



GEOTHERMAL ENERGY



WIND ENERGY



HYDROELECTRIC



LANDFILL GAS



SOLAR ENERGY



ENERGY EFFICIENCY



CLIMATE PROTECTION



THE GREENEST LITTLE UTILITY IN AMERICA

COMPREHENSIVE ANNUAL FINANCIAL REPORT

for the Fiscal Years Ended June 20, 2009 and 2008

Alameda Municipal Power

a Component Unit of the City of Alameda, California



ALAMEDA MUNICIPAL POWER

A Department of the City of Alameda

Introductory Section

**ALAMEDA MUNICIPAL POWER
A COMPONENT UNIT OF THE CITY OF ALAMEDA
COMPREHENSIVE ANNUAL FINANCIAL REPORT
FISCAL YEARS ENDED JUNE 30, 2009 AND 2008**

TABLE OF CONTENTS

	<u>Page</u>
INTRODUCTORY SECTION	
Table of Contents.....	i
Letter of Transmittal	iii-x
Principal Officers	xi
Organizational Chart	xii
GFOA Award	xiii
Location Map	xiv
FINANCIAL SECTION	
Independent Auditor’s Report on Component Unit Basic Financial Statements ..	1
Management’s Discussion and Analysis	3-14
Basic Component Unit Financial Statements:	
Statements of Net Assets	15-16
Statements of Revenues, Expenses and Changes in Net Assets	17-18
Statements of Cash Flows	19-20
Notes to Basic Component Unit Financial Statements	21-48

**ALAMEDA MUNICIPAL POWER
A COMPONENT UNIT OF THE CITY OF ALAMEDA
COMPREHENSIVE ANNUAL FINANCIAL REPORT
FISCAL YEARS ENDED JUNE 30, 2009 AND 2008**

TABLE OF CONTENTS (CONTINUED)

	<u>Page</u>
STATISTICAL SECTION	
Statistical Section Overview.....	49-50
Net Assets by Component.....	51
Changes in Earned Surplus of Consolidated Operations.....	52
Changes in Earned Surplus of Electric and Telecommunication Operations.....	53
Electric Operating Revenues by Source.....	54
Telecommunication Operating Revenue by Source.....	55
Customer Accounts.....	56
Pricing Changes.....	57
Ratio of Outstanding Debt by Type.....	58
Certificates of Participation Coverage – Electric Operations.....	59
Certificates of Participation Coverage – Telecommunication Operations.....	60
Demographic and Economics Statistics.....	61
Top Ten Customers and Principal Employers	62
Operating Expenses by Function – Electric Operations.....	63
Operating Expenses by Function – Telecommunications Operations.....	64
Capital Asset Statistics by Function / Program.....	65
Operation Indicators.....	66
Operation Indicators - Continued.....	67



December 21, 2009

To the Public Utilities Board and Our Customers:

We are pleased to transmit the Comprehensive Annual Financial Report of Alameda Municipal Power, a component unit of the City of Alameda, California for the fiscal year ended June 30, 2009. In accordance with standards established by the Governmental Accounting Standards Board's Statement No. 14, the Financial Reporting Entity, Alameda Municipal Power, meets the definition of a component unit of the City of Alameda. We encourage readers to review all sections of this report and especially request that they refer to Management's Discussion and Analysis located in the Financial Section of this report.

Responsibility for both the accuracy of the data and the completeness and fairness of the presentation, including all disclosures, rests with Alameda Municipal Power (formerly known as Alameda Power & Telecom). Alameda Municipal Power believes that the data presented here is accurate in all material respects, that the data is presented in a manner designed to set forth fairly the financial position of the organization and that all disclosures necessary to gain an understanding of the financial activity are included in this report.

Profile

The City of Alameda - Department of Public Utilities - Bureau of Electricity, now doing business as Alameda Municipal Power (AMP), is a municipal utility that provides safe, cost-effective, reliable, and environmentally responsible, electric-energy services since its founding in 1887. AMP is the oldest municipal utility in California and is amongst the oldest in the nation, either public or private.

AMP is governed by a Public Utilities Board (Board). In accordance with the City Charter, the Board is comprised of four commissioners (appointed by the Mayor with concurrence from the City Council) and the City Manager (as an ex-officio member). The Board establishes goals and policies, approves major purchases, and creates the framework for local control of AMP, one of Alameda's largest businesses. During fiscal year 2009, the members of the Board included President Ann McCormick, Vice-President Peter Holmes, Commissioner John McCahan, Commissioner Gregory Hamm and City Manager Debra Kurita. In April 2009, City Manager Debra Kurita was succeeded by Interim City Manager Ann Marie Gallant.

Effective November 21, 2008, AMP sold its Telecommunications Business Line (Telecom) to Comcast of Alameda, Inc. and ceased to provide cable television programming and Internet services. A 120-day sale transition period ended on March 21, 2009.

Since the sale of Telecom, staff has refocused on AMP's core electric business. Financial uncertainty associated with Telecom has been eliminated. Removal of this uncertainty resulted in improved financial ratings from both Standard and Poor's and Fitch Rating Services. Standard and Poor's raised AMP's underlying rating to "A stable" from "A- stable" and noted that the raised rating reflects AMP's strong resource planning, good financial performance and a stable service area economy. Further, the stable outlook reflects Standard & Poor's expectation that financial indicators including cash reserves and debt coverage will be sufficient to manage unexpected costs, and that rate increases will be made on a timely basis. Fitch Rating Services affirmed its rating of "A-" and revised the Rating Outlook for AMP to "positive" from "stable". Fitch Ratings noted that the rating reflects that AMP has a power supply that is predominately generated by renewable resources, participates in the Northern California Power Agency power pool, and has a healthy financial position.

In order to better reflect the services being provided to the community, the Board at its January 26, 2009 meeting authorized a change to the "doing-business-as" name of Alameda Power & Telecom to Alameda Municipal Power. AMP developed a purpose statement, strategies and metrics that encourage a refocusing of resources to the electric business. The Board approved a reorganization of AMP at its June 2009 meeting, and created four divisions – Administration, Customer Resources, Engineering and Operations, and Energy Resource Planning.

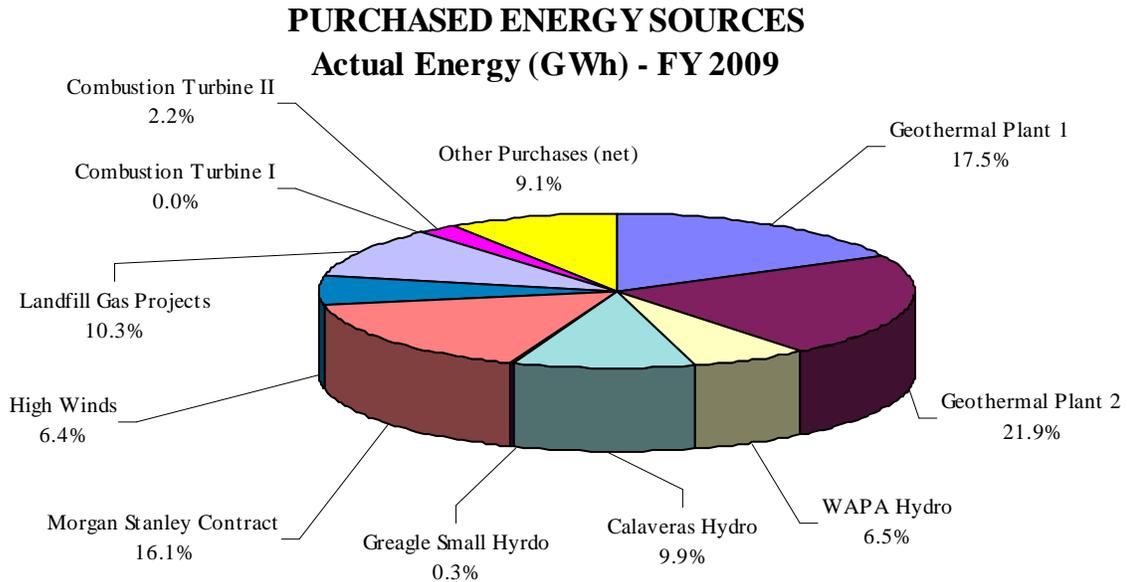
AMP's rates and fees are intended to cover the actual cost of providing service to each customer, remain competitive with those providing similar services in surrounding communities, and provide a return to the City. AMP has begun investigating options to assure that revenues are sufficient to cover the cost of providing service while maintaining customer and community satisfaction. In addition to providing quality services, AMP has transferred over \$25 million to the City's General Fund during the past 10 years, effectively reducing the tax burden and improving the quality of life in Alameda.

In its continuing commitment to provide the most reliable power for Alameda, and in support of community development goals, AMP continues to convert 12-kilovolt overhead distribution feeders to underground installations. Noticeable underground conversion activity has been completed in the vicinity of San Antonio, Bay and St. Charles Streets. This area, known as the Underground District 30 project, was constructed and services were mostly converted. In addition to the conversion construction activity, AMP continues to improve its electric distribution network through capital improvements to the supervisory control and data acquisition (SCADA) system and electrical equipment, providing new electric services for residential and business development, providing increased circuit cleansing, maintenance and inspection of high voltage components, upgrading the customer call center with Interactive Voice Response (IVR) technology, as well as a variety of routine enhancements including selected street light replacements, transformer inspection, painting and meter work.

AMP continued its program to research, solicit and acquire electric generation sources that are economical, provide stable costs over the long-term, and are environmentally friendly. During fiscal year 2009, the Ox Mountain and Keller Canyon Land Fill Gas (LFG) energy projects became operational and are now contributing clean-power to Alameda residents. Carbon-free and renewable resources are used to generate over 80% of the electricity Alamedans use.

Managed mainly through the Northern California Power Agency (NCPA), a joint-powers agency composed of AMP and 16 other Northern California public entities, AMP also has investments in geothermal, combustion turbine, hydroelectric, and wind generating facilities.

The figure below illustrates AMP’s energy purchases during fiscal year 2009:



Economic Conditions and Outlook

The City of Alameda is an island community with residential neighborhoods and commercial areas. There are scenic views of Oakland, San Francisco, and other areas of the Bay shoreline. The City has highway and rail links to the City of Oakland to the north and east, and offers ferry services to San Francisco from two locations.

The California Department of Finance estimates that there are 74,683 people living in Alameda as of January 1, 2009. The population count of the City of Alameda has remained relatively constant during the past few years, although it increased slightly last year. It has been estimated that nearly half the homes in Alameda are owner occupied. Residential properties include low-, moderate-, and high-income housing in a variety of styles. It is anticipated that the population of Alameda will increase slightly as new homes are slowly constructed and occupied at Alameda Point and elsewhere in the City.

According to the 2000 Census, there are 57% European-American residents, 26% Asian-American residents, 6% African-American residents, 0.7% Native-American residents, 0.6% Native-Hawaiian (and other Pacific Islander) residents, 3.3% “Other Race” residents, and 6% ‘Two or More Races’ residents. The adult population between the ages of 25 to 54 years in Alameda is above the national average and comprises almost 50% of all Alameda residents. The percentage of adults over 60 has increased slightly from 1990.

Alameda's business enterprises range in scope from the Maritime Administration providing a ready-fleet of ships, to the Coast Guard providing homeland security functions, to Abbott Diabetes Care providing medical research, to Alameda Hospital providing health services, to Bay Ship & Yacht Co providing marine construction and repair services, to College of Alameda providing education to the community, to the Safeway Stores providing grocery products, to the Celera Diagnostics providing health care instrumentation. The diversity of businesses and their unique electricity needs continues to be the backbone of the distribution network.

Overall, the outlook for the City of Alameda is generally stable although the weakening local, state and national economies are impacting project development and contributing to reduced growth of electric revenue and electric sales of kilowatt-hours. Investors continue to demonstrate their faith in the strengths of the community by continuing shopping district capital improvements and through community planning development for Alameda Point.

Major Initiatives

Community Involvement

Through public service and participation in local events, programs, and agencies, AMP maintains a strong presence in the community. AMP joined other City departments to sponsor a celebration of Earth Day 2009, sponsored the Park Street Art & Wine Faire, the Webster Street Jam, participated with the City at the Fourth of July activities, and helped support the City's inaugural Special Needs and Services Fair. AMP hosted several activities for Public Power Week and participated in the Community Action for Sustainable Alameda's Annual Town Hall Meeting. Sponsorship continues for the Thompson Street Christmas Tree Lane and the Mayor's Tree Lighting ceremony. AMP joined with the Alameda Police Department for *National Night Out*, and through its public relations mechanisms and its external customer newsletter, continues its aggressive safety education initiatives.

In addition to the community involvement, AMP continues to fund and work closely with the Red Cross and other agencies to continue to provide financial assistance programs for low income customers.

Alternative Fuel Vehicles

AMP has a fleet of alternative-fuel vehicles, including both all-electric and hybrid electric/gasoline vehicles. While they serve business purposes, they also remind the community of AMP's commitment to a cleaner environment.

Economic Development

The City of Alameda and AMP continue to encourage new and existing businesses to develop in Alameda. As utility costs are sometimes a significant factor in establishing a new business, AMP continues to offer an Economic Development Incentive Discount to attract businesses to locate or expand in Alameda. During Fiscal year 2009, the special discount incentive was available to businesses that added an annual peak demand of at least 50 kilowatts, the typical demand for 10,000 square feet of office space.

Alameda is an excellent choice for energy-sensitive businesses and is centrally located within the Bay Area. While having one of the best records of reliability, customers enjoy electrical rates significantly lower than those of nearby cities served by other utilities.

Award

The Government Finance Officers Association (GFOA) of the United States and Canada awarded a Certificate of Achievement for Excellence in Financial Reporting to AMP for its Comprehensive Annual Financial Report (CAFR) for the fiscal year ended June 30, 2008. A GFOA Certificate of Achievement is valid for a period of 1 year. This was the thirteenth consecutive year that AMP has achieved this prestigious award. In order to be awarded a Certificate of Achievement, a government unit must publish an easily readable and efficiently organized comprehensive annual financial report that satisfies both generally accepted accounting principles and applicable legal requirements.

AMP believes that its current Comprehensive Annual Financial Report will continue to meet the Certificate of Achievement Program's requirements and will be submitting it to the GFOA to determine its eligibility for another certificate.

Acknowledgments

This report is the culmination of the hard work and dedication of many AMP employees and the independent auditor, Maze & Associates. Alameda Municipal Power staff would like to acknowledge the support of the Board for its continuing direction and oversight in providing value to the Alameda community.

Respectfully submitted,



Girish Balachandran
General Manager

This Page Left Intentionally Blank

Principal Officers

(As of June 30, 2009)

Public Utilities Board

Ann L. McCormick, President

Peter W. Holmes, Vice-President

John McCahan, Commissioner

Gregory Hamm, Commissioner

Debra Kurita, Commissioner and City Manager
(July 2008 - March 2009)

Ann Marie Gallant, Commissioner and Interim City Manager
(April 2009 - June 2009)

General Manager and Board Secretary

Girish Balachandran

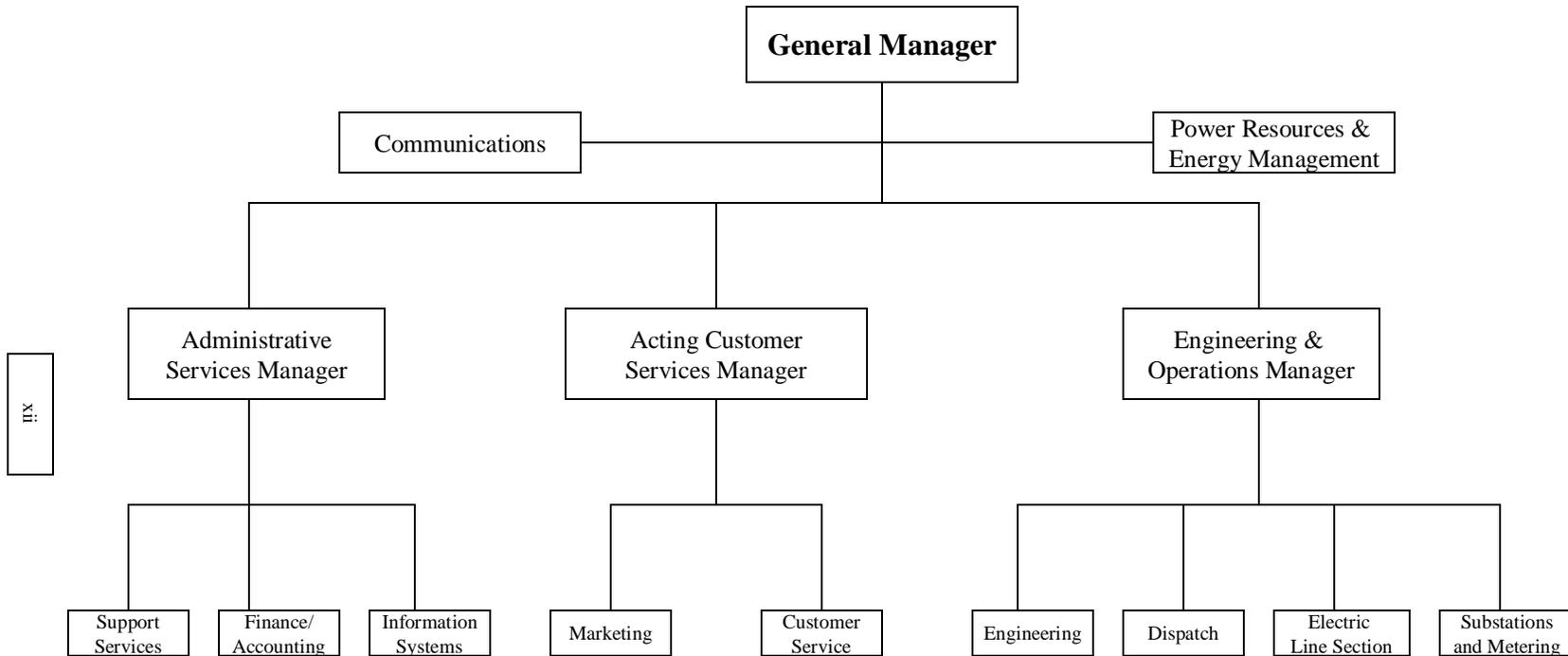
Managers

Robert J. Orbeta, Administrative Services Manager

Robert Streich, Engineering & Operations Manager

Sherri Hong, Acting Customer Services Manager

City of Alameda
Alameda Municipal Power
Organizational Chart
June 30, 2009



ix

95 Total
Positions

Certificate of Achievement for Excellence in Financial Reporting

Presented to

Alameda Power & Telecom California

For its Comprehensive Annual
Financial Report
for the Fiscal Year Ended
June 30, 2008

A Certificate of Achievement for Excellence in Financial Reporting is presented by the Government Finance Officers Association of the United States and Canada to government units and public employee retirement systems whose comprehensive annual financial reports (CAFRs) achieve the highest standards in government accounting and financial reporting.



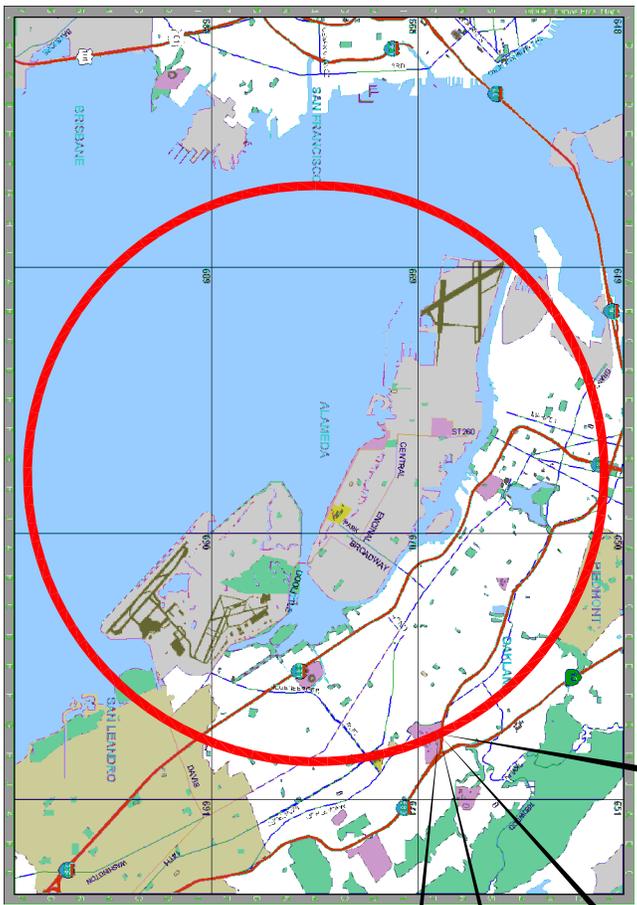
President

Executive Director

The Government Finance Officers Association of the United States and Canada (GFOA) awarded a Certificate of Achievement for Excellence in Financial Reporting to Alameda Power & Telecom for its comprehensive annual financial report for the fiscal year ended June 30, 2008. This was the thirteenth consecutive year that Alameda Power & Telecom achieved this prestigious award.

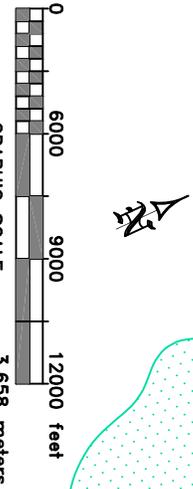
In order to be awarded a Certificate of Achievement, a government unit must publish an easily readable and efficiently organized comprehensive annual financial report. This report must satisfy both generally accepted accounting principles and applicable legal requirements.

A Certificate of Achievement is valid for a period of one year only. We believe that our current comprehensive annual financial report continues to meet the Certificate of Achievement Program's requirements and we are submitting it to the GFOA to determine its eligibility for another certificate.



SAN FRANCISCO BAY

ALAMEDA POINT



GRAPHIC SCALE

3,658 meters



BAY FARM ISLAND

CITY OF ALAMEDA

COAST GUARD ISLAND



ALAMEDA MUNICIPAL POWER
A Department of the City of Alameda

On the cover:

The electric system is comprised of overhead and underground plant requiring specialized tools, knowledge and skills to maintain to the state of readiness and reliability that has become an expectation of the community. The lineworkers and technicians that service the systems are qualified to perform this work through modern equipment, experience, training and hard work. Shown on the cover are a group of Alameda Municipal Power employees that work hard every day to provide our customers with safe, reliable, cost-effective, and environmentally responsible electricity.

**ALAMEDA MUNICIPAL POWER
A COMPONENT UNIT OF THE CITY OF ALAMEDA
COMPREHENSIVE ANNUAL FINANCIAL REPORT
FISCAL YEARS ENDED JUNE 30, 2009 AND 2008**

**PREPARED BY THE
ADMINISTRATIVE SERVICES DIVISION**

This Page Left Intentionally Blank

Financial Section

ACCOUNTANCY CORPORATION
3478 Buskirk Ave. - Suite 215
Pleasant Hill, California 94523
(925) 930-0902 • FAX (925) 930-0135
maze@mazeassociates.com
www.mazeassociates.com

INDEPENDENT AUDITOR'S OPINION

Public Utilities Board
Alameda Municipal Power,
City of Alameda, California

We have audited the basic component unit financial statements of the City of Alameda, Alameda Municipal Power, a component unit of the City of Alameda, as of and for the years ended June 30, 2009 and 2008, as listed in the Table of Contents. These financial statements are the responsibility of Alameda Municipal Power's management. Our responsibility is to express an opinion on these financial statements based on our audits.

We conducted our audits in accordance with generally accepted auditing standards in the United States of America. Those standards require that we plan and perform the audits to obtain reasonable assurance as to whether the financial statements are free of material misstatement. An audit includes examining on a test basis evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audits provide a reasonable basis for our opinion.

In our opinion the basic component unit financial statements referred to above present fairly in all material respects the financial position of the City of Alameda, Alameda Municipal Power as of June 30, 2009, and the changes in the financial position and cash flows for the years then ended, in conformity with generally accepted accounting principles in the United States of America.

Management's Discussion and Analysis is not a required part of the basic component unit financial statements but is supplementary information required by the Government Accounting Standards Board. We have applied certain limited procedures to this information, principally inquiries of management regarding the methods of measurement and presentation of this information, but we did not audit this information and we express no opinion on it.

The Introductory Section and Statistical Section have not been subjected to the auditing procedure applied in the audit of the basic financial statements and, accordingly, we express no opinion on them.

Maze & Associates

October 2, 2009

This Page Left Intentionally Blank

Management's Discussion and Analysis

As management of Alameda Municipal Power (AMP), we offer readers of AMP's financial statements this narrative overview and analysis of the financial activities of AMP for the years ended June 30, 2009 and 2008. Readers are encouraged to consider the information presented here in conjunction with information contained in the preceding transmittal letter and the accompanying financial statements.

Financial Highlights

- On November 21, 2008, the telecommunications system (Telecom) of AMP was sold to Comcast of Alameda. This event occurred subsequent to the last year's fiscal year ending date of June 30, 2008, but prior to issuance of that year's financial statements.
- Accounting guidelines required adjustments to the FY 2008 financial statements to reflect the changes resulting from the occurrence of the Telecom sale. The reader is encouraged to review Note 13 for additional information regarding the sale of the telecommunications business line.
- The FY 2008 financial statements recognized the impairment of the value of assets associated with the telecommunication system, and recognized that the funds lent from the Electric Division to the Telecom Division would not be repaid (i.e. a change from an interfund advance to an interfund transfer).
- The FY 2009 financial statements include the income and expenses that occurred for the telecommunication system prior to, and after, the Telecom sale.
- Additionally, the FY 2009 financial statements recognize the sale of the telecommunication system, of the associated fees to perform the sale, any sale post-closing adjustments made to the purchase price, any settlements to debt defeasance, and any identified litigation expense.
- The FY 2009 financial statements for Telecom include the final sale price adjustments determined at the conclusion of the look-back period that ended on March 21, 2009.
- The FY 2009 financial statements recognized that there were funds within the fiscal year transferred from the Electric Division to the Telecom Division that will not be repaid (i.e. interfund transfer).
- The FY 2009 financial statements recognize that the Telecom inventory was transferred to Comcast in accordance with the sale documents.
- The FY 2009 financial statements recognize that Telecom debt for the 2004 Revenue Bond Anticipation Notes has been defeased, and the 2002 Certificates of Participation has been discontinued as a result of the sale. The reader is encouraged to review the Statement of Cash Flows and Note 5 for additional information regarding long-term debt.
- AMP's revenue from electricity sales decreased almost \$0.7 million from last year.
- AMP's electric operating expense, excluding purchased power and depreciation, increased by almost \$1.1 million with the primary increase coming from new solar initiative programs, and increased customer satisfaction initiatives.
- AMP's purchased power expense increased approximately \$2.9 million as a result of timing variations for the geothermal plant debt coverage.
- AMP's interest income for electric fund investments decreased about \$1.0 million as interest rates declined within the national economy, and restricted funds decreased.

- AMP’s electric fund continued to support the City’s general fund with a contribution of \$2.8 million, which is an increase of \$0.3 million from last year’s amount.
- AMP electric fund’s total net assets decreased about \$2.3 million. Of this amount, \$1.2 million of the decrease occurred in the normal course of business, and \$1.1 million of the decrease was recognized as an extraordinary event involving expenses associated with the sale of the Telecom Division.
- AMP’s change in “Cash flows from investing activities” is primarily due to a decrease in interest receipts, minor increases in loan and lease activity, buying purchased power from the ‘investments reserved for special purposes’ set aside last year, a reduction in the ‘investment in certain NCPA projects’ as financing changes for the project occurred, and reductions to restricted investments.

Analysis of Combined Net Assets

The telecommunications business line was sold to Comcast of Alameda, Inc. on November 21, 2008. Although this event occurred after the end of fiscal year 2008, accounting guidelines required that adjustments to the financial statements be made that fiscal year.

Financial statements will be impacted due to the sale of the telecommunications business line for the next 1-2 years, or longer if prolonged litigation occurs. The FY 2009 financial statements recognize the sale of the telecommunications business line, associated fees to perform the sale, any sale post-closing adjustments made to the purchase price, any settlements to debt defeasance, and any identified litigation expense. Additionally, financial statements for fiscal year 2010 should recognize the settlement of escrow accounts and any other identified litigation expenses. Presentations by AMP’s General Manager at the time of the Telecom System sale indicated that an estimated \$3,000,000 would be paid by the electric fund for telecom fund expenses excluding litigation expenses, without any repayment anticipated (i.e. in FY 2009 there were transfers totaling \$1.1 million, and in 2010 there will likely be additional interfund transfers).

AMP’s Combined Net Assets

<u>(Dollars in thousands)</u>	<u>2009</u>	<u>2008</u>
Capital Assets, net depreciation	\$ 42,483	\$ 57,271
Other Non-current Assets	\$ 43,786	43,877
Current Assets	<u>30,935</u>	<u>37,512</u>
Total Assets	\$ 117,204	\$ 138,660
Current Liabilities	\$ 20,842	\$ 62,789
Long-Term Liabilities Outstanding	<u>40,107</u>	<u>39,889</u>
Total Liabilities	60,949	\$ 102,678
Net Assets:		
Invested in Capital Assets, net of related debt	\$ 16,873	\$ (9,488)
Unrestricted	<u>39,383</u>	<u>45,471</u>
Total Net Assets	\$ <u>56,255</u>	\$ <u>35,983</u>

Net Assets may serve, over time, as a useful indicator of an entity's financial position. In the case of AMP, assets exceeded liabilities by \$56.3 million at the close of the most recent fiscal year. Compared to the previous fiscal year, AMP's Total Net Assets increased by \$20.3 million or 36% of Total Net Assets. The increase in Total Net Assets is primarily due to 1) the recognition of the sale of the Telecom System, 2) the reclassification of the Telecom debt, 3) the addition of a restricted investment from Electric for the sale indemnity escrow, 4) a decrease in special purpose investments, 5) an increase in share value for NCPA projects and reserves, 6) a decrease in the Balancing Account liability, 7) a decrease in electric payroll-other accrued liabilities, and 8) an increase in capital project spending.

The largest portion of AMP's Net Assets reflects investment in capital assets (e.g., land, utility plant, buildings, vehicles and equipment) less any related debt used to acquire those assets still outstanding. These assets are used to provide electric services to Alameda's citizens and, consequently, these assets are not available for future spending. Prior to the sale of the telecommunications business line, those assets were used to provide cable TV and Internet services and were not available for spending.

Although AMP's investment in capital assets is reported net of related debt, it should be noted that the resources to repay this debt must be provided from other sources, since the capital assets themselves cannot be used to liquidate these liabilities except under extraordinary circumstances.

There was an 18.3% decrease to Total Assets with a 68.5% decrease to Total Liabilities resulting in Total Net Assets increasing 64.0% when compared to last year. Total Assets decreased approximately \$21.4 million and Total Liabilities decreased about \$41.7 million resulting in Total Net Assets increasing by approximately \$20.3 million.

Analysis of Change in Net Assets

AMP continues to experience volatility in California energy markets as seasonal weather impacts hydroelectric generation, natural-gas prices impact peak-demand electricity prices, geothermal generation is impacted by aging facilities, and new landfill-gas generation was delayed. Although AMP recognizes that energy markets have stabilized since the energy crisis of 2000-2001, it is keenly aware that adverse energy markets may return due to a variety of factors that affect both the supply of and demand for electric energy in the Western United States. Through its planning and resource procurements, AMP continues its affiliation with NCPA and has sufficient power supplies to meet the needs of its customers and is able to offer periodic surpluses to the market to help mitigate statewide supply shortages.

Combined Statement of Changes in Net Assets

<u>(Dollars in thousands)</u>	<u>2009</u>	<u>2008</u>
Operating Revenues		
Electric Sales	\$ 48,442	\$ 49,141
Telecommunications Sales	3,184	8,285
Other Services Revenue	<u>716</u>	<u>393</u>
Total Operating Revenues	52,342	57,819
Operating Expenses		
Purchased Power	30,266	27,316
Programming	1,729	4,110

(Dollars in thousands)	2009	2008
Energy Efficiency, solar, other	736	389
Operations and Maintenance	5,152	5,936
Customer Accounts, Information systems	1,886	2,107
Administrative and General	7,479	7,141
Depreciation	4,219	5,563
Other Operating Expenses	<u>1,181</u>	<u>2,034</u>
Total Operating Expenses	52,648	54,596
Operating Income		
Electric	1,506	5,970
Telecommunications	<u>(1,812)</u>	<u>(2,747)</u>
Total Operating Income	(306)	3,223
Non-operating Revenue (Expense)		
Return on Restricted Investments	860	1,014
Debt Related Charges	(5,187)	(3,613)
Increase in Value of NCPA Projects and Reserves	1,443	3,228
Miscellaneous Non-operating Income	31	191
Transfer to City of Alameda	(2,800)	(2,500)
Other Non-Operating Revenue (Expense)	<u>980</u>	<u>1,742</u>
Total Non-Operating Expenses	(4,673)	62
Extraordinary Items (Note 13)		
Electric	(1,096)	(43,616)
Telecommunications	<u>26,347</u>	<u>11,518</u>
Total Asset Impairment / Debt Forgiveness	25,251	(32,097)
Change In Net Assets		
Electric	(2,303)	(36,692)
Telecommunications	<u>22,576</u>	<u>7,880</u>
Total Change In Net Assets	\$ 20,273	\$ (28,813)

With the sale of the Telecom System on November 21, 2008, the reader should consider that Operating income results for the telecommunications division are for a partial year of operations.

AMP's Net Assets increased by \$20.3 million for the fiscal year ended June 30, 2009 compared to a \$28.8 million decrease in fiscal year 2008. In fiscal year 2010, management anticipates that electric revenue will be similar to FY 2009 actual. Additionally, it is anticipated that operating expenses for the electric division will increase slightly for FY 2010.

Analysis of Electric Net Assets

Operating income for the electric division decreased substantially from last year due to reduced electricity sales, and increases in purchased power costs. Also contributing to the final results were increases to all division operational expenses as new initiatives were implemented, and to depreciation expense.

Electric Statement of Changes in Net Assets

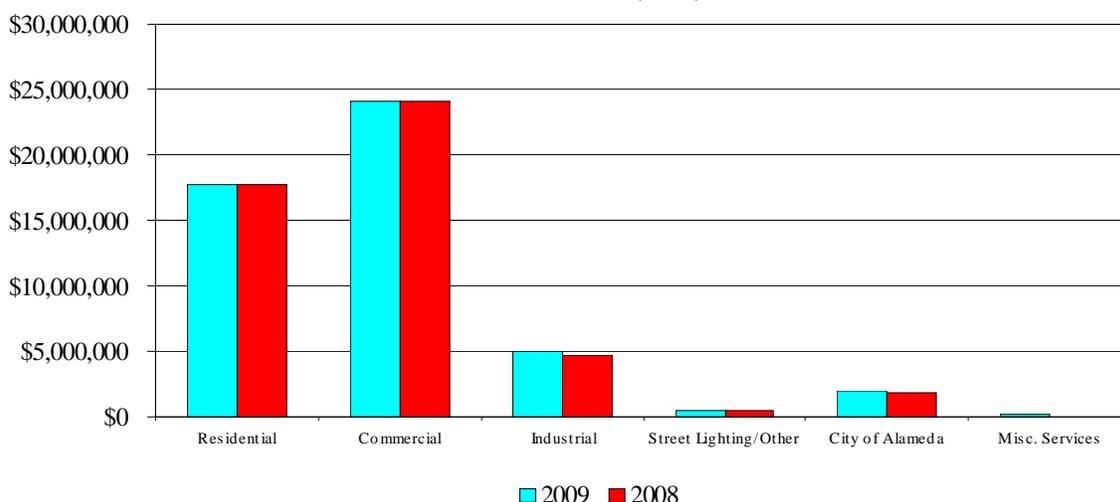
(Dollars in thousands)	2009	2008
Operating Revenues	\$ 49,045	\$ 49,310
Operating Expenses	<u>47,539</u>	<u>43,340</u>
Operating Income	1,506	5,970

Non-operating Revenues	3,880	6,297
Non-operating (Expenses)	(6,593)	(5,343)
Non-Operating Income	(2,714)	954
Transfers in	0	0
Transfers out	(1,096)	(43,616)
Change In Net Assets	\$ (2,303)	\$ (36,692)

Electric Operating Revenues

Electric operating revenue decreased \$0.3 million or 0.5% during FY 2009, compared to a \$0.2 million increase during fiscal year 2008. The change was primarily due to decreased kilowatt usage for commercial and a minor drop in City electric sales. Sales revenue was \$48.4 million or 98.8% of all electric revenues. Miscellaneous services contributed \$0.6 million, or 1.2% of revenue.

**Electric Revenues
for FY2009 = \$49,045,201**



Sources of Electric Revenue

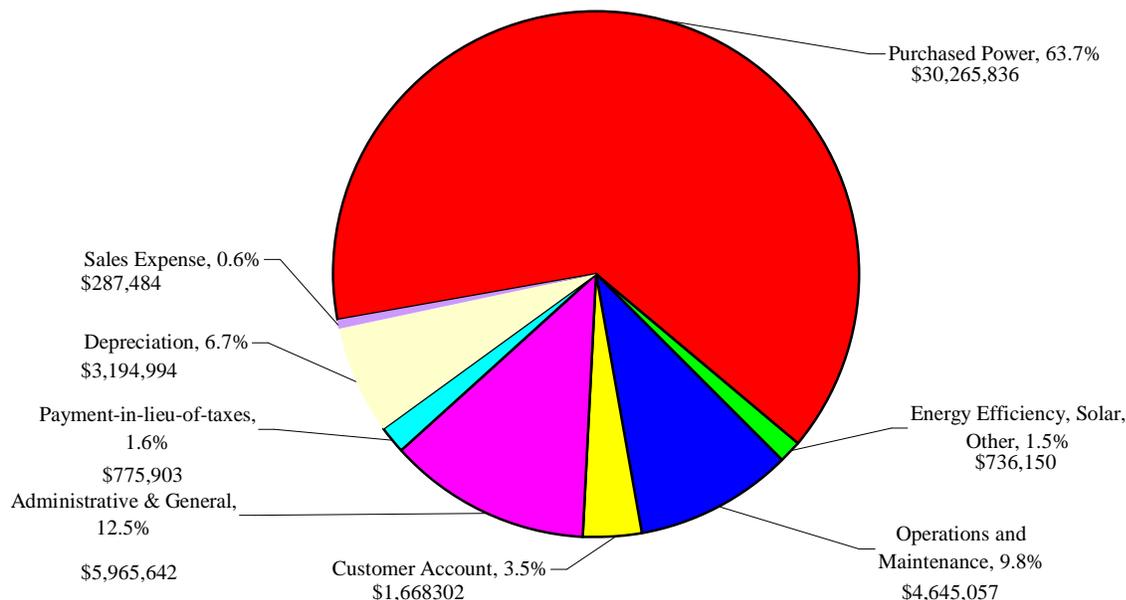
AMP's operating revenues are based on rate schedules authorized by the Board. Such rates are designed to recover AMP's cost of service and still be competitive with those in surrounding areas. Rates also provide a contribution to the City of Alameda, the level of which is defined by the Board and by the City's charter.

Electric Operating Expenses

Overall operating expenses increased approximately 9.7% during FY 2009 primarily due to an increase of \$2.95 million in purchased power costs. Additionally, expense costs for operations-maintenance of substations, electric plant, street lighting, and customer accounts increased

during FY 2009 as AMP refocused to its core electric business, and increased its participation in customer service initiatives for bill payment, energy efficiency, solar, and climate awareness.

**Electric Operating Expenses
for FY2008 = \$47,539,368**



Electric Non-Operating Revenues (Expenses)

Non-operating expenses exceeded revenue by \$2.7 million resulting from a combination of factors including a decrease of income from return-on-investments as cash reserves earned interest at substantially lower rates than last year's rates, increases to debt related charges for the Series 2000A and the Series 2000AT Certificates of Participation, smaller increases to the value of AMP's portion of NCPA projects/reserves, and a \$0.3 million increase to the transfer to the City's General Fund.

Electric Change in Net Assets

FY 2009's contribution to electric net assets was a decrease of \$2.3 million. Of this amount, \$1.2 million of the decrease occurred in the normal course of business, and \$1.1 million of the decrease was recognized as an extraordinary event involving expenses associated with the sale of the Telecom Division.

Telecommunications Statement of Change in Net Assets

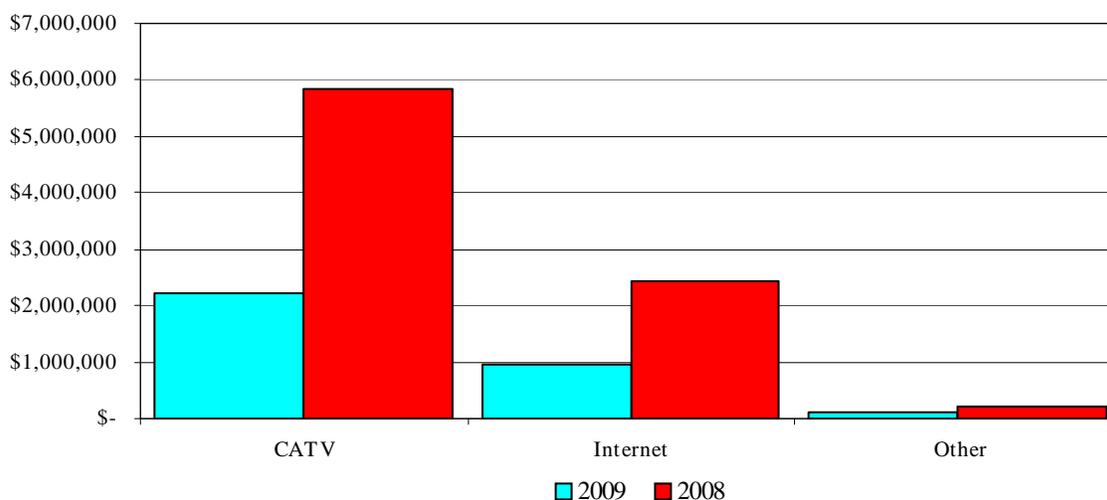
(Dollars in thousands)	2009	2008
Operating Revenues	\$ 3,297	\$ 8,509
Operating Expenses	<u>5,109</u>	<u>11,256</u>
Operating Income (Loss)	(1,812)	(2,747)

(Dollars in thousands)	2009	2008
Non-operating Revenues/Expenses	<u>(1,959)</u>	<u>(892)</u>
Impairment of asset losses	0	(32,097)
Forgiveness of Debt	17,173	0
Debt Discontinuance	8,078	0
Transfers in	1,096	43,616
Transfers out	0	0
Change in Net Assets	\$ <u>22,576</u>	\$ <u>7,880</u>

Telecommunications Operating Revenues

On November 21, 2008, Telecom was sold to Comcast of Alameda. The FY 2009 financial information includes income and expenses that occurred prior to, and after, the Telecom sale. Additionally, the information recognizes the sale Telecom System, payment of the associated fees to perform the sale, any sale post-closing adjustments made to the purchase price, any settlements to debt defeasance, and any identified litigation expense.

Telecommunications Operating Revenue for FY2009 = \$ 3,297,084

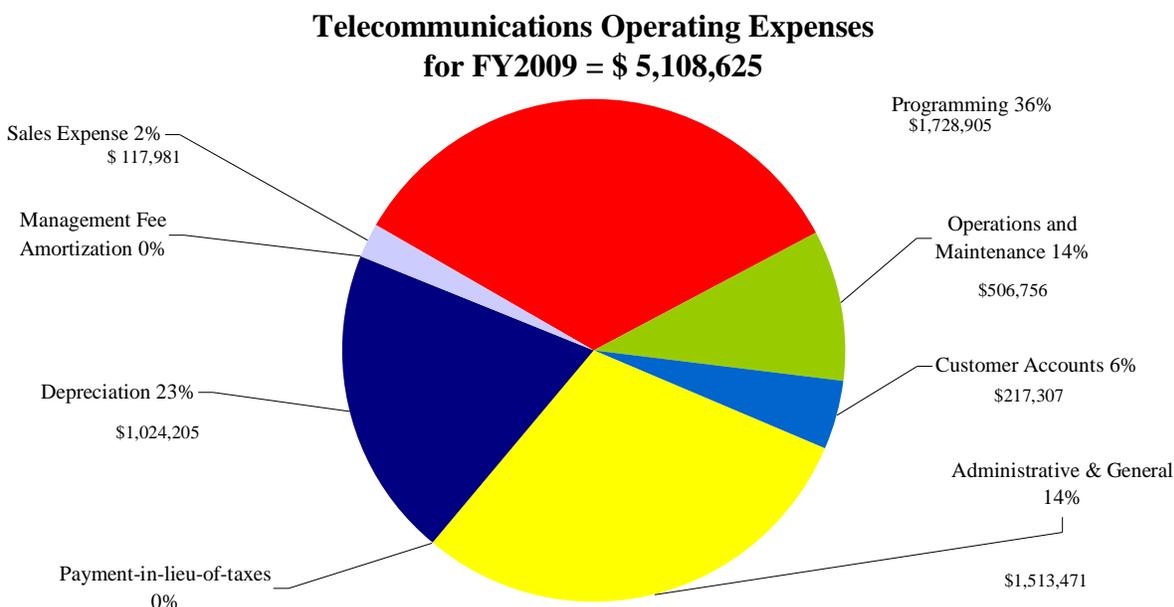


Sources of Telecommunications Revenue

Similar to the Electric division, AMP's telecommunications operating revenues are based on rate schedules authorized by the Board. Such rates are designed to recover AMP's cost of service, and still be competitive with those providing similar services in Alameda.

Telecommunications Operating Expenses

Telecom operating expenses through November 21, 2009, remained consistent with the amounts experienced during fiscal year 2008. Overall operating expenses have decreased for FY 2009 when compared to fiscal year 2008 due to the sale of the telecommunication system.



Telecommunications Non-Operating Revenues (Expenses)

The netting of non-operating revenues and expenses resulted in a net expense of \$1.96 million.

Telecommunications Change in Net Assets

The telecommunications net assets increased due to the extraordinary items for 1) forgiveness of debt, 2) debt discontinuance and 3) the interfund transfer from the Electric Division. See Notes 5 and 13 of the Financial Statements for additional information.

Combined Financial Condition, Liquidity and Capital Resources

(Dollars in thousands)	2009	2008
Operating Activities	\$ 3,802	8,996
Investing Activities	3,315	5,299
Capital and Related Financing Activities	(8,905)	(7,161)
Non-capital and Related Financing Activities	<u>(2,571)</u>	<u>(2,327)</u>
Change in Cash and Equivalents	\$ (4,359)	4,807

Total capital structure, defined as the sum of long-term liabilities and net assets, increased from \$75.9 million to \$96.4 million at June 30, 2009. The increased total capital structure reflects 58% net assets and 42% debt. Net assets include \$24.2 million of equity in AMP's joint venture with NCPA and \$6.5 million in accounts receivable and inventory materials. AMP generates cash from its electric operations sufficient to meet its electric operating needs including payments in lieu of taxes (PILOT), return on investment (ROI), and the transfer to the City's General Fund. The revenue from telecommunications operations was insufficient for a refinancing bond issuance relying solely on telecommunications net revenue.

Cash Flows from Operating Activities

In FY 2009, cash provided by operating activities was \$3.8 million versus \$9.0 million in fiscal year 2008. The change in "Cash flows from operations" in FY 2009 compared to fiscal year 2008 is primarily the result of reduced receipts from Electric customers, Telecom receipts ending in November 2008 with the system sale, increases in Electric supplier and employee payments, and decreases in Telecom supplier and employee payments.

Cash Flows from Investing Activities

In FY 2009, cash provided by investing activities was \$3.3 million versus \$5.3 million in fiscal year 2008. The change in "Cash flows from investing activities" is primarily due to a decrease in interest receipts, minor increases in loan and lease activity, buying purchased power from the 'investments reserved for special purposes' set aside last year, a reduction in the 'investment in certain NCPA projects' as financing changes for the project occurred, and reductions to restricted investments occurred with the funds released from the 2000AT and 2004 BANS.

Cash Flows from Capital and Related Financing Activities

In FY 2009, cash used for capital and related financing activities was \$8.9 million versus \$7.2 million in fiscal year 2008. Cash used in capital investing activities provides for expanding, replacing, and enhancing facilities to improve their efficiency and reliability, to extend their useful life, to comply with laws and regulations, and to meet the increasing demands on the systems.

During FY 2009, AMP's construction expenditures for the electric system were \$3.1 million and included projects for installation of an Interactive Voice Response (IVR) system to improve call center operations, relocation of electric and fiber-optic services at Webster and Stargill, the Underground District 30 was constructed, transformer T-31 upgrades were performed, routine capital work involving new service connections was performed, and replacement of obsolete equipment was performed as circuit cleansing occurred. AMP expects that internally generated funds, in combination with existing external financing, will provide for capital expenditures.

Cash Flows from Non-Capital and Related Financing Activities

In FY 2009, the transfer to the City's General Fund increased by \$0.3 million to a contribution of \$2.8 million.

Capital Assets and Capital Improvements Program

AMP's investment in capital assets for its electric operations amounts to \$42.5 million, net of accumulated depreciation. The investment in capital assets includes land, electric utility plant, machinery and equipment, transportation and computer equipment. Due to the sale of the telecommunications business line and other extraordinary events described in this report, the capital assets associated with the telecommunication system have been eliminated. Total decrease in AMP's investment in capital assets for the current year was 33%. Readers desiring more detailed information on capital asset activity should see Note 2 and information in the Statistical Section of this report.

Alameda Municipal Power Capital Assets June 30, 2009

<u>(Dollars in thousands)</u>	<u>Electric</u>	<u>Telecom</u>	<u>Total</u>
Utility Plant	\$ 66,172	\$ -0-	\$ 66,172
Service Center Building	\$ 7,844	\$ -0-	\$ 7,844
Land and Rights	\$ 154	\$ -0-	\$ 154
Machinery & Equipment	\$ 8,725	\$ -0-	\$ 8,725
Transportation Equipment	\$ 2,393	\$ -0-	\$ 2,393
Computer Equipment	\$ 3,024	\$ -0-	\$ 3,024
Furniture & Fixtures	\$ 599	\$ -0-	\$ 599
Construction in Progress	\$ 3,054	\$ -0-	\$ 3,054
Less Accumulated Depreciation	\$ <u>(49,481)</u>	\$ <u>-0-</u>	\$ <u>(49,481)</u>
 Total Net Assets	 \$ <u>42,483</u>	 \$ <u>-0-</u>	 \$ <u>42,483</u>

Long-Term Debt

During FY 2009, AMP reduced its long-term debt from \$80.6 million to \$39.3 million principally through 1) proceeds from the Telecom sale were used to pay Noteholders, 2) the 2004 Revenue Bond Anticipation Notes have been defeased, and 3) the 2002 Certificates of Participation have been discontinued. The reader is encouraged to review Notes 5 & 13 to the Financial Statements for additional information on the extraordinary items and the reclassifications of the Telecom debt.

With the sale of Telecom, the electric bond ratings were reviewed by Fitch Ratings on April 3, 2009 and by Standard & Poor's on April 8, 2009. Fitch Rating Services affirmed its rating of "A-" and revised the Rating Outlook for AMP to "positive" from "stable". Fitch Ratings noted that the rating reflects that AMP has a power supply that is predominately generated by renewable resources, participates in the Northern California Power Agency power pool, and has a healthy financial position. Standard and Poor's raised AMP's underlying rating to "A stable" from "A- stable" and noted that the raised rating reflects AMP's strong resource planning, good financial performance and a stable service area economy. Further, the stable outlook reflects

Standard & Poor's expectation that financial indicators including cash reserves and debt coverage will be sufficient to manage unexpected costs, and that rate increases will be made on a timely basis.

Economic Factors and Next Year's Budget

The adopted budget for the fiscal year 2009-2010 reflects the local economy and the decreased demand for electric services from the commercial sector. The adopted budget includes electric operating revenues that are expected to be \$49.2 million, or 6% less than the \$52.4 million budgeted in FY 2009. The value included in the fiscal year 2009-2010 budget closely matches the actual revenue from FY 2009. Since the telecommunications system has been sold, the adopted budget does not include any budget items for the Telecom Division.

The adopted budget for fiscal year 2009-2010 includes operating expenses budgeted at \$50.0 million, or \$0.8 million higher than the previous year. The primary reason for the operating budget increase is due to increased purchased power costs. Purchased power expenditures, excluding netted amounts received from reserves and non-cash items, account for \$32.9 million or 65.8% of budgeted electric operating expenses. The adopted budget provides for a \$2.8 million transfer to the City and \$1.3 million for PILOT/ROI. The adopted budget also assumes that no additional long-term debt will be needed during the fiscal year. Capital project work for system additions, system enhancements, SCADA upgrades, conversion of overhead facilities to underground facilities, and capitalized work from routine activities account for \$3.5 million of the adopted budgeted for the electric system.

The adopted budget anticipates that operating revenues, in conjunction with existing reserves (See Notes 3 to the Basic Financial Statements) and available working capital, will provide for projected expenditures. A portion of the restricted reserves provided by the 2000A Certificates of Participation have been used for electric operations capital projects, and remaining funds may be used as determined by AMP and the trustee. The underground district reserve will provide funds for these capital expenditures. Restricted reserves provided by the 2000AT COPs will provide funds for our obligations to NCPA this fiscal year. Working capital will provide funds for any shortfall between revenue and expenditures.

As anticipated during the sale of the telecommunications system, working capital will be transferred by the Electric Division to the Telecom Division for unbudgeted expenditures.

Market Risk

Each year during budget development, AMP considers the risk exposure that it faces. The risk exposure can be categorized into broad categories including power supply risks, credit risks, other supply-based risks, demand side risks, legislative / regulatory risks, and other utility risks. AMP manages energy price risks through its involvement with NCPA and their energy commodity risk management policies, processes and procedures to help mitigate fluctuations in energy prices. NCPA also monitors and manages credit risk with its trading counter parties. In addition to policies, processes and procedures, AMP manages its risk exposure by maintaining adequate reserves and establishing new reserves as needed.

AMP is exposed to changes in interest rates primarily as a result of its borrowing and investing activities used for liquidity purposes and to fund business operations as well as finance capital expenditures. AMP's cash and investments are recorded at a fair market value of \$42.7 million. AMP's investment policy limits investments to financial instruments that maximize the safety of principal (See Note 3 to the Basic Financial Statements).

Requests for Information

This financial report is designed to provide the Board, Alameda citizens, taxpayers, creditors and investors with a general overview of AMP's finances. Questions concerning any of the information provided in this report or requests for additional information should be addressed to Alameda Municipal Power; Assistant General Manager-Administration; 2000 Grand Street; Alameda, California 94501.

CITY OF ALAMEDA
ALAMEDA MUNICIPAL POWER
STATEMENTS OF NET ASSETS
JUNE 30, 2009 AND 2008

	2009			2008		
	Electric Services	Telecommunications Services	Combined	Electric Services	Telecommunications Services	Combined
ASSETS						
Noncurrent Assets:						
Capital Assets (Notes 2 & 13)	\$91,964,424		\$91,964,424	\$89,081,503	\$24,732,704	\$113,814,207
Accumulated Depreciation (Note 2)	(49,481,317)		(49,481,317)	(46,453,449)	(10,090,048)	(56,543,497)
Capital Assets, net (Notes 2 & 13)	42,483,107		42,483,107	42,628,054	14,642,656	57,270,710
Restricted Investments (Note 3)	13,736,646	\$11	13,736,657	11,640,468	1,990,747	13,631,215
Investments designated for special purposes (Note 3)	4,729,290		4,729,290	7,370,470		7,370,470
Share of certain NCPA projects and reserve (Note 8)	24,185,546		24,185,546	21,652,807		21,652,807
Long-term portion of notes receivable (Note 4)	105,300		105,300	145,300		145,300
Certificates of Participation issue costs, net of amortization	935,177		935,177	979,709		979,709
Prepaid leases	94,500		94,500	98,000		98,000
Total Noncurrent Assets	86,269,566	11	86,269,577	84,514,808	16,633,403	101,148,211
Current Assets:						
Cash and equivalents (Note 3)	24,244,140		24,244,140	28,270,702	332,236	28,602,938
Interest receivable	65,630		65,630	172,836		172,836
Accounts receivable	4,018,267	13,514	4,031,781	3,548,076	661,419	4,209,495
Notes receivable, net of long-term portion above (Note 4)	40,000		40,000	45,250		45,250
Materials and supplies	2,553,355		2,553,355	2,944,529	1,508,594	4,453,123
Prepaid power costs and other	5		5	28,412		28,412
Total Current Assets	30,921,397	13,514	30,934,911	35,009,805	2,502,249	37,512,054
Total Assets	117,190,963	13,525	117,204,488	119,524,613	19,135,652	138,660,265
LIABILITIES						
Current Liabilities:						
Accounts payable and accrued payroll	1,285,273	168,426	1,453,699	1,451,899	630,967	2,082,866
Interest payable	264,548		264,548	264,548	1,933,239	2,197,787
Purchased power balancing account	14,911,110		14,911,110	15,345,618		15,345,618
Current Portion of Long Term Debt (Note 5)	51,351	2,200,000	2,251,351	172,836	41,345,000	41,517,836
Deposits	622,796		622,796	552,397		552,397
Other accrued liabilities	692,193		692,193	336,142	157,566	493,708
Compensated absences (Note 1C)	646,849		646,849	598,967		598,967
Total Current Liabilities	18,474,120	2,368,426	20,842,546	18,722,407	44,066,772	62,789,179
Long-term Liabilities:						
Long Term Debt, net of current portion (Note 5)	39,347,050		39,347,050	39,045,000		39,045,000
Claims Liability (Note 10 B)	759,524		759,524	843,545		843,545
Total Long-term Liabilities	40,106,574		40,106,574	39,888,545		39,888,545
Total Liabilities	58,580,694	2,368,426	60,949,120	58,610,952	44,066,772	102,677,724
Net Assets (Note 11):						
Invested in Capital Assets, net of related debt	16,872,703	11	16,872,714	15,223,522	(24,711,597)	(9,488,075)
Unrestricted	41,737,566	(2,354,912)	39,382,654	45,690,139	(219,523)	45,470,616
Total Net Assets (Deficit)	\$58,610,269	(\$2,354,901)	\$56,255,368	\$60,913,661	(\$24,931,120)	\$35,982,541

See accompanying notes to financial statements

This Page Left Intentionally Blank

CITY OF ALAMEDA
ALAMEDA MUNICIPAL POWER
STATEMENTS OF REVENUES, EXPENSES
AND CHANGES IN NET ASSETS
FOR THE YEARS ENDED JUNE 30, 2009 AND 2008

	2009			2008		
	Electric Services	Telecommunications Services	Combined	Electric Services	Telecommunications Services	Combined
Operating Revenues:						
Sales	\$48,441,782	\$3,184,123	\$51,625,905	\$49,140,906	\$8,284,830	\$57,425,736
Miscellaneous service	603,419	112,961	716,380	168,761	224,284	393,045
Total Operating Revenues	49,045,201	3,297,084	52,342,285	49,309,667	8,509,114	57,818,781
Operating Expenses:						
Purchased power	30,265,836		30,265,836	27,316,014		27,316,014
Programming		1,728,905	1,728,905		4,110,499	4,110,499
Energy efficiency, solar and other	736,150		736,150	388,730		388,730
Operations and maintenance	4,645,057	506,756	5,151,813	4,390,111	1,545,553	5,935,664
Customer accounts, information systems	1,668,302	217,307	1,885,609	1,441,537	665,330	2,106,867
Administrative and general	5,965,642	1,513,471	7,479,113	5,578,114	1,562,468	7,140,582
Payment in-lieu of taxes	775,903		775,903	761,592		761,592
Depreciation (Note 2)	3,194,994	1,024,205	4,219,199	3,020,056	2,543,331	5,563,387
Management fee amortization					462,000	462,000
Sales expense	287,484	117,981	405,465	443,652	366,896	810,548
Total Operating Expenses	47,539,368	5,108,625	52,647,993	43,339,806	11,256,077	54,595,883
Operating Income	1,505,833	(1,811,541)	(305,708)	5,969,861	(2,746,963)	3,222,898
Nonoperating Revenues (Expenses):						
Return on investments	696,821		696,821	1,488,521		1,488,521
Return on restricted investments	531,823	328,333	860,156	777,725	236,254	1,013,979
Debt related charges	(2,877,163)	(2,310,000)	(5,187,163)	(2,476,808)	(1,136,290)	(3,613,098)
Gain (Loss) from disposition	6,150	22,413	28,563			
Plant leased to others	159,836		159,836	172,767		172,767
Other revenue (deductions)	(916,280)		(916,280)	(366,558)	(40)	(366,598)
Increase in value of certain NCPA projects and reserves	1,443,098		1,443,098	3,227,810		3,227,810
Jobbing sales	989,361		989,361	392,298	7,278	399,576
Alameda Point Phone Maintenance-Net	21,810		21,810	48,020		48,020
Miscellaneous non-operating income	30,933		30,933	190,231	535	190,766
Transfers to City of Alameda (Note 6)	(2,800,000)		(2,800,000)	(2,500,000)		(2,500,000)
Net Nonoperating Revenue (Expense)	(2,713,611)	(1,959,254)	(4,672,865)	954,006	(892,263)	61,743
Income (loss) before Extraordinary Items	(1,207,778)	(3,770,795)	(4,978,573)	6,923,867	(3,639,226)	3,284,641
Extraordinary Items (Notes 5 & 13):						
Impairment of assets					(32,097,496)	(32,097,496)
Forgiveness of debt		17,173,161	17,173,161			
Debt discontinuance		8,078,239	8,078,239			
Transfers in		1,095,614	1,095,614		43,616,313	43,616,313
Transfers (out)	(1,095,614)		(1,095,614)	(43,616,313)		(43,616,313)
Net Extraordinary Items	(1,095,614)	26,347,014	25,251,400	(43,616,313)	11,518,817	(32,097,496)
Change in Net Assets	(2,303,392)	22,576,219	20,272,827	(36,692,446)	7,879,591	(28,812,855)
Net assets (deficit), beginning of year	60,913,661	(24,931,120)	35,982,541	97,606,107	(32,810,711)	64,795,396
Net assets (deficit), end of year	<u>\$58,610,269</u>	<u>(\$2,354,901)</u>	<u>\$56,255,368</u>	<u>\$60,913,661</u>	<u>(\$24,931,120)</u>	<u>\$35,982,541</u>

See accompanying notes to financial statements

This Page Left Intentionally Blank

CITY OF ALAMEDA
ALAMEDA MUNICIPAL POWER
STATEMENTS OF CASH FLOWS
FOR THE YEARS ENDED JUNE 30, 2009 AND 2008

	2009			2008		
	Electric Services	Telecommunications Services	Combined	Electric Services	Telecommunications Services	Combined
Cash Flows from Operating Activities						
Receipts from customers	\$48,575,010	\$3,944,989	\$52,519,999	\$49,690,130	\$8,560,853	\$58,250,983
Payments to suppliers	(36,124,724)	(3,933,312)	(40,058,036)	(33,886,661)	(6,464,762)	(40,351,423)
Payments to employees	(7,903,378)	(757,006)	(8,660,384)	(7,252,423)	(1,651,322)	(8,903,745)
Cash Flows from Operating Activities	4,546,908	(745,329)	3,801,579	8,551,046	444,769	8,995,815
Cash Flows from Investing Activities						
Interest receipts	1,335,850	328,333	1,664,183	2,282,410	236,254	2,518,664
Loans receivable	45,250		45,250	75,010		75,010
Plant leased to others	159,836		159,836	172,767		172,767
Investments reserved for special purposes	2,641,180		2,641,180	(3,507,254)		(3,507,254)
Investment in certain NCPA projects and reserves	(1,089,641)		(1,089,641)			
Restricted investments	(2,096,178)	1,990,736	(105,442)	3,966,342	2,073,747	6,040,089
Cash Flows from Investing Activities	996,297	2,319,069	3,315,366	2,989,275	2,310,001	5,299,276
Cash Flows from Capital and Related Financing Activities						
Capital asset additions, net	(3,050,047)	(114,785)	(3,164,832)	(2,352,928)	(1,684,468)	(4,037,396)
Proceeds from disposition of capital asset	6,150	15,250,034	15,256,184			
Long term debt repayments	(48,603)	(15,826,839)	(15,875,442)		(155,000)	(155,000)
Debt related charges	(2,810,821)	(2,310,000)	(5,120,821)	(2,384,440)	(583,666)	(2,968,106)
Cash Flows from Capital and Related Financing Activities	(5,903,321)	(3,001,590)	(8,904,911)	(4,737,368)	(2,423,134)	(7,160,502)
Cash Flows from Noncapital and Related Financing Activities						
Proceeds from capital lease	229,168		229,168	172,836		172,836
Transfers to General Fund	(2,800,000)		(2,800,000)	(2,500,000)		(2,500,000)
Cash Flows from Noncapital and Related Financing Activities	(2,570,832)		(2,570,832)	(2,327,164)		(2,327,164)
Net Cash Flows before Extraordinary Items	(2,930,948)	(1,427,850)	(4,358,798)	4,475,789	331,636	4,807,425
Cash Flows from Extraordinary Items						
Transfers in (Note 14)					43,616,313	43,616,313
Transfers (out) (Note 14)				(43,616,313)		(43,616,313)
Interfund cash inflow		1,095,614	1,095,614	43,616,313		43,616,313
Interfund cash outflow	(1,095,614)		(1,095,614)		(43,616,313)	(43,616,313)
Net Cash Flows after Extraordinary Items	(4,026,562)	(332,236)	(4,358,798)	4,475,789	331,636	4,807,425
Cash and equivalents at beginning of year	28,270,702	332,236	28,602,938	23,794,913	600	23,795,513
Cash and equivalents at end of year	\$24,244,140		\$24,244,140	\$28,270,702	\$332,236	\$28,602,938
Reconciliation of operating income (loss) to net cash provided by operating activities:						
Adjustments to reconcile operating income to cash flows from operating activities:	\$1,505,833	(\$1,811,541)	(\$305,708)	\$5,969,861	(\$2,746,963)	\$3,222,898
Depreciation	3,194,994	1,024,205	4,219,199	3,020,056	3,005,331	6,025,387
Decrease (increase) in accounts receivable	(470,191)	647,905	177,714	380,463	51,739	432,202
Decrease (increase) in materials and supplies	391,174	14,209	405,383	(1,101,194)	130,229	(970,965)
Decrease (increase) in prepaids	31,907		31,907	(8,513)		(8,513)
Increase (decrease) in accounts payable and accrued payroll	(166,626)	(462,541)	(629,167)	276,492	43,104	319,596
Increase (decrease) in balancing account	(434,508)		(434,508)			
Increase (decrease) in other accrued liabilities	356,051	(157,566)	198,485	(155,543)	(46,394)	(201,937)
Increase (decrease) in refundable deposits	70,399		70,399	(17,393)	(50)	(17,443)
Increase (decrease) in compensated absences	47,882		47,882	(29,154)		(29,154)
Increase (decrease) in claims liability	(84,021)		(84,021)			
Miscellaneous non-operating income	1,020,294		1,020,294	582,529	7,813	590,342
Miscellaneous non-operating expenses	(916,280)		(916,280)	(366,558)	(40)	(366,598)
Cash Flows from Operating Activities	\$4,546,908	(\$745,329)	\$3,801,579	\$8,551,046	\$444,769	\$8,995,815
Noncash Investing, Capital & Financing Activities						
Forgiveness of debt		(\$17,173,161)	(\$17,173,161)			
Debt discontinuance		(\$8,078,239)	(\$8,078,239)			
Impairment of assets (Note 13)					(\$32,097,496)	(\$32,097,496)

See accompanying notes to financial statements

This Page Left Intentionally Blank

CITY OF ALAMEDA, ALAMEDA MUNICIPAL POWER
Notes to Financial Statements
June 30, 2009

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

A. General

Alameda Municipal Power (AMP) is a department of the City of Alameda (the City) that owns and operates the electric system and the Alameda Point telephone system. AMP provides these services to the businesses and residents of the City, Alameda Point (former Alameda Naval Air Station) and Coast Guard Island. AMP is under the policy control of the Public Utilities Board (Board), as set forth in the City Charter. The Board consists of five members appointed by the City Council, one of whom is the City Manager. The accompanying financial statements only reflect the activity of AMP as it does not have any component units. AMP is an integral part of the City and its financial statements are included in the basic financial statements of the City.

B. Basis of Presentation

AMP's Basic Financial Statements are prepared in conformity with accounting principles generally accepted in the United States of America (U.S.A.). The Governmental Accounting Standards Board is the acknowledged standard setting body for establishing accounting and financial reporting standards followed by governmental entities in the U.S.A.

C. Basis of Accounting

AMP is accounted for as an enterprise fund (proprietary fund type). A fund is an accounting entity with a self-balancing set of accounts established to record the financial position and results of operations of a specific governmental activity. The activities of enterprise funds closely resemble those of the private sector in which the purpose is to conserve and add to economic resources. Enterprise funds account for operations that provide services on a continuous basis and are substantially financed by revenues derived from user charges.

The financial statements are reported using the economic resources measurement focus and the full accrual basis of accounting. Revenues are recorded when earned and expenses are recorded at the time liabilities are incurred, regardless of when the related cash flows take place.

AMP follows those Financial Accounting Standard Board Statements issued on or before November 30, 1989 unless they conflict with the Governmental Accounting Standards Board Statements.

Joint Powers Authorities – AMP records its equity in the general operating reserve of the Northern California Power Agency (NCPA), and its net equity in those projects in which it participates, as discussed in Note 8. AMP's share of individual project obligations has been netted against its share of the related project assets, as reported by NCPA, because AMP does not actively manage these projects and does not expect to become directly liable for any of the obligations of these projects. Amounts paid to the Transmission Agency of Northern California (TANC) are expensed currently because AMP's estimated equity, if any, in TANC is not material, as discussed in Note 9. Amounts paid to the Local Agency Workers Compensation Excess Joint Powers Authority are charged currently to insurance expense, as discussed in Note 10.

Materials and Supplies are valued at average cost and are used primarily for internal purposes.

Maintenance and Repairs are charged to maintenance expense as incurred.

CITY OF ALAMEDA, ALAMEDA MUNICIPAL POWER
Notes to Financial Statements
June 30, 2009

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Certificates of Participation Original Issue Premiums and Issuance Costs are capitalized and amortized over the life of the related certificates.

The Purchased Power Balancing Account is used by AMP to help stabilize earnings. Specifically, the balancing account accumulates differences between the actual cost of purchased power and the revenues designated for recovery of such costs. Deferred amounts are refunded to or recovered from customers through authorized rate adjustments. The effect of using the balancing account is that unanticipated changes in sales levels and purchased power costs do not immediately affect AMP's earnings because they are included in operating expenses as they are matched by revenues.

Deposits from Customers are required by AMP from commercial customers when they establish their account. Deposits from residential customers are not required unless they abuse their credit privileges. Significant customer deposits may be held in the form of certificates of deposit, in AMP's name, with the interest paid to the customer.

Compensated Absences including accumulated unpaid vacation, sick pay and other employee benefits are accounted for as expenses in the year earned. AMP classifies all compensated absences as current liabilities.

Changes in compensated absences payable consist of the following:

	2009	2008
Balance at beginning of fiscal year	\$598,967	\$628,121
Compensated absences earned	612,197	162,155
Compensated absences taken	(564,315)	(191,309)
Balance at end of fiscal year	\$646,849	\$598,967
Current Portion	\$646,849	\$598,967

Sales Revenues - Sales of electricity are recorded based on customer meter readings that are performed on a cycle basis throughout the month. Billings to customers are included in revenue in the period in which the meters are read. Unbilled amounts were not material at the fiscal year end. Sales of telecommunications services were recorded monthly, in advance of services received, prior to the sale of the telecommunications system on November 21, 2008.

D. Budgets and Budgetary Accounting

AMP follows these procedures in establishing the budgetary data reflected in the financial statements:

1. The General Manager submits to the Board a proposed operating budget for the fiscal year commencing the following July 1. The operating budget includes proposed expenditures and the means of financing them.
2. Ratepayer comments are solicited during regular Public Utilities Board meetings.
3. The budget is legally enacted through passage of a resolution.

CITY OF ALAMEDA, ALAMEDA MUNICIPAL POWER
Notes to Financial Statements
June 30, 2009

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

4. The General Manager is authorized to transfer budgeted amounts between divisions; however, any revisions that increase the total expenditures must be approved by the Board. Expenditures may not legally exceed budgeted appropriations at the fund level without Board approval. Unexpended appropriations lapse at year-end and must be reappropriated in the following year.
5. Formal budgetary integration is employed as a management control device during the year.
6. Budgets are adopted on a basis consistent with generally accepted accounting principles, except that AMP budgets capital asset outlays as current year expenditures.

E. *Deferred Compensation Plan*

AMP's employees may defer a portion of their compensation under an AMP sponsored Deferred Compensation Plan created in accordance with Internal Revenue Code Section 457. Under this plan, participants are not taxed on the deferred portion of their compensation until distributed to them; distributions may be made only at termination, retirement, death or in an emergency as defined by the Plan.

AMP's administrative agreements require plan assets to be held by a Trust for the exclusive benefit of plan participants and their beneficiaries. Since the assets held under these new plans are not AMP's property and are not subject to claims by general creditors of AMP, they have been excluded from these financial statements.

F. *Classification of Revenues*

Operating revenues consist mainly of electric and, prior to the sale of the telecommunications system on November 21, 2008, telecommunication services sales. Operating revenues are used to finance the cost of operations, including the cost of delivering and providing services, maintenance and recurring capital replacement. All other revenues and expenses not meeting this definition are reported as non-operating revenues and expenses.

G. *Accumulated Deficit*

The Telecommunications Fund had an accumulated deficit of \$2,354,901 and \$24,931,120 at June 30, 2009 and June 30, 2008, respectively.

NOTE 2 - CAPITAL ASSETS

All capital assets are valued at historical cost or estimated historical cost if actual historical cost is not available. Contributed capital assets are valued at their estimated fair market value on the date contributed. AMP capitalizes all assets with a historical cost of at least \$5,000 and a useful life of at least three years.

All capital assets with limited useful lives are depreciated over their estimated useful lives. The purpose of depreciation is to spread the cost of capital assets equitably among all users over the life of these assets. The amount charged to depreciation expense each year represents that year's pro rata share of the cost of capital assets.

CITY OF ALAMEDA, ALAMEDA MUNICIPAL POWER
Notes to Financial Statements
June 30, 2009

NOTE 2 – CAPITAL ASSETS (Continued)

Depreciation is provided using the straight line method which means the cost of the asset is divided by its expected useful life in years and the result is charged to expense each year until the asset is fully depreciated. AMP has assigned the useful lives listed below to capital assets:

Plant and Buildings	30-50 years
Machinery and Equipment	10-40 years
Transportation Equipment	5-10 years
Computer Equipment	5 years
Furniture and Fixtures	25 years

Major outlays for capital assets and improvements are capitalized as projects are constructed.

A. *Capital Asset Contributions*

Some capital assets may be acquired using Federal and State grant funds, or they may be contributed by developers or other governments. Contributions are accounted for as revenues at the time the capital assets are contributed.

CITY OF ALAMEDA, ALAMEDA MUNICIPAL POWER
Notes to Financial Statements
June 30, 2009

NOTE 2 – CAPITAL ASSETS (Continued)

B. Capital Asset Additions and Retirements

Capital assets activity for the year ended June 30, 2009 is as follows:

	Balance June 30, 2008	Additions & Adjustments	Retirements & Adjustments	Transfers	Balance June 30, 2009
Capital assets not being depreciated:					
Land and Rights	\$758,672		(\$605,029)		\$153,643
Construction Work in Progress	1,400,544	\$3,027,063		(\$1,373,432)	3,054,175
Total capital assets not being depreciated	2,159,216	3,027,063	(605,029)	(1,373,432)	3,207,818
Capital assets being depreciated:					
Utility Plant	88,694,742		(23,147,625)	624,760	66,171,877
Service Center Building	7,843,636				7,843,636
Machinery and Equipment	8,908,904		(211,886)	28,100	8,725,118
Transportation Equipment	2,198,692		(417,378)	611,981	2,393,295
Computer Equipment	3,409,171		(494,189)	108,591	3,023,573
Furniture and Fixtures	599,846		(739)		599,107
Total capital assets being depreciated	111,654,991		(24,271,817)	1,373,432	88,756,606
Less accumulated depreciation for:					
Utility Plant	43,931,201	2,939,495	(10,250,588)		36,620,108
Service Center Building	2,558,433	165,870			2,724,303
Machinery and Equipment	5,343,099	856,043	(207,820)		5,991,322
Transportation Equipment	1,326,936	146,979	(324,731)		1,149,184
Computer Equipment	3,031,333	89,631	(494,189)		2,626,775
Furniture and Fixtures	352,495	17,683	(553)		369,625
Total accumulated depreciation	56,543,497	4,215,701	(11,277,881)		49,481,317
Total depreciable assets	55,111,494	(4,215,701)	(12,993,936)	1,373,432	39,275,289
Business activity capital assets, net	\$57,270,710	(\$1,188,638)	(\$13,598,965)		\$42,483,107

CITY OF ALAMEDA, ALAMEDA MUNICIPAL POWER
Notes to Financial Statements
June 30, 2009

NOTE 3 - CASH AND INVESTMENTS

A. Policies

California law requires banks and savings and loan institutions to pledge government securities with a market value of 110% of AMP's cash on deposit, or first trust deed mortgage notes with a market value of 150% of the deposit, as collateral for these deposits. Under California law this collateral is held in a separate investment pool by another institution in AMP's name and places AMP ahead of general creditors of the institution.

AMP and its fiscal agents invest in individual investments and in investment pools. Individual investments are evidenced by specific identifiable *securities instruments*, or by an electronic entry registering the owner in the records of the institution issuing the security, called the *book entry* system. Individual investments are generally made by the AMP's fiscal agents as required under its debt issues.

AMP's investments are carried at fair value, as required by generally accepted accounting principles. AMP adjusts the carrying value of its investments to reflect their fair value at each fiscal year end, and it includes the effects of these adjustments in income for that fiscal year.

For purposes of the statements of cash flows, AMP defines cash and equivalents to include all cash and temporary investments with original maturities of three months or less from the date of acquisition.

B. Classification

Cash and investments are classified in the financial statements as shown below, based on whether or not their use is restricted under the terms of AMP debt instruments.

Cash and investments as of June 30, 2009 are as follows:

	2009	2008
Restricted investments	\$13,736,657	\$13,631,215
Investments designated for special purposes	4,729,290	7,370,470
Cash and equivalents	24,244,140	28,602,938
Total cash and investments	\$42,710,087	\$49,604,623

C. Investments Authorized by the California Government Code and AMP's Investment Policy

AMP's investment policy and the California Government Code allow AMP to invest in the following, provided the credit ratings of the issuers are acceptable to AMP, and approved percentages and maturities are not exceeded. The table below also identifies certain provisions of the California Government Code, or the AMP's Investment Policy where AMP's Investment Policy is more restrictive, that addresses interest rate risk, credit risk and concentration of credit risk. This table does not address investments of debt proceeds held by bond trustees that are governed by the provisions of debt agreements of AMP, rather than the general provisions of the California Government Code or AMP's investment policy.

CITY OF ALAMEDA, ALAMEDA MUNICIPAL POWER
Notes to Financial Statements
June 30, 2009

NOTE 3 - CASH AND INVESTMENTS (Continued)

AMP's investment policy and the California Government Code allow AMP to invest in the following:

Authorized Investment Type	Maximum Maturity	Minimum Credit Quality	Maximum Percentage of Portfolio	Maximum Investment In One Issuer
Local Agency Municipal Bonds	5 years	N/A	No Limit	No Limit
U.S. Treasury Obligations	5 years	N/A	No Limit	No Limit
State of California Obligations	5 years	N/A	No Limit	No Limit
CA Local Agency Obligations	5 years	N/A	No Limit	No Limit
U.S. Agency Securities (A)	5 years	N/A	No Limit	No Limit
Bankers Acceptances	180 days	N/A	40%	30%
Commercial Paper	270 days	A1	25%	10%
Negotiable Certificates of Deposit	5 years	N/A	30%	No Limit
Repurchase Agreements	1 year	N/A	No Limit	No Limit
Reverse Repurchase Agreements (requires Board approval)	92 days	N/A	20 % of base value	No Limit
Medium Term Corporate Notes	5 years	Top three ratings categories	30%	No Limit
Mutual Funds	N/A	Top rating category	20%	10%
Money Market Mutual Funds	N/A	Top rating category	20%	10%
Collateralized Bank Deposits	N/A	N/A	No Limit	No Limit
Mortgage Pass-Through Securities	5 Years	Top rating category	20%	No Limit
County Pooled Investment Funds	N/A	N/A	No Limit	No Limit
California Local Agency Investment Fund	N/A	N/A	\$40,000,000 per account	\$40,000,000 per account

(A) Securities issued by agencies of the federal government such as the Federal Farm Credit Bank (FFCB), the Federal Home Loan Bank (FHLB), the Federal National Mortgage Association (FNMA), and the Federal Home Loan Mortgage Corporation (FHLMC).

CITY OF ALAMEDA, ALAMEDA MUNICIPAL POWER
Notes to Financial Statements
June 30, 2009

NOTE 3 - CASH AND INVESTMENTS (Continued)

D. Investments Authorized by Debt Agreements

AMP must maintain required amounts of cash and investments with trustees or fiscal agents under the terms of certain debt issues. These funds are unexpended bond proceeds or are pledged as reserves to be used if AMP fails to meet its obligations under these debt issues. The California Government Code requires these funds to be invested in accordance with AMP's ordinance, bond indentures or State statute. The table below identifies the investment types that are authorized for investments held by fiscal agents. The table also identifies certain provisions of these debt agreements:

Authorized Investment Type	Maximum Maturity	Minimum Credit Quality	Maximum Percentage Allowed	Maximum Investment In One Issuer
U.S. Treasury Obligations	N/A	N/A	No Limit	No Limit
State Obligations	N/A	N/A	No Limit	No Limit
U.S. Agency Securities (A)	N/A	N/A	No Limit	No Limit
Commercial Paper	180 days	A	10%	No Limit
Certificates of Deposit	N/A	A-1	No Limit	No Limit
Bankers Acceptances	N/A	A-1	No Limit	No Limit
Money Market Mutual Funds	N/A	AA	No Limit	No Limit
Repurchase Agreements	30 days	A	No Limit	No Limit
California Local Agency Investment Fund	N/A	N/A	\$40,000,000 per account	\$40,000,000 per account
Investment Agreements	N/A	AA-	No Limit	No Limit

(A) Securities issued by agencies of the federal government such as the Federal Farm Credit Bank (FFCB), the Federal Home Loan Bank (FHLB), the Federal National Mortgage Association (FNMA), and the Federal Home Loan Mortgage Corporation (FHLMC).

E. Interest Rate Risk

Interest rate risk is the risk that changes in market interest rates will adversely affect the fair value of an investment. Generally, the longer the maturity of an investment, the greater the sensitivity of its fair value to changes in market interest rates. One of the ways that AMP manages its exposure to interest rate risk is by purchasing a combination of shorter term and longer term investments and by timing cash flows from maturities so that a portion of the portfolio is maturing or coming close to maturity evenly over time as necessary to provide the cash flow and liquidity needed for operations.

CITY OF ALAMEDA, ALAMEDA MUNICIPAL POWER
Notes to Financial Statements
June 30, 2009

NOTE 3 - CASH AND INVESTMENTS (Continued)

Information about the sensitivity of the fair values of AMP's investments (including investments held by bond trustees) to market interest rate fluctuations is provided by the following table that shows the distribution of AMP's investments by maturity, as of June 30, 2009:

	12 Months or less
<i>Investments :</i>	
U.S. Bank Cash equivalents, mutual funds of U.S. Securities	\$13,736,657
U.S. Treasury Notes	1,749,108
Money Market	53,336
Local Agency Investment Fund	17,461,562
Certificate of Deposits	9,369,361
Total Investments	42,370,024
<i>Cash with Banks and Petty Cash</i>	340,063
Total Cash and investments	\$42,710,087

AMP is a participant in the Local Agency Investment Fund (LAIF) that is regulated by California Government Code Section 16429 under the oversight of the Treasurer of the State of California. AMP reports its investment in LAIF at the fair value amount provided by LAIF, which is the same as the value of the pool share. The balance is available for withdrawal on demand, and is based on the accounting records maintained by LAIF, which are recorded on an amortized cost basis. Included in LAIF's investment portfolio are collateralized mortgage obligations, mortgage-backed securities, other asset-backed securities, loans to certain state funds, and floating rate securities issued by federal agencies, government-sponsored enterprises, United States Treasury Notes and Bills, and corporations. At June 30, 2009, these investments had an average maturity of 235 days.

F. Credit Risk

Generally, credit risk is the risk that an issuer of an investment will not fulfill its obligation to the holder of the investment. This is measured by the assignment of a rating by a nationally recognized statistical rating organization. The actual ratings as of June 30, 2009 for all the Money Market funds are AAA as provided by Standard and Poor's. As an external investment pool, the Local Agency Investment Fund was not rated as of June 30, 2009.

Investment Type	Amount
<i>AAA:</i>	
U.S. Bank Cash equivalents, mutual funds of U.S. Securities	\$13,736,657
<i>Not rated:</i>	
Certificates of Deposit (Morgan Stanley)	6,260,542
Certificates of Deposit (Bank of Alameda)	801,452
Certificates of Deposit (U.S. Bank)	2,307,367
Money Market	53,336
Local Agency Investment Fund	17,461,562
<i>Exempt:</i>	
U.S. Treasury Notes	1,749,108
Cash with Banks and Petty Cash	340,063
Total Investments	\$42,710,087

CITY OF ALAMEDA, ALAMEDA MUNICIPAL POWER
Notes to Financial Statements
June 30, 2009

NOTE 3 - CASH AND INVESTMENTS (Continued)

G. Concentration of Credit Risk

AMP investment policy regarding the amount that can be invested in any one issuer is stipulated by the California Government Code. However, the AMP is required to disclose investments that represent a concentration of five percent or more of investments in any one issuer, held by individual Funds in the securities of issuers other than U. S. Treasury securities, mutual funds and external investment pools. At June 30, 2009, those investments consisted of:

Issuer	Investment Type	Reported Amount
U.S. Bank	Negotiable Certificates of Deposits	\$2,307,367
Bank of Alameda	Negotiable Certificates of Deposits	801,452

H. Restricted Investments

Restricted investments comprise the following:

	June 30	
	2009	2008
Restricted by Certificates of Participation Series 2000A Indenture	\$4,039,675	\$4,021,689
Restricted by Certificates of Participation Series 2000AT Indenture	7,695,220	7,618,779
Restricted by Revenue Bond Anticipation Notes Series 2004 Indenture	11	1,990,747
Restricted by Telecom Sales Indemnity Escrow	2,001,751	
Total Restricted Investments	\$13,736,657	\$13,631,215

Restricted by Certificates of Participation Series 2000A Indenture represents investments held with a fiscal agent as required by the Certificates of Participation Series 2000A indenture. The funds held by the trustee are to be used for the costs of certain improvements to the electric system.

Restricted by Certificates of Participation Series 2000AT Indenture represents investments held with a fiscal agent as required by the Certificates of Participation Series 2000AT indenture. The funds held by the trustee are to be used for the defeasance of certain obligations with respect to the NCPA.

Restricted by Revenue Bond Anticipation Notes Series 2004 Indenture represents investments held with a fiscal agent as required by the Revenue Bond Anticipation 2004 indenture. The funds held by the trustee were to be used to finance and refinance the completion of the citywide hybrid fiber coaxial telecom system and to provide funds for the payment of capitalized interest on the Notes through their maturity date.

CITY OF ALAMEDA, ALAMEDA MUNICIPAL POWER
Notes to Financial Statements
June 30, 2009

NOTE 3 - CASH AND INVESTMENTS (Continued)

Restricted by Telecom Sales Indemnity Escrow

As a result of the sale of the telecommunications system, Comcast of Alameda, Inc. (“Buyer”), the City of Alameda, a California municipal corporation acting on its own behalf and on behalf of its Bureau of Electricity (d/b/a Alameda Municipal Power) (together, “Seller”) and U.S. Bank National Association, a national banking association (“Escrow Agent”) entered into an agreement dated as of November 21, 2008, pursuant to which \$2,000,000 of Alameda Municipal Power funds were placed in escrow as a source of payment for any indemnification claims that may arise pursuant to Article VI of the telecommunications system’s Asset Purchase Agreement. Additionally, the Escrow Agent shall hold, administer and distribute the amounts deposited in escrow in accordance with, and subject to, the terms of the agreement. On August 21, 2009, the First Disbursement Date was reached and, in accordance with the agreement, the Escrow Agency disbursed \$750,000 of the held funds to Alameda Municipal Power. The Second Disbursement Date shall be reached on February 21, 2010 and, in accordance with the agreement, the Escrow Agent shall disburse the balance of the held funds not subject to any outstanding claim notice.

I. Designated Investments

Investments designated for special purposes comprise of the following:

	2009	2008
Insurance Reserve	\$1,200,000	\$1,200,000
Underground Special Fund	1,003,551	922,544
Major Contingency Reserve	1,000,612	1,000,612
Competitive Pricing Reserve	423,759	3,423,759
Operating Contingency Reserve	650,000	650,000
Solar PV Rebate Reserve	451,368	173,555
Total Investments Designated for Special Purposes	\$4,729,290	\$7,370,470

Insurance Reserve represents a portion of the retained risk, or deductible amount under AMP’s liability insurance policy, which is purchased independent of the City’s overall insurance program.

Underground Special Fund represents the amount set aside for the funding of the conversion of overhead facilities to underground facilities.

Major Contingency Reserve represents the amount set aside to cover AMP’s exposure to possible failure of any element of its Transmission System or any other contingencies which would affect the economic viability of Alameda P&T.

Competitive Pricing Reserve represents the amount set aside to keep AMP rates as low as possible during changing economic conditions.

Operating Contingency Reserve represents the amount set aside for emergency operations.

Solar PV Rebate represents the amount set aside for the new solar rebate program.

CITY OF ALAMEDA, ALAMEDA MUNICIPAL POWER
Notes to Financial Statements
June 30, 2009

NOTE 4 - NOTES RECEIVABLE

Notes receivable consisted of the following at June 30:

	2009	2008
City of Alameda:		
Streetlight Improvement	\$145,300	\$185,300
Telecommunications		5,250
Less: Current Portion	(40,000)	(45,250)
Long-Term Portion of Notes Receivable	\$105,300	\$145,300

The City entered into a loan agreement with AMP for the replacement of deteriorated street lights. Through June 30, 2009, AMP had expended \$627,300 for street light replacement and the City had made payments of \$482,000. Annual installments of \$40,000 are scheduled until the loan is repaid. At June 30, 2009 the outstanding balance was \$145,300.

The City entered into a loan agreement with AMP in April 2005 for \$21,000 to provide the City's Recreation and Parks Department's new facility at 2226 Santa Clara Avenue with telecommunications capabilities. The loan was repaid over four years with equal installments of \$5,250 and has a zero percent interest rate. At June 30, 2009 there was no outstanding balance.

NOTE 5 – LONG-TERM DEBT

A. Composition and Changes

AMP generally incurs long-term debt to finance projects or purchase assets which will have useful lives equal to or greater than the related debt. AMP's debt issues and transactions are summarized below and discussed in detail thereafter.

Long-term debt activity for the year ended June 30, 2009 is as follows:

	Original Issue Amount	Balance June 30, 2008	Additions	Retirements & Adjustments	Balance June 30, 2009	Current Portion
Electric System Revenue Taxable COPs, Series 2000AT	\$29,500,000	\$29,500,000			\$29,500,000	
Electric System Revenue COPs, Series 2000A	9,545,000	9,545,000			9,545,000	
Telecom System Revenue Taxable COPs, Series 2002A	6,300,000	6,145,000		\$6,145,000		
Telecom System Revenue Bond Anticipation Notes, Series 2004	33,000,000	33,000,000		33,000,000		
2008 Truck (Aitel Model AM-55) - Capital Lease	176,295	172,836		21,421	151,415	\$22,650
2009 Truck (Aitel Model D3060) - Capital Lease	229,168		\$229,168	27,182	201,986	28,701
Loan from City of Alameda	2,200,000	2,200,000			2,200,000	2,200,000
Total long-term debt		\$80,562,836	\$229,168	\$39,193,603	\$41,598,401	\$2,251,351

CITY OF ALAMEDA, ALAMEDA MUNICIPAL POWER
Notes to Financial Statements
June 30, 2009

NOTE 5 – LONG-TERM DEBT (Continued)

B. Description of Long-Term Debt Issues

Electric System Revenue Taxable Certificates of Participation, Series 2000AT -- On April 6, 2000, AMP issued \$29,500,000 of Certificates of Participation, Series 2000AT. Proceeds were used to refinance certain obligations of the Electric System with respect to NCPA. The Series 2000AT matures semi-annually through July 1, 2030 with annual principal debt service commencing on July 1, 2011. The certificates bear interest at an auction rate fluctuating around the one-month LIBOR rate. On July 24, 2001, AMP entered into a Swap agreement with UBS Warburg to establish a set interest rate of 6.23% on the certificates. Interest amounts are payable monthly. The auction rate market disruptions have resulted in AMP paying an additional 1.5% interest on the certificates since February, 2008. All principal and interest payments are to be made from AMP's operating revenues and are secured by a pledge of these revenues.

Electric System Revenue Certificates of Participation, Series 2000A -- On April 1, 2000, AMP issued \$9,545,000 of Electric System Revenue Certificates of Participation, Series 2000A bearing interest at 5% to 5.75%. Proceeds were used to defease the remaining outstanding 1992 Certificates of Participation, finance certain electric system improvements, and pay cost of delivery of the 2000A Certificates. The Series 2000A Certificates of Participation mature annually through July 1, 2030. Principal amounts are payable annually July 1 commencing 2011. Interest amounts are payable semiannually on January 1 and July 1.

AMP is required to maintain amounts of cash and investments with trustees or fiscal agents under the terms of the Series 2000A Certificates of Participation, as discussed at Note 3.

The continuing disclosure agreement required notification that work related to the acquisition, construction and installation of the Electric System improvements projects provided for by this financing began in fiscal year 2001.

Telecom System Revenue Taxable Certificates of Participation, Series 2002A -- AMP purchased VECTREN Communications Services, Inc.'s (VCS) right to operate the telecommunications system and to receive any Management fee for the purchase price of \$6,300,000 under an installment sale agreement in which periodic payments of principal and interest will be paid to VCS. Simple interest shall accrue at the rate of 5% per annum of the purchase price from the effective date of the agreement, which is June 28, 2002. Subject to the availability of telecommunications system net revenues, Alameda Municipal Power will repay this obligation with periodic payments; however, these payments will only be made to the extent the telecommunications system generated 'Net Revenues' as defined in the 2004 Agreements (which defined terms include sale proceeds). Since the telecommunications system did not generate 'Net Revenues' in 2003, 2004, 2005, 2006 and 2007, no such payments were made to Vectren. The net revenues calculated as available, and paid, for the payment due in May 2008 was \$38,666. As a result of insufficient net revenues, the Telecommunications Division accrued \$183,526 of additional interest payable in fiscal year 2008.

Telecom System Revenue Bond Anticipation Notes, Series 2004 -- On April 8, 2004, AMP issued \$33,000,000 of Revenue Bond Anticipation Notes. (the Notes) Proceeds were used to pay the balance of the Certificates of Participation 2000B, to finance additional costs of the construction, equipping and improvement of the Telecom System and to establish a reserve to pay capitalized interest on the Notes through their maturity date. The Notes had a stated maturity of June 1, 2009. The Notes bear interest at 7% and interest payments were made semi-annually on December 1 and June 1 from funds provided by the capitalized interest reserve. Principal on the Notes was payable at maturity only from available telecommunications system net revenues, including the proceeds of a sale of the telecommunications system, or from refinancing of the obligation.

CITY OF ALAMEDA, ALAMEDA MUNICIPAL POWER
Notes to Financial Statements
June 30, 2009

NOTE 5 – LONG-TERM DEBT (Continued)

As part of the sale of the telecommunications system, AMP obtained the consents of a portion of the owners of the Notes to a partial prepayment in full satisfaction of amounts owing on their Notes, at a price equal to such Note owner's proportionate share of the net sales proceeds of the Telecom System, but not less than \$15,000,000. On the sale date of the Telecom System, AMP used sale proceeds to prepay such owners' Notes, and to make a deposit to an escrow fund to defease the outstanding Notes to their maturity date. The 2004 Indenture of Trust provided that if AMP paid or provided for payment of the Notes, its obligations with respect to the Notes would be discharged and the Notes would no longer be outstanding under the 2004 Indenture of Trust.

Loan from City of Alameda – On December 16, 2003, at the request of the Public Utilities Board, the Alameda City Council authorized a loan of \$2,200,000 to AMP for the purpose of construction of the hybrid fiber-optic/coaxial telecom system. The loan is interest free and was due on June 1, 2009.

Capital Lease Obligation – On June 1, 2008, AMP entered into a long-term contract for the lease of a vehicle for maintenance operations use. Total cost of the vehicle was \$176,295 and is due in monthly principal and interest installments of \$2,533 through June, 2015.

Capital Lease Obligation – On July 18, 2008, AMP entered into a long-term contract for the lease of a vehicle for maintenance operations use. Total cost of the vehicle was \$229,168 and is due in monthly principal and interest installments of \$3,347 through July, 2015.

C. Debt Service Requirements

Annual debt service requirements are as follows:

For the Year Ending June 30	Principal	Interest
2010	\$2,251,351	\$2,386,151
2011	54,384	2,383,118
2012	1,032,609	2,366,143
2013	1,151,024	2,347,938
2014	1,169,642	2,328,460
2015-2019	6,954,391	9,714,970
2020-2024	9,435,000	7,171,600
2025-2029	13,065,000	3,687,371
2030-2031	6,485,000	205,968
Total	<u>\$41,598,401</u>	<u>\$32,591,719</u>

CITY OF ALAMEDA, ALAMEDA MUNICIPAL POWER
Notes to Financial Statements
June 30, 2009

NOTE 6 - TRANSACTIONS WITH THE CITY OF ALAMEDA

The City Charter provides that AMP transfer to the City's General Fund certain excess earnings as defined in the Charter. In accordance with these provisions, AMP was not required to transfer any excess earnings to the City's General Fund. However, AMP did contribute \$2,800,000 to the City's General Fund during the year ended June 30, 2009 and \$2,500,000 during the year ended June 30, 2008. This amount was contributed from the Electric Division and not from the Telecommunications Division.

AMP pays the City an annual amount equal to one percent of the net book value of AMP's utility plant in service at the previous fiscal year end. AMP paid \$775,903 and \$760,592 in lieu of taxes to the City during the fiscal years ended June 30, 2009 and 2008, respectively.

Disbursements by AMP to the City for services provided by the City for the years ended June 30, 2009 and 2008 were \$3,935,075 and \$3,438,070, respectively. Utility taxes collected by AMP and remitted to the City for the years ended June 30, 2009 and 2008 were \$2,965,550 and \$3,455,496, respectively.

Billings of electricity to the City for the years ended June 30, 2009 and 2008 were \$1,978,355 and \$2,045,454, respectively. Billings to the City for other services provided by AMP for the years ended June 30, 2009 and 2008 were \$167,132 and \$195,123, respectively.

NOTE 7 - PERS PENSION PLAN

A. CALPERS Safety and Miscellaneous Employees Plans

Substantially all City employees are eligible to participate in pension plans offered by California Public Employees Retirement System (CALPERS) an agent multiple employer defined benefit pension plan which acts as a common investment and administrative agent for its participating member employers. CALPERS provides retirement and disability benefits, annual cost of living adjustments and death benefits to plan members, who must be public employees and beneficiaries. The City's employees participate in the separate Safety (police and fire) and Miscellaneous (all other) Employee Plans. Benefit provisions under both Plans are established by State statute and City resolution. Benefits are based on years of credited service, equal to one year of full time employment. Funding contributions for both Plans are determined annually on an actuarial basis as of June 30 by CALPERS; the City must contribute these amounts. The Plans' provisions and benefits in effect at June 30, 2009, are summarized as follows:

	<u>Safety</u>	<u>Miscellaneous</u>
Benefit vesting schedule	5 years service	5 years service
Benefit payments	monthly for life	monthly for life
Retirement age	50	55
Monthly benefits, as a % of annual salary	3.000%	2.000%
Required employee contribution rates	9.000%	7.000%
Required employer contribution rates	30.034%	13.180%

CITY OF ALAMEDA, ALAMEDA MUNICIPAL POWER
Notes to Financial Statements
June 30, 2009

NOTE 7 – PERS PENSION PLAN (Continued)

CALPERS determines contribution requirements using a modification of the Entry Age Normal Method. Under this method, the City's total normal benefit cost for each employee from date of hire to date of retirement is expressed as a level percentage of the related total payroll cost. Normal benefit cost under this Method is the level amount the employer must pay annually to fund an employee's projected retirement benefit. This level percentage of payroll method is used to amortize any unfunded actuarial liabilities. The actuarial assumptions used to compute contribution requirements are also used to compute the actuarial accrued liability.

CALPERS uses the market related value method of valuing the Plan's assets. An investment rate of return of 8.25% is assumed, including inflation at 3.5%. Annual salary increases are assumed to vary by duration of service. Changes in liability due to plan amendments, changes in actuarial assumptions, or changes in actuarial methods are amortized as a level percentage of payroll on a closed basis over twenty years. Investment gains and losses are accumulated as they are realized and ten percent of the net balance is amortized annually.

The Plans' actuarial value (which differs from market value) and funding progress over the most recently available past three years is set forth below at their actuarial valuation date of June 30:

Safety Plan:

Actuarial						
Valuation Date	Entry Age Accrued Liability	Actuarial Value of Assets	Unfunded (Overfunded) Liability	Funded Ratio	Annual Covered Payroll	Unfunded (Overfunded) Liability as % of Payroll
2006	\$228,039,491	\$176,569,200	\$51,470,291	77.4%	\$21,904,057	235.0%
2007	245,219,097	191,027,940	54,191,157	77.9%	22,173,528	244.4%
2008	260,064,538	203,443,519	56,621,019	78.2%	23,159,411	244.5%

Miscellaneous Plan:

Actuarial						
Valuation Date	Entry Age Accrued Liability	Actuarial Value of Assets	Unfunded (Overfunded) Liability	Funded Ratio	Annual Covered Payroll	Unfunded (Overfunded) Liability as % of Payroll
2006	\$166,354,514	\$148,421,494	\$17,933,020	89.2%	\$30,099,641	59.6%
2007	177,376,342	160,185,251	17,191,091	90.3%	31,428,042	54.7%
2008	189,044,033	171,529,417	17,514,616	90.7%	33,135,225	52.9%

Audited annual financial statements are available from CALPERS at PO Box 942709, Sacramento, CA 94229-2709.

CITY OF ALAMEDA, ALAMEDA MUNICIPAL POWER
Notes to Financial Statements
June 30, 2009

NOTE 7 - PENSION PLANS (Continued)

PERS has reported that the value of the net assets in the Plan held for pension benefits changed as follows during the year ended June 30, 2006, the most recently available information:

Actuarially required contributions for fiscal years 2009, 2008, and 2007 were \$11,094,649 \$10,940,032, and \$10,513,857, respectively. The City made these contributions as required, together with certain immaterial amounts required as the result of the payment of overtime and other additional employee compensation.

B. Other Retirement System

Effective September 1, 2001, the City adopted a Money Purchase Plan for a limited group of employees and appointees as a part of the City Retirement Program, which includes the Housing Authority and Alameda P&T. The employees include all department directors. The appointees include the City Clerk and the City Attorney. Under the Money Purchase Plan, the employer contributes 1% of the individual's salary and the employee contributes a mandatory 2% of his or her salary. This plan is qualified under Section 401(a) of the Internal Revenue Code. Each participant has a plan account to which contributions are made. Plan benefits are based on the total amount of money in the account at retirement. Since the assets held under these plans are not the City's property and are not subject to claims by general creditors of the City, they have been excluded from these financial statements.

NOTE 8 - NORTHERN CALIFORNIA POWER AGENCY (NCPA)

A. General

AMP participates in joint ventures through Joint Powers Authorities (JPAs) established under the Joint Exercise of Powers Act of the State of California. As separate legal entities, these JPAs exercise full powers and authorities within the scope of the related Joint Powers Agreement, including the preparation of annual budgets, accountability for all funds, the power to make and execute contracts and the right to sue and be sued. Obligations and liabilities of the JPAs are not those of AMP and the other participating entities unless assumed by them.

Each JPA is governed by a board consisting of representatives from each member agency. Each board controls the operations of its respective JPA, including selection of management and approval of operating budgets, independent of any influence by member agencies beyond their representation on the board.

The JPAs are discussed in this note and in Note 9.

AMP is a member of NCPA, a joint powers agency which operates under a joint powers agreement among 18 public agencies. The purpose of NCPA is to use the combined strength of its members to purchase, generate, sell and interchange electric energy and capacity through the acquisition and use of electrical generation and transmission facilities, and to optimize the use of those facilities and the member's position in the industry. Each agency member has agreed to fund a pro rata share of certain assessments by NCPA and certain members have entered into take-or-pay power supply contracts with NCPA. While NCPA is governed by its members, none of its obligations are those of its members unless expressly assumed by them.

CITY OF ALAMEDA, ALAMEDA MUNICIPAL POWER
Notes to Financial Statements
June 30, 2009

NOTE 8 - NORTHERN CALIFORNIA POWER AGENCY (NCPA) (Continued)

Amounts paid by AMP to NCPA during the years ended June 30, 2009 and 2008 for purchased power were \$30,265,836 and \$27,316,014, respectively. Amounts paid include payments for NCPA invoiced amounts received directly by NCPA from the Certificates of Participation 2000AT trustee. Additionally, purchased power was reduced by a refund of \$1,089,641 for power exchange distribution and budget settlement monies returned to the NCPA General Operating Reserve (GOR), and a \$434,508 reduction for year-end balancing account adjustments.

AMP receives no income from NCPA, and does not participate in all of its projects. Further, NCPA does not measure or determine AMP's equity in NCPA as a whole. NCPA reports only AMP's share of its General Operating Reserve, comprised of cash and investments, and AMP's share of those projects in which AMP is a participant. These amounts are reflected in the financial statements as share of Certain NCPA Projects and Reserve.

Effective July 1, 1998, AMP restated its Retained Earnings to include its share in NCPA projects and reserve, and its Statement of Revenues and Expenses to include the effects of changes in its share in NCPA projects and reserve. These changes are set forth below:

	Year ended June 30	
	2009	2008
Beginning balance	\$21,652,807	\$18,424,997
Increase in equity in NCPA projects	2,532,739	3,227,810
Ending balance	\$24,185,546	\$21,652,807

AMP's interest in NCPA Projects and Reserve, as computed by NCPA, is set forth below.

	June 30	
	2009	2008
General Operating Reserve	\$19,565,125	\$18,172,110
Purchased Power & Transmission	194,550	
Associated Member Services	(9,718)	297,361
Net book value of amounts contributed to fund		
Alameda Municipal Power's share of NCPA power		
Geothermal Projects/Power Line	3,407,945	2,288,434
Calaveras Hydroelectric Project	470,741	631,003
Combustion Turbine Project No. 1	270,162	193,808
Combustion Turbine Project No. 2	286,741	70,091
	\$24,185,546	\$21,652,807

The General Operating Reserve represents AMP's portion of funds which resulted from the settlement in prior years of issues with financial consequences and reconciliations of several prior years' budgets for programs. These funds are available on demand and earn interest, but AMP has left them with NCPA as a reserve against contingencies identified by NCPA.

CITY OF ALAMEDA, ALAMEDA MUNICIPAL POWER
Notes to Financial Statements
June 30, 2009

NOTE 8 - NORTHERN CALIFORNIA POWER AGENCY (NCPA) (Continued)

Members of NCPA may participate in an individual project of NCPA without obligation for any other project. Member assessments collected for one project may not be used to finance other projects of NCPA without the member's permission.

B. *Projects in which AMP is a Participant*

Geothermal Projects

A power purchase agreement with NCPA obligates AMP for 17.05407% of the debt service for two NCPA 110-megawatt geothermal steam powered generating plants, Plant Number 1 and Plant Number 2, located in the Geysers area in Northern California. AMP is obligated to pay 16.8825% of the operating costs of both plants. NCPA continues to pursue alternatives for improving and extending steam field reservoir performance, including supplemental water reinjection, plant equipment modifications, and changes in operating methodology. NCPA has increased steam production in the vicinity of reinjection wells and has evaluated a number of alternatives to increase water reinjection at strategic locations.

In 1987, NCPA issued the 1987 Refunding Series A for \$606,555,000. The 1987 Refunding Series A bond was defeased in 2009. In 1993, NCPA issued the 1993 Refunding Series A and B for \$254,530,000. As of June 30, 2009, the long term debt for the 1993 Refunding Series A and B was approximately \$52,345,000. The 1996 Refunding Series A was defeased in 2005. In 2009, NCPA issued the Refunding Series A for \$35,610,000 to improve the Unit 4 steam path, provide for the Middletown booster pump solar project, provide for the Southeast Treatment plant solar project, make a contribution to the Debt Service Reserve Account, and to pay the cost of issuance of the 2009 Series A bonds.

AMP is obligated to pay its contractual share of the debt until it is fully satisfied, regardless of resulting cost or availability of energy. At June 30, 2009, the book value of this Project's plant, equipment and other assets was \$142,031,050 while its long-term debt totaled \$64,025,709 and other liabilities totaled \$32,548,635. AMP's share of the Project's long-term debt and other liabilities amounted to \$16,469,885 at that date.

Geothermal Public Power Line

In 1983, NCPA, Sacramento Municipal Utility District, the City of Santa Clara and the Modesto Irrigation District (joint owners) initiated studies for a Geothermal Public Power Line (GPPL) which would carry power generated at several existing and planned geothermal plants in the Geysers area to a location where the joint owners could receive it for transmission to their load centers. NCPA has an 18.5% share of this Project and AMP has a 30.359% participation in NCPA's share. In 1989, the development of the proposed Geothermal Public Power Line was discontinued because NCPA was able to contract for sufficient transmission capacity to meet its needs in the Geysers. However, because the project financing provided funding for an ownership interest in a PG&E transmission line, a central dispatch facility and a performance bond pursuant to an Interconnection Agreement with PG&E, as well as an ownership interest in the proposed GPPL, NCPA issued \$16,000,000 in long-term, fixed-rate revenue bonds in November 1989 to defease the remaining variable rate refunding bonds used to refinance this project. In December 1998, NCPA issued \$9,920,000 in fixed rate revenue bonds, the proceeds of which were used to refund outstanding transmission project revenue bonds and to pay costs of issuance of the debt. AMP is obligated to pay its 30.359% share of the related debt service, but debt service costs are covered through NCPA billing mechanisms that allocate the costs to members based on use of the facilities and services.

CITY OF ALAMEDA, ALAMEDA MUNICIPAL POWER
Notes to Financial Statements
June 30, 2009

NOTE 8 - NORTHERN CALIFORNIA POWER AGENCY (NCPA) (Continued)

At June 30, 2009, the book value of this Project's plant, equipment and other assets was \$1,739,568 while its long-term debt totaled \$874,922, and other liabilities totaled \$864,651. AMP's share of the Project's long-term debt and other liabilities amounted to \$527,595 at that date.

Calaveras Hydroelectric Project

NCPA contracted to finance, manage, construct, and operate Hydroelectric Project Number One for the licensed owner, Calaveras County Water District. In exchange, NCPA has the right to the electric output of the project for 50 years from February 1982 and also has an option to purchase power from the project in excess of the District's requirements for the subsequent 50 years, subject to regulatory approval. Debt service payments to NCPA began in February 1990 when the project was declared substantially complete and power was delivered to the participants.

During fiscal year 2009, NCPA reduced its obligations on the 1992 Refunding Series A Serial by ~\$7,105,000 and reduced its 1993 Refunding Series A Serial obligations by ~\$260,000. In March 2008, NCPA issued the 2008 Refunding Series A for \$85,160,000 and the 2008 Taxable Refunding Series B for \$3,165,000 in variable rate demand bonds for the purpose of providing funds, together with other available moneys, to refund a portion of outstanding Hydroelectric Project Number One Revenue Bonds, 1998 Refunding Series A and to pay costs of issuance of the 2008 Bonds and other costs relating to the refunding of the refunded 1998 Bonds. The refunding was done in order to realize debt service savings under the 2004 Swap Agreement.

Additionally, in response to credit market upheavals and to ensure debt service certainty, in July 2008 the Agency refunded (or purchased from the liquidity providers) the 2002 Hydroelectric Refunding Revenue Bonds Series A & B and the 2003 Hydroelectric Refunding Revenue Bonds Series A & B with outstanding principal of \$140,200,000. The associated interest rate swaps were terminated on July 9, 2008. The refunding was completed through the issuance of \$128,005,000 fixed rate tax exempt debt (2008 Series C) and \$9,505,000 fixed rate taxable debt (2008 Series D). The payment of principal and interest on these issues are covered by financial guaranty insurance policies issued by Assured Guaranty.

Under its power purchase agreement with NCPA, AMP is obligated to pay 10% of this Project's debt service and operating costs. At June 30, 2009, the book value of this Project's plant, equipment and other assets was \$498,319,481 while its long-term debt totaled \$463,422,479 and other liabilities totaled \$28,248,298. AMP's share of the Project's long-term debt and other liabilities amounted to \$49,167,077 at that date.

Combustion Turbine Project No. 1

In October 1984, NCPA financed a five-unit, 125-megawatt combustion turbine project. The project, built in three member cities including Alameda, began full commercial operation in June 1986 and provides reserve and peaking power. In December 1989, NCPA issued \$68,958,257 in fixed rate revenue bonds, the proceeds of which were used to defease the bonds then outstanding. In December 1998, NCPA issued \$43,165,000 in fixed rate revenue bonds, the proceeds of which were used to refund outstanding revenue bonds and to pay costs of issuance of the debt. Under the NCPA power purchase agreement, AMP is obligated to pay 13.092% of this Project's debt service and operating costs. At June 30, 2009, the book value of this Project's plant, equipment and other assets was \$12,028,851 while its long-term debt totaled \$4,062,181, and other liabilities totaled \$4,265,711. AMP's share of the Project's long-term debt and other liabilities amounted to \$1,090,288 at that date.

CITY OF ALAMEDA, ALAMEDA MUNICIPAL POWER
Notes to Financial Statements
June 30, 2009

NOTE 8 - NORTHERN CALIFORNIA POWER AGENCY (NCPA) (Continued)

Combustion Turbine Project No. 2 (Steam Injected Gas Turbine Project)

AMP is a participant in NCPA's 49.8 megawatt Steam Injected Gas Turbine (STIG) project which was built under turnkey contract near the City of Lodi and declared substantially complete on April 23, 1996. In October 1992, NCPA issued \$152,320,000 of Multiple Capital Facilities Revenue Bonds to finance this project, a similar project for the Turlock Irrigation District in Ceres, and Lodi distribution system facilities. In January 1999, NCPA issued \$67,875,000 in fixed rate revenue bonds to refund a portion of outstanding Capital Facilities Bonds and to pay debt service (consisting of interest only) on the 1999 Bonds through August 1, 2002 and a portion of the interest due on the 1999 Bonds on February 1, 2003, and to pay costs of the issuance of the debt. Under the NCPA power purchase agreement, AMP is obligated to pay 19.00% of the debt service and operating costs for the STIG project.

AMP's participation in procurement of natural gas for fuel for existing and new combustion turbine units was approved in 1993. Although there is currently no additional debt financing, AMP and NCPA have committed to long-term payments for gas transmission pipeline capacity, and entered a purchase contract for natural gas. AMP is obligated to pay 19.0%.

At June 30, 2009, the book value of this Project's plant, equipment and other assets was \$66,920,711 while its long-term debt totaled \$62,465,853 and other liabilities totaled \$2,722,869. AMP's share of the Project's long-term debt and other liabilities amounted to \$12,385,857 at that date.

Graeagle Hydroelectric Project

AMP's participation in this small hydroelectric project was approved in 1993. Although this project does not involve any financing, it does involve a long-term contractual commitment to purchase the power produced by the project through January 2010. AMP receives 50% of the power output from this small hydroelectric project.

Western Area Power Administration

AMP has an allocation of power from the Federal Central Valley Project generating resources contracted through the U.S. Department of Energy's Western Area Power Administration. This allocation has been temporarily assigned to NCPA for scheduling and delivery to AMP.

Other Power Purchase Agreements

AMP has also entered into a number of other power purchase agreements which are scheduled by or through NCPA.

- *Morgan Stanley Power Purchase Contract*

In April 2002, AMP entered into a contract with Morgan Stanley Capital Group (MSCG) for the delivery of power. From January 1 through March 31 and from October 1 through December 31 during each of the calendar years 2005-2014, MSCG has agreed to deliver 15 megawatts of firm power 24-hours per day.

CITY OF ALAMEDA, ALAMEDA MUNICIPAL POWER
Notes to Financial Statements
June 30, 2009

NOTE 8 - NORTHERN CALIFORNIA POWER AGENCY (NCPA) (Continued)

- ***Highwinds Project Power Purchase***

In December 2004, AMP entered into a long-term power purchase agreement with PPM Energy, Inc. for power supplied by the Highwinds Project in Solano County, California. In 2008, Iberdrola Renewables succeeded PPM Energy as the seller counterparty for this power purchase agreement. AMP receives 6.17% of the output of the 162 megawatt project (nameplate rating) or 10 megawatts through June 30, 2028.

- ***Landfill Gas Projects Power Purchase***

Since 2004, AMP has entered into four long-term power purchase agreements for power supplied by multiple generating facilities. These facilities utilize combustible gaseous emissions from landfills, located in or near the San Francisco Bay area to create power. AMP began receiving nearly 4 megawatts of base-load power from the first 2 facilities in early 2006. An additional 5.2 megawatts of base-load output was added to AMP's portfolio in April 2009 when the Ox Mountain facility commenced operation. An additional 1.9 megawatts of power was added to AMP's portfolio as the Keller Canyon facility commenced base-load operation in August 2009.

California Electric Industry Restructuring

In September 1996, the California State legislature signed into law Assembly Bill 1890 (AB 1890) deregulating the electric power supply market and restructuring the electric power industry in California. While the majority of the legislation was directed at investor-owned utilities (IOUs), AMP and other California publicly owned utilities were greatly affected by the restructuring of markets and the ensuing wild fluctuations in prices that resulted from a deficiency in generating capacity and an immature and flawed market structure. Because AMP has its own generating resources and is not heavily dependent on the wholesale market to purchase power, it was not negatively impacted by these price swings.

In April 2008, the California Independent System Operator (CAISO) launched a new wholesale market structure in the state. The new structure is referred to as the Market Redesign and Technology Upgrade (MRTU) initiative and features a day-ahead energy market with a nodal locational marginal priority regime. The MRTU initiative has introduced new risks and uncertainties for AMP. To establish the extent of the risk and identify its impact to rates, AMP is closely monitoring the new structure's performance and costs.

NCPA plays an active role in protecting members' contractual rights in Federal Energy Regulatory Commission (FERC), California Public Utilities Commission (CPUC), and other legislative/regulatory proceedings. Priorities related to industry restructuring include the preservation of local control authority for publicly owned utilities, assuring open and fair access to wholesale markets and the transmission grid, and maintaining members' preference access to power from the Central Valley Project and Western Area Power Administration.

NCPA Financial Information

NCPA's financial statements can be obtained from NCPA, 651 Commerce Drive, Roseville, CA 95678.

CITY OF ALAMEDA, ALAMEDA MUNICIPAL POWER
Notes to Financial Statements
June 30, 2009

NOTE 9 – TRANSMISSION AGENCY OF NORTHERN CALIFORNIA (TANC)

AMP is a member of a joint powers agreement with fourteen other entities in TANC. TANC's purpose is to provide electrical transmission or other facilities for the use of its members. While governed by its members, none of TANC's obligations are those of its members unless expressly assumed by them. According to the 1985 Project Agreement with TANC for the development of the COTP and subsequent related project agreements, AMP is obligated to pay its share of the project's costs, including debt service and is entitled to the use of a percentage of the project's transmission or transfer capacity.

AMP was obligated to pay 1.333% of TANC's debt-service and operating costs related to the California-Oregon Transmission Project (COTP) and 1.6424% of the tax exempt portion of the commercial paper program. Project Agreement 3 modified the percentages AMP is obligated to pay to 1.2272% of TANC's debt-service and operating costs related to the COTP. These obligations provide AMP with a COTP transfer capability of 17.05 MW. AMP is also obligated to pay for a portion of the debt associated with the South of Tesla transmission which is provided under an agreement between TANC and Pacific Gas & Electric Company.

In May 2009, TANC issued \$67.0 million of tax-exempt 2009 Series A bonds and \$6.18 million of taxable 2009 Series B bonds. The proceeds of the Series A bonds were used to retire a bank loan that refinanced \$30.3 million of TANC's tax-exempt commercial paper and also to refund \$34.7 million of TANC's 2003 Series C Auction Rate Securities. The proceeds of the Series B bonds were used to retire a bank loan that refinanced \$56.3 million of TANC's taxable commercial paper. The 2009 refunding increased future aggregate debt service payments by \$19.3 million, but resulted in a total economic gain of \$6.5 million, the difference between present value of the old and new debt service payments. TANC has issued Revenue Bonds for \$435,790,000 and eliminated its obligations for the Tax Exempt Commercial Paper notes. As of June 30, 2009, AMP's share of this debt is \$5,348,015 and \$0.00 respectively.

TANC Financial Information

TANC's financial statements can be obtained from TANC, P.O. Box 15129, Sacramento, CA 95851 or from their website at <http://www.tanc.us/content/blogsection/10/70/>.

NOTE 10 - RISK MANAGEMENT

Alameda P&T, as a component unit of the City, is included in the City's risk management program. The City manages risk by participating in the public entity risk pool described below and by retaining certain risks.

Public entity risk pools are formally organized and separate entities established under the Joint Exercise of Powers Act of the State of California. As separate legal entities, those entities exercise full powers and authorities within the scope of the related Joint Powers Agreements including the preparation of annual budgets, accountability for all funds, the power to make and execute contracts and the right to sue and be sued. Each risk pool is governed by a board consisting of representatives from member municipalities. Each board controls the operations of the respective risk pool, including selection of management and approval of operating budgets, independent of any influence by member municipalities beyond their representation on that board. Obligations and liabilities of this risk pool are not AMP's or the City's responsibility.

AMP has not significantly reduced its risk pool insurance coverage from the prior year. Furthermore, settlements have not exceeded insurance coverage for the past three fiscal years.

CITY OF ALAMEDA, ALAMEDA MUNICIPAL POWER
Notes to Financial Statements
June 30, 2009

NOTE 10 - RISK MANAGEMENT (Continued)

A. Risk Coverage

The City is a member of the Local Agency Workers' Compensation Excess Joint Powers Authority (LAWCX) which covers workers' compensation claims up to \$1,000,000 and provides additional coverage up to statutory limits. The City has a deductible or uninsured liability of up to \$250,000 per claim. During the fiscal year ended June 30, 2009, AMP contributed \$68,452 for current year coverage.

The contributions made to each risk pool equal the ratio of their respective payrolls to the total payrolls of all entities participating in the same layer of each program, in each program year. Actual surpluses or losses are shared according to a formula developed from overall loss costs and spread to member entities on a percentage basis after a retrospective rating.

Through the risk pool, AMP has purchased commercial insurance against general liability claims.

The following types of loss risks are covered by the above authority under the terms of their respective joint-powers agreements and through commercial insurance policies as follows:

Type of Coverage	Coverage Limits
Excess General Liability	\$35,000,000
Auto - Physical damage	Actual Cash Value
Workers' Compensation	Statutory
Boiler & Machinery	Replacement Cost
Computer Software	5,320,000
Property	300,000,000
Terrorism	35,000,000

Financial statements for the risk pool may be obtained from LAWCX, c/o Bickmore & Associates, 6371 Auburn Boulevard, Citrus Heights, CA 95621.

B. Workers' Compensation Claims Payable

The Governmental Accounting Standards Board (GASB) requires municipalities to record their liability for uninsured claims and to reflect the current portion of this liability as an expenditure in their financial statements. As discussed above, AMP has coverage for such claims, but it has retained the risk for the deductible or uninsured portion of these claims.

The change in workers' compensation claims liability, including claims incurred but not reported as estimated by the City's Risk Manager, is based on historical trend information provided by its third party administrators and was computed as follows at June 30:

	2009	2008
Beginning balance	\$1,113,545	\$973,915
Change in liability for current and prior fiscal year claims	135,031	409,248
Payments made on claims	(244,052)	(269,618)
Ending balance	\$1,004,524	\$1,113,545
Less Current Portion	(245,000)	(270,000)
Long Term Portion	<u>\$759,524</u>	<u>\$843,545</u>

CITY OF ALAMEDA, ALAMEDA MUNICIPAL POWER
Notes to Financial Statements
June 30, 2009

NOTE 11 - NET ASSETS

A. Net Assets

Net Assets is the excess of all AMP's assets over all its liabilities, regardless of fund. Net Assets are divided into the captions below:

Invested in Capital Assets, net of related debt describes the portion of Net Assets which is represented by the current net book value of AMP's capital assets, less the outstanding balance of any debt issued to finance these assets.

Invested in NCPA projects and reserve describes the portion of Net Assets which is represented by the current net book value of AMP's investment in NCPA.

Restricted describes the portion of Net Assets which is restricted as to use by the terms and conditions of agreements with outside parties, governmental regulations, laws, or other restrictions which AMP cannot unilaterally alter.

Unrestricted describes the portion of Net Assets which is not restricted to use.

B. Designations

Designations are imposed by the Board to reflect future spending plans or concerns about the availability of future resources. Designations may be modified, amended or removed by Board action.

Unrestricted net assets consist of the following at June 30:

	2009	2008
Designated for investment in NCPA projects and reserves	\$24,185,546	\$21,652,807
Designated for special purposes	4,729,290	7,370,470
Undesignated	10,467,818	16,447,339
Total Unrestricted	\$39,382,654	\$45,470,616

CITY OF ALAMEDA, ALAMEDA MUNICIPAL POWER
Notes to Financial Statements
June 30, 2009

NOTE 12 – COMMITMENTS

A. *Take -or- Pay Agreements*

Under the terms of its NCPA and TANC joint venture agreements, AMP is liable for a portion of the bonded indebtedness issued by these agencies under take-or-pay or similar agreements, as discussed in Notes 8 and 9. AMP's estimated share of such debt outstanding at June 30, 2009 was \$84,988,717. Under certain circumstances, AMP may also be responsible for a portion of the costs of operating these entities. Under certain circumstances, such as default or bankruptcy of other participants, AMP may also be liable to pay a portion of the debt of these joint ventures on behalf of the other participants. These "step up" provisions are generally capped at a 25 percent increase.

B. *Lease Agreement with Alameda Reuse and Redevelopment Authority*

In June 2009, AMP entered into two lease agreements with the Alameda Reuse and Redevelopment Authority. The lease terms for each agreement are for two years beginning June 1, 2009 and expiring on May 30, 2011. AMP will occupy the premises for minimum monthly payments of \$1,083 and \$11,103 respectively.

NOTE 13 – EXTRAORDINARY ITEMS

The Public Utilities Board recommended and City Council directed at its November 18, 2008 meeting that the telecommunication system be sold effective November 21, 2008 at a price significantly less than the aggregate carrying values of the Telecommunication Division's assets. While the authorization to sell the telecommunication system did not occur prior to the June 30, 2008 fiscal year end, generally accepted accounting principles required the reduction of asset values as of June 30, 2008 due to the subsequent sale.

On November 21, 2008, the sales price was estimated to be \$15.227 million. The final price was determined after the 120 day look-back period ended on March 21, 2009, with the result that the final price was \$22,413 higher than the estimated sales price. Additionally, an indemnity escrow of \$2,000,000 was funded that may be drawn down in subsequent years (see Note 3). The final impact of these uncertainties will be reported in future audited financial statements. Generally accepted accounting principles, through Government Accounting Standards Board (GASB) Statement No. 42, *Accounting and Financial Reporting for Impairment of Assets*, required that capital asset values be reduced as a result of changes in intended use of capital assets. During fiscal 2007-08, these assets had been accounted for as capital assets in service and had been expected to be used to provide service to customers over many future years. However, because of the change in use from one of service production to one of resale, the capital asset values as of June 30, 2008 were reduced to the net realizable amount expected from the subsequent sale, even though the sale took place substantially after June 30, 2008.

In addition, during fiscal 2007-08, Alameda Municipal Power had accounted for \$43.616 million in advances made by the Electric Division to the Telecommunications Division as interfund advances. Generally accepted accounting principles, through GASB Statement No. 34, *Basic Financial Statements for State and Local Governments*, state that such advances may be reflected as interfund payables/receivables as long as there is an expectation of repayment. Due to the subsequent sale of the telecommunications system at an amount insufficient to repay these advances, the advances have been reported as interfund transfers effective June 30, 2008, as required by generally accepted accounting principles. In other words, The Telecommunications Division will not repay the Electric Division the \$43.616 million.

CITY OF ALAMEDA, ALAMEDA MUNICIPAL POWER
Notes to Financial Statements
June 30, 2009

NOTE 13 – EXTRAORDINARY ITEMS Continued)

Lastly, Alameda Municipal Power has been in negotiations with holders of its 2004 Notes, Vectren Communication Services, Inc. regarding the 2002 Certificates of Participation and with the City of Alameda regarding a City loan, all of which were used to finance or refinance the Telecommunications Division capital assets and operations, in an attempt to negotiate settlement of the remaining debt service due to such parties. Certain debt holders have filed suit seeking damages arising from the City's obligations under the aforementioned agreements and from issuance of the 2004 Notes.

The agreements that govern the 2004 Notes and the 2002 Certificates of Participation limit the repayment of these obligations to Net Revenues generated by the Telecom System, and subordinate the 2002 Certificates of Participation to the 2004 Notes. The Telecom System did not generate Net Revenues in 2005, 2006 or 2007. The sale of the Telecom System in 2008 generated sale proceeds that were categorized as Net Revenues, and were distributed to the holders of the 2004 Notes. There are no further Net Revenues available for the remaining amounts claimed by Vectren Communications Services, Inc. with respect to the 2002 Certificates of Participation.

NOTE 14 – CONTINGENT LIABILITIES

A. *Lawsuits and Litigation*

AMP is a defendant in a number of lawsuits which have arisen in the normal course of business. While substantial damages are alleged in some of these actions, the outcome of these actions cannot be predicted with certainty. In the opinion of the City Attorney, the outcome of these actions will not have a material adverse effect on the financial position of AMP.

B. *Vectren Communications Services*

In June, 2008, AMP, along with the City of Alameda, was named as a defendant in a suit filed by Vectren Communication Services, Inc. in the United States District Court for the Northern District of California. Vectren's suit alleges that the City breached its obligation under the 2004 Installment Sale Agreement to manage the Telecom System properly and to charge appropriate rates, resulting in the non-payment of installments from net telecom revenues totaling \$6.3 million, plus accrued interest at the 9% default rate, for total damages of approximately \$10 million. Vectren amended its' complaint in early 2009 to allege an additional breach of contract claim, based upon AMP's sale of the Telecom System to Comcast in November 2008, without Vectren's consent. Fact discovery in the case is now complete, with expert witness discovery underway. The Vectren case is set for trial in February 2010.

Although no assurance can be given and no determination can be made at this time as to the outcome of this lawsuit, AMP and the City Attorney believes there are meritorious defenses to the above claims and that any liability which may finally be determined should not have a material adverse effect on AMP's financial position, results of operations or cash flows.

CITY OF ALAMEDA, ALAMEDA MUNICIPAL POWER
Notes to Financial Statements
June 30, 2009

NOTE 14 – CONTINGENT LIABILITIES (Continued)

C. *Nuveen Municipal High Income Opportunity Fund*

On October 1, 2008, the City of Alameda filed an action for declaratory relief in the United States District Court for the Northern District of California against the Nuveen Municipal High Income Opportunity Fund, the Nuveen Municipal Trust on behalf of its series Nuveen High Yield Municipal Bond Trust, and Pacific Specialty Insurance Co. (Nuveen), in response to Nuveen's threats of litigation. This action arises out of the AMP's issuance in 2004 of \$33 million in Revenue Bond Anticipation Notes to refinance existing obligations and provide funds for completion of the Telecom System. On October 16, 2008, Nuveen filed a counter claim against AMP alleging violations of state and federal securities law, arising from the City's issuance of the Notes, seeking damages which Nuveen alleges to exceed \$11 million. In response to AMP's motion to dismiss, Nuveen amended its counterclaim on May 29, 2009, and discovery has now commenced. A preliminary settlement conference was conducted on October 28, 2009, with a second settlement conference set for March 2010. After the completion of initial discovery, AMP will further evaluate the merits of Nuveen's claims and the City's defenses, as well as the potential for summary judgment against Nuveen on some or all of its claims. The Nuveen case is set for trial in September 2010.

Although no assurances can be given and no determination can be made at this time as to the outcome of Nuveens' claims, AMP and the City Attorney believes there are meritorious defenses to all of the above claims and that any liability which may finally be determined should not have a material adverse effect on AMP's financial position, results of operations or cash flows.

D. *Bernard Osher Trust*

On April 1, 2009, a lawsuit was filed against the City/AMP, also arising from issuance of the 2004 Revenue Bond Anticipation Notes, by Bernard Osher Trust (Osher). Similar to the Nuveen action, Osher alleges violations of state and federal securities laws arising from issuance of the Notes. Osher claims damages of approximately \$4.7 million. A preliminary settlement conference was conducted on October 28, 2009, with a second settlement conference set for March 2010. After the completion of initial discovery, AMP will further evaluate the merits of Osher's claims and the City's defenses, as well as the potential for summary judgment against Osher on some or all of its claims. The Osher case is set for trial in September 2010.

Although no assurances can be given and no determination can be made at this time as to the outcome of Oshers' claims, AMP and the City Attorney believes there are meritorious defenses to all of the above claims and that any liability which may finally be determined should not have a material adverse effect on AMP's financial position, results of operations or cash flows.

Statistical Section

STATISTICAL SECTION

This part of the Alameda Municipal Power's (AMP) Comprehensive Annual Financial Report presents detailed information as a context for understanding what the information in the financial statements, note disclosures, and required supplementary information says about AMP's overall financial health. In contrast to the financial section, the statistical section information is not subject to independent audit.

Financial Trends

These schedules contain trend information to help the reader understand how Alameda P&T's financial performance and well being have changed over time:

1. Net Assets by Component
2. Changes in Earned Surplus Of Consolidated Operations
3. Changes in Earned Surplus Of Electric Operations and Telecommunication Operations

Revenue Capacity

These schedules contain information to help the reader assess Alameda P&T's revenue sources:

1. Electric Operating Revenues by Source
2. Telecommunication Operating Revenues by Source
3. Customer Accounts
4. Pricing Changes

Debt Capacity

These schedules present information to help the reader assess the affordability of Alameda P&T's current levels of outstanding debt and Alameda P&T's ability to issue additional debt in the future:

1. Ratio of Outstanding Debt by Type
2. Certificates of Participation Coverage – Electric Operations
3. Certificates of Participation Coverage – Telecommunication Operations

Demographic and Economic Information

These schedules offer demographic and economic indicators to help the reader understand the environment within which Alameda P&T's financial activities take place:

1. Demographic and Economic Statistics
2. Top Ten Customers and Top Ten City Principal Employers

Operating Information

These schedules contain service and infrastructure data to help the reader understand how the information in Alameda P&T's financial report relates to the services that Alameda P&T provides and the activities it performs:

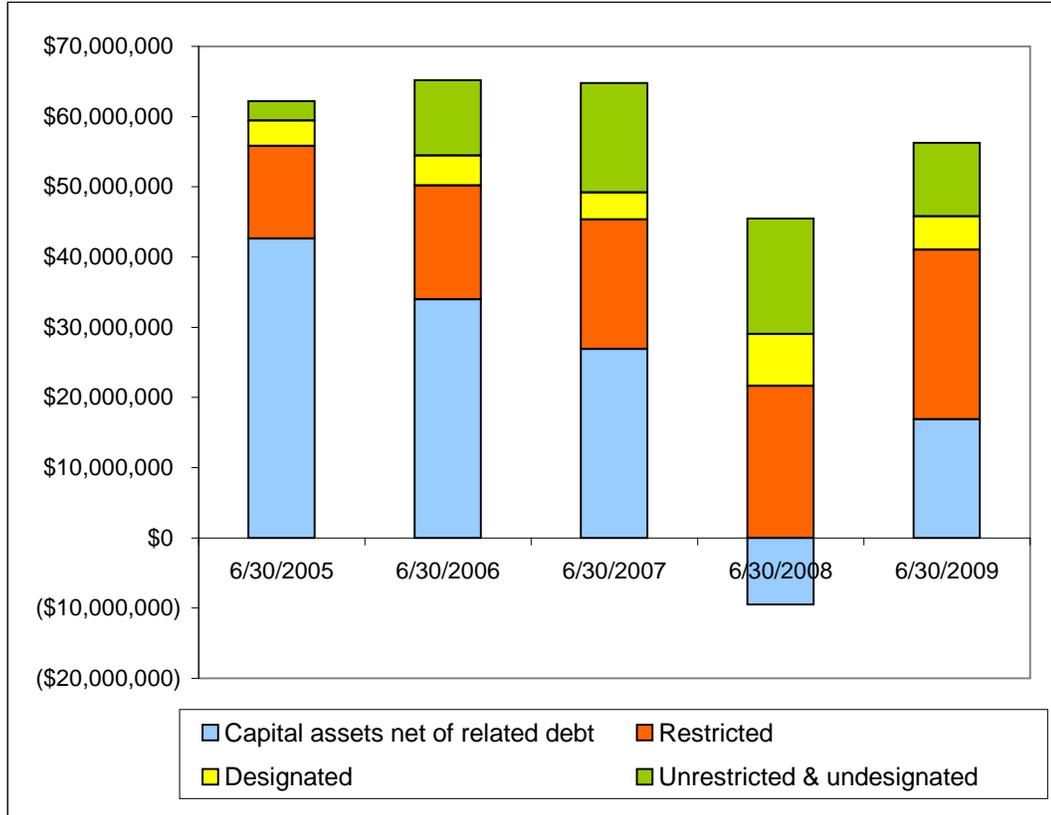
1. Operating Expenses by Function – Electric Operations
2. Operating Expenses by Function – Telecommunications Operations
3. Capital Asset Statistics by Function/Program
4. Operation Indicators
5. Operation Indicators - Continued

Sources

Unless otherwise noted, the information in these schedules is derived from the Comprehensive Annual Financial Reports for the relevant year. Alameda P&T implemented GASB Statement 34 in 2006; schedules presenting government-wide information include information beginning in that year.

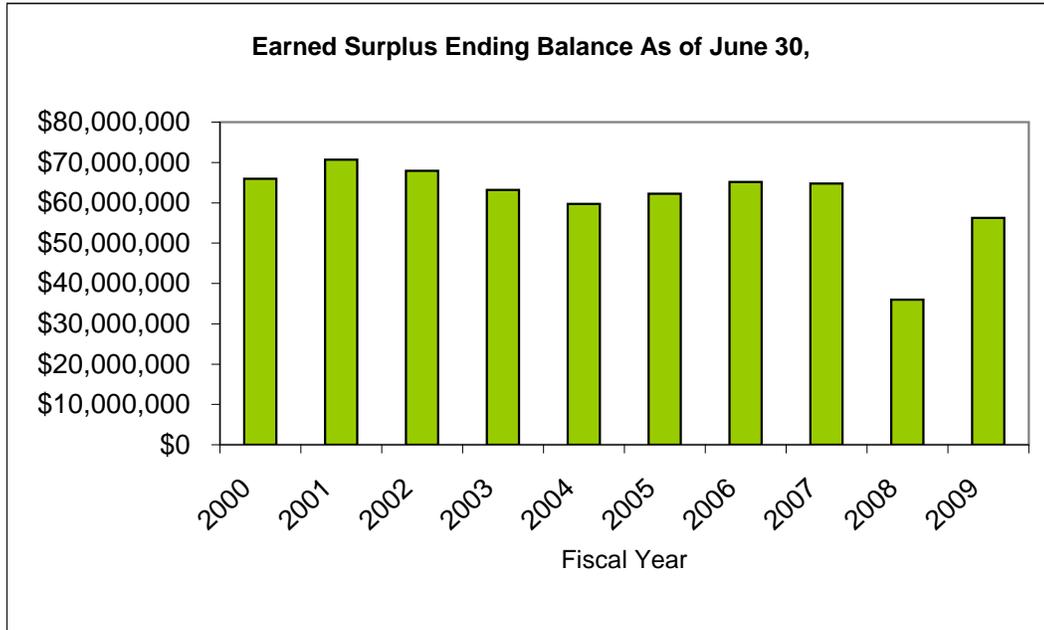
This Page Left Intentionally Blank

**CITY OF ALAMEDA
ALAMEDA MUNICIPAL POWER
NET ASSETS BY COMPONENT
LAST FIVE FISCAL YEARS**



	Fiscal Year Ended,				
	6/30/2005	6/30/2006	6/30/2007	6/30/2008	6/30/2009
Business-type activities					
Invested in capital assets, net of related debt	\$42,612,831	\$33,976,678	\$26,916,767	(\$9,488,075)	\$16,872,714
Restricted for investment in NCPA projects and reserves	\$13,213,781	\$16,198,069	\$18,424,997	\$21,652,807	\$24,185,546
Unrestricted, designated for special purposes	\$3,631,328	\$4,297,215	\$3,863,216	\$7,370,470	\$4,729,290
Unrestricted, undesignated	\$2,752,274	\$10,729,326	\$15,590,416	\$16,447,339	\$10,467,818
Total business-type activities net assets	\$62,210,214	\$65,201,288	\$64,795,396	\$35,982,541	\$56,255,368

**CITY OF ALAMEDA
ALAMEDA MUNICIPAL POWER
CHANGES IN EARNED SURPLUS OF CONSOLIDATED OPERATIONS
LAST TEN FISCAL YEARS**



Fiscal Year	Operating Revenues	Operating Expenses	Operating Income	Non-Operating Revenue (Expenses)	Net Income (Loss)	Earned Surplus	
						Beginning Balance	Ending Balance
2000	\$ 39,329,340	\$ 38,622,254	\$ 707,086	\$ (3,974,781)	\$ (3,267,695)	\$ 69,227,525	\$ 65,959,830
2001	\$ 40,308,253	\$ 39,271,207	\$ 1,037,046	\$ 3,661,142	\$ 4,698,188	\$ 65,959,830	\$ 70,658,018
2002	\$ 39,319,787	\$ 37,189,970	\$ 2,129,817	\$ (4,823,526)	\$ (2,693,709)	\$ 70,658,018	\$ 67,964,309
2003	\$ 43,466,487	\$ 45,477,865	\$ (2,011,378)	\$ (2,745,842)	\$ (4,757,220)	\$ 67,964,309	\$ 63,207,089
2004	\$ 50,946,001	\$ 45,593,865	\$ 5,352,136	\$ (8,815,937)	\$ (3,463,801)	\$ 63,207,089	\$ 59,743,288
2005	\$ 53,356,198	\$ 49,882,237	\$ 3,473,961	\$ (1,007,035)	\$ 2,466,926	\$ 59,743,288	\$ 62,210,214
2006	\$ 54,193,731	\$ 53,139,512	\$ 1,054,219	\$ 1,936,855	\$ 2,991,074	\$ 62,210,214	\$ 65,201,288
2007	\$ 57,388,987	\$ 56,043,315	\$ 1,345,672	\$ (1,751,564)	\$ (405,892)	\$ 65,201,288	\$ 64,795,396
2008	\$ 57,818,781	\$ 54,595,883	\$ 3,222,898	\$ (32,035,753)	\$ (28,812,855)	\$ 64,795,396	\$ 35,982,541
2009	\$ 52,342,285	\$ 52,647,993	\$ (305,708)	\$ 20,578,535	\$ 20,272,827	\$ 35,982,541	\$ 56,255,368

**CITY OF ALAMEDA
ALAMEDA MUNICIPAL POWER
CHANGES IN EARNED SURPLUS OF ELECTRIC OPERATIONS
LAST TEN FISCAL YEARS**

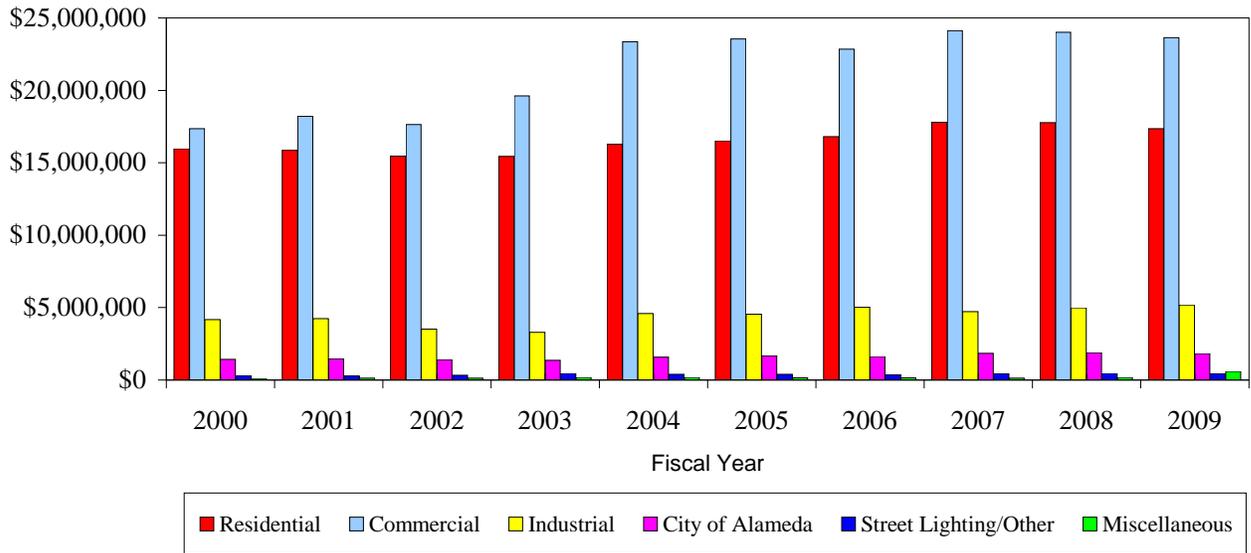
Fiscal Year	Operating Revenues	Operating Expenses	Operating Income	Non-Operating Revenue (Expenses)	Net Income (Loss)	Earned Surplus	
						Beginning Balance	Ending Balance
2000	\$ 39,329,340	\$ 36,212,289	\$ 3,117,051	\$ (3,513,039)	\$ (395,988)	\$ 69,227,525	\$ 68,831,537
2001	\$ 40,203,399	\$ 35,124,709	\$ 5,078,690	\$ 3,828,201	\$ 8,906,891	\$ 68,831,537	\$ 77,738,428
2002	\$ 38,474,925	\$ 30,560,315	\$ 7,914,610	\$ (4,424,423)	\$ 3,490,187	\$ 77,738,428	\$ 81,228,615
2003	\$ 40,337,837	\$ 34,866,875	\$ 5,470,962	\$ (2,382,268)	\$ 3,088,694	\$ 81,228,615	\$ 84,317,309
2004	\$ 46,372,724	\$ 37,316,010	\$ 9,056,714	\$ (11,205,318)	\$ (2,148,604)	\$ 84,317,309	\$ 82,168,705
2005	\$ 46,817,578	\$ 40,864,737	\$ 5,952,841	\$ (1,206,779)	\$ 4,746,062	\$ 82,168,705	\$ 86,914,767
2006	\$ 46,840,300	\$ 41,316,743	\$ 5,523,557	\$ 1,400,984	\$ 6,924,541	\$ 86,914,767	\$ 93,839,308
2007	\$ 49,069,346	\$ 44,756,587	\$ 4,312,759	\$ (545,960)	\$ 3,766,799	\$ 93,839,308	\$ 97,606,107
2008	\$ 49,309,667	\$ 43,339,806	\$ 5,969,861	\$ (42,662,307)	\$ (36,692,446)	\$ 97,606,107	\$ 60,913,661
2009	\$ 49,045,201	\$ 47,539,368	\$ 1,505,833	\$ (3,809,225)	\$ (2,303,392)	\$ 60,913,661	\$ 58,610,269

**CITY OF ALAMEDA
ALAMEDA MUNICIPAL POWER
CHANGES IN EARNED SURPLUS OF TELECOMMUNICATIONS OPERATIONS
LAST TEN FISCAL YEARS**

Fiscal Year	Operating Revenues	Operating Expenses	Operating Income	Non-Operating Revenue (Expenses)	Net Income (Loss)	Earned Surplus	
						Beginning Balance	Ending Balance
2000		\$ 2,409,965	\$ (2,409,965)	\$ (461,742)	\$ (2,871,707)	\$ -	\$ (2,871,707)
2001	\$ 104,854	\$ 4,146,498	\$ (4,041,644)	\$ (167,059)	\$ (4,208,703)	\$ (2,871,707)	\$ (7,080,410)
2002	\$ 844,862	\$ 6,629,655	\$ (5,784,793)	\$ (399,103)	\$ (6,183,896)	\$ (7,080,410)	\$ (13,264,306)
2003	\$ 3,128,650	\$ 10,610,990	\$ (7,482,340)	\$ (363,574)	\$ (7,845,914)	\$ (13,264,306)	\$ (21,110,220)
2004	\$ 4,573,277	\$ 8,277,855	\$ (3,704,578)	\$ 2,389,381	\$ (1,315,197)	\$ (21,110,220)	\$ (22,425,417)
2005	\$ 6,538,620	\$ 9,017,500	\$ (2,478,880)	\$ 199,744	\$ (2,279,136)	\$ (22,425,417)	\$ (24,704,553)
2006	\$ 7,353,431	\$ 11,822,769	\$ (4,469,338)	\$ 535,871	\$ (3,933,467)	\$ (24,704,553)	\$ (28,638,020)
2007	\$ 8,319,641	\$ 11,286,728	\$ (2,967,087)	\$ (1,205,604)	\$ (4,172,691)	\$ (28,638,020)	\$ (32,810,711)
2008	\$ 8,509,114	\$ 11,256,077	\$ (2,746,963)	\$ 10,626,554	\$ 7,879,591	\$ (32,810,711)	\$ (24,931,120)
2009	\$ 3,297,084	\$ 5,108,625	\$ (1,811,541)	\$ 24,387,760	\$ 22,576,219	\$ (24,931,120)	\$ (2,354,901)

**CITY OF ALAMEDA
ALAMEDA MUNICIPAL POWER
ELECTRIC OPERATING REVENUES BY SOURCE
LAST TEN FISCAL YEARS**

ELECTRIC OPERATIONS

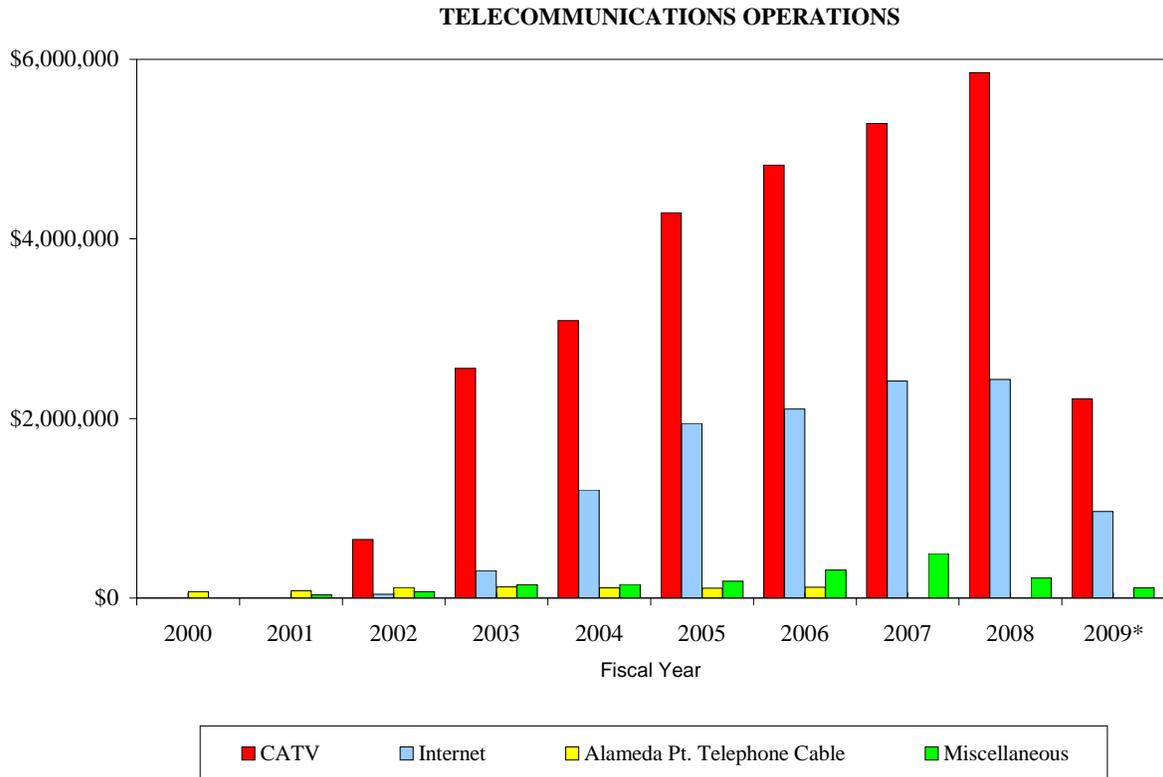


Fiscal Year	Sales of Electricity						Total
	Residential	Commercial	Industrial	City of Alameda	Street Lighting/Other	Miscellaneous	
2000	\$15,967,274	\$17,350,761	\$4,165,755	\$1,434,416	\$311,169	\$99,965	\$39,329,340
2001	\$15,861,629	\$18,204,667	\$4,242,193	\$1,469,692	\$293,510	\$131,708	\$40,203,399
2002	\$15,461,290	\$17,647,770	\$3,514,836	\$1,397,365	\$320,893	\$131,771	\$38,473,925
2003	\$15,451,373	\$19,608,930	\$3,296,965	\$1,359,912	\$454,776	\$165,881	\$40,337,837
2004	\$16,285,182	\$23,345,609	\$4,586,893	\$1,580,285	\$398,729	\$176,025	\$46,372,723
2005	\$16,509,804	\$23,540,842	\$4,542,208	\$1,673,971	\$403,318	\$147,435	\$46,817,578
2006	\$16,812,415	\$22,840,128	\$5,039,371	\$1,634,793	\$368,496	\$145,097	\$46,840,300
2007	\$17,786,579	\$24,129,480	\$4,720,055	\$1,847,716	\$444,985	\$140,531	\$49,069,346
2008	\$17,783,232	\$24,021,704	\$4,982,103	\$1,897,547	\$456,320	\$168,761	\$49,309,667
2009	\$17,365,563	\$23,644,464	\$5,175,117	\$1,820,996	\$435,642	\$603,419	\$49,045,201

Fiscal Year	Kilowatt- Hour Sales						Peak Demand (KW)
	Residential	Commercial	Industrial	City of Alameda	Street Lighting/Other	Total KWH	
2000	137,241,057	173,580,597	47,497,358	13,787,356	2,110,671	374,217,039	67,405
2001	136,387,481	182,718,187	47,884,130	14,042,226	2,092,489	383,124,513	68,805
2002	132,994,407	176,305,447	41,996,906	13,286,156	2,252,430	366,835,346	67,178
2003	132,832,917	183,899,028	34,656,956	13,835,820	2,297,249	367,521,970	70,431
2004	137,229,341	184,756,585	40,788,618	14,740,088	2,337,963	379,852,595	68,085
2005	138,340,569	183,079,652	39,581,653	14,166,870	3,159,986	378,328,730	71,235
2006	139,398,004	175,347,031	46,068,294	14,082,202	2,896,507	377,792,038	66,360
2007	142,352,676	187,611,044	41,255,006	14,916,186	3,151,663	389,286,575	70,891
2008	142,718,493	187,720,577	43,966,176	15,202,494	3,212,483	392,820,223	71,937
2009	140,048,081	184,300,489	45,611,047	14,675,829	3,041,330	387,676,776	76,250

Source: Alameda Municipal Power - Administrative Services

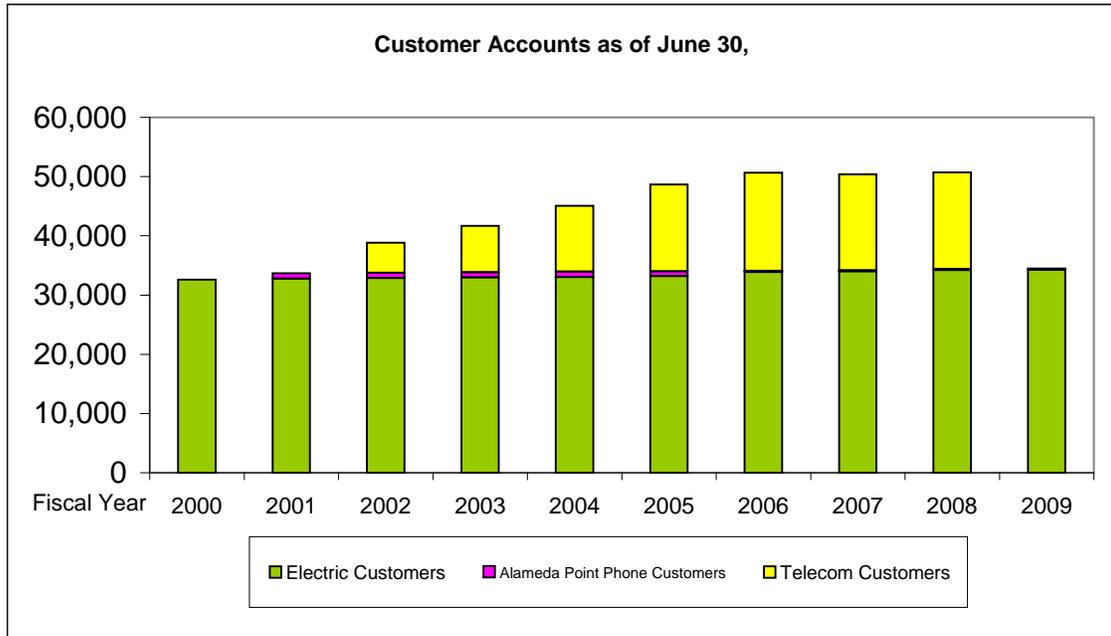
**CITY OF ALAMEDA
ALAMEDA MUNICIPAL POWER
TELECOMMUNICATIONS OPERATING REVENUES BY SOURCE
LAST TEN FISCAL YEARS**



<u>Fiscal Year</u>	<u>Cable Television</u>	<u>Internet</u>	<u>Alameda Point Telephone</u>	<u>Miscellaneous</u>	<u>Total</u>
2000			Telecommunications Operations Initiated July 2000		
2001			\$69,225	\$35,629	\$104,854
2002	\$651,518	\$42,724	\$80,336	\$70,284	\$844,862
2003	\$2,558,834	\$303,585	\$116,256	\$149,975	\$3,128,650
2004	\$3,090,741	\$1,206,299	\$122,552	\$153,685	\$4,573,277
2005	\$4,290,430	\$1,945,859	\$114,288	\$188,043	\$6,538,620
2006	\$4,823,889	\$2,105,896	\$110,828	\$312,818	\$7,353,431
2007	\$5,286,534	\$2,415,924	\$121,462	\$495,721	\$8,319,641
2008	\$5,850,854	\$2,433,976	No longer grouped with Telecom	\$224,284	\$8,509,114
2009*	\$2,219,610	\$964,513	Not Applicable	\$112,961	\$3,297,084

*Telecommunication operation was sold in November 2008

**CITY OF ALAMEDA
ALAMEDA MUNICIPAL POWER
CUSTOMER ACCOUNTS
LAST TEN FISCAL YEARS**



Number of Electric Customer Accounts:

Fiscal Year	Residential	Commercial	Industrial	Street Lighting & Other	City of Alameda	Total Customer Accounts
2000	28,991	3,296	16	7	285	32,595
2001	29,126	3,318	15	8	298	32,765
2002	29,164	3,356	15	10	308	32,853
2003	29,237	3,385	11	11	313	32,957
2004	29,310	3,418	11	12	308	33,059
2005	29,405	3,447	10	13	313	33,188
2006	30,021	3,485	10	32	321	33,869
2007	29,997	3,634	9	19	330	33,989
2008	30,084	3,750	12	38	333	34,217
2009	30,119	3,782	11	27	333	34,272

Number of Telecommunications and Alameda Point Telephone Customer Accounts:

Fiscal Year	Cable TV	Internet Data	Telecommunications Customer Accounts	Alameda Point Telephone* Customer Accounts
2000				898
2001				898
2002	4,321	764	5,085	900
2003	5,645	2,163	7,808	877
2004	7,677	3,447	11,124	831
2005	9,433	5,198	14,631	164
2006	10,185	6,421	16,606	173
2007	9,577	6,624	16,201	185
2008	9,285	7,031	16,316	205
2009**	-	-	-	205

* Alameda Point Telephone were counted by accounts from 2001 to 2005 and was counted by customers in 2006, and was no longer grouped with telecommunication operation in 2008.

**Telecommunication operation was sold in November 2008

**CITY OF ALAMEDA
ALAMEDA MUNICIPAL POWER
PRICING CHANGES**

Electric Rate Changes

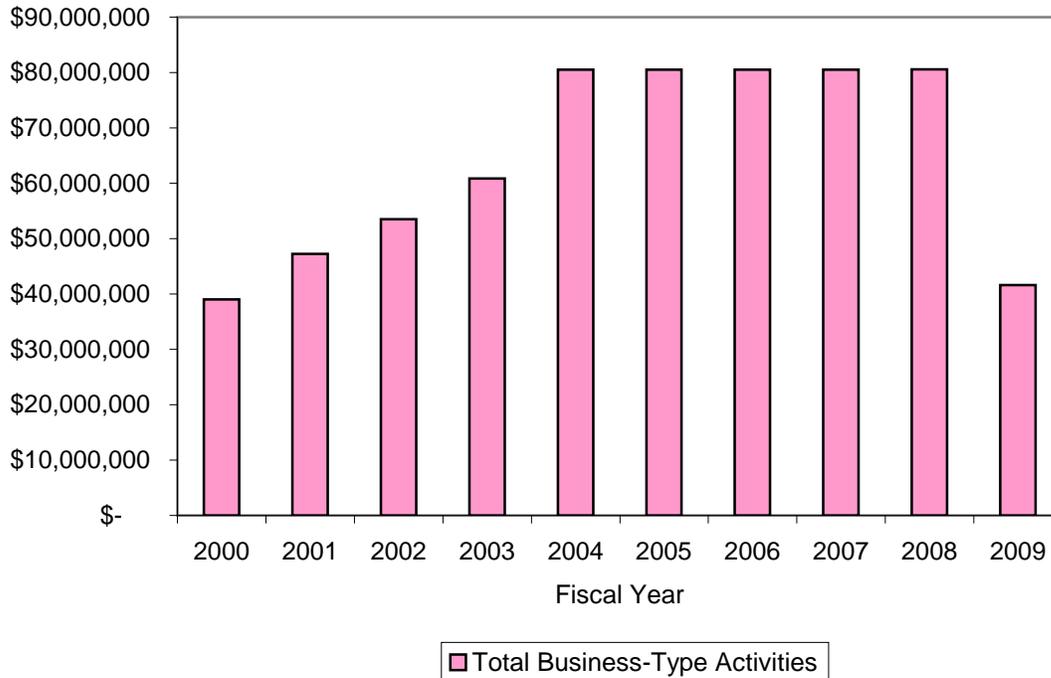
<u>Date</u>	<u>Percent Change</u>	
March 1, 1994	6.40%	
April 1, 1996	0.90%	
August 1, 2002	4.10%	
August 1, 2003	11.51%	
July 1, 2004	0.13%	
July 1, 2005	0.89%	
July 1, 2006	0.56%	
July 1, 2008	0.70%	(State Mandated Solar Program)
July 1, 2009	0.09%	(2.5% MU-1 rate increase)

Telecommunications Rate Changes

<u>Date</u>	<u>Cable TV Percent Change</u>	<u>Internet Data Percent Change</u>
October 1, 2002	6.00%	N/A
October 1, 2003	4.27%	0.00%
October 1, 2004	6.10%	0.00%
August 5, 2005	5.60%	0.00%
January 7, 2007	7.80%	0.00%
October 7, 2007	6.40%	0.00%
October 7, 2008	6.77%	7.65%

Telecommunication operation was sold in November 2008

**CITY OF ALAMEDA
ALAMEDA MUNICIPAL POWER
RATIO OF OUTSTANDING DEBT BY TYPE
LAST TEN FISCAL YEARS**

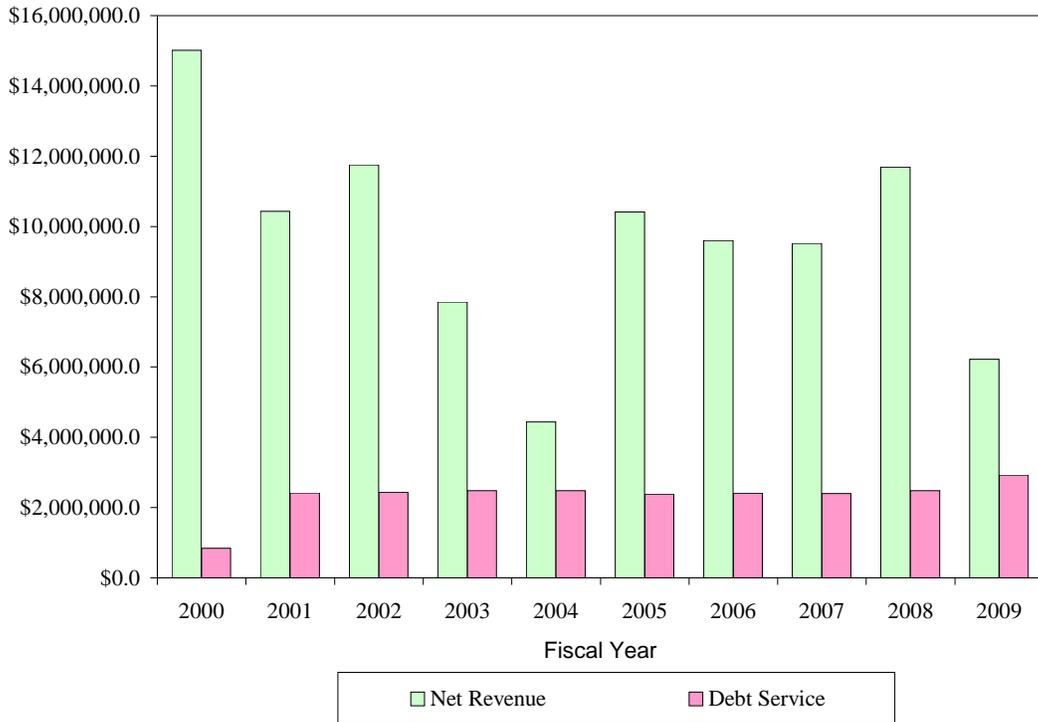


Fiscal Year	Business-Type Activities			Total	Percentage of Personal Income (a)	Per Capita (a)
	Certificates of Participation	Revenue Bonds Anticipation Notes	Loans and Lease Purchases			
2000	\$ 39,045,000			\$ 39,045,000	1.74%	\$ 540.35
2001	\$ 47,230,420			\$ 47,230,420	2.02%	\$ 638.47
2002	\$ 53,502,437			\$ 53,502,437	2.20%	\$ 718.20
2003	\$ 60,836,611			\$ 60,836,611	2.39%	\$ 816.89
2004	\$ 45,345,000	\$ 33,000,000	\$ 2,200,000	\$ 80,545,000	3.04%	\$ 1,083.23
2005	\$ 45,345,000	\$ 33,000,000	\$ 2,200,000	\$ 80,545,000	2.90%	\$ 1,079.97
2006	\$ 45,345,000	\$ 33,000,000	\$ 2,200,000	\$ 80,545,000	3.03%	\$ 1,082.52
2007	\$ 45,345,000	\$ 33,000,000	\$ 2,200,000	\$ 80,545,000	2.79%	\$ 1,070.31
2008	\$ 45,190,000	\$ 33,000,000	\$ 2,372,836	\$ 80,562,836	2.87%	\$ 1,062.51
2009	\$ 39,045,000	\$ -	\$ 2,553,401	\$ 41,598,401	1.51%	\$ 541.48

Source: (a) California State Department of Finance (population)

**CITY OF ALAMEDA
ALAMEDA MUNICIPAL POWER
CERTIFICATES OF PARTICIPATION COVERAGE
LAST TEN FISCAL YEARS**

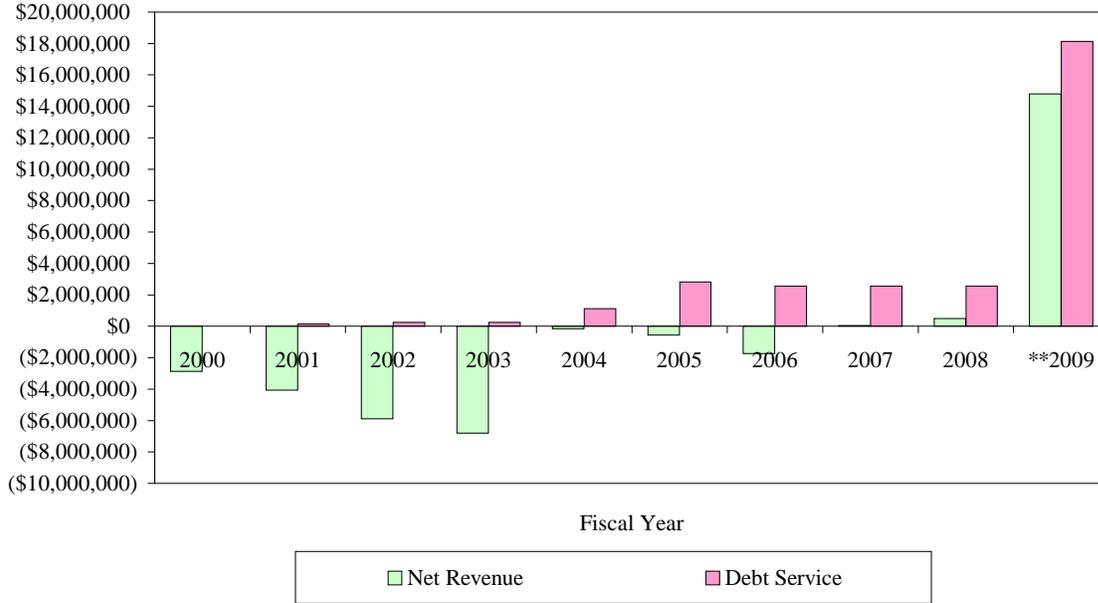
ELECTRIC OPERATIONS



Fiscal Year	Electric Gross Revenue Including Non-Operating Revenue	Electric Direct Operating Expenses (Excluding Depreciation)	Net Revenue Available for Debt Service, Renewals, Replacements and Additions	Debt Service			Coverage
				Principal	Interest and Fiscal Charges	Total	
2000	\$ 49,018,365	\$ 34,003,396	\$ 15,014,969	\$ -	\$ 839,551	\$ 839,551	17.88
2001	\$ 43,239,078	\$ 32,805,949	\$ 10,433,129	\$ -	\$ 2,418,019	\$ 2,418,019	4.31
2002	\$ 39,822,375	\$ 28,067,281	\$ 11,755,094	\$ -	\$ 2,433,102	\$ 2,433,102	4.83
2003	\$ 41,528,315	\$ 33,678,243	\$ 7,850,072	\$ -	\$ 2,485,418	\$ 2,485,418	3.16
2004	\$ 39,623,723	\$ 35,188,984	\$ 4,434,739	\$ -	\$ 2,480,305	\$ 2,480,305	1.79
2005	\$ 49,371,293	\$ 38,955,688	\$ 10,415,605	\$ -	\$ 2,380,392	\$ 2,380,392	4.38
2006	\$ 49,236,715	\$ 39,635,990	\$ 9,600,725	\$ -	\$ 2,405,764	\$ 2,405,764	3.99
2007	\$ 51,197,750	\$ 41,682,078	\$ 9,515,672	\$ -	\$ 2,401,292	\$ 2,401,292	3.96
2008	\$ 52,012,671	\$ 40,319,750	\$ 11,692,921	\$ -	\$ 2,476,808	\$ 2,476,808	4.72
2009	\$ 50,565,655	\$ 44,344,374	\$ 6,221,281	\$ 48,603	\$ 2,877,163	\$ 2,925,766	2.13

**CITY OF ALAMEDA
ALAMEDA MUNICIPAL POWER
CERTIFICATES OF PARTICIPATION COVERAGE
LAST TEN FISCAL YEARS**

TELECOMMUNICATIONS OPERATIONS

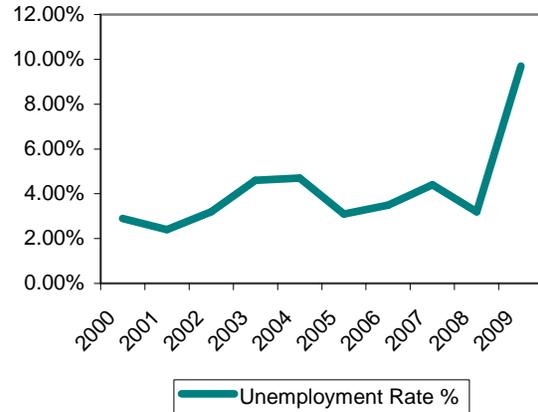
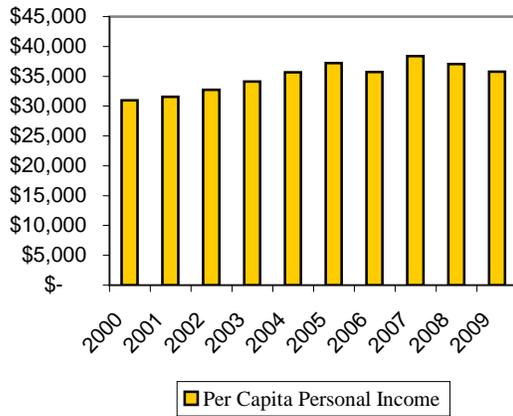
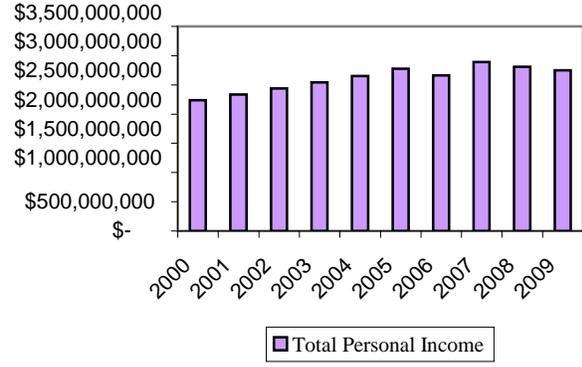
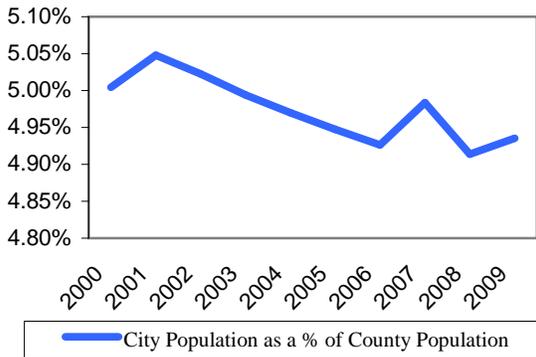


Fiscal Year	Gross Revenue Including Non-Operating Revenue	Direct Operating Expenses (Excluding Depreciation)	Net Revenue Available for Debt Service, Renewals, and Additions	Debt Service			Coverage
				Principal	*Interest and Fiscal Charges	Total	
2000	\$ (461,742)	\$ 2,409,965	\$ (2,871,707)	\$ -	\$ -	\$ -	
2001	\$ 102,537	\$ 4,158,500	\$ (4,055,963)	\$ -	\$ 150,000	\$ 150,000	(27.04)
2002	\$ 840,605	\$ 6,726,192	\$ (5,885,587)	\$ -	\$ 257,143	\$ 257,143	(22.89)
2003	\$ 3,198,773	\$ 9,994,745	\$ (6,795,972)	\$ -	\$ 257,143	\$ 257,143	(26.43)
2004	\$ 7,360,616	\$ 7,510,702	\$ (150,086)	\$ -	\$ 1,117,120	\$ 1,117,120	(0.13)
2005	\$ 6,923,868	\$ 7,481,384	\$ (557,516)	\$ -	\$ 2,819,432	\$ 2,819,432	(0.20)
2006	\$ 7,453,396	\$ 9,188,263	\$ (1,734,867)	\$ -	\$ 2,562,764	\$ 2,562,764	(0.68)
2007	\$ 8,444,581	\$ 8,402,386	\$ 42,195	\$ -	\$ 2,562,764	\$ 2,562,764	0.02
2008	\$ 8,753,141	\$ 8,250,746	\$ 502,395	\$ -	\$ 2,562,764	\$ 2,562,764	0.20
**2009	\$ 18,875,451	\$ 4,084,420	\$ 14,791,031	\$ 15,826,839	\$ 2,310,000	\$ 18,136,839	0.82

Note*: Interest included capitalized interest paid in the current year but excluded accrued interest not due.

Note**: Telecommunication operations was sold in November 2008. Sale proceed was used to pay debt principal. See Note 5 and 13 in the financial section.

**CITY OF ALAMEDA
ALAMEDA MUNICIPAL POWER
DEMOGRAPHIC AND ECONOMICS STATISTICS
LAST TEN FISCAL YEARS**



Fiscal Year	City Population	Total Personal Income	Per Capita Personal Income	Unemployment Rate %	Alameda County Population	City Population % of County
2000	72,259	\$ 2,238,728,338	\$ 30,982	2.9%	1,443,939	5.00%
2001	73,974	\$ 2,335,665,275	\$ 31,574	2.4%	1,465,508	5.05%
2002	74,495	\$ 2,436,799,581	\$ 32,711	3.2%	1,483,311	5.02%
2003	74,473	\$ 2,542,313,003	\$ 34,137	4.6%	1,491,209	4.99%
2004	74,356	\$ 2,652,395,156	\$ 35,672	4.7%	1,496,968	4.97%
2005	74,581	\$ 2,774,114,876	\$ 37,196	3.1%	1,507,500	4.95%
2006	74,405	\$ 2,659,309,105	\$ 35,741	3.5%	1,510,303	4.93%
2007	75,254	\$ 2,889,453,000	\$ 38,396	4.4%	1,509,981	4.98%
2008	75,823	\$ 2,810,758,610	\$ 37,070	3.2%	1,543,000	4.91%
2009	76,824	\$ 2,749,211,967	\$ 35,786	9.7%	1,556,657	4.94%

Source: California State Department of Finance

**CITY OF ALAMEDA
ALAMEDA MUNICIPAL POWER
Top 10 Customers
For the Fiscal Year Ended June 30, 2009**

No.	Customer	Type of Business	KWHS	Percent of System Total
1	Maritime Administration	Regulation, Admin. of Transportation	19,627,035	5.06%
2	US Coast Guard Integrated Support	Regulation, Admin. of Transportation	14,533,903	3.75%
3	Alameda Waterfront Investors	Lessors of Nonresidential Building	9,082,720	2.34%
4	Legacy Partners I Alameda, LLC	Lessors of Nonresidential Building	7,924,702	2.04%
5	Alameda Unified School District	Public School District	6,772,700	1.75%
6	Abbott Diabetes Care	Drug & Clinical Research	6,492,924	1.67%
7	Wind River	Computer Programming Services	6,072,909	1.57%
8	Applera Corp	Research and Development - Life Science	4,966,400	1.28%
9	GSA - Federal Government	Food & Drug Administration	4,610,100	1.19%
10	Safeway Stores Inc.	Grocery Retailer	4,517,568	1.17%
Top 10 Customers KWHS			<u>84,600,961</u>	<u>21.82%</u>
Total Kilowatt Hour Sales			387,676,776	100%

**City Of Alameda
Principal Employers
Last Fiscal Year and Nine Years Ago**

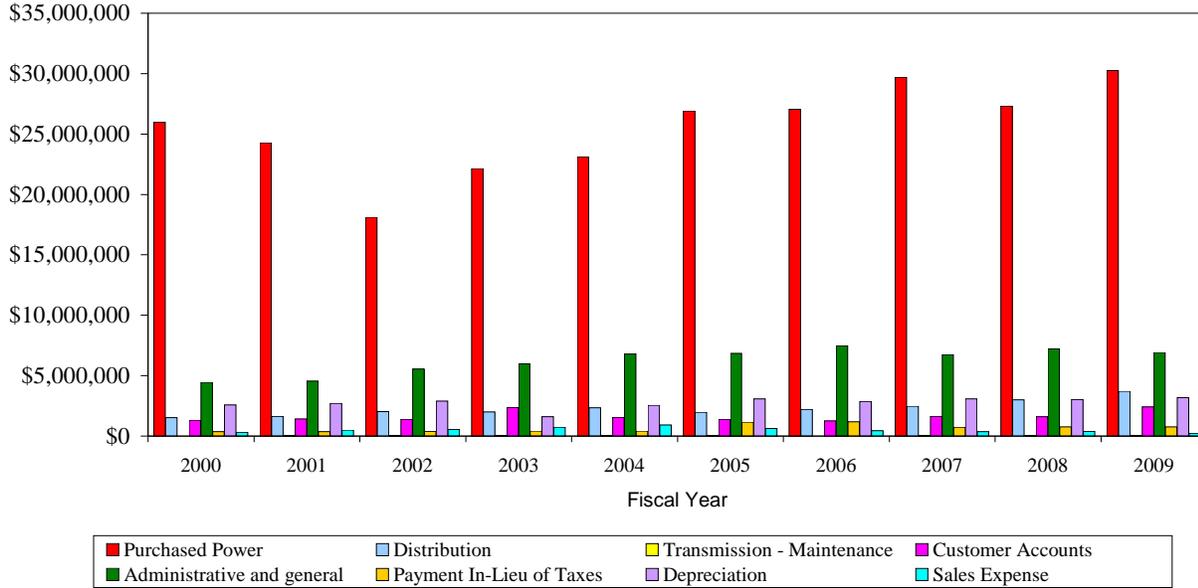
No.	Business Name	2008-09			1999-2000	
		Number of Employees	Rank	Percentage % of Total City Employment	Number of Employees	% of Total Employment
1	US Coast Guard	2,200	1	2.86%	(A)	(A)
2	Alameda Unified School District	1,068	2	1.39%	(A)	(A)
3	Abbott Diabetes Care Inc	900	3	1.17%	(A)	(A)
4	Alameda Hospital	692	4	0.90%	(A)	(A)
5	City of Alameda	620	5	0.81%	(A)	(A)
6	Wind River Systems	400	6	0.52%	(A)	(A)
7	Bay Ship & Yacht Company	370	7	0.48%	(A)	(A)
8	College of Alameda	358	8	0.47%	(A)	(A)
9	Safeway Stores	345	9	0.45%	(A)	(A)
10	Celera	330	10	0.43%	(A)	(A)
	Subtotal	<u>7,283</u>		<u>9.48%</u>		
	Total City Day Population	<u>76,824</u>				

Source: City of Alameda community Development Department
and City of Alameda Business License Records

(A) Employment information not available

**CITY OF ALAMEDA
ALAMEDA MUNICIPAL POWER
OPERATING EXPENSES BY FUNCTION PER FERC CODES
LAST TEN FISCAL YEARS**

ELECTRIC OPERATIONS

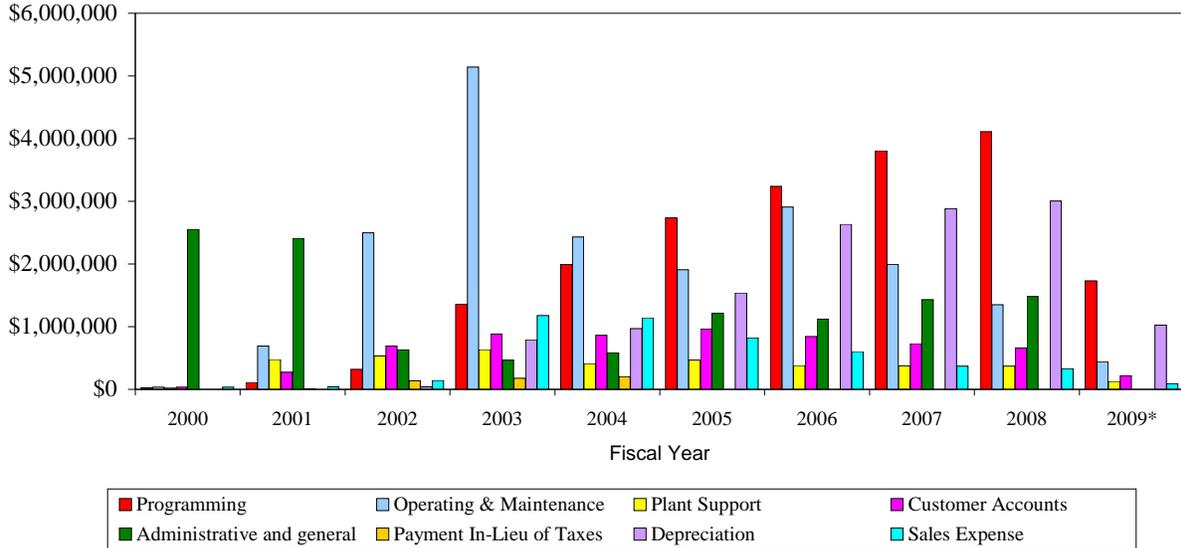


Fiscal Year	Purchased Power	Distribution Operation	Transmission-Maintenance	Customer Accounts	Administrative and General	Payment In-lieu of Taxes	Depreciation	Sales Expense	Total
2000	\$25,979,473	\$1,536,649	\$9,707	\$1,328,449	\$4,442,269	\$380,013	\$2,588,906	\$326,836	\$36,592,302
2001	\$24,288,510	\$1,633,324	\$19,685	\$1,410,480	\$4,565,869	\$381,079	\$2,699,839	\$507,002	\$35,505,788
2002	\$18,125,734	\$2,015,828	\$31,003	\$1,391,077	\$5,546,993	\$399,843	\$2,892,877	\$556,803	\$30,960,158
2003	\$22,151,181	\$2,012,163	\$25,244	\$2,366,382	\$5,967,191	\$411,145	\$1,599,777	\$744,937	\$35,278,020
2004	\$23,126,189	\$2,337,269	\$36,460	\$1,549,782	\$6,806,595	\$417,000	\$2,544,026	\$915,689	\$37,733,010
2005	\$26,921,105	\$1,978,019	\$17,167	\$1,399,162	\$6,842,287	\$1,165,512	\$3,074,561	\$632,436	\$42,030,249
2006	\$27,045,097	\$2,219,074	\$11,264	\$1,269,025	\$7,469,094	\$1,178,333	\$2,859,085	\$444,103	\$42,495,075
2007	\$29,698,559	\$2,484,258	\$21,400	\$1,631,542	\$6,735,174	\$745,702	\$3,074,509	\$365,444	\$44,756,588
2008	\$27,316,014	\$2,998,729	\$27,189	\$1,606,950	\$7,205,310	\$761,592	\$3,020,056	\$403,966	\$43,339,806
2009	\$30,265,836	\$3,705,148	\$19,984	\$2,415,029	\$6,917,547	\$775,903	\$3,194,994	\$244,927	\$47,539,368

Source: Alameda Municipal Power Administrative Services

**CITY OF ALAMEDA
ALAMEDA MUNICIPAL POWER
OPERATING EXPENSES BY FUNCTION PER FERC CODES
LAST TEN FISCAL YEARS**

TELECOMMUNICATIONS OPERATIONS



*Telecommunication operation was sold in November 2008

**CITY OF ALAMEDA
ALAMEDA MUNICIPAL POWER
CAPITAL ASSETS
LAST TEN FISCAL YEARS**

ELECTRIC OPERATIONS

<u>Fiscal Year</u>	<u>Plant</u>	<u>Service Center Building</u>	<u>Land & Rights</u>	<u>Machinery & Equipment</u>	<u>Transportation Equipment</u>	<u>Computer Equipment</u>	<u>Furniture & Fixtures</u>	<u>Construction in Progress</u>	<u>Less: Accumulated Depreciation</u>	<u>Net Electric Capital Assets</u>
2000	\$ 48,504,314	\$ 4,366,229	\$ 153,644	\$ 5,236,656	\$ 1,335,099	\$ 2,217,384	\$ 453,008	\$ 2,007,995	\$ (26,166,463)	\$ 38,107,866
2001	\$ 50,645,447	\$ 4,366,229	\$ 163,252	\$ 5,423,473	\$ 1,385,077	\$ 2,299,578	\$ 477,874	\$ 4,052,865	\$ (28,829,526)	\$ 39,984,269
2002	\$ 53,309,273	\$ 4,366,229	\$ 153,644	\$ 6,555,547	\$ 1,523,670	\$ 2,358,864	\$ 598,426	\$ 3,866,373	\$ (31,691,012)	\$ 41,041,014
2003	\$ 53,880,438	\$ 4,366,229	\$ 153,644	\$ 6,639,372	\$ 1,517,838	\$ 2,360,819	\$ 598,426	\$ 5,274,468	\$ (33,117,388)	\$ 41,673,846
2004	\$ 55,299,168	\$ 4,366,229	\$ 153,644	\$ 7,323,652	\$ 1,651,452	\$ 2,372,867	\$ 598,427	\$ 6,343,690	\$ (35,580,014)	\$ 42,529,115
2005	\$ 57,826,544	\$ 7,842,230	\$ 153,644	\$ 8,264,289	\$ 1,888,495	\$ 2,459,834	\$ 598,427	\$ 2,420,742	\$ (38,406,218)	\$ 43,047,987
2006	\$ 60,320,595	\$ 7,843,583	\$ 153,644	\$ 8,479,187	\$ 2,046,814	\$ 2,474,932	\$ 599,106	\$ 3,430,631	\$ (41,237,791)	\$ 44,110,701
2007	\$ 61,679,929	\$ 7,843,583	\$ 153,644	\$ 8,492,135	\$ 1,923,324	\$ 2,637,662	\$ 599,106	\$ 3,799,309	\$ (43,833,510)	\$ 43,295,182
2008	\$ 65,547,117	\$ 7,843,636	\$ 153,644	\$ 8,697,019	\$ 1,944,940	\$ 2,914,982	\$ 599,106	\$ 1,381,059	\$ (46,453,449)	\$ 42,628,054
2009	\$ 66,171,877	\$ 7,843,636	\$ 153,644	\$ 8,725,118	\$ 2,393,295	\$ 3,023,573	\$ 599,106	\$ 3,054,175	\$ (49,481,317)	\$ 42,483,107

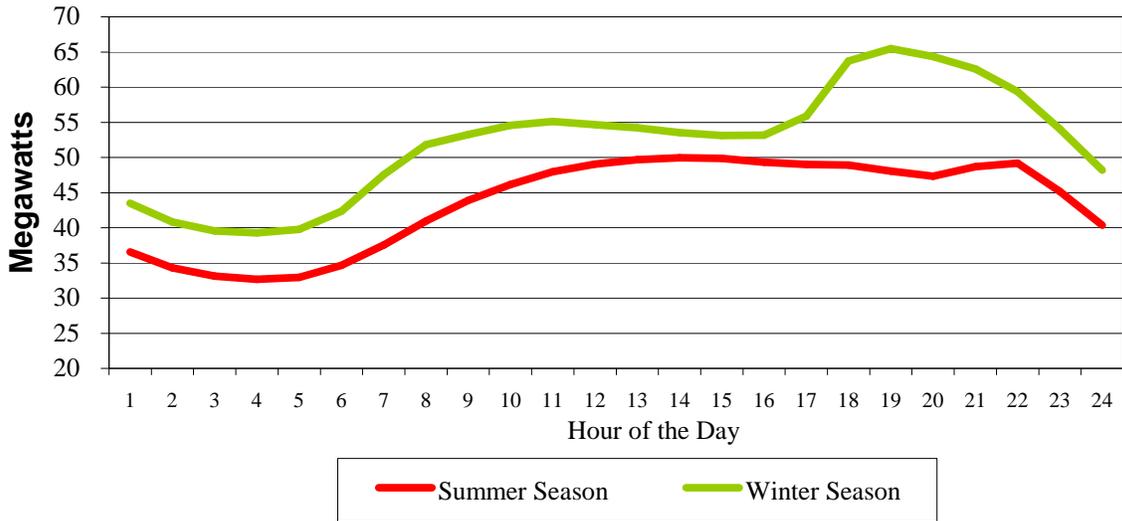
TELECOMMUNICATIONS OPERATIONS

<u>Fiscal Year</u>	<u>Plant</u>	<u>Service Center Building</u>	<u>Land & Rights</u>	<u>Machinery & Equipment</u>	<u>Transportation Equipment</u>	<u>Computer Equipment</u>	<u>Furniture & Fixtures</u>	<u>Construction in Progress</u>	<u>Less: Accumulated Depreciation</u>	<u>Net Telecommunication Capital Assets</u>
2000								\$ 1,271,049		\$ 1,271,049
2001	\$ 352,589	\$ -	\$ -	\$ 30,191	\$ 66,358	\$ 123,740	\$ 739	\$ 13,198,800	\$ (2,107)	\$ 13,770,310
2002	\$ 15,539,360	\$ -	\$ 605,029	\$ 30,193	\$ 131,747	\$ 383,438	\$ 739	\$ 1,101,407	\$ (63,018)	\$ 17,728,895
2003	\$ 16,705,506	\$ -	\$ 605,029	\$ 32,613	\$ 131,747	\$ 391,985	\$ 739	\$ 3,985,327	\$ (882,101)	\$ 20,970,845
2004	\$ 17,311,390	\$ -	\$ 605,029	\$ 134,096	\$ 131,746	\$ 390,149	\$ 739	\$ 11,946,878	\$ (1,877,755)	\$ 28,642,272
2005	\$ 24,007,430	\$ -	\$ 605,029	\$ 134,096	\$ 131,746	\$ 409,213	\$ 739	\$ 18,488,891	\$ (2,951,870)	\$ 40,825,274
2006	\$ 44,905,041	\$ -	\$ 605,029	\$ 211,885	\$ 253,752	\$ 494,189	\$ 739	\$ 1,358,279	\$ (5,124,376)	\$ 42,704,538
2007	\$ 47,617,069	\$ -	\$ 605,029	\$ 211,885	\$ 253,752	\$ 494,189	\$ 739	\$ 659,336	\$ (7,546,718)	\$ 42,295,281
2008	\$ 23,147,625	\$ -	\$ 605,029	\$ 211,885	\$ 253,752	\$ 494,189	\$ 739	\$ 19,485	\$ (10,090,048)	\$ 14,642,656
2009*	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -

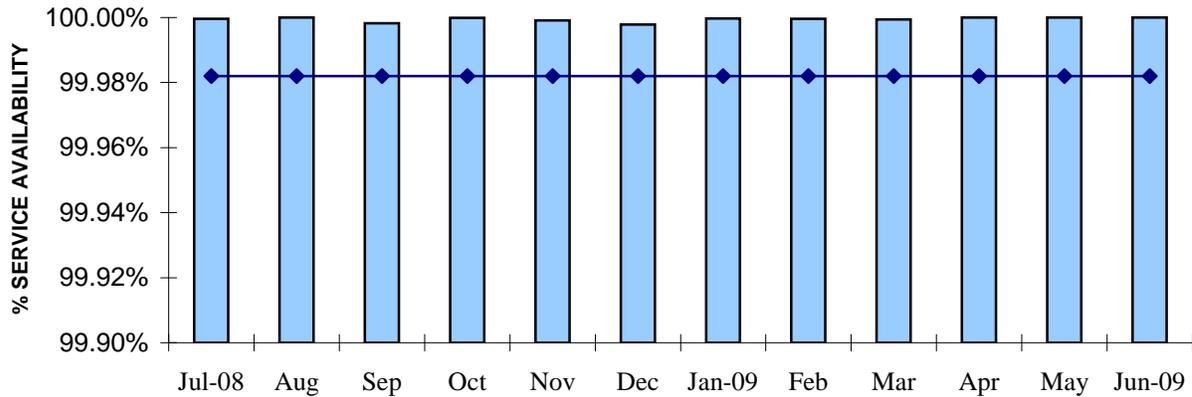
*Telecommunications operation was sold in November 2008
Source: Alameda Municipal Power Administrative Services

**CITY OF ALAMEDA
ALAMEDA MUNICIPAL POWER
OPERATION INDICATORS**

AVERAGE DAILY LOADS FY 2009



SYSTEM RELIABILITY FY 2009



COMMITMENT:

Provide customers with reliable electric service.

GOAL:

Maintain reliability index above the national average.

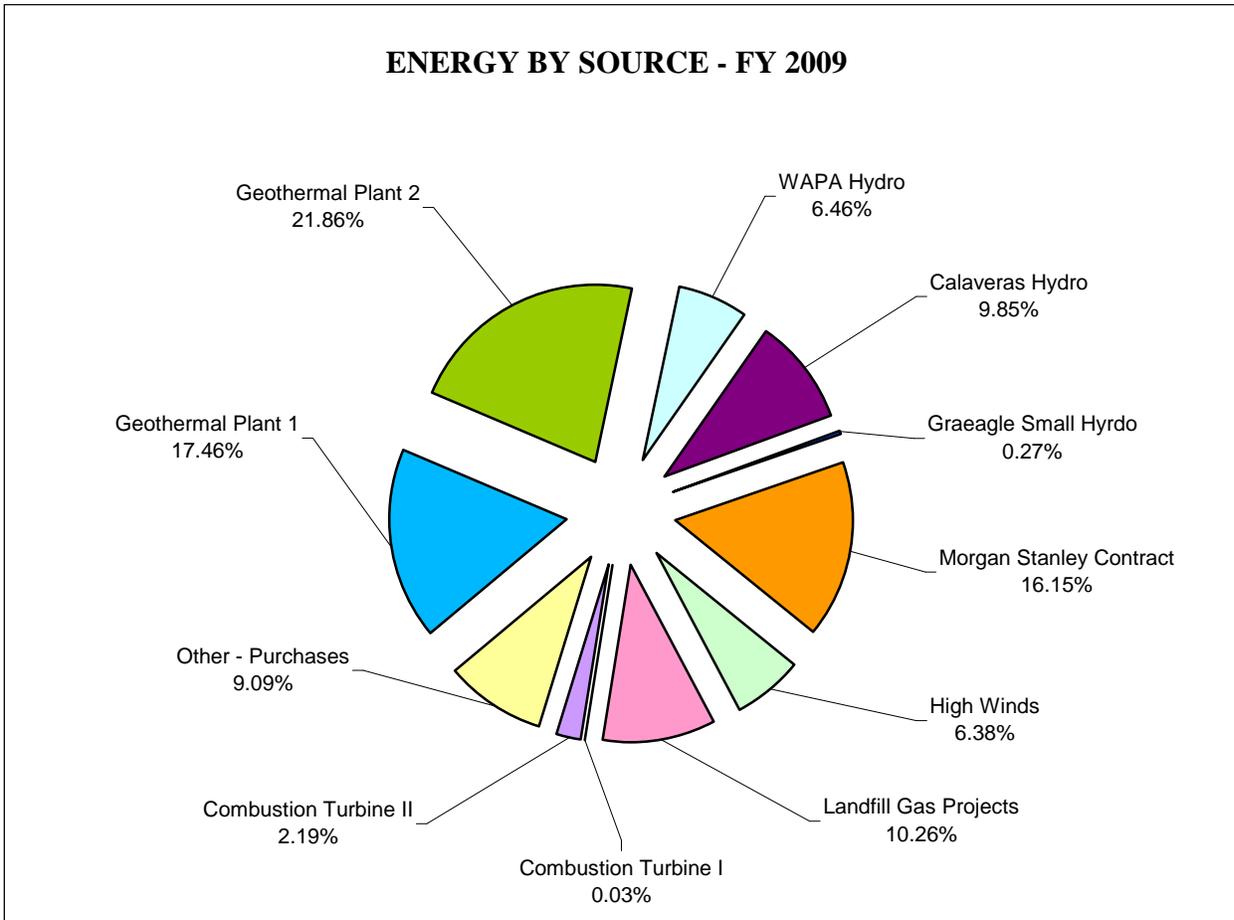
INDICATOR:

Reliability index for service reliability.

INDEX CALC:

$(\text{Customer minutes served}) / (\text{Total customer minutes in the month})$

**CITY OF ALAMEDA
ALAMEDA MUNICIPAL POWER
OPERATION INDICATORS**



MISCELLANEOUS STATISTICS - FY 2009

Since:	1887
Budgeted Employees	95
Vehicles:	43
Service Area (Miles):	22.80
Transmission Lines (115kV)	
Overhead Pole Miles:	6.77
Underground Circuit Miles:	1.93
Distribution Lines (12kV)	
Overhead Pole Miles:	86.56
Underground Circuit Miles:	170.92
Street Lights:	6,440
Outage Minutes (Per Customer Year FY2009):	2.58