

# FISCAL NOTE

No. 1  
 Bill Version: SS 98 10  
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**STATE OF ALASKA**  
**1999 LEGISLATIVE SESSION**

Revision Date/Time (Note if correction) \_\_\_\_\_ Dept. Affected \_\_\_\_\_  
 Title Alaska Public Utilities Commission BRU AK Public Utilities Commission  
 Component APUC Operations  
 Sponsor Sen. Donley  
 Requester S. Labor & Commerce Component Serial No. 346

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

OPERATING EXPENDITURES	FY 2000	FY 2001	FY 2002	FY 2003	FY 2004	FY 2005
Personal Services	36.9	36.9	0.0	0.0	0.0	0.0
Travel	0.5	0.5	0.0	0.0	0.0	0.0
Contractual	53.4	53.4	0.0	0.0	0.0	0.0
Supplies	0.8	0.8	0.0	0.0	0.0	0.0
Equipment	0.2	0.2	0.0	0.0	0.0	0.0
Land & Structures						
Grants & Claims						
Miscellaneous						
<b>TOTAL OPERATING</b>	<b>91.8</b>	<b>91.8</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>

CAPITAL EXPENDITURES	FY 2000	FY 2001	FY 2002	FY 2003	FY 2004	FY 2005
<b>CHANGE IN REVENUES ( )</b>	<b>91.8</b>	<b>91.8</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>

**FUND SOURCE** (Thousands of Dollars)

1002 Federal Receipts						
1003 GF Match						
1004 GF						
1005 GF/Program Receipts						
1037 GF/Mental Health						
Other (Specify Type)	91.8	91.8	0.0	0.0	0.0	0.0
<b>TOTAL</b>	<b>91.8</b>	<b>91.8</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>

Estimate of any current year (FY99) cost: \_\_\_\_\_

**POSITIONS**

Full-time	0.5	0.5	0	0	0	0
Part-time	0	0	0	0	0	0
Temporary	0	0	0	0	0	0

**ANALYSIS:** (Attach a separate page if necessary)

*Please see attached*

Prepared by Robert A. Lohr Phone 263-2174  
 Division APUC Date/Time 3/16/99 2:32 PM  
 Approved by Commissioner [Signature] Date 3/16/99  
 Agency \_\_\_\_\_

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SSSB 10 Fiscal Note:

SSSB 10 is An Act requiring a utility that provides services in a municipality with a population of more than 100,000 to have an ongoing program of placing existing overhead utility lines underground; and relating to rates for recovering the cost of placing existing overhead utility lines underground.

SSSB 10 adds a new subsection AS 42.05.381(i) which directs the commission to "permit a utility to establish rates for services provided to customers in a municipality that enable the utility to recover from customers in that municipality the full actual cost of placing existing overhead utility lines in that municipality underground." To fulfill this requirement the commission anticipates a regulation proceeding which will establish implementation guidelines and a surcharge mechanism to recover the revenue required implementing this program. It is anticipated that part of the surcharge mechanism will include a balancing account to levelize the payments from year to year.

This bill will currently be applicable to the electric utilities in the Municipality of Anchorage (Chugach, ML&P & MEA) and the dominant telephone utilities (ATU & MTA). In addition to the above, the non-dominant telephone carriers (GCI & AT&T) and possibly facility based interexchange telecommunication carriers (AT&T Alascom, GCI, AFS) will be involved in the regulation proceedings. The regulation proceeding will require a Financial Analyst to act as the docket manager in establishing a recovery mechanism as well as assistance from the Engineering and Tariffs sections to research and provide technical assistance. Issues associated with existing joint use agreements promulgated by AS 42.05.311 and AS 52.05.321 will also be involved as this bill is implemented.

Note: Cable television utilities (GCI-Cable) will also be required to relocate facilities.

Personnel Costs:

a) A Utility Financial Analyst (UFA) is required to act as a docket manager for the regulatory proceeding and to review the depreciation and joint use issues and the tariff filings that will result from the proceeding and implementation of the bill. It is anticipated 50% of the UFA III's time will be devoted during the first three years.

Contractual Costs: There is a high potential for litigation related to the terms in the bill. Legal expense in the contractual line is estimated at \$49.5 for FY 2000 and FY2001. The rental expense for staff is \$3.9. Total Contractual line is \$53.4.