

FISCAL NOTE

STATE OF ALASKA
2004 LEGISLATIVE SESSION

Fiscal Note Number: 1
 Bill Version: CSSB 350(L&C)
 (S) Publish Date: 3/12/04

Revision Date/Time (Note if correction): _____ Dept. Affected: DCED
 Title Four Dam Pool Joint Action Agency RDU AIDEA (125)
 Component AIDEA
 Sponsor Senator Gary Stevens
 Requester Senate Labor & Commerce Component No. 1234

Expenditures/Revenues (Thousands of Dollars)

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

OPERATING EXPENDITURES	FY 2005	FY 2006	FY 2007	FY 2008	FY 2009	FY 2010
Personal Services						
Travel						
Contractual						
Supplies						
Equipment						
Land & Structures						
Grants & Claims						
Miscellaneous						
TOTAL OPERATING	0.0	0.0	0.0	0.0	0.0	0.0

CAPITAL EXPENDITURES						
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CHANGE IN REVENUES ()						
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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 (Specify Type--Do not abbreviate)						
TOTAL	0.0	0.0	0.0	0.0	0.0	0.0

Estimate of any current year (FY2004) cost: 0.0

Mark this box (X) if funding for this bill is included in the Governor's FY 2005 budget proposal:

POSITIONS

Full-time						
Part-time						
Temporary						

ANALYSIS: (Attach a separate page if necessary)

See next page.

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 Division: AIDEA/AEA
 Approved by: Edgar Blatchford, Commissioner
 Agency: Department of Community & Economic Development

Phone (907) 269-3000
 Date/Time 3/10/04 9:26 AM
 Date 3/10/2004

FISCAL NOTE #1

**STATE OF ALASKA
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BILL NO. CSSB 350(L&C)

ANALYSIS CONTINUATION

The bill states that a joint action agency is a political subdivision for certain purposes, and it clarifies that a joint action agency's assets, including The Four Dam Pool Power Joint Action Agency's, may be mortgaged to secure financing by the joint action agency.

In addition, the bill states that the joint action agency's assets may be transferred in connection with a foreclosure without legislative approval. The bill also provides the Alaska Energy Authority (AEA) the ability to amend the Memorandum of Understanding between the purchasing utilities and AEA that was adopted by reference in 2000 SLA Ch 60 to be consistent with the changes in this bill.

On January 31, 2002, the Alaska Industrial Development and Export Authority (AIDEA) loaned \$77.1 million to the Four Dam Pool Power Joint Action Agency (the "Agency") for the purchase, closing costs and initial funding of reserves related to the Agency's acquisition of the Four Dam Pool Project from AEA.

It is AIDEA's understanding that this bill will assist in the Agency's efforts to pay off its debt to AIDEA and obtain lower interest rate financing. The interest rate on the AIDEA loan is 6.5% and the principal amount due is approximately \$74 million. Repayment of this loan will allow AIDEA to loan these funds through AIDEA's loan participation program at current interest rates of approximately 6.88%.

This bill has no general fund impact and although the fiscal impact to AIDEA is expected to be positive, the amount is indeterminate.