

Bradley Lake Project Management Committee Operating and Revenue Funds

Financial Statements and Supplemental Information

Years Ended June 30, 2018 and 2017

(With Independent Auditor's Report)



**BRADLEY LAKE PROJECT MANAGEMENT COMMITTEE
OPERATING AND REVENUE FUNDS**

Financial Statements and Supplemental Information

Years Ended June 30, 2018 and 2017

Table of Contents

	Page
Independent Auditors' Report	1-2
Financial Statements:	
Statements of Assets and Liabilities	3
Statements of Revenues and Expenses	4
Statements of Cash Flows	5
Notes to Financial Statements	6
Supplemental Information:	
Statements of Expenses	11

INDEPENDENT AUDITORS' REPORT

Bradley Lake Project Management Committee
Anchorage, Alaska

We have audited the accompanying special-purpose financial statements of the Bradley Lake Project Management Committee (a project management committee) Operating and Revenue Funds, which are comprised of the special-purpose statements of assets and liabilities as of June 30, 2018, the related special-purpose statements of revenues and expenses, the special-purpose statements of cash flows for the year then ended, and the related notes to the financial statements.

Management's Responsibility for the Financial Statements

The Bradley Lake Project Management Committee is responsible for the preparation and fair presentation of these special-purpose financial statements in accordance with accounting requirements of the Operating and Revenue Funds established under the Alaska Energy Authority Power Revenue Bond Resolution as described in Note 1. This includes the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

Auditor's Responsibility

Our responsibility is to express an opinion on these special-purpose financial statements based on our audit. We conducted our audit in accordance with auditing standards generally accepted in the United States of America. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Opinion

In our opinion, the special-purpose financial statements referred to above present fairly, in all material respects, the assets and liabilities of the Bradley Lake Project Management Committee Operating and Revenue Funds, as of June 30, 2018, its revenues and expenses, and its cash flows for the year then ended, on the basis of accounting described in Note 1.

Report on Supplemental Information

Our audit was conducted for the purpose of forming an opinion on the special-purpose financial statements as a whole. The supplemental special-purpose Statements of Expenses is presented for purposes of additional analysis and is not a required part of the special-purpose financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the special-purpose financial statements. The supplemental information has been subjected to the auditing procedures applied in the audit of the special-purpose financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the special-purpose financial statements or to the special-purpose financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the supplemental information is fairly stated in all material respects in relation to the special-purpose financial statements as a whole.

Prior Period Financial Statements

The special-purpose financial statements and supplemental information of the Bradley Lake Project Management Committee Operating and Revenue Funds as of June 30, 2017, were audited by other auditors whose report dated November 28, 2017, expressed an unmodified opinion on those special-purpose financial statements and supplemental information.

Basis of Accounting

We draw attention to Note 1 of the special-purpose financial statements, which describes the basis of accounting. The special-purpose financial statements are prepared on the basis of the accounting requirements of the Operating and Revenue Funds established under the Alaska Energy Authority Power Revenue Bond resolution, as discussed in Note 1, which is a basis of accounting other than accounting principles generally accepted in the United States of America, to comply with accounting requirements of the bond resolution referred to above. Our opinion is not modified with respect to that matter.

Restriction on Use

This report is intended solely for the information and use of the Bradley Lake Project Management Committee and is not intended to be and should not be used by anyone other than that specified party.

Aldrich CPAs + Advisors LLP

Anchorage, Alaska
November 28, 2018

BRADLEY LAKE PROJECT MANAGEMENT COMMITTEE
OPERATING AND REVENUE FUNDS

Statements of Assets and Liabilities

June 30, 2018 and 2017

ASSETS	<u>2018</u>	<u>2017</u>
Current Assets:		
Cash and cash equivalents (Note 2)	\$ 3,363,177	\$ 3,769,778
Due from R & C Fund (Note 5)	440,987	1,147,663
Accounts receivable	21,000	-
Prepaid expenses	<u>51,269</u>	<u>-</u>
Total Assets	\$ <u><u>3,876,433</u></u>	\$ <u><u>4,917,441</u></u>

LIABILITIES	<u>2018</u>	<u>2017</u>
Current Liabilities:		
Due to AEA (Note 4)	\$ 87,286	\$ 622,007
Accounts payable	1,308,769	1,035,795
Payable to utilities - O&M refund (Note 5)	1,004,466	1,223,409
Payable to utilities - R&C refund (Note 5)	440,987	1,147,663
Payable to utilities - Battle Creek refund (Note 5)	635,702	-
Unearned revenue (Note 1)	<u>399,223</u>	<u>888,567</u>
Total Liabilities	\$ <u><u>3,876,433</u></u>	\$ <u><u>4,917,441</u></u>

BRADLEY LAKE PROJECT MANAGEMENT COMMITTEE
OPERATING AND REVENUE FUNDS

Statements of Revenues and Expenses

Years Ended June 30, 2018 and 2017

	2018		Variance	2017
	Budget	Actual	Favorable (Unfavorable)	Actual
Revenues:				
Utility contributions, net of surplus refund	\$ 20,952,703	\$ 18,871,545	\$ (2,081,158)	\$ 17,172,295
Capital reserve contributions	2,796,378	2,796,378	-	-
Interest receipts	1,845,000	2,079,212	234,212	1,991,555
Other revenue	-	17,251	17,251	-
Total Revenues	<u>25,594,081</u>	<u>23,764,386</u>	<u>(1,829,695)</u>	<u>19,163,850</u>
Expenses, Fixed Asset Replacements, Transfers and Debt Service:				
Operations and maintenance	7,430,494	6,702,278	728,216	6,488,688
Debt service, net of IRS subsidy	13,681,164	13,102,048	579,116	12,426,200
Capital reserve contributions	2,936,378	2,796,378	140,000	-
Cost of issuance	21,217	25,730	(4,513)	-
Arbitrage transfer	304,713	270,777	33,936	334,404
Fixed asset replacements	1,323,500	970,560	352,940	89
Interfund transfer	(103,385)	(103,385)	-	(85,531)
Total Expenses, Fixed Asset Replacements, Transfers and Debt Service	<u>25,594,081</u>	<u>23,764,386</u>	<u>1,829,695</u>	<u>19,163,850</u>
Excess of Revenues Over Expenses, Fixed Asset Replacements, Transfers and Debt Service	\$ <u>-</u>	\$ <u>-</u>	\$ <u>-</u>	\$ <u>-</u>

**BRADLEY LAKE PROJECT MANAGEMENT COMMITTEE
OPERATING AND REVENUE FUNDS**

Statements of Cash Flows

Years Ended June 30, 2018 and 2017

	<u>2018</u>	<u>2017</u>
Cash Flows from Operating Activities:		
Excess of revenues over expenses, fixed asset replacements, transfers and debt service	\$ -	\$ -
Adjustments to reconcile excess of revenues over expenses fixed asset replacements, transfers and debt service to net cash provided by (used in) operating activities:		
Changes in assets and liabilities:		
Due from R & C fund	706,676	(91,702)
Accounts receivable	(21,000)	-
Prepaid expenses	(51,269)	85,194
Due to AEA	(534,721)	606,959
Accounts payable	272,974	257,301
Payable to utilities - O&M refund	(218,943)	158,996
Payable to utilities - R&C refund	(706,676)	91,702
Payable to utilities - Battle Creek refund	635,702	-
Unearned revenue	<u>(489,344)</u>	<u>872,281</u>
Net Cash Provided by (Used in) Operating Activities	<u>(406,601)</u>	<u>1,980,731</u>
Cash and Cash Equivalents, beginning of year	<u>3,769,778</u>	<u>1,789,047</u>
Cash and Cash Equivalents, end of year	\$ <u><u>3,363,177</u></u>	\$ <u><u>3,769,778</u></u>
Supplemental Disclosure of Cash Flows Information:		
Interest paid	\$ <u><u>2,589,650</u></u>	\$ <u><u>3,137,900</u></u>

BRADLEY LAKE PROJECT MANAGEMENT COMMITTEE OPERATING AND REVENUE FUNDS

Notes to Financial Statements

Years Ended June 30, 2018 and 2017

Note 1 - Significant Accounting Policies

Description of Business

The Bradley Lake Project Management Committee (the Committee) was established pursuant to Section 13 of the Agreement for the Sale and Purchase of Electric Power (Power Sales Agreement) dated December 8, 1987. The purpose of the Committee is to arrange for the operation and maintenance of the Bradley Lake Hydroelectric Project (the Project), which became operational in September 1991, and the scheduling, production and dispatch of power. The members of the Committee include the Alaska Energy Authority (AEA) and the five purchasers under the Power Sales Agreement - Chugach Electric Association, Inc. (CEA); Golden Valley Electric Association, Inc.; the Municipality of Anchorage (Municipal Light & Power); the City of Seward (Seward Electric System); and the Alaska Electric Generation & Transmission Cooperative, Inc. (AEG&T). AEG&T assigned its rights pertaining to Homer Electric Association, Inc. (HEA) under the Power Sales Agreement to Alaska Electric and Energy Cooperative, Inc. (AE&EC) in 2003. HEA and the Matanuska Electric Association, Inc. (MEA) are additional parties to the Power Sales Agreement but are included as power purchasers for purposes of representation while AEG&T and AE&EC have no direct vote as a consequence of the individual representation of HEA and MEA.

Section 13 of the Power Sales Agreement delineates other Committee responsibilities, including: establishing procedures for each party's water allocation, budgeting for annual Project costs and calculating each party's required contribution to fund annual Project costs. Committee approval of operations and maintenance arrangements for the Project, sufficiency of the annual budgets and wholesale power rates and the undertaking of optional Project work requires a majority affirmative vote and the affirmative vote of AEA.

The Power Sales Agreement extends until the later of: 1) 50 years after commencement of commercial operation or 2) the complete retirement of bonds outstanding under the AEA Power Revenue Bond Resolution along with the satisfaction of all other payment obligations under the Power Sales Agreement. Renewal options for additional terms exist.

The Committee is developing a project which will divert the water flows of Battle Creek into Bradley Lake to increase the water for use by the Project. All purchases are supportive of the expansion of the capabilities of the Project through the development of the Battle Creek Diversion Project (BCD Project). The activities of the Committee regarding the BCD Project are authorized as Optional Project Work under the Power Sales Agreement. Not all purchasers are participating in the BCD Project. The participating purchasers, who make up the Battle Creek Participating Utilities (BCPU), are: CEA, HEA, MEA, and City of Seward.

During the years ended June 30, 2018 and 2017, approximately \$6.9 million and \$876,000, respectively, of capital additions occurred relating to the Battle Creek Diversion project to enhance the Bradley Lake Hydroelectric Project. This project will divert the upper part of Battle Creek into Bradley Lake and the increase in water will enable the Project to produce an additional annual average of 37,000 Megawatt hours (nearly a 10% increase in Bradley Lake's annual energy). An amendment to the Bradley Lake Hydroelectric Project Federal Energy Regulatory Commission license was received in September 2016. Construction began in 2018 and is anticipated to be complete in the fall of 2020. The construction cost estimate for this project is \$47.2 million.

To date funding for the BCD Project has come from debt proceeds, State appropriations, the Bradley Lake R & C Fund, and direct contributions from the BCPU. Debt was issued in December 2017 to fund the construction of the project. Capital additions paid for with debt proceeds was \$6.6 million during the year ended June 30, 2018. The State funded approximately \$52,000 in the year ended June 30, 2017, and no state funds were used in the year ended June 30, 2018. The BCPU began direct funding the project in October 2016 and funded approximately \$335,000 and \$799,000 in the years ended June 30, 2018 and 2017, respectively.

BRADLEY LAKE PROJECT MANAGEMENT COMMITTEE OPERATING AND REVENUE FUNDS

Notes to Financial Statements

Years Ended June 30, 2018 and 2017

Note 1 - Significant Accounting Policies, continued

Establishment of Trust Funds

Article V, Section 502 of the Alaska Energy Authority's Power Revenue Bond Resolution established a Revenue Fund and an Operating Fund, including an Operating Reserve account, to be held by AEA. In actuality these funds, along with the Debt Service, Excess Investment Earnings (arbitrage), and various construction funds related to the Bradley Lake Hydroelectric Project are all held by the Corporate Trust Department of US Bank in Seattle, Washington.

In December 2017, AEA issued debt for the construction of the Battle Creek Diversion project. This debt is parity debt under the current Power Revenue Bond Resolution. A separate Revenue Fund, Operating Fund, Operating Reserve account, Construction Fund, Capital Reserve Fund, and Debt Service Fund were established related to the Battle Creek Diversion project.

All deposits, including utility contributions and interest transferred from other funds, are made into the Revenue Funds. Monthly, transfers approximately equal to one-twelfth of the annual operating and maintenance budget are transferred from the Revenue Funds into the Operating Funds. Additional transfers are made from the Revenue Funds to the Debt Service Funds in order to satisfy semiannual interest payments and annual principal payments on the Project's outstanding bonds payable.

Interest earnings available for operations and maintenance are derived from the following funds: Debt Service Funds; Operating Reserve Funds; Operating Funds; Revenue Funds; Capital Reserve Funds; and the Renewal & Contingency Fund when the fund balance is \$5,000,000 or greater.

Revenue and Expense Recognition

Utility contributions are recognized as revenue when due to be received under the terms of the Power Sales Agreement. Utility contributions of \$399,223 and \$888,567 for the years ended June 30, 2019 and 2018, respectively, were received prior to June 30, 2018 and 2017, respectively, and are included in liabilities as unearned revenue. Transfers from other funds are recognized when the transfer is made and interest earnings are recognized when received. Operating and maintenance expenses are recognized when incurred, while transfers to Debt Service Fund and Excess Earnings Funds are recognized when the transfer is made. Purchases of fixed asset replacements are expensed when purchased. The Renewal and Contingency Reserve Fund (R & C Fund) is reimbursed for capital costs over a four year period. Transfers to the R & C Fund for repayment of funds withdrawn for capital costs occur monthly based on the budgeted R & C expenditures. At year end, the actual Operating Fund expenses and R & C Fund repayments are compared to the actual revenue and a refund is given to the utilities when a surplus of revenues occurs or invoices are issued to the utilities if expenses exceed revenues.

Estimates

The preparation of the special-purpose financial statements of the Operating and Revenue Funds requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the reporting period. Actual results could differ from those estimates.

Income Taxes

The Committee is exempt from income taxation under Section 501(a) of the Internal Revenue Code. Therefore, the Committee had no deferred tax liabilities or assets or tax carryforwards as of June 30, 2018 and 2017 and no current or deferred tax expense for the years then ended.

Subsequent Events

The Committee has evaluated subsequent events through November 28, 2018, the date on which the special-purpose financial statements were available to be issued.

BRADLEY LAKE PROJECT MANAGEMENT COMMITTEE

OPERATING AND REVENUE FUNDS

Notes to Financial Statements

Years Ended June 30, 2018 and 2017

Note 1 - Significant Accounting Policies, continued

Reclassification

The presentation of certain prior year information has been reclassified to conform to the presentation in the 2018 financial statements. Such reclassifications have no effect on the excess of revenues over expenses, fixed asset replacements, transfers and debt service.

Note 2 - Cash and Cash Equivalents

At June 30, 2018, \$2,610 of the balance in the Operating Funds was invested in First American Treasury Obligations money market fund and \$855,664 of the balance in the Operating Funds was invested in collateralized guaranteed investment contracts with JP Morgan Chase Bank through the trust department of US Bank. At June 30, 2017, \$2 of the balance in the Operating Fund was invested in First American Treasury Obligations money market fund and \$2,431,119 of the balance was invested in collateralized guaranteed investment contracts with JP Morgan Chase Bank through the trust department of US Bank.

At June 30, 2018, \$399,223 of the balance in the Revenue Fund is in deposits, \$733,871 of the balance in the Revenue Fund is invested in First American Treasury Obligations money market fund, and \$1,371,809 of the balance is invested in collateralized guaranteed investment contracts with JP Morgan Chase Bank. At June 30, 2017, \$888,575 of the balance in the Revenue Fund was invested in First American Treasury Obligations money market fund and \$450,082 of the balance was invested in collateralized guaranteed investment contracts with JP Morgan Chase Bank. The specified interest rate for monies from the Operating and Revenue Funds invested in the contracts with JP Morgan Chase is 7.38% per annum. Balances at June 30, 2018 and 2017 are as follows:

	2018	2017
Operating Fund	\$ 858,274	\$ 2,431,121
Revenue Fund	2,504,903	1,338,657
Total cash and cash equivalents	\$ 3,363,177	\$ 3,769,778

Investments are sold as needed to cover operating requisitions submitted to the trustee and are therefore considered to be short-term and available for sale. Investments are presented at aggregate cost, which is equal to fair value.

Management considers the full amount of the cash and cash equivalents balance to be cash available for operations.

BRADLEY LAKE PROJECT MANAGEMENT COMMITTEE OPERATING AND REVENUE FUNDS

Notes to Financial Statements

Years Ended June 30, 2018 and 2017

Note 3 - Major Contracts and Agreements

During May 1994, the Alaska Energy Authority (AEA) entered into the Master Maintenance and Operating agreement with the Committee. The purpose of the agreement is to establish contract administration and budgeting procedures for maintenance and operation contracts of the Bradley Lake Hydroelectric Project and to provide for the lease or other use of facilities and equipment in a manner consistent with the requirements of the Power Sales Agreement. The term of the Master Agreement is indefinite, remaining in effect until termination of the Power Sales Agreement or until AEA no longer legally exists. This agreement authorizes AEA to enter into any contracts necessary to perform operating or maintenance-type services to the Project, subject to the approval of the Committee.

On behalf of the Committee, the AEA entered into an agreement with Chugach Electric Association, Inc. (CEA) in August 1996, for the provision of all services necessary to dispatch the Project's electric power output. The dispatch agreement runs concurrently with the wheeling and related services contract entered into by and among the parties to the Power Sales Agreement in December 1987 and remains in effect for the term of the wheeling agreement unless CEA ceases to be the output dispatcher.

In August 1996, the Alaska Energy Authority entered into an agreement with CEA on behalf of the Committee for the provision of operations and maintenance services for the Daves Creek and Soldotna Static VAR Compensation System (SVS). This agreement terminated as to the Soldotna SVS upon the termination of the lease related to the Soldotna SVS. In January 2018, the Alaska Energy Authority entered into the Soldotna Static VAR Compensation System Operation and Maintenance Agreement with Alaska Electric and Energy Cooperative, Inc. (AE&EC). This agreement continues from year to year, except upon written notice to terminate by either party. Notice of termination must be given two years in advance of date of termination.

An operation and maintenance agreement dated February 11, 1994, was executed between Homer Electric Association, Inc. and the Alaska Energy Authority. This agreement provides for the operation and maintenance of the Bradley Lake Hydroelectric Project by Homer Electric Association, Inc. (HEA). HEA is to be reimbursed for costs associated with the operation, maintenance and repair of the Project as determined in advance through the submission of an annual budget based upon prudent estimates and anticipated operation and maintenance costs. The Second Amended and Restated Operations and Maintenance Agreement effective as of July 1, 2008 automatically continues in successive five-year terms thereafter unless terminated by either party as set forth in the amended agreement. Generally, to avoid an automatic successive five-year term extension, notice of termination by either party must be given two years in advance of the termination date. The agreement, as amended effective June 15, 2016, is extended to January 1, 2019. Subsequent to year end, the Committee authorized AEA to enter into a Second Amendment to the Second Amended and Restated Operation and Maintenance agreement which extends the agreement for three months to March 31, 2019. AEA gave notice of termination to the Second Amended and Restated Operation and Maintenance Agreement for the Bradley Lake Project on December 27, 2016.

In August 1996, the agreement was amended to separate the maintenance of the transmission facilities from the hydroelectric project. The transmission agreement continues from year-to-year, except upon written notice to terminate by either party. Notice of termination must be given six months in advance of termination dates. In June 1999, the transmission agreement was again amended to require HEA to provide communication services in addition to the other services.

BRADLEY LAKE PROJECT MANAGEMENT COMMITTEE OPERATING AND REVENUE FUNDS

Notes to Financial Statements

Years Ended June 30, 2018 and 2017

Note 4 - Related Party Transactions

During the years ended June 30, 2018 and 2017, costs incurred under the various contracts with related parties described in Note 3 were as follows:

	2018	2017
Homer Electric Association, Inc. - operation, maintenance, substation service maintenance, communications, and fixed asset replacements	\$ 3,223,101	\$ 2,299,506
Chugach Electric Association, Inc. - substation service maintenance and fixed asset replacements	\$ 1,389,802	\$ 160,311
Alaska Energy Authority - administrative fees	\$ 222,000	\$ 200,000

For the years ended June 30, 2018 and 2017, Chugach Electric Association, Inc. provided dispatch services to the Committee at the agreed upon amount which is zero.

Amounts payable to related parties at June 30, 2018 and 2017 were as follows:

	2018	2017
Included in accounts payable:		
Homer Electric Association, Inc.	\$ 1,038,874	\$ 614,107
Chugach Electric Association, Inc.	\$ 8,151	\$ 82,475
Due to others:		
Alaska Energy Authority - short-term borrowing for vendor payments	\$ 87,286	\$ 622,007

Note 5 - Surplus Refunds

The \$1,004,466 operations and maintenance and \$440,987 renewal and contingency surpluses at June 30, 2018 will be refunded to member utilities in fiscal year 2019 pursuant to the Power Sales Agreement and direction of the Committee. The \$635,702 Battle Creek Participating Utilities surplus at June 30, 2018 will be refunded to member utilities in fiscal year 2019 pursuant to the Power Sales Agreement, the Battle Creek Diversion Project Share Allocation, and direction of the Committee.

The \$1,223,409 operations and maintenance and \$1,147,663 renewal and contingency surpluses at June 30, 2017 were refunded to member utilities in fiscal year 2018 pursuant to the Power Sales Agreement and direction of the Committee.

Note 6 - Subsequent Events

In October 2018, the Committee authorized AEA to enter into a Second Amendment to the Second Amended and Restated Operations and Maintenance Agreement which extended the term of the operation and maintenance agreement for three months to March 31, 2019.

SUPPLEMENTAL INFORMATION

BRADLEY LAKE PROJECT MANAGEMENT COMMITTEE
OPERATING AND REVENUE FUNDS

Statements of Expenses

Years Ended June 30, 2018 and 2017

	2018		Variance	2017
	Budget	Actual	Favorable (Unfavorable)	Actual
Expenses:				
Generation expense:				
Operation supervision and engineering	\$ 290,337	\$ 271,485	\$ 18,852	\$ 293,523
Hydraulic operation	98,453	70,008	28,445	72,202
Electric plant operation	276,026	216,990	59,036	231,505
Hydraulic power generation operation	565,423	479,587	85,836	438,398
FERC land use fees	318,000	202,079	115,921	230,614
Structure maintenance	437,752	402,310	35,442	345,782
Reservoir, dam, and waterway maintenance	87,110	9,314	77,796	124,151
Electric plant maintenance	473,602	364,198	109,404	316,825
Hydraulic plant maintenance	133,353	139,689	(6,336)	92,033
System control and load dispatching	365,105	371,550	(6,445)	324,629
Substation operation and maintenance	153,726	134,770	18,956	160,311
Overhead line maintenance	236,402	64,301	172,101	237,061
Total Generation Expense:	<u>3,435,289</u>	<u>2,726,281</u>	<u>709,008</u>	<u>2,867,034</u>
Administrative, general and regulatory expense:				
Insurance	581,000	624,705	(43,705)	554,670
Administrative fees	222,000	225,525	(3,525)	200,000
Committee costs	88,898	269,145	(180,247)	99,492
Regulatory commission:				
FERC administrative fees	185,000	176,523	8,477	122,210
FERC licensing and study	125,000	100,999	24,001	168,377
Total Administrative, General and Regulatory Expense	<u>1,201,898</u>	<u>1,396,897</u>	<u>(194,999)</u>	<u>1,144,749</u>
Total Operations and Maintenance Expenses, before Capital Project Reimbursement	4,637,187	4,123,178	514,009	4,011,783
R & C Fund Repayment	<u>2,793,307</u>	<u>2,579,100</u>	<u>214,207</u>	<u>2,476,905</u>
Total Operations and Maintenance Expenses	<u>\$ 7,430,494</u>	<u>\$ 6,702,278</u>	<u>\$ 728,216</u>	<u>\$ 6,488,688</u>