

FISCAL NOTE

STATE OF ALASKA
2010 LEGISLATIVE SESSION

Fiscal Note Number: HB280
 Bill Version: _____
 () Publish Date: _____

Identifier (file name): HB280-CED-RCA-02-08-10 Dept. Affected: DCCED
 Title Natural Gas RDU Regulatory Commission of Alaska (399)
 Component Regulatory Commission of Alaska
 Sponsor Hawker, Chenault
 Requester House Labor & Commerce Component Number 2417

Expenditures/Revenues (Thousands of Dollars)

Note: Amounts do not include inflation unless otherwise noted below.

	Appropriation Required	Information						
		FY 2011	FY 2011	FY 2012	FY 2013	FY 2014	FY 2015	FY 2016
OPERATING EXPENDITURES								
Personal Services	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Travel								
Contractual								
Supplies								
Equipment								
Land & Structures								
Grants & Claims								
Miscellaneous								
TOTAL OPERATING	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0

CAPITAL EXPENDITURES								
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CHANGE IN REVENUES ()								
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FUND SOURCE (Thousands of Dollars)

1002 Federal Receipts								
1003 GF Match								
1004 GF								
1005 GF/Program Receipts								
1037 GF/Mental Health								
Other Interagency Receipts								
TOTAL	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0

Estimate of any current year (FY2010) cost: 0.0

POSITIONS

Full-time								
Part-time								
Temporary								

ANALYSIS: (Attach a separate page if necessary)

The proposed legislation would provide financial incentives for natural gas storage facilities and for exploration in the Cook Inlet basin, and provide general guidance to the Regulatory Commission of Alaska (RCA) on natural gas pricing. Statutes governing the general powers and duties of the RCA would be revised to require the RCA, when considering whether approval of a natural gas supply contract is in the public interest, to (1) recognize the public benefits of a utility's ability to negotiate different pricing mechanisms with different suppliers and maintain a diversified portfolio of gas supply contracts to protect customers from the risks of inadequate supply or excessive costs that may arise from a single pricing mechanism, and (2) consider whether the utility could meet its responsibility to the public in a timely manner should the rate of gas supply contract not be approved.
 (ANALYSIS CONTINUED)

Prepared by: Robert M. Pickett, Chairman
 Division Regulatory Commission of Alaska
 Approved by: Emil R. Notti, Commissioner
Commerce, Community, and Economic Development

Phone 907.276.6222
 Date/Time 2/8/10 11:30 AM
 Date 2/8/2010

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BILL NO. HB 280

ANALYSIS CONTINUATION

This legislation would require that certain factors be recognized or considered when the RCA determines whether to approve natural gas supply contracts. The RCA expects to implement the provisions of this legislation with existing resources. The RCA can incorporate this review into the existing review process for natural gas supply contracts.