

HB

632

HB 632

VS B 559

I am not in favor of HB 632 in its present form.

There is a very serious hazard in limiting this Commission to the review and approval of technical systems and signal quality for the low density communities to be served under this bill. The APUC could direct a community to meet Bell System telephone standards and this in turn could place undue and prohibitive burden upon the rate payers of the served communities. If the APUC is tasked with the responsibility of technical performance then the APUC must also have the ability to adjust and to prescribe rates.

This bill will also impact the APUC budget in the area of personnel and equipment.



Marvin R. Weatherly  
Commissioner  
Public Utilities Commission

Rural Electrification Association Utility Cooperatives

Regulated by Alaska Public Utilities Commission

Rate of Return on Rate Base<sup>/1</sup>

1974

	<u>1974 Income</u>	<u>Proforma Year End 1974 Rate Base</u>	<u>Return on Rate Base</u>
Alaska Village Electric Cooperative, Inc.	288,119	8,433,975	.0342
Barrow Utilities and Electric Cooperative, Inc.	2,251	569,525	.0040
Bristol Bay Telephone Communications Cooperative, Inc.	1,077	32,267	.0334
Chugach Electric Association, Inc.	1,181,741	82,132,634	.0144
Copper Valley Electric Association, Inc. <sup>/2</sup>	-	-	-
Copper Valley Telephone Cooperative Incorporated	142,832	1,533,323	.0932
Glacier Highway Electric Association, Inc.	( 5,138)	1,211,013	(.0042)
Golden Valley Electric Association, Inc.	1,457,051	41,153,959	.0354
Homer Electric Association, Inc.	667,571	17,078,564	.0391
Kodiak Electric Association, Inc.	(157,928)	4,362,802	.0362
Kotzebue Electric Association, Inc.	( 1,299)	1,606,564	(.0008)
Matanuska Electric Association, Inc.	345,941	14,713,825	.0235
Matanuska Telephone Association, Incorporated	169,605	6,264,524	.0271
Naknek Electric Association, Inc.	(39,462)	849,745	(.0464)
Nushagak Electric Cooperative, Inc.	26,059	1,076,903	.0242
Nushagak Telephone Cooperative, Inc. <sup>/3</sup>	-	-	-
OTZ Telephone Cooperative, Inc. <sup>/3</sup>	-	-	-
<b>Composite Total</b>	<b>4,078,420</b>	<b>181,019,623</b>	<b>.0225</b>

<sup>/1</sup> Rate Base Computed as:

Additions:

Net Plant

Materials and Supplies

Pre-Payments

Cash Working Capital Allowance of 12.5% Cash Operating Expense

Deductions:

Customer Deposits

Customer Advances for Construction

Contributions in Aid of Construction

<sup>/2</sup> Data as filed is not usable.

<sup>/3</sup> Recently organized and not in operation during 1974.