

COMMITTEE REPORT
HOUSE

(11)

FURTHER:

3/6/84

Date: 3/29/84

The Committee on FINANCE has had HB 684

"An Act making a special appropriation to the Alaska Power Authority; and providing for an effective date."

under consideration and recommends:

- do pass do not pass
- do pass with attached amendments(s)
- replace with CS for HB 684 same title
 new title
- and recommends Individual Rec.
- AND attaches a "Letter of Intent" New Fiscal Note
- reports it back without recommendation Zero Fiscal Note Attached
- referred to the _____ Committee

MEMBERS SIGNING
DO PASS

Paul T. Zwick

TH [unclear]

[unclear]

MEMBERS HAVING
OTHER RECOMMENDATIONS:

BYRON H. RITZ (No Rec)

[unclear] (No Rec)

[unclear] (No Rec)

[unclear] - 50 PRS - 5027 SECS
Should be deleted

[unclear] (No Rec)

Walt Furnace No Rec
Expanding - No Rec.
John [unclear] - No Rec.

Albert [unclear]

CHAIRMAN

Original sponsor: Rules/Governor

Funding Information
General Fund \$249,000,000
Other Funds -0-
\$249,000,000

1 IN THE HOUSE

BY THE FINANCE COMMITTEE

2 CS FOR HOUSE BILL NO. 684 (Finance)

3 IN THE LEGISLATURE OF THE STATE OF ALASKA

4 THIRTEENTH LEGISLATURE - SECOND SESSION

5 A BILL

6 For an Act entitled: "An Act making special appropriations to the Alaska
7 Power Authority, and providing for an effective
8 date."

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

10 * Section 1. The sum of \$49,000,000 is appropriated from the general
11 fund to the Alaska Power Authority for the purpose of rate stabilization in
12 accordance with the terms of power sales agreements and bond covenants for
13 the issuance of revenue bonds for the Lake Tye, Swan Lake, Terror Lake,
14 and Solomon Gulch hydroelectric facilities.

15 * Sec. 2. The sum of \$200,000,000 is appropriated from the general fund
16 to the Alaska Power Authority power development fund for the purpose of
17 financing the Watana Dam phase of the Susitna hydroelectric project.

18 * Sec. 3. The appropriations made in secs. 1 and 2 of this Act are not
19 one-year appropriations and do not lapse under AS 37.25.010.

20 * Sec. 4. Section 1 of this Act takes effect the day after all of the
21 power purchasers served by the Lake Tye (City of Petersburg and City of
22 Wrangell), Swan Lake (City of Ketchikan), Terror Lake (Kodiak Electric
23 Association), and Solomon Gulch (Copper Valley Electric Association) hydro-
24 electric projects have entered into power sales agreements with the Alaska
25 Power Authority.

26 * Sec. 5. Section 2 of this Act takes effect the day after all of the
27 power purchasers served by the Susitna hydroelectric project enter into
28 power sale agreements with the Alaska Power Authority.

BILL SHEFFIELD
GOVERNOR



STATE OF ALASKA
OFFICE OF THE GOVERNOR
JUNEAU

February 13, 1984

The Honorable Joe Hayes
Alaska House of Representatives
Pouch V
Juneau, AK 99811

Dear Representative Hayes:

Under the authority of art. III, sec. 18, of the Alaska Constitution, I am transmitting a bill making a special appropriation to the Alaska Power Authority. This special appropriation is for rate stabilization for the utilities that will be purchasing power from the Lake Tyee, Swan Lake, Terror Lake, and Solomon Gulch hydroelectric facilities. The money will be used to reduce the wholesale power rate for these utilities during the early years of the operation of the hydroelectric facilities when hydroelectric costs will be significantly higher than their projected costs for diesel generation.

At the current stage of negotiations on the power sales agreements the rate stabilization fund is treated as a grant, and the special appropriation bill reflects this approach. However, the authority is still looking at the possibility of funding rate stabilization with a loan rather than a grant. If the loan approach is used, an amendment to this bill will be proposed to reflect the change.

Sincerely,

A handwritten signature in cursive script that reads "Bill Sheffield".

Bill Sheffield
Governor

March 6, 1984

Message of March 5 was read, stating the House passed:

FIRST READING AND REFERENCE OF HOUSE RESOLUTIONS

HCR 51

CS FOR HOUSE CONCURRENT RESOLUTION NO. 51 (RES) am by the Resources Committee,

Relating to the appointment of a Delta Junction bison range advisory committee,

was read the first time and referred to the Resources Committee and the Finance Committee.

FIRST READING AND REFERENCE OF HOUSE BILLS

HB 498

CS FOR HOUSE BILL NO. 498 (SA) by the State Affairs Committee, entitled:

"An Act relating to military retirement benefits; and providing for an effective date."

was read the first time and referred to the State Affairs Committee and the Finance Committee.

COMMUNICATIONS

"February 28, 1984

The Honorable Jalmar Kerttula
President of the Senate
State of Alaska
Pouch V
Juneau, Alaska 99811

SUBJECT: Issuance of Bonds by Alaska Power Authority

Dear Mr. President:

In accordance with AS 44.83.191, the Alaska Power Authority hereby gives notification of its intention to issue long-term bonds in a principal amount not to exceed \$250,000,000

March 6, 1984

for the Energy Program of Alaska. The proceeds of the bonds will be used to fund short-term notes of the Power Authority issued with respect to the Terror Lake, Swan Lake, and Lake Tyee projects and to establish necessary reserves.

You are advised that only so much of the \$250,000,000 principal amount of bonds will be issued as is necessary for the accomplishment of the above mentioned purposes of the Power Authority. This notification is made pursuant to AS 44.83.-191 which states:

The Authority may not issue bonds except after sixty days notification of its intent to issue bonds is given to the Governor and to the Legislature, if the Legislature is in session, or to the Legislative Budget and Audit Committee, if the Legislature is not in session.

Very truly yours,

/s/ Larry D. Crawford
Larry D. Crawford
Executive Director"

The preceding letter was referred to the Resources Committee and the Finance Committee.

"February 28, 1984

The Honorable Jalmar Kerttula
President of the Senate
State of Alaska
Pouch V
Juneau, Alaska 99811

SUBJECT: Issuance of Short-Term Notes by the Alaska Power Authority

Dear Mr. President:

In accordance with AS 44.83.191, the Alaska Power Authority hereby gives notification to you of its intent to issue bonds, notes or other evidences of indebtedness in the principal amount not to exceed \$50,000,000 for the Swan Lake Hydroelectric Project. You are further notified that the above bonds, notes or other evidences of indebtedness may be issued to refund or refinance the outstanding \$35,000,000 principal amount of Power Authority General Obligation Bonds (Swan Lake project), Series 1981 due on May 31, 1984. Alternatively, instead of said refinancing or refunding, the terms of the above existing general obligation bonds may be amended by agreement between the Power Authority and Morgan Guaranty Trust Company. This notification is in the nature of the

contingent notification in that it complements a notification to you of the Power Authority's intention to issue \$250,000,000 in a long-term bonds, which issue would take out or refinance the \$35,000,000 Swan Lake issue referenced above provided that said long-term issue may in fact be sold and delivered prior to the May 31, 1984 due date (unless otherwise extended) of the existing short-term note.

You are advised that only so much of the \$50,000,000 bonds, notes or other evidences of indebtedness will be issued as is necessary for the accomplishment of the purpose of the Power Authority stated above. This notification is made pursuant to AS 44.83.191 which states:

The Authority may not issue bonds except after sixty days notification of its intent to issue bonds is given to the Governor and to the Legislature, if the Legislature is in session, or to the Legislative Budget and Audit Committee, if the Legislature is not in session.

Very truly yours,

/s/ Larry D. Crawford

Larry D. Crawford
Executive Director"

The preceding letter was referred to the Resources Committee and the Finance Committee.

The Secretary announced receipt of:

ANNUAL REPORT ON GAMES OF CHANCE AND CONTESTS OF SKILL and SUPPLEMENTAL REPORT FOR 1982
from Commissioner Heath, Department of Revenue, dated March 2, in accordance with AS 05.15.090. The report is on file in the Office of the Secretary of the Senate.

COMMISSION ON JUDICIAL CONDUCT 1983 ANNUAL REPORT from Frank Flavin, dated February 6, pursuant to Rule 25 of the Commission on Judicial Conduct. The report has been distributed to all Senators and is on file in the Office of the Secretary of the Senate.

Offered: 3/6/84
Referred: Finance

Original sponsor: Rules/Governor

Funding Information

General Fund	\$35,000,000
Other Funds	\$ -0-
	<u>\$35,000,000</u>

1 IN THE HOUSE BY THE RESOURCES COMMITTEE

2 CS FOR HOUSE BILL NO. 684 (Resources)

3 IN THE LEGISLATURE OF THE STATE OF ALASKA

4 THIRTEENTH LEGISLATURE - SECOND SESSION

5 A BILL

6 For an Act entitled: "An Act making a special appropriation to the Alaska
7 Power Authority; and providing for an effective
8 date."

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

10 * Section 1. The sum of \$35,000,000 is appropriated from the general
11 fund to the Alaska Power Authority for the purpose of rate stabilization in
12 accordance with the terms of power sales agreements and bond covenants for
13 the issuance of revenue bonds for the Lake Tyee, Swan Lake, Terror Lake,
14 and Solomon Gulch hydroelectric facilities.

15 * Sec. 2. The appropriation made in sec. 1 of this Act is not a one-
16 year appropriation and does not lapse under AS 37.25.010.

17 * Sec. 3. This Act takes effect the day after all of the power pur-
18 chasers served by the Lake Tyee (City of Petersburg and City of Wrangell),
19 Swan Lake (City of Ketchikan), Terror Lake (Kodiak Electric Association),
20 and Solomon Gulch (Copper Valley Electric Association) hydroelectric pro-
21 jects have entered into power sales agreements with the Alaska Power Author
22 ity.

Introduced: 2/13/84
Referred: Labor & Commerce,
Resources and Finance

Funding Information

General Fund	\$35,000,000
Other Funds	\$ -0-
	<u>\$35,000,000</u>

BY THE RULES COMMITTEE BY
REQUEST OF THE GOVERNOR

1 IN THE HOUSE

2 HOUSE BILL NO. 684

3 IN THE LEGISLATURE OF THE STATE OF ALASKA

4 THIRTEENTH LEGISLATURE - SECOND SESSION

5 A BILL

6 For an Act entitled: "An Act making a special appropriation to the Alaska
7 Power Authority; and providing for an effective
8 date."

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

10 * Section 1. The sum of \$35,000,000 is appropriated from the general
11 fund to the Alaska Power Authority for the purpose of rate stabilization in
12 accordance with the terms of power sales agreements and bond covenants for
13 the issuance of revenue bonds for the Lake Tyee, Swan Lake, Terror Lake,
14 and Solomon Gulch hydroelectric facilities.

15 * Sec. 2. The appropriation made in sec. 1 of this Act is not a one-
16 year appropriation and does not lapse under AS 37.25.010.

17 * Sec. 3. This Act takes effect immediately in accordance with AS 01.-
18 10.070(c).

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