

DOYON UTILITIES TRANSITION UPDATE

– March 21, 2008

MILESTONES MET

- The field assessment work for the metering project is complete with a few minor exceptions. This project took over one month and required the metering team to access almost every building on each post.
- The temporary Right of Entry permit for the Fort Wainwright Black Start Generator and Substation site has been obtained.
- The geotech and environmental studies have been completed for the Fort Greely Substation project.
- We have received Fort Wainwright air field lighting quotes and have prepared a draft modification for the project.
- The NEPA (National Environmental Policy Act) draft Record of Environmental consideration for the Fort Richardson substation and depot has been completed and submitted to the NEPA coordinator for review and processing.

MILESTONE APPROACHING

- GeoTech and environmental testing for the Fort Wainwright Black Start Generator and Substation site is scheduled to take place next week.
- The Fort Richardson transformer will be tested on April 14th or 21st. After testing, it will be moved to the pad at Fort Richardson and then retested again to remove the possibility of future warranty disputes. This schedule is dependent on road restrictions and the ability to get the pad poured prior to these dates.
- Final testing for the Fort Richardson Substation will be performed April 14th. The 15 kV Substation will ship from Corona, California on April 16th and is expected to arrive at Fort Richardson on April 28th.

147 Days Until Transition

FYI

- We have received and reviewed the operation depot plans (30% plans) and met with Nenana Lumber this week to discuss our input.
- The temporary Fort Greely site trailer has been delivered.
- We have contracted with Midstate to do all the clearing and prep work for the Fort Greely substation project. They should start mobilizing in the next week and have a two week work window.
- The e-room software has been installed and we are working with Jared Stigge of C.H. Guernsey and Tim Berg with the Fort Richardson DPW to transfer all archived folders over to the new server.
- Our first pick-up truck was delivered last week. The second is expected in a few days and they will continue to arrive in a steady stream.
- Mark Rockwell and Norman Sather, our Utility Engineers, will be meeting with the Corps of Engineers, DPW and the post planning groups, at all three posts next week. Two of the most critical discussion topics will include our standards of construction and coming up with a mutually acceptable process that will involve us in the early design phases of Corps projects so that we can be geared up and ready to provide service when it is needed.



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WAGE & BENEFITS PACKAGE



The wage and benefits packages have been finalized and we believe that they are competitive and will encourage most employees to stay with the utilities. The pay schedule reflects a competitive wage with the opportunity to receive adjustments to the hourly wage by attaining additional certifications or qualifications.

This week, various members of our Management team traveled to the three posts to meet with employees regarding the wage and benefits package. This marks a very large milestone as the number one question we have been receiving is “what does the pay package look like?”

Pay varies by post and job but the benefits package is the same across the board. Following is a brief synopsis of the benefits package:

Retirement Plan:

We will contribute 11% of wages into a defined contribution fund on behalf of the employee. The employee is immediately vested, the fund is portable, and the funds from the government TSP can be rolled into the plan.

401(k):

Employees will have the opportunity, should they choose to do so, of directing “pre-tax” dollars from

their paycheck into a 401(k). Like the retirement plan, these funds are portable and the funds from the government TSP can be rolled into the plan.

Vacation:

Employees are offered vacation accrual at the rate of 18 days per year. After 5 years this amount will be increased to 23 days. As with many businesses in the private sector, there is no separate sick pay bank, all paid days off will come from the vacation bank.

Holidays:

We will observe eight Federal holidays and crafts employees will be granted an additional two “floating holidays”.

Health Care Insurance:

We offer health care coverage to each employee, spouse and any dependent children (up to the age of 25 if they aren’t covered under another plan). We pay the entire premium although the deductible is relatively high. Some highlights of the plan include: Dental coverage, low prescription drug co-pays and \$20-\$25 doctor office visits.