

Fiscal Note

State of Alaska
2024 Legislative Session

Bill Version:	HB 313
Fiscal Note Number:	1
(H) Publish Date:	2/9/2024

Identifier: LL0516-DCCED-RCA-01-25-24
 Title: PUBLIC UTILITY REGULATORY COST CHARGE
 Sponsor: RLS BY REQUEST OF THE GOVERNOR
 Requester: GOVERNOR

Department: Department of Commerce, Community and
Economic Development
 Appropriation: Regulatory Commission of Alaska
 Allocation: Regulatory Commission of Alaska
 OMB Component Number: 2417

Expenditures/Revenues

Note: Amounts do not include inflation unless otherwise noted below. (Thousands of Dollars)

	FY2025	Included in	Out-Year Cost Estimates				
	Appropriation Requested	Governor's FY2025 Request	FY 2026	FY 2027	FY 2028	FY 2029	FY 2030
OPERATING EXPENDITURES	FY 2025	FY 2025	FY 2026	FY 2027	FY 2028	FY 2029	FY 2030
Personal Services							
Travel							
Services							
Commodities							
Capital Outlay							
Grants & Benefits							
Miscellaneous							
Total Operating	0.0	0.0	0.0	0.0	0.0	0.0	0.0

Fund Source (Operating Only)

None							
Total	0.0	0.0	0.0	0.0	0.0	0.0	0.0

Positions

Full-time							
Part-time							
Temporary							

Change in Revenues

1141 RCA Rcpts (DGF)	98.0		775.0	775.0	775.0	775.0	775.0
Total	98.0	0.0	775.0	775.0	775.0	775.0	775.0

Estimated SUPPLEMENTAL (FY2024) cost: 0.0 *(separate supplemental appropriation required)*

Estimated CAPITAL (FY2025) cost: 0.0 *(separate capital appropriation required)*

Does the bill create or modify a new fund or account? No
(Supplemental/Capital/New Fund - discuss reasons and fund source(s) in analysis section)

ASSOCIATED REGULATIONS

Does the bill direct, or will the bill result in, regulation changes adopted by your agency? No
 If yes, by what date are the regulations to be adopted, amended or repealed? N/A

Why this fiscal note differs from previous version/comments:

Not applicable, initial version.

Prepared By:	Robert A. Doyle, Chairman	Phone:	(907)276-6222
Division:	Regulatory Commission of Alaska	Date:	01/25/2024 11:00 AM
Approved By:	Hannah Lager, Administrative Services Director	Date:	02/07/24
Agency:	Commerce, Community, and Economic Development		

FISCAL NOTE ANALYSIS

STATE OF ALASKA
2024 LEGISLATIVE SESSION**Analysis**

The budgets of the Regulatory Commission of Alaska (RCA) and the Department of Law's Regulatory Affairs and Public Advocacy Section (RAPA) are funded by the Regulatory Cost Charge (RCC), a statutorily capped assessment on utility revenues that covers the annual operational costs of the RCA and RAPA. This legislation increases the RCC statutory cap from 0.7 to 0.98 percent for the RCA and from 0.17 to 0.22 percent for RAPA. The RCCs were last increased in 2004, at which time the RCCs were capped at 0.8 percent to fund the operations of both the RCA and RAPA.

Annual RCC collections vary based on utility consumption and revenues. The RCC rate is recalculated each fiscal year following a statutory formula that considers the RCA and RAPA's activity that can be attributed to each regulated sector; the annual appropriated budgets of the RCA and RAPA; and the amount of unspent prior-year collections that are carried forward to the following year.

The current RCC cap is insufficient to support the appropriated budget for RAPA as of FY2023. In FY2025 and future years, an additional \$98.0 in revenue collections is required to meet the projected baseline budget for RAPA with no change in operations.

It is projected that the current statutory RCC cap will be insufficient to support the baseline RCA budget as soon as FY2026. For purposes of this fiscal note, \$677.0 change in revenues is projected beginning in FY2026. This calculation is based on a five-year average of benefit, health insurance, and salary changes for the Commission's staff and an average two percent growth in gross operating revenues of Alaska utilities.

This change in revenues is not related to operational growth in the RCA or RAPA. The Regulatory Commission of Alaska does not anticipate additional costs associated with this bill.