

interest), would involve significant deficits during operation in early years unless the cost of power were increased above the level set by the Best Thermal Option.

In these early years the essential problem facing Watana in marketing its power is that, in the first year or two of its life, it is in competition with power sources with the advantage of being based on the cost of facilities purchased years earlier at much lower cost than will be involved either in their replacement or in the additional coal-fired units which would be required in 1995 and 1996 if Watana power were not available.

As shown in Tables 3 and 4 and in Exhibit E, the only means of meeting the deficits without further State appropriations would be to allow the cost of power to rise above the best Thermal Option in these three transitional years. Whether this would be regarded as an acceptable option is again an issue of political judgment. It might reasonably be supposed given that the only alternative option would be to face the dramatically escalating cost of the best Thermal Option only a few years later, the increase in the cost of power above the Best Thermal Option might be acceptable in turn for the very considerable long-term advantages afforded by a source of power which would be virtually fixed in cost even in nominal dollars.

It is also possible that appropriate levelizing provisions could be devised in the rate base to bring about a phased increase in price closer to the price set by the Best Thermal Option ceiling.

Option B might be seen as defining an alternative to any increase in the cost of power by increasing the level of State appropriation to \$1.8 billion over the period 1984 to 1989. This is seen from Table 2 and the attached Exhibit E, to produce a cost of power below the Thermal Option even in the earliest years. It also has the advantage of reducing the Revenue Bond requirement in the Final Phase of Watana by \$0.52 billion (in 1982 dollars). It would, however, mean committing between 50% and 75% of the uncommitted capital funds to the project over the period 1984-1989 and thus heavily competing with other priorities in the 30th percentile revenue forecast case.

The Dedicated Fund Options C & D

A significant difficulty in the development of any long-term financing scheme such as would be required for any long term development of Alaskan resources is the uncertainty of the year-by-year political appropriation process. This applies generally throughout North America, but is of particular relevance in the context of Alaska given the constitutional considerations and the relative importance of appropriations for capital spending in the State.

It is of understandable concern to investors in State of Alaska securities related to long-term developments, that through the political process these projects could be subject to deferral, limitations of State contribution, or even cancellation in the course of their development phase. This may be considered a serious handicap to the long-term development of Alaska's natural resources.

In the light of this, we have been asked to consider the dedication of 50% of the Permanent Fund income to a Power Development Fund which would be designed to provide a relatively more secure and certain source of appropriations for the major long-term development potential for Alaska represented by hydroelectric power and which could offer most Alaskans permanent low-cost power as a basic domestic and industrial resource. This proposal is regarded as representing an important contribution to securing long-term appropriations for such major developments in a manner which would be regarded by investors as offering much greater assurance of on-going systematic development and hence greater security for borrowing in the course of construction.

The scheme, as provisionally formulated, involves the principle of \$4,500 to \$6,000 per capita being the normal contribution from the fund for a

hydro development serving a particular area. In the context of Susitna this would involve a total State appropriation from the fund of approximately \$1.4 to \$1.8 billion. Its results are shown as Options C and D in Tables 3 and 4 and in Exhibit E. Its impact on cost of power and the level of Revenue Bond financing required is seen to be very close to that of Options A and B.

A further important characteristic of this particular proposal, however, is that such funding would provide the Power Authority with a substantial financial base that would make it capable of raising finance or providing guarantees where these were important to secure financing under changing market conditions or secure funding for developments lacking an adequate independent credit base.

It is recognized that this proposal would involve a constitutional amendment, but it is precisely the constitutional nature of such a dedicated fund that would be most effective in terms of development of Alaska's resources.

5 -STATEMENT BY THE FIRST BOSTON CORPORATION,
JOHN NUVEEN & COMPANY, AND FIRST SOUTHWEST COMPANY

The First Boston Corporation and John Nuveen & Company (the Alaska Power Authority's co-senior managing underwriters) and First Southwest Company (the Power Authority's financial advisor) have reviewed the financing options described in this memorandum and have made the following observations regarding the financing of the Susitna Project. Together these investment firms are referred to as the Power Authority's Investment Advisors. Their opinions stated herein are based primarily upon the State's projected revenues using the "30th Percentile". First Boston Corporation, John Nuveen & Company and First Southwest Company have concurred in the following statement:

"It is our opinion that prior to major State expenditures, of State appropriations definitive contractual commitments by participating Railbelt Utilities be in place and that such appropriations should be funded by the State during the period 1983-1989, a period within the estimated life of Alaska's oil and gas reserves, so that appropriations provided during this period will provide the crucial "equity" to assure the most economical bond financing of the remainder of the project.

In view of the magnitude of Susitna and the relatively long construction period, the Power Authority should not commence significant borrowing for Susitna before the late 1980's at which time major risks have been defined and completion and start-up dates are known with a high degree of reliability.

In our opinion, in order to maintain the financial integrity for the State of Alaska, prerequisites for issuance of bonds of any type for the project are:

- (a) Definitive contractual commitments by participating Railbelt utilities;
- (b) Up-dated economic and financial analysis of the project; and

- (c) Resolution of the question of tax exemption of such bonds.

With regard to the utilization of State G.O. Bonds, it is our opinion that the issuance of such bonds will be of limited importance to financing Susitna because of the substantial borrowing required for this project. If a major portion of such borrowing were met from State G.O. Bonds, Alaska's present double A ratings would be endangered. The following are some major limitations of State G.O. Bonds:

- (1) A crucial feature of Alaska's double A rating is the Rating Agencies' concurrence with the State's present debt policy of amortizing G.O. Bonds rapidly (i.e., within 10 to 15 years (a period within current estimates of oil/gas revenues (the principal source of State revenues) and we believe this policy should be continued.
- (2) Using the State's December, 1982 Department of Revenue forecasts, we estimate that the State can issue a relatively small volume of G.O. Bonds while maintaining its double A rating (see Tables 1 and 2). Based on the "30th percentile" of the Department of Revenue projections, the State could "safely" issue \$565 million (nominal dollars, assuming 8% inflation) G.O. Bonds during the period fiscal 1983-1990. This amount would rise to \$945 million if the "50th percentile" revenue projections were achieved during this period.

A reduction in the State's rating from double A to single A could correspondingly lower the rating of Alaska Power Authority's own revenue bonds backed by a Capital Reserve Fund with a moral obligation to a rating as low as Baa by Moody's and BBB by Standard & Poors. Such a rating would substantially raise the

Authority's borrowing cost and could impair the viability of the project. The volume of debt contemplated under all scenarios would be extremely difficult to market if rated less than "A".

The Power Authority, rather than utilizing State G.O. Bonds, should utilize, to the fullest extent possible, revenue bonds secured by the income derived from participating Railbelt Utilities pursuant to long-term power sales contracts. Additional security for the bonds would be provided by the Capital Reserve Fund provided in the Alaska Power Authority Act whereby to the extent that revenues from Susitna were insufficient to service the bonds, the Legislature may, but is not legally obligated to, appropriate monies to make up such deficiency in the Capital Reserve Fund. Alaska Power Authority's credit perception will be enhanced by a simple and straightforward debt structure comprised solely of revenue bonds backed by the State's "moral obligation" pledge.

Any dedicated stream of State appropriations covering the entire construction and start-up period will enhance confidence of investors, participating utilities, and the rating agencies in the completion of the project. Such an appropriation would, however, require a constitutional amendment. In conclusion, as Investment Advisors to the Authority, we strongly prefer the financing plan developed as Option B and D which requires greater appropriations prior to issuance of Revenue Bonds because the credit status of the State is least affected and the credit quality of the Authority's bonds is enhanced, maintaining project feasibility. Should oil revenue and projections, however, dramatically improve we would be in a position to more favorably consider alternate financial options."

6 - CONCLUSIONS

Our conclusions relate primarily to Options A and B since the dedicated fund proposals C and D can be seen in the present context as primarily a legislative route to these options.

It may be appropriate in conclusion first to state our own assessment of the decision issues involved at this stage. First, the decision issue is not an irrevocable commitment to proceed with Watana. As already noted, the FERC license will not be available for another two years and no major expenditures could be undertaken until 1985.

It would therefore appear that the essential issue is that of maintaining and planning for the Watana option. The only grounds for not maintaining this option with its very substantial long-term economic advantages, would be that we had concluded that no viable and politically acceptable financing scenario was possible.

Given the very wide range of uncertainties for future State revenues, and hence the levels of State appropriations which might be available at the first point of major commitment in late 1985, such an adverse conclusion certainly cannot be substantiated at this time on the basis of the preceding analysis. If, for example, State revenues were as high or higher than the 50th percentile, the State capital fund available for Watana would be substantially increased and the \$1.4 billion appropriation (Option A) would represent 38% of the uncommitted capital funds over the period 1984-1989. Moreover, the circumstances which would bring about such an increase in State funds--mainly a recovery in world oil prices--would confirm the economic desirability of advancing with Watana and obviating dependence on fuels with prices related to that of oil.

We must also note again that the levels of spending in individual years used in the analysis was constructed on normal engineering criteria without reference to phasing the engineering expenditures to conform (without significant additional cost) to year-to-year budget constraints.

Subject to political decisions and priorities, therefore, our assessment is that all the financing options proposed in this memorandum are viable. In consequence, we recommend that over the two-year decision period, to 1984, the remaining preconditions of financing viability, both political and contractual (in terms of power contracts and tax exempt bond-financing) are resolved. A reconsideration of the financing options might then be undertaken in 1984 when, as already noted, some of the major economic uncertainties affecting the economics of generation options and the revenues of the State of Alaska are also likely to be resolved. It should also be possible within this time frame to review the time profile of potential cash demands for construction and bring them more closely into conformity with available appropriations.

If this conclusion were adopted, it might also be considered appropriate, in order to avoid undue "bunching" of demands for Susitna financing, to establish a level of funding for the project of the order of perhaps \$100 million in FY 1984. This, in our view, would be seen as a positive step which should appreciably assist in the negotiations of power contracts since it would indicate the State's conditional intent to proceed with the project. This would give such negotiations the credibility essential to a successful outcome.

ALASKA POWER AUTHORITY
CAPITAL FUNDS AVAILABLE FOR SUSITNA
30th PERCENTILE PROJECTION

Fiscal Year	General Fund Unrestricted Revenues (1)	Total Capital Spending Limits	Estimated Maximum G.O. Bond Issues (2)	Total Available Capital	Committed Capital Grants and Loans (8%)	Remaining Capital	APA Capital Budget Excluding Susitna	Uncommitted Capital Funds	Planned Susitna Expenditures (nom. \$) (3)
1984	2908.2	969	0	969	475	494	174.2	320	0
1985	2939.9	980	0	980	513	467	244.5	222	183
1986	3472.9	1158	300	1458	554	904	282.3	622	405
1987	3870.4	1290	90	1380	598	782	125.8	656	437
1988	3917.0	1306	125	1431	646	785	0	785	442
1989	4293.8	1431	0	1431	698	733	0	733	639
1990	3679.9	1227	50	1277	754	523	0	523	1121
1991	3295.9	1099	140	1239	814	425	0	425	1270
1992	3186.4	1062	0	1062	879	183	0	183	862
1993	2919.4	973	110	1083	950	133	0	133	584
1994	2779.0	926	0	926	1025	0	0	0	0

4697
5947

(1) 30th percentile projection of Department of Revenue net of Debt Service on the State G.O. Debt.

(2) Maximum General Obligation Debt that can be issued (10 year, equal annual principal amortization at 7.5%) and keep total G.O. Bond Debt Service below 5% of General Fund Unrestricted Revenues.

Source: Acres American Incorporated (Converted to June 30 Fiscal Year).

TABLE 1



ALASKA POWER AUTHORITY
CAPITAL FUNDS AVAILABLE FOR SUSITNA
50th PERCENTILE PROJECTION

Fiscal Year	General Fund Unrestricted Revenues (1)	Total Capital Spending Limits	Estimated Maximum G.O. Bond Issues (2)	Total Available Capital	Committed Capital Grants and Loans (8%)	Remaining Capital	APA Capital Budget Excluding Susitna	Uncommitted Capital Funds	Planned Susitna Expenditures (nom. \$) (3)
1984	3369	1123	0	1123	475	648	174.2	474	0
1985	3492	1164	350	1514	513	1001	244.5	757	183
1986	4116	1372	190	1562	554	1008	282.3	726	405
1987	4553	1518	95	1613	598	1015	125.8	889	437
1988	4645	1548	235	1783	646	1137	0	1137	442
1989	5103	1701	50	1751	698	1053	0	1053	639
1990	4848	1616	25	1641	754	887	0	887	1121
1991	4345	1448	160	1608	814	794	0	794	1270
1992	4221	1407	35	1442	879	563	0	563	862
1993	4017	1339	170	1509	950	559	0	559	584
1994	3957	1319	0	1319	1025	294	0	294	0

(1) 50th percentile projection of Department of Revenue net of Debt Service on the State G.O. Debt.

(2) Maximum General Obligation Debt that can be issued (10 year, equal annual principal amortization at 7.5%) and keep total G.O. Bond Debt Service below 5% of General Fund Unrestricted Revenues.

(3) Source: Acres American Incorporated (Converted to June 30 Fiscal Year).

TABLE 2



SUSITNA-SUMMARY OF FINANCING REQUIREMENTS

-----REAL 1992 DOLLARS-----

	STATE APPROPRIATION TAKEN AS NEEDED				DEDICATED STATE APPROPRIATION			
	-----\$1.4 BN----- (REAL)		-----\$1.8 BN----- (REAL)		-----\$1.4 BN----- (REAL)		-----\$1.8 BN----- (REAL)	
	DEBT	STATE APPROP.	DEBT	STATE APPROP.	DEBT	STATE APPROP.	DEBT	STATE APPROP.
	\$M	\$M	\$M	\$M	\$M	\$M	\$M	\$M
1983	-	-	-	-	-	160	-	160
1984	-	81	-	81	-	222	-	222
1985	-	225	-	225	-	276	-	276
1986	-	336	-	336	-	318	-	318
1987	-	317	-	317	-	345	-	345
1988	-	306	-	306	-	79	-	378
1989	409	94	9	535	337	-	-	101
1990	884	-	847	-	878	-	770	-
1991	757	-	718	-	750	-	710	-
1992	505	-	466	-	498	-	457	-
1993	146	-	146	-	146	-	146	-
TOTAL	2701	1400	2186	1800	2609	1400	2003	1800

COST OF ENERGY TO MEET 1.0 DEBT SERVICE COVER AND PERCENT IN EXCESS OF BEST THERMAL OPTION

	HILLS		HILLS		HILLS		HILLS	
	-----	-----	-----	-----	-----	-----	-----	-----
1993	74	46 %	61	17 %	72	41 %	58	14 %
1994	77	25 %	64	5 %	75	22 %	62	-
1995	73	21 %	61	1 %	70	17 %	58	-
1996	72	-	57	-	69	-	55	-
1998	68	-	54	-	65	-	51	-
1999	63	-	51	-	61	-	48	-
2000	60	-	48	-	57	-	46	-

TABLE 3 -- SUSITNA: SUMMARY OF FINANCING REQUIREMENTS IN REAL TERMS



SUSITNA-SUMMARY OF FINANCING REQUIREMENTS

-----NOMINAL DOLLARS-----

	STATE APPROPRIATION TAKEN AS NEEDED				DEDICATED STATE APPROPRIATION			
	-----\$1.4 BN-----		-----\$1.8 BN-----		-----\$1.4 BN-----		-----\$1.8 BN-----	
	(REAL)		(REAL)		(REAL)		(REAL)	
	DEBT	STATE APPROP.	DEBT	STATE APPROP.	DEBT	STATE APPROP.	DEBT	STATE APPROP.
	\$M	\$M	\$M	\$M	\$M	\$M	\$M	\$M
1983	-	-	-	-	-	175	-	175
1984	-	100	-	100	-	257	-	257
1985	-	276	-	276	-	338	-	338
1986	-	436	-	436	-	413	-	413
1987	-	437	-	437	-	475	-	475
1988	-	447	-	447	-	115	-	552
1989	633	208	13	820	522	-	-	157
1990	1465	-	1403	-	1454	-	1275	-
1991	1341	-	1274	-	1329	-	1259	-
1992	958	-	883	-	945	-	868	-
1993	296	-	296	-	296	-	296	-
TOTAL	4693	1904	3069	2524	4546	1773	3690	2367

PERCENTAGE OF UNCOMMITTED STATE CAPITAL FUNDS

30 to 57 %

50 to 75 %

COST OF ENERGY TO MEET 1.1 DEBT SERVICE COVER AND PERCENT IN EXCESS OF BEST THERMAL OPTION

	HILLS		HILLS		HILLS		HILLS	
	-----	-----	-----	-----	-----	-----	-----	-----
1993	150	16 %	123	17 %	145	41 %	110	14 %
1994	168	25 %	140	5 %	163	22 %	134	-
1995	169	21 %	141	1 %	164	17 %	135	-
1996	179	-	143	-	172	-	137	-
1998	180	-	144	-	173	-	137	-
1999	181	-	145	-	175	-	139	-
2000	182	-	147	-	176	-	140	-

NOTE: PERCENTAGE OF UNCOMMITTED FUNDS CALCULATED FROM 30 AND 50 PERCENTILE PROJECTIONS

TABLE 4 -- SUSITNA: SUMMARY OF FINANCING REQUIREMENTS IN NOMINAL TERMS



**SYSTEM COSTS AVOIDED BY DEVELOPING SUSITNA
 COMPARED WITH BEST THERMAL OPTION IN MILLS PER UNIT
 OF SUSITNA OUTPUT IN CURRENT DOLLARS**

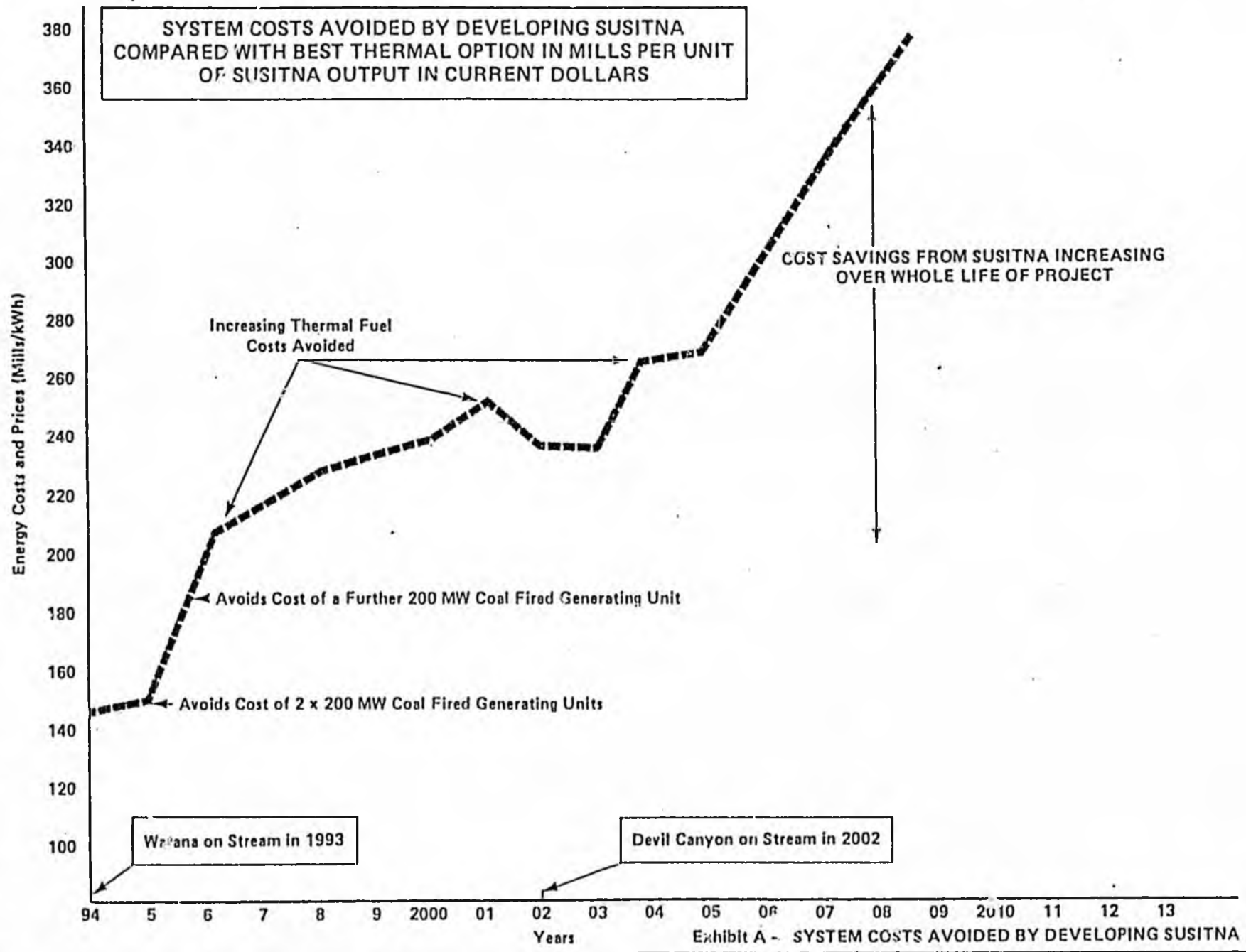


Exhibit A - SYSTEM COSTS AVOIDED BY DEVELOPING SUSITNA

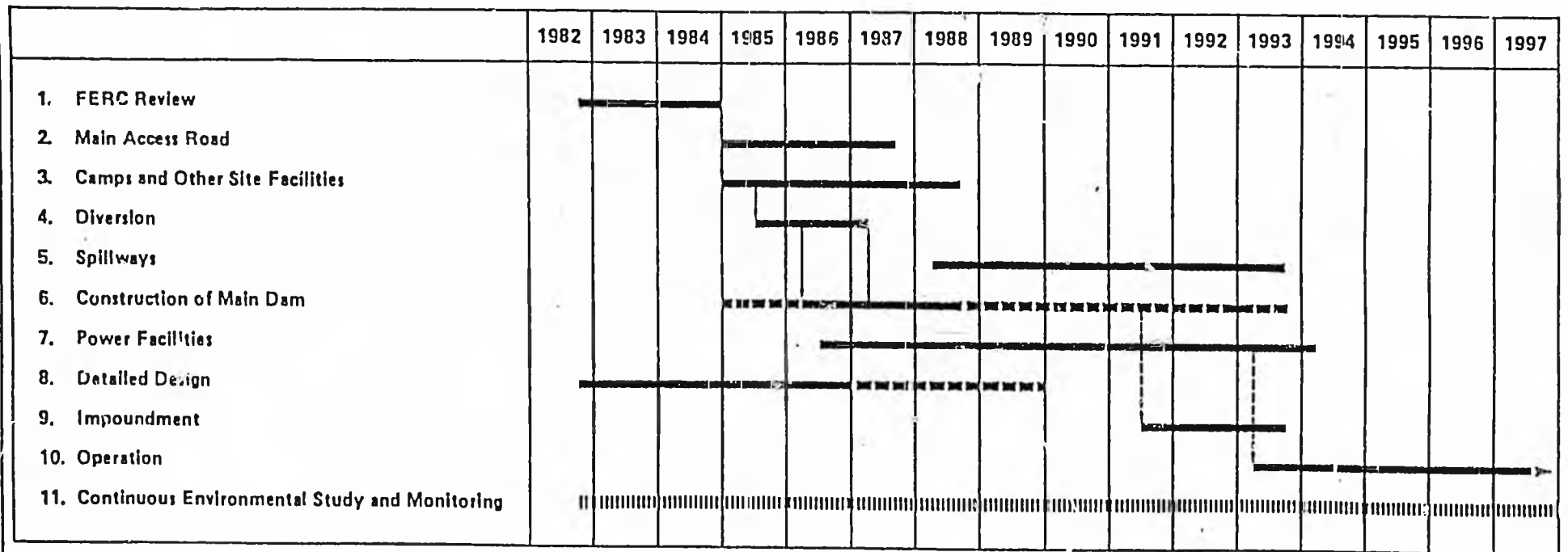


EXHIBIT B -- WATANA CONSTRUCTION SCHEDULE



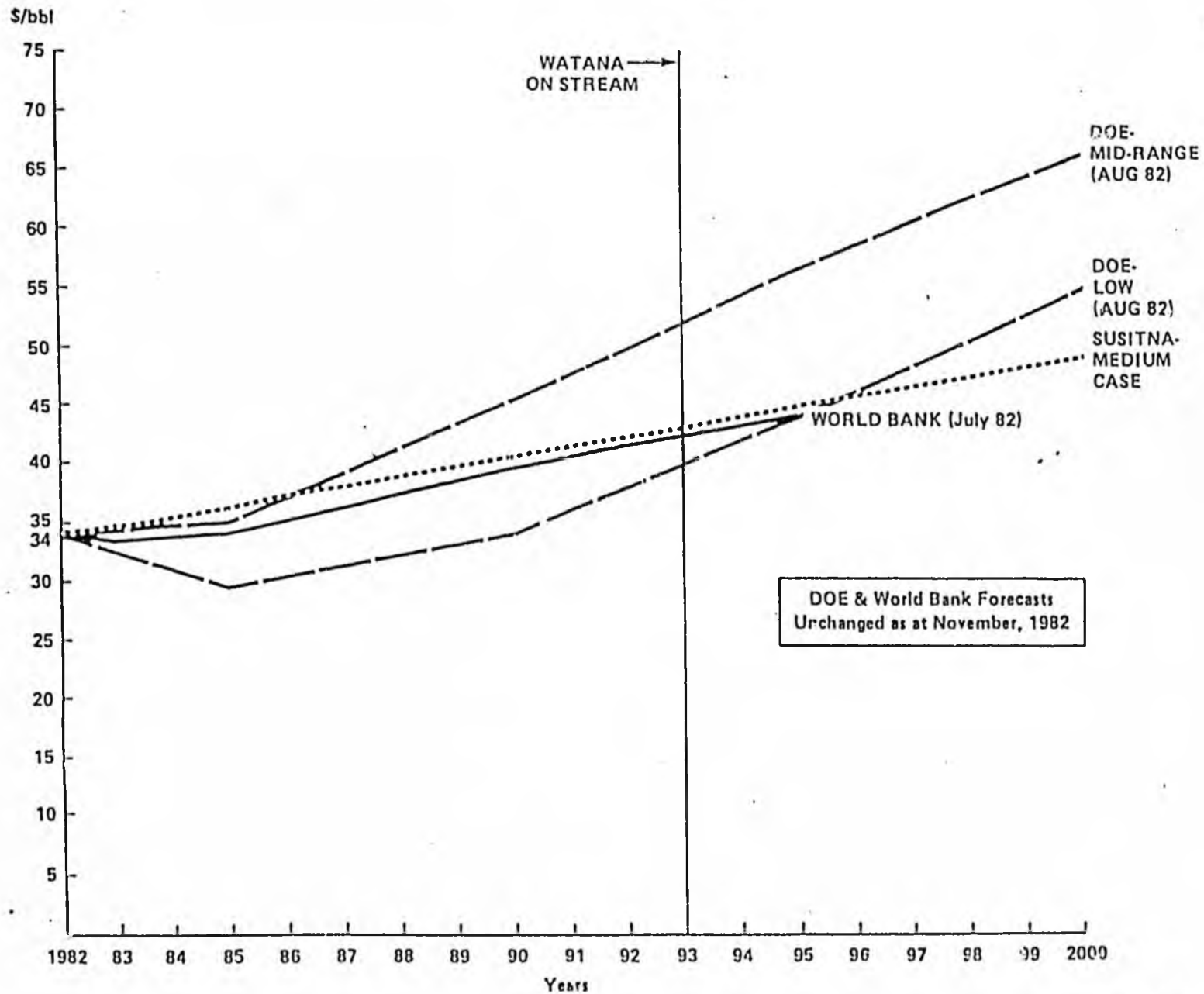
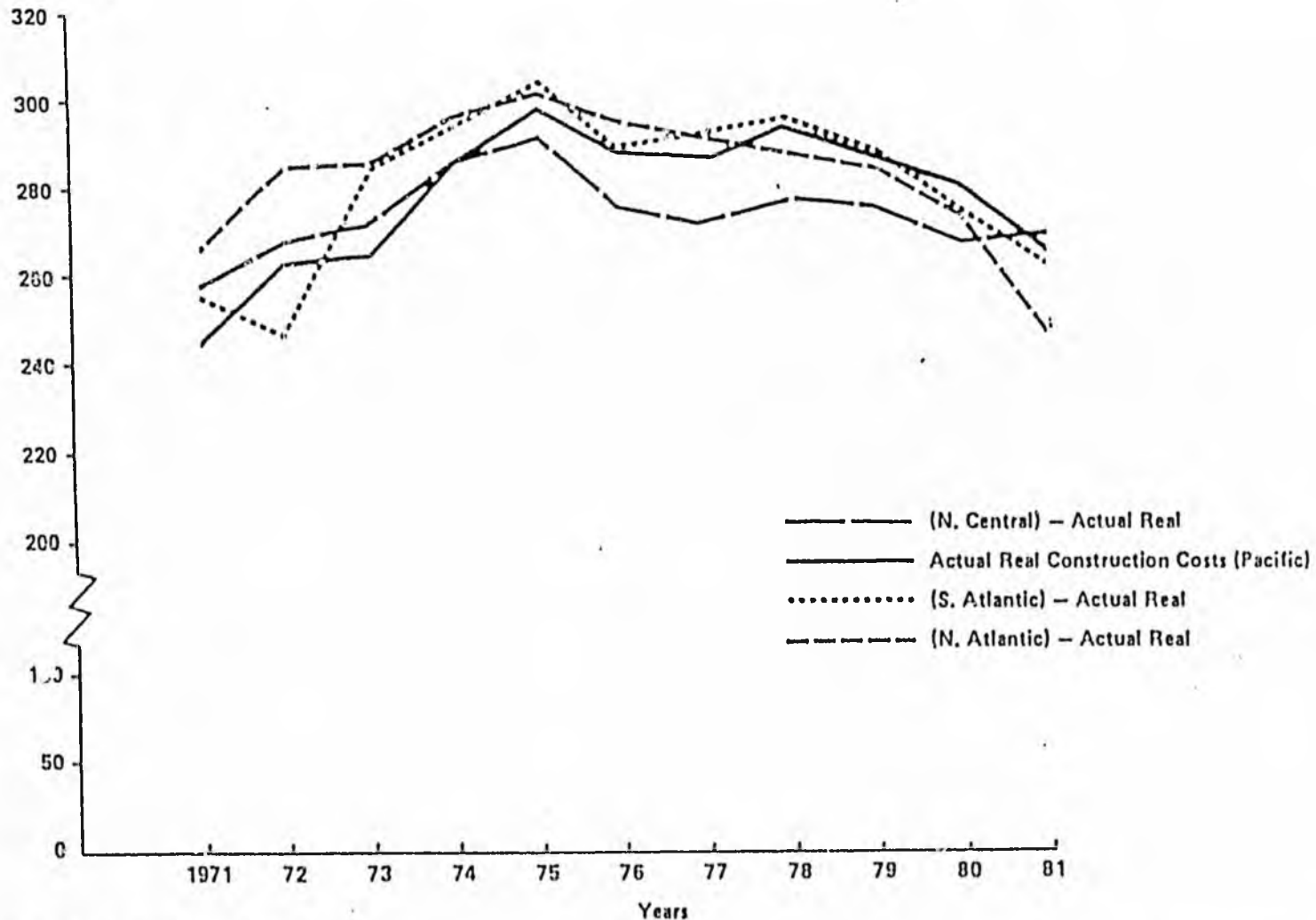


Exhibit C
 WORLD OIL PRICE FORECASTS
 (Constant 1982 Dollars)



(Constant)
Index
1949 = 100



Source: ENR Utilities, December 17, 1981 for
nominal costs;
Monthly Labor Review, US Dept. of Labor
November, 1982 for Consumer Price Index

EXHIBIT D -- US HYDROELECTRIC PLANT CONSTRUCTION
COST INDEXES



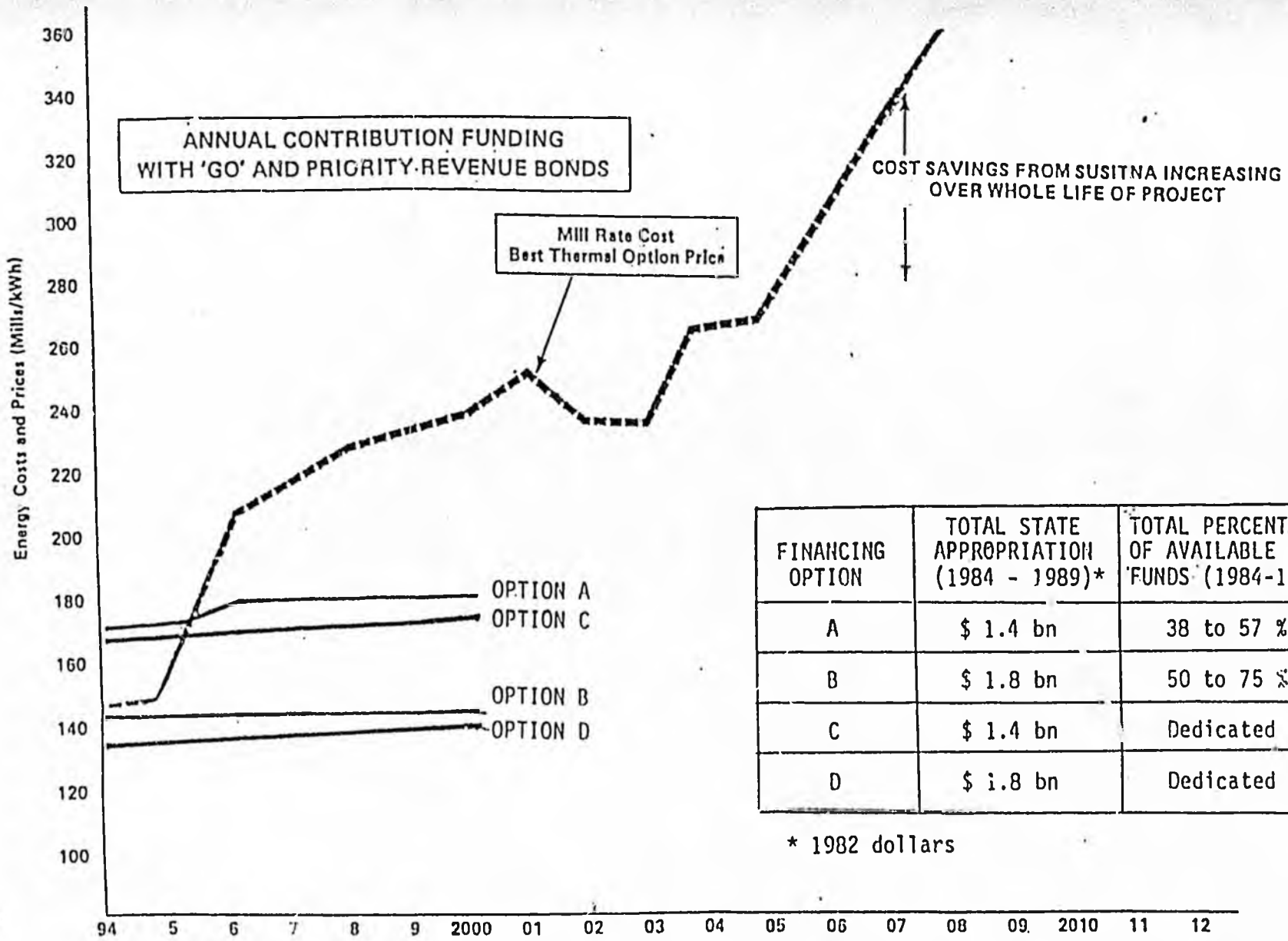


EXHIBIT E
ENERGY COST COMPARISON
WITH VARIOUS FINANCING OPTIONS



FINANCIAL ANALYSES

	1985	1986	1987	1988	1989	1990	1991	1992	1993	1994
CASH FLOW SUMMARY ---(\$BILLION)---										
73 ENERGY OWH	0	0	0	0	0	0	0	0	3387	3387
521 REAL PRICE-MILLS	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	50.93	61.60
466 INFLATION INDEX	122.62	129.98	137.78	146.05	154.81	165.65	177.24	189.65	202.92	217.13
520 PRICE-MILLS	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	103.34	133.76
-----INCOME-----										
516 REVENUE	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	350.0	453.0
170 LESS OPERATING COSTS	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	25.1	27.3
517 OPERATING INCOME	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	324.9	425.7
214 ADD INTEREST EARNED ON FUNDS	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	5.3
550 LESS INTEREST ON SHORT TERM DEBT	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	20.6
391 LESS INTEREST ON LONG TERM DEBT	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	439.7	469.3
548 NET EARNINGS FROM OPERS	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	-114.7	-59.0
-----CASH SOURCE AND USE-----										
548 CASH INCOME FROM OPERS	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	-114.7	-59.0
448 STATE CONTRIBUTION	375.7	436.1	437.2	447.4	208.2	0.0	0.0	0.0	0.0	0.0
143 LONG TERM DEBT DRAWDOWNS	0.0	0.0	0.0	0.0	632.6	1464.8	1341.6	957.8	411.1	102.0
248 WORCAP DEBT DRAWDOWNS	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	91.4	15.5
549 TOTAL SOURCES OF FUNDS	375.7	436.1	437.2	447.4	840.8	1464.8	1341.6	957.8	387.8	58.5
320 LESS CAPITAL EXPENDITURE	375.7	436.1	437.2	447.4	840.8	1464.8	1341.6	957.8	298.4	25.7
448 LESS WORCAP AND FUNDS	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	91.4	15.5
260 LESS DEBT REPAYMENTS	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	17.3
395 LESS PAYMENT TO STATE	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
141 CASH SURPLUS(DEFICIT)	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
249 SHORT TERM DEBT	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
444 CASH RECOVERED	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
-----BALANCE SHEET-----										
225 RESERVE AND CONT. FUND	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	52.6	57.4
371 OTHER WORKING CAPITAL	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	38.8	49.4
451 CASH SURPLUS RETAINED	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
370 CUM. CAPITAL EXPENDITURE	375.7	811.8	1248.9	1696.3	2537.1	4002.0	5343.5	6301.3	6597.7	6623.4
465 CAPITAL EMPLOYED	375.7	811.8	1248.9	1696.3	2537.1	4002.0	5343.5	6301.3	6889.1	6730.3
461 STATE CONTRIBUTION	375.7	811.8	1248.9	1696.3	1904.5	1904.5	1904.5	1904.5	1904.5	1904.5
462 RETAINED EARNINGS	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	-114.7	-173.8
555 DEBT OUTSTANDING-SHORT TERM	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	91.4	106.8
554 DEBT OUTSTANDING-LONG TERM	0.0	0.0	0.0	0.0	632.6	2077.4	3439.0	4396.0	4807.9	4892.7
542 ANNUAL DEBT DRAWDOWN 1982	0.0	0.0	0.0	0.0	408.6	884.3	756.9	505.0	202.6	47.0
543 CUM. DEBT DRAWDOWN 1982	0.0	0.0	0.0	0.0	408.6	1292.9	2049.8	2554.9	2757.5	2804.5
519 DEBT SERVICE COVER	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.74	0.84

Option A -- \$1.4 Billion Drawn From Uncommitted State Funds Available For Capital Construction
Page 1 of 2



	1995	1996	1997	1998	1999	2000	2001	2002	2003	TOTAL
CASH FLOW SUMMARY ---(\$MILLION)---										
73 ENERGY O&H	3387	3387	3387	3387	3387	3387	3387	3387	3387	37257
521 REAL PRICE-MILLS	60.24	71.94	67.56	63.34	59.44	55.81	52.45	49.36	46.51	0.00
466 INFLATION INDEX	232.33	248.59	265.99	284.61	304.53	325.85	348.66	373.07	399.18	0.00
520 PRICE-MILLS	139.96	178.84	179.71	180.78	181.70	181.87	182.87	184.15	185.64	0.00
-----INCOME-----										
518 REVENUE	474.0	605.7	608.8	610.6	613.1	615.9	619.3	623.7	628.7	6202.6
170 LESS OPERATING COSTS	29.8	32.6	35.6	38.8	42.3	46.2	50.4	55.1	60.1	443.3
517 OPERATING INCOME	444.2	573.1	573.1	571.8	570.7	569.7	568.9	568.6	568.7	5759.3
214 ADD INTEREST EARNED ON FUNDS	5.7	6.3	6.8	7.5	8.1	8.9	9.7	10.6	11.6	80.5
550 LESS INTEREST ON SHORT TERM DEBT	32.4	42.8	43.2	42.4	41.9	41.5	41.3	41.7	42.4	390.1
391 LESS INTEREST ON LONG TERM DEBT	467.6	465.7	463.6	461.3	458.7	456.0	452.9	449.5	445.8	5030.1
548 NET EARNINGS FROM OPERS	-50.1	70.9	73.1	75.6	78.2	81.2	84.5	88.0	92.0	419.7
-----CASH SOURCE AND USE-----										
548 CASH INCOME FROM OPERS	-50.1	70.9	73.1	75.6	78.2	81.2	84.5	88.0	92.0	419.7
446 STATE CONTRIBUTION	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	1904.5
143 LONG TERM DEBT DRAWDOWNS	96.6	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	5006.6
248 WORCAP DEBT DRAWDOWNS	7.7	24.6	10.5	11.2	10.2	9.9	13.5	14.4	15.3	224.2
549 TOTAL SOURCES OF FUNDS	54.3	95.5	83.6	86.8	88.4	91.1	98.0	102.4	107.3	7555.0
320 LESS CAPITAL EXPENDITURE	27.5	29.4	31.5	33.7	36.1	38.6	41.3	44.2	47.3	3953.0
448 LESS WORCAP AND FUNDS	7.7	24.6	10.5	11.2	10.2	9.9	13.5	14.4	15.3	224.2
260 LESS DEBT REPAYMENTS	19.0	22.1	24.3	26.8	29.4	32.4	35.6	39.2	43.1	289.2
395 LESS PAYMENT TO STATE	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
141 CASH SURPLUS(DEFICIT)	0.0	19.3	17.3	15.1	12.8	10.2	7.6	4.7	1.6	80.6
249 SHORT TERM DEBT	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
444 CASH RECOVERED	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
-----BALANCE SHEET-----										
225 RESERVE AND CONT. FUND	62.7	66.4	74.7	81.5	88.9	97.1	105.9	115.6	126.2	126.2
371 OTHER WORKING CAPITAL	51.9	70.8	75.0	79.4	82.2	83.9	88.6	93.3	98.0	98.0
454 CASH SURPLUS RETAINED	0.0	19.3	36.6	51.7	64.5	74.7	82.3	87.0	88.6	80.3
370 CUM. CAPITAL EXPENDITURE	6651.0	6680.4	6711.9	6745.4	6781.7	6820.3	6861.6	6905.7	6953.0	6953.0
465 CAPITAL EMPLOYED	6765.5	6838.9	6898.2	6958.2	7017.2	7076.0	7138.3	7201.6	7265.0	7265.0
461 STATE CONTRIBUTION	1904.5	1904.5	1904.5	1904.5	1904.5	1904.5	1904.5	1904.5	1904.5	1904.5
462 RETAINED EARNINGS	-223.8	-152.9	-79.8	-4.2	74.0	155.2	239.7	327.7	419.7	419.7
555 DEBT OUTSTANDING-SHORT TERM	114.6	139.2	149.7	160.9	171.1	181.0	194.5	208.9	224.2	224.2
554 DEBT OUTSTANDING-LONG TERM	4970.2	4918.1	4923.8	4897.0	4867.6	4835.2	4799.6	4760.5	4717.4	4717.4
542 ANNUAL DEBT DRAWDOWN 11902	41.6	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	2046.0
543 CUM. DEBT DRAWDOWN 11902	2046.0	2046.0	2046.0	2046.0	2046.0	2046.0	2046.0	2046.0	2046.0	2046.0
519 DEBT SERVICE COVER	0.06	1.10	1.10	1.10	1.10	1.10	1.10	1.10	1.10	0.00



	1985	1986	1987	1988	1989	1990	1991	1992	1993	1994
CASH FLOW SUMMARY ---(\$MILLION)---										
73 ENERGY GWH	0	0	0	0	0	0	0	0	3387	3387
521 REAL PRICE-HILLS	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	50.93	61.60
468 INFLATION INDEX	122.43	129.98	137.78	146.05	154.81	165.65	177.24	189.65	202.92	217.13
520 PRICE-HILLS	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	103.34	133.76
-----INCOME-----										
516 REVENUE	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	350.0	453.0
170 LESS OPERATING COSTS	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	25.1	27.3
517 OPERATING INCOME	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	324.9	425.7
214 ADD INTEREST EARNED ON FUNDS	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	5.3
550 LESS INTEREST ON SHORT TERM DEBT	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	17.4
391 LESS INTEREST ON LONG TERM DEBT	0.0	0.0	0.0	0.9	0.0	0.0	0.0	0.0	357.3	384.9
548 NET EARNINGS FROM OPERS	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	-32.3	31.6
-----CASH SOURCE AND USE-----										
548 CASH INCOME FROM OPERS	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	-32.3	31.6
446 STATE CONTRIBUTION	375.7	436.1	437.2	447.4	840.8	0.0	0.0	0.0	0.0	0.0
143 LONG TERM DEBT DRAWDOWNS	0.0	0.0	0.0	0.0	13.3	1402.9	1273.5	882.9	328.7	8.3
248 WORCAP DEBT DRAWDOWNS	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	91.4	15.5
549 TOTAL SOURCES OF FUNDS	375.7	436.1	437.2	447.4	840.8	1402.9	1273.5	882.9	387.8	55.4
320 LESS CAPITAL EXPENDITURE	375.7	436.1	437.2	447.4	840.8	1402.9	1273.5	882.9	296.4	25.7
448 LESS WORCAP AND FUNDS	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	91.4	15.5
240 LESS DEBT REPAYMENTS	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	14.3
395 LESS PAYMENT TO STATE	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
141 CASH SURPLUS (DEFICIT)	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
249 SHORT TERM DEBT	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
444 CASH RECOVERED	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
-----BALANCE SHEET-----										
225 RESERVE AND CONT. FUND	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	52.6	57.4
371 OTHER WORKING CAPITAL	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	38.8	39.4
454 CASH SURPLUS RETAINED	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
370 CUM. CAPITAL EXPENDITURE	375.7	811.8	1248.9	1696.3	2537.1	3940.0	5213.5	6096.4	6392.0	6418.5
465 CAPITAL EMPLOYED	375.7	811.8	1248.9	1696.3	2537.1	3940.0	5213.5	6096.4	6484.1	6525.3
461 STATE CONTRIBUTION	375.7	811.8	1248.9	1696.3	2523.8	2523.8	2523.8	2523.8	2523.8	2523.8
462 RETAINED EARNINGS	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	-32.3	-0.7
553 DEBT OUTSTANDING-SHORT TERM	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	91.4	104.8
554 DEBT OUTSTANDING-LONG TERM	0.0	0.0	0.0	0.0	13.3	1416.3	2689.7	3572.6	3901.3	3895.4
542 ANNUAL DEBT DRAWDOWN 1982	0.0	0.0	0.0	0.0	0.6	846.9	718.3	465.5	162.0	3.0
543 CUM. DEBT DRAWDOWN 1982	0.0	0.0	0.0	0.0	0.6	855.5	1574.0	2039.5	2201.5	2205.4
519 DEBT SERVICE COVER	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.91	1.04

Option B -- \$1.8 Billion Drawn From Uncommitted State
 Funds Available For Capital Construction
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	1995	1996	1997	1998	1999	2000	2001	2002	2003	TOTAL
CASH FLOW SUMMARY										
---(\$MILLION)---										
73 ENERGY GRN	3387	3387	3387	3387	3387	3387	3387	3387	3387	37257
521 REAL PRICE-HILLS	40.24	37.33	34.00	30.76	47.76	44.98	42.39	40.03	37.85	0.00
466 INFLATION INDEX	232.33	248.59	245.99	284.61	304.53	325.85	348.66	373.07	399.18	0.00
520 PRICE-HILLS	139.94	142.51	143.63	144.46	145.45	146.55	147.81	149.34	151.08	0.00
-----INCOME-----										
516 REVENUE	474.0	482.6	486.4	489.3	492.6	496.3	500.6	505.8	511.7	5242.3
170 LESS OPERATING COSTS	29.8	32.6	35.6	38.8	42.3	46.2	50.4	55.1	60.1	443.3
517 OPERATING INCOME	444.2	450.1	450.9	450.5	450.2	450.1	450.1	450.7	451.6	4799.0
214 ADD INTEREST EARNED ON FUNDS	5.7	6.3	6.8	7.5	8.1	8.9	9.7	10.6	11.6	80.5
550 LESS INTEREST ON SHORT TERM DEBT	14.7	14.9	16.3	16.4	16.9	17.5	18.3	19.7	21.5	168.4
391 LESS INTEREST ON LONG TERM DEBT	383.5	383.9	382.2	380.3	378.2	375.9	373.4	370.6	367.5	4141.5
548 NET EARNINGS FROM OPERS	49.7	57.6	59.3	61.2	63.3	65.6	68.2	71.0	74.1	569.4
-----CASH SOURCE AND USE-----										
548 CASH INCOME FROM OPERS	49.7	57.6	59.3	61.2	63.3	65.6	68.2	71.0	74.1	569.4
446 STATE CONTRIBUTION	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	2523.8
143 LONG TERM DEBT DRAWDOWNS	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	3909.7
248 WORCAP DEBT DRAWDOWNS	7.7	24.6	10.5	11.2	10.2	9.9	13.5	14.4	15.3	224.2
549 TOTAL SOURCES OF FUNDS	57.4	82.2	69.8	72.4	73.5	75.6	81.7	85.4	89.4	7227.0
320 LESS CAPITAL EXPENDITURE	27.5	29.4	31.5	33.7	36.1	38.6	41.3	44.2	47.3	6748.0
448 LESS WORCAP AND FUNDS	7.7	24.6	10.5	11.2	10.2	9.9	13.5	14.4	15.3	224.2
260 LESS DEBT REPAYMENTS	15.7	17.4	19.2	21.1	23.2	25.5	28.1	30.9	34.0	229.2
395 LESS PAYMENT TO STATE	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
141 CASH SURPLUS(DEFICIT)	6.5	10.7	0.6	6.4	4.1	1.5	-1.1	-4.0	-7.1	25.5
249 SHORT TERM DEBT	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
444 CASH RECOVERED	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
-----BALANCE SHEET-----										
325 RESERVE AND CONT. FUND	62.7	68.4	74.7	81.5	88.9	97.1	105.9	115.6	126.2	126.2
371 OTHER WORKING CAPITAL	51.9	70.0	75.0	79.4	82.2	83.9	88.6	93.3	98.0	98.0
454 CASH SURPLUS RETAINED	6.5	17.2	25.8	32.2	36.3	37.8	36.7	32.6	25.5	25.5
370 CUM. CAPITAL EXPENDITURE	6446.0	6475.4	6506.9	6540.6	6574.7	6615.3	6656.6	6700.8	6748.0	6748.0
465 CAPITAL EMPLOYED	6567.0	6631.8	6682.4	6733.8	6784.1	6834.1	6887.8	6942.3	6997.8	6997.8
461 STATE CONTRIBUTION	2523.8	2523.8	2523.8	2523.8	2523.8	2523.8	2523.8	2523.8	2523.8	2523.8
462 RETAINED EARNINGS	49.0	106.6	163.9	227.1	290.4	356.1	424.3	495.3	569.4	569.4
555 DEBT OUTSTANDING-SHORT TERM	114.6	139.2	149.7	160.9	171.1	181.0	194.5	208.9	224.2	224.2
554 DEBT OUTSTANDING-LONG TERM	3079.7	3062.2	3043.1	3022.0	3000.8	2975.3	2945.2	2914.4	2880.4	2880.4
542 ANNUAL DEBT DRAWDOWN 11982	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	2205.4
543 CUM. DEBT DRAWDOWN 11982	2205.4	2205.4	2205.4	2205.4	2205.4	2205.4	2205.4	2205.4	2205.4	2205.4
519 DEBT SERVICE COVER	1.00	1.10	1.10	1.10	1.10	1.10	1.10	1.10	1.10	0.00



	1985	1986	1987	1988	1989	1990	1991	1992	1993	1994
CASH FLOW SUMMARY										
---(MILLION)---										
73 ENERGY GWH	0	0	0	0	0	0	0	0	3387	3387
521 REAL PRICE-MILLS	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	50.93	61.60
466 INFLATION INDEX	122.62	129.98	137.78	146.05	154.81	165.65	177.24	189.85	202.97	217.13
520 PRICE-MILLS	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	103.34	133.76
-----INCOME-----										
516 REVENUE	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	350.0	453.0
170 LESS OPERATING COSTS	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	25.1	27.3
517 OPERATING INCOME	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	324.9	425.7
214 ADD INTEREST EARNED ON FUNDS	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	5.3
550 LESS INTEREST ON SHORT TERM DEBT	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	19.1
391 LESS INTEREST ON LONG TERM DEBT	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	424.9	454.6
548 NET EARNINGS FROM OPERS	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	-100.0	-42.8
-----CASH SOURCE AND USE-----										
548 CASH INCOME FROM OPERS	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	-100.0	-42.8
446 STATE CONTRIBUTION	806.8	413.3	475.3	115.4	0.0	0.0	0.0	0.0	0.0	0.0
143 LONG TERM DEBT DRAWDOWNS	0.0	0.0	0.0	0.0	521.8	1453.8	1329.4	944.4	396.4	85.3
248 WORCAP DEBT DRAWDOWNS	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	91.4	15.5
549 TOTAL SOURCES OF FUNDS	806.8	413.3	475.3	115.4	521.8	1453.8	1329.4	944.4	387.8	57.9
320 LESS CAPITAL EXPENDITURE	373.3	390.3	389.2	390.9	911.8	1453.8	1329.4	944.4	296.4	25.7
448 LESS WORCAP AND FUNDS	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	91.4	15.5
260 LESS DEBT REPAYMENTS	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	18.8
395 LESS PAYMENT TO STATE	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
141 CASH SURPLUS (DEFICIT)	433.5	22.8	86.1	-275.5	-290.0	0.0	0.0	0.0	0.0	0.0
249 SHORT TERM DEBT	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
444 CASH RECOVERED	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
-----BALANCE SHEET-----										
225 RESERVE AND CONT. FUND	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	52.6	57.4
371 OTHER WORKING CAPITAL	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	38.8	49.4
454 CASH SURPLUS RETAINED	456.6	479.4	565.5	290.0	0.0	0.0	0.0	0.0	0.0	0.0
370 CUM. CAPITAL EXPENDITURE	373.3	763.8	1153.0	1543.9	2455.7	3909.4	5138.8	6083.2	6379.6	6405.3
465 CAPITAL EMPLOYED	829.9	1243.2	1718.5	1833.9	2455.7	3909.4	5138.8	6083.2	6471.0	6512.1
461 STATE CONTRIBUTION	806.8	1220.1	1695.4	1810.8	1810.8	1810.8	1810.8	1810.8	1810.8	1810.8
462 RETAINED EARNINGS	23.1	23.1	23.1	23.1	23.1	23.1	23.1	23.1	-76.9	-119.7
555 DEBT OUTSTANDING-SHORT TERM	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	91.4	106.8
551 DEBT OUTSTANDING-LONG TERM	0.0	0.0	0.0	0.0	321.8	1975.3	3304.9	4249.3	4645.7	4714.2
542 ANNUAL DEBT DRAWDOWN 11982	0.0	0.0	0.0	0.0	337.0	877.6	750.0	498.0	195.3	39.3
543 CUM. DEBT DRAWDOWN 11982	0.0	0.0	0.0	0.0	337.0	1214.6	1964.7	2462.6	2658.0	2697.2
519 DEBT SERVICE COVER	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.74	0.87

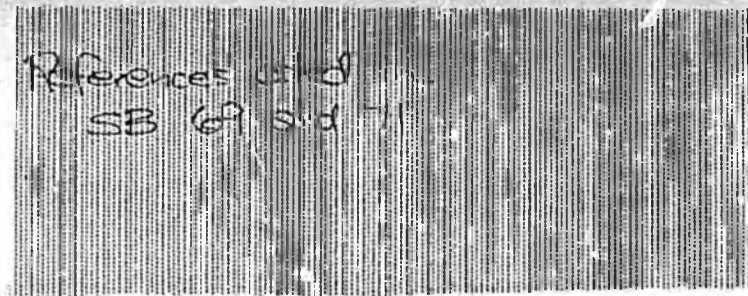
Option C -- \$1.4 Billion Dedicated From
 Permanent Fund Income
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	1995	1996	1997	1998	1999	2000	2001	2002	2003	TOTAL
CASH FLOW SUMMARY ---(MILLION)---										
73 ENERGY CUM	3387	3387	3387	3387	3387	3387	3387	3387	3387	37257
521 REAL PRICE-MILLS	60.24	69.32	65.13	61.09	57.35	53.87	50.65	47.69	44.96	0.00
466 INFLATION INDEX	232.33	248.59	265.99	284.81	304.53	325.85	348.66	373.07	399.18	0.00
520 PRICE-MILLS	139.96	172.33	173.25	173.87	174.65	175.55	176.60	177.92	179.46	0.00
-----INCOME-----										
516 REVENUE	474.0	583.7	586.7	588.9	591.5	594.5	598.1	602.6	607.8	6030.7
170 LESS OPERATING COSTS	29.8	32.6	35.6	38.8	42.3	46.2	50.4	55.1	60.1	443.3
517 OPERATING INCOME	444.2	551.1	551.2	550.1	549.2	548.3	547.6	547.5	547.7	5587.4
214 ADD INTEREST EARNED ON FUNDS	5.7	6.3	6.8	7.5	8.1	8.9	9.7	10.6	11.6	80.5
550 LESS INTEREST ON SHORT TERM DEBT	29.2	37.8	38.4	37.8	37.4	37.2	37.2	37.7	38.7	350.5
391 LESS INTEREST ON LONG TERM DEBT	452.9	451.0	449.0	446.8	444.3	441.6	438.7	435.4	431.8	4871.0
548 NET EARNINGS FROM OPERS	-32.2	88.5	70.6	73.0	75.6	78.4	81.5	85.0	88.8	446.4
-----CASH SOURCE AND USE-----										
548 CASH INCOME FROM OPERS	-32.2	88.5	70.6	73.0	75.6	78.4	81.5	85.0	88.8	446.4
446 STATE CONTRIBUTION	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
143 LONG TERM DEBT DRAWDOWNS	78.2	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	409.1
248 WORCAP DEBT DRAWDOWNS	7.7	24.6	10.5	11.2	10.2	9.9	13.5	14.4	15.3	124.2
519 TOTAL SOURCES OF FUNDS	53.7	93.1	81.1	84.2	85.7	88.3	95.0	99.4	104.1	7290.5
320 LESS CAPITAL EXPENDITURE	27.5	29.4	31.5	33.7	36.1	38.6	41.3	44.2	47.1	6734.9
448 LESS WORCAP AND FUNDS	7.7	24.6	10.5	11.2	10.2	9.9	13.5	14.4	15.3	224.2
260 LESS DEBT REPAYMENTS	18.4	21.3	23.4	25.7	28.3	31.1	34.3	37.7	41.4	278.4
395 LESS PAYMENT TO STATE	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
141 CASH SURPLUS(DEFICIT)	0.0	17.8	15.7	13.5	11.2	8.7	6.0	3.1	0.0	53.0
249 SHORT TERM DEBT	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
444 CASH RECOVERED	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
-----BALANCE SHEET-----										
225 RESERVE AND CONT. FUND	62.7	68.4	74.7	81.5	88.9	97.1	105.9	115.6	126.2	126.2
371 OTHER WORKING CAPITAL	51.9	70.8	75.0	79.4	82.2	83.9	88.6	93.3	98.0	98.0
454 CASH SURPLUS RETAINED	0.0	17.8	33.3	47.1	58.3	67.0	73.0	76.1	76.1	76.1
370 CUM. CAPITAL EXPENDITURE	6432.8	6462.3	6493.8	6527.5	6563.5	6602.1	6643.4	6687.6	6734.9	6734.9
465 CAPITAL EMPLOYED	6547.4	6619.2	6677.0	6735.5	6792.9	6850.1	6910.9	6972.6	7035.2	7035.2
461 STATE CONTRIBUTION	1810.8	1810.8	1810.8	1810.8	1810.8	1810.8	1810.8	1810.8	1810.8	1810.8
462 RETAINED EARNINGS	-151.9	-83.4	-12.7	40.2	135.0	214.2	295.8	380.7	469.5	469.5
555 DEBT OUTSTANDING-SHORT TERM	114.6	139.2	149.7	160.9	171.1	181.0	194.5	208.9	224.2	224.2
554 DEBT OUTSTANDING-LONG TERM	4773.9	4752.6	4729.3	4703.5	4675.2	4644.1	4609.8	4572.1	4530.7	4530.7
542 ANNUAL DEBT DRAWDOWN 11982	33.6	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	2730.9
543 CUM. DEBT DRAWDOWN 11982	2730.9	2730.9	2730.9	2730.9	2730.9	2730.9	2730.9	2730.9	2730.9	2730.9
519 DEBT SERVICE COVER	0.89	1.10	1.10	1.10	1.10	1.10	1.10	1.10	1.10	0.00



(B)



Sec. 44.83.181. Feasibility study and finance plan. (a) Unless the reconnaissance study has been disapproved by the division of budget and management under AS 44.83.179, the authority shall complete a feasibility study and plan of finance for each proposed project.

(b) A feasibility study shall include

(1) information about the proposed project, including but not limited to estimates of total project construction costs, total project operating costs, the costs of transmission systems and reserve power requirements, the timing and amount of anticipated returns from the completed project, a benefit-to-cost ratio, the potential effect of the project on the environment of the area which will be served by the project when completed, and the availability of alternative government financing;

(2) a statement of all assumptions which affect the economic feasibility of the project, including but not limited to the discount rate and interest rate of amounts of money to be used for the project, anticipated fuel prices, an escalation rate, state and local electric load growth, and estimates of indirect costs and benefits;

(3) a comparative analysis of all reasonable alternatives to construction of the proposed project; and

(4) information based on engineering and design work which meets the requirements for submission of a license application for the project to the Federal Energy Regulatory Commission.

(c) The plan of finance shall include recommendations of the most appropriate means to finance a project, including, but not limited to,

(1) the issuance of revenue bonds of the authority;

(2) the issuance of

(A) general obligation bonds of the state; or

(B) revenue bonds of the authority which are guaranteed or partially guaranteed by the state;

(3) an appropriation from the general fund

(A) to pay debt service on bonds or for other project purposes; or

(B) to reduce the amount of debt financing for the project;

- (4) a loan from the general fund;
- (5) financing arrangements with other entities using leveraged leases or other financing methods;
- (6) assistance from any federal agency, including, but not limited to, the Rural Electrification Administration;
- (7) a loan from the power project fund (AS 44.83.170(a)), or from the renewable resources investment fund (AS 37.11.050); or
- (8) any combination of financing arrangements listed in this subsection.

(d) When financial assistance from the state is necessary for a project to meet financial feasibility criteria, the plan of finance shall include an estimate of the minimum amount of financial assistance required from the state. The plan of finance shall include an estimate of the present value of the financial assistance from the state, computed as the difference between

(1) a market rate of interest, which is

(A) the rate determined under AS 44.83.170(1)(2)(B)(i); or

(B) the estimated interest rate for revenue bonds to be issued by the authority for the project; and

(2) the effective rate of interest because of state financial assistance provided.

(e) The authority, in consultation with the division of budget and management, shall adopt regulations defining

(1) the techniques which it shall apply to determine that the information required by (b) — (d) of this section is obtained; and

(2) standard criteria and measures for comparative analysis of alternative financing arrangements. (§ 24 ch 83 SLA 1980; am § 6 ch 133 SLA 1982)

Effect of amendments. — The 1982 "and reserve power requirements" in paragraph (1) of subsection (b). Inserted "the costs of transmission systems"

Sec. 44.83.183. Review of feasibility studies and plans of finance by division of budget and management. (a) The division of budget and management in the Office of the Governor shall review the feasibility study and plan of finance for a project of the authority for compliance with the provisions of AS 44.83.181(b) — (d).

(b) In its review under this section, the division of budget and management may obtain an independent evaluation of a feasibility study and plan of finance to determine compliance with the provisions of AS 44.83.181(b) — (d).

(c) When the division of budget and management has completed a review of the feasibility study and the plan of finance for a project under this section, it shall submit a report to the governor. The report shall examine the feasibility study and plan of finance for compliance with the requirements of AS 44.83.181(b) — (d). The report of the

division of budget and management shall include a recommendation to the governor and legislature for approval or disapproval of the project based on the division's review of the feasibility study and plan of finance for compliance with the requirements of AS 44.83.181(b) — (d).

(d) The report required by (c) of this section shall be prepared and submitted not later than 60 days after the feasibility study and plan of finance for a proposed project have been received by the division of budget and management.

(e) The report required by (c) of this section shall include a financial analysis of the proposed project of the authority that evaluates proposed bond resolutions or other financial arrangements or financial plans, security plans and arrangements, cost and demand uncertainties, and debt volume, as they relate to the total direct and indirect indebtedness of the state. In preparing the financial analysis required by this section the division of budget and management may use the services of outside agencies or institutions that are not otherwise involved in the project. (§ 24 ch 83 SLA 1980; am § 7 ch 133 SLA 1982)

Effect of amendments. — The 1982 amendment, effective June 25, 1982, added subsection (e).

Sec. 44.83.185. Submission to the legislature. (a) The authority shall submit a feasibility study and plan of finance for a proposed new project to the legislature. When the report of the division of budget and management examining the feasibility study and plan of finance is completed as required by AS 44.83.183, it shall be submitted to the legislature.

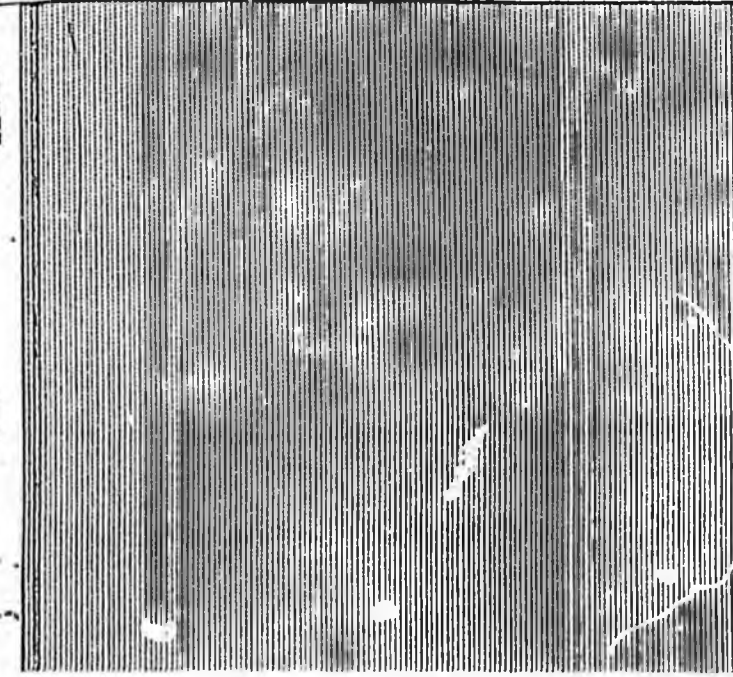
(b) The authority may not proceed with work on the engineering or design phase of a proposed new project for which legislative approval is required until the legislature approves the proposed new project. However, the authority may proceed with the engineering or design work necessary to meet the requirements for submission of a license application for the proposed new project to the Federal Energy Regulatory Commission without obtaining legislative approval of the proposed new project.

(c) The legislature shall consider and must approve all proposed new projects except proposed new projects that are exempt under AS 44.83.187. The legislature may approve a proposed new project only by enacting law that authorizes the project and approves a construction cost for that project. (§ 24 ch 83 SLA 1980; am § 8 ch 133 SLA 1982)

Effect of amendments. — The 1982 amendment, effective June 26, 1982, substituted "that authorizes the project and approves a construction cost for" for "authorizing;" in the second sentence of subsection (c).

Sec. 44.83.186. Final cost estimate and reauthorization by the legislature. If a project is approved under AS 44.83.185(c), the authority shall obtain a final cost estimate for the project from an independent source qualified to make such an estimate. If the final cost estimate does not exceed the construction cost authorized by the legislature under AS 44.83.185, adjusted for inflation, by more than seven and one-half percent, the authority may proceed with the construction of the project. If the final cost estimate exceeds the construction cost authorized by the legislature under AS 44.83.185, adjusted for inflation, by more than seven and one-half percent, the authority shall revise its feasibility study and, if it determines that the project remains feasible, the authority shall submit the revised feasibility study and the independent cost estimate to the legislature. A proposed project that is returned for reconsideration by the legislature under this section may not be constructed unless the legislature reauthorizes it by enacting law for that purpose. (§ 9 ch 133 SLA 1982)

Effective dates. — Section 22, ch. 133, June 25, 1982, in accordance with AS SLA 1982, makes this section effective 01.10.070(c).



Article 7. Susitna River Hydroelectric Project.

Section	Section
300. Description of project	340. Annual report
310. Purpose of project	350. Legislative and executive oversight
320. Preliminary reports	360. Project financing
325. Restrictions on contracting	
330. Construction, maintenance and operation of projects	

Sec. 44.83.300. Description of project. The Susitna River hydroelectric project consists of dams and related reservoirs, and power plants located in the Upper Susitna River Basin, and related transmission lines, facilities, and load centers, as described in the Alaska Power Authority's report required by AS 44.83.320(b). (§ 2 ch 169 SLA 1980)

Sec. 44.83.310. Purpose of project. The primary purpose of the Susitna River hydroelectric project is to generate, transmit and distribute electric power in a manner which will

- (1) minimize market area electrical power costs;
- (2) minimize adverse environmental and social impacts while enhancing environmental values to the extent possible; and
- (3) safeguard both life and property. (§ 2 ch 169 SLA 1980)

Sec. 44.83.320. Preliminary reports. (a) By March 30, 1981, the authority shall prepare and submit to the governor and to the legislature a preliminary report recommending whether work should continue on the Susitna River hydroelectric project, and, if the recommendation is to continue on the project, the report shall explain in detail

- (1) economic evaluations and preliminary environmental impact assessments for the Susitna River hydroelectric project and all viable alternatives;
- (2) the federal and state permits required to be obtained before construction can begin and the expected construction start date; and
- (3) any other information the authority considers appropriate or necessary to adequately inform the governor and the legislature of the status of the Susitna River hydroelectric project.

(b) By April 30, 1982, the authority shall prepare and submit to the governor and to the legislature a preliminary report recommending whether work should continue on the Susitna River hydroelectric project, and other viable alternatives. If the recommendation is to continue on the Susitna River hydroelectric project, the report shall explain in detail

- (1) the proposed conceptual design and phases of construction of the Susitna River hydroelectric project;

Sec. 44.83.130. Nonliability on bonds. (a) Neither the members of the authority nor a person executing the bonds is liable personally on the bonds or is subject to personal liability or accountability by reason of the issuance of the bonds.

(b) The bonds issued by the authority do not constitute an indebtedness or other liability of the state or of a political subdivision of the state, except the authority, but shall be payable solely from the income and receipts or other funds or property of the authority. The authority may not pledge the faith or credit of the state or of a political subdivision of the state, except the authority, to the payment of a bond and the issuance of a bond by the authority does not directly or indirectly or contingently obligate the state or a political subdivision of the state to apply money from, or levy or pledge any form of taxation whatever to the payment of the bond. (§ 1 ch 278 SLA 1976)

- (3) the expected cost of each phase of construction;
- (4) the costs to the state and consumers of the project under alternative methods of project financing, including revenue bonds, general obligation bonds, and general fund appropriations; and
- (5) any other information the authority considers appropriate or necessary to adequately inform the governor and the legislature of the status of the Susitna River hydroelectric project.

(c) The preliminary reports required under (a) and (b) of this section are in addition to any reports required under AS 44.83.180 — 44.83.224. (§ 2 ch 169 SLA 1980)

Sec. 44.83.325. Restrictions on contracting. The authority may not enter into contracts under AS 44.83.300 — 44.83.360 other than those contracts necessary to complete (1) feasibility studies, (2) the preliminary reports required by AS 44.83.320, or (3) construction of the Anchorage-Fairbanks intertie, until the legislature approves by law the preliminary report required under AS 44.83.320(b). (§ 2 ch 169 SLA 1980)

Sec. 44.83.330. Construction, maintenance and operation of project. Within one year after approval of its preliminary report submitted under AS 44.83.320(b), the authority may enter into a contract for the construction of the Susitna River hydroelectric project in a manner consistent with the purpose of the project as described in AS 44.83.310. (§ 2 ch 169 SLA 1980)

Sec. 44.83.340. Annual report. (a) If the Susitna River hydroelectric project is approved by the legislature under AS 44.83.320(d), beginning in 1983 the authority shall prepare an annual report which explains in detail

- (1) the status of construction on the Susitna River hydroelectric project;
- (2) the completion date of any phase of the Susitna River hydroelectric project which has been completed and the reasons for any deviation between the completion date and the expected completion date stated in the preliminary report required under AS 44.83.320(b);
- (3) the actual cost of any phase of the Susitna River hydroelectric project which has been completed and the reasons for any deviation between the actual cost and the expected cost stated in the preliminary report required under AS 44.83.320(b);
- (4) the federal and state permits necessary to begin or continue construction of the Susitna River hydroelectric project, the actual dates on which the federal and state permits necessary to begin or continue construction were obtained, and the reasons for any deviation between the actual dates and the expected dates stated in the preliminary report required under AS 44.83.320(a) or in the earlier annual reports required under this section;

(5) any other information the authority considers appropriate or necessary to adequately inform the governor and the legislature of the status of the Susitna River hydroelectric project.

(b) The annual report required under (a) of this section is in addition to any reports required under AS 44.83.180 — 44.83.224 and shall be submitted, by March 30 of each year, to the governor and to each member of the legislature. (§ 2 ch 169 SLA 1980)

Sec. 44.83.350. Legislative and executive oversight. The legislature or the governor may provide for ongoing oversight, review and selected in-depth analysis of the Susitna River hydroelectric project plan of study. The authority shall provide all data, analyses, reports, and other information to whomever conducts the oversight, review, or analysis activities. Selected in-depth analyses shall include assessments of the power alternatives, financing, and power marketing sections of the Susitna River hydroelectric project plan of study. (§ 2 ch 169 SLA 1980)

Sec. 44.83.360. Project financing. The Susitna River hydroelectric project shall be financed by general fund appropriations, general obligation bonds, revenue bonds, or other plans of finance as approved by the legislature. (§ 2 ch 169 SLA 1980)

Article 7. Susitna River Hydroelectric Project.

Sec. 44.83.325. Restrictions on contracting.

Editor's note. — Section 21, ch. 133, SLA 1982, provides: "Notwithstanding the provisions of AS 44.83.325, the Alaska Power Authority may enter into contracts under AS 44.83.300 — 44.83.360 for preliminary work without the approval required by AS 44.83.325. In this section, 'preliminary work' means the preparation of plans and studies and the preparation and submission of license applications, as well as other types of work, that must be

completed before actual construction of the Susitna River hydroelectric project, described in AS 44.83.300, may begin. This section does not authorize the Alaska Power Authority to enter into contracts for the actual construction of the Susitna River hydroelectric project or for the preparation of the site of the Susitna River hydroelectric project without the approval required by AS 44.83.325."

SEE FILE
HB 120
HSA
FOR THIS REPORT

POLICY ANALYSIS PAPER 82-14

Potential for Industrial Development
in the Railbelt Region of Alaska Based
on the Availability and Cost of
Electric Power

December 1982

Prepared by: SRI International
333 Ravenwood Ave
Menlo Park, CA 94025

H B

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INTRODUCTION OF BILLS (House)(cont'd)

HB 130 (cont'd)

Amends section relating to the disposal of land by lottery (AS 38.05.057) by deletion of language permitting an applicant to be represented by an agent on the day of the lottery if the land offered for sale is commercial, industrial or agricultural. Provides an applicant need not be present to win if military service prevents him from attending the lottery (presently applicant needs not be present if military service "outside the state" prevents presence).

Amends section relating to the leasing of a remote parcel (AS 38.05.077(i)(3)) to require that a person certify that he has not either previously leased a remote parcel "or have made application for a homestead entry on state land" within eight years immediately preceding the date of staking a remote parcel "and certify the facts in the application." (Underlined requirements added.)

Introduced January 26 and referred to Resources and Finance.

Parenthood
(discrimination based on in sale/rental of real prop.) HOUSE BILL NO. 131, by Rep. Hurlbert. Would prohibit discrimination based on parenthood in the sale or rental of real property. In other words, a landlord could not refuse to rent to a person or couple simply because they had children, and a real estate agent could not refuse to sell property to a person or couple because of children. (Amends AS 18.80.240, "Unlawful Practices in the Sale or Rental of Real Property.")

Deletes: "However, nothing in this paragraph prohibits the sale, lease or rental of classes of real property commonly known as housing for 'singles' or 'married couples' only." Does not provide for an effective date (effective 90 days after the Governor's signature).

Introduced January 28 and referred to Labor & Commerce and Judiciary.

Munic. Sales Tax
(on food or nonalcoholic beverages) HOUSE BILL NO. 132, by Reps. Vaska and Koponen. Would prohibit municipalities from levying and collecting a sales tax on food or nonalcoholic beverages. Would apply to home rule and general law municipalities. (Amends AS 29.53.415, "Sales & Use Tax.") Effective January 1, 1984.

Introduced January 28 and referred to Labor & Commerce and Community & Regional Affairs.

Public Emp. Retirement
(credited svc. for former federal workers) HOUSE BILL NO. 133, by Rep. Martin by request. Would allow members of PERS to claim credited service for service rendered before January 1, 1961 as "a temporary or permanent" employee of the federal government in Alaska, excluding service in the U.S. armed forces (underlined words added to AS 39.35-360(a), "Earlier Service"). Employee must have been employed by the state before January 1, 1980 and must have completed three years of credited service with the state after January 1, 1961, for which employee has made the required contributions (no change from existing law).

INTRODUCTION OF BILLS (House)(cont'd)

HB 133 (cont'd)

If the bill passes, state employees who have already retired would be eligible to receive increased benefits based on prior federal service. Effective immediately.

Introduced January 28 and referred to State Affairs and Finance.

Appropriation HOUSE BILL NO. 134, by Reps. Duncan and M.M. Miller.
(Snettisham Power Project) Would repeal a \$4.5 million appropriation made in 1981 for the Snettisham power project near Juneau and reappropriate the money to the Alaska Power Authority for "feasibility studies, preconstruction design, engineering, and construction at the Snettisham (Crater Lakes) power project." The 1981 appropriation, continued in Ch. 90, SLA 1981, Sec. 6(7), was part of a \$37,300,000 allocation to the Power Authority for "feasibility studies, preconstruction design, and engineering" for various projects around the state (specifically did not include "construction").

Appropriation is for capital project and is subject to AS 37.25.020 (it does not lapse). Effective immediately.

Introduced January 28 and referred to Resources and Finance.

Court Leave HOUSE BILL NO. 135, by the Rules Committee by request of the
for Nonperm. Legislative Council (for the Blue Ribbon Commission on the
& Temporary State Personnel Act). Identical to SB 83, page 81.
Employees

Appropriation HOUSE BILL NO. 136, by Rep. Larson. Would appropriate
(Municipal \$25.1 million to the Dept. of Revenue for the Municipal
Assistance Fund) Assistance Fund (AS 43.20.016(a)) for distribution to municipi-
Fund) palities for fiscal year ending June 30, 1983. Lapses on
June 30, 1983. Effective immediately. Identical to SB 17, page 5.

Introduced January 28 and referred to Community & Regional Affairs and Finance.

Appropriation HOUSE BILL NO. 137, by Reps. Larson, David, Duncan, Fritz,
(supplemental) Furnace, Koponen, Malone, M.M. Miller, M.W. Miller, Szymanski
(school con- and Zharoff. Would make a \$13.1 million supplemental appro-
struction priation to the Dept. of Education for the retirement of school
debts) construction debts in accordance with AS 43.18.100 for fiscal
year 1983. Effective immediately.

Introduced January 28 and referred to Health, Education & Social Services and Finance.

Appropriation HOUSE BILL NO. 138, by Rep. Larson. Would make a \$3.5
(supplemental) million appropriation to the Dept. of Community & Regional
(state aid for roads) Affairs for distribution to municipalities for roads under
AS 29.89.020 (state aid for roads) for the fiscal year ending
June 30, 1983. Appropriation lapses on June 30, 1983. Effective
immediately.

Introduced January 28 and referred to Community & Regional Affairs

Alaska State Legislature



REPRESENTATIVE
TERRY MARTIN

DISTRICT 8
CHAIRMAN—LABOR AND COMMERCE COMMITTEE
PHONE 465-3873

3960 NEKA DRIVE—86
ANCHORAGE, AK 99504
PHONE 333-6990

DURING LEGISLATURE
POUCH
STATE CAPITOL
JUNEAU, AK 99811
PHONE 465-3784

January 27, 1983

Mr. Eugene Horning
3100 Glenndon Drive
Anchorage, Alaska 99504

Dear Eugene:

Enclosed is a copy of my bill relating to credit for earlier service for certain members of the public employees' retirement system.

I expect the bill to be given a number and introduced in the House today.

I appreciate you calling this matter to my attention.

Sincerely,

A handwritten signature in cursive script that reads "Terry".

Terry Martin
Representative

TM/ta

P.S. The bill number is HB 133.

January 7, 1983

Representative Terry Martin
Pouch V
Juneau, Alaska 99811

Dear Representative Martin,

I am writing in regard to Senate Bill 589 relating to credit for earlier service for certain members of the public employees' retirement system.

As you can see from the attached letters, I have attempted to clarify the exact meaning of the wording in AS 39.35.360(A).

Even after the meeting with the Retirement Board I still feel that the wording in 39.35.360 is misleading and needs to be changed.

Therefore I am submitting this letter with attachments in support of Senate Bill 589 and for your use in securing passage of the bill.

P.

Sen. Vic Fischer

Fischer had this Bill last year in Senat. St. Affairs Comm.

Respectfully yours,

Eugene A. Horning

Eugene A. Horning
3100 Glenndon Drive - Dist. 13
Anchorage, Alaska 99504

EAH/bp
Attachments
cc: Vic Fischer
Jerry Ward
Joe Josephson

~~This Bill~~ We can introduce a new bill in House next for Rep. Board's Comm.

H-337-1427
W-269-5792

December 11, 1981

Seante Distric C
Bill Ray
Pouch J
Juneau, Ak. 99811

Dear Senator Ray:

I am currently employed with the State of Alaska, Department of Public Safety in Anchorage.

I have filed a claim with the Public Employees Retirement System for EARLIER SERVICE CREDIT as an employee of the Federal Government before January 1, 1961 as per AS 39.35.360 (A). (See enclosed copy.)

The Division of Retirement would only grant me credit for permanent time and not for temporary time. (See enclosed letter.)

There is no mention of permanent or temporary in AS 39.35.360 (A).

I requested and was granted an appearance before the Public Employee's Retirement Board at its scheduled meeting in October.

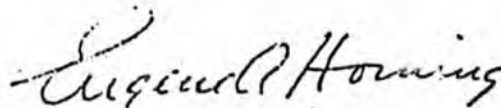
At this meeting Mr. Paul Arnoldt, Director of the Division of Retirement and Benefits, stated that temporary service was not creditable under the PERS law with the exception of AS39.35.156 "Temporary Service Credit".

Therefore in AS 39.35.360 "Earlier Service Credit" permanent Federal Service is implied and did not need to be explicitly stated.

Was this also your understanding when you sponsored Senat Bill #26 in 1979 in which AS 39.35.360 was rewritten?

I would like to hear from you on this matter.

Respectfully yours,



Eugene A. Horning
8620 Boundary #1
Anchorage, Al. 99504
Phone - 337-1427 (home)
269-5792 (work)



Alaska State Legislature

Senate

Committee on Transportation

Senator Bill Ray
Chairman

Official Business
Pouch V
State Capitol
Juneau, Alaska 99811

December 18, 1981

Eugene A. Horning
8620 Boundary #3
Anchorage, Alaska 99504

Dear Mr. Horning:

Thank you for your letter of December 11 concerning earlier service retirement credit.

I have referred your inquiry to Teresa Cramer, my Administrative Assistant for the Blue Ribbon Commission. She will investigate the matter and report to you her findings.

Sincerely,

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

Bill Ray
Senator
District C

cc: Teresa Cramer



JUNEAU, ALASKA

Alaska State Legislature

BLUE RIBBON COMMISSION ON THE
STATE PERSONNEL ACT

Senator Bill Ray, Chairman

Pouch YG
Mail Stop 3123
Juneau, Alaska 99811
(907) 465-4442

January 11, 1982

Eugene A. Horning
8620 Boundary #3
Anchorage, Alaska 99504

Dear Mr. Horning:

Senator Ray asked that I reply to your letter about retirement credit for temporary employment with the federal government prior to statehood. The answers which you received from Mr. Motter and from Ms. Woolford of the Division of Retirement and Benefits are consistent with the present state of the retirement laws. The problem of interpreting what counts as "service" in the retirement system comes in part from the definition sections which do limit membership in the system to employees who are "receiving compensation for seasonal, permanent full-time or permanent part-time services" in most cases. AS 39.35.680(1) defining "active member".

Last legislative session, Senator Ray sponsored legislation which directly addresses your situation. I am enclosing a copy of SB 589 which amends the section on credit for earlier service to provide that both temporary and permanent employment with the United States government in Alaska prior to statehood will count as credited service. This bill is presently in the Senate State Affairs Committee, which Senator Vic Fischer chairs. If you wish to support the legislation, you may write directly to the committee at Pouch V, Juneau, Alaska 99811. If there are hearings scheduled on the bill, I will let the committee know of your support for the proposed amendment during any testimony I give on behalf of the Blue Ribbon Commission.

Yours very truly,

Teresa B. Cramer
Administrative Assistant

TBC:lmk
Enclosure

Alaska State Legislature

SENATOR
ARLISS STURGULEWSKI

COMMITTEES
CHAIRMAN
Legislative Budget & Audit

Community & Regional Affairs
Finance
Resources



Senate

2957 SHELDON JACKSON
ANCHORAGE, ALASKA 99504
DISTRICT 10-H

While in Juneau
POUCH V
JUNEAU, ALASKA 99811
(907) 465-3818

05 April 1982

Eugene Horning
8620 Boundary #3
Anchorage, Alaska 99504

Dear Mr. Horning:

As I am sure you are aware, Senate Bill 589, relating to credit for earlier service for certain members of the public employees' retirement system is currently in the Senate State Affairs Committee, chaired by Senator Vic Fischer. I have contacted Senator Fischer's office about Senate Bill 589 and have been informed that this bill is not currently scheduled for hearing and it is not anticipated that it will be scheduled during this session.

I am sending along to Senator Fischer's office a copy of the packet of material you sent to me. I am sorry to say that it does not seem likely that this bill will come before me this year, but you may be assured that if it should, I will give it my most careful and positive consideration.

Sincerely,

A handwritten signature in cursive script that reads "Arliss Sturgulewski".

Arliss Sturgulewski
Senator, District 10-H

cc: Senator Vic Fischer

Alaska State Legislature

REPRESENTATIVE
CHARLES ANDERSON
DISTRICT 10



1841 E. 24TH AVENUE
ANCHORAGE, ALASKA 99504
277-3906

WHILE IN JUNEAU
POUCH V
JUNEAU, ALASKA 99811
465-4943

House of Representatives

April 8, 1982

Eugene A. Horning
5419 East 42nd Avenue
No. 22
Anchorage, Alaska 99504

Dear Eugene,

Thank you for your recent letter regarding SB 589, "An Act relating to credit for earlier service for certain members of the public employees retirement system; and providing for an effective date." I appreciate hearing from you on this matter.

As you know, this legislation was introduced by Senator Ray of Juneau and has been referred to the Senate State Affairs Committee. I realize that while this may be a relatively minor change in the law on retirement, it can be an important one for individuals like yourself. Accordingly, I am in support of this bill and have written to the Senate State Affairs Committee Chairman (copy enclosed) to urge that they act on this matter.

While it is relatively late in the legislative session, I believe that a hearing on this bill will considerably enhance the possibility of it being approved by the legislature.

Again, thank you for contacting me on this issue and please feel free to communicate with me further on this or any other matters of mutual interest.

Sincerely,

A handwritten signature in cursive script that reads "Charles Anderson".

Charles G. Anderson
House of Representatives

CGA:mac

Enclosure

Alaska State Legislature



REPRESENTATIVE
CHARLES ANDERSON
DISTRICT 10

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ANCHORAGE, ALASKA 99504
277-3906

WHILE IN JUNEAU
POUCH V
JUNEAU, ALASKA 99811
465-4943

House of Representatives

April 8, 1982

The Honorable Vic Fischer
Chairman
Committee on State Affairs
Alaska State Senate
Pouch V
Juneau, Alaska 99811

Dear Senator Fischer:

I am writing to urge that the Senate State Affairs Committee conduct a hearing on SB 589, "An Act relating to credit for earlier service for certain members of the public employees retirement system; and providing for an effective date."

This legislation would permit credit under the Public Employees Retirement System of temporary or permanent employment with the United States government prior to statehood.

While this change in the law is likely to affect only a small number of individuals, it could be an important one for those people. I believe that the issue deserves a fair hearing so that all aspects of the problem can be discussed.

Thank you for your attention on this matter.

Sincerely,

A handwritten signature in cursive script that reads "Charles Anderson".

Charles G. Anderson
House of Representatives

CGA:mac

STATE OF ALASKA

DEPARTMENT OF ADMINISTRATION

DIVISION OF RETIREMENT & BENEFITS

JAY S. HAMMOND, Governor

POUCH CR
JUNEAU, ALASKA 99811

Ph: 465-4463

May 14, 1981

Mr. Eugene A. Horning
5419 East 42nd Avenue, #22
Anchorage, AK 99504

PERS: 274-30-2593

Dear Mr. Horning:

This letter is in response to your note to Ms. Nancy Woolford, April 27, 1981.

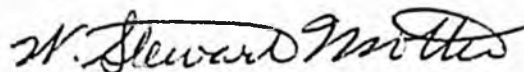
I have talked to Nancy regarding your question and have looked over the documentation that you have submitted. I am terribly sorry, but the answer that Ms. Woolford gave you is the correct answer. Your temporary federal service is not creditable.

Enclosed is a copy of Section 39.35.156, Temporary Service Credit. You will note that temporary service is creditable for service regularly rendered a full-time personnel basis to an employer. Since the United States Government was never an employer under PERS, I cannot recognize your temporary service with them.

In Section 39.35.360, earlier service that you cited, there is no reference to temporary service other than that that is found in part G of that section. The reference there is specific to temporary employees of the legislature of the State or territory during legislative sessions.

In view of the above, the answer is we cannot recognize temporary federal service.

Sincerely,



W. Stewart Motter
Retirement Field Representative

WSM/rw
Enclosure

August 23, 1981

Steve Hafling
Chairman
State of Alaska
Public Employees' Retirement Board
430 W 7th Ave.
Anchorage, Alaska 99501

Dear Mr. Hafling:

We request an appearance before the board at its next scheduled meeting in Anchorage during the month of October 1981.

We wish to discuss an apparent discrepancy in the granting of credit for temporary Federal service.

We will be asking the following questions:

1. RE: CHAPTER 146, SLA 1980
AS 39.35.156 TEMPORARY SERVICE CREDIT.

HOW CAN THIS PARAGRAPH APPLY TO FEDERAL SERVICE WHEN THE WORDS "FEDERAL SERVICE" DO NOT APPEAR IN THE PARAGRAPH?

2. RE: CHAPTER 146, SLA 1980
AS 39.35.360 EARLIER SERVICE CREDIT.

HOW CAN THIS PARAGRAPH BE INTERPRETED TO READ PERMANENT FEDERAL SERVICE ONLY WHEN THE WORDS "PERMANENT OR "TEMPORARY" DO NOT APPEAR IN THE PARAGRAPH?

3. HOW CAN THE STATE LOSE A COURT SUIT GIVING CREDIT FOR TEMPORARY FEDERAL SERVICE AND STILL CLAIM THAT TEMPORARY FEDERAL SERVICE IS NOT CREDITABLE?

Respectfully yours,

Eugene A. Horning
Eugene A. Horning
Systems Analyst
Department of Public Safety

Charlene Stewart
Charlene Stewart
EDP Supervisor
Department of Administration

EAH:nct