

# FISCAL NOTE

STATE OF ALASKA  
2010 LEGISLATIVE SESSION

Fiscal Note Number: 2  
Bill Version: CSHB 280(L&C)  
(H) Publish Date: 2/17/10

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

## Expenditures/Revenues (Thousands of Dollars)

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

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

<b>CAPITAL EXPENDITURES</b>							
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<b>CHANGE IN REVENUES ( )</b>							
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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							
<b>TOTAL</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>

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)

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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

## **FISCAL NOTE #2**

**STATE OF ALASKA**  
**2010 LEGISLATIVE SESSION**

**BILL NO.** CSHB 280(L&C)

### **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.