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Referred: State Affairs and  
Finance

6-1312A

1 IN THE SENATE

BY POURCHOT

2

SENATE BILL NO. 301

3

IN THE LEGISLATURE OF THE STATE OF ALASKA

4

SIXTEENTH LEGISLATURE - FIRST SESSION

5

A BILL

6 For an Act entitled: "An Act relating to the power cost equalization  
7 program."

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

9 \* Section 1. AS 44.83.162(c) is amended to read:

10 (c) An eligible electric utility is entitled to receive power  
11 cost equalization

12 (1) for sales of power to local community facilities,  
13 calculated in the aggregate for each community served by the electric  
14 utility, for actual consumption of not more than 50 [70] kilowatt-  
15 hours per month for each resident of the community; and

16 (2) for actual consumption of not more than 500 [750]  
17 kilowatt-hours per month sold to each eligible customer in all classes  
18 served by the electric utility except to customers of the utility  
19 under (1) of this subsection.

20 \* Sec. 2. AS 44.83.162(e) is amended to read:

21 (e) An electric utility whose customers receive power cost  
22 equalization under this section shall set out in its tariff the rates  
23 without the power cost equalization and the amount of power cost  
24 equalization per kilowatt-hour sold. The rate charged to the customer  
25 shall be the difference between the two amounts. Power cost equaliza-  
26 tion paid under this section shall be used to reduce the cost of all  
27 power sold to local community facilities, in the aggregate, to the  
28 extent of 50 [70] kilowatt-hours per month per resident of the commu-  
29 nity, and to reduce the cost of the first 500 [750] kilowatt-hours per

1 customer per month for all other classes served by the electric utili-  
2 ty.

3 \* Sec. 3. AS 44.83.162(j) is amended to read:

4 (j) The authority shall review the report required under (i)(1)  
5 of this section and may submit the report to the commission for addi-  
6 tional review before payment. After review and approval of the report  
7 by the authority, the authority shall, subject to appropriation, pay  
8 to each eligible electric utility an amount equal to the power cost  
9 equalization per kilowatt-hour determined by the commission under (b)  
10 and (d) of this section, multiplied by the number of kilowatt-hours  
11 eligible for power cost equalization that were sold during the preced-  
12 ing month to all customers of the utility in accordance with (c) of  
13 this section. Payment shall be made by the authority within 30 days  
14 after receipt from the utility of the report required under (i) of  
15 this section. However, if there is a dispute between the authority  
16 and the utility relating to the payment, the authority shall submit  
17 the report to the commission for review within 30 days after its  
18 receipt by the authority. When a report is submitted to the commis-  
19 sion for review under this section, payment shall be made by the  
20 authority within 30 days after submission, based on a commission  
21 determination. If the commission determines that appropriations are  
22 insufficient for payment in full, the amount paid to each electric  
23 utility must fully fund, in descending order, residential customers,  
24 community facilities, and commercial facilities until the appropria-  
25 tion is fully spent. If the appropriation is insufficient for payment  
26 in full to a class of eligible customers, the amount paid to customers  
27 in that class must be [IS] reduced on a pro rata basis.

28 \* Sec. 4. AS 44.83.162(k) is amended to read:

29 (k) If an electric utility receives power cost equalization

1 under this section, the utility shall either  
2 (1) give the following notice to its electric service  
3 customers eligible under this program for each period for which the  
4 payment is received:

5 NOTICE TO CUSTOMER

6 For the current billing period the utility will be paid under the  
7 State of Alaska's power cost equalization program (AS 44.83.162) an  
8 amount to assist the utility and its customers in reducing the high  
9 cost of generation of electric energy. For electric energy consumed  
10 by eligible residential customers and private commercial customers,  
11 this state payment applies only to the first 500 kilowatt-hours per  
12 month used by each customer. For electric energy sold to eligible  
13 local community facilities, this state payment applies to the total  
14 number of kilowatt-hours used each month by all those facilities in  
15 the community, up to a maximum of 50 kilowatt-hours, multiplied by the  
16 number of residents in the community.

17	Your total electrical service cost	\$.....
18	Less state equalization	\$.....
19	Your charge	\$.....; or

20 (2) give to its electric service customers a notice ap-  
21 proved by the authority, which notice provides electric service cus-  
22 tomers the same information provided by the notice in (1) of this  
23 subsection.

24 \* Sec. 5. AS 44.83.162(p)(2) is amended to read:

25 (2) "community facility" means a facility essential to the  
26 public health, safety, and welfare of the community, and includes a  
27 water and sewer facility, public outdoor lighting including, lighting  
28 for a community-owned airport strip or harbor, a community washeteria  
29 or freezer, a community volunteer firehall, a community health clinic,

1 a village public safety office, a [,] charitable educational facility,  
2 or a community building whose operations are not paid for by the  
3 state, the federal government, or private commercial interests;

4 \* Sec. 6. AS 44.83.162(p) is amended by adding a new paragraph to read:

5 (8) "eligible customer" means a residential customer, a  
6 private commercial customer whose purchase of power does not exceed  
7 1,000 kilowatt-hours per month or 12,000 kilowatt-hours annually, or a  
8 community facility;

9 \* Sec. 7. AS 44.83.163(a) is amended to read:

10 (a) The power cost equalization per kilowatt-hour determined  
11 under AS 44.83.162 payable to an electric utility that is subject to  
12 rate regulation under AS 42.05 may be adjusted by the commission if

13 (1) an increase or decrease in the electric utility's cost  
14 of fuel has resulted in the approval of a fuel cost rate adjustment by  
15 the commission;

16 (2) a permanent or interim rate increase or decrease has  
17 been approved by the commission, thereby establishing a higher or  
18 lower power cost; or

19 (3) an adjustment is required after the authority has  
20 discovered discrepancies in its review of monthly data submitted by  
21 the electric utility [; OR

22 (4) THE AUTHORITY DETERMINES THAT APPROPRIATIONS ARE INSUF-  
23 FICIENT TO FINANCE FULL PAYMENTS TO ELIGIBLE ELECTRIC UTILITIES].

24 \* Sec. 8. AS 44.83.163(b) is amended to read:

25 (b) An electric utility that is eligible to receive power cost  
26 equalization under this section and that receives power cost equaliza-  
27 tion per kilowatt-hour approved by the commission shall report monthly  
28 to the authority within the time and in the form the authority re-  
29 quires. An electric utility shall report

- 1                   (1) the power cost equalization per kilowatt-hour approved  
2 by the commission;
- 3                   (2) the total kilowatt-hours sold to each class of eligible  
4 customer during the preceding month;
- 5                   (3) the total kilowatt-hours eligible for power cost  
6 equalization under this section sold to each class of eligible  
7 customer during the preceding month;
- 8                   (4) the total kilowatt-hours generated during the preceding  
9 month, if available;
- 10                  (5) any commission-approved amendments to the schedule of  
11 rates in effect during the preceding month; and
- 12                  (6) an increase or decrease in the current unit price of  
13 fuel from the base price used by the commission in the determination  
14 of power costs which may be expected to result in a subsequent power  
15 cost equalization adjustment.