

Waqaa Camai and Welcome everyone to this presentation

*Making important decisions to keep up with the changes in
Global, National and Regional markets and trends*

Puvurnaq Power Company

P.O. Box 5009 ✦ Kongiganak, Alaska 99545

✦ Ph. (907) 557-5616 - Ph/Fax 557-5614 ✦



Owned and operated by the “Native Village of Kongiganak”

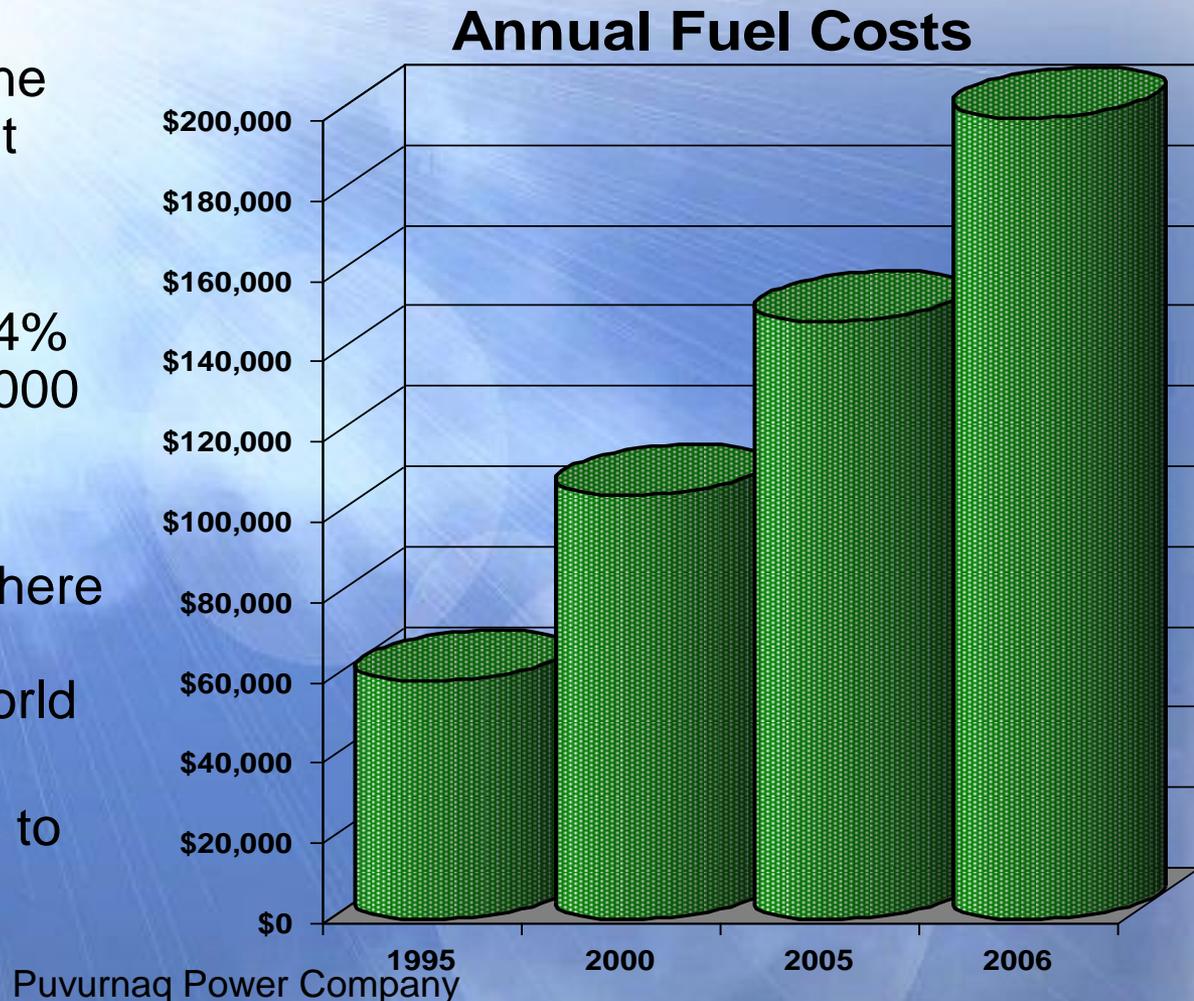
Puvurnaq Power Company

Puvurnaq Power Company

- Puvurnaq Power Company (PPC) – Ordained by the Kongiganak Traditional Council, January 1983
- PPC managed by 5 elected Board of Directors
- Certificate of Public Convenience and Necessity- June 1988
Non-Regulated Electric Utility (APUC/RCA)
- General Manager hired by the Board of Directors
- Currently- 1 Manager, 2 Powerplant Operators & 2 Utility Clerks
- Denali Commission/AEA Powerplant Facility – April 2005

Puvurnaq Power Company is about to realize the changes in fuel price increases and needs to adjust it's operation and management procedures in order to remain in operation.

- The fuel costs to keep our generators running has gone up 100% since 2000. About \$100,000 to \$200,000.
- Fuel costs have gone up 34% from last year. From \$149,000 to about \$200,000.
- Experts say the prices are here to stay, some say they will continue to go higher as world demand increases.
- kWh Rate reduce from 45¢ to 40¢ in January 2001.



Fax to: HARVEY PAUL 907.557-5614 // phone 557-5616



PLEASE SEND INQUIRIES OR REMITTANCE TO:
7941 Sandwood Place, Anchorage, AK 99507-2977
(907) 777-5505 1-800-478-5508 Fax (907) 777-4560

THIS IS A QUOTATION ONLY!

Puvurnaq Power Company
PO Box 5009

Kongiganak AK 99559

Quote Number: 103963

Date Quoted: 05/02/06
Date Issued: 05/02/06

PO No.: --
Required by: SPRING/FALL

Fed. Registration
State QD: DFR 18

Deliver to: Puvurnaq Power Company
At: Kongiganak

PAYMENT TERMS:
Net 30 days unless otherwise noted.

Package	Product	Quantity	Fed	Sta	L	Price	Total	F	S
BULK	HF #1 CLEAR	35000	0.000	0.000	X	3.0794	\$107,779.00	1C,6	
BULK	HF #1 CLEAR	35000	0.000	0.000	X	3.0794	\$107,779.00	1C,6	
55 NRD	DELO 400 15W40	3				X728.1070	\$2,184.32	X	,X

\$ 217,742.32

Quantity total	70003	Subtotal	\$217,742.32
		Local Tax	\$0.00
		TOTAL	\$217,742.32

NSG-HARVEY 907.557.5616
 1. Prices are indexed to OPIS Seattle Net Average between 05/1/06 and date(s) of loading at origin, OPIS references will be DF2 low sulfur for HF1/DF2 and Regular Unleaded Clear for gasoline. Chevron Anchorage AV100LL posting applies to AV100. Pricing is based on above quantities and does not include fees for trucking, wharfage, storage, etc.
 2. Payment terms: Subject to credit approval.
 3. The attached Terms and Conditions are applicable.
 4. Taxes are as indicated above and may be subject to change based upon regulatory certifications.
 5. Offer valid until close of business 05/15/06. To accept this offer please sign, date and fax to my attention.
 Thank you for this opportunity to provide our services.

Regards, TARYN 907.777.5505; Fax 907.777.5589

cc: CMS Credit Dept - Andrea
Customer Service

ACCEPTED BY BUYER Harvey R. Paul

TITLE GENERAL MANAGER

DATE 5-9-06

ACCEPTED BY SELLER _____

TITLE _____

DATE _____

Errors in price, extension and addition subject to correction.

Terms and Conditions on reverse side are incorporated and made part hereof.

Wind Power Interest

- Alaska Rural Energy Conferences
 - Fairbanks, Talkeetna, Girdwood, Valdez
- American Native Alternative Energy
 - Denver, CO- CVRF Sponsor November 2005
- Bethel Wind Energy Workshops
- Village/Community Support

Wind Energy Efforts

- USDA Alternative Energy Project
- Denali Commission/AEA Alternative Energy Projects
- Coastal Villages Region Fund
- Chaninik Wind Group - 2005
- Legislative Appropriation - 2007

AEA Wind Anemometer Project- 2004

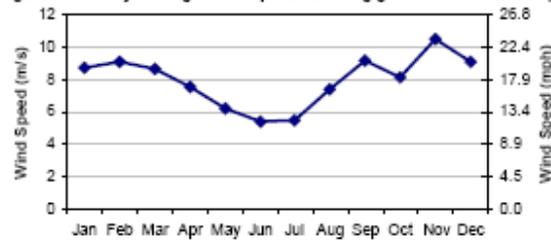


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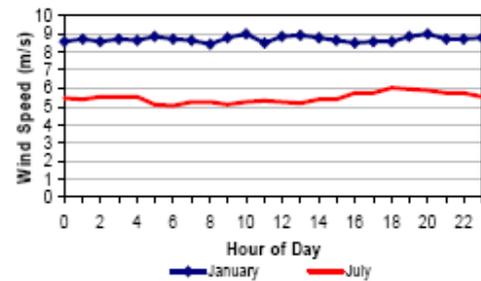
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Figure 2. Monthly Average Wind Speeds at Kongiganak Met Tower Site (30m Height)



As shown below, the diurnal variation is slightly more pronounced during the summer months than the winter months, with winds typically lowest in the morning and increasing in the afternoon.

Figure 3. Hourly Average Wind Speeds at Kongiganak Met Tower Site (30m Height)



A common method of displaying a year of wind data is a wind frequency distribution, which shows the percent of the year that each wind speed occurs. Figure 4 shows the measured wind frequency distribution as well as the best matched Weibull distribution ($c = 8.6$, $k = 2.1$).

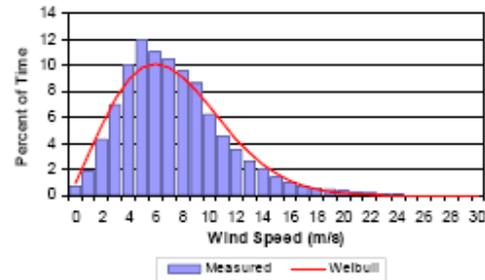


Figure 4. Wind Speed Frequency Distribution of Kongiganak Met Tower Data

LONG-TERM REFERENCE STATION

The closest weather stations to Kongiganak that have been recording long-term wind speed and direction data are Bethel (70 miles to the northeast) and Mekoryuk (130 miles to the northwest). St Paul Island lies about 300 miles to the southwest of Kongiganak and is representative of winds coming in off the ocean. Meteorological data from the Bethel, Mekoryuk, and St Paul Island airport weather stations were obtained from the National Climatic Data Center.

None of the airport weather stations have a high correlation with data recorded at the Kongiganak met tower on an hourly basis; however, the general weather patterns in the area are closely correlated, as shown in Figure 7. The monthly wind speeds in Kongiganak are most closely correlated to those in Mekoryuk, with a correlation coefficient of 0.89 (a value of 1.0 is perfect).

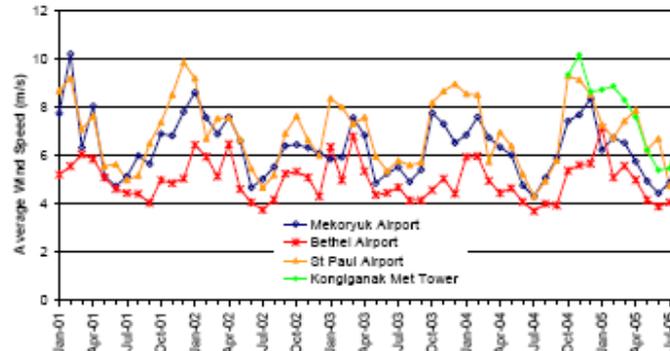


Figure 7. Comparison of Wind Speeds in Kongiganak to Long-term Weather Stations

Simultaneous wind speed measurements at each site were compared to see if the short period of measurement in Kongiganak was representative of what could be expected over the long-term. As shown in Figure 8, wind speeds during Nov 2004 thru Aug 2005 were close to what could be expected over the long-term for that period of the year.

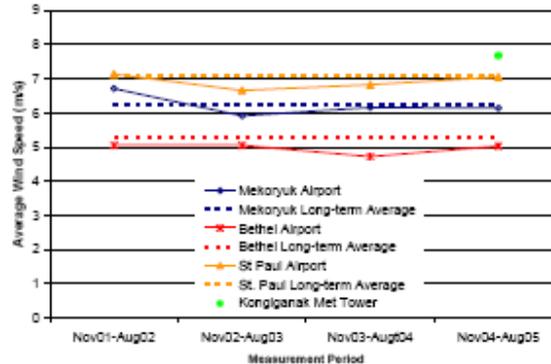


Figure 8. Comparison of Measurement Period to Long-term Averages



United States Department of the Interior

FISH AND WILDLIFE SERVICE

Anchorage Fish & Wildlife Field Office
605 West 4th Avenue, Room G-61
Anchorage, Alaska 99501-2249

2004184

in reply refer to
AFWFO

Mr. Harvey Paul
Puvurnaq Power Company
P.O. Box 5009
Kongiganak, Alaska 99559

May 2, 2005

Re: Installation of Meteorological Tower in Kongiganak - Amendment to consultation
#2004184

Dear Mr. Paul,

This is in response to our telephone conversation on April 29, 2005, when you informed the Service of your intent to modify the monitoring protocol at the meteorological tower in Kongiganak. This 100-foot tall, guyed meteorological tower has been installed to gather data preliminary to installing wind turbines for energy production.

Kongiganak is in the vicinity of Critical Habitat for the Steller's eiders (*Polysticta stelleri*), listed as threatened under the Endangered Species Act of 1973 (16 U.S.C. 1531 et seq: 87 stat 884, as amended), and is within the historic breeding range of spectacled eiders (*Somateria fischeri*). Steller's and spectacled eiders have been reported striking coastal and inland towers and power lines, and although the site selected for the Kongiganak meteorological tower is reportedly 3.5 miles from the shoreline, monitoring for bird strikes is an appropriate measure to ensure that take of endangered species does not occur. Further, monitoring for bird strikes at the meteorological tower will provide essential information for assessing bird strike issues when proposing to install more permanent structures such as wind turbines.

As indicated in our July 20, 2004, concurrence letter to you, the Service believes the probability that a strike will occur at the meteorological tower is low. This concurrence was made on the information that the meteorological tower would remain in place for one year, bird deterrent devices would be used on the guy wires, and monitoring will occur between April 1 and November 1 (inclusive), and the results of the monitoring effort will be provided to the Service.

In our April 29, 2005, telephone conversation, you indicated that monitoring had not been initiated as yet, but that you have walked the area within the perimeter of the guyed tower a few times looking for dead birds. Instead of monitoring for bird strikes using Trailmaster™ monitors connected to 35 mm cameras, you propose to monitor for bird strikes by walking the guyed perimeter of the tower. You were unable to specify the frequency by which you will monitor for strikes.

Meaningful dead bird searches are conducted in a defined area with complete coverage to detect a bird (Anderson et al. 1999). In the case of the meteorological tower, we suggest you search the



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Here's a picture looking north with the wind turbines depicted where they very well could be placed. The utility poles are about 200 ft apart, and you can barely see the poles behind the hill leading to the UUI Telecommunications Tower. The DeltaNet Tower in Kongiganak is about 235 ft tall and it was completed March 2006. The tower has a strobe light during the day and a red light during the night. The tower is visible from over 20 miles during a clear day.

Conclusion

- Global warming seems to be affecting our local environment – (more wind)
- Global oil resources are evidently having affect on fuel prices
- Wind technology has improved
- We have the ability to learn and adopt to these changes... the sooner the better
- Thank You for Your Attention