

DOYON UTILITIES TRANSITION UPDATE

April 4, 2008

MILESTONES MET

- We have received the construction Right of Entry permit for the Fort Richardson Operations Depot and Electrical Distribution Substations from the Corps of Engineers. The permit still needs to be signed and we expect this to take place within the next week.
- The Geo Tech and environmental work for the new Fort Wainwright substation and black start generator locations is complete.
- An agreement has been reached with GVEA to construct the 138kV Fort Greely Substation and Fort Wainwright Substation.
- Our Accounting System, NAV, is going live as this newsletter is being written. This Phase I roll-out encompasses accounts payable, payroll and job costing. Phase II, which adds fixed asset, inventory and asset guardian modules will be the next step.

MILESTONES APPROACHING

- Specifications have been completed for the Fort Greely Substation 24.9 kV switchgear. We expect quotes and a schedule on April 11th with delivery to take place in the 4th quarter of 2008.
- 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.

133 Days Until Transition

IT UPDATE

- We have a “proof of concept” video conferencing system in place between the DU conference room and the FRA and FGA Project Managers’ offices. Once testing is complete, we will be implementing full video conferencing and on-line collaboration tools.
- We are in the process of setting up a phone “toll avoidance” system that will allow us to route calls to and from customers and vendors, including cell phones, at all three sites without incurring long distance phone charges. Plans for after hours emergency event notification are being developed.
- Phase one of the MS Project Server roll-out is nearly complete. We are beginning to load hundreds of capital projects into the system in preparation for the implementation and training phases.
- The new e-room server is running and we are waiting on the data from the old system to load onto the new server.



Left: Robert “Bob” Zacharski, our Fort Richardson Site Manager, models one of our newly decaled hard hats. Bob just started working for us on Monday and spent the week in our Fairbanks office learning the ropes.



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MORE MEMBERS OF THE DOYON UTILITIES TEAM

Last week, in our weekly, "What's Happening" newsletter, we introduced our Doyon Utilities team. In addition to Doyon Utilities' employees, there are many other individuals helping us meet our milestones and bringing us closer to the August 15th transition. Below are just two of the contractors we have brought on board to help us create a successful company.



Marvin Riddle, is an Aurora Energy, LLC Consultant for Fort Wainwright, Fort Richardson and Fort Greely. He is the Vice President and Senior Consultant of Riddle Consulting. Marvin has a Masters of Business Administration from the University of Alaska, Fairbanks. He also has a Bachelor of Arts Degree in Psychology/Business from the University of Alaska, Fairbanks, and an AAS Degree in Power Engineering from Southern Alberta Institute of Technology. As the Manager of Operations for Golden Valley Electric Association he was instrumental in the municipal utility privatization of electrical distribution systems between the City of Fairbanks and Golden Valley Electric Association.



Rufus Bunch, is a registered professional Civil Engineer in the State of Alaska. As the Vice President of Operations for Aurora Energy, LLC, he directly supervises the staff of a 25 Mw cogeneration power plant that provides electrical power and district heat for Fairbanks, Alaska. Previous experience included work as a project manager and Senior Design Engineer with a design engineering firm and 4 years as the City Engineer for the City of Fairbanks, Alaska. Rufus has extensive experience in all aspects of engineering, power production, steam and hot water district heat and maintenance of related facilities.

ELECTRICAL DISTRIBUTION PURCHASES

This has been a busy week for our electrical distribution team. They are making great progress in planning for several upcoming projects and are getting equipment and supplies ordered early to account for long lead times. Following are some major accomplishments made this week:

- Orders have been placed for pole mount transformers for the Fort Greely Feeders 5 and 9 rebuild. We expect delivery on June 15th.
- Orders have been placed for line material: poles, cross arms, conductor, insulators and other required hardware to replace 392 structures on feeders 5 and 9 at Fort Greely.

A construction contract has been awarded to Electric Power Constructors for the Fort Richardson Substation. This contract covers the dirt work, concrete, ground grids, fences, conduit, vaults and riser poles. They will also receive and connect the switchgear and transformers. Expected completion date is July 15th.

- A contract was awarded to Waukesha Transformer to supply two 20 MVA transformers for Fort Wainwright and Fort Greely. We expect them to be delivered in September 2008.

The total contract awards for these four projects is \$4,423,024.



Above: We have received one of the five Fort Greely pickup trucks. As you can see, the logo and accessories have been installed and it is ready for a trip to its home in Delta.