

Introduced: 2/20/85
Referred: House Special Committee
on State Loans, Resources and
Finance

5

1 IN THE HOUSE

BY THE HOUSE SPECIAL
COMMITTEE ON STATE LOANS

2

HOUSE BILL NO. 219

3

IN THE LEGISLATURE OF THE STATE OF ALASKA

4

FOURTEENTH LEGISLATURE - FIRST SESSION

5

A BILL

6 For an Act entitled: "An Act relating to the applicability of the Alaska
7 Public Utilities Commission Act to certain electric
8 utilities; power development loans; and the energy
9 program for Alaska."

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

11 * Section 1. AS 42.05.711(b) is amended to read:

12 (b) Public utilities owned and operated by a political subdivi-
13 sion of the state and regional electric authorities established as an
14 instrumentality of two or more public utilities owned and operated by
15 a political subdivision of the state, none of whose utilities is in
16 competition with any other utility, are exempt from the provisions of
17 this chapter, other than the provisions of AS 42.05.221 - 42.05.281,
18 unless the owner and operator elects to be subject to all provisions
19 of this chapter.

20 * Sec. 2. AS 44.33.620(a) is amended to read:

21 (a) Except as provided in (d) of this section, a [A] loan from
22 the fund must be repaid in accordance with the terms that the depart-
23 ment determines to be appropriate. In establishing the terms, includ-
24 ing provision for a return to the state of an amount in excess of the
25 principal amount of the loan, the department shall consider the reve-
26 nue that the authority could reasonably derive from the sale of power
27 from the projects based upon

28 (1) the market rate of interest for a loan of comparable
29 size and duration at the time the loan is made; and

1 (2) the estimated costs of alternative sources of energy
2 generation for utilities purchasing power from a project financed with
3 a loan from the fund.

4 * Sec. 3. AS 44.33.620 is amended by adding a new subsection to read:

5 (d) A loan from the fund to finance the initial project, as
6 described in AS 44.83.398(a), shall be subject to the following terms:

7 (1) the loan must be amortized based on an annual interest
8 rate not to exceed four percent, a term not to exceed 50 years, and a
9 40-year amortization period;

10 (2) the annual debt service payment per kilowatt hour for
11 energy purchased by utilities from the initial project equals the
12 total annual payment needed to amortize the loan on the terms set out
13 in (1) of this subsection divided by the long-term average annual
14 kilowatt hour capability of the initial project;

15 (3) repayment may be adjusted so that the debt service
16 payment per kilowatt hour, as determined under (2) of this subsection,
17 increases gradually over the first five years of the loan and remains
18 fixed over the next 35 years; and

19 (4) deferred principal shall be repaid with interest in
20 equal annual installments during the last 10 years of the loan.

21 * Sec. 4. AS 44.83.425(5) is amended to read:

22 (5) "qualified utility" means an electric utility or a
23 regional electric authority established as an instrumentality of two
24 or more electric utilities [THAT IS] certified by the Alaska Public
25 Utilities Commission to serve all or part of a market area that is
26 served or will be served by the power project, [AND] that the author-
27 ity determines is capable of operating and maintaining the power
28 project.