

(a) HWI, Ltd is a wholly-owned subsidiary of AP&T, equity was \$4,090,394 at 12/31/2001

Hydro West Group, LLC. ("HWG") - Located in Port Townsend, Washington and providing engineering and consulting services, primarily related to small hydroelectric power projects. HWG transferred its 25% equity share of Inversiones Pasabien, S.A. to HWI in 2001.

(a) Inversiones Pasabien, S.A. is a Guatemalan corporation located at 15 Avenida 16-38 Zona 13 in Guatemala City, Guatemala, CA. The company is a 12.5 MW wholesale hydroelectric generation facility with an average annual generation of 60,000 MW hours. The company's main customer is the Guatemalan government owned distribution company INDE.

(b) Other unrelated companies owning a equity share in Inversiones Pasabien, S.A. are as follows:

a. Valores Mercantiles, S.A. 50%

b. Ghella Sogene, C.A. 25%

(c) HWG, LLC is a wholly owned subsidiary of AP&T. AP&T's investment in

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members' equity was \$1,304,863 at December 31, 2001.

- (d) The company's operations first began during 2000 and there were no material earnings to be reported in that year.
- (e) No contracts exist between the foreign company and any system company as of 12/31/2001.

Exhibit A, attached, is the unaudited consolidating financial statements.

Alaska Power & Telephone Co.  
Consolidated B/S  
December 31, 2001  
(Page 1 of 4)

|                                   | (Parent)<br>APT<br>--- | ALD<br>--- | APC<br>--- | ATC<br>--- |
|-----------------------------------|------------------------|------------|------------|------------|
| ASSETS                            |                        |            |            |            |
| Utility Plant:                    |                        |            |            |            |
| Electric Plant                    | 0                      | 0          | 6,047,023  |            |
| Telecommunications                | 0                      | 0          | 0          | 30,856,5   |
| Non-Utility Plant                 | 4,973,618              | 0          | 0          |            |
|                                   | -----                  | -----      | -----      | -----      |
|                                   | 4,973,618              | 0          | 6,047,023  | 30,856,5   |
| Less: Accum. Depreciation         | -1,658,579             | 0          | 6,274,853  | -12,890,7  |
|                                   | -----                  | -----      | -----      | -----      |
|                                   | 3,315,039              | 0          | 9,772,170  | 17,965,7   |
| Utility Plant Under Construction: |                        |            |            |            |
| Short Term CWIP                   | 517,118                | 0          | 598,247    | 683,4      |
|                                   | -----                  | -----      | -----      | -----      |
| Total Utility Plant               | 3,832,157              | 0          | 0,370,417  | 18,649,1   |
| Other Assets:                     |                        |            |            |            |
| Prelim Survey/Investigation Costs | 99,078                 | 0          | 735,970    |            |
| Investments and Other             | 2,818,829              | 2,349      | 270,182    | 92,9       |
| Investment Hydro West Int.        | 0                      | 0          | 0          |            |
| Investment Summit AK              | 1,399,990              | 0          | 0          |            |
| Rate Stabilization Asset          | 0                      | 0          | 0          |            |
| Goodwill, Net of Amortization     | 715,662                | 0          | 0          | 8,550,7    |
| GLH Special Funds - Restricted    | 0                      | 0          | 0          |            |
|                                   | -----                  | -----      | -----      | -----      |
| Total Other Assets                | 34,814,500             | -91,469    | 4,478,091  | -7,050,9   |
| Current Assets:                   |                        |            |            |            |
| Cash                              | 271,874                | 0          | 48,982     | 35,6       |
| Accounts Rec. - Trade and Other   | 516,565                | 0          | 1,254,003  | 1,510,9    |
| Accounts Rec. - Summit            | 6,390,568              | 0          | 0          |            |
| Contracts Receivable              | 0                      | 0          | 0          |            |
| Inventory and Other Assets        | 383,373                | 0          | 711,901    | 273,5      |
| Income Taxes Recoverable          | 916,578                | 0          | 0          |            |
|                                   | -----                  | -----      | -----      | -----      |
| Total Current Assets              | 8,478,958              | 0          | 2,014,886  | 1,820,0    |
|                                   | -----                  | -----      | -----      | -----      |
| Total Assets                      | 47,125,615             | -91,469    | 7,907,212  | 13,418,2   |
|                                   | =====                  | =====      | =====      | =====      |

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APT Alaska Power & Telephone Company  
 ALD AP&T Long Distance  
 APC Alaska Power Company  
 ATC Alaska Telephone Company  
 ATW AP&T Wireless, Inc.  
 BBL BBL Hydro, Inc.  
 BTT Bettles Telephone, Inc.  
 GLH Goat Lake Hydro, Inc.  
 HWI HydroWest International  
 HWG Hydro West Group, LLC  
 NCT North Country Telephone, Inc.

Alaska Power & Telephone Co.  
 Consolidated B/S  
 December 31, 2001  
 (Page 2 of 4)

|  | (Parent)<br>APT<br>--- | ALD<br>--- | APC<br>--- | ATC<br>--- |
|--|------------------------|------------|------------|------------|
| LIABILITIES AND STOCKHOLDERS' EQUITY       |                        |            |            |            |
| Stockholders' Equity:                      |                        |            |            |            |
| Common Stock                               | 1,239,717              | 0          | 0          |            |
| Additional Paid in Capital                 | 6,869,345              | 0          | 0          |            |
| Retained Earnings                          | 13,182,967             | 0          | 0          |            |
| Net Income (Loss)                          | -1,794,235             | 21,103     | 1,598,749  | 1,487,7    |
| Total Equity                               | 13,978,915             | -91,469    | 15,235,560 | 11,514,7   |
| Liabilities:                               |                        |            |            |            |
| Line of Credit                             | 10,700,000             | 0          | 0          |            |
| Hydro Debt                                 | 0                      | 0          | 0          |            |
| Other                                      | 48,242,690             | 0          | 0          |            |
| Total Long Term Debt                       | 58,942,690             | 0          | 0          |            |
| Other Liabilities:                         |                        |            |            |            |
| L-T Deferred Income Taxes                  | 475,469                | 0          | 2,291,610  | 1,819,9    |
| Other Deferred Credits                     | 0                      | 0          | 211,498    | -194,8     |
| Total Other Liabilities                    | 475,469                | 0          | 2,503,108  | 1,625,1    |
| Curent Liabilities:                        |                        |            |            |            |
| Accounts Payable and Accruals              | 1,769,689              | 0          | 130,857    | 160,4      |
| Custom Deposits/Advance Billings           | 0                      | 0          | 57,467     | 148,8      |
| Current Deferred Income Tax                | -83,318                | 0          | -19,780    | -30,7      |
| Total Current Liabilities                  | 1,686,371              | 0          | 168,545    | 278,4      |
| Total Liabilities and Stockholders' Equity | 47,125,615             | -91,469    | 17,907,212 | 13,418,2   |

Alaska Power & Telephone Co.  
 Consolidated B/S

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December 31, 2001

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|                                   | BTT<br>--- | GLH<br>--- | HDW<br>--- | HWI<br>--- |
|-----------------------------------|------------|------------|------------|------------|
| ASSETS                            |            |            |            |            |
| Utility Plant:                    | 0          | 17,018,096 | 0          |            |
| Electric Plant                    | 782,672    | 0          | 0          |            |
| Telecommunications                | 0          | 0          | 63,504     | 41,000     |
| Non-Utility Plant                 | 782,672    | 17,018,096 | 63,504     | 41,000     |
|                                   | -----      | -----      | -----      | -----      |
| Less: Accum. Depreciation         | -479,464   | -1,074,083 | -56,345    | -7,500     |
|                                   | 303,208    | 15,944,013 | 7,159      | 33,500     |
|                                   | -----      | -----      | -----      | -----      |
|                                   | -3         | 7,000      | 71,860     | 214,800    |
| Utility Plant Under Construction: |            |            |            |            |
| Short Term CWIP                   |            |            |            |            |
|                                   | -----      | -----      | -----      | -----      |
| Total Utility Plant               | 303,205    | 15,951,013 | 79,018     | 248,400    |
| Other Assets:                     | 0          | 424,337    | 0          | 605,700    |
| Prelim Survey/Investigation Costs | 0          | 499,780    | 0          |            |
| Investments and Other             | 0          | 0          | 0          | 3,186,100  |
| Investment Hydro West Int.        | 0          | 0          | 0          |            |
| Investment Summit AK              | 0          | 1,215,888  | 0          |            |
| Rate Stabilization Asset          | 0          | 0          | 0          |            |
| Goodwill, Net of Amortization     | 0          | 6,477,231  | 0          |            |
| GLH Special Funds - Restricted    |            |            |            |            |
|                                   | -----      | -----      | -----      | -----      |
| Total Other Assets                | -48,167    | 9,700,240  | 147,352    | 3,791,900  |
| Current Assets:                   | 0          | 0          | 0          | 43,500     |
| Cash                              | 39,002     | 803,699    | 141,493    | 60,400     |
| Accounts Rec. - Trade and Other   | 0          | 0          | 0          |            |
| Accounts Rec. - Summit            | 0          | 0          | 937,000    |            |
| Contracts Receivable              | 1,220      | 0          | 0          | 41,200     |
| Inventory and Other Assets        | 0          | 0          | 0          | 8,000      |
| Income Taxes Recoverable          |            |            |            |            |
|                                   | -----      | -----      | -----      | -----      |
| Total Current Assets              | 40,221     | 803,699    | 1,078,492  | 153,300    |
|                                   | -----      | -----      | -----      | -----      |
| Total Assets                      | 295,259    | 26,454,953 | 1,304,862  | 4,193,600  |
|                                   | =====      | =====      | =====      | =====      |

Alaska Power & Telephone Co.  
Consolidated B/S  
December 31, 2001  
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|                                      | BTT<br>--- | GLH<br>--- | HDW<br>--- | HWI<br>--- |
|--------------------------------------|------------|------------|------------|------------|
| LIABILITIES AND STOCKHOLDERS' EQUITY |            |            |            |            |

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|  |         |            |           |         |
|--|---------|------------|-----------|---------|
| Stockholders' Equity:                      | 0       | 0          | 0         |         |
| Common Stock                               | 0       | 0          | 0         |         |
| Additional Paid in Capital                 | 0       | 0          | 0         |         |
| Retained Earnings                          | -8,654  | 229,017    | -21,627   | 49,9    |
| Net Income (Loss)                          |         |            |           |         |
| Total Equity                               | 263,893 | 2,583,838  | 1,304,863 | 4,090,3 |
| Liabilities:                               | 0       | 0          | 0         |         |
| Line of Credit                             | 0       | 21,700,989 | 0         |         |
| Hydro Debt                                 | 0       | 0          | 0         |         |
| Other                                      | 0       | 21,700,989 | 0         |         |
| Total Long Term Debt                       |         |            |           |         |
| Other Liabilities:                         | 24,732  | 2,162,375  | 0         |         |
| L-T Deferred Income Taxes                  | -816    | 0          | 0         |         |
| Other Deferred Credits                     |         |            |           |         |
| Total Other Liabilities                    | 23,916  | 2,162,375  | 0         |         |
| Current Liabilities:                       | 3,301   | 7,750      | 0         | 103,2   |
| Accounts Payable and Accruals              | 4,225   | 0          | 0         |         |
| Custom Deposits/Advance Billings           | -76     | 0          | 0         |         |
| Current Deferred Income Tax                |         |            |           |         |
| Total Current Liabilities                  | 7,450   | 7,750      | 0         | 103,2   |
| Total Liabilities and Stockholders' Equity | 295,259 | 26,454,953 | 1,304,862 | 4,193,6 |

ALASKA POWER & TELEPHONE COMPANY  
Consolidated I/S  
For the Twelve Months Ending December 31, 2001  
(Page 1 of 6)

|                          | (Parent) |       |            |       |       |       |
|--------------------------|----------|-------|------------|-------|-------|-------|
|                          | APT      | ALD   | APC        | ATC   | ATW   | BBL   |
|                          | -----    | ----- | -----      | ----- | ----- | ----- |
| ELECTRIC                 |          |       |            |       |       |       |
| Revenues                 | 0        | 0     | 12,925,959 | 0     | 0     |       |
| Fuel                     | 0        | 0     | -1,793,612 | 0     | 0     |       |
| Purchased Power          | 0        | 0     | -56,296    | 0     | 0     |       |
| Interco Purchased Pwr    | 0        | 0     | -2,898,592 | 0     | 0     |       |
| Net Revenues             | 0        | 0     | 8,177,459  | 0     | 0     |       |
| Operating Expenses       |          |       |            |       |       |       |
| NonFuel                  | 0        | 0     | 2,671,613  | 0     | 0     |       |
| Depreciation             | 0        | 0     | 1,782,804  | 0     | 0     |       |
| Total Operating Expenses | 0        | 0     | 4,454,417  | 0     | 0     |       |



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|                           |   |   |           |            |        |
|---------------------------|---|---|-----------|------------|--------|
| Operating Income / (Loss) | 0 | 0 | 3,723,042 | 0          | 0      |
| HYDRO ELECTRIC            |   |   |           |            |        |
| Revenues                  | 0 | 0 | 0         | 0          | 1,483, |
| Operating Expenses        |   |   |           |            |        |
| NonFuel                   | 0 | 0 | 0         | 0          | 342,   |
| Depreciation              | 0 | 0 | 0         | 0          | 215,   |
| Total Operating Expenses  | 0 | 0 | 0         | 0          | 557,   |
| Operating Income / (Loss) | 0 | 0 | 0         | 0          | 926,   |
| REGULATED TELEPHONE       |   |   |           |            |        |
| Revenues                  | 0 | 0 | 0         | 13,232,287 | 0      |
| Operating Expenses        |   |   |           |            |        |
| Operating                 | 0 | 0 | 0         | 6,704,476  | 0      |
| Depreciation              | 0 | 0 | 0         | 2,586,713  | 0      |
| Total Operating Expenses  | 0 | 0 | 0         | 9,291,188  | 0      |
| Operating Income / (Loss) | 0 | 0 | 0         | 3,941,099  | 0      |

APT Alaska Power & Telephone Company  
 ALD AP&T Long Distance  
 APC Alaska Power Company  
 ATC Alaska Telephone Company  
 ATW AP&T Wireless, Inc.  
 BBL BBL Hydro, Inc.  
 BTT Bettles Telephone, Inc.  
 GLH Goat Lake Hydro, Inc.  
 HWI HydroWest International  
 HWG Hydro West Group, LLC  
 NCT North Country Telephone, Inc.

ALASKA POWER & TELEPHONE COMPANY  
 Consolidated I/S  
 For the Twelve Months Ending December 31, 2001  
 (Page 2 of 6)

|                         | (Parent)<br>APT | ALD     | APC | ATC | ATW     | BBL |
|-------------------------|-----------------|---------|-----|-----|---------|-----|
| NON-REG TELEPHONE       |                 |         |     |     |         |     |
| Revenues                | 0               | 651,809 | 0   | 0   | 695,686 |     |
| Less: COGS              | 0               | 559,701 | 0   | 0   | 240,272 |     |
| Net Revenues            | 0               | 92,108  | 0   | 0   | 455,414 |     |
| Operating Expenses      |                 |         |     |     |         |     |
| Non-Regulated Operating | 0               | 29,262  | 0   | 0   | 436,379 |     |
| Depreciation            | 0               | 0       | 0   | 0   | 132,736 |     |

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|  |          |        |     |     |          |
|--|----------|--------|-----|-----|----------|
| Total Operating Expenses                       | 0        | 29,262 | 0   | 0   | 569,115  |
| Operating Income / (Loss)                      | 0        | 62,847 | 0   | 0   | -113,701 |
| HYDRO WEST GROUP                               |          |        |     |     |          |
| Contract Revenues                              | 0        | 0      | 0   | 0   | 0        |
| Less: Contract Costs                           | 0        | 0      | 0   | 0   | 0        |
| Gross Profit                                   | 0        | 0      | 0   | 0   | 0        |
| Operating Expenses                             |          |        |     |     |          |
| Operations                                     | 0        | 0      | 0   | 0   | 0        |
| Depreciation                                   | 0        | 0      | 0   | 0   | 0        |
| Total Operating Expenses                       | 0        | 0      | 0   | 0   | 0        |
| Operating Income / (Loss)                      | 0        | 0      | 0   | 0   | 0        |
| (Gain)/Loss on Investments                     | 0        | 0      | 0   | 0   | 0        |
| Net Income / (Loss)                            | 0        | 0      | 0   | 0   | 0        |
| TREELINE CONSTRUCTION                          |          |        |     |     |          |
| Less: Contract Costs                           | 256      | 0      | 0   | 0   | 0        |
| Operating Income / (Loss)                      | -256     | 0      | 0   | 0   | 0        |
| SUMMIT ALASKA - Mgmt / Inv                     |          |        |     |     |          |
| Management Revenues                            | 241,148  | 0      | 0   | 0   | 0        |
| Less: Management Cost                          | 240,770  | 0      | 0   | 0   | 0        |
| Operating Income / (Loss)                      | 378      | 0      | 0   | 0   | 0        |
| (Gain)/Loss on Investments                     | -234,386 | 0      | 0   | 0   | 0        |
| Net Income / (Loss)                            | 234,763  | 0      | 0   | 0   | 0        |
| ALASKA POWER & TELEPHONE COMPANY               |          |        |     |     |          |
| Consolidated I/S                               |          |        |     |     |          |
| For the Twelve Months Ending December 31, 2001 |          |        |     |     |          |
| (Page 3 of 6)                                  |          |        |     |     |          |
|  | (Parent) |        |     |     |          |
|  | APT      | ALD    | APC | ATC | ATW      |
|  |          |        |     |     | BBL      |
| BUSINESS DEVELOPMENT - SEALINK                 |          |        |     |     |          |
| Less: Management Cost                          | -18,534  | 0      | 0   | 0   | 0        |
| Operating Income / (Loss)                      | 18,534   | 0      | 0   | 0   | 0        |

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COMBINED SEGMENTS

|                                |            |        |           |           |          |      |
|--------------------------------|------------|--------|-----------|-----------|----------|------|
| Operating Income / (Loss)      | 253,042    | 62,847 | 3,723,042 | 3,941,099 | -113,701 | 926, |
| Interest (Income)              | -256,535   | 0      | 0         | 0         | 0        |      |
| Interest Expense               | 2,615,047  | 0      | 0         | 0         | 0        | 562, |
| AFUDC                          | -94,230    | 0      | 0         | 0         | 0        |      |
| Net Interest Expense           | 2,264,282  | 0      | 0         | 0         | 0        | 562, |
| Miscellaneous (Income)/Expense | 114,068    | 0      | 0         | 0         | 0        | -24, |
| Net Corporate Allocated Costs  | 0          | 33,307 | 1,485,161 | 1,858,614 | 185,247  | 115, |
| (Gain)/Loss on Investments     | 364,530    | 0      | 0         | 0         | 0        |      |
| Income Taxes                   | -695,602   | 8,437  | 639,132   | 594,751   | -85,379  | 77,  |
| Total Other (Inc)/Exp          | -217,004   | 41,744 | 2,124,293 | 2,453,365 | 99,868   | 169, |
| Net Income / (Loss)            | -1,794,235 | 21,103 | 1,598,749 | 1,487,734 | -213,569 | 194, |

ALASKA POWER & TELEPHONE COMPANY  
 Consolidated I/S  
 For the Twelve Months Ending December 31, 2001  
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|                           | GLH       | HDW | HWI | NCT | Consolidated Total |
|---------------------------|-----------|-----|-----|-----|--------------------|
| ELECTRIC                  |           |     |     |     |                    |
| Revenues                  | 0         | 0   | 0   | 0   | 12,925,959         |
| Fuel                      | 0         | 0   | 0   | 0   | -1,793,612         |
| Purchased Power           | 0         | 0   | 0   | 0   | -56,296            |
| Interco Purchased Pwr     | 0         | 0   | 0   | 0   | -2,898,592         |
| Net Revenues              | 0         | 0   | 0   | 0   | 8,177,459          |
| Operating Expenses        |           |     |     |     |                    |
| NonFuel                   | 0         | 0   | 0   | 0   | 2,671,613          |
| Depreciation              | 0         | 0   | 0   | 0   | 1,782,804          |
| Total Operating Expenses  | 0         | 0   | 0   | 0   | 4,454,417          |
| Operating Income / (Loss) | 0         | 0   | 0   | 0   | 3,723,042          |
| HYDRO ELECTRIC            |           |     |     |     |                    |
| Revenues                  | 1,870,096 | 0   | 0   | 0   | 3,354,038          |
| Operating Expenses        |           |     |     |     |                    |
| NonFuel                   | 237,015   | 0   | 0   | 0   | 579,124            |
| Depreciation              | 358,295   | 0   | 0   | 0   | 573,855            |

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|                           |           |   |   |         |            |
|---------------------------|-----------|---|---|---------|------------|
| Total Operating Expenses  | 595,310   | 0 | 0 | 0       | 1,152,979  |
| Operating Income / (Loss) | 1,274,785 | 0 | 0 | 0       | 2,201,059  |
| REGULATED TELEPHONE       |           |   |   |         |            |
| Revenues                  | 0         | 0 | 0 | 268,240 | 13,860,968 |
| Operating Expenses        |           |   |   |         |            |
| Operating                 | 0         | 0 | 0 | 101,338 | 7,010,508  |
| Depreciation              | 0         | 0 | 0 | 27,768  | 2,673,074  |
| Total Operating Expenses  | 0         | 0 | 0 | 129,106 | 9,683,582  |
| Operating Income / (Loss) | 0         | 0 | 0 | 139,134 | 4,177,386  |

ALASKA POWER & TELEPHONE COMPANY  
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|                            | GLH | HDW      | HWI     | NCT | Consolidated Total |
|----------------------------|-----|----------|---------|-----|--------------------|
| NON-REG TELEPHONE          |     |          |         |     |                    |
| Revenues                   | 0   | 0        | 0       | 0   | 1,347,494          |
| Less: COGS                 | 0   | 0        | 0       | 0   | 799,973            |
| Net Revenues               | 0   | 0        | 0       | 0   | 547,522            |
| Operating Expenses         |     |          |         |     |                    |
| Non-Regulated Operating    | 0   | 0        | 0       | 0   | 465,640            |
| Depreciation               | 0   | 0        | 0       | 0   | 132,736            |
| Total Operating Expenses   | 0   | 0        | 0       | 0   | 598,376            |
| Operating Income / (Loss)  | 0   | 0        | 0       | 0   | -50,854            |
| HYDRO WEST GROUP           |     |          |         |     |                    |
| Contract Revenues          | 0   | 954,731  | 108,528 | 0   | 1,063,259          |
| Less: Contract Costs       | 0   | 609,073  | 0       | 0   | 609,073            |
| Gross Profit               | 0   | 345,658  | 108,528 | 0   | 454,186            |
| Operating Expenses         |     |          |         |     |                    |
| Operations                 | 0   | 349,629  | 102,819 | 0   | 452,448            |
| Depreciation               | 0   | 847      | 27,797  | 0   | 28,644             |
| Total Operating Expenses   | 0   | 350,476  | 130,616 | 0   | 481,091            |
| Operating Income / (Loss)  | 0   | -4,817   | -22,088 | 0   | -26,905            |
| (Gain)/Loss on Investments | 0   | -107,242 | -69,865 | 0   | -177,107           |

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|                            |   |         |        |   |          |
|----------------------------|---|---------|--------|---|----------|
| Net Income / (Loss)        | 0 | 102,425 | 47,777 | 0 | 150,202  |
| TREELINE CONSTRUCTION      |   |         |        |   |          |
| Less: Contract Costs       | 0 | 0       | 0      | 0 | 256      |
| Operating Income / (Loss)  | 0 | 0       | 0      | 0 | -256     |
| SUMMIT ALASKA - Mgmt / Inv |   |         |        |   |          |
| Management Revenues        | 0 | 0       | 0      | 0 | 241,148  |
| Less: Management Cost      | 0 | 0       | 0      | 0 | 240,770  |
| Operating Income / (Loss)  | 0 | 0       | 0      | 0 | 378      |
| (Gain)/Loss on Investments | 0 | 0       | 0      | 0 | -234,386 |
| Net Income / (Loss)        | 0 | 0       | 0      | 0 | 234,763  |

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For the Twelve Months Ending December 31, 2001  
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|                                | GLH       | HDW     | HWI    | NCT     | Consolidated Total |
|--------------------------------|-----------|---------|--------|---------|--------------------|
| BUSINESS DEVELOPMENT - SEALINK |           |         |        |         |                    |
| Less: Management Cost          | 0         | 0       | 0      | 0       | -18,534            |
| Operating Income / (Loss)      | 0         | 0       | 0      | 0       | 18,534             |
| COMBINED SEGMENTS              |           |         |        |         |                    |
| Operating Income / (Loss)      | 1,274,785 | 102,425 | 47,777 | 139,134 | 10,453,876         |
| Interest (Income)              | -391,311  | -2,010  | -2,182 | 0       | -652,038           |
| Interest Expense               | 1,365,905 | 0       | 0      | 0       | 4,543,282          |
| AFUDC                          | 0         | 0       | 0      | 0       | -94,230            |
| Net Interest Expense           | 974,595   | -2,010  | -2,182 | 0       | 3,797,014          |
| Miscellaneous (Income)/Expense | -102,355  | 0       | 0      | 0       | -12,287            |
| Net Corporate Allocated Costs  | 81,975    | 131,045 | 0      | 98,873  | 4,099,382          |
| (Gain)/Loss on Investments     | 0         | 0       | 0      | 0       | 364,530            |
| Income Taxes                   | 91,554    | -4,983  | 0      | 11,498  | 633,645            |
| Total Other (Inc)/Exp          | 71,174    | 126,062 | 0      | 110,371 | 5,085,270          |
| Net Income / (Loss)            | 229,017   | -21,627 | 49,959 | 28,763  | 1,571,592          |