

Offered: 4/15/82  
Referred: Rules

Original sponsors: Rogers and Buchholdt

1 IN THE HOUSE

BY THE FINANCE COMMITTEE

2 SENATE CS FOR CS FOR SPONSOR SUBSTITUTE FOR HOUSE BILL NO. 9 (Finance)

3 IN THE LEGISLATURE OF THE STATE OF ALASKA

4 TWELFTH LEGISLATURE - SECOND SESSION

5 A BILL

6 For an Act entitled: "An Act relating to the Alaska Power Authority; and  
7 providing for an effective date."

8 BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF ALASKA:

9 \* Section 1. AS 44.83.110 is amended by adding a new subsection to read:

10 (h) If the authority decides to issue bonds secured by a capital  
11 reserve fund, the bonds may not be issued until 10 days after the  
12 authority has mailed notification to the State Bond Committee and the  
13 Legislative Budget and Audit Committee by certified mail of its inten-  
14 tion to establish a capital reserve fund to secure the bond issue. The  
15 notification shall include the amount of the capital reserve fund to be  
16 established, the amount of bonds proposed to be issued, and the total  
17 cost of the project for which the bonds are to be issued. The notifica-  
18 tion shall be accompanied by an estimate by the authority of the need to  
19 withdraw money from the capital reserve fund during the term of the bond  
20 issue, the amount that it may be necessary to withdraw, and the time at  
21 which withdrawals are estimated to be needed. The authority shall  
22 annually prepare a revised estimate, considering the same factors, and a  
23 statement of all withdrawals that have occurred from the date of issuance  
24 of the bonds to the end of the calendar year. The revised estimate and  
25 statement shall be submitted to the State Bond Committee and the Legis-  
26 lative Budget and Audit Committee by January 30 of the succeeding year.

27 \* Sec. 2. AS 44.83.181(b)(1) is amended to read:

28 (1) information about the proposed project, including but not  
29 limited to estimates of total project construction costs, total project

1 operating costs, the costs of transmission systems and reserve power  
2 requirements, the timing and amount of anticipated returns from the  
3 completed project, a benefit-to-cost ratio, the potential effect of the  
4 project on the environment of the area which will be served by the  
5 project when completed, and the availability of alternative government  
6 financing;

7 \* Sec. 3. AS 44.83.183 is amended by adding a new subsection to read:

8 (e) The report required by (c) of this section shall include a fi-  
9 nancial analysis of the proposed project of the authority that evaluates  
10 proposed bond resolutions or other financial arrangements or financial  
11 plans, security plans and arrangements, cost and demand uncertainties,  
12 and debt volume, as they relate to the total direct and indirect indebt-  
13 edness of the state. In preparing the financial analysis required by  
14 this section the division of budget and management may use the services  
15 of outside agencies or institutions that are not otherwise involved in  
16 the project.

17 \* Sec. 4. AS 44.83.185(c) is amended to read:

18 (c) The legislature shall consider and must approve all proposed  
19 new projects except proposed new projects that are exempt under AS 44.-  
20 83.187. The legislature may approve a proposed new project only by  
21 enacting law that authorizes the project and approves a maximum con-  
22 struction cost for [AUTHORIZING] that project.

23 \* Sec. 5. AS 44.83 is amended by adding a new section to read:

24 Sec. 44.83.186. FINAL COST ESTIMATE AND REAUTHORIZATION BY THE  
25 LEGISLATURE. If a project is approved under AS 44.83.185(c), the  
26 authority shall obtain a final cost estimate for the project from an  
27 independent source qualified to make such an estimate. If the final  
28 cost estimate does not exceed the cost estimate presented by the  
29 authority to the legislature under AS 44.83.185 by more than five

1 percent, the authority may proceed with the construction of the project.  
2 If the final cost estimate, adjusted for inflation, exceeds the cost  
3 estimate presented by the authority to the legislature under AS 44.83.-  
4 185 by more than five percent, the authority shall revise its feasibility  
5 study and, if it determines that the project remains feasible, the  
6 authority shall submit the revised feasibility study and the independent  
7 cost estimate to the legislature. A proposed project that is returned  
8 for reconsideration by the legislature under this section may not be  
9 constructed unless the legislature reauthorizes it by enacting law for  
10 that purpose.

11 \* Sec. 6. AS 44.83.189 is amended by adding a new subsection to read:

12 (b) A contractor who has participated in the preparation of the  
13 feasibility study for or in the engineering design of the project may  
14 not participate in the construction management or the construction of  
15 the project by the authority.

16 \* Sec. 7. AS 44.83.398(c) is amended to read:

17 (c) The authority shall transmit all the money that it receives  
18 under (a) [(b)] of this section to the commissioner of revenue for  
19 deposit in the state general fund except for [THE] money it has pledged  
20 to secure bonds in accordance with contracts with bondholders [RECEIVES  
21 UNDER (b)(1)(A) AND (B) AND (b)(2)(B)(1) AND (11), OR THE MONEY IT WOULD  
22 HAVE RECEIVED UNDER (b)(1)(A) AND (B) AND (b)(2)(B)(1) AND (11) OF THIS  
23 SECTION IF THOSE ITEMS HAD BEEN USED IN PART TO ESTABLISH THE WHOLESALE  
24 POWER RATE IN EFFECT AT THE TIME THE MONEY IS RECEIVED BY THE AUTHORITY].

25 \* Sec. 8. AS 44.83.398(e) is amended to read:

26 (e) The legislature may, by law, annul or change the wholesale  
27 power rate for sales of power that the authority adopts under (b) of  
28 this section, except to the extent the authority makes an agreement with  
29 bondholders to maintain or increase the wholesale power rate.

1 \* Sec. 9. Section 14, ch. 118, SLA 1981 is amended to read:

2 Sec. 14. LOCATION OF TRANSMISSION SYSTEM IN DENALI STATE PARK.

3 The Alaska Power Authority may design, acquire a right-of-way for, and  
4 construct a 345 KV high voltage electrical transmission system connect-  
5 ing Anchorage and Fairbanks. The transmission line authorized by this  
6 section shall be considered a use that is compatible with the purposes  
7 of the Denali State Park within the boundaries of the Denali State Park.  
8 The route of the transmission system authorized by this section may  
9 [SHALL] be located within the Denali State Park in consultation with the  
10 division of parks, Department of Natural Resources.

11 \* Sec. 10. This Act takes effect immediately in accordance with AS 01.10.-  
12 070(c).