

CS FOR HOUSE BILL NO. 336(JUD)

IN THE LEGISLATURE OF THE STATE OF ALASKA

TWENTIETH LEGISLATURE - SECOND SESSION

BY THE HOUSE JUDICIARY COMMITTEE

Offered: 2/20/98
Referred: Finance

Sponsor(s): REPRESENTATIVES KUBINA, Kott

A BILL

FOR AN ACT ENTITLED

1 **"An Act relating to eligibility for power cost equalization."**

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

3 * **Section 1.** AS 42.45 is amended by adding a new section to read:

4 **Sec. 42.45.145. Ineligibility for power cost equalization after certain**
5 **construction.** An electric utility that is otherwise determined to be an eligible electric
6 utility under AS 42.45.150 becomes ineligible to receive power cost equalization on
7 the day that is six months after the day on which an electric generation facility
8 described in this section first provides electricity to customers served by the electric
9 utility. An electric utility loses its eligibility under AS 42.45.100 - 42.45.150 if, on
10 or after January 1, 1998, it constructs a hydroelectric generation facility, or other
11 electric generation facility that is not powered by diesel fuel, for which a grant from
12 the state pays at least half the cost of construction and that is designed to supply more
13 than 75 percent of the total electrical load of that utility.

14 * **Sec. 2.** AS 42.45.150(2) is amended to read:

15 (2) "eligible electric utility" or "electric utility" means a public,

1 cooperative, or other corporation, company, individual, or association of individuals,
2 and includes the lessees, trustees, or receivers appointed by a court, that **has not**
3 **become ineligible under AS 42.45.145 and that**

4 (A) owns, operates, manages, or controls a plant or system for
5 the furnishing, by generation, transmission, or distribution, of electric service
6 to the public for compensation;

7 (B) during calendar year 1983, had a residential consumption
8 level of power eligible for power cost equalization under former AS 44.83 of
9 less than 7,500 megawatt hours or had a residential consumption level of power
10 eligible for power cost equalization under former AS 44.83 of less than 15,000
11 megawatt hours if the utility served two or more municipalities or
12 unincorporated communities; and

13 (C) during calendar year 1984, used diesel fired generators to
14 produce more than 75 percent of the electrical consumption of the utility; an
15 electric utility that is a subsidiary of another electric utility is an "eligible
16 electric utility" if the operations of the subsidiary, considered separately, meet
17 the eligibility requirements of AS 42.45.100 - 42.45.150; if an electric utility
18 did not receive power cost assistance in 1983 but is otherwise eligible for
19 power cost equalization under AS 42.45.100 - 42.45.150, the utility is an
20 "eligible electric utility";