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Referred: House Special Committee
on Oil & Gas

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1 IN THE HOUSE

2 HOUSE RESOLUTION NO. 9

3 IN THE LEGISLATURE OF THE STATE OF ALASKA

4 FOURTEENTH LEGISLATURE - FIRST SESSION

5 Relating to natural gas price increases.

6 BE IT RESOLVED BY THE HOUSE OF REPRESENTATIVES:

7 WHEREAS effective April 1, 1985, the Department of Natural Resources
8 plans to assess royalties on natural gas at current market rates instead of
9 contracted rates, thereby raising the price of royalty gas the state sells
10 to producers including those in the Cook Inlet Basin; and

11 WHEREAS the increase in the price of royalty gas sold to Cook Inlet
12 producers will increase electric and natural gas rates to approximately
13 three-quarters of the state's population; and

14 WHEREAS electric rates will increase by as much as 20 percent for
15 nearly 100,000 homes and businesses in Southcentral Alaska alone; and

16 WHEREAS the electric rate increases will raise the cost of power to
17 consumers residing in 136 rural communities throughout the state that are
18 eligible for participation in the power cost assistance program; and

19 WHEREAS the royalty reassessment also will increase the cost of natu-
20 ral gas-fired electrical energy to be transmitted to the Fairbanks/Interior
21 region over the Anchorage-Fairbanks transmission intertie; and

22 WHEREAS under Art. III, sec. 1, Constitution of the State of Alaska,
23 the Governor is vested with executive power over the state and is responsi-
24 ble for all administrative decisions by state agencies and departments;

25 BE IT RESOLVED that the House of Representatives respectfully requests
26 the Governor to direct the Department of Natural Resources to suspend its
27 decision to revalue royalty gas at current market rates instead of con-
28 tracted rates, pending legislative review of the impact of the decision on
29 utility consumers.