

**CS FOR SENATE BILL NO. 163(FIN)**

**IN THE LEGISLATURE OF THE STATE OF ALASKA**

**EIGHTEENTH LEGISLATURE - FIRST SESSION**

**BY THE SENATE FINANCE COMMITTEE**

**Offered: 4/16/93**

**Referred: RULES**

**Sponsor(s): SENATE FINANCE COMMITTEE**

**A BILL**

**FOR AN ACT ENTITLED**

1 "An Act relating to power cost equalization; and providing for an effective date."

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

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

4 (c) An eligible electric utility is entitled to receive power cost equalization for

5 (1) sales of power to local community facilities, calculated in the  
6 aggregate for each community served by the electric utility, for actual consumption of  
7 not more than 70 kilowatt-hours per month for each resident of the community; and

8 (2) actual consumption of not more than 700 [750] kilowatt-hours per  
9 month sold to each customer in all classes served by the electric utility except

10 (A) [TO] customers of the utility under (1) of this subsection;

11 and

12 (B) customers that are state or federal offices or state or  
13 federal facilities other than public schools.

14 \* **Sec. 2. AS 44.83.162(d) is amended to read:**

1 (d) The amount of power cost equalization provided per kilowatt-hour under  
2 (c) of this section may not exceed 95 percent of the power costs, or the average rate  
3 per eligible kilowatt-hour sold, whichever is less, as determined by the commission.

4 However,

5 (1) during the state fiscal year that begins July 1, 1993, [1984] the  
6 power costs for which power cost equalization may be paid to an electric utility are  
7 limited to minimum power costs of more than 9.82 [8.5] cents per kilowatt-hour and  
8 less than 52.5 cents per kilowatt-hour;

9 (2) during each following state fiscal year, the power costs for which  
10 power cost equalization may be paid to an electric utility shall be adjusted by the  
11 commission, based on the weighted average retail residential rate in Anchorage,  
12 Fairbanks, and Juneau [CONSIDERING THE RATE OF CHANGE IN FUEL COST  
13 AND POWER DEMAND]; and

14 (3) the power cost equalization per kilowatt-hour may be determined  
15 for a utility without historical kilowatt-hour sales data by using kilowatt hours  
16 generated.

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

18 (e) An electric utility whose customers receive power cost equalization under  
19 this section shall set out in its tariff the rates without the power cost equalization and  
20 the amount of power cost equalization per kilowatt-hour sold. The rate charged to the  
21 customer shall be the difference between the two amounts. Power cost equalization  
22 paid under this section shall be used to reduce the cost of all power sold to local  
23 community facilities, in the aggregate, to the extent of 70 kilowatt-hours per month per  
24 resident of the community, and to reduce the cost of the first 700 [750] kilowatt-hours  
25 per customer per month for all other classes served by the electric utility except state  
26 and federal offices and state and federal facilities other than public schools.

27 \* Sec. 4. This Act takes effect July 1, 1993.