

S B

L B O

SENATE COMMITTEE REPORT

FURTHER

2/23/89

DATE TURNED INTO OFFICE 4/10/90

Mr. President:

FINANCE

Committee considered SB 130

special appropriation to the Alaska Power Authority for Bradley Lake Intertie; efd

and recommended

- replace with CS SB 130 (FIR)) same title
- or adopt CS) new title
- attached amendment(s) and technical title change (HB only)
- letter of intent adopted

do pass

do not pass

no recommendation

individual recommendations

further referral to _____

- FISCAL NOTE(S) zero fiscal impact appropriation no FN
- new updated previous
- same as previous fiscal note(s) published _____

MEMBERS SIGNING DO PASS

OTHER RECOMMENDATIONS

[Signature]

[Signature]

Fishley DO PASS

Paul Fische No Rec

[Signature] No Rec

[Signature] No Rec

John [Signature] DO NOT PASS
Chairman signature and recommendation

Committee Backup attached

4/10/90
pm

AMENDMENT #1 to CSSB 130 (Fin)

*History
Proposed
Adopted*

To Page 3, Line 24

Delete Old Section 13
Add new section to read:

Section 13. The sum of \$9,000,000 is reappropriated from the Railbelt energy fund (AS 37.05.520) in the general fund to The Alaska Railroad Corporation for the purchase of ~~transportation equipment,~~ locomotives, rolling stock and associated equipment costs.

DP
3

6-0582D
Cramer
4/10/90 p.m.
Adopted

Original sponsor(s): SEN UEHLING, Sturgulewski, Pearce, Rodey, Fischer

1 IN THE SENATE

BY THE FINANCE COMMITTEE

2 CS FOR SENATE BILL NO. 130 (Finance)

3 IN THE LEGISLATURE OF THE STATE OF ALASKA

4 SIXTEENTH LEGISLATURE - SECOND SESSION

5 A BILL

6 For an Act entitled: "An Act making reappropriations from the Railbelt
 7 energy fund, ^{JD-3} ~~(including reappropriations in the amount~~
 8 ~~of \$30,000,000 and interest earned beginning July 1,~~
 9 ~~1990, for the Healy cogeneration project, in the~~
 10 ~~amount of \$9,500,000 for the Seward transmission line~~
 11 ~~from Lawing to Fort Raymond substation, and in the~~
 12 ~~amount of \$100,000,000 and interest earned beginning~~
 13 ~~July 1, 1990, for 138 kilovolt electric transmission~~
 14 ~~lines between Anchorage and the Kenai Peninsula and~~
 15 ~~between Healy and Fairbanks;)~~ and providing for an
 16 effective date."

JD-3
Passed
JB DP
JD DE
Z RU
PK

Duncan moved
to delete ->

Adopted
4-3

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

18 * Section 1. FINDINGS AND INTENT. The legislature finds that the
 19 Alaska Industrial Development and Export Authority has included the amount
 20 of interest expected to be earned on the \$30,000,000 reappropriated in
 21 sec. 2 of this Act when computing the financial feasibility of the Healy
 22 cogeneration project. It is the intent of the legislature that the Depart-
 23 ment of Revenue transfer the \$30,000,000 reappropriated in sec. 2 of this
 24 Act to the Alaska Industrial Development and Export Authority on July 1,
 25 1990, or immediately thereafter.

26 * Sec. 2. The sum of \$30,000,000 and the interest earned on that sum
 27 beginning on July 1, 1990, are reappropriated from the Healy cogeneration
 28 project reserve in the Railbelt energy fund (AS 37.05.520) in the general
 29 fund to the Alaska Industrial Development and Export Authority for the

1 design and construction of the Healy cogeneration project.

2 * Sec. 3. Contingent upon the execution of a long-term, no-cost lease
3 between the Alaska Railroad Corporation and the Municipality of Anchorage
4 that designates the Alaska Railroad Corporation's Government Hill bluff
5 land as open space or for public use, the sum of \$2,500,000 is reappropri-
6 ated from the Railbelt energy fund (AS 37.05.520) in the general fund to
7 the Department of Administration for payment as a grant under AS 37.05.315
8 to the Municipality of Anchorage for road and bridge improvements for the
9 Anchorage Ship Creek Original Townsite Redevelopment Project, including
10 extension of Warehouse Avenue, realignment of C Street, and construction of
11 a Ship Creek pedestrian bridge.

3,250 PF 4.2 City Proposal - Failed

12 * Sec. 4. The sum of \$1,250,000 is reappropriated from the Railbelt
13 energy fund (AS 37.05.520) in the general fund to the Department of Admin-
14 istration for payment as a grant under AS 37.05.315 to the City of Kenai
15 for senior congregate housing.

16 * Sec. 5. The sum of \$1,300,000 is reappropriated from the Railbelt
17 energy fund (AS 37.05.520) in the general fund to the Department of Admin-
18 istration for payment as a grant under AS 37.05.315 to the Municipality of
19 Anchorage for the airport water/waste water utility project.

20 * Sec. 6 Contingent on the transfer of the Alyeska Utilities, Inc.,
21 water and sewer system to the Municipality of Anchorage on or before
22 January 1, 1993, the sum of \$2,300,000 is reappropriated from the Railbelt
23 energy fund (AS 37.05.520) in the general fund to the Department of Admin-
24 istration for payment as a grant under AS 37.05.315 to the Municipality of
25 Anchorage to reconstruct and upgrade the Alyeska Utilities, Inc., water and
26 sewer system.

27 * Sec. 7. The sum of \$3,800,000 is reappropriated from the Railbelt
28 energy fund (AS 37.05.520) in the general fund to the Department of Com-
29 merce and Economic Development for payment as a grant under AS 37.05.316 to
CSSB 130(Fin)

1 the Anchorage Economic Development Corporation to enable it to carry out
2 its contract obligations under the development contract with Seibu Alaska,
3 Inc., dated September 20, 1989.

4 * Sec. 8. The sum of \$600,000 is reappropriated from the Railbelt
5 energy fund (AS 37.05.520) in the general fund to the Department of Natural
6 Resources for Eagle River campground park repairs, expansion, and road pav-
7 ing.

8 * Sec. 9. The sum of \$100,000,000 and the interest earned on that sum
9 beginning July 1, 1990, are reappropriated from the Railbelt energy fund
10 (AS 37.05.520) in the general fund to the Alaska Energy Authority for the
11 design and construction of the 138 kilovolt electric transmission lines
12 between Anchorage and the Kenai Peninsula and between Healy and Fairbanks.

13 * Sec. 10. The sum of \$400,000 is reappropriated from the Railbelt
14 energy fund (AS 37.05.520) in the general fund to the University of Alaska
15 agriculture and forestry experiment station for the Mat-Su farm renovation.

16 * Sec. 11. The sum of \$100,000 is reappropriated from the Railbelt
17 energy fund (AS 37.05.520) in the general fund to the Department of Admin-
18 istration for payment as a grant under AS 37.05.315 to the City of Wasilla
19 for the Selina Lane extension.

20 * Sec. 12. The sum of \$500,000 is reappropriated from the Railbelt
21 energy fund (AS 37.05.520) in the general fund to the Department of Admin-
22 istration for payment as a grant under AS 37.05.315 to the City of Palmer
23 for job corps facility construction.

24 * Sec. 13. The sum of \$9,000,000 is reappropriated from the Railbelt
25 energy fund (AS 37.05.520) in the general fund to the Department of Trans-
26 portation and Public Facilities for coal development project implementa-
27 tion.

28 * Sec. 14. The sum of \$1,700,000 is reappropriated from the Railbelt
29 energy fund (AS 37.05.520) in the general fund to the Department of

1 Commerce and Economic Development for payment as a grant under AS 37.05.316
 2 to Golden Valley Electric Association for extension of three phase overhead
 3 electrical distribution lines from McKinley Park to Carlo Creek and for
 4 taps of local service.

5 * Sec. 15. The sum of \$24,800,000 is reappropriated from the Railbelt
 6 energy fund (AS 37.05.520) in the general fund to the University of Alaska
 7 Fairbanks for a natural sciences facility at the University of Alaska
 8 Fairbanks.

9 * Sec. 16. The sum of \$16,800,000 is reappropriated from the Railbelt
 10 energy fund (AS 37.05.520) in the general fund to the University of Alaska
 11 Anchorage for a classroom and laboratory building at the University of
 12 Alaska Anchorage.

13 * Sec. 17. The following amounts are reappropriated from the Railbelt
 14 energy fund (AS 37.05.520) in the general fund to the Department of Trans-
 15 portation and Public Facilities for the following purposes:

PURPOSE	REAPPROPRIATION
Church Road upgrade	\$200,000
Clark Wolverine Road upgrade	150,000
Schrock-Pittman Road upgrade	175,000
Hollywood and Vine Road upgrade	300,000
Hyer Road upgrade	175,000

22 * Sec. 18. The sum of \$545,000 is reappropriated from the Railbelt
 23 energy fund (AS 37.05.520) in the general fund to the rural electrification
 24 revolving loan fund (AS 44.83.361) in the Alaska Energy Authority for power
 25 projects in Senate District E.

26 * Sec. 19. The sum of \$100,000 is reappropriated from the Railbelt
 27 energy fund (AS 37.05.520) in the general fund to the Department of Admin-
 28 istration for payment as a grant under AS 37.05.315 to the City of Seward
 29 for the Salmon Creek/Camelot extension.

1 * Sec. 20. The sum of \$1,755,000 is reappropriated from the Railbelt
 2 energy fund (AS 37.05.520) in the general fund to the Alaska Energy Author-
 3 ity for payment as a grant under AS 37.05.316, to the Matanuska Electric
 4 Association for the following purposes and in the following amounts:

5	Buffalo Mine Road electric line extension	\$160,000
6	Burma Road electric line extension	400,000
7	Ida Lake electric line extension	60,000
8	Caswell Lake Road electric line extension	500,000
9	Bruce Lake electric line extension	85,000
10	Fish Lake electric line extension	200,000
11	Petersville/Oilwell Road electric line extension	350,000

12 * Sec. 21. The sum of \$900,000 is reappropriated from the Railbelt
 13 energy fund (AS 37.05.520) in the general fund to the Alaska Energy Author-
 14 ity for payment as grants under AS 37.05.316 to the following entities for
 15 the purposes and in the amounts listed:

16	NAMED RECIPIENT	AMOUNT
17	Copper Valley Electric Association for the	
18	Sheep Mountain extension	\$250,000
19	Chugach Electric for the Whittier overhead line	
20	upgrade	350,000
21	Chugach Electric for the Cooper Landing Bean	
22	Creek/Blakely extension	300,000

23 * Sec. 22. The sum of \$150,000 is reappropriated from the Railbelt
 24 energy fund (AS 37.05.520) in the general fund to the Department of Admin-
 25 istration for payment as a grant under AS 37.05.315 to the City of Craig
 26 for the North Cove breakwater.

27 * Sec. 23. The sum of \$125,000 is reappropriated from the Railbelt
 28 energy fund (AS 37.05.520) in the general fund to the Department of Admin-
 29 istration for payment as a grant under AS 37.05.315 to the City of Haines

1 for a sewer outfall.

2 * Sec. 24. The sum of \$50,000 is reappropriated from the Railbelt
3 energy fund (AS 37.05.520) in the general fund to the Department of Admin-
4 istration for payment as a grant under AS 37.05.315 to the City of Kasaan
5 for the totem park and cemetery renovation.

6 * Sec. 25. The sum of \$300,000 is reappropriated from the Railbelt
7 energy fund (AS 37.05.520) in the general fund to the Department of Admin-
8 istration for payment as a grant under AS 37.05.315 to the City of Metla-
9 katla for storm drains, water, and sewer.

10 * Sec. 26. The sum of \$120,000 is reappropriated from the Railbelt
11 energy fund (AS 37.05.520) in the general fund to the Department of Admin-
12 istration for payment as a grant under AS 37.05.315 to the City of Skagway
13 for a solid waste disposal facility.

14 * Sec. 27. The sum of \$50,000 is reappropriated from the Railbelt
15 energy fund (AS 37.05.520) in the general fund to the Department of Admin-
16 istration for payment as a grant under AS 37.05.315 to the City of Thorne
17 Bay for utility upgrade.

18 * Sec. 28. The sum of \$100,000 is reappropriated from the Railbelt
19 energy fund (AS 37.05.520) in the general fund to the Department of Admin-
20 istration for payment as a grant under AS 37.05.315 to the City of Thorne
21 Bay for South Thorne Bay access road.

22 * Sec. 29. The sum of \$75,000 is reappropriated from the Railbelt
23 energy fund (AS 37.05.520) in the general fund to the Department of Admin-
24 istration for payment as a grant under AS 37.05.315 to the City of Yakutat
25 for fish processing plant piling replacement.

26 * Sec. 30. The sum of \$160,000 is reappropriated from the Railbelt
27 energy fund (AS 37.05.520) in the general fund to the Department of Admin-
28 istration for payment as a grant under AS 37.05.315 to the City of Tenakee
29 Springs for harbor electrification.

1 * Sec. 31. The sum of \$150,000 is reappropriated from the Railbelt
2 energy fund (AS 37.05.520) in the general fund to the Department of Admin-
3 istration for payment as a grant under AS 37.05.315 to the City of Pelican
4 for rebuilding the Pelican Creek bridge.

5 * Sec. 32. The sum of \$256,000 is reappropriated from the Railbelt
6 energy fund (AS 37.05.520) in the general fund to the Department of Admin-
7 istration for payment as a grant under AS 37.05.315 to the City of Pelican
8 for the Whiskey Flats sewer system extension.

9 * Sec. 33. The sum of \$250,000 is reappropriated from the Railbelt
10 energy fund (AS 37.05.520) in the general fund to the Department of Admin-
11 istration for payment as a grant under AS 37.05.315 to the City of Sitka
12 for water distribution system upgrade.

13 * Sec. 34. The sum of \$50,000 is reappropriated from the Railbelt
14 energy fund (AS 37.05.520) in the general fund to the Department of Admin-
15 istration for payment as a grant under AS 37.05.315 to the City of Sitka
16 for modification of the municipal incinerator.

17 * Sec. 35. The sum of \$74,000 is reappropriated from the Railbelt
18 energy fund (AS 37.05.520) in the general fund to the Department of Admin-
19 istration for payment as a grant under AS 37.05.315 to the City of Sitka
20 for installation of a high school shop acoustical system and purchase of a
21 standby power generator.

22 * Sec. 36. The sum of \$335,000 is reappropriated from the Railbelt
23 energy fund (AS 37.05.520) in the general fund to the Department of Admin-
24 istration for payment as a grant under AS 37.05.315 to the City of Sitka
25 for reroofing the Baranof Elementary School.

26 * Sec. 37. The sum of \$84,000 is reappropriated from the Railbelt
27 energy fund (AS 37.05.520) in the general fund to the Department of Admin-
28 istration for payment as a grant under AS 37.05.315 to the City of Sitka
29 for the high school vocational wing reroofing.

1 * Sec. 38. The sum of \$80,000 is reappropriated from the Railbelt
2 energy fund (AS 37.05.520) in the general fund to the Department of Commu-
3 nity and Regional Affairs for payment as a grant under AS 37.05.317 to the
4 community of Edna Bay for the Edna Bay Road completion.

5 * Sec. 39. The sum of \$150,000 is reappropriated from the Railbelt
6 energy fund (AS 37.05.520) in the general fund to the Department of Educa-
7 tion for Hydaburg Elementary School repairs.

8 * Sec. 40. The sum of \$150,000 is reappropriated from the Railbelt
9 energy fund (AS 37.05.520) in the general fund to the Department of Educa-
10 tion for Kake Elementary School remodeling.

11 * Sec. 41. The sum of \$150,000 is reappropriated from the Railbelt
12 energy fund (AS 37.05.520) in the general fund to the Department of Educa-
13 tion for Klawock school gym roof renovation.

14 * Sec. 42. The sum of \$1,000,000 is reappropriated from the Railbelt
15 energy fund (AS 37.05.520) in the general fund to the Department of Admin-
16 istration for payment as a grant under AS 37.05.315 to the City of Ketchi-
17 kan for a city float small boat harbor project.

18 * Sec. 43. The sum of \$1,270,000 is reappropriated from the Railbelt
19 energy fund (AS 37.05.520) in the general fund to the Department of Admin-
20 istration for payment as a grant under AS 37.05.315 to the City of Peters-
21 burg for water treatment plant expansion.

22 * Sec. 44. The sum of \$730,000 is reappropriated from the Railbelt
23 energy fund (AS 37.05.520) in the general fund to the Department of Trans-
24 portation and Public Facilities for Ketchikan International Airport air
25 cargo development - phase I.

26 * Sec. 45. The sum of \$2,000,000 is reappropriated from the Railbelt
27 energy fund (AS 37.05.520) in the general fund to the University of Alaska
28 Southeast for a recreational education facility.

29 * Sec. 46. The sum of \$1,000,000 is reappropriated from the Railbelt
CSSB 130(Fin)

1 energy fund (AS 37.05.520) in the general fund to the Department of Admin-
2 istration for payment as a grant under AS 37.05.315 to the City and Borough
3 of Juneau for design and construction of Riverside Drive from Vintage Drive
4 to Division Street.

5 * Sec. 47. The sum of \$200,000 is reappropriated from the Railbelt
6 energy fund (AS 37.05.520) in the general fund to the Department of Com-
7 merce and Economic Development for payment as a grant under AS 37.05.316 to
8 the Golden Valley Electric Association for add-ons to the Eielson agricul-
9 ture line extension.

10 * Sec. 48. The sum of \$700,000 is reappropriated from the Railbelt
11 energy fund (AS 37.05.520) in the general fund to the Department of Com-
12 merce and Economic Development for payment as a grant under AS 37.05.316 to
13 the Golden Valley Electric Association for overhead line extension from
14 Nenana to Skinny Dick's Halfway Inn on the Parks Highway and for local
15 service connections.

16 * Sec. 49. The sum of \$250,000 is reappropriated from the Railbelt
17 energy fund (AS 37.05.520) in the general fund to the Alaska Energy Author-
18 ity for payment as a grant under AS 37.05.316 as a contribution in aid of
19 construction to the Alaska Power and Telephone Company for safety upgrade
20 of the main power distribution lines in the Tok area.

21 * Sec. 50. The sum of \$100,000 is reappropriated from the Railbelt
22 energy fund (AS 37.05.520) in the general fund to the Alaska Energy Author-
23 ity for payment as a grant under AS 37.05.316 to the Tetlin Village Energy
24 System for life, health, and safety improvements on electrical distribution
25 lines and facilities.

26 * Sec. 51. The following sums are reappropriated from the Railbelt
27 energy fund (AS 37.05.520) in the general fund to the Department of Admin-
28 istration for payment as grants under AS 37.05.315 to the following munici-
29 palities for the purposes listed:

	MUNICIPALITY	REAPPROPRIATION
1		
2	(1) City of Nome - child care facility,	
3	construction	\$250,000
4	(2) City of Unalakleet - FAA water loop,	
5	phase I construction	400,000
6	(3) City of Ambler - heavy equipment purchase/	
7	repair	100,000
8	(4) City of Kiana - water and sewer improve-	
9	ments	225,000
10	(5) City of Noorvik - water and sewer improve-	
11	ments	275,000
12	(6) City of Selawik - dumpsite improvements	150,000
13	(7) North Slope Borough - Western Arctic	
14	coal demonstration project	750,000

15 * Sec. 52. The sum of \$300,000 is reappropriated from the Railbelt
 16 energy fund (AS 37.05.520) in the general fund to the Department of Educa-
 17 tion for payment as a grant to the Kashunamiut School District for a class-
 18 room addition.

19 * Sec. 53. The following amounts are reappropriated from the Railbelt
 20 energy fund (AS 37.05.520) in the general fund to the Department of En-
 21 vironmental Conservation for payment as grants under the village safe water
 22 program (AS 46.07) to the following municipalities for the purposes listed:

	MUNICIPALITY	PURPOSE	REAPPROPRIATION
23			
24	(1) City of Emmonak	water and sewer completion	\$150,000
25	(2) City of Elim	sewage outfall line repairs	200,000
26	(3) City of Saint Michael	water tank repair	200,000

27 * Sec. 54. The sum of \$500,000 is reappropriated from the Railbelt
 28 energy fund (AS 37.05.520) in the general fund to the Department of Admin-
 29 istration for payment as a grant under AS 37.05.316 to the Fairbanks North

1 Star Borough School District for Denali, Hunter, and Nordale elementary
2 schools reroofing/electrical system upgrades.

3 * Sec. 55. The sum of \$500,000 is reappropriated from the Railbelt
4 energy fund (AS 37.05.520) in the general fund to the Department of Admin-
5 istration for payment as a grant under AS 37.05.315 to the Fairbanks North
6 Star Borough for rural road block grants.

7 * Sec. 56. The sum of \$300,000 is reappropriated from the Railbelt
8 energy fund (AS 37.05.520) in the general fund to the Department of Admin-
9 istration for payment as a grant under AS 37.05.315 to the City of
10 Fairbanks for city-wide street improvements.

11 * Sec. 57. The sum of \$50,000 is reappropriated from the Railbelt
12 energy fund (AS 37.05.520) in the general fund to the Department of Admin-
13 istration for payment as a grant under AS 37.05.315 to the City of
14 Fairbanks for health clinic planning.

15 * Sec. 58. The sum of \$450,000 is reappropriated from the Railbelt
16 energy fund (AS 37.05.520) in the general fund to the Department of Admin-
17 istration for Fairbanks Pioneers' Home major maintenance and renovation.

18 * Sec. 59. The sum of \$500,000 is reappropriated from the Railbelt
19 energy fund (AS 37.05.520) in the general fund to the Department of Admin-
20 istration for payment as a grant under AS 37.05.316 to the Fairbanks His-
21 torical Preservation Foundation for restoration of the Riverboat Nenana.

22 * Sec. 60. The sum of \$200,000 is reappropriated from the Railbelt
23 energy fund (AS 37.05.520) in the general fund to the Department of
24 Commerce and Economic Development for payment as a grant under AS 37.05.316
25 to the Golden Valley Electric Association for electric line extensions.

26 * Sec. 61. The following amounts are reappropriated from the Railbelt
27 energy fund (AS 37.05.520) in the general fund to the Alaska Energy Author-
28 ity for the purposes listed:

	PURPOSE	REAPPROPRIATION
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1	(1) Port Alsworth electrification	\$290,000
2	(2) King Cove hydro design, acquisition, and	
3	construction	450,000
4	(3) Larsen Bay hydro design, acquisition, and	
5	construction	200,000
6	(4) INNEC-Tazimina hydro design, acquisition,	
7	and construction	250,000
8	(5) Ouzinkie hydro acquisition	400,000
9	(6) Togiak power line stabilization	50,000
10	(7) Karluk fuel and electric system improvements	277,000
11	(8) Pedro Bay generator and utility upgrade	197,000
12	(9) Perryville bulk fuel dike system improve-	
13	ments	100,000
14	(10) Kokhanok electrical system upgrade	271,200
15	(11) Pilot Point street lights installation	35,000
16	(12) life, health, safety, and code compliance -	
17	Clarks Point, Ekwok, Igiugig, Iliamna,	
18	Koliganek, Levelock	179,800

19 * Sec. 62. The sum of \$300,000 is reappropriated from the Railbelt
20 energy fund (AS 37.05.520) in the general fund to the Department of Trans-
21 portation and Public Facilities for Unalaska-Highway S-310 upgrade.

22 * Sec. 63. The sum of \$141,000 is reappropriated from the Railbelt
23 energy fund (AS 37.05.520) in the general fund to the Department of Educa-
24 tion for payment as a grant under AS 37.05.315 to the City of Sitka for
25 reroofing Mt. Edgecumbe Elementary School.

26 * Sec. 64. The sum of \$9,500,000 is reappropriated from the Railbelt
27 energy fund (AS 37.05.520) in the general fund to the Department of Admin-
28 istration for payment as a grant under AS 37.05.315 to the City of Seward
29 for the design and construction of the Seward transmission line from Lawing

1 to Fort Raymond substation.

2 * Sec. 65. The reappropriations made by secs. 2, 7 - 10, 13 - 17, 20,
3 21, 38 - 41, 44, 45, 47 - 50, 52 - 54, and 58 - 62, of this Act are for
4 capital projects and lapse under AS 37.25.020.

5 * Sec. 66. The reappropriation made by sec. 18 of this Act is to capi-
6 talize a loan fund and does not lapse under AS 37.25.010.

7 * Sec. 67. This Act takes effect immediately under AS 01.10.070(c).
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AMENDMENT #1 to CSSB 130 (Fin)

To Page 3, Line 24

Delete Old Section 13

Add new section to read:

DF proposed

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can in

4/10/90
PF Adopted
in concept
subject to
possible
amend.

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6-0582J
Cramer
4/10/90

Funding Information: General Fund \$227,075,000
Other Funds -0-
\$227,075,000

Original sponsor(s): SEN UEHLING, Sturgulewski, Pearce, Rodey, Fischer

1 IN THE SENATE

BY THE FINANCE COMMITTEE

2 CS FOR SENATE BILL NO. 130 (Finance)

3 IN THE LEGISLATURE OF THE STATE OF ALASKA

4 SIXTEENTH LEGISLATURE - SECOND SESSION

5 A BILL

6 For an Act entitled: "An Act making appropriations from the Railbelt
7 energy fund, including appropriations in the amount
8 of \$30,000,000 for the Healy cogeneration project, in
9 the amount of \$9,500,000 for the Seward transmission
10 line from Lawing to Fort Raymond substation, and in
11 the amount of \$100,000,000 for 138 kilovolt electric
12 transmission lines between Anchorage and the Kenai
13 Peninsula and between Healy and Fairbanks; and pro-
14 viding for an effective date."

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

16 * Section 1. FINDINGS AND INTENT. The legislature finds that the
17 Alaska Industrial Development and Export Authority has included the amount
18 of interest expected to be earned on the \$30,000,000 appropriated in sec. 2
19 of this Act when computing the financial feasibility of the Healy cogenera-
20 tion project. It is the intent of the legislature that the Department of
21 Revenue transfer the \$30,000,000 appropriated in sec. 2 of this Act to the
22 Alaska Industrial Development and Export Authority on July 1, 1990, or
23 immediately thereafter.

24 * Sec. 2. The sum of \$30,000,000 and the interest earned on that sum
25 beginning on July 1, 1990, are appropriated from the Healy cogeneration
26 project reserve in the Railbelt energy fund (AS 37.05.520) in the general
27 fund to the Alaska Industrial Development and Export Authority for the
28 design and construction of the Healy cogeneration project.

29 * Sec. 3. Contingent upon the execution of a long-term, no-cost lease

1 between the Alaska Railroad Corporation and the Municipality of Anchorage
2 that designates the Alaska Railroad Corporation's Government Hill bluff
3 land as open space or for public use, the sum of \$2,500,000 is appropriated
4 from the Railbelt energy fund (AS 37.05.520) in the general fund to the
5 Alaska Railroad Corporation for road and bridge improvements for the
6 Anchorage Ship Creek Original Townsite Redevelopment Project, including
7 extension of Warehouse Avenue, realignment of C Street, and construction of
8 a Ship Creek pedestrian bridge.

9 * Sec. 4. The sum of \$1,²⁵⁰~~025~~,000 is appropriated from the Railbelt
10 energy fund (AS 37.05.520) in the general fund to the Department of Admin-
11 istration for payment as a grant under AS 37.05.315 to the City of Kenai
12 for senior congregate housing.

13 * Sec. 5. The sum of \$1,300,000 is appropriated from the Railbelt
14 energy fund (AS 37.05.520) in the general fund to the Department of Admin-
15 istration for payment as a grant under AS 37.05.315 to the Municipality of
16 Anchorage for the airport water/waste water utility project.

17 * Sec. 6. Contingent on the transfer of the Alyeska Utilities, Inc.,
18 water and sewer system to the Municipality of Anchorage on or before
19 January 1, 1993, the sum of \$2,300,000 is appropriated from the Railbelt
20 energy fund (AS 37.05.520) in the general fund to the Department of Admin-
21 istration for payment as a grant under AS 37.05.315 to the Municipality of
22 Anchorage to reconstruct and upgrade the Alyeska Utilities, Inc., water and
23 sewer system.

24 * Sec. 7. The sum of \$3,800,000 is appropriated from the Railbelt
25 energy fund (AS 37.05.520) in the general fund to the Department of Com-
26 merce and Economic Development for payment as a grant under AS 37.05.316 to
27 the Anchorage Economic Development Corporation to enable it to carry out
28 its contract obligations under the development contract with Seibu Alaska,
29 Inc., dated September 20, 1989.

1 * Sec. 8. The sum of \$600,000 is appropriated from the Railbelt energy
2 fund (AS 37.05.520) in the general fund to the Department of Natural Re-
3 sources for Eagle River campground park repairs, expansion, and road pav-
4 ing.

5 * Sec. 9. The sum of \$100,000,000 and the interest earned on that sum
6 beginning July 1, 1990, are appropriated from the Railbelt energy fund
7 (AS 37.05.520) in the general fund to the Alaska Energy Authority for the
8 design and construction of the 138 kilovolt electric transmission lines
9 between Anchorage and the Kenai Peninsula and between Healy and Fairbanks.

10 * Sec. 10. The sum of \$400,000 is appropriated from the Railbelt energy
11 fund (AS 37.05.520) in the general fund to the University of Alaska ag-
12 riculture and forestry experiment station for the Mat-Su farm renovation.

13 * Sec. 11. The sum of \$100,000 is appropriated from the Railbelt energy
14 fund (AS 37.05.520) in the general fund to the Department of Administration
15 for payment as a grant under AS 37.05.315 to the City of Wasilla for the
16 Selina Lane extension.

17 * Sec. 12. The sum of \$200,000 is appropriated from the Railbelt energy
18 fund (AS 37.05.520) in the general fund to the Department of Administration
19 for payment as a grant under AS 37.05.315 to the City of Palmer for job
20 corps facility construction.

21 * Sec. 13. The sum of \$9,000,000 is appropriated from the Railbelt
22 energy fund (AS 37.05.520) in the general fund to the Department of Trans-
23 portation and Public Facilities for coal development project implementa-
24 tion.

25 * Sec. 14. The sum of \$1,700,000 is appropriated from the Railbelt
26 energy fund (AS 37.05.520) in the general fund to the Department of Com-
27 merce and Economic Development for payment as a grant under AS 37.05.316 to
28 Golden Valley Electric Association for extension of three phase overhead
29 electrical distribution lines from McKinley Park to Carlo Creek and for

1 taps of local service.

2 * Sec. 15. The sum of \$24,800,000 is appropriated from the Railbelt
3 energy fund (AS 37.05.520) in the general fund to the University of Alaska
4 Fairbanks for a natural sciences facility at the University of Alaska
5 Fairbanks.

6 * Sec. 16. The sum of \$16,800,000 is appropriated from the Railbelt
7 energy fund (AS 37.05.520) in the general fund to the University of Alaska
8 Anchorage for a classroom and laboratory building at the University of
9 Alaska Anchorage.

10 * Sec. 17. The following sums are appropriated from the Railbelt energy
11 fund (AS 37.05.520) in the general fund to the Department of Transportation
12 and Public Facilities for the following purposes:

13	Church Road upgrade	\$200,000
14	Clark Wolverine Road upgrade	150,000
15	Schrock-Pittman Road upgrade	175,000
16	Hollywood and Vine Road upgrade	300,000
17	Hyer Road upgrade	175,000

18 * Sec. 18. The sum of \$545,000 is appropriated from the Railbelt energy
19 fund (AS 37.05.520) in the general fund to the rural electrification re-
20 volving loan fund (AS 44.83.361) in the Alaska Energy Authority for power
21 projects in Senate District E.

22 * Sec. 19. The sum of \$100,000 is appropriated from the Railbelt energy
23 fund (AS 37.05.520) in the general fund to the Department of Administration
24 for payment as a grant under AS 37.05.315 to the City of Seward for the
25 Salmon Creek/Camelot extension.

26 * Sec. 20. The sum of \$1,755,000 is appropriated from the Railbelt
27 energy fund (AS 37.05.520) in the general fund to the Alaska Energy Author-
28 ity for payment as a grant under AS 37.05.316, to the Matanuska Electric
29 Association for the following purposes and in the following amounts:

1	Buffalo Mine Road electric line extension	\$160,000
2	Burma Road electric line extension	400,000
3	Ida Lake electric line extension	60,000
4	Caswell Lake Road electric line extension	500,000
5	Bruce Lake electric line extension	85,000
6	Fish Lake electric line extension	200,000
7	Petersville/Oilwell Road electric line extension	350,000

8 * Sec. 21. The sum of \$900,000 is appropriated from the Railbelt energy
 9 fund (AS 37.05.520) in the general fund to the Alaska Energy Authority for
 10 payment as grants under AS 37.05.316 to the following entities for the
 11 purposes and in the amounts listed:

12	Copper Valley Electric Association for the	
13	Sheep Mountain extension	\$250,000
14	Chugach Electric for the Whittier overhead line	
15	upgrade	350,000
16	Chugach Electric for the Cooper Landing Bean	
17	Creek/Blakely extension	300,000

18 * Sec. 22. The sum of \$150,000 is appropriated from the Railbelt energy
 19 fund (AS 37.05.520) in the general fund to the Department of Administration
 20 for payment as a grant under AS 37.05.315 to the City of Craig for the
 21 North Cove breakwater.

22 * Sec. 23. The sum of \$125,000 is appropriated from the Railbelt energy
 23 fund (AS 37.05.520) in the general fund to the Department of Administration
 24 for payment as a grant under AS 37.05.315 to the City of Haines for a sewer
 25 outfall.

26 * Sec. 24. The sum of \$50,000 is appropriated from the Railbelt energy
 27 fund (AS 37.05.520) in the general fund to the Department of Administration
 28 for payment as a grant under AS 37.05.315 to the City of Kasaan for the
 29 totem park and cemetery renovation.

1 * Sec. 25. The sum of \$300,000 is appropriated from the Railbelt energy
2 fund (AS 37.05.520) in the general fund to the Department of Administration
3 for payment as a grant under AS 37.05.315 to the City of Metlakatla for
4 storm drains, water, and sewer.

5 * Sec. 26. The sum of \$120,000 is appropriated from the Railbelt energy
6 fund (AS 37.05.520) in the general fund to the Department of Administration
7 for payment as a grant under AS 37.05.315 to the City of Skagway for a
8 solid waste disposal facility.

9 * Sec. 27. The sum of \$50,000 is appropriated from the Railbelt energy
10 fund (AS 37.05.520) in the general fund to the Department of Administration
11 for payment as a grant under AS 37.05.315 to the City of Thorne Bay for
12 utility upgrade.

13 * Sec. 28. The sum of \$100,000 is appropriated from the Railbelt energy
14 fund (AS 37.05.520) in the general fund to the Department of Administration
15 for payment as a grant under AS 37.05.315 to the City of Thorne Bay for
16 South Thorne Bay access road.

17 * Sec. 29. The sum of \$75,000 is appropriated from the Railbelt energy
18 fund (AS 37.05.520) in the general fund to the Department of Administration
19 for payment as a grant under AS 37.05.315 to the City of Yakutat for fish
20 processing plant piling replacement.

21 * Sec. 30. The sum of \$160,000 is appropriated from the Railbelt energy
22 fund (AS 37.05.520) in the general fund to the Department of Administration
23 for payment as a grant under AS 37.05.315 to the City of Tenakee Springs
24 for harbor electrification.

25 * Sec. 31. The sum of \$150,000 is appropriated from the Railbelt energy
26 fund (AS 37.05.520) in the general fund to the Department of Administration
27 for payment as a grant under AS 37.05.315 to the City of Pelican for re-
28 building the Pelican Creek bridge.

29 * Sec. 32. The sum of \$256,000 is appropriated from the Railbelt energy
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1 fund (AS 37.05.520) in the general fund to the Department of Administration
2 for payment as a grant under AS 37.05.315 to the City of Pelican for the
3 Whiskey Flats sewer system extension.

4 * Sec. 33. The sum of \$250,000 is appropriated from the Railbelt energy
5 fund (AS 37.05.520) in the general fund to the Department of Administration
6 for payment as a grant under AS 37.05.315 to the City of Sitka for water
7 distribution system upgrade.

8 * Sec. 34. The sum of \$50,000 is appropriated from the Railbelt energy
9 fund (AS 37.05.520) in the general fund to the Department of Administration
10 for payment as a grant under AS 37.05.315 to the City of Sitka for modi-
11 fication of the municipal incinerator.

12 * Sec. 35. The sum of \$74,000 is appropriated from the Railbelt energy
13 fund (AS 37.05.520) in the general fund to the Department of Administration
14 for payment as a grant under AS 37.05.315 to the City of Sitka for instal-
15 lation of a high school shop acoustical system and purchase of a standby
16 power generator.

17 * Sec. 36. The sum of \$335,000 is appropriated from the Railbelt energy
18 fund (AS 37.05.520) in the general fund to the Department of Administration
19 for payment as a grant under AS 37.05.315 to the City of Sitka for reroof-
20 ing the Baranof Elementary School.

21 * Sec. 37. The sum of \$84,000 is appropriated from the Railbelt energy
22 fund (AS 37.05.520) in the general fund to the Department of Administration
23 for payment as a grant under AS 37.05.315 to the City of Sitka for the high
24 school vocational wing reroofing.

25 * Sec. 38. The sum of \$80,000 is appropriated from the Railbelt energy
26 fund (AS 37.05.520) in the general fund to the Department of Community and
27 Regional Affairs for payment as a grant under AS 37.05.317 to the community
28 of Edna Bay for the Edna Bay Road completion.

29 * Sec. 39. The sum of \$150,000 is appropriated from the Railbelt energy

1 fund (AS 37.05.520) in the general fund to the Department of Education for
2 Hydaburg Elementary School repairs.

3 * Sec. 40. The sum of \$150,000 is appropriated from the Railbelt energy
4 fund (AS 37.05.520) in the general fund to the Department of Education for
5 Kake Elementary School remodeling.

6 * Sec. 41. The sum of \$150,000 is appropriated from the Railbelt energy
7 fund (AS 37.05.520) in the general fund to the Department of Education for
8 Klawock school gym roof renovation.

9 * Sec. 42. The sum of \$1,000,000 is appropriated from the Railbelt
10 energy fund (AS 37.05.520) in the general fund to the Department of Admin-
11 istration for payment as a grant under AS 37.05.315 to the City of
12 Ketchikan for a city float small boat harbor project.

13 * Sec. 43. The sum of \$1,270,000 is appropriated from the Railbelt
14 energy fund (AS 37.05.520) in the general fund to the Department of Admin-
15 istration for payment as a grant under AS 37.05.315 to the City of
16 Petersburg for water treatment plant expansion.

17 * Sec. 44. The sum of \$730,000 is appropriated from the Railbelt energy
18 fund (AS 37.05.520) in the general fund to the Department of Transportation
19 and Public Facilities for Ketchikan International Airport air cargo devel-
20 opment - phase I.

21 * Sec. 45. The sum of \$2,000,000 is appropriated from the Railbelt
22 energy fund (AS 37.05.520) in the general fund to the University of Alaska
23 Southeast for a recreational education facility.

24 * Sec. 46. The sum of \$1,000,000 is appropriated from the Railbelt
25 energy fund (AS 37.05.520) in the general fund to the Department of Admin-
26 istration for payment as a grant under AS 37.05.315 to the City and Borough
27 of Juneau for design and construction of Riverside Drive from Vintage Drive
28 to Division Street.

29 * Sec. 47. The sum of \$200,000 is appropriated from the Railbelt energy

1 fund (AS 37.05.520) in the general fund to the Department of Commerce and
 2 Economic Development for payment as a grant under AS 37.05.316 to the
 3 Golden Valley Electric Association for add-ons to the Eielson agriculture
 4 line extension.

5 * Sec. 48. The sum of \$700,000 is appropriated from the Railbelt energy
 6 fund (AS 37.05.520) in the general fund to the Department of Commerce and
 7 Economic Development for payment as a grant under AS 37.05.316 to the
 8 Golden Valley Electric Association for overhead line extension from Nenana
 9 to Skinny Dick's Halfway Inn on the Parks Highway and for local service
 10 connections.

11 * Sec. 49. The sum of \$250,000 is appropriated from the Railbelt energy
 12 fund (AS 37.05.520) in the general fund to the Alaska Energy Authority for
 13 payment as a grant under AS 37.05.316 to Alaska Power and Telephone to
 14 accommodate the power needs of the "over-the-horizon-backscatter" radar
 15 system and for upgrade of the main power distribution lines in the Tok
 16 area.

17 * Sec. 50. The sum of \$100,000 is appropriated from the Railbelt energy
 18 fund (AS 37.05.520) in the general fund to the Alaska Energy Authority for
 19 payment as a grant under AS 37.05.316 to the Tetlin Village Energy System
 20 for upgrade of electrical facilities and distribution lines.

21 * Sec. 51. The following sums are appropriated from the Railbelt energy
 22 fund (AS 37.05.520) in the general fund to the Department of Administration
 23 for payment as grants under AS 37.05.315 to the following municipalities
 24 for the purposes listed:

MUNICIPALITY	APPROPRIATION
(1) City of Nome - child care facility, construction	\$250,000
(2) City of Unalakleet - FAA water loop, phase I construction	400,000

- 1 (3) City of Ambler - heavy equipment purchase/
2 repair 100,000
- 3 (4) City of Kiana - water and sewer improve-
4 ments 225,000
- 5 (5) City of Noorvik - water and sewer improve-
6 ments 275,000
- 7 (6) City of Selawik - dumpsite improvements 150,000
- 8 (7) North Slope Borough [REDACTED]
9 [REDACTED] 750,000

10 * Sec. 52. The sum of \$300,000 is appropriated from the Railbelt energy
11 fund (AS 37.05.520) in the general fund to the Department of Education for
12 payment as a grant to the Kashunamiut School District for a classroom
13 addition.

14 * Sec. 53. The following amounts are appropriated from the Railbelt
15 energy fund (AS 37.05.520) in the general fund to the Department of En-
16 vironmental Conservation for payment as grants under the village safe water
17 program (AS 46.07) to the following municipalities for the purposes listed:

18 MUNICIPALITY	PURPOSE	APPROPRIATION
19 (1) City of Emmonak	water and sewer completion	\$150,000
20 (2) City of Elim	sewage outfall line repairs	200,000
21 (3) City of Saint Michael	water tank repair	200,000

22 * Sec. 54. The sum of \$500,000 is appropriated from the Railbelt energy
23 fund (AS 37.05.520) in the general fund to the Department of Administration
24 for payment as a grant under AS 37.05.316 to the Fairbanks North Star
25 Borough School District for Denali, Hunter, and Nordale elementary schools
26 reroofing/electrical system upgrades.

27 * Sec. 55. The sum of \$500,000 is appropriated from the Railbelt energy
28 fund (AS 37.05.520) in the general fund to the Department of Administration
29 for payment as a grant under AS 37.05.315 to the Fairbanks North Star
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1 Borough for rural road block grants.

2 * Sec. 56. The sum of \$300,000 is appropriated from the Railbelt energy
3 fund (AS 37.05.520) in the general fund to the Department of Administration
4 for payment as a grant under AS 37.05.315 to the City of Fairbanks for
5 city-wide street improvements.

6 * Sec. 57. The sum of \$50,000 is appropriated from the Railbelt energy
7 fund (AS 37.05.520) in the general fund to the Department of Administration
8 for payment as a grant under AS 37.05.315 to the City of Fairbanks for
9 health clinic planning.

10 * Sec. 58. The sum of \$450,000 is appropriated from the Railbelt energy
11 fund (AS 37.05.520) in the general fund to the Department of Administration
12 for Fairbanks Pioneers' Home major maintenance and renovation.

13 * Sec. 59. The sum of \$500,000 is appropriated from the Railbelt energy
14 fund (AS 37.05.520) in the general fund to the Department of Administration
15 for payment as a grant under AS 37.05.316 to the Fairbanks Historical
16 Preservation Foundation for restoration of the Riverboat Nenana.

17 * Sec. 60. The sum of \$200,000 is appropriated from the Railbelt energy
18 fund (AS 37.05.520) in the general fund to the Department of Commerce and
19 Economic Development for payment as a grant under AS 37.05.316 to the
20 Golden Valley Electric Association for electric line extensions.

21 * Sec. 61. The following sums are appropriated from the Railbelt energy
22 fund (AS 37.05.520) in the general fund to the Alaska Energy Authority for
23 the purposes listed:

- | | | |
|----|---|-----------|
| 24 | (1) Port Alsworth electrification | \$290,000 |
| 25 | (2) King Cove hydro design, acquisition, and | |
| 26 | construction | 450,000 |
| 27 | (3) Larsen Bay hydro design, acquisition, and | |
| 28 | construction | 200,000 |
| 29 | (4) INNEC-Tazimina hydro design, acquisition, | |

1	and construction	250,000
2	(5) Ouzinkie hydro acquisition	400,000
3	(6) Togiak power line stabilization	50,000
4	(7) Karluk fuel and electric system improvements	277,000
5	(8) Pedro Bay generator and utility upgrade	197,000
6	(9) Perryville bulk fuel dike system improve-	
7	ments	100,000
8	(10) Kokhanok electrical system upgrade	271,200
9	(11) Pilot Point street lights installation	35,000
10	(12) life, health, safety, and code compliance -	
11	Clarks Point, Ekwok, Igiugig. Iliamna,	
12	Koliganek, Levelock	179,800

13 * Sec. 62. The sum of \$300,000 is appropriated from the Railbelt energy
14 fund (AS 37.05.520) in the general fund to the Department of Transportation
15 and Public Facilities for Unalaska-Highway S-310 upgrade.

16 * Sec. 63. The sum of \$141,000 is appropriated from the Railbelt energy
17 fund (AS 37.05.520) in the general fund to the Department of Education for
18 payment as a grant under AS 37.05.315 to the City of Sitka for reroofing
19 Mt. Edgecumbe Elementary School.

20 * Sec. 64. The sum of \$9,500,000 is appropriated from the Railbelt
21 energy fund (AS 37.05.520) in the general fund to the Department of Admin-
22 istration for payment as a grant under AS 37.05.315 to the City of Seward
23 for the design and construction of the Seward transmission line from Lawing
24 to Fort Raymond substation.

25 * Sec. 65. The appropriations made by secs. 2, 3, 7 - 10, 13 - 17, 20,
26 21, 38 - 41, 44, 45, 47 - 50, 52 - 54, and 58 - 62, of this Act are for
27 capital projects and lapse under AS 37.25.020.

28 * Sec. 65. The appropriation made by sec. 18 of this Act is to capital-
29 ize a loan fund and does not lapse under AS 37.25.010.

1 * Sec. 66. This Act takes effect immediately under AS 01.10.070(c).
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USIBELLI COAL MINE, INC.

MARKETING
122 First Avenue
Suite 302
Fairbanks, Alaska 99701
(907) 452-2625
FAX 451-6543

February 27, 1989

Governor Steve Cowper
P.O. Box A
Juneau, Ak 99801

Dear Governor Cowper:

I want to bring you up to date on the Healy Cogeneration Project (HCP) and enlist your support in helping make it a reality. I would hope, having read this letter, that you can share my belief that the HCP represents the best economic development project currently under consideration within the Railbelt and as such deserves your political support.

As currently planned the HCP comprises a 50 Mega-Watt powerplant utilizing state-of-the-art, environmentally benign, coal combustion technology coupled with a coal processing (drying) facility which would use heat from the powerplant to produce 500,000 tons of stable, premium, beneficiated fuel per year. Electrical power from the powerplant would satisfy future base-load demand in the Northern Railbelt at a time when this increment will be needed both to satisfy normal growth and service economic expansion. Successful financing of the project, along the lines that I will propose, would ensure low-cost predictable firm power for the Northern Railbelt over the life of project. The coal drying facility will address the single greatest constraint to the marketing of sub-bituminous Alaska coal, its the high moisture content. By reducing the moisture content to produce a stable end product the resulting premium quality coal will command broad market acceptance in the Pacific-rim and within Alaska.

The HCP could be operational by 1993, however prior to then a workforce, which could peak at 300, would be engaged in construction. Once in operation the project would directly account for more than 130 permanent, quality, year round jobs at the mine, in the powerplant and coal processor and across the transportation system. Many other general sector jobs would be created as a indirect consequence of the HCP. The capital cost of the project is currently estimated at \$130 million with the powerplant accounting for \$100 million and the balance attributable to the coal processing plant.

Until recently (latter part of 1988) UCM had cooperated under a memorandum of understanding (MOU) with Brown & Root on a project concept which utilized a 150 MW powerplant. Our current

thinking is that this powerplant sizing is too large for anticipated electrical power demand growth in the early 1990's; hence the more conservative size. The MOU with Brown and Root is no longer in effect.

Convinced of the overriding merits of a downscaled project UCM's Board of Directors have recently approved a considerable "at risk" appropriation to move the project forward and in particular submit the project for Federal Clean Coal Technology III support. This "at risk" appropriation is quite apart from capital investments that the company will make in the project in the future. UCM is currently in the process of selecting a new engineering consultant for the HCP.

The Federal Clean Coal Technology III (CCT III) solicitation process affords a unique opportunity to bring major federal dollars into play for the HCP. CCT III, administered by the Department of Energy (DOE), will distribute \$575 million to qualifying projects. The intent of the CCT program is to facilitate the demonstration, deployment and commercialization of clean coal technologies by sharing in the cost and hence the risks involved. Coal cleaning (processing), coal combustion and post-combustion clean-up facilities are expected to be candidates for the CCT III funding process. The HCP will utilize, in an integrated plant, coal cleaning technology in the coal processor and advanced coal combustion technology in the powerplant. This integrated approach has attracted favorable comment from the DOE resulting in UCM's decision to advance the HCP as a candidate for funding under CCT III. If successful, the chances are perhaps realistically 1 in 3, the CCT III program could provide between 40% and 50% of the HCP capital cost (say \$55 million out of \$130 million).

In earlier awards under the DOE administered Clean Coal Technology program significant weight has attached to financial commitments made by State governments in support of clean coal projects. The same will certainly be true for the HCP and Alaska.

It is with this in mind that we are asking your support for a conditional appropriation from the Railbelt Energy Fund (REF) towards the project of \$30 million. The money could be appropriated to the Alaska Industrial Development and Export Authority (AIDEA) pending the outcome of the DOE CCT III award process late in 1989.

This request for a conditional appropriation is a departure from our former position which involved drawing upon the corpus of the REF to underwrite a low interest loan to the project. This would require changes in the statutory authority of AIDEA and would encumber much more of the REF than our current strategy. Since there are limited funds within the REF, UCM would be competing head-on with Railbelt utilities. Under the

conditional appropriation scenario there would be money available for major intertie projects as well as the HCP.

UCM is very cognizant of working closely and effectively with the Northern Railbelt utilities and to this end UCM would certainly support construction of the Healy to Fairbanks intertie as a needed component of infrastructure. Support for the HCP, including the \$30 M appropriation from the REF, has been approved by the Golden Valley Electric Association Board of Directors. This will be reported to you by GVEA in a follow up letter.

Of the intertie scenerios UCM most vehemently resists the proposed expenditure of \$38 million on the Willow end of the Northern intertie.

The \$30 million that UCM is requesting from the state leverages another \$100 million of project financing from federal (\$55 million) and private sources including UCM (\$45 million). I would certainly characterize a state financial commitment as a prudent investment. The best dollars to bring to Alaska at this time surely are federal match and private venture capital.

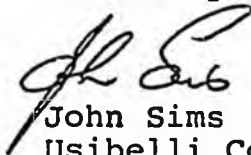
The HCP, in conjunction with the Wishbone Hill Project, could be a vital shot in the arm for Alaska's coal industry. Resolving the high moisture problem of most Railbelt coals by the use of drying technologies will pay-off in a big way in the future. In deploying these advanced technologies Alaska will attract global attention and demonstrate ability to penetrate overseas markets with a premium low sulfur coal.

The HCP is truly an exciting opportunity not just the Northern Railbelt but also for the entire State of Alaska.

I ask for your enthusiastic support for the HCP and look forward to working with you to help bring this project in all its complexities to fruition.

I will be calling on you in Juneau and am prepared, together with my UCM colleagues, to provide any information that you may request concerning the HCP.

Sincerely,

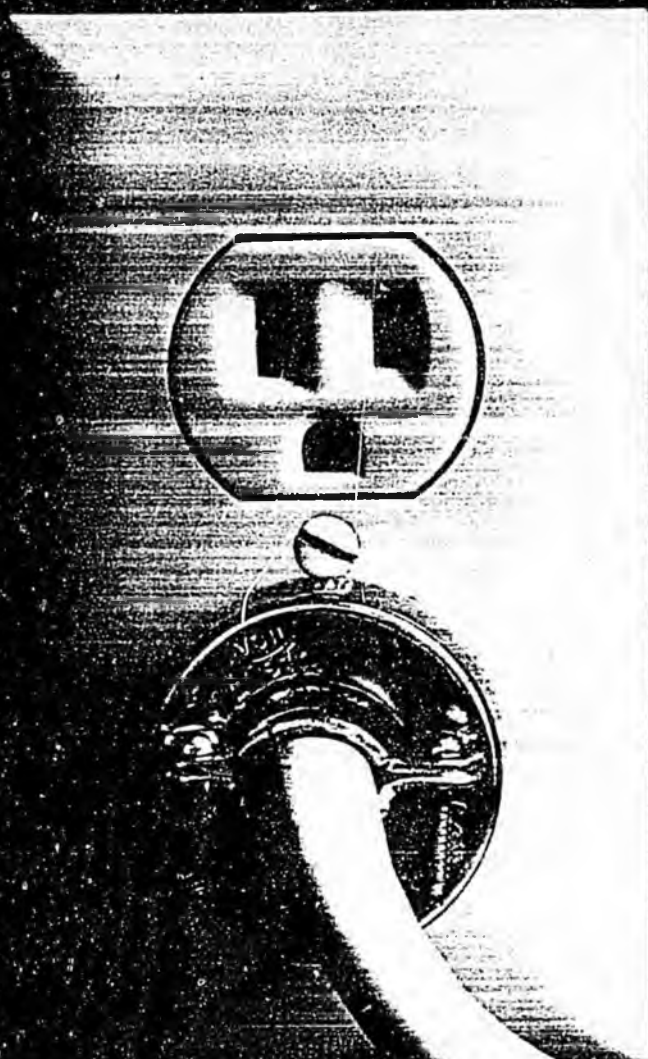


John Sims
Usibelli Coal Mine, Inc.
Vice-President Marketing

JS/me

THE FOLLOWING DOCUMENT HAS
NOT BEEN FILMED BUT IS
AVAILABLE IN THE ORIGINAL
FILE

RAILBELT ENERGY FROM THE GROUND UP.



THE HEALY COGENERATION PROJECT

4/10/20 pm

SEN: KERTTULA - DISTRIBUTION LINES

	A	B	C
1	MATANUSKA ENERGY AUTHORITY PROJECTS		
2			
3	REA LOAN FUND		545,000.00
4			
5	COOPER LANDING		
6	ELECTRIC LINE EXTENSION		
7	BEAN CREEK/BLAKLEY SUBDIVISIONS		300,000.00
8			
9			
10	MATANUSKA ELECTRIC ASSOCIATION		
11	LINE EXTENSIONS		
12	BUFFALO MINE ROAD		160,000.00
13	BURMA ROAD		400,000.00
14	IDA LAKE		60,000.00
15	CASWELL LAKE ROAD		500,000.00
16	BRUCE LAKE		85,000.00
17	FISH LAKE		200,000.00
18	PETERSVILLE/OILWELL ROAD ELEC EXT.		350,000.00
19			
20	COPPER VALLEY ELECTRIC		
21	SHEEP MOUNTAIN LINE EXTENSION		250,000.00
22			
23			
24	GOLDEN VALLEY ELECTRIC		
25	MCKINLEY AREA ELECTRIFICATION		1,700,000.00
26			
27			
28	CHUGACH ELECTRIC		
29	WHITTIER OVERHEAD LINE UPGRADE		350,000.00
30			
31			
32			
33	CITY OF SEWARD (MUNICIPAL GRANT)		
34	SALMON CREEK-CAMELOT ELEC EXTENSION		100,000.00
35	TOTAL		5,000,000.00

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Section	ED#	Project	thou's
1,2	RBE	Healy Cogeneration Project (Fed Match \$93m)	30,000.00
3	7	Ship Creek Redevelopment	2,500.00
4	5	Kenai Congregate Housing	1,250.00
5	7	Anchorage Airport Water Project	1,300.00
6	7	Girdwood Water Upgrade	2,300.00
7	7	Girdwood Water Upgrade	3,800.00
8	7	Eagle River Campground	600.00
9	RBE	Soldotna-Anch and Healy-Fairbanks 138Kv Interties	100,000.00
10	16	UA Ag and Forestry Station Mat-Su Farm Upgrade	400.00
11	16	Selina Lane Extension	100.00
12	16	Job Corps Facility Construction	500.00
13	RBE	Coal Development Project	9,000.00
14	17	McKinley Park to Carlo Creek Elec Distribution Lines	1,700.00
15	RBE	UAF Natural Sciences Facility	24,800.00
16	RBE	UAA Classroom Laboratory Building	16,800.00
17	16	Church Road Upgrade	200.00
17	16	Clark-Wolverine Road Upgrade	150.00
17	16	Schrock-Pittman Road Upgrade	175.00
17	16	Hollywood and Vine Road Upgrade	300.00
17	16	Hyer Road	175.00
18	6,7,16	Rural Elec Revolving Loan Fund -Senate District E	545.00
19	6	Salmon Creek/Camelot Electric Line Extension	100.00
20	16	Buffalo Mine Road Electric Line Extension	160.00
20	16	Burma Road Electric Line Road	400.00
20	16	Ida Lake Electric Line Extension	60.00
20	16	Caswell Lake Road Electric Line Extension	500.00
20	16	Bruce Lake Electric Line Extension	85.00
20	16	Fish Lake Electric Line Extension	200.00
20	16	Petersville/Oilwell Road Electric Line Extension	350.00
21	16	Sheep Mountain Electric Line Extension	250.00
21	6	Whittier Electric Line Extension	350.00
21	6	Cooper Landing Bean Creek/Blakely Elec Line Extensio	300.00
22	2	Craig North Cove Breakwater	150.00
23	2	Haines Sewer Outfall	125.00
24	2	Kasaan Totem Park and Cemetary Renovation	50.00
25	2	Metlakatla Storm Drains Water and Sewer	300.00
26	2	Skagway Solid Waste Disposal Facility	120.00
27	2	Thorne Bay Utility Upgrade	50.00
28	2	South Thorne Bay Access Road	100.00
29	2	Yakutat Fish Processing Plant Piling Replacement	75.00
30	3	Tenekee Springs Harbor Electrification	160.00
31	3	Pelican Creek Bridge	150.00
32	3	Pelican - Whiskey Flats Sewer Extension	256.00
33	3	Sitka Water Distribution System Upgrade	250.00
34	3	Sitka Incinerator Modification	50.00
35	3	Sitka HS Shop Accoustical System and Stby Generato	74.00
36	3	Sitka - Baranof Elementary Reroofing	335.00
37	3	Sitka HS Vocational Wing Reroofing	84.00

CSSB 130 (Fin)

38	2	Edna Bay Road Completion	80.00
39	2	Hydaburg Elementary School Repairs	150.00
40	2	Kake Elementary School Remodeling	150.00
41	2	Klawock School Gym Roof Renovation	150.00
42	1	Ketchikan City Float Small Boat Harbor Project	1,000.00
43	1	Petersburg Water Treatment Plant Expansion	1,270.00
44	1	Ketchikan Airport Air Cargo Development	730.00
45	4	UAS Recreational Education Facility	2,000.00
46	4	Juneau - Riverside Drive Design and Construct	1,000.00
47	18	Eielson Agriculture Line Extension	200.00
48	17	Line Extension from Nenana to Skinny Dick's Halfway	700.00
49	17	safety Upgrades for Tok Area Electrical Distribution	250.00
50	17	Tetlin Electrical Facilities	100.00
51	23	Nome Child Care Facility	250.00
51	23	Unalakleet FAA Water Loop	400.00
51	22	Ambler Heavy Equipment Purchase	100.00
51	22	Kiana Water and Sewer Improvements	225.00
51	22	Noorvik Water and Sewer Improvements	275.00
51	22	Selawik Dumpsite Improvements	150.00
51	22	NSB - Western Arctic Coal Demonstration Project	750.00
52	23	Kasunamuit School District Classroom Addition	300.00
53	23	Emmonak Water and Sewer Completion	150.00
53	23	Elim Sewage Outfall Line Repairs	200.00
53	23	Saint Michael Water Tank Repair	200.00
54	19-21	FNSB-SD Elementary Schools Reroof/Elec Upgrades	500.00
55	19-21	FNSB- Rural Road Block Grants	500.00
56	19-21	Fairbanks City Wide Street Improvements	300.00
57	19-21	Fairbanks Health Clinic Planning	50.00
58	19-21	Fairbanks Pioneers' Home Major Maint and Renovation	450.00
59	19-21	Fairbanks Hist Pres Fdtn Nenana Riverboat Restoratic	500.00
60	19-21	Golden Valley Elec Assoc Line Extensions	200.00
61	26	Port Alsworth Electrification	290.00
61	26	King Cove Hydro Design, Acquisition and Construction	450.00
61	26	Larsen Bay Hydro Design, Acquisition and Constructio	200.00
61	27	INNEC-Tazimina Hydro Design,Acquisition, Const	250.00
61	27	Ouzinkie Hydro Acquisition	400.00
61	26	Togiak Power Line Stabilization	50.00
61	27	Karluk Fuel and Electric System Improvements	277.00
61	26	Pedro Bay Generator and Utility Upgrades	197.00
61	26	Perryville Bulk Fuel Dike System Improvements	100.00
61	26	Kokhanok Electrical System Upgrade	271.20
61	26	Pilot Point Street Light Installation	35.00
61	26	Clarks Point, Ekwok, Igiugig, Illiamna, Kuliganek, Levelock Life, Health, Safety and Code Complia	179.80
62	26	Unalaska Highway S-310 Upgrade	300.00
63	3	Sitka - Mt. Edgecom.be Elementary Reroofing	141.00
64	6	Seward Intertie	9,500.00
			227,600.00

Kay Brown

Alaska State Legislature House of Representatives

TO: Senate Finance Committee Members
FROM: Representative Kay Brown
DATE: March 14, 1989
RE: House Bill 209, Railbelt Tourism Projects

I have introduced House Bill 209, which funds tourism and recreation-related projects in the Railbelt. The \$6 million would fund projects in the Anchorage area, Interior, Mat-su Valley, and Kenai Peninsula. Half involve rehabilitation of and improvements in state parks; the other half include such things as historical preservation grants, predevelopment funds for the Native Cultural Center, road improvements for Hatcher Pass development, and tourist facilities at state hatcheries.

The source of funding for these Railbelt projects is the Railbelt Energy Fund. It is my belief that tourism is a growth industry, and that it is an appropriate governmental role to help provide the infrastructure for such development. It is also my belief that the Railbelt Energy Fund will have more beneficial impacts on the economy of the Railbelt if it's used for economic development, including the infrastructure necessary for a healthy tourism industry, instead of being restricted to energy projects. It's my desire to see the Railbelt Energy Fund spent in the Railbelt on projects of the highest priority, which meet the greatest need, and which deliver the most benefits to our constituents.

The criteria for the tourism projects included in HB 109 are similar to those used for last year's jobs bill. All projects are ready to go, carry minimal or no continuing costs for the state, and provide direct economic benefits to the tourism industry without competing with private enterprise. Many also leverage non-state funds. These projects will stimulate the economy in the short term while also making a significant long-term investment in Alaska's tourism and recreation industry.

Attached find a copy of a worksheet that divides the projects by area and a copy of the bill. Back-up material on all projects is available from my office.

I would also like to make a few observations regarding use of Railbelt Energy Fund to finance energy projects. While the APA's Interim Report notes that a variety of potential

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During Session:
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Juneau, AK 99811
(907) 465-4998

3/14/89 em

benefits are being considered and have yet to be fully accounted for, it is anything but clear at this point that the intertie projects offer a cost-effective investment. As was noted by Mayor Dorothy Jones on behalf of the Railbelt's local government officials, further consideration of the intertie projects should be deferred until the APA has completed its analysis.

To the extent that the legislature is determined to spend the Railbelt Energy Fund on energy projects, it is worth noting that the APA's Interim Report found that "three end-use conservation programs are likely to be economic investments." These include two commercial lighting programs and one program to encourage residential water heating conversions from electric to natural gas. Although somewhat less familiar than the intertie projects, I hope that the legislature will give these potential investments appropriate consideration when the APA's Final Report on Railbelt energy alternatives is completed.

Yet another Railbelt energy project worthy of consideration is the Anchorage School District's \$4,025,000 request to fund Phase IV of their Energy Management System. Essentially, this project consists of connecting schools throughout the school district to a centralized computer control system that will allow the district to better control things like heating and lighting functions. The District projects energy savings in the range of 15-25% and cost savings on the order of \$1,200,000/year. According to the District, similar systems have shown pay backs of 5 - 7 years. Significantly, savings realized by this investment would enable the District to put school foundation dollars to more productive uses such as enhanced instruction.

Again, thank you for the opportunity to testify today and I appreciate your consideration of these suggestions.

HB 209/TOURISM PROJECTS BILL (03/08/89)

Section	REGION-WIDE	
1	DNR Historic Preservation Grants	100.0
3	DNR Highway Interpretive Sign Program	100.0
2	Alaska Conservation Corps	150.0
	Subtotal	350.0

ANCHORAGE/EAGLE RIVER		
17	Eagle River Greenbelt Access	336.0
18	Eagle River Visitor Center	300.0
19	Turnagain Arm Scenic Corridor	150.0
20	Chugach State Park Safe Drinking Water	100.0
21	Toilsome Drive By-Pass Road Design	75.0
22	Chugach Forest - Challenge Cost Share Projects	100.0
23	Anchorage Stream Rehabilitation	200.0
24	Aviation Heritage Museum	100.0
25	Ft. Richardson Hatchery	25.0
25	Elmendorf Hatchery	37.2
29	Glen Alps Access	315.5
26	Native Cultural Center	500.0
27	Government Hill Port Overview Park	20.0
28	Ship Creek Overlook Park	300.0
29	Upper Huffman Access	52.0
	Subtotal	2,610.7

INTERIOR		
4	Chena River State Rec Area	200.0
5	Chena River State Rec Site	300.0
6	Chena Hot Springs Winter Trail	50.0
7	Historic Preservation/Riverboat Nenana	250.0
8	Alaskaland Amphitheater	15.0
9	Alaskaland Enhancements	185.0
	Subtotal	1,000.0

MAT-SU VALLEY		
15	Finger Lake State Rec Site	200.0
16	Willow Creek State Rec Area	100.0
25	Big Lake Hatchery	25.2
14	Hatcher Pass Public Use Area	700.0
	Subtotal	1,025.2

KENAI PENNINSULA

10	Kenai Peninsula Sport Fish Access	653.5
25	Crooked Creek Hatchery	22.0
11	Homer/Kachemak Visitor Center	114.0
12	Old Town (Kenai) Viewing Area	95.0
13	Kenai River Boat Ramp/Parking Area	137.5

Subtotal 1,022.0

GRAND TOTAL 6,007.9

To: Senate Finance Committee
From: Representative Sharp
Subj: CSSB 130
Date: 3-7-89

Co-Chairman and members of Senate Finance Committee, I appreciate the opportunity to testify on CSSB 130. I would like to start by recognizing the foresight of past legislatures and legislators in establishing the Railbelt Energy Fund. It has taken much resolve and restraint over the past several years to maintain the original intent and integrity of the fund.

I share the opinion of many that to assure the utilization of the Railbelt Energy Fund for its intended purpose, we must take action this session. The authorization and appropriation of the fund to specific energy projects is a goal that must be achieved by adjournment day.

In my opinion, the bill before you offers the best vehicle to achieve this end. The major projects specified here are projects that are needed to assure the delivery of energy throughout the entire railbelt area. Seward and Homer to Anchorage, the Valley, Fairbanks, North Pole and Delta would all be beneficiaries of these projects. The establishment of a high capacity power grid as authorized by the legislation will assure present and future generations of Alaskans that all sources of energy will be allowed to participate in a competitive arena. Nonfuel hydro power and natural gas, coal and oil fueled generators will all be given the opportunity to compete based on economics.

One potential that is not addressed in this legislation that I feel worthy of consideration is the proposed Usibelli Healy cogeneration project. The various facets of this proposal include economic developments, a long term base load energy source, infusion of a large ~~amount~~^{amount} of federal funds and new jobs for Alaskans. I would suggest that the possibility of state involvement in this project be explored and consideration be given to reserving the approximate 12 million dollars balance of the REF to this project.

One of the unique characteristics of this vast area which contains over 70% of the total state population is this one important fact: every electric utility in this area is a consumer or municipally owned utility. Not one is owned by stockholders or outside interests. Any and all economic benefits derived from these proposed projects by these utilities will flow directly to each and every one of their customers. Each is regulated by the Alaska Public Utilities Commission and each have rate tariffs that require savings or reductions in the cost of power be passed directly on to the consumers via "power cost adjustment credits" on the monthly billings.

Therefore, I want the record to show that economic benefits of these state funded projects cannot accrue to private interests or to sustain bureaucratic administrative costs. The APUC is firm in its orders that each consumer will share in power cost savings.

Another major point I believe is very important is that these projects will not increase future costs to the state or local governments. The operating agreements between the participating utilities and APA on existing facilities require the utilities to pick up the operation and maintenance costs of these facilities. Past operating statistics will show that the savings to the utilities, and thereby their customers, are still significant after absorbing these costs.

I ask you how many past state capital expenditures can claim such benefits to our citizens' pocketbook. Each dollar saved by consumers on their monthly energy bill is leveraged upward by the amount of federal taxes that must be paid to produce each net dollar on their paycheck that is available to pay their bills.

We all know that there are several proposals to use just a "little bit" of the Railbelt Energy Fund. I hope that we all remember last year's near fatal frenzy was started by a few "good alternative non-energy projects."

I urge that the original energy intent of the fund be preserved and we use the money to leave a positive legacy to our kids and grandkids. Stay your course and full steam ahead.

March 10, 1989

The Honorable Rick Uehling
Alaska State Legislature
P.O. Box V
Juneau, Alaska 99811

James M. Cann
P.O. Box 100926
Anchorage, Ak. 99510
907-333-7137

Reference; Representative Ron Larson's letter, dated March 2, 1989.

Dear Senator Uehling;

Please find enclosed Rep. Larson's letter, I had Tel-Faxed to you, on March 10, 1989.

My **THREE OBJECTIVES**, for forwarding this letter, are as follows,

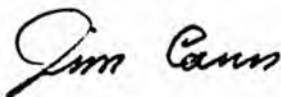
- FIRST. To show no Federal, or State money has ever been spent on building roads, (on the South 2/3 rds. of the existing Burma Road right-of-way) to meet required standards for school bus services.
- SECOND. I would like to be a contributing factor, toward creating new income, in the Mat Su Valley and the State of Alaska.
- THIRD. Is to further demonstrate this area's need for a State built ROAD, and a **INTERTIE LOOP POWER LINE**.

Perhaps, the **RAILBELT ENERGY FUNDS**, would be a more appropriate means, for funding this power line. As provided for, in **SENATE BILL NO. 130 (L&C)** Page 2, line 9 (Burma Road electric line extension).

Your efforts and interest in this will be appreciated very much,

Sincerely;

Jim Cann



Enclosure,

3/14/89 em

March 2, 1989

The Honorable Ron Larson
Alaska State Legislature
P.O. Box V
Juneau, Alaska 99811

Jim Cann
P.O. Box 100926
Anchorage, Ak. 99510
907-333-7137

Reference; Funding for a Inter-tie Loop Primary Feeder Electric Power Line, following, Mat Su Boroughs, #2 Burma Road Realignment Project, right-of-way.

Dear Representative Larson;

Please find enclosed a petition with signatures of 75 Burma Road property owners, requesting a power line, on the above proposed right-of-way.

I'm a homesteader/property owner in your district, on the South end of the Burma Road.

Around 1963, I donated time and the use of my plane to help get this area into the Mat Su Borough. The original homesteaders in this area were a major portion of the people (from Burma Road, South to Point Mackenzie) who voted to go with Mat Su Borough, rather than the Anchorage Borough. The consensus, after listening to both Boroughs presentations, at the State Burma Road school house, at the time, was that we had a better chance to get services from Mat Su, for tax's we would be paying.

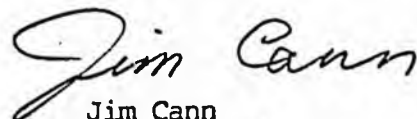
Presently, there are still several people in this area, who's property is appraised and assessed a higher dollar value per acre, than those who have - state built and maintained roads, school bus service and power lines accessible to their property.

Personally, I'm still very interested in being a part of the overall economic development of this area.

On my homestead, I would like to build a new home, a steel and aluminum fabrication shop. To design and build a type of green house, where vegetables could be raised, almost the year-around. And, come up with a semi-green house system, where vegetables can be produced in the open, with a longer growing period.

With Electric power being paramount, for development of this area, I'm respectfully requesting your assistance in funding this Power Line, by including it, in with the CAPITOL PROJECTS funding request, for the #2 Burma Road Realignment Project.

Sincerely,


Jim Cann

March 1, 1989

MAR 9 1989

The Honorable Rick Uehling
Alaska State Legislature
P.O. Box V
Juneau, Alaska 99811

James M. Cann
P.O. Box 100926
Anchorage, Alaska 99510

Reference: Funding for a Inter-tie Loop Primary Feeder Electric Power Line, following Mat Su Boroughs, #2 Burma Road Realignment Project, Right-of-Way

Dear Senator Uehling:

As a resident of your district and homesteader/property owner in Mat Su Valley, please find enclosed a petition requesting the above power line, and any assistance you can give.

This Inter-tie Loop Power Line concept can benefit three different groups of property owners - South Big Lake, the Burma Road Area and the MacKenzie Agricultural Area. This should represent about 300+ property owners.

Power lines are in place on both the North and South end of the 6 1/2 mile long and 300 foot wide, right-of-way easement for this project, of which, 150 feet is for a railroad, gas line and power line easement. With this easement provided, cleared and paralleling this new projected road on relatively level terrain, this power line could be built for about half the normal cost.

With Mat Su Boroughs combined interest in developing the MacKenzie Port Facility, #2 Burma Road Project and their interest in floating a bond for a railroad spur from Houston to MacKenzie, this will provide a vehicle for more competitive world market prices for Alaskan Natural Resources. Also, this could help get Agricultural commodities on the world market, representing production and income for this area.

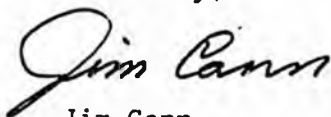
When it comes to appropriations of funds for Capital Projects, Economic Development and using Rail Belt Energy Funds, I'm respectfully, requesting your assistance in providing this area, with their fair share of these funds. With a portion designated, for this Inter-tie.

With electric power being PARAMOUNT for being able to use our land, we need to have this deficiency addressed. Also, we are interested in being a part of the overall Economic Development, too.

Most people with electric power available to their property take it for granted. We too, would like having this luxury.

There are a lot of people who will appreciate your assistance on this.

Sincerely,



Jim Cann

cc: file

January 13, 1989

PETITION

Page 1 of 5

WHEREAS, the Matanuska-Susitna Borough ("Mat-Su Borough") is proceeding with the Number 2 Burma Road realignment project on the southwest end of Burma Road in Sections 16, 21, 28 and 33, Township 16 North, Range 4 West, Seward Meridian; and

WHEREAS, prior to actual construction it will be necessary for the Mat-Su Borough to acquire certain right-of-way easements across the aforementioned property; and

WHEREAS, the undersigned either own land in the project area or have an interest in the project area and wish to work and cooperate with the Mat-Su Borough in developing the area; and

WHEREAS, the undersigned are very pleased with the Mat-Su Borough's interest in developing the Mining Industry and the Point MacKenzie Port Facility, as well as other projects; and

WHEREAS, property values in the subject area, because of the present depressed economy, are at an all-time low; and

WHEREAS, the aforementioned property owners and their predecessors pioneered the area 30 years ago using their own resources to make it into a functional part of the Matanuska-Susitna community and have faithfully paid Borough taxes when assessed, notwithstanding the fact that few if any governmental services were provided to the area; and

WHEREAS, the original property owners played a major role in their area, the Point MacKenzie agricultural area, as well as the Point MacKenzie area in general being made a part of the Mat-Su Borough rather than the Greater Anchorage Area Borough; and

WHEREAS, the aforementioned property was for many years assessed the same dollar value per acre for tax purposes as was other property in the Borough where amenities such as power lines, telephone lines, schools, school buses, and maintained roads were readily available while none of the services were available along the Burma Road for a substantial period of time; and

WHEREAS, the aforementioned Burma Road realignment project will provide an access route for power lines in the subject area; and

WHEREAS, in light of past inequities associated with the assessment of taxes when no government services were available,

NOW, THEREFORE, the undersigned petition the Mat-Su Borough, in conjunction with Matanuska Electric Association, to construct an intertie loop power line connecting South Big Lake Road with the MacKenzie Dairy Project via Number 2 Burma Road realignment project rights-of-way using Alaska state or federal funds.

SIGNATUREPRINTED NAMEDATE

<u>SIGNATURE</u>	<u>PRINTED NAME</u>	<u>DATE</u>
Benjamin H. Couart	BENJAMIN H. COUART	1-13-89
Clarence Ed Rice	Clarence Ed Rice	1/14/89
Viola F. Rice	Viola F. Rice	1/14/89
Richard Evans	RICHARD J. EVANS	1-16-89
Roland Stickney	Roland Stickney	1-16-89
Margaret J. Benson	Margaret J. Benson	1-16-89
Alvin B. Benson	ALVIN B. BENSON	1-16-89
Loretta J. Anderson	Loretta J. Anderson	1-17-89
Betty L. Burnett	Betty L. Burnett	1-17-89
Robert W. Brown	Robert W. Brown	1-17-89
James M. Cann	JAMES M. CANN	1-17-89
Joyce L. Cann	Joyce L. CANN	1-17-89
D. F. Smith	Dorrell F. Smith	1-18-89
Helen L. Tulin	Helen L. Tulin	1-19-89
Charles E. Tulin	CHARLES E. TULIN	1-19-89
Orville C. Wertlaugher	Orville C. Wertlaugher	1-20-89
Mary A. Wertlaugher	MARY A. WERTLAUGHER	1-20-89
Tony O'Neil	Tony O'NEIL	1-21-89
Rita O'Neil	Rita O'NEIL	1-21-89
Judy Kleven	Judy Kleven	1-21-89
Kathy Carpenter	Kathy Carpenter	1-23-89
David M. Carpenter	David M. Carpenter	1-23-89
Brown Jug - Since by Mike O'Neil	MIKE O'NEIL	1-25-89

<u>SIGNATURE</u>	<u>PRINTED NAME</u>	<u>DATE</u>
<u>James L. Faires</u>	<u>JAMES L. FAIRES</u>	<u>Jan 25 '89</u>
<u>Janet Q. Fails</u>	<u>JANET Q. FAILS</u>	<u>1/25/89</u>
<u>Fran. Rabideau</u>	<u>FRAN. RABIDEAU</u>	<u>1/25/89</u>
<u>Eva Jean Rabideau</u>	<u>EVA JEAN RABIDEAU</u>	<u>1-25-89</u>
<u>Mike Uher</u>	<u>MIKE UHER</u>	<u>1-31-89</u>
<u>Glenda Dodson</u>	<u>GLENDA DODSON</u>	<u>2/3/89</u>
<u>Cecelia Maher</u>	<u>CECELIA MAHER</u>	<u>2/4/89</u>
<u>William T. Kays</u>	<u>WILLIAM T. KAYS</u>	<u>2/5/89</u>
<u>Yuki L. Kays</u>	<u>YUKI L. KAYS</u>	<u>2/5/89</u>
<u>Grant H. Forsythe</u>	<u>GRANT H. FORSYTHE</u>	<u>2/6/89</u>
<u>Jim F. Pennington</u>	<u>JIM F. PENNINGTON</u>	<u>2/6/89</u>
<u>Sharon A. Pennington</u>	<u>SHARON A. PENNINGTON</u>	<u>2/6/89</u>
<u>Phyllis A. Stickeney</u>	<u>PHYLLIS A. STICKENEY</u>	<u>2/6/89</u>
<u>Michael J. Bulkeley</u>	<u>MICHAEL J. BULKELEY</u>	<u>2-6-89</u>
<u>Dora Jean Bulkeley</u>	<u>DORA JEAN BULKELEY</u>	<u>2-6-89</u>
<u>Hanni Kozler</u>	<u>HANNI KOZLER</u>	<u>2-6-89</u>
<u>Geraldine L. Ivy</u>	<u>GERALDINE L. IVY</u>	<u>2-6-89</u>
<u>William H. Ivy</u>	<u>WILLIAM H. IVY</u>	<u>2-6-89</u>
<u>Herbert H. Worthyley</u>	<u>HERBERT H. WORTHLEY</u>	<u>2-7-89</u>
<u>Arlene M. Worthyley</u>	<u>ARLENE M. WORTHLEY</u>	<u>2-7-89</u>
<u>Charles W. Kozler</u>	<u>CHARLES W. KOZLER</u>	<u>2-8-89</u>
<u>Robert Hausner</u>	<u>ROBERT HAUSNER</u>	<u>2/8/89</u>
<u>Herb Hancock</u>	<u>HERB HANCOCK</u>	<u>2/8/89</u>
<u>Margie Hancock</u>	<u>MARGIE HANCOCK</u>	<u>2/8/89</u>

assessed the same dollar value per acre for tax purposes as was other property in the Borough where amenities such as power lines, telephone lines, schools, school buses, and maintained roads were readily available while none of the services were available along the Burma Road for a substantial period of time; and

Page 5, of 5

WHEREAS, the aforementioned Burma Road realignment project will provide an access route for power lines in the subject area; and

WHEREAS, in light of past inequities associated with the assessment of taxes when no government services were available,

NOW, THEREFORE, the undersigned petition the Mat-Su Borough, in conjunction with Matanuska Electric Association, to construct an intertie loop power line connecting South Big Lake Road with the MacKenzie Dairy Project via Number 2 Burma Road realignment project rights-of-way using Alaska state or federal funds.

SIGNATURE Vivian J. McMain PRINTED NAME VIVIAN J. McMAIN DATE 1/23/89

funds.

SIGNATURE Tristram F. Darby PRINTED NAME TRISTRAM F. DARBY DATE 01-26-89

Tristram F. Darby
realignment project rights-of-way using Alaska state or federal funds.

SIGNATURE Kenneth A. Ungermann PRINTED NAME Kenneth A. Ungermann DATE 2/3/89
Judith B. Ungermann PRINTED NAME Judith B. Ungermann DATE 2-3-89

funds.

SIGNATURE Charles D. Reynolds PRINTED NAME Charles D. Reynolds DATE 2-3-89
for Asian Imports - owner of record

funds.

SIGNATURE Linda Ferguson PRINTED NAME LINDA L. FERGUSON DATE Feb 6-89

funds.

SIGNATURE Sheryl Uher PRINTED NAME Sheryl Uher DATE 2-8-89

funds.

SIGNATURE Louise Martin PRINTED NAME LOUISE MARTIN DATE 2-9-89

funds.

SIGNATURE Elvera Voth PRINTED NAME ELVERA VOTH DATE 2/9/89

Assembly: spend Railbelt Fund on power lines

By JON LITTLE
Staff Writer

The Borough Assembly on Tuesday agreed with a consensus reached last weekend with other railbelt communities to use the Railbelt Energy Fund for transmission lines.

In agreeing with the other communities, the Assembly called on state lawmakers to spend all of the fund in fiscal year 1990 to build high-voltage power line projects along the railbelt.

Several Assembly members said they worried that if the state followed the 1990 deadline, the fund could be depleted by other communities before a local intertie could be built.

The borough hopes the money

will be set aside to build an intertie linking power generated at the Bradley Lake Hydroelectric Project to its eventual users, from Seward to Fairbanks. That high-voltage, high-capacity, and high-priced line is known as the southern intertie. Two other interties also have been proposed within the railbelt.

Local power officials claim that the southern intertie is the crucial link between Bradley Lake and its customers. Without it, they say, the power cannot get to Anchorage and Fairbanks.

However, the Alaska Power Authority says the jury is still out on whether a new southern intertie is needed. The APA is studying

whether work can be done on the existing Chugach Electric line to carry the load.

On Saturday, five Borough Assembly members met in Wasilla with Assembly members from the other three Railbelt Coalition boroughs: Fairbanks North Star Borough, the Mat-Su Borough, and the municipality of Anchorage. During the get-together, the coalition looked at several issues, but spent more than half the day hashing out a consensus on how to spend railbelt funds, according to Assembly President Jonathan Sewall.

The eventual railbelt agreement was "not exactly as we want it," Sewall said. But he said it was the best compromise. The Assembly

accepted the agreement with a 9-0 vote.

The Railbelt Fund has up to \$23 million.

Assemblyman Pat O'Connell who attended the Wasilla meeting and who voted against the compromise, said he introduced the resolution for the Assembly to consider, saying he hoped it would be rejected.

While the resolution sets power interties as its top priority, O'Connell said the wording of the resolution leaves room for broader interpretation, perhaps allowing for other projects and excluding the interties.

See RAILBELT, page 1

...Railbelt Fund flap

Continued from page 1

The Railbelt Fund was set up during the oil boom to finance energy projects from Seward to Fairbanks. The fund was a political compromise, giving Southcentral and Interior Alaska the fund in lieu of the abandoned Susitna hydro project and as a balance to funds spent for energy work in Southeast Alaska.

Now that oil money entering state treasuries has slowed, O'Connell described the railbelt fund as a "pool of money sticking out like a sore thumb, or a ripe plumb, whatever you want to call it."

Other areas looking for a quick fix will zero in on that money to bail them out, including Anchorage and Mat-Su boroughs, O'Connell said. "There's no doubt in my mind, Anchorage and Mat-Su are ready to join the feeding frenzy and eat that money up."

The Kenai Peninsula Borough may have a hard time pinning down the estimated \$80 million cost of the Bradley Lake intertie, while the rest of the money gets spent elsewhere, he said. The state has looked to the railbelt reserves as a stop-gap measure to fund capital projects.

He said this would be the area's "last chance" to get the intertie built, because the state from now on will be consuming every source of available funds to balance its budget.

"It doesn't matter what we say, the money's going to be spent," O'Connell said.

Assemblywoman Sharon Moock said she was "disgusted and ashamed" that the rules apparently had changed since the railbelt fund was created. The money should have stayed within the belt, but now looks like it will leak all over the state, she said.

Moock urged the public to mount a letter-writing campaign to legislators to influence them to keep the money where it is. The public opinion, she said, "might help us out, to what we deserve, and to what we need to have."

Borough Mayor Tom Gilman said his assistant, Marla

co-signing the Railbelt Coalition agreement, even though it didn't exactly match an earlier borough resolution calling for local spending of railbelt funds. Gilman said Huss suggested the Assembly follow up with a letter stating that interties are the borough's top priority.

Gilman noted that the intertie price tag, including a \$15 million powerline upgrade in Seward, would come to \$95 million. If the Railbelt fund is split statewide by population, as has been suggested, the borough could end up with roughly \$35 million, he said.

Sen. Rick Uehling, R-Anchorage, introduced Senate Bill 130 stipulating that \$80 million of the railbelt reserves go to the southern intertie because it is the most logical place to begin spending the money.

But, by Wednesday evening, the bill had been boosted to a \$224 million package by the Senate Labor and Commerce Committee, according to Sen. Uehling's office.

Currently, SB 130 includes the southern intertie and, now, the Seward intertie and a northern intertie completing the upgrade between Anchorage and Fairbanks. It also contains \$20 million for smaller energy projects across the state, including Southeast Alaska.

He said SB 130 and another proposal were designed to spark legislative discussion. He also introduced Senate Bills 131 and 132, which together set \$80 million to be distributed on a per capita basis.

"We certainly are interested in garnering support (on the interties) from the Borough Assembly and people



MATANUSKA ELECTRIC ASSOCIATION, INC.

P.O. BOX 1148

PALMER, ALASKA 99645

TELEPHONE
(907) 748-3231

October 13, 1988

A handwritten signature, possibly 'J', is written in the upper right quadrant of the page.

Mr. Matt Fishel
Office of Senator Jalmar Kerttulla
P.O. Box 1009
Palmer, AK 99645

Dear MR. Fishel:

SUBJECT: CASWELL LAKES LINE EXTENSION

As requested, we have completed the preliminary design and cost estimate for a power distribution extension to Caswell Lakes Subdivision. The design and cost estimate are preliminary as we have not performed actual surveying and field staking. The attached map, prepared in 1980, illustrates we have examined the proposed route for terrain and topographical problems. The terrain is slightly rolling and should pose no problem for standard construction methods.

The design calls for 3.6 miles of three phase overhead distribution facilities beginning at the Parks Highway near the Sheep Creek Lodge. The proposed line proceeds due east along Caswell Lakes Road continuing east along the section line ending at Bendapole Road between Caswell Lakes and Hidden Hills Subdivisions.

The preliminary cost estimate for the line extension is \$393,645.14. A copy of the estimate is attached. It is my understanding you are proposing to obtain a grant for this extension. For the purpose of your proposed grant, I would suggest using a figure of \$400,000.00.

If I can be of further assistance, please call me at 745-9264.

Sincerely,

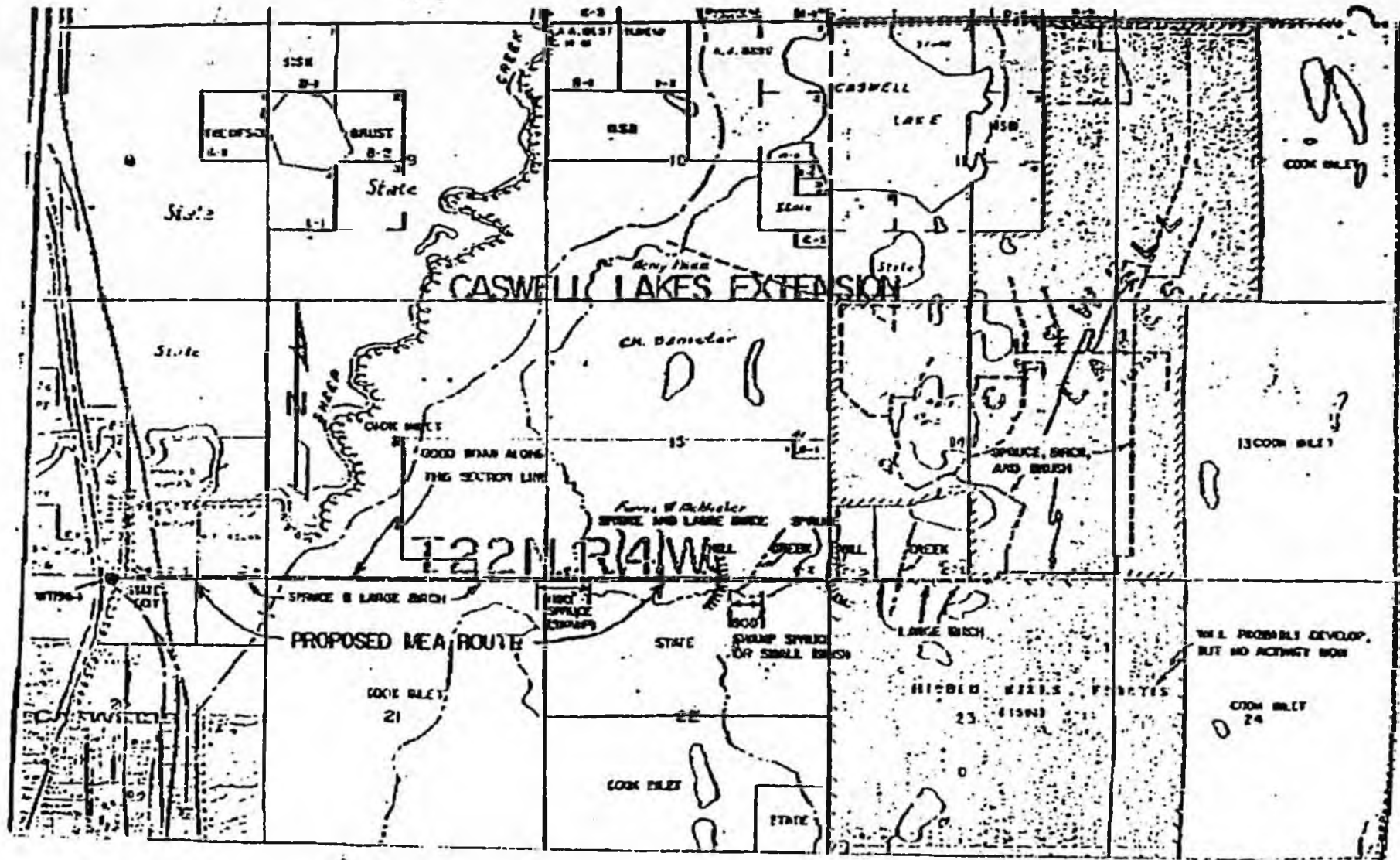
A handwritten signature in cursive script, reading 'Sterling Larson', is written above the typed name.

Sterling Larson
Subdivision Engineer

cc: James Palin

ALASKA'S FIRST REC—INCORPORATED 1941—ENERGIZED 1942

Caswell Lakes Line Extension



March 10, 1989

The Honorable Rick Uehling
Alaska State Legislature
P.O. Box V
Juneau, Alaska 99811

James M. Cann
P.O. Box 100926
Anchorage, Ak. 99510
907-333-7137

Reference; Representative Ron Larson's letter, dated March 2, 1989.

Dear Senator Uehling;

Please find enclosed Rep. Larson's letter, I had Tel-Faxed to you, on March 10, 1989.

My **THREE OBJECTIVES**, for forwarding this letter, are as follows,

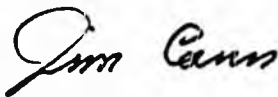
- FIRST. To show no Federal, or State money has ever been spent on building roads, (on the South 2/3 rds. of the existing Burma Road right-of-way) to meet required standards for school bus services.
- SECOND. I would like to be a contributing factor, toward creating new income, in the Mat Su Valley and the State of Alaska.
- THIRD. Is to further demonstrate this area's need for a State built ROAD, and a **INTERTIE LOOP POWER LINE**.

Perhaps, the **RAILBELT ENERGY FUNDS**, would be a more appropriate means, for funding this power line. As provided for, in **SENATE BILL NO. 130 (L&C)** Page 2, line 9 (Burma Road electric line extension).

Your efforts and interest in this will be appreciated very much,

Sincerely;

Jim Cann



Enclosure,

March 2, 1989

The Honorable Ron Larson
Alaska State Legislature
P.O. Box V
Juneau, Alaska 99811

Jim Cann
P.O. Box 100926
Anchorage, Ak. 99510
907-333-7137

Reference; Funding for a Inter-tie Loop Primary Feeder Electric Power Line, following, Mat Su Boroughs, #2 Burma Road Realignment Project, right-of-way.

Dear Representative Larson;

Please find enclosed a petition with signatures of 75 Burma Road property owners, requesting a power line, on the above proposed right-of-way.

I'm a homesteader/property owner in your district, on the South end of the Burma Road.

Around 1963, I donated time and the use of my plane to help get this area into the Mat Su Borough. The original homesteaders in this area were a major portion of the people (from Burma Road, South to Point Mackenzie) who voted to go with Mat Su Borough, rather than the Anchorage Borough. The consensus, after listing to both Boroughs presentations, at the State Burma Road school house, at the time, was that we had a better chance to get services from Mat Su, for tax's we would be paying.

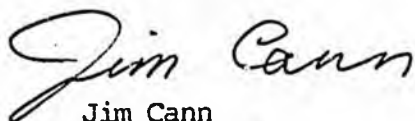
Presently, there are still several people in this area, who's property is appraised and assessed a higher dollar value per acre, than those who have - state built and maintained roads, school bus service and power lines accessible to their property.

Personally, I'm still very interested in being a part of the overall economic development of this area.

On my homestead, I would like to build a new home, a steel and aluminum fabrication shop. To design and build a type of green house, where vegetables could be raised, almost the year-around. And, come up with a semi-green house system, where vegetables can be produced in the open, with a longer growing period.

With Electric power being paramount, for development of this area, I'm respectfully requesting your assistance in funding this Power Line, by including it, in with the CAPITOL PROJECTS funding request, for the #2 Burma Road Realignment Project.

Sincerely,


Jim Cann

March 1, 1989

MAR 9 1989

The Honorable Rick Uehling
Alaska State Legislature
P.O. Box V
Juneau, Alaska 99811

James M. Cann
P.O. Box 100926
Anchorage, Alaska 99510

Reference: Funding for a Inter-tie Loop Primary Feeder Electric Power Line, following Mat Su Borough, #2 Burma Road Realignment Project, Right-of-Way

Dear Senator Uehling:

As a resident of your district and homesteader/property owner in Mat Su Valley, please find enclosed a petition requesting the above power line, and any assistance you can give.

This Inter-tie Loop Power Line concept can benefit three different groups of property owners - South Big Lake, the Burma Road Area and the MacKenzie Agricultural Area. This should represent about 300+ property owners.

Power lines are in place on both the North and South end of the 6 1/2 mile long and 300 foot wide, right-of-way easement for this project, of which, 150 feet is for a railroad, gas line and power line easement. With this easement provided, cleared and paralleling this new projected road on relatively level terrain, this power line could be built for about half the normal cost.

With Mat Su Boroughs combined interest in developing the MacKenzie Port Facility, #2 Burma Road Project and their interest in floating a bond for a railroad spur from Houston to MacKenzie, this will provide a vehicle for more competitive world market prices for Alaskan Natural Resources. Also, this could help get Agricultural commodities on the world market, representing production and income for this area.

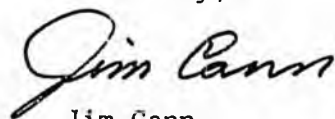
When it comes to appropriations of funds for Capital Projects, Economic Development and using Rail Belt Energy Funds, I'm respectfully, requesting your assistance in providing this area, with their fair share of these funds. With a portion designated, for this Inter-tie.

With electric power being PARAMOUNT for being able to use our land, we need to have this deficiency addressed. Also, we are interested in being a part of the overall Economic Development, too.

Most people with electric power available to their property take it for granted. We too, would like having this luxury.

There are a lot of people who will appreciate your assistance on this.

Sincerely,



Jim Cann

cc: file

January 13, 1989

PETITION

Page 1, of 5

WHEREAS, the Matanuska-Susitna Borough ("Mat-Su Borough") is proceeding with the Number 2 Burma Road realignment project on the southwest end of Burma Road in Sections 16, 21, 28 and 33, Township 16 North, Range 4 West, Seward Meridian; and

WHEREAS, prior to actual construction it will be necessary for the Mat-Su Borough to acquire certain right-of-way easements across the aforementioned property; and

WHEREAS, the undersigned either own land in the project area or have an interest in the project area and wish to work and cooperate with the Mat-Su Borough in developing the area; and

WHEREAS, the undersigned are very pleased with the Mat-Su Borough's interest in developing the Mining Industry and the Point MacKenzie Port Facility, as well as other projects; and

WHEREAS, property values in the subject area, because of the present depressed economy, are at an all-time low; and

WHEREAS, the aforementioned property owners and their predecessors pioneered the area 30 years ago using their own resources to make it into a functional part of the Matanuska-Susitna community and have faithfully paid Borough taxes when assessed, notwithstanding the fact that few if any governmental services were provided to the area; and

WHEREAS, the original property owners played a major role in their area, the Point MacKenzie agricultural area, as well as the Point MacKenzie area in general being made a part of the Mat-Su Borough rather than the Greater Anchorage Area Borough; and

WHEREAS, the aforementioned property was for many years assessed the same dollar value per acre for tax purposes as was other property in the Borough where amenities such as power lines, telephone lines, schools, school buses, and maintained roads were readily available while none of the services were available along the Burma Road for a substantial period of time; and

WHEREAS, the aforementioned Burma Road realignment project will provide an access route for power lines in the subject area; and

WHEREAS, in light of past inequities associated with the assessment of taxes when no government services were available,

NOW, THEREFORE, the undersigned petition the Mat-Su Borough, in conjunction with Matanuska Electric Association, to construct an intertie loop power line connecting South Big Lake Road with the MacKenzie Dairy Project via Number 2 Burma Road realignment project rights-of-way using Alaska state or federal funds.

<u>SIGNATURE</u>	<u>PRINTED NAME</u>	<u>DATE</u>
<u>Benjamin H. Couart</u>	<u>BENJAMIN H. COUART</u>	<u>1-13-89</u>
<u>Clarence Ed Rice</u>	<u>Clarence Ed Rice</u>	<u>1/14/89</u>
<u>Viola F. Rice</u>	<u>Viola F. Rice</u>	<u>1/14/89</u>
<u>Richard J. Evans</u>	<u>RICHARD J. EVANS</u>	<u>1-16-89</u>
<u>Roland Stickney</u>	<u>Roland Stickney</u>	<u>1-16-89</u>
<u>Margaret J. Benson</u>	<u>Margaret J. Benson</u>	<u>1-16-89</u>
<u>Alvin B. Benson</u>	<u>ALVIN B. BENSON</u>	<u>1-16-89</u>
<u>Loretta T. Anderson</u>	<u>Loretta T. Anderson</u>	<u>1-17-89</u>
<u>Betty L. Birenett</u>	<u>Betty L. Birenett</u>	<u>1-17-89</u>
<u>Robert W. Brown</u>	<u>Robert W. Brown</u>	<u>1-17-89</u>
<u>James M. Cann</u>	<u>JAMES M. CANN</u>	<u>1-17-89</u>
<u>Joye L. Cann</u>	<u>Joye L. CANN</u>	<u>1-17-89</u>
<u>D. F. Smith</u>	<u>Dorrell F. Smith</u>	<u>1-18-89</u>
<u>Helen L. Tulin</u>	<u>Helen L. Tulin</u>	<u>1-19-89</u>
<u>Charles E. Tulin</u>	<u>CHARLES E. TULIN</u>	<u>1-19-89</u>
<u>Orville C. Wertlaugher</u>	<u>Orville C. Wertlaugher</u>	<u>1-20-89</u>
<u>Mary A. Wertlaugher</u>	<u>MARY A. WERTLAUGHER</u>	<u>1-20-89</u>
<u>Tony O'Neil</u>	<u>Tony O'NEIL</u>	<u>1-21-89</u>
<u>Rita O'Neil</u>	<u>Rita O'NEIL</u>	<u>1-21-89</u>
<u>Judy Kleven</u>	<u>Judy Kleven</u>	<u>1-21-89</u>
<u>Kathy Carpenter</u>	<u>Kathy Carpenter</u>	<u>1-22-89</u>
<u>David M. Carpenter</u>	<u>David M. Carpenter</u>	<u>1-22-89</u>
<u>Brown Jug - since by Mike O'Neil</u>	<u>Mike O'Neil</u>	<u>1-25-89</u>

<u>SIGNATURE</u>	<u>PRINTED NAME</u>	<u>DATE</u>
<u>James L. Fairs</u>	<u>JAMES L. FAIRS</u>	<u>Jan 25 '89</u>
<u>Janet D. Fairs</u>	<u>JANET D. FAIRS</u>	<u>1/25/89</u>
<u>Fran. Paridiaz</u>	<u>FRAN. PARIDIAZ</u>	<u>1/25/89</u>
<u>Eva Jean Paridiaz</u>	<u>EVA JEAN PARIDIAZ</u>	<u>1-25-89</u>
<u>Mike Uher</u>	<u>MIKE UHER</u>	<u>1-31-89</u>
<u>Glenda Dodson</u>	<u>GLENDA DODSON</u>	<u>2/3/89</u>
<u>Cecelia Maher</u>	<u>CECELIA MAHER</u>	<u>2/4/89</u>
<u>William T. Kays</u>	<u>WILLIAM T. KAYS</u>	<u>2/5/89</u>
<u>Viki L. Kays</u>	<u>VIKI L. KAYS</u>	<u>2/5/89</u>
<u>Grant H. Forsythe</u>	<u>GRANT H. FORSYTHE</u>	<u>2/6/89</u>
<u>Jim F. Pennington</u>	<u>JIM F. PENNINGTON</u>	<u>2/6/89</u>
<u>Sharon A. Pennington</u>	<u>SHARON A. PENNINGTON</u>	<u>2/6/89</u>
<u>Phyllis A. Stickeney</u>	<u>PHYLLIS A. STICKENEY</u>	<u>2/6/89</u>
<u>Michael J. Burkeley</u>	<u>MICHAEL J. BURKELEY</u>	<u>2-6-89</u>
<u>Dora Jean Burkeley</u>	<u>DORA JEAN BURKELEY</u>	<u>2-6-89</u>
<u>Hanni Kozler</u>	<u>HANNI KOZLER</u>	<u>2-6-89</u>
<u>Geraldine L. Ivy</u>	<u>GERALDINE L. IVY</u>	<u>2-6-89</u>
<u>William H. Ivy</u>	<u>WILLIAM H. IVY</u>	<u>2-6-89</u>
<u>Herbert H. Worthley</u>	<u>HERBERT H. WORTHLEY</u>	<u>2-7-89</u>
<u>Arlene M. Worthley</u>	<u>ARLENE M. WORTHLEY</u>	<u>2-7-89</u>
<u>Charles W. Kozler</u>	<u>CHARLES W. KOZLER</u>	<u>2-8-89</u>
<u>Robert Hausner</u>	<u>ROBERT HAUSNER</u>	<u>2/8/89</u>
<u>Herb Hancock</u>	<u>HERB HANCOCK</u>	<u>2/8/89</u>
<u>Margie Hancock</u>	<u>MARGIE HANCOCK</u>	<u>2/8/89</u>

assessed the same dollar value per acre for tax purposes as was other property in the Borough where amenities such as power lines, telephone lines, schools, school buses, and maintained roads were readily available while none of the services were available along the Burma Road for a substantial period of time; and

Page 5, of 5

WHEREAS, the aforementioned Burma Road realignment project will provide an access route for power lines in the subject area; and

WHEREAS, in light of past inequities associated with the assessment of taxes when no government services were available,

NOW, THEREFORE, the undersigned petition the Mat-Su Borough, in conjunction with Matanuska Electric Association, to construct an intertie loop power line connecting South Big Lake Road with the MacKenzie Dairy Project via Number 2 Burma Road realignment project rights-of-way using Alaska state or federal funds.

SIGNATURE: Vivian J. McCain PRINTED NAME: VIVIAN J. MCCAIN DATE: 1/23/89

funds.

SIGNATURE: Theodore F. Larby PRINTED NAME: THEODORE F. LARBY DATE: 01-26-89

funds.

SIGNATURE: Kenneth A. Ungermann PRINTED NAME: Kenneth A. Ungermann DATE: 2/3/89
Judith B. Ungermann PRINTED NAME: Judith B. Ungermann DATE: 2-3-89

funds.

SIGNATURE: Charles D. Reynolds PRINTED NAME: Charles D. Reynolds DATE: 2-3-89
for Asian Imports - owner of record

funds.

SIGNATURE: Linda L. Ferguson PRINTED NAME: LINDA L. FERGUSON DATE: Feb 6-89

funds.

SIGNATURE: Sheryl Uher PRINTED NAME: Sheryl Uher DATE: 2-8-89

funds.

SIGNATURE: Louise Martin PRINTED NAME: LOUISE MARTIN DATE: 2-9-89

funds.

SIGNATURE: Elvera Voth PRINTED NAME: ELVERA VOTH DATE: 2/9/89

International Brotherhood of Electrical Workers
Local 1547

2702 DENALI STREET
ANCHORAGE, ALASKA 99503-2779

TELEPHONE
(907) 272-6571

DISPATCH
(907) 276-1547

GARY BROOKS
BUSINESS MANAGER • FINANCIAL SECRETARY

JOSEPH HODGE
PRESIDENT

FEB 15 1989



February 8, 1989

Mr. Rick Uehling
Pouch V
Juneau, Alaska 99811

Dear Mr. Uehling:

As the next legislative session begins, I would like to wish you success in achieving the goals you have set for yourself and your constituents. I would also like to enlist your support on three issues about which the International Brotherhood of Electrical Workers, Local Union 1547 ("IBEW") is particularly concerned.

It is our hope to see this session end with an appropriation from the Railbelt Energy Fund sufficient to upgrade the Anchorage to Kenai Peninsula intertie. Not only is such an appropriation fundamental to the maintenance of reliable electrical service to the residents of the Railbelt but appropriating those funds now will also generate a much needed source of employment.

The same kind of goal can be achieved through the successful appropriation of funds for construction of a court house in Anchorage. I believe that such an expansion is essential if Alaska is to continue to provide the quality of judicial services that we have enjoyed in the past but also if we are to keep up with the ever-increasing demands made upon those services in the future. A second benefit will result from this appropriation. An appropriation of funds for construction of the court house will also provide another much needed source of employment.

I would hope you would at least consider that we may well have come to a point where our "rainy day" funds should be appropriated even if in small part, to support general government. I am convinced that, as long as the permanent fund corpus remains intact and is sufficiently inflation-proof, there is no reason not to spend some portion of the undistributed earnings.

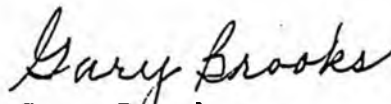
February 8, 1989

I am sensitive, however, to the complexity of these issues and to the enormous amount of work that will be involved to fully explore their consequences prior to any actual appropriation. Knowing that IBEW would like to help in any way we can, I would ask that you contact IBEW's Business Representative and lifelong Juneau resident, Mr. Tom Cashen, if you need any assistance or further information with respect to the issues I have identified above.

My best wishes for a very productive 1989 session.

Very truly yours,

IBEW LOCAL UNION 1547



Gary Brooks
Business Manager

GB:cd



79
MATANUSKA ELECTRIC ASSOCIATION, INC.

P.O. BOX 1148

PALMER, ALASKA 99645

TELEPHONE
(807) 745-3231

February 9, 1989

The Honorable Jay Kerttula
Alaska State Senate
P.O. Box V
Juneau, Alaska 99811

FEB 13 1989

Dear Senator Kerttula:

Subject: Electric power line along Burma Road

A number of Matanuska-Susitna residents, who originally homesteaded along the Burma Road, have requested that electric power facilities be extended into their area.

We have completed a preliminary estimate, which indicates that it would cost approximately \$770,800.00 to serve 35 to 40 customers from the South end of Big Lake to Point Mackenzie. Unfortunately the customers in this area cannot afford these costs.

Therefore, I am requesting your assistance to help these people in obtaining a Grant for constructing a line extension into the Burma Road area. If there are other Governmental programs which would be appropriate for this situation, they would appreciate your assistance.

Your response is requested.

Sincerely,

A handwritten signature in black ink, appearing to read 'James Palin', is written over the typed name.

James Palin
General Manager

rm:lr
301E.890802.33
cc: Lane Rice
Bob Mau

CITY OF SEWARD

P.O. BOX 167
SEWARD, ALASKA 99664



FEB 9 1989

- Main Office (907) 224-3331
- Police (907) 224-3338
- Harbor (907) 224-3138
- Fire (907) 224-3445
- Telecopier (907) 224-3248

February 3, 1989

THE HONORABLE RICK UEHLING
ALASKA STATE SENATE
PO Box V
Juneau, AK 99811

Dear Senator Uehling:

I appreciate your letter of January 26, 1989, concerning your three bills called the "Railbelt Economic Assistance and Recovery Act." As you may know, Seward is experiencing economic growth that will contribute significantly to your goal. However, this program is contingent upon our ability to provide reliable electrical service to local industries.

A proposal has been submitted to our legislators to appropriate \$15 Million from the Railbelt Energy Fund for replacement of twenty-five (25) miles of transmission line from Lawing to the Fort Raymond substation. This 25-mile section of line was built in the late 1950's, and it is barely serviceable, unreliable and experiences extended power outages. The proposed project will replace the old line, reconfigure the substation and provide additional standby generation. The project falls within the criteria established for railbelt energy projects and is supported by the Railbelt Utilities. We strongly urge that any bill allocating funds from the Railbelt Energy Fund include funding for this important link of the Railbelt Electrical Transmission Grid.

Reasonably priced and reliable power is one of the key elements in a management decision to locate a new enterprise in Alaska. A number of major industries have made this decision and are building or are planning to build a plant in Seward. The entire Railbelt as well as the state of Alaska will benefit from these industries. Several of those industries are discussed below.

Suneel Alaska Corporation is presently exporting annually 700,000 to 800,000 tons of coal mined in Healy. Suneel expects

this to increase to 116 million tons, or more. All of this coal is transported by the Alaska Railroad and provides employment throughout the Railbelt. The development of coal reserves in the Matanuska Valley may be contingent upon an economical loading facility in Seward.

The Spring Creek Correctional Facility employs over two hundred people whose homes are located in Anchorage and throughout the Railbelt. Most of its supplies and support comes through Anchorage. The economics of this facility are felt throughout Alaska.

Chugach Alaska Corporation is completing construction of a state of the art mill capable of processing 85 million board feet of timber per year and will export annually 45 million board feet of finished lumber and 120,000 tons of chips. This plant will employ one hundred fifty to two hundred people beginning this summer. There are serious plans to construct a new particle board plant and a new wood products plant in the same vicinity as a direct result of this plant. The particle board plant would provide one hundred fifty to two hundred new jobs and the wood products plant one hundred sixty new jobs, with exports totalling an estimated 14 million pounds of products annually.

The Seward ship repair facilities are continuing to expand and are drawing more of the larger vessels from Washington's ports. In the past year, over sixty-five vessels were repaired, providing regular employment for twenty to thirty persons. Next year, we anticipate in excess of one hundred vessel repairs, increasing the workforce to thirty to forty full-time jobs. The suppliers and many of the specialty contractors are based out of Anchorage.

Fish processing is another growing industry. Icicle Seafoods normally exports three million pounds of processed fish from Seward annually. Icicle is now constructing two new canning lines to be ready for operation this spring. Seward Marine Services is constructing a new plant which will also be ready for next season. Inlet Salmon, Inc., plans to construct a new plant on land recently leased from the city. Most of the fish products processed in Seward are exported through Anchorage. A conservative estimate is that ten to fifteen million pounds of Seward processed fish will be exported next season.

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THE HONORABLE RICK UEHLING
February 3, 1989
Page 3

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This economic expansion also affects established industries and businesses located in Seward and the Railbelt. The Alaska Vocational Technical Center (AVTEC) has a current staff of sixty-eight people. In response to new industries, they are developing new courses that will train Alaska Natives and other Alaskans. New courses being considered include forest products, logger safety, welding, millwrights, office practices and maritime safety programs. The expanded curriculum will require more instructors and staff.

Tourism is continuing to grow. Last year, thirty-three cruise ships visited Seward; forty are scheduled for this year. The Alaska Railroad plans to increase its passenger service to Seward to five days per week this summer. Many of the tourists visiting Seward travel throughout the Railbelt.

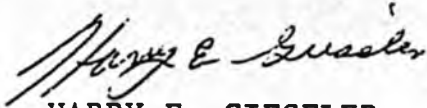
The expansion of industries and business in Seward has a very positive impact on business in Anchorage and the Railbelt. All of this activity is dependent upon reliable and reasonably priced electrical energy. The only way we can continue to provide this is by replacement of the transmission line, and the most reasonable way to finance this construction is from the Railbelt Energy Fund. The debt service from sale of bonds would increase the cost of energy to a level that would preclude industrial expansion and likely would drive many existing industries out of state. For example, the five million dollar bond used to finance earlier line improvements increased the cost of energy by two cents per KWH. A bond issue to finance this project would increase the cost four to six cents per KWH. A four cent increase would raise the cost of power for major local state agencies alone from \$377,000 per year to over \$530,000 per year. Industries would face a similar cost increase.

The replacement of the transmission line from Lawing to Fort Raymond is essential to the continued industrial development in Seward and the entire Railbelt. Because the project fits both the technical requirements for a railbelt energy project as well as the broader definition of a "Railbelt Economic Assistance and Recovery" project as proposed in your bills, we strongly recommend that the project be included in your bill for an appropriation of \$15 Million. I will urge our legislators to support your bills if the appropriation is included for Seward.

Sincerely,

THE HONORABLE RICK UEHLING
February 3, 1989
Page 4

THE CITY OF SEWARD, ALASKA



HARRY E. GIESELER
MAYOR

Enclosure: City of Seward 1989 Capital Priority List

cc: The Honorable Senator Drue Pearce
The Honorable Senator Arliss Sturgulewski
The Honorable Senator Pat Rodey
The Honorable Senator Paul Fischer

CITY OF SEWARD

P.O. BOX 187
SEWARD, ALASKA 99664



- Main Office (907) 224-3331
- Police (907) 224-3338
- Harbor (907) 224-3138
- Fire (907) 224-3445
- Telecopier (907) 224-3248

February 3, 1989

THE HONORABLE RICK UEHLING
ALASKA STATE SENATE
PO Box V
Juneau, AK 99811

Dear Senator Uehling:

I appreciate your letter of January 26, 1989, concerning your three bills called the "Railbelt Economic Assistance and Recovery Act." As you may know, Seward is experiencing economic growth that will contribute significantly to your goal. However, this program is contingent upon our ability to provide reliable electrical service to local industries.

A proposal has been submitted to our legislators to appropriate \$15 Million from the Railbelt Energy Fund for replacement of twenty-five (25) miles of transmission line from Lawing to the Fort Raymond substation. This 25-mile section of line was built in the late 1950's, and it is barely serviceable, unreliable and experiences extended power outages. The proposed project will replace the old line, reconfigure the substation and provide additional standby generation. The project falls within the criteria established for Railbelt energy projects and is supported by the Railbelt Utilities. We strongly urge that any bill allocating funds from the Railbelt Energy Fund include funding for this important link of the Railbelt Electrical Transmission Grid.

Reasonably priced and reliable power is one of the key elements in a management decision to locate a new enterprise in Alaska. A number of major industries have made this decision and are building or are planning to build a plant in Seward. The entire Railbelt as well as the state of Alaska will benefit from these industries. Several of those industries are discussed below.

Suneel Alaska Corporation is presently exporting annually 700,000 to 800,000 tons of coal mined in Healy. Suneel expects

Seward Connection (1/22/89)

this to increase to 116 million tons, or more. All of this coal is transported by the Alaska Railroad and provides employment throughout the Railbelt. The development of coal reserves in the Matanuska Valley may be contingent upon an economical loading facility in Seward.

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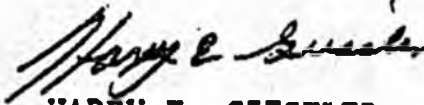
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Sincerely,

THE HONORABLE RICK UEHLING
February 3, 1989
Page 4

THE CITY OF SEWARD, ALASKA



HARRY E. GIESELER
MAYOR

Enclosure: City of Seward 1989 Capital Priority List

cc: The Honorable Senator Drue Pearce
The Honorable Senator Arliss Sturgulewski
The Honorable Senator Pat Rodey
The Honorable Senator Paul Fischer

CITY OF SEWARD
CAPITAL PROJECT ASSISTANCE 1989

Category - Economic Development

Project Title: 115 KV TRANSMISSION LINE
LAWING TO FORT RAYMOND SUBSTATION

Project Cost: \$15,000,000

Annual O & M Cost: SIGNIFICANT SAVINGS

Description:

Construct 24.5 miles of 115 KV transmission line, relocate and reconfigure substation provide for local distribution and install an additional standby generator.

Justification:

The City is dependent upon a single 42 mile long transmission line from CEA's Dave Creek Substation to the Fort Raymond Substation. The line is routed through some of the most difficult terrain in Alaska for avalanches, heavy snow, ice loading and wind, and is almost inaccessible under winter conditions. A portion of this line was upgraded in 1984/85 to a new 115 KV line. This was funded in part by City Bond issue. The remaining 24.5 miles is a 69 KV line constructed in the 1950's that is rapidly failing and very unreliable. Last winter Seward experienced 1 major outages extending from 1 hour to several days due to the condition of the 69 KV line.

The 69 KV line has been inspected by several engineering firms. All reports confirm it has exceeded normal life expectancy and must be replaced now! Pole tests made in 1984 revealed a number that need to be replaced immediately, and most within a few years. An inspection made in 1987 found the conductors had stretched excessively, irregular conductor sag, twisted poles and arms, poles out of line and other significant problems. Last winter a conductor broke under snow load and the steel core was found to be rusted through. During the winter season we experience numerous outages caused by conductors contacting due to irregular snow loads, offloading ice and snow, and insufficient phase separations. Almost all of these faults can be directly traced back to the age and condition of the line, earthquake damage and repeated heavy ice and snow loading. At anytime we could experience a catastrophic loss due to the domino effect of rotten pole failure. Should a major failure occur due to pole failure, avalanche or other cause, the City cannot meet current power demand with its existing generators. Two 1500 KW units were manufactured in 1941 and have been derated by the manufacturer to 750 KW each.

Operation & Maintenance Cost:

Over the past three years the cost to operate the standby power plant and effective emergency repairs has exceeded \$100,000/year. Notwithstanding the cost of routine maintenance, low efficiency, and cost to customers, the O & M cost will be reduced by \$100,000/year.

Source of Funds:

Local:	0
State:	\$15,000,000 (Railbelt Energy Fund)
Total:	\$15,000,000

Staff:

Name: Everett P. Diener
Title: Manager of Engineering & Utilities
Phone: 224-3331

October 24, 1988
(Updated December 21, 1988)

Kenai Peninsula Borough Assembly
144 N. Sinkley
Soldotna, Alaska 99669-9988

Dear Members:

The residents of several subdivisions in Cooper Landing are currently with temporary electrical power or no power at all. We are asking you to consider a power extension project for these residents as part of your Capital Projects request. This package contains the materials and information that I have been able to put together in the month that I've been working on this venture.

Many times in the past, different residents of our subdivisions have made inquiries to Chugach Electric Association, Inc. to determine the cost of extending electric power to our homes. Each time the answer has been approximately \$30,000.00 per residence. The most recent attempt by one of our neighbors on behalf of several subdivisions resulted in a construction cost estimate of over \$345,000.00. This figure still represents a prohibitive amount when divided between those needing power in those areas.

We have received the approval of the Cooper Landing Community Club to be part of its priority list which is submitted to you for consideration. We realize that such a project as power extension is a large request, but we feel it is a valid one for the following reasons:

1. The subdivisions consist of 63 separate lots for which there are 47 separate owners of record. This represents a large percentage of people in a community the size of Cooper Landing.

So far I have received letters indicating that 32 families want electricity, and 5 families may be interested depending upon the cost of hook-up. There are as yet 3 unknowns since I am still receiving replies to my initial letter.

Some lots are currently for sale, but though they are beautiful pieces of property, they have not generated much interest due to the unavailability of power.

Cooper Landing Line Extension

2. Since electricity is considered a basic need by most people in our country, extending power into already existing subdivisions would allow more comfortable, attractive homes to be built. We are proud of the well-kept rustic flavor that Cooper Landing has generally maintained; we wish to attract people who take pride in the forested setting and will develop and build to fit in with the surroundings. Most of these people will want electricity.
3. Hundreds of acres on the north side of the Kenai River are currently State lands. They have been selected by the Borough and may one day be considered for expansion of the residential area of Cooper Landing. Since some of the subdivisions in question are nearly surrounded by these lands, readily available power would encourage their orderly development.
4. Cooper Landing is located in the heart of a prime recreation area. The potential for high-quality outdoor activity exists both winter and summer. River rafting, hiking and skiing trails, and of course fishing are just a few of the reasons people may be attracted from Anchorage, Kenai and Soldotna for a change of scene. Maintaining a comfortable cabin in this mountain community could be an appealing way to renew oneself. Even part-time residents would benefit local and other Kenai Peninsula businesses.

This package will be continually updated as I gather more information. Having started so recently, I am still waiting for replies to many of the letters I have sent out, but I am encouraged by what I have learned so far.

Please consider adding this to your Capital Projects list.

Sincerely,

LuRue Troyer
Box 756
Cooper Landing, Alaska
99572

CURRENT POWER STATUS

As of October 24, 1988
(Updated December 21, 1988)

	Bean Creek Sub	Blakley S b
Total number of lots involved	45	18
Total number of property owners	34	13
Have not yet responded	2	1
Already have power	2	0
Want power, have temporary hookup	1	3
Want power, have no power at all	21	7
May want power, depends upon cost	3	2
Do not want power (Includes those who have land for sale)	5	0

NELSON SUBDIVISION NO. 1 (Sec-63-)

(H.E.S. NO. 137)

U.S.S. 1304

Replat of Lots 5, 6 & 7 (Sec-77-1B)



YES



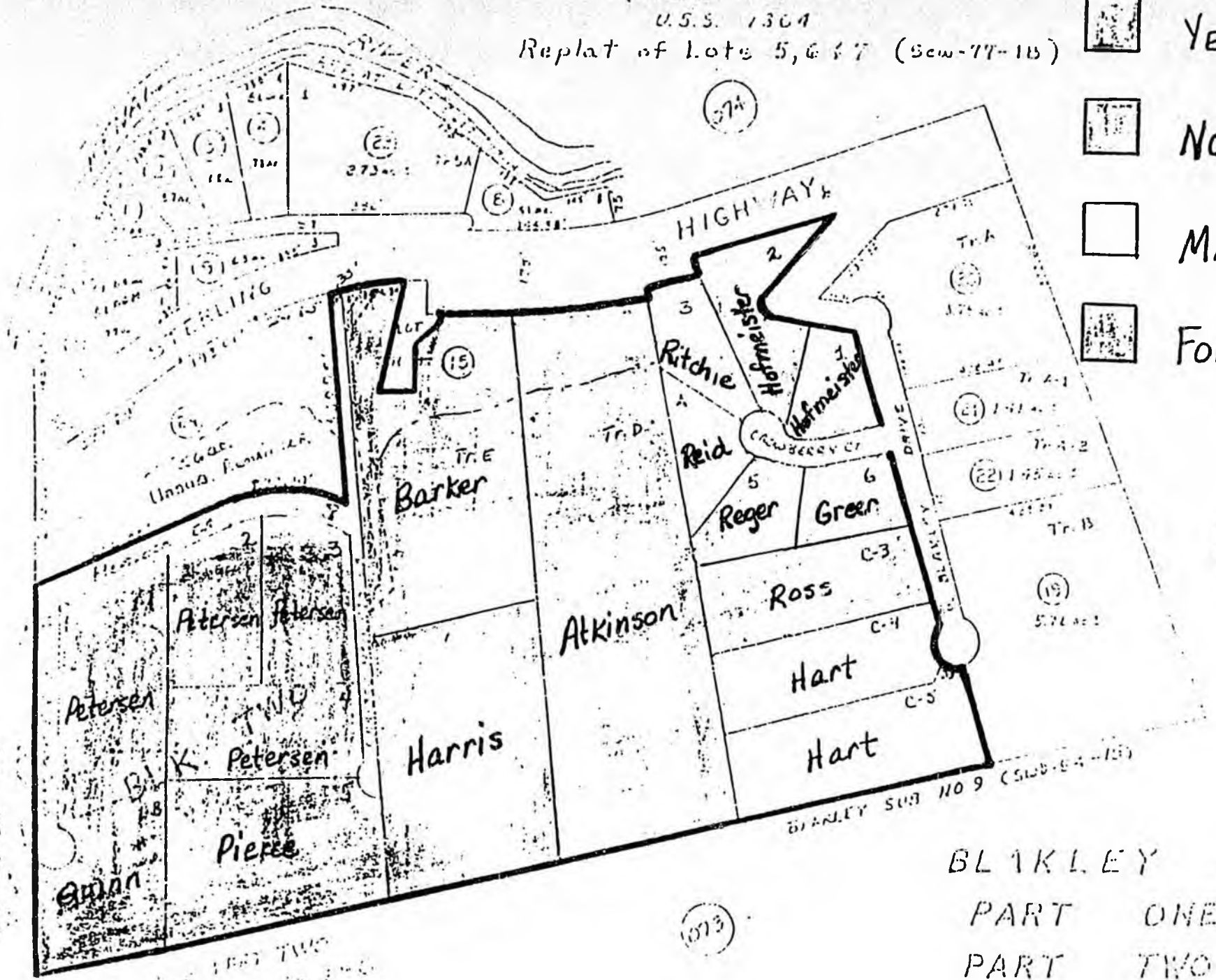
No



MAYBE



FOR SALE



BLAKLEY SUB NO 9 (Sec-64-1B)

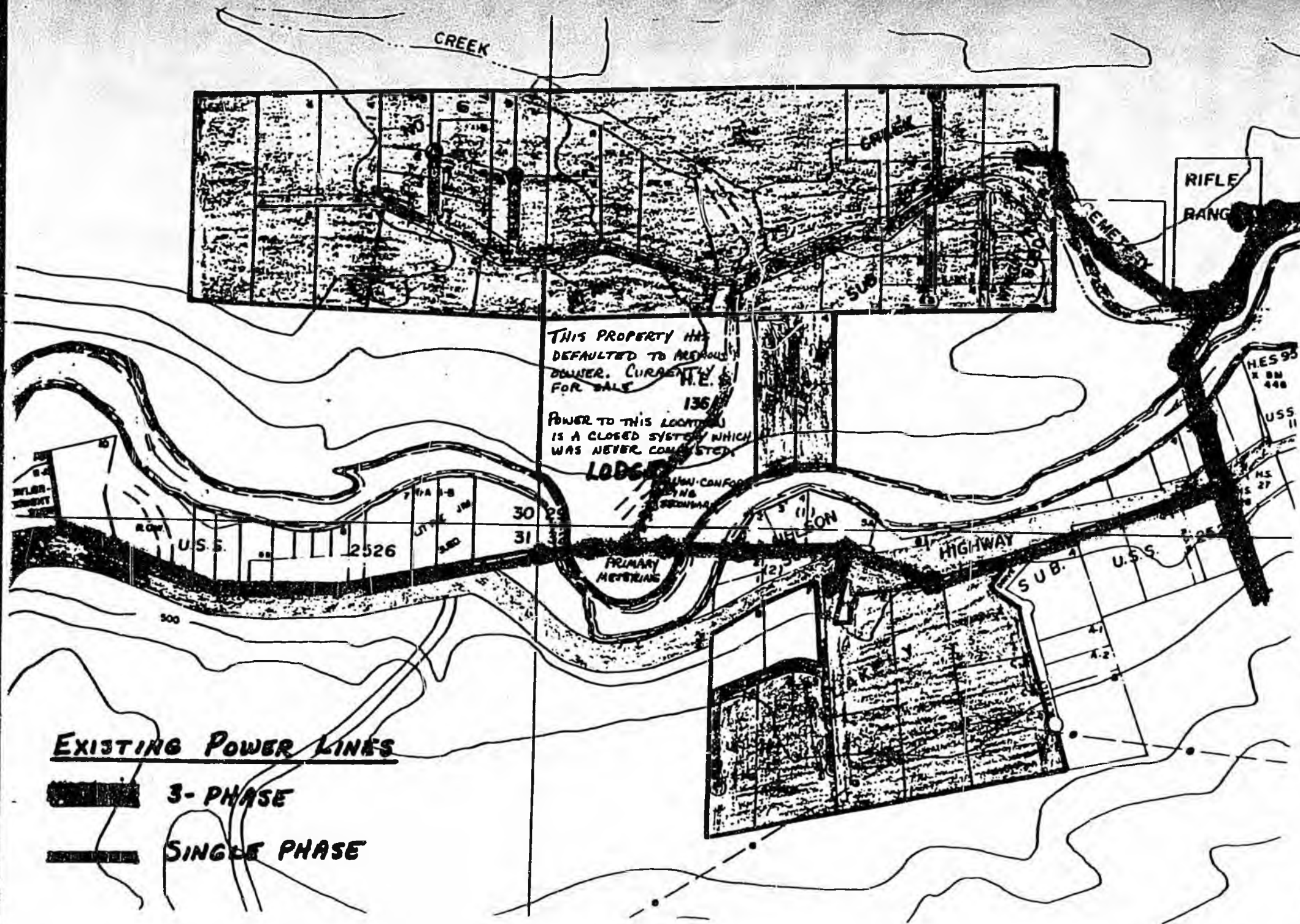
BLAKLEY SUBDI
PART ONE
PART TWO
RESUB TR. A

(173)

(72)

(37)

(3)



THIS PROPERTY HAS
 DEFAULTED TO MERRILL
 DOWNER. CURRENTLY
 FOR SALE H.E.

136
 POWER TO THIS LOCATION
 IS A CLOSED SYSTEM WHICH
 WAS NEVER COMPLETED

LODGE

EXISTING POWER LINES

 3-PHASE

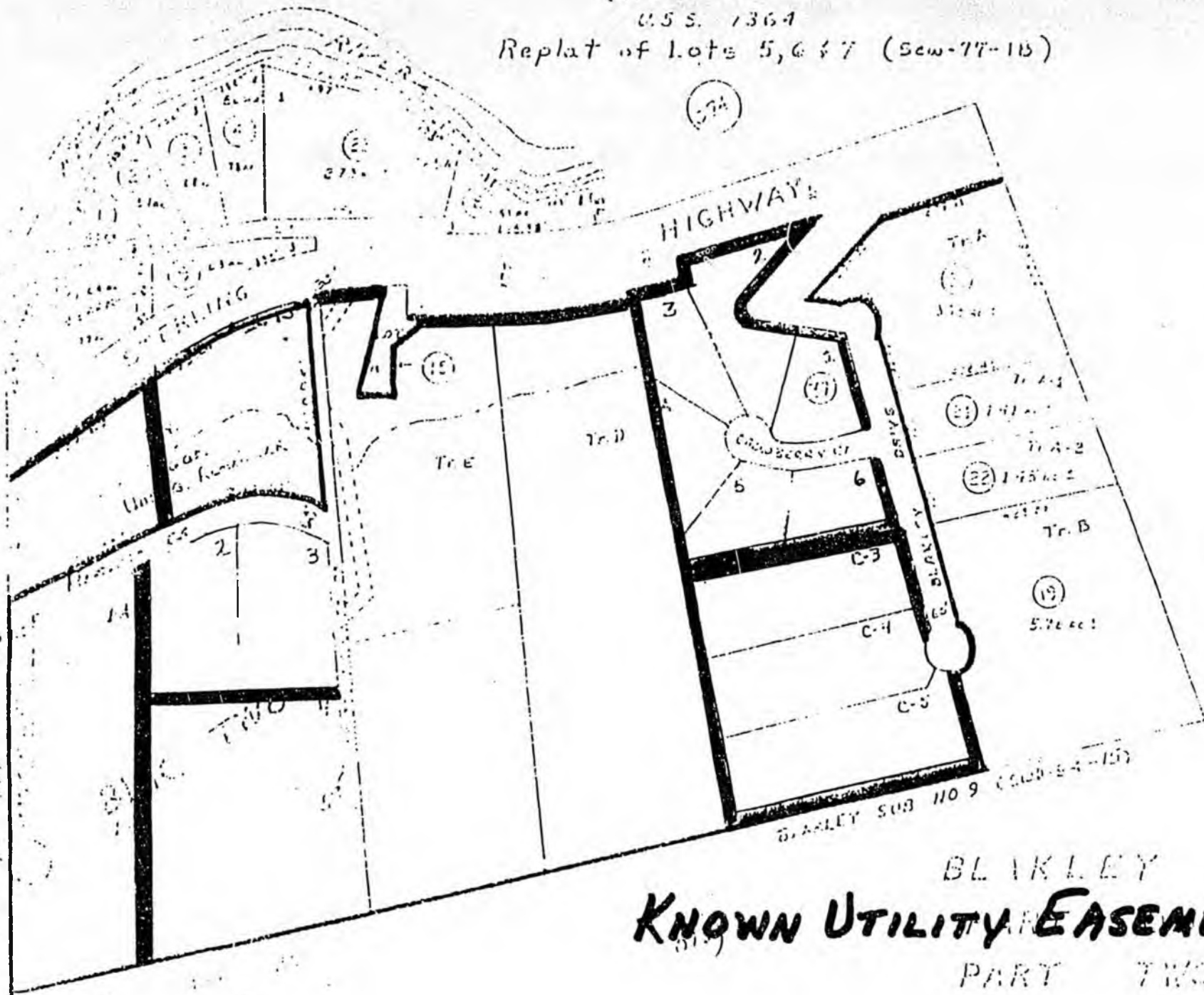
 SINGLE PHASE

NELSON SUBDIVISION NO. 1 (Sec-63-)

(H.E.S. NO. 137)

U.S.S. 1364

Replat of Lots 5, 6 & 7 (Sec-77-1B)



BLAKLEY SUBD
KNOWN UTILITY EASEMENTS
 PART TWO
 RESUB 11.1

Mr. Donald McRay

-2-

August 11, 1987

If you should have any questions regarding the estimate, please contact Mr. Stephen Anderson at 564-0627.

Sincerely,



Dora L. Gropp, P.E.
Director of Electrical Engineering

DLG/kb/C2-58

Enclosure

cc: Alaska Public Utilities Commission
File #C-87-359

Chugach ELECTRIC ASSOCIATION, INC.

5601 MINNESOTA DRIVE • P.O. BOX 136300 • ANCHORAGE, ALASKA 99519-6300 • PHONE 907/563-7431

TELETYPE CHUGACH ANG

9901 35 355

TELESCOPIER

907/564-0626

August 3, 1987

Mr. Donald McRay
P.O. Box 542
Cooper Landing, Alaska 99572

Subject: Service to Bean Creek/Juneau Creek
Work Order 8522, Cooper Landing

Dear Mr. McRay:

Reference is made to the Alaska Public Utilities Commission's letter dated July 22, 1987, regarding the extension of electrical service on the above work order.

In order to assist you in reaching an understanding of the extension cost, for the installation of service to your and Mr. Banse's property, as well as to thirty-nine other lots in the area, enclosed are copies of the complete estimate breakdowns based on Chugach's present line extension tariff. These costs are computed based upon previous expenditure history for similar projects in the same area, or other rural areas. Additionally included is an estimate based upon implementation of the new proposed line extension tariff, presently awaiting approval by the Alaska Public Utilities Commission.

Also enclosed for your information is a copy of the Chugach Electric Association Tariff currently in effect and the new proposed tariff which has not yet been approved and is subject to change.

If you should have any questions, or require additional information, please do not hesitate to contact me at 564-0626.

Sincerely,

Dora L. Gropp

Dora L. Gropp
Director of Electrical Engineering

DLG/WRB/pb
CORR3/291

Enclosures
cc: Alaska Public Utilities Commission
(File #C-87-359)

CHUGACH ELECTRIC ASSOCIATION, INC.
Anchorage, Alaska

DISTRIBUTION COST ESTIMATING SYSTEM
<System Version 1.5d - January 8, 1987>

Construction Cost Estimate

Estimate Date: 07/24/8

Work Order Number: 8522

Project: COOPER LANDING
Estimate Number: 1193 - DESI Designer: GARY MEADOWS

Map Number: Grid Number:

CONSTRUCTION UNIT COST LIST:

Construction Unit	Quantity	Unit Contract Cost	Unit Material Cost	Total Unit Cost	Total Unit Extended Cost
2 ACSR 40/5	27.600	\$ 2597.00	\$ 0.00	\$ 2597.00	\$ 71677.20
A1	43.000	\$ 1248.00	\$ 152.08	\$ 1400.08	\$ 60203.44
A2	24.000	\$ 411.00	\$ 0.00	\$ 411.00	\$ 9864.00
A4	4.000	\$ 609.00	\$ 0.00	\$ 609.00	\$ 2436.00
A5	6.000	\$ 729.00	\$ 0.00	\$ 729.00	\$ 4374.00
A5-1	7.000	\$ 519.00	\$ 0.00	\$ 519.00	\$ 3633.00
F1-4P	7.000	\$ 357.00	\$ 0.00	\$ 357.00	\$ 2499.00
J6	28.000	\$ 634.00	\$ 0.00	\$ 634.00	\$ 17752.00
M2-11	1.000	\$ 116.00	\$ 0.00	\$ 116.00	\$ 116.00
M5-9	21.000	\$ 196.00	\$ 0.00	\$ 196.00	\$ 4116.00
M52-3	1.000	\$ 246.00	\$ 85.04	\$ 331.04	\$ 331.04
SE1-3	43.000	\$ 50.00	\$ 0.00	\$ 50.00	\$ 2150.00
SG10-25	28.000	\$ 229.00	\$ 0.00	\$ 229.00	\$ 6412.00
SG9-25	7.000	\$ 648.00	\$ 405.29	\$ 1053.29	\$ 7373.03
SR1-10	13.000	\$ 601.00	\$ 405.29	\$ 1006.29	\$ 13081.77
SR1-20	0.840	\$ 3384.00	\$ 0.00	\$ 3384.00	\$ 2842.56
Z35/5	13.800	\$ 3751.00	\$ 0.00	\$ 3751.00	\$ 51763.80
ZF1-4P	1.000	\$ 615.00	\$ 0.00	\$ 615.00	\$ 615.00
ZJ6	1.000	\$ 104.00	\$ 0.00	\$ 104.00	\$ 104.00
ZSE1-3	2.000	\$ 65.00	\$ 0.00	\$ 65.00	\$ 130.00
	1.000	\$ 90.00	\$ 0.00	\$ 90.00	\$ 90.00
					\$ 261563.84

DISTRIBUTION CONSTRUCTION COST SUMMARY

TOTAL CONTRACT LABOR AND MATERIAL	\$ 246833.56
TOTAL CEA SUPPLIED MATERIAL	\$ 14730.28

SUBTOTAL	\$ 261563.84
CEA OVERHEAD (20.00%)	\$ 52312.76
CONTINGENCY (10.00%)	\$ 31387.66

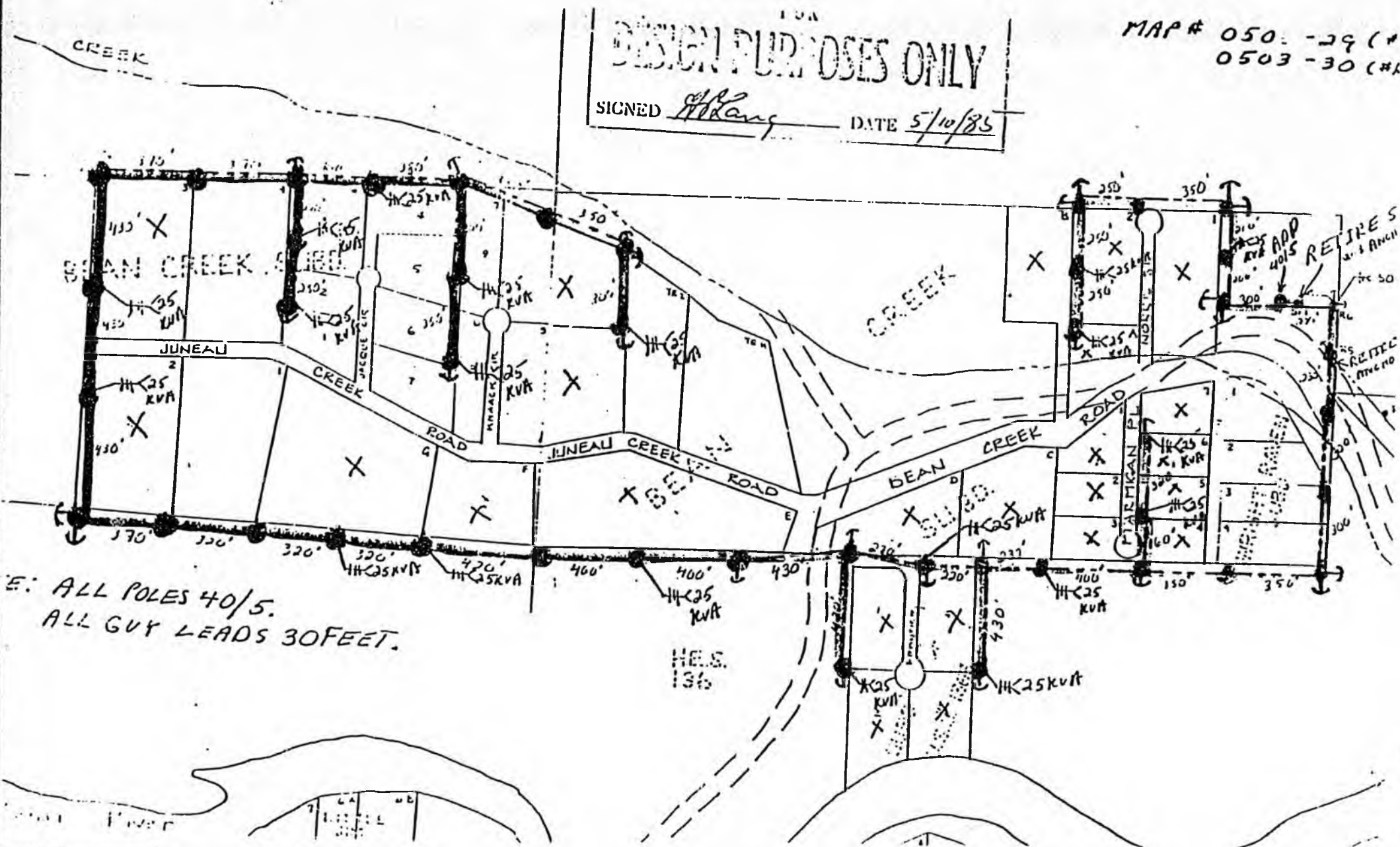
264,26

DESIGN PURPOSES ONLY

SIGNED *Alkan*

DATE 5/10/85

MAP # 050-29 (A)
0503-30 (A)



E: ALL POLES 40/5.
ALL GUY LEADS 30 FEET.

HELS.
136

CHUGACH ELECTRIC ASSOCIATION, INC.
Anchorage, Alaska

COST ESTIMATE

1. Work Order No. _____ 2. Date of Estimate: July 28, 1987
3. Applicant: Bean Creek/Juneau Creek Residents
4. Location: Bean Creek/Juneau Creek Subdivision
- (X) OVERHEAD () UNDERGROUND (X) SINGLE-PHASE () THREE-PHASE
5. Special Conditions: (Old Tariff)
6. Estimated Costs:
- | | | |
|--|----------------|---------------|
| a. Cost of Line Relocation | | \$345,264.00 |
| b. Cost of Street Lighting | \$ | N/A |
| c. Less Association Expenditure | \$ | N/A |
| d. Less Engineering Deposit | \$ | N/A |
| e. Total Estimated Charge to Applicant | | \$345,264.00 |
| f. Amount due | Refundable | *\$345,264.00 |
| | Non-Refundable | \$ -0- |

NOTE: With the exception of the Engineering Services Deposit, all other above figures are estimates only. If the Applicant gives Notice to Proceed, Chugach will engineer the line extension and otherwise solicit and receive bids for its construction and installation. Following notice of the lowest responsive bid, Applicant may decline to proceed with the project.

NOTICE TO PROCEED

Applicant, having read the foregoing estimates, having had a reasonable opportunity to discuss the same, having been furnished a copy of Rule 8 of Chugach's Tariff, and being fully informed thereof, authorizes Chugach to perform the engineering required to construct and install such facilities and to solicit and receive bids therefor.

DATED: _____ Applicant _____

* ANY SUBSEQUENT COSTS RESULTING FROM CHANGE BY THE APPLICANT IN CHUGACH'S PRELIMINARY DESIGN WILL BE BORNE BY THE APPLICANT.

* Forty-one connects at \$500.00 each = \$20,500.00 within three year period.

October 19, 1988

Kim Kruze
State of Alaska
Dept. of Natural Resources
Div. of Lands & Water Management
PO Box 107005
Anchorage, Alaska 99510-7005

Dear Ms. Kruze:

When I was at the Kenai Peninsula Borough Planning office today, I was given your name as the person to contact. I am in the process of gathering information toward the goal of extending power into some subdivisions of Cooper Landing that have either temporary power or no power at all.

My husband and I are permanent residents of more than six years, having built a log home in Bean Creek Subdivision. We have been supplying our own power with a generator and more recently a few solar panels. Inquiries to Chugach Electric by many of us in this area have always resulted in discouraging estimates in the neighborhood of \$30,000 per residence. One of our neighbors did a considerable amount of work between one and two years ago, working through Chugach Electric and the APUC. When the construction cost estimate came in at \$345,264.00 for 41 lots and between 15 and 20 potential hookups, we became resigned to generator living once more.

About one month ago I learned about the town of Hope receiving state funding to help extend power into three of their subdivisions. Since then I have been busy making phone calls, writing letters, attending meetings and contacting agencies. Along the way I've learned that the land to the south and west, and possibly north, of Bean Creek Subdivision is State land which has been selected by the Borough. It occurred to me that power extension into our subdivision may also benefit that land one day.

While I was in the Borough office on another errand today, I stopped by the Planning Office and spoke with Kevin Fenner and John Mohorcich. They explained to me the status of the land and suggested I write to you. They helped me with more information for the package I am putting together to submit to Marla Huss, Administrative Assistant, Mayor's Office. The Cooper Landing Community Club agreed to put this project

on its priority list which will then go to the Kenai Peninsula Borough Assembly. Assembly members will decide whether or not to add it to the Capital Projects list. Since this deadline is November 1st, my submission will have to be incomplete, but at least I've gotten good written response from other property owners so far, and I intend to show the other avenues I'm exploring. I will keep the file updated as I learn more.

I am hoping to obtain from the State and/or the Borough a letter showing interest in our efforts and hopefully indicating that the lands surrounding us may one day benefit by having the power extended into our subdivisions. Would you be in a position to write such a letter?

I would appreciate any help you can give me. Thank you.

Sincerely,

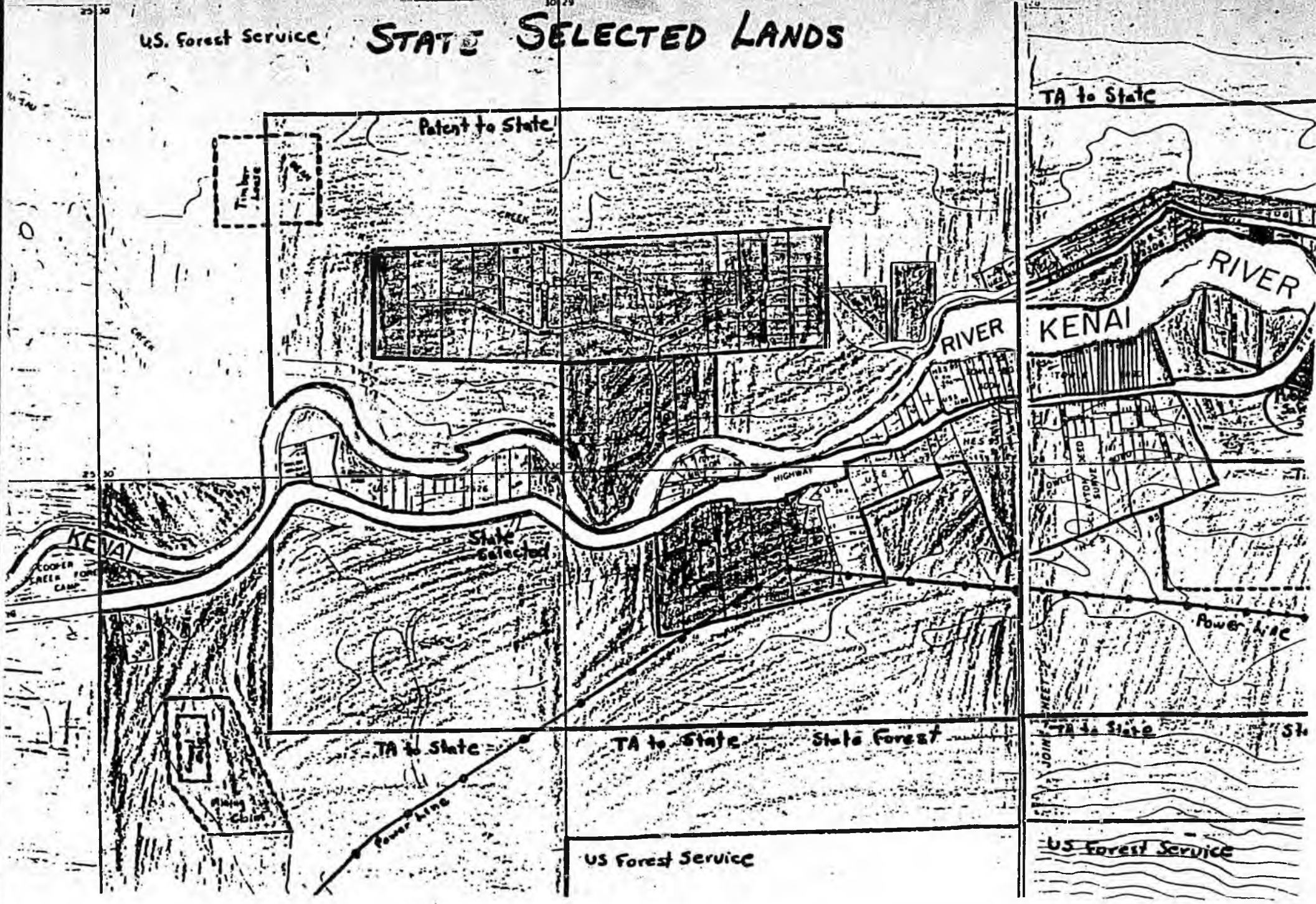
LuRue Troyer
Box 756
Cooper Landing, Alaska
99572

Copy: Arlan DeYoung

Encl: Plat Map of Bean Creek Subdivision
Chugach Electric Preliminary Plan

U.S. Forest Service

STATE SELECTED LANDS



23 January 1989

Senator Jay Byrd
Bar
Juneau, Alaska - 99811

JAN 26 1989

Dear Sir,

The residents of Cooper Landing are trying to get state assistance in having the electrical power in our area extended; therefore, we are writing you with hopes of receiving your help with our problem.

We purchased our property several years ago with the understanding that obtaining affordable power was no problem, but once we started building our home we discovered that the local electric company (Chugach Electric) wanted over \$25,000.00 per family just to extend power up Bear Creek Road, which is more than we can afford.

We worked hard to complete our new home, where we presently spend summers, weekends and holidays, and are looking forward to becoming full time residents in the very near future.

Any assistance you can give us with this problem would be appreciated.

Thank You,

Gary + Maria Heinerman
General Delivery
Cooper Landing, Alaska 99572



MATANUSKA ELECTRIC ASSOCIATION, INC.

P.O. BOX 2929

PALMER, ALASKA 99645-2929

JAN 19 1989

TELEPHONE
(907) 745-3231

January 16, 1989

The Honorable Rick Uehling
Alaska State Senate
Post Office Box V (MS 3100)
Juneau, Alaska 99811

Dear Senator Uehling:

We would like to bring your attention to the Alaska Rural Electric Cooperative Association's position on the utilization of the Railbelt Energy Funds. ARECA's position paper is attached; but for your convenience, I have included an executive summary, below.

We would appreciate your support of this position, which Matanuska Electric Association, Inc., believes to be in the best interests of our member-consumers.

Background

As you are aware, the Railbelt Energy Fund is the Railbelt's share of a spate of appropriations for energy-related projects that resulted in the construction of hydro projects known as the "four-dam pool," an electrical intertie between Willow and Healy which completed the Anchorage-to-Fairbanks transmission intertie, a program of energy rate stabilization/subsidies in the Bush, and feasibility studies for the proposed Susitna Hydro Project.

- * \$300 million was set aside for construction of Susitna.
- * \$15 million was spent to close out Susitna.
- * In 1986, \$285 million was placed in the newly created Railbelt Energy Fund, with legislators reserving the right to appropriate those funds to "assist in meeting Railbelt energy needs."
- * The Railbelt Energy Council was established.
- * The council recommended the Railbelt Energy Fund be used to construct an intertie between the Kenai Peninsula and Anchorage and upgrade the transmission system between Anchorage and Fairbanks.
- * In 1987, The Senate appropriated \$100 million for each project, but the legislation died in the House Resources Committee.
- * The legislature appropriated \$50 million from the Railbelt Energy Fund to the Bradley Lake hydro project.

Intertie Endorsements by Utilities/Cities/Boroughs/Others

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January 16, 1989
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- * In 1988, an additional \$7 million was appropriated from the fund to complete the Bradley Lake financing plan, leaving a fund balance of less than \$230 million.
- * The legislature voted to "loan" \$50 million from the Railbelt Energy Fund to the General Fund if the General Fund ran out of cash, with the money to be repaid. Gov. Cowper later reduced the amount to be repaid to \$1, meaning the fund could soon be reduced to under \$180 million.

The Intertie Proposal

The Alaska Rural Electric Cooperative Association agrees with the Railbelt Energy Council: The highest and best use of the Railbelt Energy Fund is the construction of electric transmission interties to more solidly interconnect the sources of power with the communities in which the power is consumed.

Railbelt electric utilities believe it is imperative to construct a new transmission line to ensure the Railbelt electrical system's stability, dependability, and that the Bradley Lake hydro project will be able to run at full capacity.

The present electrical transmission line between Anchorage and Kenai is capable of carrying the 90 megawatts of power that Bradley is scheduled to produce when it begins generating electricity in late 1991. However, without a southern intertie, the heavier loads would increase the likelihood of transmission system problems which could lead to widespread power outages throughout the Railbelt.

Upgrading the Anchorage-Kenai Peninsula transmission system must be the number one priority use for the Railbelt Energy Fund. Depending on the route selected, the cost is estimated at from \$80 million to \$100 million.

Upgrading the transmission capacity between Anchorage and Fairbanks, Alaska's largest cities, should also be a priority use of the Railbelt Energy Fund. This can be accomplished either by eliminating the existing bottlenecks at both ends of the State's Parks Highway intertie, between Anchorage and Fairbanks, or by constructing a new line along a different route from Palmer through Glennallen to Delta Junction. This latter proposal, estimated to cost \$150 million, would tie Valdez, Glennallen and the Copper River Basin into the grid system, providing those communities with low-cost, gas-fired electrical power from the Anchorage area. The cost of upgrading the existing Parks Highway generation line is estimated at \$118 million.

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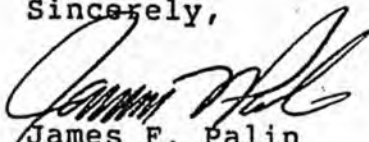
Benefits of Having the Grid

The benefits of improving the transmission grid between the Kenai Peninsula and Anchorage, and between Anchorage and Fairbanks justify the cost. These benefits include:

1. Economy Interchange: An improved transmission system would allow for higher generation capacity, allowing lower cost generation produced in one area to displace higher cost generation produced in another area.
2. System Reliability: The improvements would reduce the number and extent of power outages.
3. System Efficiency: Power transfers between Anchorage and Fairbanks presently suffer line losses exceeding 10 percent. If the voltage of the transmission system were increased from 138 kV to 230 kV, those losses would be dramatically reduced.
4. Reserve Sharing: Electric utilities could reduce the amount of costly reserve capacity they maintain, relying instead on reserves available elsewhere on the grid.
5. Flexibility for New Generation: New plants could be sited wherever the cost of operation and fuel are least expensive, while still maintaining access to any load center in the Railbelt.
6. Access to Bradley Lake Power: The improvements would provide all Railbelt electric utilities with freer and more direct access to the full peaking output of the Bradley Lake project.
7. Utility Coordination: Strengthening the transmission system would afford electric utilities increased opportunity, and motive, to better coordinate their planning and operations.
8. Fuel Supply Competition: Transmission system improvements would provide electric utilities full access to a variety of fuel sources, enhancing competition among fuels and fuel suppliers.

In conclusion, we request your support of ARECA's, and Matanuska Electric Association's, position on the Railbelt Energy Fund.

Sincerely,


James F. Palin
General Manager

(bds)
Enclosure
102A.0116.251



ELECTRIC ASSOCIATION, INC.

FEB 6 1989

5601 MINNESOTA DRIVE • PO. BOX 196300 • ANCHORAGE, ALASKA 99519-6300 • PHONE 907-563-7494
FACSIMILE:
907-562-0027

February 2, 1989

The Honorable Rick Uehling
Alaska State Senate
P.O. Box V
Juneau, AK 99811

Dear Senator Uehling:

Chugach Electric Association, Inc. (Chugach) again requests your active support to use the Railbelt Energy Fund to improve the transmission intertie system throughout the Railbelt.

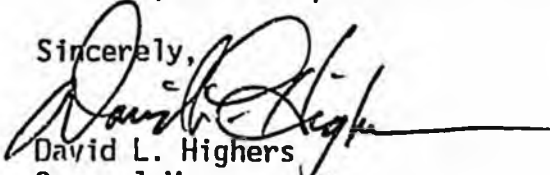
Chugach is joined by every other electric utility in the region, labor, the Anchorage and Alaska State Chambers of Commerce and other interests in urging you to resist demands to spend the Railbelt Fund for other than its explicitly intended purpose: energy development, including conservation, within the Railbelt.

In its 1987 report, the legislatively created Railbelt Energy Council itself said the best use of the fund was improvement of the existing transmission system that connects Anchorage with Fairbanks on the north and the lower Kenai Peninsula on the south. The rationale that prevailed in 1987 holds true today: upgrading the present interties will allow better regional utilization of existing generation capacity, will substantially improve electric system reliability (especially critical when the weather is cold), will facilitate long term economic development in our region and will provide much needed job opportunities.

Chugach and many others feel very strong about this. We hope you will do everything you can to ensure that the Railbelt Energy Fund is used to upgrade the Railbelt interties. If we are successful, we will leave an indispensable infrastructure for our children and grandchildren. If not, we'll probably not even know how we spent the Railbelt Energy Fund several years from now.

To provide you with further information, I have enclosed a new white paper on the Railbelt Energy Fund, a copy of my column in a recent issue of Chugach's member newsletter and a map of the Railbelt power supply system. Feel free to contact me or Larry Markley, our government affairs manager. You are probably aware that Larry spends considerable time in Juneau during the legislative session; his telephone number in Anchorage is 564-0745.

Sincerely,



David L. Highers
General Manager

Manager's Message

David Highers



Use Railbelt Energy Fund

You've probably read or heard recently some renewed talk for a stronger Railbelt transmission system to better accommodate the Bradley Lake hydroelectric project when that new generation source comes on line in 1991.

Upgrades are needed to the patchwork transmission system that currently extends from Fairbanks on the north end of the Railbelt, down through the Matanuska Valley, Anchorage and the Kenai Peninsula to Homer on the south end. The renewed talk you've been hearing about this recently is just that — renewed.

For the past three years, the Railbelt's seven electric utilities and others have been trying to convince the legislature and the administration that the Railbelt Energy Fund should be used to develop an improved Railbelt Intertie system that could serve the majority of our state's residents for as long as a hundred years. While it may not be as glamorous as some projects, an electric intertie system is a very sound public infrastructure investment — like roads or sewer lines or water systems.

And remember, the Railbelt Energy Fund is just that: Money set aside by the legislature in 1986 to ensure that our region gets its fair share of the dollars for energy projects that provide wide public benefit. The fund presently has about \$230 million in it.

As I said, the Railbelt utilities' advocacy of using the Railbelt Energy Fund for intertie improvements was vocal in 1986 even as we were developing our power sales agreement with the state for Bradley Lake, which we all strongly support.

We told the legislature in 1986, in 1987 and again this year that upgrades to the existing Railbelt transmission system are needed to ensure the most reliable use of Bradley Lake power and to increase electric system reliability in general throughout the Railbelt. The Railbelt Energy Council, established in 1986 by the legislature and made up of utility managers, legislators and public members appointed by the Governor, unanimously endorsed use of the Railbelt Energy Fund for intertie upgrades.

However, the 1987 legislature chose instead to look at the matter further by authorizing \$2.5 million for a Railbelt energy feasibility study now underway by the Alaska Power Authority. We expect a draft of that study early next year.

Most recently, a study commissioned by a technical coordinating committee comprised of the Bradley Lake utilities and the APA, detailed the utilities' previous concerns that the existing transmission lines might not be able to carry the full load of Bradley Lake without jeopardizing system reliability throughout the Railbelt. The solution, the study shows, is just what we have been actively supporting for three years now: An upgrade of the existing interties — more specifically, the southern section between Anchorage and the lower Kenai Peninsula.

We hope that the recent study, and follow-on work, will sufficiently supplement the case for using the Railbelt Energy fund for intertie upgrades.

I assure you that if, as some of our public officials are advocating, the Railbelt Energy Fund is drained here and there for governmental operations, a couple of years from now we'll never know what happened to the \$230 million. If, on the other hand, we use the money to improve the interties, we'll have an electric transmission infrastructure that will benefit the majority of all Alaskans for many years to come.





GOLDEN VALLEY ELECTRIC ASSOCIATION INC. Box 1249, Fairbanks, Alaska 99707-1249, Phone 907-452-1151

January 24, 1989

Representative Bert Sharp
Alaska State House
P. O. Box V
Juneau, Alaska 99801

RE: Railbelt Energy Fund

Dear Representative Sharp,

Attached is a copy of the Ruralite article explaining our co-op's position on the Railbelt Energy Fund (REF) which we sent to our members last month. Also enclosed is a co-op position paper on the REF and a Railbelt electric transmission system map.

I appreciated the opportunity to give our presentation to the Interior Delegation on December 19, 1988 in GVEA's Board Room. I would like to report a positive change that has occurred since that meeting. I met with Usibelli and was able to define a use for the REF which could be supported by both GVEA and Usibelli: use of the \$180 million REF balance to build the Southern Intertie (Anchorage to Soldotna) and to build the Healy to Fairbanks portion of the Northern Intertie.

This plan would solve the power transmission problems in the Southcentral and Kenai areas and would permit the proposed 50-megawatt Usibelli coal-drying and power production plant to deliver coal-fired power from Healy to Fairbanks. Although GVEA prefers to complete the Southern Intertie and the entire Northern Intertie using REF, the fact is that there are probably insufficient funds remaining in the REF to accomplish this. The above-mentioned Usibelli-GVEA compromise is acceptable to GVEA if funds do not permit construction of the complete line.

I would very much appreciate your support for legislation supporting construction of the complete Northern and Southern interties with a compromise or fallback position supporting construction of the Southern Intertie and the Healy to Fairbanks portion of the Northern Intertie.

Railbelt Energy Fund
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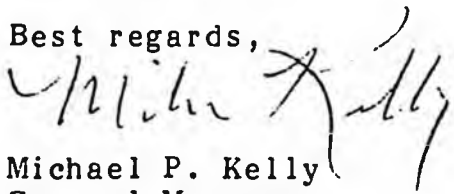
The 345 kV State-owned intertie between Willow and Healy which connects to limited utility transmission facilities (138 kV) between Anchorage and Willow and between Healy and Fairbanks has saved Interior Alaskans millions of dollars through reduced power bills. GVEA's effective rates in 1989 are lower than they were in 1981-82. They are also lower than Matanuska Electric Association's rates for the Mat-Su Valley and lower than Homer Electric Association's rates for the Kenai Peninsula. The proposed interties will dramatically increase transfer capability and significantly reduce electrical losses for transfers between Alaska's two largest cities.

Our State has a golden opportunity to create infrastructure, jobs and long-term saving by using the REF for interties. Operation and maintenance costs will be zero because those costs will be included in our power bills just like they are with the present intertie.

LET'S DO SOMETHING BRIGHT WITH THE REF. AND LET'S DO IT NOW. SPENDING IT FOR BALANCING THE STATE'S BUDGET WOULD CONSTITUTE FOLLY WITH ABSOLUTELY NO LASTING BENEFIT TO ALASKANS.

Thanks for taking the time to listen. Please call me if you have any questions.

Best regards,


Michael P. Kelly
General Manager

Enclosures

1. Ruralite Article
2. Co-op Position Paper
3. Railbelt Transmission Map

The Alaska Scene *Alaska REC Association*



by Dave Hutchens,
executive director,
Alaska Rural Electric
Cooperative Association

Use Railbelt Energy Fund to improve railbelt electrical transmission system

The Railbelt Energy Council was correct in its 1987 report to the legislature: The highest and best use of the Railbelt Energy Fund (REF) is construction of electrical interties to more solidly interconnect railbelt sources of power with the communities in which the power is consumed.

Much of the generating capacity for the whole railbelt region is located on the Kenai Peninsula. Existing plants include Chugach Electric Association's Bernice Lake gas-fired plant and the Cooper Lake hydroelectric plant, and the Soldatna #1 plant, owned by Alaska Electric Generating and Transmission Cooperative. When the Alaska Power Authority's Bradley Lake plant comes on line in 1991, there will be 221 megawatts of generating capacity on the Kenai, with only one weak transmission line connecting it to most of the people it should serve in Anchorage and beyond.

This existing transmission line can only carry about 55 megawatts of power from the Kenai Peninsula to Anchorage, and it is susceptible to outages caused by avalanches and windstorms. The peak demand on the Kenai Peninsula is about 80 megawatts. When you take the generating capacity and subtract the power used locally, that leaves 141 megawatts of capacity available to meet the needs of people in Anchorage, the Mat-Su valleys, and the Fairbanks area.

But the transmission line can only carry about 55 megawatts.

Faults will occur naturally on any electrical system. A tree falls across the line, or the wind tosses the wires around until they come in contact with each other. The lights go out. The goal of the utility is to have as few of these outages as possible, and when they occur, to have them affect as few people for as short a time as possible.

A recent study of the operating characteristics of the electrical transmission system in southcentral Alaska shows that we are facing enormous problems if we try to use the generating resources even to the limits of existing transmission capacity. Without substantial changes in the transmission system outages will be unacceptably widespread and long-lasting.

The number one priority for using the Railbelt Energy Fund should be construction of a new Anchorage-Kenai Peninsula intertie. The cost of the new line is estimated at \$80 million to \$100 million, depending on the route selected.

Sales of economy energy from Anchorage to Fairbanks were made possible by the Willow-to-Healy intertie, built a few years ago. Those sales are now limited by the transfer capacity on the old lines south of Willow and north of Healy.

Upgrading the transmission capacity

between Anchorage and Fairbanks, Alaska's largest cities, should be the other priority use of REF money. The upgrade can be accomplished by either eliminating the bottlenecks at both ends of the existing intertie, or by constructing a new line along a different route, from Palmer through Glennallen to Delta Junction.

The benefits of the proposed new transmission line between Anchorage and Fairbanks via Glennallen are substantial. Constructing a new 230-kv line—a northeast intertie—would tie Valdez, Glennallen, and the Copper River basin into the grid system, giving those communities access to low-cost, gas-fired electrical power from the Anchorage area. New opportunities for mining or other development would be enhanced with this line, and military facilities such as the Backscatter radar installation could be served economically. This new line would provide railbelt utilities access to approximately 14 million kilowatt-hours of electricity annually from the Solomon Gulch Hydroelectric Project, one of the "four-dam pool" projects. This energy is now spilled as water over the dam because there is no market for it within the area which can be reached by the existing Copper Valley Electric Association transmission system. Sale of this power to railbelt utilities could earn the state an additional \$400,000 or more in revenues each year.

The most important benefit associated with the new northeast intertie proposal is increased reliability. The intertie would provide a second line between Anchorage and Fairbanks, significantly improving the transmission system security between the two largest load centers of the railbelt.

The cost of the northeast intertie is estimated at \$150 million.

Two key benefits of upgrading the existing Parks Highway transmission circuit between Anchorage and Fairbanks are lower cost and increased transfer capacity. At present, Fairbanks electric utilities must run oil-fired generation to meet peak loads when temperatures are lower than minus 10°F. This condition will only worsen as electric loads grow. Improving the existing system to allow for operation at 230 kv would increase transfer capacity by three to four times the present capacity. This would allow Fairbanks electric utilities to purchase more low-cost, gas-fired electric power from Anchorage, reducing the cost of power to consumers in both cities. The reliable, high-capacity electrical link would also allow Fairbanks to assist Anchorage during periods when avalanches separate the city from Kenai generation, or other natural disasters, such as volcanoes or earthquakes, threaten Anchorage generation sources.

The cost of upgrading the existing Parks Highway transmission system is estimated to be \$118 million.

Benefits of having the grid

The benefits of improving the transmission grid between the Kenai Peninsula and Anchorage and between Anchorage and Fairbanks justify the cost.

There are several types of benefits associated with the proposed improvements in the railbelt transmission system:

•**Economy interchange:** An improved transmission system would allow for higher capacity transfer, allowing lower-cost generation produced in one area to displace higher-cost generation produced in another area. Economy interchange between Anchorage and Fairbanks is limited by the capacity of the fully loaded existing transmission line.

•**System reliability:** Improvements to the transmission system can reduce the number and extent of power outages especially between Anchorage and the Kenai Peninsula, where lines are plagued by natural occurrences such as avalanches and windstorms.

•**System efficiency:** Power transfers between Anchorage and Fairbanks presently suffer losses exceeding 10%. If the voltage of the transmission system were increased from 138 kv to 230 kv, those losses would be reduced dramatically.

•**Reserve sharing:** With an improved, reliable sharing system in place, electric utilities could reduce the amount of costly reserve capacity they maintain. They could rely instead on reserves available elsewhere in the interconnected system.

•**Flexibility for new generation:** An improved transmission system in the railbelt would allow greater flexibility in choosing a site for future generation facilities. New plants could be sited wherever the cost of operation and fuel are least expensive, while still maintaining access to any load center in the railbelt. To highlight the current limitations on power plant siting, it should be pointed out that a mine-mouth power plant of optimum size cannot be located at the site of Alaska's only operating coal mine (Usibelli)

because of severe transmission constraints.

•**Access to Bradley Lake power:** An improved transmission system would ensure that all railbelt electric utilities have freer and more direct access to the full peaking output of Bradley power, resulting in equal distribution of benefits from the project for all railbelt communities.

•**Utility coordination:** Strengthening the transmission system in the railbelt would afford electric utilities increased opportunity to better coordinate their planning and operations.

•**Fuel supply competition:** Improvements to the railbelt transmission system would provide electric utilities with full access to a variety of energy sources, enhancing competition among fuels and fuel suppliers.

The Railbelt Energy Fund has been held in trust pending two conditions that must be met in order for it to be spent: 1) it must be spent only to benefit railbelt consumers; and 2) it must reduce railbelt energy costs.

If the legislature appropriates the REF for construction of the interties, the state will own a money-saving project which we can point to with pride for the next 50 to 100 years.

On the other hand, if the fund is raided to balance the state operating budget, we challenge the governor and the legislature to show us how we have benefited from their stewardship five years from now.

Two final points: 1) The interties are being subjected to tough cost-benefit scrutiny. Those who would raid the fund propose no such tests for their spending plans. 2) If we build the interties, the state will not suffer one penny of operations and maintenance costs. The 300,000 railbelt consumers will gladly pay the tab out of the long-term savings they will realize from these worthwhile projects.

The Railbelt Energy Fund

**Prepared By: The Alaska Rural Electric
Cooperative Association**

ities to rural Alaska. Almost half of the money appropriated went to proposed hydro projects that would serve the Petersburg-Wrangell area, Kodiak, Sitka, Ketchikan, Glennallen and Valdez, and the Kenai Peninsula. Another \$300 million was appropriated for hydropower projects during the 1982 legislative session. \$122.5 million of the appropriations for power projects was used to construct the Parks Highway Intertie between Willow and Healy.

The Susitna project received \$124.7 million of the total appropriations to hydro projects in the period 1979-1984, all of which was used for work related to feasibility studies, APA administration, and Federal Energy Regulatory Commission (FERC) licensing.

During the 1984 session, the legislature also set aside \$100 million in the Power Development Fund for the construction of Susitna. It was the first appropriation earmarked strictly for construction of the project. An additional \$200 million was set aside for Susitna in the PDF during the 1985 session. Appropriations for the construction of Susitna then totaled \$300 million.

In mid 1985, after the legislature had adjourned, the APA Board of Directors determined that the Susitna project, as proposed, could not be financed on terms that were acceptable to the State. The price of oil had begun its downward spiral and the

The Railbelt Energy Fund

**Prepared By: The Alaska Rural Electric
Cooperative Association**

Background

The Railbelt Energy Fund (REF) was established by the legislature as a separate fund within the State's General Fund during the 1986 legislative session (HB 699). The purpose in establishing the REF was to build a fence around money that remained from appropriations made to the Susitna Hydroelectric Project.

In the mid 1970s, the State began to develop an energy agenda which included the development of the vast hydroelectric potential which exists in Alaska. The Susitna project was the centerpiece of the State's proposed electrical power project construction plan for the Railbelt. The Alaska Power Authority (APA) was created in large part to handle the State's hydro development, and to organize and administer energy programs for rural Alaska where hydropower was not available. The legislature made modest appropriations to the APA in the late 1970s to carry out its mission.

The price of oil skyrocketed in 1979-80, and so did the revenues of the State. Billions of dollars were flowing into State coffers annually from royalty sales of North Slope crude oil. During the 1980 and 1981 legislative sessions, the legislature appropriated nearly \$1 billion to ten different hydroelectric projects and newly created programs which provided loans, rate stabilization, and power generation and distribution facil-

ities to rural Alaska. Almost half of the money appropriated went to proposed hydro projects that would serve the Petersburg-Wrangell area, Kodiak, Sitka, Ketchikan, Glennallen and Valdez, and the Kenai Peninsula. Another \$300 million was appropriated for hydropower projects during the 1982 legislative session. \$122.5 million of the appropriations for power projects was used to construct the Parks Highway Intertie between Willow and Healy.

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State's financial position worsened. The money to pursue Susitna was not available, and falling oil prices had weakened the project's attractiveness as an alternative source of power for the Railbelt. The APA withdrew the State's application with FERC for licensing of the project.

With the demise of Susitna, funds set aside for its construction were considered an inviting target for legislators hungry for funds to pursue a variety of capital projects. Railbelt legislators were determined to protect the funds from such raids and see to it that Susitna monies were used for future energy development in their region. They succeeded in creating a "safe" place to deposit the funds by establishing the Railbelt Energy Fund during the 1986 session. The legislature appropriated the balance of all Susitna funds to the REF, roughly \$285 million (\$15 million of the \$300 million was used to cover the cost of terminating the project). Legislators reserved the right to appropriate funds in the REF to "assist in meeting Railbelt energy needs."

Accompanying legislation (HCS CSSB 468) was passed which set up the Railbelt Energy Council (REC) and appropriated \$2.5 million to review and evaluate Railbelt electric power alternatives (CSSB 477). The legislature determined that, since Susitna would not be built to supply the Railbelt's demand for electrical energy, some alternative plan for meeting those needs should be

developed. It was the REC's job to develop that alternative plan, and its directive from the legislature was to "recommend the best options for planning, financing, constructing, and managing electric power facilities in the Railbelt area." The REC was comprised of representatives of the seven Railbelt electric utilities, four legislators - two from each body and two public members appointed by the Governor. The group worked through the summer and fall of 1986 and presented its report to the legislature early in the 1987 legislative session.

The best alternative use of the REF, the Council's report stated, is to construct an intertie between the Kenai Peninsula and Anchorage and upgrade the transmission system between Anchorage and Fairbanks. The estimated cost to complete the proposed transmission projects was \$200 million.

The Council concluded that "the prudent strategy to follow at this time is to increase utilization and operational efficiency of the existing Railbelt generation and transmission facilities under construction." The REC specifically cited the Bradley Lake Hydroelectric Project and the interties as projects that should be completed in a timely manner.

A strong coalition of business, labor, and utility groups lobbied hard during the 1987 session for the legislature to pursue the recommendations of the REC by appropriating \$200

million for Railbelt intertie construction. The interties were the subject of extensive debate, and legislation (SCS CSHB 284) was amended to include the appropriations - \$100 million for the Anchorage-Fairbanks intertie and \$100 million for the Anchorage-Kenai Peninsula intertie.

The strongest legislative advocates for the interties were in the Senate. Under their leadership, the senior body approved the appropriations and sent the measure to the House for consideration. In the House Resources Committee, the legislation met its demise. House members argued that a comprehensive feasibility level study of the interties needed to be completed before a responsible decision could be made on the proposed appropriations.

In July of 1986, Gov. Sheffield restricted spending most of the \$2.5 million appropriated for the Railbelt power alternatives study during his efforts to trim the FY 87 budget. The House stood firm by its refusal to appropriate any money for construction of the interties until that study was completed. The legislature amended the appropriation to allow the money to be spent and to evaluate the interties more closely. The APA is scheduled to release a preliminary report in January, and the final report by the first of April.

Gov. Sheffield also froze an appropriation of \$50 million to the Bradley Lake project in July of 1986. During the 1987 session the legislature changed the source of funding from the State's General Fund to the REF. That reduced the balance of the REF to approximately \$235 million.

Several bills were introduced in the legislature in 1987 that called for spending part or all of the Railbelt energy fund. One of those bills was SB 206. This measure, put forth by Sen. Jack Coghill (R-Nenana), proposed to establish a new power project loan fund from which loans and grants could be made for various projects. The measure would have combined many of the State's existing energy loan programs and would have been funded initially by the balance of the REF after the interties and Bradley Lake had been funded to the extent necessary. The bill, as originally written, received marginal legislative support and eventually died in the House Judiciary Committee.

Sen. Bettye Fahrenkamp (D-Fairbanks) introduced legislation midway through the session to authorize construction of a natural gas pipeline between Wasilla and Fairbanks. The two measures (SB 417 and SB 418) proposed the REF be used to fund the gas line's construction. The bills were not given a committee hearing until the 1988 session, and did not move from their first committee of referral. The lobby supporting the gas line, headed by Enstar Natural Gas Company, was successful in getting the

project included as part of the study being conducted by the APA. An economic evaluation of the gas line will be included in the study's final report. Gas line supporters will undoubtedly mount another attempt to fund the project with the REF.

Other measures introduced during the 1987 legislative session that proposed using some funds from the Railbelt Energy Fund were: 1) HB 239, by Rep. Kay Brown (D-Anchorage), which would have appropriated roughly \$600,000 from the REF to pay a portion of the cost of "least-cost planning" reports required from utilities by the APUC; 2) SB 493, by Sen. Coghill, which would have appropriated \$4.6 million from the interest earned on the REF to construct transmission lines near McKinley Park; and 3) SB 409, by Sen. Tim Kelly (R-Anchorage), which would have loaned roughly \$15 million from the REF to the Alaska Stabilization Assistance Program to help stabilize the Alaska housing market. Companion legislation was introduced in the House by Rep. Fritz Pettyjohn (R-Anchorage). According to Sen. Kelly, the housing assistance alternative is no longer viable. None of the bills listed in this paragraph passed the legislature.

The opinion of most observers regarding the REF during the 1988 session was "use it or lose it." Electric utilities encouraged legislators to resist efforts to use any money from the REF until the APA's review of the interties was complete.

The exception was a \$7 million appropriation needed to complete the Bradley Lake financing plan, which the legislature did approve.

Gov. Cowper advocated using the REF in 1988 as a means of covering projected budget deficits. Other proposals for using the REF were also being advocated, and it appeared the fund might be swept up in general spending and not be used for energy purposes at all.

The only new proposal during the 1988 legislative session for using the REF for its intended purpose was put forth by Rep. Sam Cotten (D-Eagle River). HB 482 and HB 483 would have loaned approximately \$165 million at a below-market interest rate to the APA for the construction of Bradley Lake. This would have prevented the necessity for the APA to issue revenue bonds - which would have a higher interest rate - to complete construction of the project.

Electric utilities reluctantly embraced HB 482 and 483 on the grounds that the lower interest rate would save Railbelt rate payers roughly \$100 million during the first 30 years of the project's operation, and because it appeared that might be the only way to retain the REF for energy purposes. The bills were brought to the House floor for a vote, but amendments calling for additional expenditures from the REF got out of hand and the

appropriations bill became "Christmas tree" legislation. Both bills failed to pass the House.

Just when it appeared the REF would be safe for another year, the Fund suffered a crushing blow from Gov. Cowper after the legislature had adjourned. The legislature had approved a loan of \$50 million from the REF to the General Fund to help cover any unforeseen budget shortfalls after \$150 million had been taken for the same purpose from the Alaska Housing Finance Corporation (AHFC). The REF money, to be taken only when the General Fund is out of cash, was to be repaid from oil and gas settlements received by the State. Gov. Cowper, using his line-item veto powers, vetoed the \$150 million from AHFC and then reduced the amount of the loan repayment to the REF from \$50 million to \$1. The money has not officially been moved out of the REF, but given the revenue outlook for the State, the transfer may be only a matter of time. This would reduce the balance of the REF to just under \$180 million.

The REF is the only remaining reserve of money set aside by the State for development of energy projects in Alaska's most populated region, the Railbelt. Its declining balance continues to be seen as a potential source of funding for a number of projects and budget expenditures. Few of the proposals for using the

REF relate to the Fund's intended purpose. It is seen by many as a pot of money to be used to help reduce the State's projected budget deficit, or as a source of capital funding for projects that are totally unrelated to energy.

The Intertie Proposal

It is the position of the Alaska Rural Electric Cooperative Association that the Railbelt Energy Council was correct; the highest and best use of the REF is construction of electric transmission interties to more solidly interconnect the sources of power with the communities in which the power is consumed.

A critically needed transmission improvement in the Railbelt is between Anchorage and the Kenai Peninsula. With the Bradley Lake project coming on line in 1991, Railbelt electric utilities believe it is imperative a new transmission line be constructed to ensure Bradley power can be delivered reliably to communities throughout the Railbelt. Problems have been identified in the present transmission system that will require limiting the output of power at Bradley Lake to roughly half its capacity or risk outages in the Railbelt, especially on the Kenai Peninsula.

The problems arise when there is a fault on the transmission system, such as might be caused by an avalanche or windstorm. When that happens, the intertied system experiences severe voltage and frequency fluctuations resulting in an automatic shut-down. If the power system did not shut down, significant damage could result to generation and transmission facilities and to consumer equipment in businesses and homes that are connected to the system.

A new 230-kV transmission line would eliminate these stability problems and greatly increase the overall reliability and the transfer capacity of the transmission system between the Kenai Peninsula and Anchorage. In addition to Bradley Lake, other generation facilities on the peninsula totaling 131 megawatts include the Cooper Lake and Bernice Lake plants and Soldotna Unit #1. Reliability of the link between these generating plants and Anchorage is crucial to the many thousands of people who live in the area.

The utilities believe an upgrade in the Anchorage-Kenai Peninsula transmission system must be the number one priority for use of the REF. The cost of this new line is estimated at \$80 million to \$100 million, depending on the route selected.

Upgrading the transmission capacity between Anchorage and Fairbanks, Alaska's largest cities, should also be a priority use of REF money. The upgrade can be accomplished by either eliminating the existing bottlenecks at both ends of the State's Parks Highway intertie that exist between Willow and Healy, or by constructing a new line along a different route from Palmer through Glennallen to Delta Junction.

The benefits of the proposed new transmission line between Anchorage and Fairbanks via Glennallen are substantial. Constructing a new 230 kV line - a northeast intertie - would tie

Valdez, Glenallen, and the Copper River Basin into the grid system, giving those communities access to low-cost, gas-fired electrical power from the Anchorage area. New opportunities for mining or other development would be enhanced with this line, and military facilities such as the Backscatter radar installation could be served economically. This new line would provide Railbelt utilities access to approximately 14 million kilowatt hours of electricity annually from the Solomon Gulch Hydroelectric Project, one of the "four-dam pool" projects. This energy is now spilled as water over the dam because there is no market for it within the area which can be reached by the existing Copper Valley Electric Association transmission system. Sale of this electrical power to Railbelt utilities could earn the State an additional \$400,000, or more, in revenues each year.

The most important benefit associated with the new northeast intertie proposal is increased reliability. The intertie would provide a second line between Anchorage and Fairbanks, significantly improving the transmission system security between the two largest load centers of the Railbelt.

The cost of the northeast intertie is estimated at \$150 million.

Two key benefits of upgrading the existing Parks Highway transmission circuit between Anchorage and Fairbanks are lower

cost and increased transfer capacity. At present, Fairbanks electric utilities must run oil-fired generation to meet peak loads when temperatures are lower than minus 10 degrees Fahrenheit. This condition will only worsen as electric loads grow. Improving the existing system to allow for operation at 230 kv would increase transfer capacity by three to four times the present capacity. This would allow Fairbanks electric utilities to purchase more low-cost, gas-fired electric power from Anchorage, reducing the cost of power to consumers in both cities. The reliable, high-capacity electrical link would also allow Fairbanks to assist Anchorage during periods when avalanches separate the city from Kenai generation or other natural disasters, such as when volcanoes erupt or earthquakes threaten Anchorage generation sources.

The cost of upgrading the existing Parks Highway transmission system is estimated to be \$118 million.

Benefits of Having the Grid

The Railbelt electric utilities believe the benefits of improving the transmission grid between the Kenai Peninsula and Anchorage and between Anchorage and Fairbanks justify the cost.

There are several types of benefits associated with the proposed improvements in the Railbelt transmission system:

* Economy Interchange: An improved transmission system would allow for higher capacity transfer, allowing lower cost generation produced in one area to displace higher cost generation produced in another area. Economy interchange between Anchorage and Fairbanks is limited by the capacity of the fully loaded existing transmission line.

* System Reliability: Improvements to the transmission system can reduce the number and extent of power outages, especially between Anchorage and the Kenai Peninsula where lines are plagued by natural occurrences such as avalanches and windstorms.

* System Efficiency: Power transfers between Anchorage and Fairbanks presently suffer losses exceeding ten percent. If the voltage of the transmission system were increased from 138 kV to 230 kV, those losses would be reduced dramatically.

* Reserve Sharing: With an improved, reliable transmission system in place, electric utilities could reduce the amount of costly reserve capacity they maintain. They could rely instead on reserves available elsewhere in the interconnected system.

* Flexibility for New Generation: An improved transmission system in the Railbelt would allow greater flexibility in choosing a site for future generation facilities. New plants could be sited wherever the cost of operation and fuel are least expensive while still maintaining access to any load center in the Railbelt. To highlight the current limitations on power plant siting it should be pointed out that a minemouth powerplant of optimum size cannot be located at the site of Alaska's only operating coal mine (Usibelli) because of severe transmission constraints.

* Access to Bradley Lake Power: An improved transmission system would ensure that all Railbelt electric utilities have freer and more direct access to the full peaking output of Bradley power, resulting in equal distribution of benefits from the project for all Railbelt communities.

* Utility Coordination: Strengthening the transmission system in the Railbelt would afford electric utilities increased opportunity to better coordinate their planning and operations.

* Fuel Supply Competition: Improvements to the Railbelt transmission system would provide electric utilities with full access to a variety of energy sources, enhancing competition among fuels and fuel suppliers.

Summary

It is the strong feeling of all Railbelt electric utilities which collectively serve over 300,000 Alaskans that the REF is being held in trust pending two conditions that must be met in order for it to be spent: 1) it must be spent only to benefit Railbelt consumers; and 2) it must reduce Railbelt energy costs.

Alaska's utilities believe that if the legislature appropriates the REF for the construction of the interties, the State will own a money-saving project which we can point to with pride for the next 50 - 100 years.

On the other hand, if the fund is raided to balance the State operating budget, we challenge the governor and the legislature to show us how we have benefited from their stewardship five years from now.

Two final points: 1) The interties are being subjected to tough cost-benefit scrutiny. Those who would raid the fund propose no such tests for their spending plans. 2) If we build the interties, the State will not suffer one penny of operations and maintenance costs. The 300,000 Railbelt consumers will gladly pay the tab out of the long-term savings they will realize from such worthwhile projects.

Resolution No. /

A RESOLUTION OF THE FOUR BOROUGHES OF THE RAILBELT AREA RELATING TO THE RAILBELT ENERGY FUND

WHEREAS, the Railbelt Energy Fund was established by the Fourteenth Alaska Legislature for the exclusive purpose of financing energy development within the Railbelt area including the Matanuska Valley, Anchorage, Fairbanks, and Kenai Peninsula; and

WHEREAS, in 1980-82, approximately one billion, two hundred seventy thousand dollars was spent on various large hydroelectric projects, energy loans, rate stabilization and power generation and distribution facilities to rural Alaska; and

WHEREAS, the Municipality of Anchorage, the Matanuska-Susitna Borough, the Kenai Peninsula Borough, and the Fairbanks North Star Borough (also known as the "Railbelt Coalition") support retaining the Railbelt Energy Fund for use within the Railbelt area; and

WHEREAS, the best use of this fund would be for long term economic development benefits within the Railbelt area;

NOW THEREFORE, BE IT RESOLVED by the Railbelt Coalition that all residents of the Railbelt area will benefit by the use of these funds, which should be distributed in FY90 for projects exclusively within the Railbelt area; and

BE IT FURTHER RESOLVED by the Railbelt Coalition that the entire Railbelt Energy Fund should be distributed as follows:

- a) Priority use should be for the support of energy related projects, primarily Railbelt power interties, to fund construction costs not otherwise supportable by the local ratepayers;
- b) Following release of the Alaska Power Authority Railbelt Power Alternatives Study, the Railbelt Coalition will meet and forward specific dollar recommendations to the legislature;
- c) Any balance should be distributed to the communities along the Railbelt on a per capita basis for long term economic development benefits; and
- d) The Railbelt Energy Fund should not be distributed or reappropriated by the legislature for uses other than those specified herein.

PASSED AND APPROVED this ____ day of February, 1989.

MUNICIPALITY OF ANCHORAGE

FAIRBANKS NORTH STAR BOROUGH

By

Paul Dixon

By

Cliff Buil

KENAI PENINSULA BOROUGH

MATANUSKA-SUSITNA BOROUGH

By

Jonathan V. Hall

By

Saradya A. Jones



CITY OF WASILLA

290 E. HERNING AVE.
WASILLA, ALASKA 99687
PHONE: 373-9050

FEB 17 1989

February 13, 1989

The Honorable Rick Uehling
Alaska State Senate
P. O. Box V
Juneau, Alaska 99811

Dear Senator Uehling:

Thank you for your letter of January 31, 1989 asking for my review of SB 130, SB 131 and SB 132.

The fundamental position of the Mayor's office and the City Council on the Railbelt Energy fund is that first and foremost the fund should be used for the benefit of "the railbelt".

Locally, the perceived need for major capital funding is for economic development projects, not necessarily energy projects. This is understandable considering the present surplus of power and the lack of a clear understanding that new energy projects may, in fact, save electric rate payers money in the future.

Our top priority economic projects are:

Hatcher Pass Infrastructure to support Ski Resort
Rail Spur to Port at Point MacKenzie
Highway Improvements to facilitate Wishbone Hill Coal

After visiting Kenai officially a few weeks ago I better understand the need to carry Bradley Lake power to Anchorage. I'm pretty excited about the idea that existing lines can be upgraded to handle the needed capacity at a much lower cost than new construction, i.e. \$20 Million.

I have mixed feelings about distributing the energy funds to dozens of small projects, some of which could aid my city, versus use of the fund for a major project of long-term statewide benefit. It is not often that big chunks of cash are available for those monumental efforts.

Wasilla, of course, favors a narrow definition of "railbelt" that relates to those cities and boroughs immediately adjacent to the rail corridor.

Thank you for your inquiry.

Very truly yours,

John C. Stein
Mayor, City of Wasilla

**KENAI PENINSULA BOROUGH**144 N. BINKLEY • SOLDOTNA, ALASKA 99669
PHONE (907) 262-4441

February 23, 1989

DON GILMAN
MAYORLegislators
16th Session
Alaska State Legislature
Pouch V
Juneau, AK 99811

RE: RAILBELT ENERGY RESOLUTION

Attached you will find Resolution 89-20 which was enacted by the Kenai Peninsula Borough Assembly at its regular meeting of February 21, 1989.

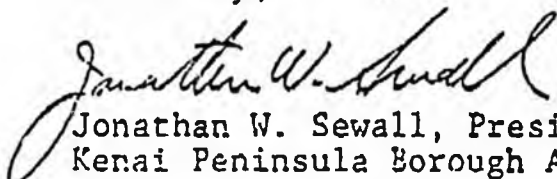
While the resolution endorses the action taken by the Railbelt Coalition on February 18th, the Kenai Peninsula Borough Assembly wants to reiterate its concern for the energy needs of southcentral Alaska. This assembly has been a consistent supporter of the Bradley Lake hydroelectric facility and the necessary interties to bring the power into an interconnecting grid which will provide for and balance energy needs from Homer to Fairbanks.

We feel that the Railbelt Energy Fund may be the last opportunity for many years to provide for these important energy projects.

We urge the legislature to continue to pursue the interties from Anchorage to Soldotna and from Cooper Landing to Seward.

Thank you for your time and consideration.

Sincerely,



Jonathan W. Sewall, President
Kenai Peninsula Borough Assembly

JWS:lc

Introduced by: O'Connell
 Date: February 21, 1989
 Action: Adopted
 Vote: 9 Yes, 5 No

KENAI PENINSULA BOROUGH

RESOLUTION 89-20

APPROVING THE RESOLUTION ADOPTED BY THE RAILBELT COALITION REGARDING USE OF THE RAILBELT ENERGY FUND FOR RAILBELT ENERGY PROJECTS OR FOR DISTRIBUTION TO RAILBELT COMMUNITIES IN THE EVENT THE FUND IS NOT USED FOR SUCH PROJECTS

WHEREAS, representatives of the Municipality of Anchorage, the Matanuska-Susitna Borough, the Kenai Peninsula Borough and the Fairbanks North Star Borough, known as the Railbelt Coalition, met and passed a resolution regarding use of the Railbelt Energy Fund; and

WHEREAS, that resolution took the position that the funds should be utilized only for railbelt power interties and energy projects, but in the event that they were not they should be distributed to the railbelt communities on a per capita basis; and

WHEREAS, the assembly supports the action taken by the Railbelt Coalition;

NOW THEREFORE, BE IT RESOLVED BY THE ASSEMBLY OF THE KENAI PENINSULA BOROUGH:

Section 1. That the assembly supports the resolution adopted by the Railbelt Coalition and further expresses its support that the fund be utilized as set forth in that resolution giving priority to railbelt power interties before distribution to the communities along the railbelt on a per capita basis in the event it is not used for energy related projects within the railbelt.

Section 2. That copies of the resolution adopted by the Railbelt Coalition shall be attached permanently to this resolution and incorporated herein as if fully set forth.

Section 3. That copies of this resolution shall be sent to Governor Steve Cowper and all legislators of the 16th Session of the Alaska State Legislature.

ADOPTED BY THE ASSEMBLY OF THE KENAI PENINSULA BOROUGH ON THIS 21st DAY OF February, 1989.

Jonathan W. Sewall
 Jonathan W. Sewall, Assembly President

ATTEST:

Jessie Bradley
 Borough Clerk

Catherine V. Kehane
 Assistant Borough Clerk



KENAI PENINSULA BOROUGH

144 N. BINKLEY • SOLDOTNA, ALASKA 99669
PHONE (907) 262-4441

FEB 15 1989

February 8, 1989

DON GILMAN
MAYOR

The Honorable Rich Uehling
Alaska State Senate
P.O. Box V
Juneau, AK 99811

Dear Senator Uehling:

I am writing in response to your letter dated January 26, regarding the "Railbelt Economic Assistance and Recovery Act". I appreciate your effort in seeking comments from the municipal officials of the railbelt communities.

The use of the Railbelt Energy Fund is an issue that the Kenai Peninsula Borough Assembly has discussed at some length. While they have not taken any formal action, they have reached a consensus. Overwhelmingly, their first preference is that the fund is spent on energy projects in the railbelt. There are a number of necessary projects pending, including the Bradley Lake Intertie and the Seward transmission line.

If it is inevitable that some of the funds will be used for municipal assistance, then these funds should be shared among the railbelt communities only. If this does happen, it is my intention to hold those funds appropriated to the Kenai Peninsula Borough in a reserve account to cushion the borough against potential future underfunding of the school debt reimbursement program. However, I would strongly oppose the use of these funds to justify cuts to that program.

I applaud your efforts in reconvening the railbelt caucus of legislators. It is important to form a consensus on the use of this fund, and to protect it from being absorbed by the general fund.

Likewise, the four boroughs of the railbelt are again trying to schedule a joint meeting later this month to discuss this issue as well as other issues of common interest. I assure you, you will be kept informed of the outcome of that meeting.

If I can be of further assistance, please let me know.

Sincerely,

Don Gilman
Kenai Peninsula Borough Mayor

DG:lc

Assembly: spend Railbelt Fund on power lines

By JON LITTLE
Staff Writer

The Borough Assembly on Tuesday agreed with a consensus reached last weekend with other railbelt communities to use the Railbelt Energy Fund for transmission lines.

In agreeing with the other communities, the Assembly called on state lawmakers to spend all of the fund in fiscal year 1990 to build high-voltage power line projects along the railbelt.

Several Assembly members said they worried that if the state followed the 1990 deadline, the fund could be depleted by other communities before a local intertie could be built.

The borough hopes the money

will be set aside to build an intertie linking power generated at the Bradley Lake Hydroelectric Project to its eventual users, from Seward to Fairbanks. That high-voltage, high-capacity, and high-priced line is known as the southern intertie. Two other interties also have been proposed within the railbelt.

Local power officials claim that the southern intertie is the crucial link between Bradley Lake and its customers. Without it, they say, the power cannot get to Anchorage and Fairbanks.

However, the Alaska Power Authority says the jury is still out on whether a new southern intertie is needed. The APA is studying

whether work can be done on the existing Chugach Electric line to carry the load.

On Saturday, five Borough Assembly members met in Wasilla with Assembly members from the other three Railbelt Coalition boroughs: Fairbanks North Star Borough, the Mat-Su Borough, and the municipality of Anchorage. During the get-together, the coalition looked at several issues, but spent more than half the day hashing out a consensus on how to spend railbelt funds, according to Assembly President Jonathan Sewall.

The eventual railbelt agreement was "not exactly as we want it," Sewall said. But he said it was the best compromise. The Assembly

accepted the agreement with a 9-5 vote.

The Railbelt Fund has up to \$230 million.

Assemblyman Pat O'Connell, who attended the Wasilla meeting and who voted against the compromise, said he introduced the resolution for the Assembly to consider, saying he hoped it would be rejected.

While the resolution sets power interties as its top priority, O'Connell said the wording of the resolution leaves room for broader interpretation, perhaps allowing for other projects and excluding the interties.

See RAILBELT, page 1

...Railbelt Fund flap

Continued from page 1

The Railbelt Fund was set up during the oil boom to finance energy projects from Seward to Fairbanks. The fund was a political compromise, giving Southcentral and Interior Alaska the fund in lieu of the abandoned Susitna hydro project and as a balance to funds spent for energy work in Southeast Alaska.

Now that oil money entering state treasuries has slowed, O'Connell described the railbelt fund as a "pool of money sticking out like a sore thumb, or a ripe plumb, whatever you want to call it."

Other areas looking for a quick fix will zero in on that money to bail them out, including Anchorage and Mat-Su boroughs, O'Connell said. "There's no doubt in my mind, Anchorage and Mat-Su are ready to join the feeding frenzy and eat that money up."

The Kenai Peninsula Borough may have a hard time pinning down the estimated \$80 million cost of the Bradley Lake intertie, while the rest of the money gets spent elsewhere, he said. The state has looked to the railbelt reserves as a stop-gap measure to fund capital projects.

He said this would be the area's "last chance" to get the intertie built, because the state from now on will be consuming every source of available funds to balance its budget.

"It doesn't matter what we say, the money's going to be spent," O'Connell said.

Assemblywoman Sharon Moock said she was "disgusted and ashamed" that the rules apparently had changed since the railbelt fund was created. The money should have stayed within the belt, but now looks like it will leak all over the state, she said.

Moock urged the public to mount a letter-writing campaign to legislators to influence them to keep the money where it is. The public opinion, she said, "might help us out, to what we deserve, and to what we need to have."

Borough Mayor Don Gilman said his assistant, Marla Huss, reported from Tuesday that she felt "no barra" in

co-signing the Railbelt Coalition agreement, even though it didn't exactly match an earlier borough resolution calling for local spending of railbelt funds. Gilman said Huss suggested the Assembly follow up with a letter stating that interties are the borough's top priority.

Gilman noted that the intertie price tag, including a \$15 million powerline upgrade in Seward, would come to \$95 million. If the Railbelt fund is split statewide by population, as has been suggested, the borough could end up with roughly \$35 million, he said.

Sen. Rick Uehling, R-Anchorage, introduced Senate Bill 130 stipulating that \$80 million of the railbelt reserves go to the southern intertie because it is the most logical place to begin spending the money.

But, by Wednesday evening, the bill had been boosted to a \$224 million package by the Senate Labor and Commerce Committee, according to Sen. Uehling's office.

Currently, SB 130 includes the southern intertie and, now, the Seward intertie and a northern intertie completing the upgrade between Anchorage and Fairbanks. It also contains \$20 million for smaller energy projects across the state, including Southeast Alaska.

He said SB 130 and another proposal were designed to spark legislative discussion. He also introduced Senate Bills 131 and 132, which together set \$80 million to be distributed on a per capita basis.

"We certainly are interested in garnering support (on the interties) from the Borough Assembly and people throughout the railbelt," Uehling said on Wednesday.

International Brotherhood of Electrical Workers

Local 1547

2702 DENALI STREET
ANCHORAGE, ALASKA 99503-2779

TELEPHONE
(907) 272-6571

DISPATCH
(907) 276-1547

GARY BROOKS
BUSINESS MANAGER • FINANCIAL SECRETARY

JOSEPH HODGE
PRESIDENT

FEB 15 1989



February 8, 1989

Mr. Rick Uehling
Pouch V
Juneau, Alaska 99811

Dear Mr. Uehling:

As the next legislative session begins, I would like to wish you success in achieving the goals you have set for yourself and your constituents. I would also like to enlist your support on three issues about which the International Brotherhood of Electrical Workers, Local Union 1547 ("IBEW") is particularly concerned.

It is our hope to see this session end with an appropriation from the Railbelt Energy Fund sufficient to upgrade the Anchorage to Kenai Peninsula intertie. Not only is such an appropriation fundamental to the maintenance of reliable electrical service to the residents of the Railbelt but appropriating those funds now will also generate a much needed source of employment.

The same kind of goal can be achieved through the successful appropriation of funds for construction of a court house in Anchorage. I believe that such an expansion is essential if Alaska is to continue to provide the quality of judicial services that we have enjoyed in the past but also if we are to keep up with the ever-increasing demands made upon those services in the future. A second benefit will result from this appropriation. An appropriation of funds for construction of the court house will also provide another much needed source of employment.

I would hope you would at least consider that we may well have come to a point where our "rainy day" funds should be appropriated even if in small part, to support general government. I am convinced that, as long as the permanent fund corpus remains intact and is sufficiently inflation-proof, there is no reason not to spend some portion of the undistributed earnings.

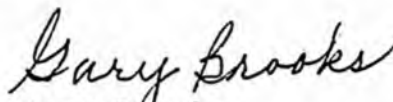
February 8, 1989

I am sensitive, however, to the complexity of these issues and to the enormous amount of work that will be involved to fully explore their consequences prior to any actual appropriation. Knowing that IBEW would like to help in any way we can, I would ask that you contact IBEW's Business Representative and lifelong Juneau resident, Mr. Tom Cashen, if you need any assistance or further information with respect to the issues I have identified above.

My best wishes for a very productive 1989 session.

Very truly yours,

IBEW LOCAL UNION 1547



Gary Brooks
Business Manager

GB:cd

APH



Alaska State Legislature

Official Business

P.O. Box V
State Capitol
Juneau, Alaska 99811

July 15, 1988

Mr. Robert E. LeResche
Executive Director
Alaska Power Authority
P.O. Box 190869
Anchorage, AK 99519-0869

Dear Bob:

Thank you for your letter dated July 8, 1988 requesting my suggestions for energy related projects in my district for consideration in the Alaska Power Authority's FY90 capital budget request.

As you know, I have been working on providing electrification along the Parks Highway for many years. Businesses near the vicinity of Mt. McKinley, the State's number one tourist attraction, are without commercial power. I believe your number one priority for energy projects in FY90 should be the electrification of the Parks Highway from Cantwell to Carlo Creek; Carlo Creek to McKinley Village and McKinley Village to Mt. McKinley. I have enclosed an estimate sheet for the above project which was compiled by Golden Valley Electric Association.

Bob, I believe providing commercial power along the Parks Highway will enhance our tourism industry and promote development. It is imperative for the State to try and generate new revenue, such as tourism dollars, and reduce our dependency on fluctuating oil revenues. I would truly appreciate the inclusion of the above project in your FY90 capital request.

Let us know if you have any questions.

Sincerely,

Senator Jack Coghill

JBC/slg

Parks Highway Line Extensions

Businesses in the McKinley Park area needing electricity -
their present status and planned development

1. Carlo Creek Lodge
Lodge, four cabins, outbuildings
Plan to increase cabins in the future, and put in a campground
in 1939.
2. The Perch Restaurant
Restaurant to be operational 1939.
4 rental cabins built. Plan to build a washroom and shower
house, and hook cabins up to electricity within 2 years.
Owners will live there year-round when commercial power
available.
3. McKinley Wilderness Lodge
Restaurant, 3 duplex cabin units, 5 cabins, residence build-
ing, outbuildings.
4. Osprey Expeditions
Office and shop, residence
5. Denali Cabins - south
41 units, gas station, grocery store. Leases space to
Denali Gift Shop.
6. Matanuska Telephone Assoc.
Generates electricity to provide telephone service in area.
7. McKinley Community Center and Firehall
Houses fire truck needing 24-hour heat, and provides space
for year-round community functions and classes for
both adults and children.
8. Popo Azie
Contracting business
9. Don Peterson
One building done.
12 more cabins to be build summer 1939, to be used to house
Elderhostel groups.
10. McKinley Village - ARA
50 rooms, restaurant, coffee shop, gas station, convention
room, 24 units for staff housing, outbuildings, residence
Leases space to ERA Helicopters Flightseeing.
Plans to add 100 rooms in 3-4 years.
11. Denali Cabins North
Leases 3 cabins and showerhouse to Denali Raft.
Considering building a 24-unit hotel in next few years if
commercial power is available.
12. Grizzly Bear Campground
15 cabins, grocery store, liquor store, campground, residence,
outbuildings. 2 shower houses they cannot use without
commercial power. Owners would reside here year-round
with commercial power.

RECEIVED JAN 30 1987

Lawrence...

Ronald and Karine Dane
P.O. Box 106
Cantwell, Alaska 99729
January 26, 1987

Senator Rick Halford
Juneau, Alaska

Also sent to Coghill

Dear Senator Halford:

Re. Electrification of the McKinley Park Community located on the George Parks Highway. From the general area of Mile Post 224 - 231:

Members of the community have since the beginning of the Intertie (1960) been approaching their legislators to appropriate funds for the installation of commercial electricity for this area. Response was always encouraging but results not forthcoming. We hope that now that the state has \$290,000,000 at their disposal through the Railbelt Energy Fund, that you, our elected leaders, will see it fit to close this energy gap once and for all.

We have a great need for commercial electricity in this area for the following reasons:

1. McKinley Park (Denali National Park) is synonymous with the Alaska Tourist Industry, a major base of Alaska's economy. The 400,000 tourists who come to the park every summer need services. Services need the reliability, excellence and affordability of commercial electricity.
2. The McKinley Community Volunteer Fire Department assumes responsibility for the safety of the visitors to the park as well as protection for its year-round residents. To do this, members must own their own generators in order to keep the batteries for their engines charged. - High price for volunteering their services, wouldn't you say?
3. The Village View state lottery opened up 47 parcels of land for residential use. Many of the winners have already begun to build. And their diesel and gasoline generating units to already existing generators, and we are facing a potential noise and air pollution problem.

Letters in Summit

4. There are members of the community who are employed at Denali National Park, at the Usibelli Coal Mine, at the Healy and Cantwell schools, at Cantwell Department of Transportation, and last but not least, at the U.V.E.A. power plant at Healy (1). We are gainfully employed, productive Alaskans who are paying more than our share for the privilege of employment as any of you who have ever had to generate electricity on a daily basis in order to ensure transportation can readily attest to. We need electricity to keep our water and sewer lines from freezing and our food supply from spoiling. We don't need the added expense of time, energy and money this all entails.

5. It might be good and well to upgrade portions of the Intertie with the future in mind. However, the immediate results of this will be to provide those who already have ample and reasonable electricity with more and cheaper electricity. Isn't it time to complete the energizing of the Railbelt?

Please consider our needs when you begin to prioritize portions of the Railbelt Energy Fund this session. We have waited long and patiently.

Respectfully yours,

Ken & Kaimie Sawe



DENALI CABINS

Box 427 MI 231 Parks Hwy
Denali National Park, AK 99755

2/23/86

FEB 28 1986

Dear Jack:

I've been Outside doing some promoting and have been unable to follow the issues as they affect our area. Hopefully, all is going well for all of us. I do want to thank you being there and looking out for our interests and the state's. When the two can be the same, we all benefit. I'm sure at times you would just as soon be somewhere else, but public service probably falls under that great statement " No pain, No Gain".

I would like to find out the latest on our efforts for power in our community. As revenues drop, the true meaning of politics and relationships will probably charge its way to the surface.

Being experienced, this will probably have little effect on your efforts, at least we hope so. In your Nov 27 letter, you did mention that your office will be appropriating money for the Alaska Power Authority for electrification along the highway. I would like to know if that appropriation has been submitted. In reference to the veto possibility, how do you feel about what the governor might do?

Certainly our business is tourism related, and hopefully that is a bright spot in the state. I'm sure that would strengthen our argument if he is made aware of our needs. Is this the time to contact him directly, or do you feel the situation is moving in a positive direction?

My last question concerns the Alaska Power Authority and how it functions. If they receive an appropriation for a certain project, must those funds be used for that project? Perhaps, that seems a strange question, but I do know that a lot of shifting takes place within some of these agencies.

Well Jack, that's about it for now. Again we thank you for your efforts, and if there is anything that we can do, please let me know.

Best Regards,

Gary W. Kroll
Owner/General Manager

cozy cedar cabins • hot tub • central bathhouse • rafting
wildlife • horseback rides • flightseeing

Denali Crow's Nest
P.O. Box 700
Denali National Park
Alaska 99755

Decemoer 12, 1986

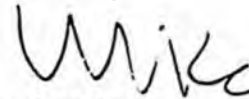
Senator Jack Cognill
Kenana, Alaska

Dear Jack,

Thanks for your phone call regarding electrification of the Crow's Nest. I very much appreciate your efforts on our behalf and it's gratifying to know that the bureaucracy can be budged with pressure in the right spots. Having power on the hillside will certainly facilitate our future expansion, and with tourism being one of the few bright spots in the economy I think that will be of benefit to the industry and state as a whole.

Good luck in your efforts in Juneau this year. I'm looking forward to seeing you the next time you are up this way.

Sincerely,



Mike Crofoot

P.O. Box 67
McKinley/Denali Park, Alaska 99755
February 1, 1985

FEB 5 1985

Senator Jack Coghill
Pouch V
Juneau, Alaska 99811

Dear Senator Coghill:

It was good to talk with you on the phone concerning rural electrification for the McKinley/Denali Park Community.

We request your assistance in making it possible for Golden Valley Electric Association, Inc. to operate a power distribution system along the Parks Highway. The McKinley/Denali Park Community is divided into two locations along the highway. The northern pocket of the community is just north of the park entrance in the area of the McKinley Chalet resort. The southern area of the community is that area from Gary Crabb's McKinley Village on south toward Cantwell. This part of the community is generally clustered in the northern seven miles of the twenty mile stretch of road from McKinley Village to Cantwell.

The logistics of electrification of these two community areas does not seem very complicated. The northern part of the community around the McKinley Chalets is already being served partially by GVEA as the Chalets have GVEA power. It simply remains a matter of money for GVEA to branch out generally and connect up the other interested consumers there. It does not seem logical to try to continue a power line on south through the national park toward McKinley Village since there will not be development along that part of the road. It does seem appropriate to bring power lines north from Cantwell, along the road right of way, to McKinley Village. The new Cantwell power substation has the design capacity (according to unofficial GVEA and APA discussions) to supply this added service area. Mr. Dave Johnson, New Service Co-ordinator for GVEA, estimates that it would cost about \$1,000,000 for single phase or \$1,800,000 for three phase to extend power from Cantwell to McKinley Village. No one in the community is using three phase electricity now. There might be some interest in it, but, frankly, we feel inadequate in this technical aspect of such a service project. One would suspect that once GVEA and/or APA spent much time considering the matter that they would have a reasoned answer though. The above figures are much higher than noted in the phone conversations. But, in rechecking with Mr. Johnson of GVEA, he found his earlier figure of \$450,000 in serious error.

GVEA seems willing enough to service interested customers in both sections of the community, but these are rural areas and it is just not economical for GVEA to provide the services without aid beyond the resources of their association. It is our understanding that there are (or could be) funds available to utilities, such as GVEA, through a State rural electrification revolving loan fund. I have attached copies of two bills on this matter that died in the last session of the legislature. GVEA people indicated that these bills, and perhaps previous ones, as well, were not written with favorable enough provisions to make them a practical source of funding for projects such as outlined above. Perhaps even if the bills

were written more to the liking of the utilities that GVEA still would not consider it economical to provide the power services we desire without direct grants from the State of Alaska.

It is the hope of many of us in this community (there are about ninety permanent residence in the McKinley/Denali Park Community - not including the National Park Service staff that live at Park Headquarters) that you will be able to be the catalyst this project needs. Enclosed is a copy of the petition from community members interested in this project. There are more, but one copy of the petition with about fourteen signatures was lost. Rather than start all over again, we felt it best to forward to you what we do have in hand at this time. We are unaware of any community members that are hostile to the project, although the good folks at the Alaska Power Authority assured us that those people will come out of the woodwork further down the line. As with any public or community matter, there are bound to be individuals against this proposal but we feel confident that the vast majority, by a strong margin, are behind it.

It should also be noted that the Department of Natural Resources will be having a couple of land disposals in the community this year. The main residential area disposal is slated to have 48 sites, located just east of McKinley Village along both sides of the old highway. The other disposal site, Montana Creek, east of the Nenana River at approximately Mile 236-Parks Highway, is more remote and likely beyond bounds of this electrification project.

Thank you in advance for your assistance in this matter.

Respectfully,



Ronald C. Dane
Community Member



Wallace A. Cole
Community Member

cc: Mr. Larry D. Crawford, Executive Director
Alaska Power Authority

Mr. Dave Johnson, New Service Co-ordinator
Golden Valley Electric Association, Inc.

A PETITION

We the undersigned businesses and homeowners hereby request Golden Valley Electric Association to design, install and operate a power distribution system along the Parks Highway, bounded on the north by the Chalet resort and on the south by Carlo Creek.

<u>Name</u>	<u>Mile post</u>	<u>Business/Residence</u>
Donald C. Dore	229	Residence
St. James Lane	229	Residence
Borden Gregory & Family	229.3	Residence
The Terry Family	229.1	Dense wilderness residence kind Residence
Pat Olmstead	230	Resident
Roger Futen	229.5	Resident
George M. Cole	227 1/2	Residence/Business
Walter A. Ede	227 1/2	Residence/Business
Wm. J. Duncan	227.2	Residence/Business
Tom & Ann	227 1/2	Residence
Lois Alice & family	228.5	Resident/Business
Jane Bryant	229.3	Residence
Alvin Kogel	229.3	Residence
Karen & Michael Jordan	228.1	Residence
Tom Adams	228	Residence/Bus
Juda Mellman	230	Resident

Petition in Support

A PETITION

We the undersigned businesses and homeowners hereby request Golden Valley Electric Association to design, install and operate a power distribution system along the Parks Highway, bounded on the north by the Chalet resort and on the south by Carlo Creek.

Edward L. Quaker
Loxax - Marion Loxan

Box 25; Cantwell, Ak. 9970
Box 69, Neely, Ak 99743 (Mile 23)

A PETITION

We the undersigned businesses and homeowners hereby request Golden Valley Electric Association to design, install and operate a power distribution system along the Parks Highway, bounded on the north by the Chalet resort and on the south by Carlo Creek.

Elaine M. Pollock

Box 117 Healy, Ak.

Gerald J. Pollock II

Box 117 Healy, Ak.

Amanda M. Pollock

205 WICKHAM FAIRBANKS, AK 99701

Gerald J. Pollock

Box 117

Healy Ak, 99743

*Property
owners*

244

*Parks
Highway*

A PETITION

We the undersigned businesses and homeowners hereby request Golden Valley Electric Association to design, install and operate a power distribution system along the Parks Highway, bounded on the north by the Chalet resort and on the south by Carlo Creek.

_____ *Allyson Spina* pres. Pops Agie Bulbors & Woodworking Box 71 McKinley Park AK 997
_____ *Walter L. Thomas* Box 457, McKinley Park, AK 99755 Mile 228.9
_____ *John Doble* Mail Box 65 McKinley Park AK 99755 Mile 229.2
_____ *Jeff King* Box 480 Denali, AK 99755 Res/Buss. Cm.
_____ *Danny A. Crabbe* Box 66 Denali AK. 99755 Res/Buss Mile 231

A PETITION

We the undersigned businesses and homeowners hereby request Golden Valley Electric Association to design, install and operate a power distribution system along the Parks Highway, bounded on the north by the Chalet resort and on the south by Carlo Creek.

GRIZZLY BEAR CABINS & CAMPGROUND
MILE 23.1 PARKS Hwy. Jack R. Reiland

A PETITION

We the undersigned businesses and homeowners hereby request Golden Valley Electric Association to design, install and operate a power distribution system along the Parks Highway, bounded on the north by the Chalet resort and on the south by Carlo Creek.

Otto A. Stoepker

Meris M. Stoepker

Eriz Stoepker

Tucker Stoepker

CANTWELL TO MCKINLEY VILLAGE AND MCKINLEY PARK TO CARLO CREEK

3-PHASE OVERHEAD POWERLINE ESTIMATES

(TOTAL AVERAGE COST/MILE IS \$96,739)

Cantwell to Carlo Creek

13.1 Miles of Mainline	\$1,267,280.90
1.0 Miles of Taps for Local Service	96,739.00
	<u>\$1,364,019.90</u>

Carlo Creek to McKinley Village

8.5 Miles of Mainline	\$ 822,281.50
0.3 Miles of Taps of Local Service	29,021.70
	<u>\$ 851,303.20</u>

McKinley Village to Mt. McKinley 36 Line

5.8 Miles of Mainline	\$ 561,086.20
0.8 Miles of Underground	193,478.00
	<u>\$ 754,564.20</u>

It is assumed from discussions with the National Park Service that the Park route will require considerable time to acquire permission to construct involving satisfying all public hearings, environmental criteria and NPS internal requirements.

Total estimated Cost Cantwell-McKinley Village excluding transformers and services	<u>\$2,215,323.10</u>
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Total estimated Cost McKinley Park to Carlo Creek excluding transformers and services	<u>\$1,605,867.40</u>
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NOTE:

Jim Wright of Cantwell intends to ask Senator Coghill to assist in funding a line from Cantwell 8 miles south to the Summit Airport. Total estimated cost excluding transformers and services

\$ 773,912.00



GOLDEN VALLEY ELECTRIC ASSOCIATION INC. Box 124E, Fairbanks, Alaska 99707-1249, Phone 907-452-1115

February 9, 1989


Senator Jack Coghill
Attn: Shelly Growden

Shelly,

Attached is a copy of the cost estimates for various line extensions that were prepared by our Engineering Department for the October 5th meeting that was held at the McKinley Village Community Center.

If you need any additional information, please call me at 452-1151, Ext. 206.

Sincerely,



David Johnson
New Service Coordinator



GOLDEN VALLEY ELECTRIC ASSOCIATION, INC. Box 1249, Fairbanks, Alaska 99707-1249, Phone 907-452-115

October 4, 1988

Estimated Costs in 1988 Dollars
To Service the following Sites

Cantwell to McKinley Village

Total cost of the powerline extension	\$2,215,325.00
Miles of line including taps	23 miles
Number of customers	

Mercers Corner on the Parks Hwy to Perry/Rock Creek Sub.

Total cost of the powerline extension	\$ 946,335.00
*Miles of line including taps	11.5 miles
Number of customers	

*Does not include electrical services to any sites on the east side of the Nenana River

Kobe to Perry/Rock Creek Sub.

Total cost of the powerline extension	\$1,234,350.00
*Miles of line including taps	15 miles

*Does not include electrical services to any sites on the east side of the Nenana River

Cantwell to Summit

Total cost of the poweline extension	\$ 773,912.00
Miles of powerline	8 miles
Number of customers	



GOLDEN VALLEY ELECTRIC ASSOCIATION INC. Box 1249, Fairbanks, Alaska 99707-1249, Phone 907-452-1151

October 18, 1988

Senator Coghill
Attn: Shelly
P.O. Box 55028
North Pole, AK 99705

Re: Cost Estimate for Little Goldstream to Ester Powerline Extension.

Dear Shelly,

Enclosed is the cost estimate for the above extension. This estimate was completed last year and was calculated in two segments: Ester to Skinny Dicks Roadhouse with 14.1 miles of mainline and 13.8 miles of mainline from Nenana to Skinny Dicks Roadhouse for a total of 27.9 miles. The 4.1 miles of taps is for local service to the residents along the extension. Therefore the total cost of the line extension would be as follows:

27.9 miles of mainline	\$2,295,905.05
4.1 miles of taps for local service	\$ <u>337,391.26</u>
Total cost of the extension	\$2,633,296.31

If you have any questions, or if I can be of further assistance please call me at 452-1151, Ext. 206.

Best regards,

David Johnson
New Service Coordinator

Enclosures

cc: Mike Kelly

Cost Estimate for Little Goldstream to Ester Powerline

standby generation requirements, flexibility of buying from lowest cost generation source, the increased competition due to greater access to alternative generation methods and facilitation of general economic development requirements. THEREFORE, THE COUNCIL RECOMMENDS THAT THESE PUBLIC POLICY ISSUES BE CONSIDERED AS AN IMPORTANT PART OF THE DECISION MAKING PROCESS IN ADDITION TO THE TRADITIONAL BENEFIT/COST ANALYSIS.

The Council finds that electricity has become a necessity and a prerequisite to improving the quality of life for the rural residents. While the Council recognizes that extending the electrical service to all rural residents is neither practical, nor desired by some of them, it finds that extension of such services along state routes and interties, on a priority basis, would be highly desirable. Accordingly, the Council believes that the Legislature and the Administration should adopt policies and appropriations designed to achieve that goal, thereby enhancing the economic development potential of the rural residents while concurrently improving their quality of life.

3. Recommend alternative financing plans for assisting the private sector and public utilities to meet the future energy needs of the Railbelt area.

The Council has in this report made specific recommendations covering methods of financing for Bradley Lake and the Interties. The Council recognizes that State revenues have severely declined and that no new generation, in addition to the Bradley Lake and

MATANUSKA-SUSITNA BOROUGH

ASSEMBLY RESOLUTION SERIAL NUMBER 89-042

"A RESOLUTION OF THE MATANUSKA-SUSITNA BOROUGH ASSEMBLY REQUESTING THAT ELECTRICAL UPGRADE PROJECTS IN THE MATANUSKA-SUSITNA BOROUGH'S FISHHOOK COMMUNITY AREA (HATCHER PASS) BE INCLUDED IN THE ENERGY RELATED PROJECTS BEING FUNDED THROUGH A PORTION OF THE RAILBELT ENERGY FUND"

WHEREAS, the Legislature is considering a special appropriation to the Alaska Power Association for electrical energy projects; and

WHEREAS, the existing electrical distribution lines within the Fishhook Community are currently at maximum capacity; and

WHEREAS, the existing electrical distribution lines within the Fishhook Community require upgrading; and

WHEREAS, Mitsui & Co. has signed a lease to develop a ski resort at Hatcher Pass; and

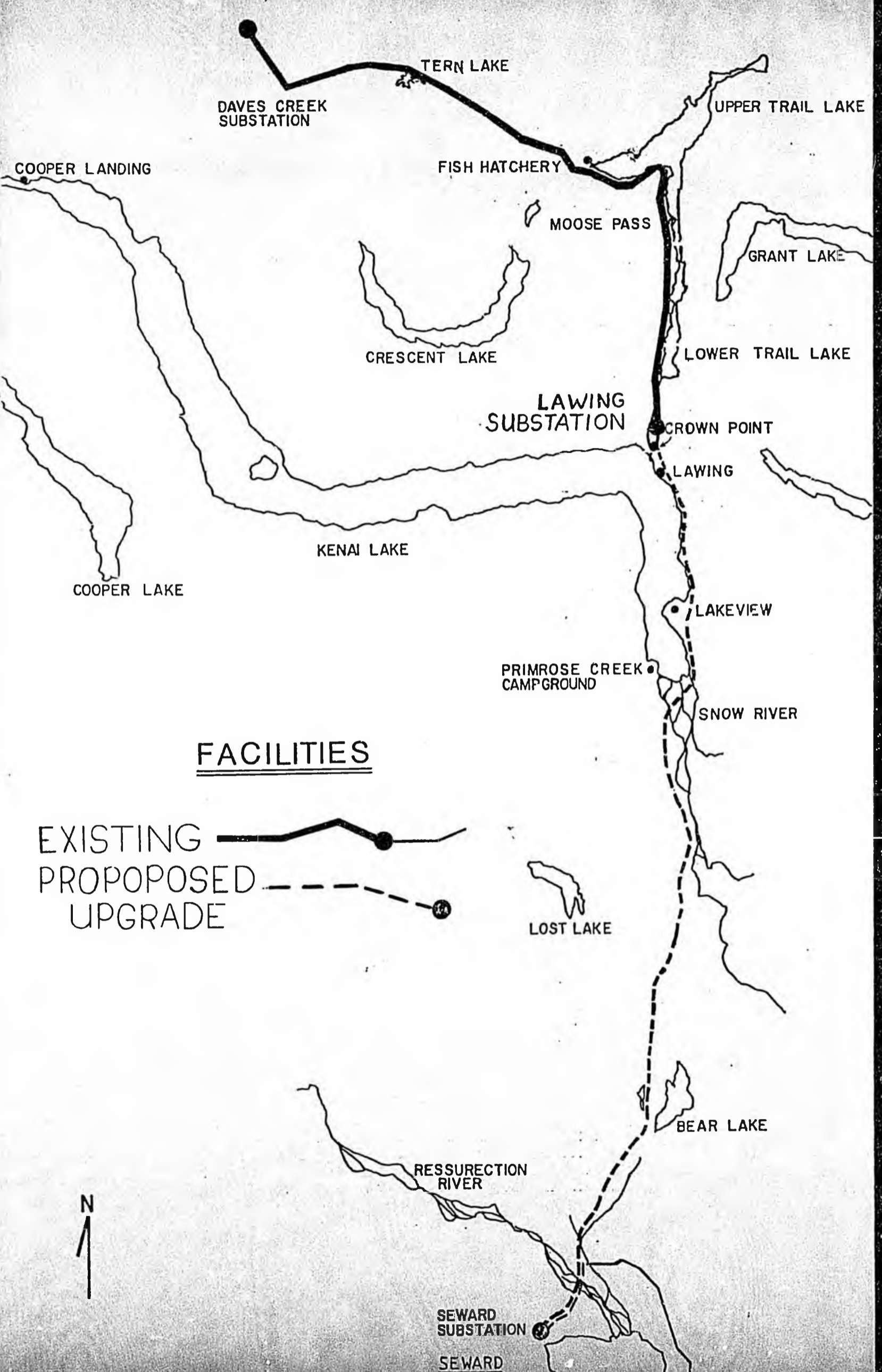
WHEREAS, the State has approved Mitsui & Co.'s concept development plan which envisions an international class resort; and

WHEREAS, in order to provide adequate electrical power to the ski resort a new line extension and substation are required; and

WHEREAS, the Matanuska Susitna Borough is within the Matanuska Electric Association's service area.

NOW, THEREFORE, BE IT RESOLVED: that the Assembly of the Matanuska-Susitna Borough requests that the State Legislature provide adequate funding for an upgrade of the existing electrical distribution lines within the Fishhook Community as well as funding for an extension of the distribution line and for a electrical substation in order to provide electrical power to the proposed Hatcher Pass Ski Resort.

Hatcher Pass Line Extension



FACILITIES

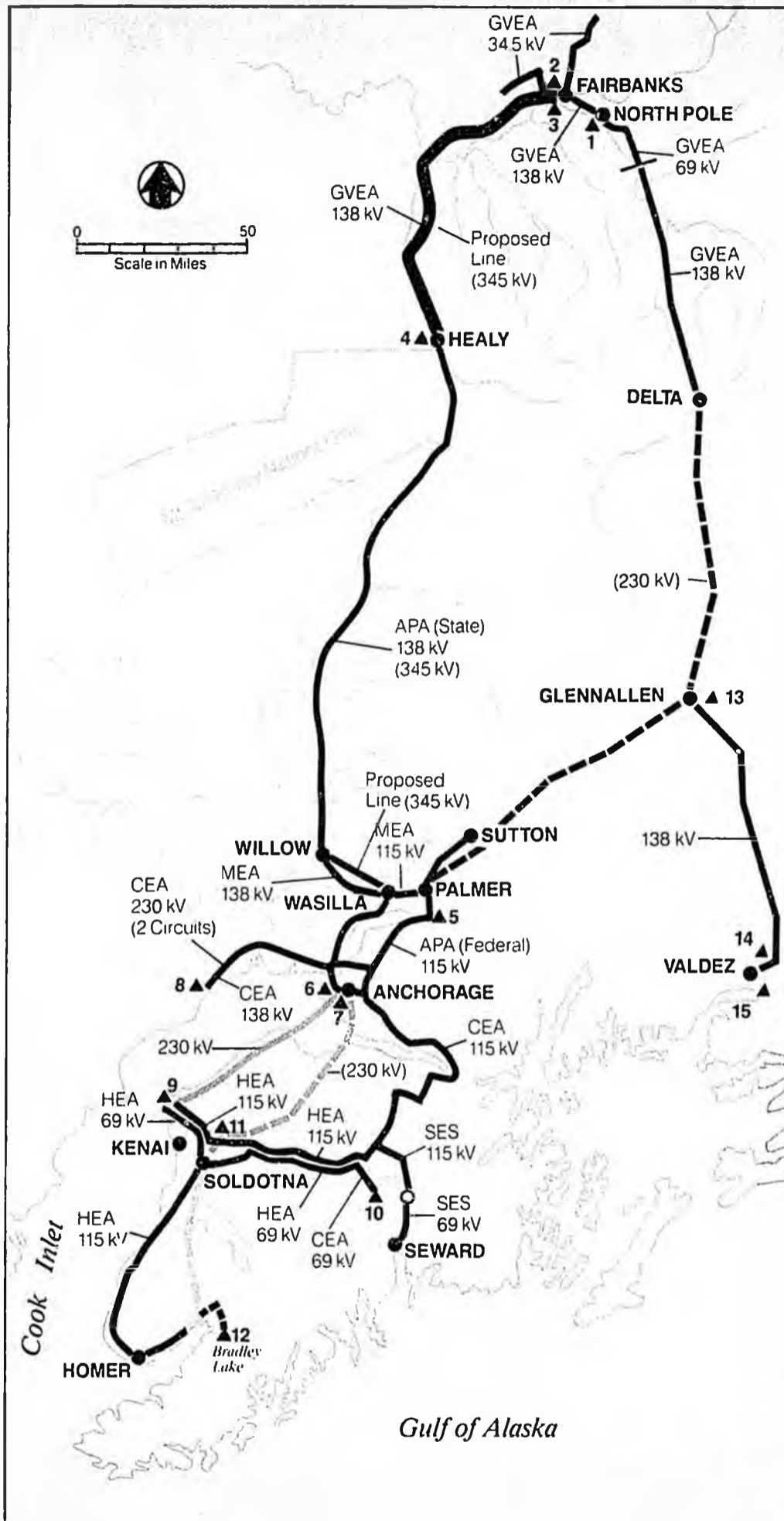
EXISTING ———●———
 PROPOSED - - - - -●- - - - -
 UPGRADE



SEWARD SUBSTATION

SEWARD

SPRING CREEK



Railbelt Generation and Transmission Systems

- LEGEND**
- Community
 - ▲ Generation Station
 - 2 Generation Station Identification Number
 - 230 kV Line Capacity
 - Line Capacity Change
 - Northeast Transmission Line Route (Proposed)
 - Parks Highway Line (Proposed)
 - Fritz Creek Transmission Line (Proposed)
 - Enstar Gas Pipeline Route (Proposed)
 - Tesoro Products Line Route (Proposed)
 - Transmission Line Route (Existing)
 - Bradley Junction to Soldotna Line (under construction)
 - Bradley Transmission Line (part of Bradley Lake Project)
- (Prepared by ARECA—January 1989)

1. Oil Fired Generation — 121.8 mW — Golden Valley Electric Association — North Pole
2. Oil Fired Generation — 40.6 mW — Fairbanks Municipal Utilities System — Fairbanks
Coal Fired Generation — 28.6 mW — Fairbanks Municipal Utilities System — Fairbanks
3. Oil Fired Generation — 51 mW — Golden Valley Electric Association — Fairbanks
4. Coal Fired Generation — 25 mW — Golden Valley Electric Association — Healy
5. Hydroelectric Generation — 30 mW — Alaska Power Administration (Federal) — Eklutna
6. Natural Gas Generation — 330 mW — Anchorage Municipal Light & Power — Anchorage
7. Natural Gas Generation — 49.4 mW — Chugach Electric Association — Anchorage
8. Natural Gas Generation — 360 mW — Chugach Electric Association — Beluga
9. Natural Gas Generation — 81.7 mW — Chugach Electric Association — Bernice Lake
10. Hydroelectric Generation — 17.4 mW — Chugach Electric Association — Cooper Lake
11. Natural Gas Generation — 38.5 mW — Alaska Electric Generation & Transmission — Soldotna
12. Hydroelectric Generation — 90 mW — Alaska Power Authority (State) — Bradley Lake
13. Oil Fired Generation — 10.4 mW — Copper Valley Electric Association — Glennallen

Steve Hutchens