

CS FOR SENATE BILL NO. 284(RES)

IN THE LEGISLATURE OF THE STATE OF ALASKA

NINETEENTH LEGISLATURE - SECOND SESSION

BY THE SENATE RESOURCES COMMITTEE

Offered: 4/11/96

Referred: STA, FIN

Sponsor(s): SENATE RULES COMMITTEE BY REQUEST OF THE GOVERNOR

A BILL

FOR AN ACT ENTITLED

1 "An Act relating to bonds issued to repair, improve, or maintain the four dam
2 pool; and relating to the four dam pool transfer fund and the power
3 development fund."

4 **BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF ALASKA:**

5 * **Section 1. PURPOSE.** (a) The purpose of this Act is to facilitate the issuance of bonds
6 or other debt by the Alaska Energy Authority so that needed repairs can be made to the
7 hydroelectric facilities that make up the initial project.

8 (b) It is the intent of the legislature that the authority and the purchasing utilities
9 continue to negotiate in good faith with respect to the transfer of ownership of the initial
10 project to the utilities, and that a transfer plan or other long-term solution to the economic
11 difficulties of the initial project be presented to the Twentieth Alaska State Legislature.

12 (c) In this section,

13 (1) "initial project" means the power project described as the initial project in
14 AS 44.83.398(a), consisting of the Tyee Lake, Swan Lake, Solomon Gulch, and Terror Lake

1 hydroelectric facilities;

2 (2) "purchasing utilities" means the City of Ketchikan, doing business as
3 Ketchikan Public Utilities; the City of Wrangell, doing business as Wrangell Municipal Light
4 and Power; the City of Petersburg, doing business as Petersburg Municipal Power and Light;
5 Copper Valley Electric Association, Inc.; and Kodiak Electric Association, Inc.

6 * **Sec. 2.** AS 42.45.050(b) is amended to read:

7 (b) Subject to appropriation, the department shall transfer the balance of the
8 four dam pool transfer fund **annually as follows:** [EACH MONTH IN
9 ACCORDANCE WITH THIS SUBSECTION. SUBJECT TO APPROPRIATION]

10 (1) **first, to the power development fund (AS 44.83.382) in the**
11 **amount, if any, necessary to pay debt service on loans or on bonds issued by the**
12 **Alaska Energy Authority, only if the proceeds of those loans or bonds were used**
13 **for the purpose of repairing, improving, or maintaining the initial project as**
14 **defined in AS 44.83.398;**

15 (2) **next, the remaining balance, if any, as follows:**

16 (A) 40 percent of the balance in the four dam pool transfer fund
17 shall be transferred to the power cost equalization and rural electric
18 capitalization fund to be used for power cost equalization and rural electric
19 projects;

20 (B) [(2)] 40 percent of the balance in the four dam pool transfer
21 fund shall be transferred to the Southeast energy fund to be used for power
22 projects for utilities participating in the power transmission intertie between the
23 Swan Lake and Tye Lake hydroelectric projects; and

24 (C) [(3)] 20 percent of the balance in the four dam pool transfer
25 fund shall be transferred to the power project fund to be used for statewide
26 utility projects.

27 * **Sec. 3.** AS 44.83.100(b) is amended to read:

28 (b) Bonds shall be authorized by resolution of the authority, and shall be dated
29 and shall mature as the resolution may provide, **consistent with the requirements of**
30 **this subsection** [EXCEPT THAT NO BOND MAY MATURE MORE THAN 50
31 YEARS FROM THE DATE OF ITS ISSUE]. Bonds shall bear interest at the rates,

1 be in the denominations, be in the form, either coupon or registered, carry the
2 registration privileges, be executed in the manner, be payable in the medium of
3 payment, at the places, and be subject to the terms of redemption which the resolution
4 or a subsequent resolution may provide. **A bond issued on or after May 1, 1996,**
5 **whose proceeds were used for the purpose of repairing, improving, or maintaining**
6 **the initial project as defined in AS 44.83.398 must mature within eight years from**
7 **the date of issue. Other bonds issued under this subsection must mature within**
8 **50 years from the date of issue.**

9 * **Sec. 4.** AS 44.83.384(a) is amended to read:

10 (a) The fund may be used by the authority to provide money for

11 (1) the defeasance of bonds, or the payment of debt service on loans
12 for or on an issue of bonds sold in connection with a power project constructed or
13 acquired before August 11, 1993;

14 (2) the cost of operating, **repairing, improving,** and maintaining power
15 projects constructed or acquired before August 11, 1993; and

16 (3) debt service on power projects constructed or acquired before
17 August 11, 1993.