

**CS FOR HOUSE BILL NO. 50(L&C)**  
**IN THE LEGISLATURE OF THE STATE OF ALASKA**  
**EIGHTEENTH LEGISLATURE - FIRST SESSION**

**BY THE HOUSE LABOR AND COMMERCE COMMITTEE**

**Offered: 4/14/93**  
**Referred: Finance**

**Sponsor(s): REPRESENTATIVES NAVARRE, Carney, Brice, Sitton, Menard, Davies, Green**

**A BILL**

**FOR AN ACT ENTITLED**

1 "An Act authorizing power transmission interties between Anchorage and the  
2 Kenai Peninsula, between Healy and Fairbanks, between Sutton and Glennallen,  
3 and between the Swan Lake and Tye Lake hydroelectric projects, and approving  
4 the design and construction costs of the interties; relating to procurement  
5 contracts concerning certain electric transmission lines; creating the four dam pool  
6 account; and providing for an effective date."

7 **BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF ALASKA:**

8 \* Section 1. LEGISLATIVE INTENT AND FINDINGS. (a) It is the intent of the  
9 legislature that money deposited in the four dam pool account, enacted by sec. 2 of this Act,  
10 may be appropriated by the legislature to finance the planning, rehabilitation, construction, and  
11 improvements to the four dam pool hydroelectric projects and for other public purposes.  
12 Improvements to the projects may include the addition of new hydroelectric generating  
13 capacity, the construction of interties to make the projects more efficient, and other

1 improvements to the system. The legislature should be guided in establishing a priority for  
2 expenditures for the four dam pool projects by a majority vote of the public utilities that are  
3 members of the project management committee under the power sales agreement for the four  
4 dam pool hydroelectric power projects.

5 (b) It is the intent of the legislature that \$800,000 be appropriated annually from the  
6 four dam pool account, established by sec. 2 of this Act, to the Alaska Energy Authority for  
7 the administrative expenses of the authority.

8 (c) It is the intent of the legislature that the

9 (1) first priority for funding from the four dam pool account should be the  
10 power transmission intertie between Tyee Lake and Swan Lake;

11 (2) second priority for funding from the four dam pool account should be the  
12 power transmission intertie between Sutton and Glennallen.

13 (d) It is the intent of the legislature that the Alaska Energy Authority issue revenue  
14 bonds in the amount of \$58,600,000 as supplemental financing for the power transmission  
15 interties between Sutton and Glennallen, authorized by sec. 6 of this Act, and between Swan  
16 Lake and Tyee Lake, authorized by sec. 7 of this Act.

17 \* Sec. 2. AS 36.30.850(b) is amended by adding a new paragraph to read:

18 (30) contracts between the Alaska Energy Authority and one or more  
19 public utilities for the design and construction of an electric transmission line but only  
20 if the utility or utilities have agreed, in writing, to pay the

21 (A) design and construction costs of the lines, after the  
22 deduction of money appropriated for that purpose by the state, and to provide  
23 for the repayment of any loans or bonded indebtedness related to the project,  
24 regardless of final completion costs and unforeseen expenses; and

25 (B) operation and maintenance costs of the project.

26 \* Sec. 3. AS 44.83 is amended by adding a new section to read:

27 Sec. 44.83.505. FOUR DAM POOL ACCOUNT. (a) There is created in the  
28 power development revolving loan fund the four dam pool account. The account  
29 consists of money in the power development revolving loan fund that, beginning  
30 July 1, 1993, can be attributed to receipts from the hydroelectric power projects that  
31 constitute the four dam pool. The legislature may appropriate the money in the four

1 dam pool account for projects related to the four dam pool and for other purposes as  
2 provided by law.

3 (b) In this section, "four dam pool" means the hydroelectric facilities at Tye  
4 Lake, Swan Lake, Solomon Gulch, and Terror Lake.

5 \* Sec. 4. In accordance with AS 44.83.185(c) and contingent upon sec. 8 of this Act, the  
6 Alaska Energy Authority is authorized to design and construct a power transmission intertie  
7 between Anchorage and the Kenai Peninsula at a cost of \$103,000,000.

8 \* Sec. 5. In accordance with AS 44.83.185(c) and contingent upon sec. 8 of this Act, the  
9 Alaska Energy Authority is authorized to design and construct a power transmission intertie  
10 between Healy and Fairbanks at a cost of \$95,500,000.

11 \* Sec. 6. (a) In accordance with AS 44.83.185(c) and contingent upon (b) and (c) of this  
12 section, the Alaska Energy Authority is authorized to design and construct a power  
13 transmission intertie between Sutton and Glennallen at a cost of \$44,000,000.

14 (b) The authorization made by (a) of this section is contingent upon a written  
15 agreement between the electric utilities participating in the project authorized by this section  
16 and the Alaska Energy Authority providing that the participating utilities agree to pay

17 (1) design and construction costs for the power transmission intertie authorized  
18 by (a) of this section that exceed \$13,000,000; and

19 (2) the operation and maintenance costs of the power transmission intertie  
20 authorized by (a) of this section.

21 (c) The authorization made by (a) of this section is contingent upon the office of  
22 management and budget recommending approval of the feasibility study and the plan of  
23 finance for the project under AS 44.83.183. The office shall notify the revisor of statutes of  
24 its recommendations on the project.

25 \* Sec. 7. In accordance with AS 44.83.185(c), the Alaska Energy Authority is authorized  
26 to design and construct a power transmission intertie between the Swan Lake and the Tye  
27 Lake hydroelectric projects at a cost of \$55,600,000.

28 \* Sec. 8. The authorizations made by secs. 4 and 5 of this Act are contingent upon written  
29 agreements between the Alaska Energy Authority and the electric utilities participating in the  
30 projects authorized by those sections providing that the participating utilities agree to pay

31 (1) design and construction costs for the power transmission interties

1 authorized by secs. 4 and 5 of this Act that exceed \$99,250,000 and the interest earned on that  
2 sum; and

3 (2) the operation and maintenance costs of the power transmission interties  
4 authorized by secs. 4 and 5 of this Act.

5 \* Sec. 9. This Act takes effect immediately under AS 01.10.070(c).