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REPRESENTATIVE DAVE DONLEY

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MEMORANDUM

TO: Members of the House Community and Regional Affairs Committee

FROM: Representative Dave Donley ^B

RE: HB 529, an act to disband the AEA and to transfer its functions to C&RA

DATE: March 12, 1992

Thank you for hearing HB 529, an act to disband the Alaska Energy Authority (AEA) and to transfer its functions to the Department of Community and Regional Affairs (C&RA).

I introduced HB 529 for one reason. The AEA is a run away train and a bureaucratic nightmare. For six years I have been a member of the Finance Subcommittee overseeing the AEA budget. And for six years I have never ceased to have been amazed at how this agency manipulates the budget process, often irrespective of legislative intent.

During my tenure on the Finance Subcommittee overseeing the AEA budget, I have witnessed the AEA:

- a. constantly shift its organization chart and create new positions through the CIP funds



- b. request additional positions from the OMB by purposely misrepresenting the intent of the legislature
- c. pay to its employees excessive salaries out of range with public sector employment and comparable state jobs
- d. place in the pipeline new power projects the state simply will not have the ability to finance, and
- e. violate state procurement procedures (The Ombudsman's Office currently has a complaint before it on this issue).

This form of budget manipulation and fiscal irresponsibility cannot be tolerated in the face of declining state revenues. Although the functions the AEA serves are very worthwhile, I seriously doubt that the authority is the most effective mechanism to carry out these policies. For this reason, I have sponsored this legislation to abolish the AEA and to set up a transitional organization, the Alaska Energy Transfer Authority (AETA), for the transfer of AEA programs to the Department of Community and Regional Affairs. The sectional overview of HB 529 details how this transition would occur.

HB 529 provides the AETA with one clear mandate that does result in a change in Alaskan energy policy. However, I believe this is a change that is necessary as state revenues continue to decline. Under HB 529, the state would no longer act as chief initiator of energy development projects. Alternatively, the purposes of the AETA would be to recommend to the legislature how to end state involvement in the construction, operation, and maintenance of power projects and to encourage private investment in the industry.

I believe this is the proper time for this new policy directive to occur. Frankly, the AEA has long been a capital project driven authority. It was created in the days on the oil boom to oversee the development the Susitna Hydroelectric Project. When that project was abandoned, after great costs to the state, it took on the Four Dam Pool project. (Electrical utilities still owe the state about \$100 million for this project.) Next came the Bradley Lake Project, and next the Healy Clean Coal Project. The AEA continues to be a capital project driven agency, ever attempting to increase the supply of energy by putting into the pipeline new energy projects the state simply cannot afford to build. At the same time, the authority has opposed a redirection of its mandate to reduce consumer demand for electricity

by promoting energy conservation. This position is in direct opposition to the energy policy recommendations developed by the Alaska Energy Task Force in 1988. The list of their recommendations is attached.

Although HB 529 is lengthy legislation, its mandate is simple. The State of Alaska needs to redirect its priorities. Increasing energy supply well beyond consumer demand should not be a top priority. Instead, the Legislature needs more fiscal control over the energy programs in place. Placing the functions of the AEA within the Department of Community and Regional Affairs will give us the fiscal control we desperately require.

I welcome the committee hearing this legislation today. Thank you.

DD/jmn

BUDGET AND FUNCTIONS OF THE ALASKA ENERGY AUTHORITY

1. The Alaska Energy Authority is created by statute (AS 44.83.010) as a public corporation with bonding authority. Currently, it serves the following functions:

- 1) AEA administers the Power Cost Equalization Program.
- 2) AEA builds energy projects, most of them in rural Alaska.

The AEA also administers a remote maintenance worker program paid for out of CIP receipts. Under this program, remote maintenance workers headquartered in Anchorage travel to Bush communities to help them solve generator problems and improve the efficiency of the small community utilities. In the past years, AEA had been successful in securing substantial capital appropriations with general kinds of titles.

3) AEA helps operate the 4 Dam hydro projects, Bradley Lake, and the existing Anchoarge-Fairbanks intertie. AEA gets program receipts from the utilities to pay for the engineers and other technicians who help operate the projects. As of last year, the utilities still owe the state \$100 million for the 4 Dam Pool Project and bond covenants for the Bradley Lake project require some degree of oversight by the state.

4) AEA provides general administration of state energy development policy.

The administration positions are primarily paid for by funds from the power Development Revolving Loan Fund, which in reality are general fund monies, a tactic that AEA hoped would diffuse recent

criticism of high salaries to some of its executives. It also appears CIP funds pay a part of the costs of some of these positions.

5) AEA administers two loan programs: the Bulk Fuel Revolving Loan Fund and the Rural Electrification Loan Fund.

Alaska State Legislature

Senate Advisory Council



P.O. Box V
State Capitol
Juneau, Alaska 99811
Phone: (907) 485-3114

MEMORANDUM

TO: Senator J. Faiks
Alaska State Senate

FROM: Kurt S. Dzinich *KSD*
Senior Advisor

DATE: March 18, 1988

SUBJECT: Alaska Energy Policy Task Force Report; IR# 88-003236

In response to your request, following is a summary of the task force's final report.

The most substantive portions of the report are contained in sections 3 and 5 dealing respectively with the Guiding Principles for Alaska's Energy Policy and Recommendations on Specific Actions and Strategies.

There are 15 guiding principles in the report. These are intended to form an energy policy framework for the State and to be used in the formulation and evaluation of future energy related decisions. The guiding principles stress:

1. Increased energy conservation
2. Increased education & technical information dissemination
3. Decreased reliance on subsidies
4. Increased role of the private sector to include utilities
5. Decreased role for the State in project construction
6. Increased coordination and consolidation
7. Increased emphasis on differing regional needs
8. Increased research and development of energy technologies

There are 21 recommendations that were adopted by the task force and which were intended to bring about desired changes in the various energy programs while trying to remain consistent with the guiding principles. Following are highlights of these recommendations:

1. Consolidate some of the loan programs & increase coordination between agencies
2. Give equal consideration to thermal energy needs, energy conservation and generation alternatives

Senator J. Faiks
March 17, 1988
Page 2

3. Nine of the 21 recommendations deal with some aspect of increasing conservation
4. Increase education & technical assistance
5. Encourage voluntary least-cost planning methodology
6. Leave PCE at current funding level but take steps to make it more efficient
7. Self-financing concept received a split endorsement
8. Railbelt Energy Fund to be used solely for energy projects in the Railbelt

The rest of the report dealt with the perceived barriers to policy on energy issues, summaries and discussions of the various existing energy programs and projects, and various appendices.

In addition to the task force report, the chairman of the task force, Dr. Neil Davis, took the somewhat unusual step and filed a separate report titled "Chairman's Report to the Governor on the Alaska Energy Policy Task Force". In the report the chairman offers his comments and opinions on the Alaska energy policies, the adopted guiding principles, and the adopted recommendations by the task force.

In response to the second part of your request about my own views on the subject matter, they are as follows.

To begin, I am somewhat disappointed at the results of the task force's work i.e. the report. The task force's work could have been more productive and their report more useful if their task had been better defined and the process more structured and better managed. By better defined I mean that the tasking should be clear and concise as to what is to be accomplished. For example, rather than specifying only that the PCE program should be reviewed, it would be better to specify that the objectives or goals of the PCE program be reviewed and restated as necessary to include a plan of action designed to achieve them. It is absolutely essential that the plan of action have an accompanying multi-year budget plan and expected funding source(s) indicated as well as showing the estimated benefits and costs of the program. The task force did attempt to come to grips with PCE but ran out of time.

The first requirement of any task force or working group should be a clear understanding of what is to be accomplished. The second and equally important requirement is that all members accept some common definitions of key words or phrases that are essential to accomplishment of the task. For example, over the years the meaning of such key terms as policy, program, goal, energy, long-term, least-cost planning, objective, and plan of action have been frequently redefined with the result that in the past substantial effort has been wasted with meaningless discussion. The only way out of such a morass is to start with clear and commonly accepted definitions.

Senator J. Faiks
March 17, 1988
Page 3

Since the start of my involvement with energy issues and planning in 1982, all attempts at producing the definitive and useful state energy plan and policies have floundered. While there are many reasons and excuses for those failures, from my perspective the most glaring and fundamental error has been the lack of integration between the State's comprehensive development goals and what should be the supporting energy plan and policies. An appropriate analogy would be the attempt to prepare a state budget without first knowing what is to be accomplished. For example, how does one budget for prisons without knowing the expected number of prisoners?

The irony of the situation is that at some point in the past the legislature had recognized the need for just such a comprehensive development plan and mandated that it be prepared by OMB [AS 44.19.145(a)(2) and (d)(2)]. To date no such plan exists.

The second major weakness has been the credibility of the entity or group preparing the plan. This issue of credibility can only be addressed thru a well thought out membership designation process which assures that those who are responsible are well represented for after all they are the ones who should be held accountable.

The third essential ingredient of any energy plan, or policies, or programs, is the requirement that the goals and/or objectives be defined in quantifiable and measurable terms so that it is possible to evaluate the effectiveness of the program or the policy in achieving its stated purposes. This is absolutely essential if the decisionmakers are to make reasonably well informed decisions and be in a position to evaluate the effectiveness of a program or policy.

I believe that the best way to proceed would be along the model of the Railbelt Energy Council. Specifically, the legislature should create an Alaska Energy Council or Task Force by statute and charge it to address the specific energy related issues. Great care should be taken in preparing the list of tasks to be accomplished and on designating the membership of the group. The enabling legislation should be time specific and specify the reporting requirement.

With respect to the membership of the group, I would recommend that it include representatives of the administration, the legislature, the industry, the consumers, the business, and the labor.

With respect to the tasks to be addressed by the group, some of the more obvious ones are:

1. To determine whether AS 44.83.224, which mandates the preparation of a long-term energy plan, is still a valid requirement and if yes, whether it needs to be modified or not. If it needs modifying, there should be specific recommendations.

2. To determine whether AS 44.19.145, which mandates preparation of a state comprehensive development plan, is a valid requirement and its relation to energy planning.

3. To determine whether least-cost planning methodology should be adopted and whether it should be voluntary or mandatory. If it is to be adopted, how best to implement it.

4. To determine who should have the responsibility for providing various energy related services such as oversight, planning, financing, construction and operation.

5. To determine what the reasonable goals and objectives of the State's energy policies and programs should be.

6. To determine whether state agencies dealing with energy issues need to be reorganized.

7. To determine the State's role in technology research and development.

8. Any others deemed necessary.

While there are some participants on the scene who allege that Alaska does not have an energy policy, I do not agree. It is probably much more accurate to say that the existing policies - both explicit and implicit - are not to the liking of everyone. I am afraid that coming up with an universally liked policy would be akin to finding the Holy Grail. It seems to me that Alaska's energy policy since the late 1970ies has been to invest some of its oil revenues into developing renewable and clean hydropower and into improving the quality of life in the rural areas by electrification. Further, it has been the policy to keep the energy costs as low as reasonably possible for all consumers and to have sufficient amounts available in order to enhance economic development and diversification. Basically there is nothing wrong with this policy - the problem lies in implementing programs and plans of action which do not have clearly defined goals or objectives and some of which appear to be working at cross purposes.

I remain optimistic that the Alaskans will continue to be well served by the existing energy systems and organizations. That is not to say that some goals could not be accomplished in more efficient or effective ways. In any endeavor worth doing there will always be room for improvement. As a sage noted the worst reason for continuing as is would be that in the past things were done that way. On the other hand, it is essential not to throw out the baby with the bath water!

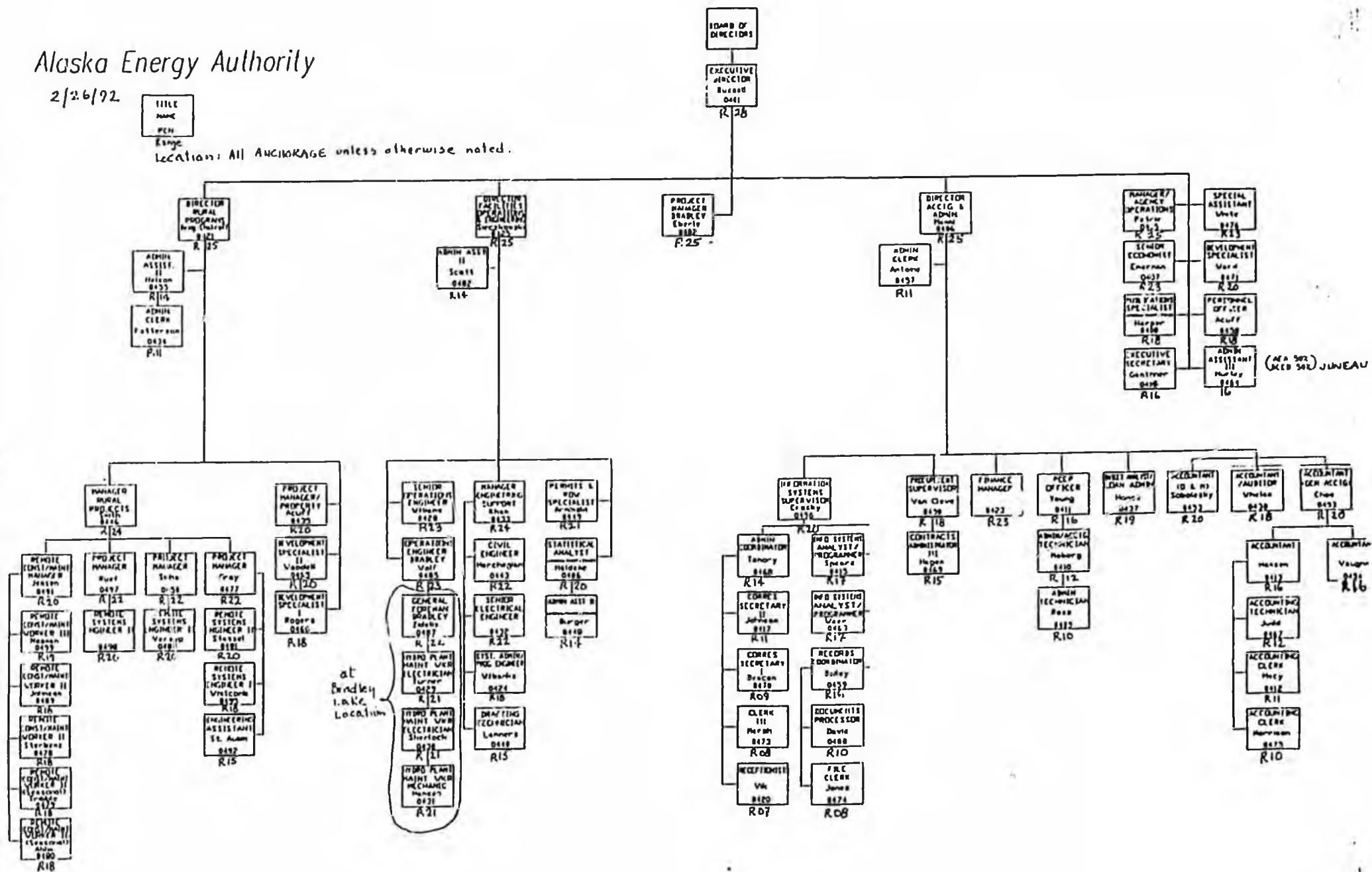
KSD:jts

Alaska Energy Authority

2/26/92

TITLE
NAME
Range

Location: All ANCHORAGE unless otherwise noted.



ALASKA STATE LEGISLATURE

Representative Eileen Panigo MacLean
Co-Chair House Finance Committee
P.O. Box 830
Barrow, Alaska 99723



WHILE IN JUNEAU
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465-4833

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MEMORANDUM

DATE: 1/24/92

TO: Charlie Bussell, Executive Director
Alaska Energy Authority

FROM: Representative Eileen P. MacLean, Co-Chair
House Finance Committee

*Rep. Eileen P.
MacLean*

SUBJECT: FY93 AEA Agency Operations

I would appreciate more specific information about the seven positions, six of which were created by a revised program, included in AEA's funding request for FY93. Please provide me with a job description for each position. This information will be useful during Finance subcommittee deliberations.

Thank you for your assistance.

cc: House Commerce Finance Subcommittee members



Alaska Energy Authority

A Public Corporation

January 28, 1992

The Honorable Eileen P. MacLean
Co-Chair House Finance Committee
Alaska State House of Representatives
P.O. Box V
Juneau, Alaska 99811

Subject: Your Memorandum dated January 24, 1992

Dear Representative MacLean:

Per your request for use in Finance subcommittee deliberations, enclosed are copies of the following position descriptions:

Remote Systems Engineer II (previously I level)	PCN 080484
Remote Systems Engineer I	PCN 080495
Budget Analyst/Loans Administrator	PCN 080437
Engineering Assistant	PCN 080492
Development Specialist	PCN 080471
Administrative Clerk (previously Clerk III)	PCN 080434

These six positions were created by Revised Program in FY92, are currently filled and are on the Alaska Energy Authority staff at this time. To assist you further, I have attached copies of the Revised Programs which established these six positions. These Revised Programs should provide additional background information on the need for these positions.

The seventh position you requested information on, Mechanical Engineer, is a newly requested position for FY93. Once the position is approved, a complete position description will be developed prior to recruiting for the position. I'd like to take this opportunity to correct our C5 form regarding this position and its justification. The first paragraph of the description on the C5 form should read as follows:

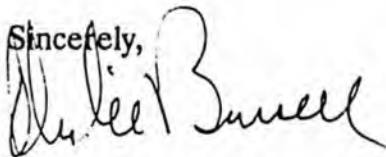
Establish and provide funding for a new Mechanical Engineer position (Range 23C). The Energy Authority currently does not have a senior level mechanical engineer position within its Facilities Operations and Engineering directorate, the directorate responsible for the Energy Authority's operating projects. As these operating projects begin to age, increased routine maintenance and repair/replacement activities will require the expertise of a senior level mechanical engineer.

- P.O. Box 110809 Juneau, Alaska 99811-0809 (907) 465-3575
- P.O. Box 190869 701 East Tudor Road Anchorage, Alaska 99519-0869 (907) 561-7877

The Honorable Eileen P. MacLean
January 27, 1992
Page 2

If I can be of further assistance, please call me at 561-7877.

Sincerely,

A handwritten signature in cursive script, appearing to read "Charlie Bussell".

Charlie Bussell
Executive Director

KA:CB:jd

Enclosures as stated.

cc: Kristi Acuff, Alaska Energy Authority
Bruce Holmes, Alaska Energy Authority
Gloria Manni, Alaska Energy Authority
Susan White, Alaska Energy Authority

JAN 17 1992

State of Alaska **Media Support Center** Juneau, Alaska 99811

PO Box A — Phone 465-3236 or 465-3237 — FAX 465-3238

NEWS RELEASE

Jan. 16, 1992

EGGBEATERS IN THE ARCTIC: ALASKA-CANADA AGREEMENT ON WIND ENERGY

The Alaska Energy Authority has signed an agreement with the Canadian Department of Energy, Mines and Resources to acquire a windmill now in use in Newfoundland, and install it in Cold Bay. The contract calls for the authority to pay \$40,000 in return for the windmill and consulting services. The windmill, actually called a wind turbine, is not the conventional kind with an airplane-type propeller mounted high in the air. This machine looks more like a huge eggbeater. \$40,000
for windmill

"The turbine has two blades mounted on a vertical axis that bow out in the middle," said Gary Smith, manager of rural projects at the authority. "The eggbeater shape is effective in northern climates because it doesn't get the blade icing that forms on propeller machines, like on the wing of an airplane."

Smith said many factors, including harsh weather conditions, have kept Alaska from capitalizing on wind energy. He said simple things like oil viscosity, or thickness, become big problems when temperatures get as low as they do in the arctic regions of Alaska. But he said the main reason the state hasn't capitalized on wind has been inadequate management.

"During the oil embargo days, the Division of Energy and Power Development installed quite a few small wind servants in arctic regions, but most of them failed," said Smith. "The technology wasn't developed for the harsh climate, but more importantly, the machines weren't operated by a utility. So they weren't managed correctly, and that was especially seen in poor maintenance."

G & K Inc., the Cold Bay electric utility will actually be responsible for running and maintaining the seven-year-old, 50-kilowatt wind turbine in this pilot program, and will keep the energy.

"G & K is a very efficient utility, and they're always looking for innovative new ways to save energy and money," Smith said.

Smith said there's an obvious reason for making an agreement with Canada concerning wind energy.

"Canadians already have a number of high-latitude wind turbines operating, and they know the problems that occur in this climate," Smith said. "They will also help us examine other sites to gauge their potential for utility-class wind energy installations."

Those sites include Kotzebue, St. George, St. Paul and Yakutat. In return for their services, the Canadians will receive test data from the wind turbine and the potential for a new market for their windmills if Alaska utilities decide this technology is feasible.

Smith said installation of the Canadian machine in Cold Bay is scheduled for mid summer to early fall of this year.

###

Contact: Gary Smith, Alaska Energy Authority, 561-7877

Energy board agrees to look into power beaming

By KEAY DAVIDSON
San Francisco Examiner

The Alaska Energy Authority's board of directors voted unanimously Wednesday to launch a feasibility study of power beaming, pending an agreement by the Department of Energy to split the cost.

DOE officials couldn't be reached for comment, but they have privately expressed support for the project in the past. The total study cost could be up to \$50,000, said authority director Charlie Bussell.

Transmitting energy with-

out wires is a century-old dream, and officials in Alaska hope to "beam" thousands of watts of electricity to rural villages without erecting ugly, costly transmission lines.

Sending electricity through the air, sans wires, may sound wacky, but Alaska officials insist they're serious and say the project could become a mini-TVA for electrically underserved areas.

"I spend my time trying to bring the impossible into possibility," boasts the idea's champion, Glenn

Olds, head of the Alaska Department of Commerce and Economic Development.

Bussell said power beaming first would be tested over short distances to "show the environmentalists (the power beam is) not going to kill all the birds and to show the pilots it's not going to knock down all the planes."

Wireless power transmission would be especially welcome in Alaska, where it costs a fortune to erect transmission lines deep in the wilderness.

The possibility of transmitting electricity without wires was suggested almost

a century ago by Nikola Tesla, a pioneer of the modern electrical industry. Few scientists took Tesla's idea seriously because of his eccentric personal behavior and his tendency to make wild claims, such as inventing death rays and communicating with Martians.

In 1975, engineer Peter Glaser of Arthur D. Little Inc. in Cambridge, Mass., used the Jet Propulsion Laboratory's Goldstone radiotelescope facility in the Mojave Desert to transmit a microwave beam carrying 30 kilowatts of electricity for a mile.

If the energy authority's

study concludes power beaming is feasible, then the state would launch a prototype project at Dolina, a community of seven families 15 miles northeast of Homer. A transmitting dish would beam power from the Bradley Lake hydroelectric dam to another dish at Dolina, several miles away.

Next, engineers would try to beam electricity over an 18-mile distance, from a state-owned hydro power project to a Coast Guard station at Shoal Cove near Ketchikan.

And if that works, they would attempt to reflect microwave beams off a huge

aerial dish, an acre or more in size. The propeller-driven dish probably would circle a fixed point more than 100,000 feet up and be powered partly by the microwave beam itself.

Similarly, the Canadian government and several Canadian companies are investigating the possibility of launching a propeller-driven platform powered by a microwave beam from the ground. But the proposed aircraft, dubbed SHARP for "stationary high-altitude relay platform," would be used to relay cellular telephone calls, not to transmit energy.

Police-hiring rule considered

The Associated Press

JUNEAU — Police departments could not hire officers who have been convicted of drunken driving two or more times within the past decade, under a proposal being considered by the Alaska Police Standards Council.

The council does not have a drunken-driving policy, executive director Jack Wray said in a recent news release.

Corrections Commissioner Lloyd Hames suggested making two drunken-driving offenses grounds for firing

and not hiring, Wray said.

The council also is considering a plan to add 80 hours, or two weeks, to the basic training programs of police, probation, parole and correctional officers.

The new 400-hour minimum, with new classes in ethics and human relations, would replace the current 230-hour requirement, the second lowest in the United States, Wray said.

The state, however, has operated at 320 hours as a matter of policy for six years, he said.

The increased hours would affect only the municipal officers' training. Alaska State Troopers and Anchorage officers already have more than 400 hours of training, he said.

Police take \$6,000 in drug house raid

Anchorage police raided what they described as a Mountain View crack house early Thursday morning, seizing \$6,000 in cash and several stolen guns.

An 18-year-old man, whose name police would not release, was arrested during the raid. The teen had earlier escaped from McLaughlin Youth Center.

Police broke into the Irwin Street home around 2 a.m. In addition to the cash and guns, police also seized a stolen car.

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for Godot
by Samuel Beckett

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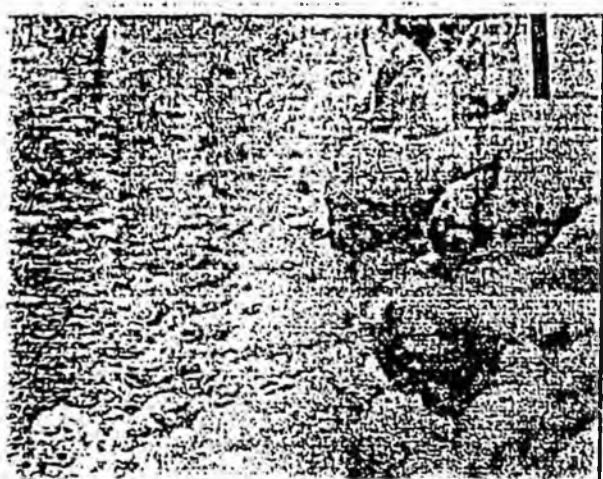
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PAUL SOUDERS / Anchorage Daily News

the Anchorage School District administration had a three-day, closed-door hearing. Each side were under strict orders from the arbitrator to Belinda Daniels said Thursday the union has lowered by a cost-of-living increase next year. from the arbitrator is March. Neither side is 2,400 members cannot legally vote to strike.

Baumgartner, to ignore him if he started masturbating. "I tried to ignore him the best I could," she said. "But it's hard to ignore someone who's on your couch doing that."

There were two other chil-

driver who took the diaper-clad man home and discovered he had been dropped off in front of a vacant building. She then called police.

Please see Page B-2, FANTASY

Power line builder still without bonds

By RALPH THOMAS
Daily News reporter

JUNEAU — Despite orders nearly two months ago from Attorney General Charlie Cole, a contractor building a \$1 million power line for the Alaska Energy Authority has still not obtained bonds required under state law.

Meanwhile, a state lawyer who has been trying to find out why the energy authority approved the contract without the bonds sent an investigation report to Cole on Friday. The administration would not release details.

The project — to rebuild a 10-mile power line in northwest Alaska — was awarded in September to a Nome company owned by Fred Moody, a longtime business associate of Energy Authority Executive Director Charlie Bussell. Moody formed his company after buying the Nome operations of Bussell's company, Alaska Bussell Electric.

Moody quickly sold the energy authority job to Copper Valley Construction of Glennallen.

But neither Moody's company nor Copper Valley Construction was required to purchase performance and payment bonds, despite a state law that says any construction job over \$100,000 must be backed by such bonds.

Performance bonds ensure jobs will be completed if the contractor walks off or cannot complete the work. Payment bonds protect the state from lawsuits if the contractor fails to pay workers, suppliers or subcontractors.



Cole

Please see Page B-3, BUILDER

trail at home

after problems

ne poodles were attacks on oth- during the 1991 r Rendezvous mpionship, ac- e racing associa-

Suter's poodles being passed by s and tried to such behavior is unacceptable in ing. wants aggres- Vagnon said Fri-



John Suter

Daily News file photo

age B-3, MUSER

ted Overstreet's quarrel with district

O'Rourke explained himself Thursday, saying that he intended for "lawsuits" to be synonymous with "gripes" and that "you can use hyperbole any way you want."

crimination in its hiring practices. "That clearly made me look like a goddamned malcontent race-baiter who's an outpatient from API (Alaska Psychiatric Institute)," he

the complaints cite the district with an array of unfair personnel practices ranging from prejudice against local job applicants to nepotism.

\$260,000 grant to pay for Anchorage's new shelter for homeless families, according to an attorney for the legislature.

The AHFC money, at the request of Gov. Wally Hickel and a coalition of homeless advocates, was spent to re-

under state contract.

Theresa Bannister, a lawyer for the Legislative Affairs Agency, wrote in a Jan. 9 opinion that AHFC lacked the authority to "make a grant for the general purpose of converting the armory into a shelter for the

housing's executive director, said the housing agency's bond counsel and a deputy attorney general OK'd the deal before its board approved last November.

AHFC also recently made a \$35,000 one-time grant to pay for emergency homeless

spent. The homeless have been sheltered," said John Manly, deputy press secretary for the governor.

"If there is a legal question there I guess it should be sorted out before we have to help some more homeless people."

BUILDER: Company defies attorney general's order

Continued from Page B-1

With Bussell's approval, the energy authority waived the bond requirement for the project and limited bidding to a select group of contractors.

In late November, after the Daily News published a story about the contract, Cole said he didn't know of any legal way Bussell's agency could have waived the bonds. He started an investigation and ordered the energy authority to force Copper Valley Construction to get the bonds in place.

The investigation has been completed and the power line job is almost finished, but Copper Valley Construction still has no bonds, according to Cole.

Cole said Thursday he wasn't sure why Copper Valley still had no bonds, but said he thought the company might have had trouble finding a bonding company to back them on the project.

"The current contractor may not have a regular course of bonding relationships," Cole said.

In an interview two weeks ago, Sy Neely, president of Copper Valley Construction, said he had ob-

tained bonds for other contracts, but refused to discuss whether he had them for this job.

"That's none of your business," he said. Since then, he's been on the jobsite in Kobuk and couldn't be reached for comment.

Gloria Manni, the energy authority's administrative chief, also said last week she had heard Copper Valley was having trouble getting the bonds.

Cole speculated that Copper Valley might have found it difficult to get bonds for a job that is nearly complete. But construction had been under way for less than two weeks when Cole first said the bonds had to be purchased.

At a prebid conference in September, four of the seven contractors invited to bid on the job urged the energy authority to require the bonds. Three of those contractors later said part of the reason they wanted the bond requirement was that they figured some of their competitors would not be able to obtain bonds.

Joe Holbert, Gov. Wally Hickel's deputy chief of staff, said Friday he was

surprised to learn that Copper Valley Construction still had no bonds.

"That flies in the face of what I was informed," Holbert said.

In November Holbert said he had been told by a Law Department official that Bussell's agency had committed a procurement violation but that "it was of a relatively trivial nature and was corrected."

Bussell did not return a call Wednesday from the Daily News and Patti Harper, the energy authority's spokeswoman, refused to discuss the Copper Valley contract.

The project is to rebuild a failed power line that carries power from Shungnak to Kobuk, a pair of small villages about 150 miles east of Kotzebue.

Fred Moody, who owns Pacific Northern Electric of Nome, was the only one to submit a bid before the Sept. 25 deadline. Energy authority officials say a second bid — from Copper Valley Construction — was received 15 minutes late and returned unopened.

But, a day later, Neely was in the energy authori-

ty's offices to discuss the project, according to records obtained by the Daily News. On Oct. 1, Neely and Moody signed an agreement to turn the job over to Copper Valley Construction.

Moody told the Daily News in November that he had sold the contract, but refused to say how much he got. But officials at the International Brotherhood of Electrical Workers union, which got into a dispute with Moody for selling the job to a non-union company, have said Moody told them he got \$100,000.

Cary Brooks, IBEW's business manager in Alaska, said the union and Moody reached a secret settlement last month. During those talks Moody confirmed he got \$100,000 for the contract, Brooks said.

The ties between Bussell — a former state legislator — and Moody can be traced back at least a decade. Before buying part of Alaska Bussell Electric in 1987, Moody was on the company's board of directors. In 1982, as a foreman for the company, Moody contributed at least \$200 to Bussell's state House campaign.

Man attempts ro

An Anchorage man was arrested late Thursday, but employees, police said. The Avenue store about midnight with what appeared to be a sweater. According to court records, the man actually a hairbrush. The clerk over the cash when the store. Another man at the store as they held the robber until a 40-year-old William Mack, a first-degree robbery. He was taken to the Pre-Trial Facility, where hi

Russian pat '93 pilgrims

The Associated Press

KODIAK — A Moscow-based Russian Orthodox patriarch is among dignitaries traveling to Alaska in 1993 to observe the bicentennial of Orthodoxy in Alaska.

Patriarch Aleksy II planned to visit Kodiak in the fall and then travel to other Alaska communities the Kodiak Daily Mirror said.

Alaska's ties to the Russian Orthodox faith date at least to 1778 when Capt. James Cook encountered a permanent settlement of Russians in the Norton Sound community of Unalakleet.

The Orthodox faith today is dominant among Aleut and is prominent among Yupik Eskimos.

In Kodiak, plans to welcome the patriarch already are under way.

The Rev. Joseph Kreta, Kodiak's St. Herman's Seminary, said the 63-year-old Aleksy would make a pilgrimage to Spruce Island where Monk's Lagoon is r

Motorist dies after hitting back of bus



print

Bond waiver illegal, says investigator

Report outlines problems in \$1 million state contract

By RALPH THOMAS
Daily News reporter

JUNEAU — Alaska Energy Authority officials last September waived bond requirements on a \$1 million contract despite warnings from a staff member that doing so would be against the law, according to a state attorney who investigated the contract.

The contract to build a 10-mile power line in northwest Alaska was originally awarded to Fred Moody, a former business associate of Charlie Bussell, the energy authority's executive director. Moody quickly sold the job to Copper Valley Construction of Glennallen.

In a 19-page investigation report released Tuesday, Assistant Attorney General Susan Cox cited several problems with how the contract was handled, but she said the most obvious was the missing bonds.

Bussell, a former state legislator, approved the plan to drop the bond requirement, according to energy authority officials.

State law requires performance and payment bonds for state construction contracts that exceed \$100,000. Performance bonds ensure



Daily News file photo

Charlie Bussell



Daily News file photo

Please see Back Page, **CONTRACT** Charlie Cole

High court to hear abortion law case

By BOB DART
Cox News Service

WASHINGTON — The Supreme Court agreed Tuesday to consider a Pennsylvania law restricting abortions —

fore obtaining an abortion, for a 24-hour waiting period for abortions, and that doctors inform women seeking abortions about alternatives.

Although the court could will issue a broad ruling, its

MOOSE



case

CONTRACT: Bonds waived despite word

Continued from Page A-1.

jobs will be completed if the contractor walks off or cannot finish the work. Payment bonds protect the state from lawsuits if the contractor fails to pay workers, suppliers or subcontractors.

The investigation report briefly mentions that the agency's contracting staff "raised concerns" about the plan to drop the bond requirement.

But in an interview Tuesday, Cox put it a little more strongly. She said Dominic Castanzo, the energy authority's former contracts officer, knew the bond waiver was illegal and tried to warn others within the agency.

Cox would not say whether Bussell had been told of Castanzo's concerns, though she said Bussell denied knowing his decision to waive the bonds was illegal.

"I'm not going to tell you what they said to me," said Cox, who also said she did not record her interviews during the investigation.

Castanzo, who retired in October, refused to comment Tuesday.

Attorney General Charlie Cole, who ordered Cox to do the investigation in November, said it will be up to the energy authority's board of directors to decide whether or not Bussell knew his agency was acting illegally.

"We did not draw any final conclusions on that issue," Cole said. "The testimony on that subject was conflicting... They (the board members) may want to look into that further."

The energy authority board, which has not met since the investigation began, is scheduled to meet next Wednesday in Anchorage.

Cox did not give a conclusive reason why the energy authority dropped the bond requirement for this job. But her report said it "appears that AEA intended to open up bidding to firms that might not otherwise be able to obtain the customary bonding."

In a footnote, Cox said Moody claimed he would have been able to get bonds, even though he had never done so in the past.

Instead of requiring the bonds, the energy authority said contractors could either post bonds or agree to let the agency withhold part of the contract payment until after the job was complete.

Despite orders from Cole last November to get the bonds in place, however, Copper Valley Construction still has not done so.

The project is almost complete now and Cole said Tuesday the state was not in a good position to require the bonds after the fact since Copper Valley Construction could sue for breach of con-

tract.

In a Jan. 9 memo to Cole, a state lawyer who works with the energy authority said the agency would keep a close eye on the project to make sure it is being completed and would check paperwork to make sure Copper Valley paid its laborers and suppliers.

Moody submitted the lone timely bid to rebuild the collapsed power line between Shungnak and Kobuk, about 150 miles east of Kotzebue. A second bid, from Copper Valley Construction, was received 15 minutes late and rejected, energy authority officials say.

Though Moody's bid lacked several required items, he got the contract. Before the contract was final, however, he agreed to sell the job to Copper Valley.

Moody has refused to comment on the contract or the sale, but officials with the International Brotherhood of Electrical Workers union have said Moody told them he got \$100,000 from Copper Valley. Moody, a union contractor, got into a dispute with the union for turning the job over to a non-union contractor.

Cox's report says the fact that Moody sold the job gives "cause to speculate whether the contract price was unreasonably high."

Her report also reviews the required items that were not included in Moody's bid. She said the most significant omission was Moody's failure to include a sworn statement that he hadn't conspired with other bidders to rig the award.

"I don't know if this bid should have been rejected or not," Cox said. "This one's a close call."

Moody has had close business ties with Bussell for much of the past decade. In fact, Moody formed his company — Pacific Northern Electric of Nome — after buying a portion of Bussell's company, Alaska Bussell Electric. Moody had been a foreman and eventually a board member in Bussell's company.

Despite the long ties between Bussell and Moody, Cox's report said the two "deny having any ongoing debtor-creditor or other financial relationship."

Cox said she saw a receipt for Moody's final payment to Bussell for his purchase of the Nome operations of Bussell Electric. The payment was made in January 1991, Cox said, at least three months before Bussell was picked by Gov. Wally Hickel to run the energy authority.

But Cox said she did not get a copy of the receipt from Moody.

Bussell did not return a telephone call Tuesday and Moody could not be reached.



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ssage

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Besieged energy director shuns oversight

By BEN WEAR

TIMES WRITER

The Alaska Energy Authority would become a self-supporting, state-owned corporation with expanded powers and little legislative oversight under a proposal being circulated by Charlie Bussell, the embattled executive director of the state utility agency.

The changes would require legislative approval and the governor's signature. Bussell has prepared a draft bill and hopes to have it introduced by the end of the month, a utility

official said Wednesday.

Legislative leaders, told of the concept, scoffed at its chances of surviving the statehouse. One lawmaker even plans to introduce legislation to eliminate the agency.

"We're not all that interested in giving (the AEA) less oversight at this particular time," said Senate president Dick Eliason, R-Sitka. Bussell "will have a difficult time getting his fingers" on a \$115 million pot of state money to provide an endowment for the corporation, Eliason said.

"A lot of legislators have their eye on that money," he said. "I don't think they're going to be receptive to turning it over."

Bussell was in Dutch Harbor on Wednesday and could not be reached. Bussell aide Terri Ganthner said the director told her not to release the inch-thick draft proposal, dated Jan. 6, because it would not be "rock-solid" for another month. The Times obtained a copy elsewhere.

Grant Doyle, chairman of the AEA board of
See Energy, back page

Energy

Continued from page A1

directors and a Bussell supporter, could not be reached.

Bussell distributed the proposal to the seven-member governing board before its Jan. 29 meeting. Board members, in a brief discussion at the public meeting, seemed interested in the idea but asked for an informal meeting later to learn more. Bussell has not scheduled the work session, a board member said Wednesday.

Bussell also showed an earlier draft to private utility companies, according to Dave Hutchens, executive director of the Alaska Rural Electric Cooperative Association. Bussell dropped a section imposing a surcharge on electricity after utility companies balked, according to Ken Ritchey, general manager of the Matanuska Electric Association.

The AEA, originally called the Alaska Power Authority, was created in 1976 to oversee the building of large power facilities. The agency, funded by yearly appropriations from the Legislature, has almost \$800 million worth of



Charlie Bussell

power-generating dams and other installations under its control, according to Bussell's draft.

The report says relying on the political vagaries of the Legislature is inefficient and does not allow proper long-range planning for the state's power needs. With state revenue facing decline as Prudhoe Bay oil production drops, money for massive utility projects "will become even more scarce," the report said.

Bussell would make the agency self-supporting by giving it the Railbelt and Intertie Reserve fund, set aside years ago for Southcentral Alaska power projects, and several smaller funds. He also would be able to use the nearly \$10 million that AEA's power facilities generate each year, money the Legislature can spend as it wishes.

Under the draft plan, the corporation would use interest earnings from the endowment and electricity revenue to run the agency, continue utility bill subsidies to Bush residents and guarantee loans for power projects statewide. Private utilities would be eligible for the loans.

Bussell has been dogged since November by charges he steered a \$1 million power line bid last fall to an old friend and business associate.

The AEA board last week, after discussing the matter for nearly three hours behind closed doors, approved a statement saying the agency broke state law by not requiring the successful bidder to purchase bonds to ensure the project would be completed and the bills paid.

The board recommended no

punishment for Bussell. Several said later they regarded what happened as an honest mistake.

However, Attorney General Charles Cole's office is still considering a criminal investigation. And state ombudsman Duncan Fowler has said he might conduct his own inquiry, depending on what the attorney general does.

In light of that situation, a longtime AEA antagonist said Bussell picked a poor time to ask for more leeway.

"If there ever were an agency that needed direct legislative oversight, it's the AEA," said Rep. Dave Donley, D-Anchorage.

Donley, chairman of the House Judiciary Committee, laughed for several seconds when first told of Bussell's concept.

"I think it stinks," Donley said finally. "They have a history of budgetary abuse."

Donley said he will introduce a bill soon to abolish the AEA, which he called "a bureaucratic monstrosity."

He predicted that if Bussell supporters introduce legislation to create an independent energy authority, the bill would be "DOA."

magazine makes clear, alcohol abuse is multicultural. The telltale features of FAS show up in children's faces from around the world: a red-haired Irish toddler, French twins, a little blond Swede, a black child from Chicago and a white one from Seattle.

Fetal alcohol syndrome is entirely preventable. If recognizing the problem plants the resolve to stop it, then tonight's movie and this month's National Geographic are two places to start.

Charlie Bussell

Cleared behind closed doors

The Alaska Energy Authority board has cleared executive director Charlie Bussell of knowingly breaking the law. While the board found that the energy authority violated the law last fall when it awarded a \$1 million contract without requiring performance and payment bonds, board members did not believe the violation was intentional.

Is the board right? Did Mr. Bussell deserve nothing stronger than an admonition to reform procurement procedures?

Alaskans have no way of knowing.

The board met in executive session for three hours and issued its findings after the meeting adjourned. The public knows nothing of the board's process, the evidence it examined or the questions it asked. The public hasn't heard Charlie Bussell's explanations.

All we have is the board's word for it: Charlie Bussell is OK.

This explanation is not good enough — and people have a right to demand a better explanation through a public process in which all the evidence is on the table.

Public officials routinely say they're appalled at the widespread lack of confidence in government. Well, given the board's behavior here, it's no surprise Alaskans lack confidence in their leaders. What are the board's standards of public conduct? What are its performance expectations? Why wasn't Charlie Bussell held accountable for the violations that occurred on his watch?

We can only guess, only infer, what the board members thought because they didn't let us see their discussions.

The public's business should be done in public. This case was no exception.

QUOTABLE

"I have no apologies for this report. It shows I'm doing my job."

— Sen. Fred Zharoff of Kodiak on being named the state's most expensive legislator for the second year in a row.

"The only thing that's worth a million dollars is the right of people to know what their government does."

— former Cordova City Councilwoman Connie Taylor

and the American industry leaders, including Lee Iacocca and the honchos of General Motors, who took millions of dollars a year for screwing up or selling out the rest of us.

Most Americans don't whine as much as President Bush and Chairman Iacocca. Americans are people with the guts to move on and the determination to work hard for what they want. Their anger comes out when they realize finally that they have been cheated by conse-

California

SAN FRANCISCO — was inevitable. California's vehement champion of the environmental movement and headquarters for many environmental activists, has a Green Party.

The California Greens convened their first party conference in Sacramento Jan. 24. The party's right to a place on the ballot was won after it gathered 96,000 signatures on a petition.

It joins Alaska, which is already has a Green Party. Hawaii and Arizona may soon have theirs.

The Greens are after the apathy vote. "We find it appalling that over 60 percent of these eligible to vote in California don't vote," said Joe Louis Hoffman, organizer of the party. Regina Endrizzi, a "co-facilitator" of the determined leaderless Greens, said a large proportion of those registering for the party think their interests go unrepresented in conventional politics.

DOONESBURY

CANDIDATE DUKE IS STEAMED

YOU SEE HOW THEY TWISTED MY WORDS ABOUT THE KLAN? I TOLD YOU THAT INTERVIEW WAS A BAD IDEA!



Daily News 2/3/92

Self-serving mediocrities

In reference to the Charlie Bussell-Fred Moody "business arrangement" described in your newspaper Jan. 30, I find it puzzling and distressing that the Alaska public finds little cause for revulsion over the sleazy, improper or possibly criminal acts of public servants.

Mr. Bussell, a perennial Republican apparatchik, has been around Alaska politics more than long enough to have heard such expressions as "conflict of interest," "unethical conduct," or "improper use of one's office." Nonetheless, his claims to the effect that any improper conduct on his part was purely unintentional — a claim apparently accepted at face value by a state board of review — boggles the mind.

Putting the best possible face on Mr. Bussell's claims renders him completely irresponsible, as well as a world-class incompetent.

How long must Alaskans put up with government by self-serving mediocrities such as the principles in this sordid yet typical episode? And what about public accountability to curb corruption in future?

— Kevin M. Keating

Bussell case seems clear

Recently retired Alaska Energy Authority contract officer Dominic Castanzo is in good company. Six years ago other state contract officers also refused to allow their superiors to undermine their integrity in upholding the state's procurement law. In that case Gov. Bill Sheffield faced impeachment proceedings for his part in the setting aside of the competitive bidding process through gerrymandering the location to single out only one property for consideration.

The case against Alaska Energy Authority executive Charlie Bussell appears more obvious. What seems less obvious is the conflict of interest that is represented by the state Assistant Attorney General Susan Cox's active participation in the closed meeting with Bussell and his Alaska Energy Authority board members. That Attorney General Charlie Cole is reported to have drawn no conclusions furthers this perception.

The state attorney general's office, whose job it is to defend state agencies charged with wrongdoing, could not be expected to make a finding against state agency conduct which could be used by legitimately disgruntled and disenfranchised contractors. While Mr. Bussell's reputed long-term friend may consider his actions innocent arbitrage in securing a million-dollar state contract and then selling it for profit, this does not answer AEA executive Bussell's active role in the procurement process.

At the very least, the state attorney general's office has not properly investigated because a finding could be used in support of a lawsuit against the state for liability under the state procurement law.

— Bob Stafford

□ MORE LETTERS, Page B-10.

MEMORANDUM

State of Alaska
Department of Law

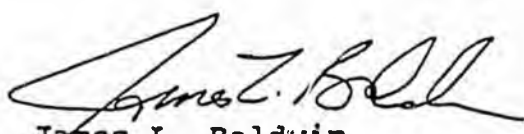
TO: Paul Fuhs
Legislative Liaison
Office of the Governor

DATE: March 9, 1992

FILE NO:

TEL. NO: 465-3600

SUBJECT: Energy Authority Financing
bill- sectional analysis

FROM: 
James L. Baldwin
Assistant Attorney General
Governmental Affairs - Juneau

At the request of Charlie Bussell, executive director of the Alaska Energy Authority (AEA), I prepared a draft bill that would make changes in the ability of the authority to accumulate and hold money to finance power projects. The draft was quickly assembled and needs refinement. However, it serves as a basis for discussing the issues involved. Set out below is a section-by-section analysis of the draft bill:

Section 1. This section adds new provisions to AS 44.83 (enabling act for the AEA) that

(1) creates a revolving fund in the AEA that would give the authority the ability to transfer amounts between existing funds and accounts. The provisions of this section are modeled after a similar section in the enabling statute of AIDEA. This kind of power is useful for accumulating assets in a single account to enhance the credit of a bond offering.

(2) make it clear that

(a) the AEA is a public corporation of the state, therefore, exempt from the prohibition against assistance to private corporations set out in AS 37.10.085;

(b) is not a municipal corporation; and

(c) except for its operating budget, is exempt from the state fiscal procedures act.

(3) affirms that AEA money is not state money; and exempts the AEA from regulation as a bank or insurance company.

(4) makes only the operating budget of the AEA subject to the Executive Budget Act - this means that the capital program of AEA would be totally "off budget" similar to the majority of the financial activity of AIDEA and AHFC.

(5) Exempts AEA from most of AS 37 (fiscal procedures Act) and the all statutes regulating the use and disposal of state land.

Section 2. Changes the title of the executive director to president. This is consistent with the name change of the Alaska Energy Authority to the Alaska Energy Corporation.

Section 3. Deletes the requirement that the AEA obtain the concurrence of the state legislature before it contracts with a foreign country to finance a power project.

Section 4. Makes the same amendment as section 3 for the purchase of power from a project located in a foreign country.

Section 5. Deletes the requirement that appropriations be insufficient before the authority may determine to issue bonds to finance a power project.

Section 6. Expands the power development fund by deleting the provision that requires the fund to be kept separate from other funds. Allows the board of directors to direct money to the fund by resolution.

Section 7. Allows repayments of principal and interest on loans made from the power project fund to be retained in the fund. Under existing law these assets and receipts are paid into the state general fund. It would be advisable to appropriate the underlying loans to the AEA to avoid the dedicated fund prohibition.

Section 8. Substitutes the AEA for the legislature as the entity with the authority to forgive loans made for an infeasible power project.

Section 9. Permits the AEA to use amounts in the power project fund to pay the cost of administration. Because the operating budget of the AEA would be subject to the executive budget Act, this amendment would not relieve the AEA from obtaining an appropriation from the legislature.

Section 10. Allows the rural electrification revolving loan fund to retain repayments of interest.

Section 11. Deletes the requirement that interest earned on rural electrification loans be paid into the state general fund.

Section 12. Permits the AEA to use amounts in the rural electrification revolving loan fund to pay the cost of administration. Because the operating budget of the AEA would be subject to the Executive Budget Act, this amendment would not relieve the AEA from obtaining an appropriation from the legislature.

Section 13. Expands the electrical service extension fund by deleting the provision requiring the fund to be kept separate from other funds. Allows the board of directors to direct money to the fund by resolution.

Section 14. Deletes reference to the source of funding of the power development fund as being legislative appropriations.

Section 15. Changes the name of the power development fund to the energy development fund.

Section 16. Makes the AEA responsible for the investment of the power development fund. Deletes provisions that make the Department of Revenue responsible for the custody and investment of power development fund assets.

Section 17. Allows the AEA to include a reasonable rate of return in the wholesale cost of power charged for AEA power projects. This would serve as a revenue source to fund other AEA activities.

Section 18. Allows the AEA to include a reasonable rate of return in the separate power rate charged for AEA intertie projects. This would serve as a revenue source to fund other AEA activities.

Section 19. Expands the purpose for which the power development revolving loan fund may be used by deleting reference to certain statutes describing limited activities.

Section 20. Permits the AEA to use amounts in the bulk fuel revolving loan fund to pay the cost of administration. Because the operating budget of the AEA would be subject to the Executive Budget Act, this amendment would not relieve the AEA from obtaining an appropriation from the legislature.

Section 21. Allows the AEA to deposit fees and collection charges earned under the bulk fuel loan program to be deposited and retained in the bulk fuel revolving loan fund rather than be paid into the state general fund.

Section 22. The following statutes would be repealed:

(1) 44.83.080(16)(G): allowing the AEA to recommend appropriations to finance projects financed under the Energy Program for Alaska;

(2) 44.83.361(h) requiring the lapse of unexpended and unobligated balance of the rural electrification revolving loan fund on June 30 of each year;

(3) 44.83.388 requiring the AEA to maintain records of allotments from the power project fund for each project financed by the fund; Requires earnings on investment of the fund to be paid into the state general fund;

✓(4) 44.83.390 allows the legislature to reappropriate amounts in the power project fund for another power project serving the same market area as the original project;

(5) 44.83.392 requires the lapse of excess appropriations made for a project after the project is constructed;

(6) 44.83.398(c) requires AEA to send receipts, earned from the four dam pool (other than pledged amounts) to the general fund; and

(7) 44.83.950(a) making the AEA subject to the Executive Budget Act.

In addition to the foregoing bill, it would be necessary to enact a bill appropriating the balance of the railbelt energy (intertie) fund and other assets of the AEA's funds to the AEA.

WLB:ck

* Section 1. AS 44.83 is amended by adding a new sections to read:

Sec. 44.83. ____ . ALASKA ENERGY CORPORATION REVOLVING FUND. The Alaska Energy Corporation revolving fund is established in the corporation. The revolving fund consists of appropriations made to the revolving fund by the legislature, money or other assets transferred to the revolving fund by the corporation, and unrestricted payments on loans made or purchased by the corporation. The board of directors may establish operations and self insurance reserve accounts within the revolving fund. Unless otherwise expressly stated, the funds created in this chapter are accounts in the revolving fund. The corporation may create additional funds or accounts either within the revolving fund or outside the fund. Subject to agreements made with the holders of the corporation's bonds or with other persons, the corporation may transfer amounts in a fund or account in the fund to another fund or account in the revolving fund. Amounts deposited in the fund may be pledged to the payment of bonds of the authority or expended for the purposes of the authority under this chapter.

Sec. 44.83. ____ . OPERATION OF CERTAIN STATUTES EXCEPTED.

(a) The authority may not be considered or constitute (1) a political subdivision of the state as the term is used in AS 37.10.085, (2) a municipal corporation or political subdivision of the state as the terms are used in AS 29, or (3) except as provided in AS 44.88.000 (Executive Budget Act

coverage), a state agency as the term is used in AS 37, but for all other purposes the authority constitutes a political subdivision and an instrumentality of the state as provided in this chapter.

(b) The fund, income or receipts of the authority may not be considered or constitute money of the state, or may real property in which the authority has an interest be considered land owned in fee by the state or to which the state may become entitled or in any way land belonging to the state, or state land referred to in article VIII of the Alaska Constitution.

(c) A loan purchased or financed by the authority in whole or in part is exempt from the provisions of AS 45.45.010. A guarantee or insurance provided under this chapter does not constitute insurance for the purposes of AS 21.03.010.

Sec. 44.83.____. COMPLIANCE WITH EXECUTIVE BUDGET ACT; AUTHORITY FINANCES. The operating budget of the authority is subject to AS 37.07 (Executive Budget Act).

Sec. 44.83.____. APPLICATION OF EXISTING LAWS. Unless specifically provided otherwise in this chapter, the following laws do not apply to the operations of the corporation:

- (1) AS 37.05;
- (2) AS 37.07;
- (3) AS 37.10.010 -- 37.10.060;
- (4) AS 37.10.085;
- (5) AS 37.20

SENT BY:
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ALASKA ATTORNEY GENERAL FAX NO. 3074634421

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(6) AS 37.25;

(7) AS 38;

* Sec. 2. AS 44.83.045(c) is amended to read:

(c) The authority shall employ a president [AN EXECUTIVE DIRECTOR] who may, with the approval of the authority, employ additional staff as necessary. In addition to its staff of regular employees, the authority may contract for and engage the services of legal and bond counsel, consultants, experts, and financial and technical advisors the authority considers necessary for the purpose of conducting studies, investigations, hearings, or other proceedings. The board of directors shall establish the compensation of the president [EXECUTIVE DIRECTOR]. The president [EXECUTIVE DIRECTOR] of the authority is subject to the provisions of AS 39.25.

* Sec. 3. AS 44.83.080(10) is amended to read:

(10) to enter into contracts with the United States or any person and, subject to the laws of the United States [AND SUBJECT TO CONCURRENCE OF THE LEGISLATURE], with a foreign country or its agencies, for the financing, construction, acquisition, operation and maintenance of all or any part of a power project, either inside or outside the state, and for the sale or transmission of power from a project or any right to the capacity of it or for the security of any bonds of the authority issued or to be issued for the project;

* Sec. 4. AS 44.83.080(11) is amended to read:

(11) to enter into contracts with any person and with the United States, and, subject to the laws of the United States [AND SUBJECT TO THE CONCURRENCE OF THE LEGISLATURE], with a foreign country or its agencies for the purchase, sale, exchange, transmission, or use of power from a project, or any right to the capacity of it;

* Sec. 7. AS 44.83.105 is amended to read:

Sec. 44.83.105. BONDS FOR POWER PROJECTS UNDER THE ENERGY PROGRAM FOR ALASKA. The authority may borrow money and issue its bonds for the acquisition or construction of power projects to be acquired or constructed under the energy program for Alaska. The principal of and interest on the bonds are payable from money derived from the sale of wholesale power from power projects financed under AS 44.83.380 -- 44.83.425 from the power development fund or from a source referred to in AS 44.83.100 as the authority determines. The bonds may be issued if

[(1) APPROPRIATIONS TO THE POWER DEVELOPMENT FUND FOR THE POWER PROJECT ARE INSUFFICIENT TO COVER THE COST OF ACQUIRING OR CONSTRUCTING THE POWER PROJECT; AND

(2)] the authority determines that the amount of interest the authority will pay on its bonds is not more than alternative costs of securing money from other sources, except from [FOR] the general fund, to pay for the acquisition or construction of the power project.

* Sec. 8. AS 44.83.170(a) is amended to read:

(a) There is established [AS A SEPARATE FUND] the power project fund [THAT SHALL BE DISTINCT FROM ANY OTHER MONEY OR FUNDS OF THE AUTHORITY, AND] that includes [ONLY] money appropriated by the legislature and other money deposited in the fund or provided in a resolution adopted by the board of directors.

* Sec. 7. AS 44.83.170(g) is amended to read:

(g) Loan repayments and interest earned by loans from the power project fund shall be deposited in the power project [STATE GENERAL] fund.

* Sec. 8. AS 44.83.170(h) is amended to read:

(h) The corporation [LEGISLATURE] may forgive the repayment of a loan made from the power project fund for a reconnaissance study or a feasibility study when the board of directors [AUTHORITY] finds that the power project for which the loan was made is not feasible.

* Sec. 9. AS 44.83.170(i) is amended to read:

(i) Money in the power project fund may be used [BY THE LEGISLATURE TO MAKE APPROPRIATIONS] for costs of administering the fund.

* Sec. 10. AS 44.83.361(a) is amended to read:

(a) The rural electrification revolving loan fund is established in the Alaska Energy Authority. The fund consists of

- (1) appropriations made to the fund; and
- (2) principal and interest payments on loans made under this section.

- * Sec. 11. AS 44.83.361(c) is amended to read:

(c) A loan from the rural electrification revolving loan fund shall bear an annual rate of interest of two percent of the unpaid balance of the loan. [INTEREST RECEIVED ON A LOAN MADE UNDER THIS SECTION MUST BE TRANSFERRED MONTHLY TO THE COMMISSIONER OF REVENUE FOR DEPOSIT IN THE GENERAL FUND.]

- * Sec. 12. AS 44.83.361(g) is amended to read:

(g) Money in the rural electrification revolving loan fund may be used [BY THE LEGISLATURE TO MAKE APPROPRIATIONS] for costs of administering the fund.

- * Sec. 13. AS 44.83.370(a) is amended to read:

(a) The electrical service extension fund is established [AS A SEPARATE FUND] in the authority. The fund consists [ONLY] of money appropriated to it by the legislature and amounts deposited in the fund by a resolution adopted by the board of directors.

- * Sec. 14. AS 44.83.380(b) is amended to read:

(b) The energy program for Alaska is a program by which the authority may acquire or construct power projects with money in the Energy Development Fund [APPROPRIATED BY THE LEGISLATURE TO THE POWER DEVELOPMENT FUND] established in AS 44.83.382. A power project may be acquired or constructed as part of the energy program for Alaska only if the project is submitted to and approved by the legislature in accordance with procedures set out in AS 44.83.177 -- 44.83.187.

- * Sec. 15. AS 44.83.382 is amended to read:

Sec. 44.83.382. ENERGY [POWER] DEVELOPMENT FUND ESTABLISHED. (a) An energy [A POWER] development fund is established in the Alaska Energy Authority to carry out the purposes of AS 44.83.380 -- 44.83.425.

(b) The fund includes money appropriated to it by the legislature and amounts deposited in the fund by resolution adopted by the board of directors.

- Sec. 16. AS 44.83.386 is amended to read:

Sec. 44.83.386. INVESTMENT OF FUND. The corporation [DEPARTMENT OF REVENUE] shall invest the money in the fund in accordance with AS 37.10.070, 37.10.071, and 37.10.075. [THE DEPARTMENT OF REVENUE SHALL PROVIDE MONEY IN THE FUND TO THE AUTHORITY ONLY AFTER COSTS HAVE BEEN INCURRED OR AMOUNTS IN THE FUND HAVE BEEN OTHERWISE OBLIGATED UNDER CONTRACTS FOR THE ACQUISITION AND CONSTRUCTION OF A PROJECT. AMOUNTS THAT HAVE BEEN OBLIGATED, BUT FOR WHICH COSTS HAVE NOT YET BEEN INCURRED, MAY BE SEGREGATED BY THE DEPARTMENT OF REVENUE OR TRANSFERRED TO THE AUTHORITY ONLY WITH THE PRIOR APPROVAL OR AGREEMENT OF THE COMMISSIONER OF REVENUE. INCOME RECEIVED ON MONEY THAT IS SEGREGATED OR TRANSFERRED UNDER THIS SECTION MUST BE DEPOSITED IN THE GENERAL FUND.]

- Sec. 17. AS 44.83.398(b) is amended to read:

(b) The authority shall establish a wholesale power rate structure applicable to sales of power to the customers of a power project as follows:

(1) the authority shall establish and maintain a separate wholesale power rate applicable to each power project

individual operation, maintenance, equipment replacement, safety inspection, and investigation costs.

* Sec. 18. AS 44.83.398(f) is amended to read:

(f) The provisions of (b) in this section do not apply to an intertie that is authorized as a separate project under AS 44.83.390. The authority shall establish and maintain separate power rate schedules applicable to each intertie that it has acquired or constructed as a separate power project under the energy program for Alaska. The power rate schedules shall produce sufficient revenue from utilities connected by the intertie to pay (1) operation, maintenance, and equipment replacement costs of the intertie; (2) debt service of the intertie; [AND] (3) safety inspections and investigations of the intertie by the authority; ~~and (4) a reasonable rate of return.~~ If the authority determines that an intertie has ceased to function as a separate project and has become a part of one or more other power projects as a transmission line, the power rate schedules established under this subsection shall be terminated and a wholesale power rate applicable to the former intertie shall be calculated under (b) of this section for the project or projects of which it has become a part.

* Sec. 19. AS 44.83.500(a) is amended to read:

Sec. 44.83.500. CREATION OF FUND. (a) There is established in the Alaska Energy Authority the power development revolving loan fund[TO CARRY OUT THE PURPOSE OF

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AS 44.83.500 -- 44.83.530. THE FUND MAY BE USED FOR NO OTHER PURPOSE].

* Sec. 20. AS 44.83.600(b) is amended to read:

(b) Money in the fund may be used [BY THE LEGISLATURE TO MAKE APPROPRIATIONS]for costs of administering this chapter.

* Sec. 21. AS 44.83.630 is amended to read:

Sec. 44.83.630. FEES. The authority may collect the fees and collection charges established under AS 44.83.625 and shall deposit the money in the Bulk Fuel Revolving Loan Fund [GENERAL fund].

* Sec. 22. AS 44.83.080(16)(G); AS 44.83.361(h); AS 44.83.388, 44.83.390, 44.83.392, 44.83.398(c) and 44.83.950(a) are repealed.

* Sec. 23. This Act takes effect July 1, 1992.

SALCUTA		STATE OF ALASKA -- OPERATING BUDGET SUMMARY				13:22	1/06/92
LEGISLATIVE FINANCE		* * * * * DEPARTMENT OF COMMERCE & ECONOMIC DEVELOPMENT * * * * *					
SHORT FORM PAGE	BUDGET COMPONENT	FY91 ACT	FY92AUTH	FY93 AGY	GOVERNOR	GOVERNOR - FY92AUTH COMPARISON	
	PUBLIC PROTECTION						
2	MEASUREMENT STANDARDS	2431.3	2715.9	2761.8	2761.8	45.9	1.7%
6	BANKING, SECURITIES AND CORP		1531.1	1626.0	1626.0	94.9	6.2%
8	BANKING, SECURITIES AND CORP						
10	FINANCIAL INSTITUTIONS CORPORATIONS	1196.2					
		308.8					
	*** PROGRAM TOTAL ***	1505.0	1531.1	1626.0	1626.0	94.9	6.2%
12	INSURANCE	2479.0	2518.8	3547.6	3547.6	1028.8	40.8%
	OCCUPATIONAL LICENSING						
16	ADMINISTRATION	2988.0	3027.1	3057.2	3057.2	30.1	1.0%
18	LICENSING BOARDS	218.2	207.2	207.2	207.2		
20	INVESTIGATIONS	1132.3	1096.3	1076.3	1076.3	-20.0	-1.8%
	*** PROGRAM TOTAL ***	4338.5	4330.6	4340.7	4340.7	10.1	0.2%
	COMMISSIONER/ADMIN SVCS						
24	COMMISSIONER'S OFFICE	625.6	618.4	618.4	618.4		
26	INTERNATIONAL TRADE	1707.7	1397.0	2097.0	2097.0	700.0	50.1%
28	ADMINISTRATIVE SERVICES	1181.8	1151.4	1215.2	1215.2	63.8	5.5%
	*** PROGRAM TOTAL ***	3515.1	3166.8	3930.6	3930.6	763.8	24.1%
30	ALASKA PUBLIC UTILITIES COMM	3689.9	3448.8	3448.8	3448.8		
32	OIL AND GAS CONSERVATION COMM	1764.9	1540.7			-1540.7	-100.0%
	*** PUBLIC PROTECTION TOTAL ***	19723.7	19252.7	19655.5	19655.5	402.8	2.1%
	DEVELOPMENT						
	ALASKA ENERGY AUTHORITY						
36	AFA AGENCY OPERATIONS		7532.1	8762.6	8762.6	1230.5	16.3%
38	ADMINISTRATION	854.6					
40	PLANT OPERATION & MAINTENANCE	2683.8					
42	CIP POSITIONS	4529.5					
44	POWER COST EQUALIZATION ADMIN	126.1	172.8	174.2	174.2	1.4	0.8%
46	POWER COST EQUALIZATION GRANTS	16747.1	15029.7	19355.0	17029.7	2000.0	13.3%
	*** PROGRAM TOTAL ***	24935.1	22734.6	28291.8	25966.5	3231.9	14.2%
48	ECONOMIC DEVELOPMENT	2043.6	2056.7	2912.9	2912.9	856.2	41.6%
50	ALASKA AEROSPACE DEVEL CORP		302.5	302.5	302.5		
52	INVESTMENTS	3012.4	3211.2	3323.1	3323.1	111.9	3.5%
54	FISH ENHANCEMENT TAX RECEIPTS	7183.5	7385.5	7385.5	7385.5		
	TOURISM						
58	TOURISM DEVELOPMENT	6241.8	3455.9	3845.9	3845.9	390.0	11.3%
60	ALASKA TOURISM MKTG COUNCIL	6205.1	6121.3	10239.8	10239.8	4118.5	67.3%
	*** PROGRAM TOTAL ***	12446.9	9577.2	14085.7	14085.7	4508.5	47.1%
	AIDEA						
64	AIDEA		2343.0	2558.5	2558.5	215.5	9.2%
66	OPERATIONS	2084.0					
68	CIP POSITIONS	199.6					
	*** PROGRAM TOTAL ***	2283.6	2343.0	2558.5	2558.5	215.5	9.2%

ALASKA ENERGY AUTHORITY
FY93 OPERATING BUDGET REQUEST (11-8-91)

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° Power Cost Equalization Administration Component	55 - 68
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*These components have been deleted as a result of the budget component structure change approved by the Office of Management and Budget (OMB). In accordance with OMB budget preparation guidelines, component forms that require FY90 Actual or FY91 Authorized information must be completed for any component that was deleted through a budget structure change.

ALASKA ENERGY AUTHORITY--FY93 OPERATING BUDGET REQUEST SUMMARY

Component	Expenditures				Personnel Positions			
	FY92	FY93	Increase (Decrease)		FY92	FY93	Incr (Decr)	
			Amount	%			#	%
AEA Agency Operations (a)	\$7,532,100	\$8,595,200	\$1,063,100	14.1%	66	73	7	10.6%
PCEP Administration (b)	172,800	174,000	1,200	0.7%	3	3	0	0.0%
PCEP Grants (c)	15,029,700	19,355,000	4,325,300	28.8%	0	0	0	0.0%
Total	\$22,734,600	\$28,124,200	\$5,389,600	23.7%	69	76	7	10.1%

(a) Funding Sources for AEA Agency Operations Component:

CIP Receipts	\$3,527,100	\$3,117,100	(\$410,000)	(11.6%)
Program Receipts	3,201,300	4,378,200	1,176,900	36.8%
Pwr Dev Rev Loan Fund	583,600	900,000	316,400	54.2%
Other Funds	220,100	199,900	(20,200)	(9.2%)
	<u>\$7,532,100</u>	<u>\$8,595,200</u>	<u>\$1,063,100</u>	14.1%

(b) Component funded completely by the General Fund, except for \$5,500 in FY92

(c) Component funded completely by the General Fund

000246

BUDGET REQUEST UNIT. (BRU):		Alaska Energy Authority	
NAME/POSITION OF BRU MANAGER:		PHONE:	561-7877
NAME/POSITION OF AGENCY CONTACT:		PHONE:	261-7269
LIST STATUTORY/REGULATORY BASIS FOR SERVICES PROVIDED (I.E., ALASKA STATUTE, ALASKA ADMINISTRATIVE CODE, OR FEDERAL REGISTER):			
Statutory/Regulatory Citation	:	Component/Program Services	Statutory/Regulatory Citation
Alaska Statutes 44.83	:	Administration	:
Alaska Administrative	:	Power Cost Equalization Admin.	:
Code 3AAC94	:	Power Cost Equalization Grants	:
DESCRIPTION OF THE BRU SERVICES AND RESPONSIBILITIES:			
<p>The legislature established the Alaska Energy Authority as a public corporation in 1976 (AS 44.56.030) and has amended and expanded the agency's functions through subsequent legislation. In meeting its legislative mandates, the Energy Authority identifies, evaluates, develops, operates and maintains electrical power production facilities throughout Alaska, utilizing the most appropriate technology from among those that are commercially available. In fulfilling this mandate, the Authority is authorized to conduct reconnaissance and feasibility studies; issue bonds; administer loan and grant programs; design, construct and operate power projects; and enter into contracts for power sales. The extent of the Authority's involvement in any project depends on local needs, resources and preference, project demands and state budget priorities.</p> <p>Among the programs administered by the Energy Authority are the Energy Program for Alaska, the Rural Electrification Program, the Circuit Rider Maintenance Program, the Waste Heat Recovery Program, the Power Project Fund, the Power Cost Equalization Program, the Rural Electrification Revolving Loan Fund, the Bulk Fuel Revolving Loan Fund and the Electric Service Extension Fund.</p>			
SIGNATURE OF BRU MANAGER:		DATE:	
Executive Director		11 - 7 - 11	

B1	BRU COVER PAGE
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AGENCY Dept. of Commerce & Economic Development

BRU Alaska Energy Authority

FY 93

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BRU GOALS

The statutory mission of the Alaska Energy Authority is to promote, develop, and advance the general prosperity and economic welfare of the people of Alaska by providing a means of constructing, acquiring, financing, and operating power projects to achieve the lowest reasonable consumer power costs.

The goals in fulfillment of the Energy Authority mission are as follows:

- ° Establish and implement a statewide power systems plan based on regional power needs and priorities and realistic cost-effective conservation measures.
- ° Provide adequate level of operation, technical, and emergency assistance and market-rate financing to support Alaskan utilities to ensure reliable power at a reasonable, predictable rate.
- ° Reduce, over a period of time, the level of General Fund dollars required to adequately fund the Power Cost Equalization Program, without significantly increasing consumer costs and without decreasing the economic development potential in those communities receiving PCE assistance.
- ° Ensure consistent, reliable, and safe operation and maintenance of State-owned power facilities through the establishment of a uniform set of technical standards based upon accepted utility practices.
- ° Implement planned generation, transmission systems and appropriate conservation measures.

As is the case with the Alaska Energy Authority's FY92 authorized operating budget, the FY93 operating budget request reflects its status as a self-financed public corporation. No general fund monies are used to fund the Energy Authority's operating budget except for the Power Cost Equalization Program.

B2	BRU ISSUES
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(7/88)-b2 1/79/DDGG/1

AGENCY Dept. of Commerce & Economic Development

BRU Alaska Energy Authority

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FY 93

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FY93 OPERATING BUDGET MAJOR ISSUES

Power Cost Equalization (PCE) Program Projections

This budgetary request provides for the full funding of the PCE program, based on best current estimates.

The required funding increase is primarily due to: (1) proposed full funding of the program vs. the reduced authorized amount in FY92; and (2) projected increased PCE rates/eligible power sales and new participating utilities.

The FY92 program requirements have been used as the base for the FY93 budget projections. However, the Alaska Energy Authority (AEA) is currently updating the FY93 projections. Updated requirements will be provided to OMB in late November 1991 and, if necessary, a revised budget would be submitted.

A major element impacting the PCE grants is the cost of fuel which, since the Gulf war, has not returned to pre-war levels and rural utilities have continued to experience high fuel costs. Close monitoring of the FY92 program will continue throughout the legislative session.

In addition, as mandated, by January 15, 1992 the AEA will report to the Legislature its recommendations of equitable means that would stabilize/reduce the cost of the program. Acceptance of those recommendations would also affect the FY93 budget request.

Operation and Maintenance of Power Production Facilities

The Energy Authority increased its operations and maintenance responsibilities when the Bradley Lake project became operational in September 1991. The project serves Railbelt electric customers from the Kenai Peninsula to Fairbanks and is the largest hydroelectric facility in the state. State budget expenditures for Bradley Lake operations and maintenance will be only for the costs of Alaska Energy Authority personnel and their associated costs. Not included in the State budget will be those operations and maintenance costs which will be paid by the trustee in accordance with the Bradley Lake bond indenture.

MAJOR OPERATING BUDGET LEGISLATION

Operations & Maintenance Fund

Legislation is needed to establish an Operations & Maintenance Fund to retain revenue collected over multiple fiscal years to cover recurring non-annual costs of operating facilities repair, renewal and replacement, and continuing Federal Energy Regulatory Commission (FERC) requirements. In accordance with standard utilities practices, operating revenues are levelized and paid to the Energy Authority based on unit of consumption. These revenues do not necessarily relate on a fiscal year basis to the cost of repair and maintenance and FERC requirements of the system that generates the revenue. Therefore, the Authority needs to reserve, over multiple fiscal years, a portion of the gradually collected revenues to cover those costs.

B2 BRU ISSUES

AGENCY Dept. of Commerce & Economic Development

BRU Alaska Energy Authority

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GOAL: To promote, develop, and advance the general prosperity and economic welfare of the people of Alaska by providing a means of constructing, acquiring, financing, and operating power projects to achieve the lowest reasonable consumer power costs.

OBJECTIVES AND PERFORMANCE MEASURES	BUDGET YEAR FY 93			PROJECTED	
	ADJUSTED BASE	INCREMENT/ DECREMENT	REQUEST	FY 94	FY 95
<u>ESTABLISH AND IMPLEMENT A STATEWIDE POWER SYSTEMS PLAN BASED ON REGIONAL POWER NEEDS AND PRIORITIES AND REALISTIC COST-EFFECTIVE CONSERVATION MEASURES.</u>					
Number of reconnaissance and feasibility studies completed.	10	0	10	10	10
Number of annual reports published.	1	0	1	1	1
Number of regional utility or bulk fuel cooperative grants awarded.	3	(3)	0	0	0
<u>PROVIDE ADEQUATE LEVEL OF OPERATION, TECHNICAL, AND EMERGENCY ASSISTANCE AND MARKET-RATE FINANCING TO SUPPORT ALASKAN UTILITIES TO ENSURE RELIABLE POWER AT A REASONABLE PREDICTABLE RATE.</u>					
Number of rural electric systems receiving life, health, safety improvements.	10	0	10	10	10
Number of communities receiving circuit rider maintenance assistance.	20	5	25	25	25
Number of communities where bulk fuel storage/handling facilities have been inspected and evaluated and emergency repairs made if needed.	30	0	30	30	30
Dollar value of PCEP grants made (*FY93 increment may be requested later.)	\$15,029.7	\$4,325.3	\$19,355.0	\$19,355.0	\$19,355.0
Number of PCEP participating communities.	180	2	182	183	183
Number of PCEP participating utilities.	107	0	107	108	108

B3/B4 BRU STRATEGY/
PERFORMANCE PLANS

AGENCY Dept. of Commerce & Economic Development

BRU Alaska Energy Authority

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FY 93

(9/91)-b3/b4 1763/DD65(1)

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GOAL: To promote, develop, and advance the general prosperity and economic welfare of the people of Alaska by providing a means of constructing, acquiring, financing, and operating power projects to achieve the lowest reasonable consumer power costs.

OBJECTIVES AND PERFORMANCE MEASURES	BUDGET YEAR FY 93			PROJECTED	
	ADJUSTED BASE	INCREMENT/ DECREMENT	REQUEST	FY 94	FY 95
Dollar value of Power Project loans made (*limited by available funds/**pending passage of required legislation which would allow for issuance of bonds to fund this program.	0*	\$75,000.0**	\$75,000.0	\$50,000.0	\$10,000.0
Dollar value of RERLF loans made.	0	0	0	0	0
Number of PPF and RERLF loans managed (**increase in PPF loans pending passage of required legislation.)	49	21**	70	75	80
Number of BRRLF Loans managed.	48	2	50	55	55
<u>REDUCE, OVER A PERIOD OF TIME, THE LEVEL OF GENERAL FUND DOLLARS REQUIRED TO ADEQUATELY FUND THE POWER COST EQUALIZATION PROGRAM, WITHOUT SIGNIFICANTLY INCREASING CONSUMER COSTS AND WITHOUT DECREASING THE ECONOMIC DEVELOPMENT POTENTIAL IN THOSE COMMUNITIES RECEIVING PCE ASSISTANCE.</u>					
Number of PCEP workshops offered.	3	0	3	3	3
Number of villages where meters installed and data collected.	10	0	10	10	10
<u>ENSURE CONSISTENT, RELIABLE, AND SAFE OPERATION AND MAINTENANCE OF STATE-OWNED POWER FACILITIES THROUGH THE ESTABLISHMENT OF A UNIFORM SET OF TECHNICAL STANDARDS BASED UPON ACCEPTED UTILITY PRACTICES.</u>					
Completion negotiation, concurrence, and adoption of a uniform set of technical standards for the Bradley Lake Project.	1	0	1	0	0

03/04 BRU STRATEGY/
PERFORMANCE PLANS

AGENCY Dept. of Commerce & Economic Development

BRU Alaska Energy Authority

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GOAL: To promote, develop, and advance the general prosperity and economic welfare of the people of Alaska by providing a means of constructing, acquiring, financing, and operating power projects to achieve the lowest reasonable consumer power costs.

OBJECTIVES AND PERFORMANCE MEASURES	BUDGET YEAR FY 93			PROJECTED	
	ADJUSTED BASE	INCREMENT/ DECREMENT	REQUEST	FY 94	FY 95
<u>IMPLEMENT PLANNED GENERATION, TRANSMISSION SYSTEMS, AND APPROPRIATE CONSERVATION MEASURES.</u>					
Number of rural power system upgrade projects managed (other than PCE efficiency improvement and life, health, and safety projects.)	25	0	25	25	25
Number of waste heat facilities designed/constructed.	20	0	20	10	10
Number of major Bradley Lake HEP construction/procurement contracts awarded (cumulative).	16	(16)	0	0	0
Percent of Total Bradley Lake HEP completed.	98%	0	98%	100%	100%
Number of audits of contractors, borrowers, and program participants.	8	(8)	0	0	0
Number of operating hydroelectric projects.	5	1	6	7	7
Hydroelectric projects installed capacity (mega-watts).	164MW	1MW	165MW	242MW	242MW
Number of rural projects operating and maintenance, power and heat sales, and project agreements negotiated/finalized.	100	0	100	100	100
Number of hydroelectric and Intertie operating and maintenance agreements managed.	4	0	4	7	7
Number of contracts managed.	300	(100)	200	220	210

B3/P4 DRU STRATEGY/
PERFORMANCE PLANS

AGENCY Dept. of Commerce & Economic Development

BRU Alaska Energy Authority

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(9/91)-b3/b4 1763/DD65(3)

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STATE OF ALASKA
OFFICE OF MANAGEMENT & BUDGET
DIVISION OF BUDGET REVIEW

DATE: 12/24.
TIME: 11:51:15
PROG: FORMCID

FY '93 BUDGET CYCLE BENCHMARK LEVEL COMPARISONS

AGENCY: DEPARTMENT OF COMMERCE & ECONOMIC DEVELOPMENT
BRU: ALASKA ENERGY AUTHORITY
COMPONENT: AEA AGENCY OPERATIONS (SER #: 1232)

ITEM	FY '91 AUTHORIZED	FY '91 FINAL AUTH	FY '91 ACTUAL	FY '92 AUTHORIZED	FY '93 ADJ BASE	FY '93 AGENCY	FY '93 GOVERNOR
* * * COMPONENT TOTAL * * *	0.0	0.0	0.0	7,532.1	7,728.6	8,762.6	8,762.6
EXPENDITURES							
Personal Services	0.0	0.0	0.0	4,649.2	4,845.7	5,241.5	5,241.5
Travel	0.0	0.0	0.0	536.2	536.2	652.5	652.5
Contractual Services	0.0	0.0	0.0	2,137.8	2,137.8	2,597.2	2,597.2
Commodities	0.0	0.0	0.0	182.5	182.5	244.0	244.0
Equipment	0.0	0.0	0.0	26.4	26.4	27.4	27.4
Land/Buildings	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Grants/Claims	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Misc.	0.0	0.0	0.0	0.0	0.0	0.0	0.0
FUNDING							
1002 Fed Rcpts	0.0	0.0	0.0	75.0	77.9	78.0	78.0
1005 GF/PRGM	0.0	0.0	0.0	3,201.3	3,255.3	4,432.2	4,432.2
1007 I/A Rcpts	0.0	0.0	0.0	40.3	41.6	21.3	21.3
1061 CIP Rcpts	0.0	0.0	0.0	3,527.1	3,640.4	3,201.3	3,201.3
1062 PPL Fund	0.0	0.0	0.0	26.0	27.0	27.0	27.0
1065 RERL Fund	0.0	0.0	0.0	3.2	3.3	3.3	3.3
1073 PDRL Fund	0.0	0.0	0.0	583.6	605.7	922.1	922.1
1074 BFRL Fund	0.0	0.0	0.0	75.6	77.4	77.4	77.4
STAFFING							
Full-time	0.0	0.0	0.0	64.0	64.0	71.0	71.0
Part-time	0.0	0.0	0.0	2.0	2.0	2.0	2.0
Temporary	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Staff-months	0.0	0.0	0.0	792.0	792.0	876.0	876.0

000254

INCREMENT/DECREMENT DESCRIPTION

FY92 Revised Program - Rural Programs Positions

AGENCY CONTACT/PHONE NUMBER:

Ernie Whitney - (907) 561-7877

DESCRIBE WHY THIS INCREMENT/DECREMENT IS NEEDED AND WHAT IT PURCHASES:

Establish and provide funding for four rural programs positions established July 1, 1991 by revised program 08-2-0007 approved by the Office of Management and Budget. These positions in the FY93 budget request are:

- Remote Systems Engineer I (Range 18B)
- Remote Systems Engineer I (Range 18B)
- Engineering Assistant (Range 15B)
- Clerk III (Range 11C)

The positions are required to enable the Alaska Energy Authority to properly accomplish the large number of rural capital projects for which funding has been appropriated by the legislature. Even though the Energy Authority significantly increased its use of contractors in recent years, the additional staff is required to adequately manage rural projects and administer contracts. The four new positions are involved in the direct management, planning, design, and construction of rural projects or in the direct support of such positions.

CODE	EXPENDITURE BY OBJECT	AGENCY REQ.	GOV'S REQ.
100	Personal Services	211.5	211.5
200	Travel	58.5	58.5
300	Contractual Services		
400	Supplies		
500	Equipment		
600	Lands, Buildings, Etc.		
700	Grants, Claims, Etc.		
800	Miscellaneous		
TOTAL		270.0	270.0
I-A Transfer (NON-ADD)			
1002	Federal Receipts		
1003	General Fund Match		
1004	General Fund		
1005	CF/Program Receipts		
1007	I-A Receipts		
1061	CIP Receipts	270.0	270.0
POSITION INFORMATION	PFT	4.0	4.0
	PPT		
	Non Permanent		
	Staff Months	48.0	48.0
<input type="checkbox"/> Enhance Existing Service <input type="checkbox"/> Compared to FY 92		<input type="checkbox"/> Formula Program	
<input type="checkbox"/> New Service Compared to FY 92		<input type="checkbox"/> New Facility Oper.	
<input checked="" type="checkbox"/> Continuation of FY 92 <input checked="" type="checkbox"/> Service Level			
IMPACT FROM CAPITAL PROJECT (NAME)			
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000259

INCREMENT/DECREMENT DESCRIPTION

FY92 Revised Program - Budget Analyst/Loan Administrator Position

AGENCY CONTACT/PHONE NUMBER:

Ernie Whitney - (907) 561-7877

DESCRIBE WHY THIS INCREMENT/DECREMENT IS NEEDED AND WHAT IT PURCHASES:

Establish and provide funding for Budget Analyst/Loan Administrator position (Range 19B) established July 1, 1991 by revised program 08-2-0007 approved by the Office of Management and Budget.

When trying to re-establish the Systems Administrator/Programming Engineer position in FY92, OMB requested that the Energy Authority use a currently vacant PCN for the position until the Governor signed the capital budget and further review of the Energy Authority's budget status could be completed. The PCN most readily available and applicable for this position was PCN 080424, the Director/Internal Programs & Budget position. Therefore, through reclassifying PCN 080424 to Systems Administrator/Programming Engineer, the Energy Authority was left without a budgetary position.

This action would re-establish and reclassify the FY91 Director/Internal Programs and Budget position (Range 24). Position is required to prepare and monitor the technical aspects of the agency budgets. Other duties will include:

- ° Determination of overhead rates for budget purposes which are becoming increasingly important in dealing with the Authority's operating facilities, especially with the Bradley Lake hydroelectric project going into commercial operation on September 1, 1991, and as important for the sound management of its capital and rural programs.
- ° Coordination between individual project budgets and State authorizations.
- ° Tracking expenditures against individual project budgets; assistance in development of on-line project tracking system information compatible in format with various Energy Authority management and reporting requirements.

CODE	EXPENDITURE BY OBJECT	AGENCY F.T.O.	GOV'S REQ.
100	Personal Services	64.5	64.5
200	Travel		
300	Contractual Services		
400	Supplies		
500	Equipment		
600	Lands, Buildings, Etc.		
700	Grants, Claims, Etc.		
800	Miscellaneous		
TOTAL		64.5	64.5
I-A Transfer (NON-ADD)			
1002	Federal Receipts	See Text*	
1003	General Fund Match		
1004	General Fund		
1005	CF/Program Receipts		
1007	I-A Receipts		
POSITION INFORMATION		PFT	1.0
		PPT	1.0
		Non Permanent	
		Staff Months	12.0
<input type="checkbox"/> Enhance Existing Service <input type="checkbox"/> Compared to FY 92		<input type="checkbox"/> Formula Program	
<input type="checkbox"/> New Service Compared to FY 92		<input type="checkbox"/> New Facility Oper.	
<input type="checkbox"/> Continuation of FY 92 <input checked="" type="checkbox"/> Service Level			
IMPACT FROM CAPITAL PROJECT (NAME)			
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FY92 Revised Program - Budget Analyst/Loan Administrator Position (continued)

° Administration of three loan programs

<u>*Funding Source</u>	<u>Amount</u>
1002 Federal Receipts	.2
1005 GF/Program Receipts	6.9
1007 IA Receipts	.1
1061 CIP Receipts	8.5
1062 Power Project Fund	8.7
1065 Rural Electrification Revolving Loan Fund	1.1
1073 Power Development Revolving Loan Fund	25.6
1074 Bulk Fuel Revolving Loan Fund	<u>13.5</u>
TOTAL	64.5

CS

ADDITIONAL
EXPLANATION
FORM

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000261

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INCREMENT/DECREMENT DESCRIPTION

FY92 Revised Program - Development Specialist Position

AGENCY CONTACT/PHONE NUMBER:

Ernie Whitney - (907) 561-7877

DESCRIBE WHY THIS INCREMENT/DECREMENT IS NEEDED AND WHAT IT PURCHASES:

Establish and provide funding for Development Specialist position (Range 20M) established July 1, 1991 by revised program 08-2-0053 as approved by the Office of Management and Budget.

This position is required to enable the Alaska Energy Authority to accomplish the regionalization of small rural utilities by developing liasons with the Alaska regional Native Corporations which may assume an important role in this process. The position will also be utilized to spearhead new functions, such as participation to the Western States Water Council to effect the transfer of hydrological data collection from the federal government to the State Division of Water/Department of Natural Resources.

*Funding Source	Amount
1002 Federal Receipts	1.0
1005 GF/Program Receipts	33.5
1007 IA Receipts	.3
1061 CIP Receipts	41.7
1062 Power Project Fund	.4
1065 Rural Electrification Revolving Loan Fund	.1
1073 Power Development Revolving Loan Fund	10.6
1074 Bulk Fuel Revolving Loan Fund	1.2
TOTAL	88.8

CODE	EXPENDITURE BY OBJECT	AGENCY REQ.	GOV'S REQ.
100	Personal Services	88.8	88.8
200	Travel		
300	Contractual Services		
400	Supplies		
500	Equipment		
600	Lands, Buildings, Etc.		
700	Grants, Claims, Etc.		
800	Miscellaneous		
TOTAL		88.8	88.8
I-A Transfer (NON-ADD)			
1002	Federal Receipts	See text*	
1003	General Fund Match		
1004	General Fund		
1005	GF/Program Receipts		
1007	I-A Receipts		
POSITION INFORMATION		PFT	1.0
		PPT	1.0
		Non Permanent	12.0
		Staff Months	12.0

<input type="checkbox"/> Enhance Existing Service	
<input checked="" type="checkbox"/> Compared to FY 92	
<input type="checkbox"/> New Service Compared to FY 92	<input type="checkbox"/> Formula Program
<input type="checkbox"/> Continuation of FY 92	<input type="checkbox"/> New Facility Oper.
<input checked="" type="checkbox"/> Service Level	

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000262

INCREMENT/DECREMENT DESCRIPTION
New Mechanical Engineer Position

AGENCY CONTACT/PHONE NUMBER:
Ernie Whitney - (907) 561-7877

DESCRIBE WHY THIS INCREMENT/DECREMENT IS NEEDED AND WHAT IT PURCHASES:

Establish and provide funding for a new Mechanical Engineer Position (Range 23C). The Energy Authority does not have a mechanical engineer on its present staff. As the Energy Authority's operating projects begin to age, increased routine maintenance and repair/replacement activities will require the expertise of a mechanical engineer.

Having a mechanical engineer on staff would result in increased efficiency and cost savings over having to contract for mechanical engineering services for every small task that arises. Of course, contractors will still be utilized for larger mechanical engineering tasks.

CODE	EXPENDITURE BY OBJECT	AGENCY REQ.	GOV'S REQ.
100	Personal Services	85.0	85.0
200	Travel		
300	Contractual Services		
400	Supplies		
500	Equipment		
600	Lands, Buildings, Etc.		
700	Grants, Claims, Etc.		
800	Miscellaneous		
TOTAL		85.0	85.0
I-A Transfer (NON-ADD)			
1002	Federal Receipts		
1003	General Fund Match		
1004	General Fund		
1005	GF/Program Receipts	42.5	42.5
1007	I-A Receipts		
1061	CIP Receipts	42.5	42.5
POSITION INFORMATION	PFT	1.0	1.0
	PPT		
	Non Permanent	12.0	12.0
	Staff Months		

<input type="checkbox"/> Enhance Existing Service	<input type="checkbox"/> Formula Program
<input type="checkbox"/> Compared to FY 92	
<input checked="" type="checkbox"/> New Service Compared to FY 92	
<input type="checkbox"/> Continuation of FY 92	
<input type="checkbox"/> Service Level	<input type="checkbox"/> New Facility Oper.

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CS INCREMENT/DECREMENT REQUEST
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INCREMENT/DECREMENT DESCRIPTION
 FY93 Programmatic Changes

AGENCY CONTACT/PHONE NUMBER:
 Gloria Manni - (907) 561-7877

DESCRIBE WHY THIS INCREMENT/DECREMENT IS NEEDED AND WHAT IT PURCHASES:

Decrement for GF/Program Receipts portion to stay within the budget cap established by Office of Management and Budget.

The savings may be achieved by deferring the re-hire of vacated positions or may force the temporary lay-off of staff.

CODE	EXPENDITURE BY OBJECT	AGENCY REQ.	GOV'S REQ.
100	Personal Services	(54.0)	(54.0)
200	Travel		
300	Contractual Services		
400	Supplies		
500	Equipment		
600	Lands, Buildings, Etc.		
700	Grants, Claims, Etc.		
800	Miscellaneous		
TOTAL		(54.0)	(54.0)
I-A Transfer (NON-ADD)			
1002	Federal Receipts		
1003	General Fund Match		
1004	General Fund		
1005	GF/Program Receipts	(54.0)	(54.0)
1007	I-A Receipts		
POSITION INFORMATION	PFT		
	PPT		
	Non Permanent		
	Staff Months		

<input type="checkbox"/> Enhance Existing Service	<input type="checkbox"/> Formula Program
<input checked="" type="checkbox"/> Compared to FY 92	
<input type="checkbox"/> New Service Compared to FY 92	<input type="checkbox"/> New Facility Oper.
<input type="checkbox"/> Continuation of FY 92	
<input checked="" type="checkbox"/> Service Level	

IMPACT FROM CAPITAL PROJECT (NAME)

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000264

CS INCREMENT/DECREMENT REQUEST

Agency Priority _____ of _____

INCREMENT/DECREMENT DESCRIPTION

Increase Travel Budget

AGENCY CONTACT/PHONE NUMBER:

Ernie Whitney - (907) 561-7877

DESCRIBE WHY THIS INCREMENT/DECREMENT IS NEEDED AND WHAT IT PURCHASES:

This increment will provide adequate funding in the FY93 operating budget for travel and related per-diem costs of Alaska Energy Authority personnel included in the FY92 Base. A separate CS form provides for the field travel and related per-diem costs of new Rural Programs personnel positions added in FY92 by revised program.

The amounts budgeted for rural projects field travel/per-diem in the Alaska Energy Authority's operating budget has not kept pace with the actual travel expenditures in the past due to increases in the number of positions, more travel to rural Alaska and increased travel costs.

CODE	EXPENDITURE BY OBJECT	AGENCY REQ.	GOV'S REQ.
100	Personal Services		
200	Travel	57.8	57.8
300	Contractual Services		
400	Supplies		
500	Equipment		
600	Lands, Buildings, Etc.		
700	Grants, Claims, Etc.		
800	Miscellaneous		
TOTAL		57.8	57.8
I-A Transfer (NON-ADD)			
1002	Federal Receipts	.1	.1
1005	CF/Program Receipts	20.3	20.3
1061	CIP Receipts	36.4	36.4
1073	Pwr Dev Rev Loan Fund	.9	.9
1074	Bulk Fuel Rev Loan Fund	.1	.1
POSITION INFORMATION	PFT		
	PPT		
	Non Permanent		
	Staff Months		

<input type="checkbox"/> Enhance Existing Service	<input type="checkbox"/> Formula Program
<input checked="" type="checkbox"/> Compared to FY 92	
<input type="checkbox"/> New Service Compared to FY 92	<input type="checkbox"/> New Facility Oper.
<input type="checkbox"/> Continuation of FY 92	
<input type="checkbox"/> Service Level	

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000205

INCREMENT/DECREMENT DESCRIPTION

Delete Allocated Charges from Power Cost Equalization

AGENCY CONTACT/PHONE NUMBER:

Ernie Whitney - (907) 561-7877

DESCRIBE WHY THIS INCREMENT/DECREMENT IS NEEDED AND WHAT IT PURCHASES:

For several years the Energy Authority's PCE component has allocated charges to funding sources within other components. The charges were justified by virtue of the fact that PCE component employees provided services that benefited the other areas. While this rationale is still true, management has decided that the staff time required to record and allocate these charges is hardly worth the small amount of the allocation.

CODE	EXPENDITURE BY OBJECT	AGENCY REQ.	GOV'S REQ.
100	Personal Services		
200	Travel		
300	Contractual Services	(5.6)	(5.6)
400	Supplies		
500	Equipment		
600	Lands, Buildings, Etc.		
700	Grants, Claims, Etc.		
800	Miscellaneous		
TOTAL		(5.6)	(5.6)
I-A Transfer (NON-ADD)			
1002	Federal Receipts		
1003	General Fund Match		
1004	General Fund		
1005	GF/Program Receipts		
1061	CIP Receipts	(3.6)	(3.6)
1074	Bulk Fuel Rev Loan Fund	(2.0)	(2.0)
POSITION INFORMATION	PFT		
	PPI		
	Non Permanent		
	Staff Months		

<input type="checkbox"/> Enhance Existing Service	<input type="checkbox"/> Formula Program
<input checked="" type="checkbox"/> Compared to FY 92	
<input type="checkbox"/> New Service Compared to FY 92	<input type="checkbox"/> New Facility Oper.
<input type="checkbox"/> Continuation of FY 92 Service Level	

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CS INCREMENT/DECREMENT REQUEST

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INCREMENT/DECREMENT DESCRIPTION

Adjust O&M Contracts

AGENCY CONTACT/PHONE NUMBER:

Ernie Whitney - (907) 561-7877

DESCRIBE WHY THIS INCREMENT/DECREMENT IS NEEDED AND WHAT IT PURCHASES:

In order to operate and maintain the State's various power, waste heat, and transmission line projects, the Energy Authority must contract with numerous entities who provide specialized services ranging from environmental studies to the actual operation and maintenance of many projects. By contracting out as much work as possible, the Energy Authority provides opportunities for the private sector to participate in these projects, while retaining oversight of the State's investment.

All costs of these O&M contracts are reimbursable to the Energy Authority under the terms of agreements negotiated with the communities or utilities benefitting from each project. Increases or decreases relating to these contracts will directly result in increases or decreases in Program Receipts (OMB #1005). For FY93, the following changes are needed:

Contract/Project	Amount
Fish & Game RSA/Four Dam Pool	(20.0)
USGS/Four Dam Pool	39.2
Waste heat engineering services/various rural communities	3.7
City of Larsen Bay/Larsen Bay Hydroelectric Project	50.6
Repair & Replacement/Anchorage-Fairbanks Intertie	(15.6)
Operator Training/Larsen Bay Hydroelectric Project	1.5
Total Increment	59.4

CODE	EXPENDITURE BY OBJECT	AGENCY REQ.	GOV'S REQ.
100	Personal Services		
200	Travel		
300	Contractual Services	59.4	59.4
400	Supplies		
500	Equipment		
600	Lands, Buildings, Etc.		
700	Grants, Claims, Etc.		
800	Miscellaneous		
TOTAL		59.4	59.4
I-A Transfer (NON-ADD)			
1002	Federal Receipts		
1003	General Fund Match		
1004	General Fund		
1005	GF/Program Receipts	59.4	59.4
1007	I-A Receipts		
POSITION INFORMATION		PFT	
		PPT	
		Non Permanent	
		Staff Months	
<input type="checkbox"/> Enhance Existing Service			
<input checked="" type="checkbox"/> Compared to FY 92			
<input type="checkbox"/> New Service Compared to FY 92		<input type="checkbox"/> Formula Program	
<input type="checkbox"/> Continuation of FY 92		<input type="checkbox"/> New Facility Oper.	
<input type="checkbox"/> Service Level			
IMPACT FROM CAPITAL PROJECT (NAME)			
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INCREMENT/DECREMENT DESCRIPTION

Microfilming Costs

AGENCY CONTACT/PHONE NUMBER:
Ernie Whitney - (907) 561-7877

DESCRIBE WHY THIS INCREMENT/DECREMENT IS NEEDED AND WHAT IT PURCHASES:

This increment is to obtain microfilming services for the control and management of vital board meeting documents, contracts and other legal documents. Currently these documents are maintained in file cabinets and to meet the retention requirements of vital documents, they require microfilming for storage and retrieval purposes. The Authority proposes to accomplish the microfilming tasks through the use of contractual services to maintain a high level of security required for vital documents.

*Funding Source	Amount
1002 Federal Receipts	.1
1005 GF/Program Receipts	3.0
1061 CIP Receipts	3.8
1073 Power Development Revolving Loan Fund	1.0
1074 Bulk Fuel Revolving Loan Fund	.1
TOTAL	8.0

CODE	EXPENDITURE BY OBJECT	AGENCY REQ.	GOV'S REQ.
100	Personal Services		
200	Travel		
300	Contractual Services	8.0	8.0
400	Supplies		
500	Equipment		
600	Lands, Buildings, Etc.		
700	Grants, Claims, Etc.		
800	Miscellaneous		
TOTAL		8.0	8.0
I-A Transfer (NON-ADD)			
1002	Federal Receipts	See Text*	
1003	General Fund Match		
1004	General Fund		
1005	GF/Program Receipts		
1007	I-A Receipts		
POSITION INFORMATION	PFT		
	PPT		
	Non Permanent		
	Staff Months		

<input type="checkbox"/> Enhance Existing Service	<input type="checkbox"/> Formula Program
<input checked="" type="checkbox"/> Compared to FY 92	
<input checked="" type="checkbox"/> New Service Compared to FY 92	
<input type="checkbox"/> Continuation of FY 92	<input type="checkbox"/> New Facility Oper.
<input type="checkbox"/> Service Level	

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INCREMENT/DECREMENT DESCRIPTION Repair & Maintenance of Data Processing Equipment		CODE	EXPENDITURE BY OBJECT	AGENCY REQ.	GOV'S REQ.														
AGENCY CONTACT/PHONE NUMBER: Ernie Whitney - (907) 561-7877		100	Personal Services																
		200	Travel																
DESCRIBE WHY THIS INCREMENT/DECREMENT IS NEEDED AND WHAT IT PURCHASES: As the Alaska Energy Authority has expanded its computer hardware services, additional equipment was purchased and installed during the past year. As new equipment warranties expire, maintenance of the equipment will be required on a continuing basis. To accommodate the increase equipment maintenance costs, this increment is necessary to fund the contractual services required by the failure and breakdowns of the computer equipment. Without the requested incremental funds, loss of the use of critical computer equipment to manage power related projects will increase management costs on affected power related projects.		300	Contractual Services	5.0	5.0														
		400	Supplies																
		500	Equipment																
		600	Lands, Buildings, Etc.																
		700	Grants, Claims, Etc.																
		800	Miscellaneous																
		TOTAL			5.0	5.0													
		I-A Transfer (NON-ADD)																	
		1002	Federal Receipts	See Text*															
		1003	General Fund Match																
1004	General Fund																		
1005	GF/Program Receipts																		
1007	I-A Receipts																		
<table style="width:100%; border-collapse: collapse;"> <thead> <tr> <th style="text-align: left;">*Funding Source</th> <th style="text-align: right;">Amount</th> </tr> </thead> <tbody> <tr> <td>1002 Federal Receipts</td> <td style="text-align: right;">.1</td> </tr> <tr> <td>1005 GF/Program Receipts</td> <td style="text-align: right;">1.9</td> </tr> <tr> <td>1061 CIP Receipts</td> <td style="text-align: right;">2.3</td> </tr> <tr> <td>1073 Power Development Revolving Loan Fund</td> <td style="text-align: right;">.6</td> </tr> <tr> <td>1074 Bulk Fuel Revolving Loan Fund</td> <td style="text-align: right;">.1</td> </tr> <tr> <td style="text-align: center;">TOTAL</td> <td style="text-align: right;">5.0</td> </tr> </tbody> </table>		*Funding Source	Amount	1002 Federal Receipts	.1	1005 GF/Program Receipts	1.9	1061 CIP Receipts	2.3	1073 Power Development Revolving Loan Fund	.6	1074 Bulk Fuel Revolving Loan Fund	.1	TOTAL	5.0	POSITION INFORMATION		PFT	
		*Funding Source	Amount																
		1002 Federal Receipts	.1																
		1005 GF/Program Receipts	1.9																
1061 CIP Receipts	2.3																		
1073 Power Development Revolving Loan Fund	.6																		
1074 Bulk Fuel Revolving Loan Fund	.1																		
TOTAL	5.0																		
PPT																			
Non Permanent																			
Staff Months																			
<input type="checkbox"/> Enhance Existing Service <input checked="" type="checkbox"/> Compared to FY 92 <input type="checkbox"/> New Service Compared to FY 92 <input type="checkbox"/> Continuation of FY 92 Service Level		<input type="checkbox"/> Formula Program <input type="checkbox"/> New Facility Oper.																	
				IMPACT FROM CAPITAL PROJECT (NAME)															
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INCREMENT/DECREMENT DESCRIPTION

Increased Lease Expense - 701 E. Tudor Road

AGENCY CONTACT/PHONE NUMBER:

Ernie Whitney - (907) 561-7877

DESCRIBE WHY THIS INCREMENT/DECREMENT IS NEEDED AND WHAT IT PURCHASES:

Our lease will also expire on December 31, 1991. Based on a lease extension recently obtained by DOA/Division of General Services & Supplies (GSS) for the State Division of Personnel and for Retirement & Benefits located in the same building, we can expect our lease to increase to \$1.15 per square feet.

The cost of our lease is carried in part by GSS and in part by us. Of the total AEA office space (22,796 sq. ft.), GSS is responsible for 13,270 sq. ft. and AEA for 9,256 sq. ft. This increment is for the portion of the lease paid by AEA.

*Funding Source	Amount
1002 Federal Receipts	.2
1005 GF/Program Receipts	5.8
1007 IA Receipts	.1
1061 CIP Receipts	7.4
1062 Power Project Fund	.1
1073 Power Development Revolving Loan Fund	1.9
1074 Bulk Fuel Revolving Loan Fund	.2
TOTAL	15.7

CODE	EXPENDITURE BY OBJECT	AGENCY REQ.	GOV'S REQ.
100	Personal Services		
200	Travel		
300	Contractual Services	15.7	15.7
400	Supplies		
500	Equipment		
600	Lands, Buildings, Etc.		
700	Grants, Claims, Etc.		
800	Miscellaneous		
TOTAL		15.7	15.7
I-A Transfer (NON-ADD)			
1002	Federal Receipts	See text*	
1003	General Fund Match		
1004	General Fund		
1005	GF/Program Receipts		
1007	I-A Receipts		
POSITION INFORMATION	PFT		
	PPT		
	Non Permanent		
	Staff Months		
<input type="checkbox"/> Enhance Existing Service			
<input checked="" type="checkbox"/> Compared to FY 92			
<input type="checkbox"/> New Service Compared to FY 92		<input type="checkbox"/>	Formula Program
<input type="checkbox"/> Continuation of FY 92			
<input checked="" type="checkbox"/> Service Level		<input type="checkbox"/>	New Facility Oper.
IMPACT FROM CAPITAL PROJECT (NAME)			
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CS INCREMENT/DECREMENT REQUEST
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INCREMENT/DECREMENT DESCRIPTION

Adjust Overhead Contractual Charges

AGENCY CONTACT/PHONE NUMBER:

Ernie Whitney - (907) 561-7877

DESCRIBE WHY THIS INCREMENT/DECREMENT IS NEEDED AND WHAT IT PURCHASES:

The Energy Authority incurs a variety of relatively small contracted expenses not directly chargeable to a single project of funding source. Examples of such expenses include office equipment leases, employee training and risk management charges (RSA from Department of Administration). These expenses are considered "overhead" and allocated among the Energy Authority's various funding sources based on direct personnel charges. For FY93, the following adjustments are needed:

Contract/Service	Amount
Employee Training (including Power Statistics)	1.3
Risk Management Charges (from DOA)	.6
Agency Membership Dues (Professional, Tech. Org's)	(5.0)
TOTAL	(3.1)

CODE	EXPENDITURE BY OBJECT	AGENCY REQ.	GOV'S REQ.
100	Personal Services		
200	Travel		
300	Contractual Services	(3.1)	(3.1)
400	Supplies		
500	Equipment		
600	Lands, Buildings, Etc.		
700	Grants, Claims, Etc.		
800	Miscellaneous		
TOTAL		(3.1)	(3.1)
I-A Transfer (NON-ADD)			
1002	Federal Receipts		
1003	General Fund Match		
1004	General Fund		
1005	GF/Program Receipts	(1.3)	(1.3)
1061	CIP Receipts	(1.4)	(1.4)
107	Pwr Dev Rev Loan Fund	(.4)	(.4)
POSITION INFORMATION	PFT		
	PPT		
	Non Permanent		
	Staff Months		

<input type="checkbox"/> Enhance Existing Service	<input type="checkbox"/> Formula Program
<input checked="" type="checkbox"/> Compare to FY 92	
<input type="checkbox"/> New Service Compared to FY 92	<input type="checkbox"/> New Facility Oper.
<input type="checkbox"/> Continuation of FY 92	
<input checked="" type="checkbox"/> Service Level	

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000271

INCREMENT/DECREMENT DESCRIPTION

Four Dam Pool FERC Fees

AGENCY CONTACT/PHONE NUMBER:

Zrnle Whitney - (907) 561-7877

DESCRIBE WHY THIS INCREMENT/DECREMENT IS NEEDED AND WHAT IT PURCHASES:

The Energy Authority is assessed fees by the Federal Energy Regulatory Commission (FERC) for the Solomon Gulch, Swan Lake, Terror Lake and Tye Lake projects. The fees reimburse the federal government for the cost of administering the licenses and for the use of its land occupied by some of the Four Dam Pool (FDP) projects. The cost of the fees is a recognized operating cost of the Authority both in the State and in the FDP budgets. The Authority is responsible, among other things, to insure that the projects are maintained and operated in compliance with the requirements of the respective FERC licenses and for the payment of the associated fees.

In the FY92 budget the FERC fees were deleted by Governor's veto and AEA has been forced to authorize the Project Management Committee (PMC) to pay those fees. For FY93, the Authority recommends that the fees be reinstated. The State is the owner of the projects in the FDP and it is the holder of the related licenses while the other PMC members are the projects' power purchasers (and the projects operators). The respective roles are established in the Long-Term Power Sales Agreement and it is important that the State continues to perform its owner role.

CODE	EXPENDITURE BY OBJECT	AGENCY REQ.	GOV'S REQ.
100	Personal Services		
200	Travel		
300	Contractual Services	180 0	180.0
400	Supplies		
500	Equipment		
600	Lands, Buildings, Etc.		
700	Grants, Claims, Etc.		
800	Miscellaneous		
TOTAL		180.0	180.0
I-A Transfer (NON-ADD)			
1002	Federal Receipts		
1003	General Fund Match		
1004	General Fund		
1005	GF/Program Receipts	180.0	180.0
1007	I-A Receipts		
POSITION INFORMATION	PFT		
	PPT		
	Non Permanent		
	Staff Months		
<input type="checkbox"/> Enhance Existing Service <input checked="" type="checkbox"/> Compared to FY 92		<input type="checkbox"/> Formula Program <input type="checkbox"/> New Facility Oper.	
<input type="checkbox"/> New Service Compared to FY 92 <input checked="" type="checkbox"/> Continuation of FY 92 Service Level			
IMPACT FROM CAPITAL PROJECT (NAME)			
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000272

INCREMENT/DECREMENT DESCRIPTION

Moving Expenses

AGENCY CONTACT/PHONE NUMBER:
Ernie Whitney - (907) 561-7877

DESCRIBE WHY THIS INCREMENT/DECREMENT IS NEEDED AND WHAT IT PURCHASES:

The lease of the office space currently occupied by the AEA is about to expire. AEA needs to move to a location with adjoining offices and a shop area where equipment could be checked before shipping it to remote locations and to provide training to operators of rural utilities. Our project equipment and work areas are currently spread out over three facilities, adding cost and inefficiency to many tasks.

The \$200,000 increase would provide for the cost of the move which is not paid by CSS/DOA, for replacement of an aging telephone and intercom system and for setting up the electrical workshop. We are confident that a very advantageous lease could be negotiated and the agency's overhead costs could be reduced.

CODE	EXPENDITURE BY OBJECT	AGENCY REQ.	GOV'S REQ.
100	Personal Services		
200	Travel		
300	Contractual Services	200.0	200.0
400	Supplies		
500	Equipment		
600	Lands, Buildings, Etc.		
700	Grants, Claims, Etc.		
800	Miscellaneous		
TOTAL		200.0	200.0
I-A Transfer (NON-ADD)			
1002	Federal Receipts		
1003	General Fund Match		
1004	General Fund		
1005	GF/Program Receipts		
1007	I-A Receipts		
1073	Pwr Dev Rev Loan Fund	200.0	200.0
POSITION INFORMATION	PFT		
	PPT		
	Non Permanent		
	Staff Months		

<input type="checkbox"/> Enhance Existing Service	
<input checked="" type="checkbox"/> Compared to FY 92	
<input type="checkbox"/> New Service Compared to FY 92	<input type="checkbox"/> Formula Program
<input type="checkbox"/> Continuation of FY 92 Service Level	<input type="checkbox"/> New Facility Oper.

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INCREMENT/DECREMENT DESCRIPTION
Data Processing Supplies

AGENCY CONTACT/PHONE NUMBER:
Ernie Whitney - (907) 561-7877

DESCRIBE WHY THIS INCREMENT/DECREMENT IS NEEDED AND WHAT IT PURCHASES:

This increment is required to sustain the increased usage of data processing supplies used within the Alaska Energy Authority. The Authority has increased the ability of each project manager to control power projects through the use of automated data processing. As these abilities have increased, the need to provide additional consumable data processing supplies has exceeded available funding.

*Funding Source	Amount
1002 Federal Receipts	.2
1005 CF/Program Receipts	7.4
1007 IA Receipts	.1
1061 CIP Receipts	9.2
1062 Power Project Fund	.1
1073 Power Development Revolving Loan Fund	2.4
1074 Bulk Fuel Revolving Loan Fund	.3
TOTAL	19.7

CODE	EXPENDITURE BY SUBJECT	AGENCY REQ.	GOV'S REQ.
100	Personal Services		
200	Travel		
300	Contractual Services		
400	Supplies	19.7	19.7
500	Equipment		
600	Lands, Buildings, Etc.		
700	Grants, Claims, Etc.		
800	Miscellaneous		
TOTAL		19.7	19.7
I-A Transfer (NON-ADD)			
1002	Federal Receipts	See Text*	
1003	General Fund Match		
1004	General Fund		
1005	CF/Program Receipts		
1007	I-A Receipts		
POSITION INFORMATION		PFT	
		PPT	
		Non Permanent	
		Staff Months	
<input type="checkbox"/> Enhance Existing Service			
<input checked="" type="checkbox"/> Compared to FY 92			
<input type="checkbox"/> New Service Compared to FY 92		<input type="checkbox"/> Formula Program	
<input type="checkbox"/> Continuation of FY 92		<input type="checkbox"/> New Facility Oper.	
<input checked="" type="checkbox"/> Service Level			
IMPACT FROM CAPITAL PROJECT (NAME)			
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C5 INCREMENT/DECREMENT
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INCREMENT/DECREMENT DESCRIPTION
Data Processing Equipment

AGENCY CONTACT/PHONE NUMBER:
Ernie Whitney - (907) 561-7877

DESCRIBE WHY THIS INCREMENT/DECREMENT IS NEEDED AND WHAT IT PURCHASES:

This increment is to replace aging or non-repairable data processing computers and equipment. The Authority has several older model IBM XT/AT computers that need to be replaced with newer models of computers to maintain compatibility with new applications being installed to meet the needs of power projects. Included in this increment, is upgrading of Word Processing equipment to increase the abilities of this unit to provide adequate support of the Authority in document production. Without additional funding to replace and upgrade computer equipment, increased computer equipment maintenance and decreased data processing support, will exceed the ability of the Authority to maintain project management services at an acceptable level.

*Funding Source	Amount
1002 Federal Receipts	.5
1005 GF/Program Receipts	15.8
1007 IA Receipts	.1
1061 CIP Receipts	19.7
1062 Power Project Fund	.2
1065 Rural Electrification Revolving Loan Fund	.0
1073 Power Development Revolving Loan Fund	5.0
1074 Bulk Fuel Revolving Loan Fund	.5
TOTAL	41.8

CODE	EXPENDITURE BY OBJECT	AGENCY REQ.	GOV'S REQ.
100	Personal Services		
200	Travel		
300	Contractual Services		
400	Supplies		
500	Equipment	41.8	41.8
600	Lands, Buildings, Etc.		
700	Grants, Claims, Etc.		
800	Miscellaneous		
TOTAL		41.8	41.8
I-A Transfer (NON-ADD)			
1002	Federal Receipts	See Text*	
1003	General Fund Match		
1004	General Fund		
1005	GF/Program Receipts		
1007	I-A Receipts		
POSITION INFORMATION	PFT		
	PPT		
	Non Permanent		
	Staff Months		
<input type="checkbox"/> Enhance Existing Service			
<input checked="" type="checkbox"/> Compared to FY 92			
<input type="checkbox"/> New Service Compared to FY 92		<input type="checkbox"/> Formula Program	
<input type="checkbox"/> Continuation of FY 92		<input type="checkbox"/> New Facility Oper.	
<input type="checkbox"/> Service Level			
IMPACT FROM CAPITAL PROJECT (NAME)			
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CS INCREMENT/DECREMENT REQUEST

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INCREMENT/DECREMENT DESCRIPTION Furniture and Office Equipment				
AGENCY CONTACT/PHONE NUMBER: Ernie Whitney - (907) 561-7877	CODE	EXPENDITURE BY OBJECT	AGENCY REQ.	
DESCRIBE WHY THIS INCREMENT/DECREMENT IS NEEDED AND WHAT IT PURCHASES: The Authority has the responsibility of many and varied power projects that require adequate storage of files and documents. Older desks and office equipment require replacement and repairs. This Increment is required to maintain office furniture and equipment at a level that meets the demands of a well organized office. New file cabinets are necessary to store additional projects as they are assigned and completed. Office furniture necessitates replacement when worn to the point that it creates a safety hazard.	100	Personal Services		
	200	Travel		
	300	Contractual Services		
	400	Supplies		
	500	Equipment	1.0	
	600	Lands, Buildings, Etc.	1.0	
	700	Grants, Claims, Etc.		
	800	Miscellaneous		
	TOTAL		1.0	1.0
	I-A Transfer (NON-ADD)			
	1002	Federal Receipts		
	1003	General Fund Match		
	1004	General Fund		
	1005	GF/Program Receipts	.3	.3
	1061	CIP Receipts	.6	.6
1073	Pwr Dev Rev Loan Fund	.1	.1	
POSITION INFORMATION		PFT		
		PPT		
		Non Permanent		
		Staff Months		
<input type="checkbox"/> Enhance Existing Service <input checked="" type="checkbox"/> Compared to FY 92		<input type="checkbox"/> Formula Program		
<input type="checkbox"/> New Service Compared to FY 92		<input type="checkbox"/> New Facility Oper.		
<input type="checkbox"/> Continuation of FY 92 <input type="checkbox"/> Service Level				
IMPACT FROM CAPITAL PROJECT (NAME)				
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INCREMENT/DECREMENT REQUEST C5 Agency Priority _____ of _____
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INCREMENT/DECREMENT DESCRIPTION
 Reallocation of Expenditures

AGENCY CONTACT/PHONE NUMBER:
 Ernie Whitney - (907) 561-7877

DESCRIBE WHY THIS INCREMENT/DECREMENT IS NEEDED AND WHAT IT PURCHASES:

With the substantial completion and commencement of commercial operation of the Bradley Lake Hydroelectric Project, FY92 is a year of transition for the Energy Authority. Construction of the Bradley Lake project, a major activity of the corporation since 1985 is now reduced to a much lower level of activity and will be reduced even further in FY93. At the same time, activities related to the operation of Bradley Lake have increased, and new small operating projects are being added.

Perhaps the best way this transition can be demonstrated is by examining the activities of the four personnel who will work at the Bradley Lake site near Homer. These positions were first authorized in the FY91 operating budget. They were hired well prior to the commencement of operation of the project so that they could be on hand to participate in the selection and installation of the project features they would be working with, assisting in the construction process and gaining invaluable knowledge about the facility they would be operating in the future. At that time, these employees (and their related expenses) were allocated 100% to CIP Receipts. In FY92, with the Bradley Lake project in operation for 10 months, but still significant amounts of construction work remaining, about one-fourth of charges for these individuals has been allocated to CIP Receipts, with the remainder of their total costs being charged to Program Receipts. In FY93, these individuals are budgeted to be allocated 100% to Program Receipts.

In addition to the reallocation of existing staff, there have also been changes in the composition of Energy Authority staff. Beginning in FY92, several positions related to the construction effort will be deleted. Revised Programs were submitted in FY92 for the deletion of the Deputy Project Manager, Environmental Field Officer, and Senior Auditor, with further reductions planned to take effect during FY93.

CODE	EXPENDITURE BY OBJECT	AGENCY REQ.	GOV'S REQ.
100	Personal Services		
200	Travel		
300	Contractual Services		
400	Supplies		
500	Equipment		
600	Lands, Buildings, Etc.		
700	Grants, Claims, Etc.		
800	Miscellaneous		
TOTAL		0.0	0.0
I-A Transfer (NON-ADD)			
1002	Federal Receipts	See Text*	
1003	General Fund Match		
1004	General Fund		
1005	GF/Program Receipts		
1007	I-A Receipts		
POSITION INFORMATION		PIT	
		PPT	
		Non Permanent	
		Staff Months	

<input type="checkbox"/> Enhance Existing Service	<input type="checkbox"/> Formula Program
<input checked="" type="checkbox"/> Compared to FY 92	
<input type="checkbox"/> New Service Compared to FY 92	<input type="checkbox"/> New Facility Oper.
<input type="checkbox"/> Continuation of FY 92	
<input checked="" type="checkbox"/> Service Level	

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C5 INCREMENT/DECREMENT REQUEST

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The above are just a few examples of the many changes taking place due to the completion of Bradley Lake. Based on the work plan assumed in this budget preparation, from the Executive Director, through middle management and including clerical staff, Energy Authority staff will be spending more time engaged in the support of operation of completed projects, and less time in their construction. Non-personnel expenditures related to these positions will change also. Besides affecting CIP Receipts and Program Receipts, other funding sources will be affected to a lesser extent as duties are reassigned and workloads shifted. A summary of the net effect of these changes follows:

<u>*Fund Sources</u>		
1002	Federal Receipts	(2.3)
1005	CF/Program Receipts	855.4
1007	IA Receipts	(20.9)
1061	CIP Receipts	(876.2)
1062	Power Project Fund	(9.5)
1065	Rural Electrification Revolving Loan Fund	(1.2)
1073	Power Development Revolving Loan Fund	68.7
1074	Bulk Fuel Revolving Loan Fund	<u>(14.0)</u>
	TOTAL	0.0

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ADDITIONAL
EXPLANATION
FORM

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PERSONAL SERVICES EXPENDITURES - ALL REPORT

DEPT. OF COMMERCE & ECONOMIC DEVELOPMENT SCENARIO:
COMPONENT #: OS 7304610100 NAME: AEA AGENCY OPERATIONS

1 (FY93 AGENCY SCENARIO 1)
BRD NAME: ALASKA ENERGY AUTHORITY

PCN	JOB CLASS TITLE	T R B S C U	LOCATION NAME	S	R&S	BUDG	ANNUAL SALARY	PREMIUM PAY	ANNUAL BENEFITS	TOTAL COSTS	GEN. FUND AMOUNT
08#013	REMOTE SYSTEMS ENGINEER I	F A XE	ANCHORAGE	AA	13C	12.00	45826	0	16646	62.472	0
08#014	REMOTE SYSTEMS ENGINEER II	F A XE	ANCHORAGE	AA	20C	12.00	52353	0	18354	70.707	0
08#015	ENGINEERING ASSISTANT	F A XE	ANCHORAGE	AA	15C	12.00	37107	0	14364	51.471	4,652
08#016	ADMINISTRATIVE CLERK	F A XE	ANCHORAGE	AA	11D	12.00	29320	0	12326	41.646	0
08#017	BUDGET ANALYST/LOAN ADMIN	F A XE	ANCHORAGE	AA	19C	12.00	48951	0	17664	66.615	7,075
08#018	DEVELOPMENT SPECIALIST	F A XE	ANCHORAGE	AA	20M	12.00	67233	0	21552	88.786	33,525
08#019	MECHANICAL ENGINEER	F A XE	ANCHORAGE	AA	23D	12.00	66402	0	21394	87.796	43,893
080401	EXECUTIVE DIRECTOR	F A XE	ANCHORAGE	AA	28C	12.00	83036	0	25513	113.550	2,146
080402	PROJECT MANAGER, BRADLEY L	F A XE	ANCHORAGE	AA	25M	12.00	94852	0	26811	121.664	24,466
080405	MANAGER AGENCY OPERATIONS	F A XE	ANCHORAGE	AA	25M	12.00	94852	0	26811	121.664	23,651
080406	DIRECTOR ACCOUNTING/ADMIN	F A XE	ANCHORAGE	AA	23M	12.00	62492	0	24458	106.950	23,422
080407	SENIOR ECONOMIST	F A XE	ANCHORAGE	AA	18D	9.82	38789	0	13959	52.749	7,970
080408	INFORMATION OFFICER	F A XE	ANCHORAGE	AA	11E	12.00	30303	0	12584	42.887	16,194
080412	ACCOUNTING CLERK	F A XE	ANCHORAGE	AA	16E	12.00	42764	0	15845	58.609	15,935
080413	ACCOUNTANT	F A XE	ANCHORAGE	AA	16E	12.00	42764	0	15845	58.609	6,640
080414	EXECUTIVE SECRETARY	F A XE	ANCHORAGE	AA	17M	12.00	54923	0	19027	73.950	27,923
080415	INFO SYS ANALYST/PROGRAMME	F A XE	ANCHORAGE	AA	11E	12.00	30303	0	12584	42.887	16,194
080417	CONTRACTS SECRETARY II	F A XE	ANCHORAGE	AA	07C	12.00	22402	0	10516	32.919	12,430
080420	RECEPTIONIST	F A XE	ANCHORAGE	AA	25F	12.00	81862	0	24338	106.200	0
080421	DIRECTOR, RURAL PROGRAMS	F A XE	ANCHORAGE	AA	23C	10.00	53382	0	17848	71.230	17,743
080423	FINANCE MANAGER	F A XE	ANCHORAGE	AA	18D	12.00	47401	0	17058	64.459	64,459
080424	SYSTEMS ADMINIS/PROG ENGIN	F A XE	ANCHORAGE	AA	25M	12.00	94852	0	26811	121.664	91,224
080425	DIR FAC OPS & ENGINEERING	F A XE	ANCHORAGE	AA	23M	12.00	82492	0	24458	106.950	96,255
080428	SENIOR OPERATIONS ENGINEER	F A XE	ANCHORAGE	AA	21D	12.00	59060	20744	23946	103.751	103,751
080429	ELECT/HYDRO PLANT MAINT WK	F A XE	ANCHORAGE	AA	21C	12.00	56969	20012	23409	100.391	100,391
080430	ELECT/HYDRO PLANT MAINT WK	F A XE	ANCHORAGE	AA	21D	12.00	59060	20744	23946	103.751	103,751
080431	MECH/HYDRO PLANT MAINT WR	F A XE	ANCHORAGE	AA	22C	12.00	59850	0	20147	79.997	79,997
080432	SR ELECTRICAL ENGR	F A XE	ANCHORAGE	AA	24L	12.00	84974	0	21487	106.461	63,876
080433	MANAGER/ENGINEERING SUPPRI	F A XE	ANCHORAGE	AA	20M	12.00	67233	0	21552	88.786	33,525
080435	PROJECT MANAGER/PROPERTY	F A XE	ANCHORAGE	AA	18M	12.00	58567	0	19960	78.527	0
080438	ACCOUNTANT/AUDITOR	F A XE	ANCHORAGE	AA	15E	12.00	39765	0	15060	54.825	7,555
080440	DRAFTING TECHNICIAN	F A XE	ANCHORAGE	AA	22M	12.00	76948	0	23402	100.350	100,350
080443	CIVIL ENGINEER/COST ESTIMA	F A XE	ANCHORAGE	AA	24D	12.00	71190	0	22306	93.496	0
080446	MANAGER, RURAL PROJECTS	F A XE	ANCHORAGE	AA	14D	9.82	29334	0	11435	40.820	0
080448	ADMINISTRATIVE CLERK	F A XE	ANCHORAGE	AA	21M	12.00	71845	0	22431	94.276	63,711
080449	PERMIT/RIGHT OF WAY SPECIA	F A XE	ANCHORAGE	AA	22D	12.00	62004	0	20557	82.561	0
080450	PROJECT MANAGER	F A XE	ANCHORAGE	AA	20K	12.00	62458	0	20643	83.101	78,944
080453	ACCOUNTANT	F A XE	ANCHORAGE	AA	16C	12.00	39765	0	15060	54.825	33,454
080454	ACCOUNTANT	F A XE	ANCHORAGE	AA	14E	12.00	37107	0	14364	51.471	0
080455	ADMINISTRATIVE ASSISTANT	F A XE	ANCHORAGE	AA	11J	12.00	32419	0	13137	45.557	10,323
080457	ADMINISTRATIVE CLERK	F A XE	ANCHORAGE	AA	18L	12.00	56737	0	19501	76.239	29,788
080458	PERSONNEL OFFICER	F A XE	ANCHORAGE	AA	16C	12.00	39765	0	15060	54.825	20,702
080459	RECORDS COORDINATOR	F A XE	ANCHORAGE	AA	17E	12.00	45826	0	16646	62.472	23,529
080463	INFO SYS ANALYST/PROGRAMME	F A XE	ANCHORAGE	AA	16D	6.00	20638	0	7728	28.366	10,711
080464	ADMINISTRATIVE ASSISTANT	S A XE	JUNEAU	AA	20M	12.00	67233	0	21552	88.786	0
080465	DEVELOPMENT SPECIALIST II	F A XE	ANCHORAGE	AA	18D	12.00	47401	0	17058	64.459	0
080466	DEVELOPMENT SPEC I	F A XE	ANCHORAGE	AA	12F	12.00	35415	0	13398	48.813	17,676
080467	ACCOUNTING TECHNICIAN	F A XE	ANCHORAGE	AA	14J	12.00	39967	0	14113	55.030	20,795
080468	ADMINISTRATIVE COORDINATOR	F A XE	ANCHORAGE	AA	15K	12.00	44427	0	16380	60.708	22,923
080469	CONTRACTS ADMINISTRATOR II	F A XE	ANCHORAGE	AA	09F	12.00	24550	0	11680	35.531	15,014
080470	CONCORDANCE SECRETARY I	F A XE	ANCHORAGE	AA	05F	12.00	24006	0	11459	37.465	14,147
080473	CLERK III	F A XE	ANCHORAGE	AA	05F	12.00	24006	0	11459	37.465	14,147

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PERSONAL SERVICES EXPENDITURES . ALL REPORT

DEPT. OF COMMERCE & ECONOMIC DEVELOPMENT SCENARIO:
COMPONENT #: 05 7304010100 NAME: AEA AGENCY OPERATIONS

1 (FY95 AGENCY SCENARIO 1)
BRU NAME: ALASKA ENERGY AUTHORITY

PCH	JOB CLASS TITLE	F R B S C U	LOCATION NAME	S RES	RUNS	ANNUAL SALARY	PREMIUM PAY	ANNUAL BENEFITS	TOTAL COSTS	GEN. FUND AMOUNT
080474	FILE CLERK	F A XE	ANCHORAGE	AA 0SC	12.00	23776	0	10375	34,652	13,084
080475	ACCOUNTING CLERK	F A XE	ANCHORAGE	AA 10C	12.00	26850	0	11650	38,551	20,540
080476	SPECIAL ASSISTANT	F A XE	ANCHORAGE	AA 23H	12.00	57532	0	24953	106,950	29,831
080477	PROJECT MANAGER	F A XE	ANCHORAGE	AA 22C	12.00	59850	0	20167	79,997	0
080478	REMOTE CONST/MAINT WKR II	F A XE	ANCHORAGE	AA 1SE	12.00	49399	8966	19864	78,230	0
080479	REMOTE CONST/MAINT WKR II	F A XE	ANCHORAGE	AA 1SD	10.00	39935	8681	16600	65,217	0
080480	REMOTE CONST/MAINT WKR II	S A XE	ANCHORAGE	AA 1SD	10.00	39935	8681	16500	65,217	0
080481	REMOTE SYSTEMS ENGINEER II	F A XE	ANCHORAGE	AA 20C	12.00	52353	0	18354	70,707	21,919
080482	ADMINISTRATIVE ASSISTANT	F A XE	ANCHORAGE	AA 14D	12.00	35847	0	14034	49,881	47,387
080485	SR OPERATIONS ENGR/BRADLEY	F A XE	ANCHORAGE	AA 23H	12.00	82492	0	24953	106,950	106,950
080486	STATISTICAL ANALYST	F A XE	ANCHORAGE	AA 20F	9.73	47283	0	16163	63,456	23,999
080487	GENERAL FOREMAN BRADLEY LA	F A XE	ANCHORAGE	AA 22K	12.00	72757	25554	27770	125,781	125,781
080488	DOCUMENTS PROCESSOR	F A XE	ANCHORAGE	AA 10D	12.00	27606	0	11878	39,484	14,909
080489	REMOTE CONST/MAINT WKR II	F A XE	ANCHORAGE	AA 1SE	12.00	49399	8966	19864	78,230	0
080490	PROCUREMENT SUPERVISOR	F A XE	ANCHORAGE	AA 1SC	12.00	45826	0	16646	62,472	28,712
080491	REMOTE CONST MAINT MGR	F A XE	ANCHORAGE	AA 20J	12.00	60202	0	20214	80,417	0
080493	ACCOUNTANT	F A XE	ANCHORAGE	AA 20L	12.00	64801	0	21089	85,891	43,736
080496	INFORMATION SYSTEMS SUPERV	F A XE	ANCHORAGE	AA 20M	12.00	67233	0	21552	88,786	33,525
080497	PROJECT MANAGER	F A XE	ANCHORAGE	AA 22C	12.00	59850	0	20167	79,997	0
080498	REMOTE SYSTEMS ENGINEER II	F A XE	ANCHORAGE	AA 20C	12.00	52353	0	18354	70,707	0
080499	REMOTE CONST/MAINT WKR III	F A XE	ANCHORAGE	AA 19E	12.00	52353	0	18354	70,707	0

COMPONENT TOTALS

TOTAL SALARY COSTS	3,934,249.10
TOTAL PREMIUM PAY COSTS	122,351.76
TOTAL BENEFITS COSTS	1,350,524.45
TOTAL PERSONAL SERVICES	5,407,185.31
PLUS LUMP SUM PREMIUM PAY	0.00
SUB-TOTAL	5,407,185.31
MINUS 3.50059 % VACANCY ADJUSTMENT	189,233.39

FULL TIME POSITIONS 71
PART TIME/SEASONAL POSITIONS 2
NON PERMANENT POSITIONS
OTHER.....

NUMBER OF POSITIONS IN COMPONENT 7304010100 = 73
(INCLUDES 7 BUDGETED NEW POSITIONS)

PERSONAL SERVICES, LINE 100 5,217,901.92

STAFF MONTHS: 857.42

FUNDING DATA:

1002 (FEDERAL RECEIPTS)	63,145.61
1005 (PROGRAM RECEIPTS/GEN FUND)	2,003,807.85
1007 (INTER-AGENCY RECEIPTS)	18,194.95
1061 (CIP RECEIPTS)	2,587,113.36
1062 (POWER PROJECT LOAN FUND)	23,956.73
1065 (RURAL ELECTRIC LOAN FUND)	2,994.13
1073 (FMR DEV REV LOAN FUND)	638,141.51
1074 (BULK FUEL REV. LOAN FUND)	69,801.18

TOTAL FUNDING: 5,407,185.32

000286

PCN	UNAUTH PCN	JOB CLASS TITLE	I S	LOCATION NAME	R C	D U	S	R&S BUDG	NO5	SALARY	PREMIUM PAY	BENEFITS	PERS. SVCS AND COSTS	GEN. FUND AMOUNT	
084013		REMOTE SYSTEMS ENGINEER I	F	ANCHORAGE	A	XE	AA	18D	12	44301	0	16247	60549.03		
<p>**** JUSTIFICATION: THIS POSITION WAS APPROVED BY RP FOR FY92 (PCN 080495). THE POSITION IS REQUIRED TO WORK ON THE BULK FUEL ASSESSMENT AND EMERGENCY REPAIR PROGRAM, THE STATEWIDE ELECTRICAL AND POWER PROJECT UPGRADE PROGRAM AND SPECIFIC APPROPRIATIONS FOR BULK FUEL SYSTEM IMPROVEMENTS.</p>															
													TRAVEL COSTS	0.00	
													CONTRACTUAL COSTS	0.00	
													SUPPLIES COSTS	0.00	
													EQUIPMENT COSTS	0.00	
													OTHER COSTS	0.00	
													=====		
													TOTAL COSTS	60549.03	0.00
084014		REMOTE SYSTEMS ENGINEER I	F	ANCHORAGE	A	XE	AA	18D	12	44301	0	16247	60549.03		
<p>**** JUSTIFICATION: THIS POSITION WAS APPROVED BY RP FOR FY92 (PCN 080484). THE POSITION IS REQUIRED TO WORK ON THE RURAL TECHNICAL ASSISTANCE PROGRAM, THE RURAL DATA ACQUISITION PROGRAM, THE RURAL POWER SYSTEMS UPGRADE PROGRAM, THE LIFE, HEALTH, SAFETY AND CODE COMPLIANCE PROGRAM, AND SPECIFIC APPROPRIATIONS FOR ELECTRIC SYSTEM UPGRADE PROJECTS.</p>															
													TRAVEL COSTS	0.00	
													CONTRACTUAL COSTS	0.00	
													SUPPLIES COSTS	0.00	
													EQUIPMENT COSTS	0.00	
													OTHER COSTS	0.00	
													=====		
													TOTAL COSTS	60549.03	0.00
084015		ENGINEERING ASSISTANT	F	ANCHORAGE	A	XE	AA	15B	12	35847	0	14034	49881.87		
<p>**** JUSTIFICATION: THIS POSITION WAS APPROVED BY RP FOR FY92 (PCN 080492). THE POSITION IS REQUIRED TO WORK ON THE RURAL TECHNICAL ASSISTANCE PROGRAM, THE PCE UTILITIES EFFICIENCY IMPROVEMENTS PROGRAM, THE BULK FUEL ASSESSMENT AND EMERGENCY REPAIRS PROGRAM, AND SPECIFIC APPROPRIATIONS FOR BULK FUEL AND ELECTRIC SYSTEM UPGRADE PROJECTS.</p>															
													TRAVEL COSTS	0.00	
													CONTRACTUAL COSTS	0.00	
													SUPPLIES COSTS	0.00	
													EQUIPMENT COSTS	0.00	
													OTHER COSTS	0.00	
													=====		
													TOTAL COSTS	49881.87	4489.37
084016		ADMINISTRATIVE CLERK	F	ANCHORAGE	A	XE	AA	11C	12	28450	0	12099	60550.08		
<p>**** JUSTIFICATION: THIS POSITION WAS APPROVED BY RP FOR FY92 (PCN 080434). THE POSITION SUPPORTS THE ENTIRE RURAL PROGRAMS DIRECTORATE IN THE AREAS OF DESIGN AND MANAGEMENT OF AN EXTENSIVE PROJECT FILING SYSTEM, ASSEMBLING OF REPORTS AND OTHER PAPERWORK, SPREAD SHEET DESIGN AND DATA ENTRY, REVIEW OF ACCOUNTING AND BUDGET REPORTS, COORDINATING AND PROCESSING TRAVEL REQUESTS, AND COMPLETING SPECIAL PROJECT ASSIGNMENTS. THE WORKLOAD AND PROJECT RESPONSIBILITIES OF RURAL PROGRAMS STAFF REQUIRE THE HIGHER LEVEL OF CLERICAL SUPPORT THAT THIS POSITION PROVIDES.</p>															
													TRAVEL COSTS	0.00	
													CONTRACTUAL COSTS	0.00	
													SUPPLIES COSTS	0.00	
													EQUIPMENT COSTS	0.00	
													OTHER COSTS	0.00	
													=====		
													TOTAL COSTS	60550.08	0.00

000281

18/91

14:04:19.3

PERSONAL SERVICES EXPEND. RES NEW POSITION DETAIL REPORT

PAGE:

9

COMPONENT #: 7304010100 NAME: AEA AGENCY OPERATIONS

DEPT. OF COMMERCE & ECONOMIC DEVELOPMENT SCENARIO: 1

BRG NAME: ALASKA ENERGY AUTHORITY

PCN	UNAUTH PCN	JOB CLASS TITLE	T S	LOCATION NAME	R B C U	S	R&S	MOS BUDG	SALARY	PREMIUM PAY	BENEFITS	PERS. SVCS AND COSTS	GEN. FUND AMOUNT
-----	---------------	-----------------	--------	---------------	------------	---	-----	-------------	--------	----------------	----------	-------------------------	---------------------

08#017		BUDGET ANALYST/LOAN ADMIN	F	ANCHORAGE	A	XE	AA	19B	12	67401	0	17058	64459.79
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**** JUSTIFICATION:

THE ENERGY AUTHORITY'S "BUDGET ANALYST" POSITION WAS FORMERLY ASSIGNED TO PCN 080424, BUT THIS PCN WAS USED, AT OMB'S REQUEST, FOR THE SYSTEMS ADMINISTRATOR/PROGRAMMING ENGINEER POSITION. CONSEQUENTLY, THE AEA WAS LEFT WITHOUT A PCN FOR ITS BUDGETARY POSITION. FOR FY92, THE POSITION HAS APPROVED DRY RP AS PCN 080437.

TRAVEL COSTS	0.00	
CONTRACTUAL COSTS	0.00	
SUPPLIES COSTS	0.00	
EQUIPMENT COSTS	0.00	
OTHER COSTS	0.00	
TOTAL COSTS	64459.79	6864.97

03#018		CONTRACTS SPECIALIST	F	ANCHORAGE	A	XE	AA	20M	12	67233	0	21552	83786.59
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**** JUSTIFICATION:

TRAVEL COSTS	0.00	
CONTRACTUAL COSTS	0.00	
SUPPLIES COSTS	0.00	
EQUIPMENT COSTS	0.00	
OTHER COSTS	0.00	
TOTAL COSTS	83786.59	33525.82

03#019		MECHANICAL ENGINEER	F	ANCHORAGE	A	XE	AA	23C	12	64058	0	20948	85006.83
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**** JUSTIFICATION:

TRAVEL COSTS	0.00	
CONTRACTUAL COSTS	0.00	
SUPPLIES COSTS	0.00	
EQUIPMENT COSTS	0.00	
OTHER COSTS	0.00	
TOTAL COSTS	85006.83	42503.42

**** COMPONENT TOTALS:

FULL TIME NEW POSITIONS	7
PART TIME/SEASONAL NEW POSITIONS	0
NON PERMANENT NEW POSITIONS	0
OTHER.....	0
	====

TOTAL PERSONAL SERVICES	449783.22
TOTAL COSTS INC. ASSOC COSTS	449783.22

NUMBER OF NEW POSITIONS IN COMPONENT: 7

FUNDING DATA: G.F. & G.F. MATCH:	\$7383.58
OTHER FUNDS:	357399.64
TOTAL FUNDING:	449783.22

000282

(attachment # 1.)

REPRESENTATIVE DAVE DONLEY

ALASKA STATE LEGISLATURE
DISTRICT ELEVEN
SEAT A

3111 "C" STREET, SUITE 450
ANCHORAGE, ALASKA 99503
(907) 561-7629 (FAX) 562-4376

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NORTHWOOD • ROMIG • ROOSEVELT PARK • SPENARD • THOMPSON • TURNAGAIN • WINDEMERE • WOODLAND PARK



CHAIRMAN
JUDICIARY COMMITTEE
VICE CHAIRMAN
REGULATION REVIEW COMMITTEE
MEMBER
RULES COMMITTEE
LABOR AND COMMERCE COMMITTEE

SECTIONAL ANALYSIS OF HB 529

Section 1 provides that the Alaska Energy Transfer Authority is included in the definition of state commission or board.

Section 2 moves the administration of power assistance programs currently maintained by the AEA to the Department of Community and Regional Affairs. These power assistance programs include:

- 1.) the Power Project Fund
- 2.) the Rural Electrification Revolving Fund
- 3.) the Power Cost Equalization Fund
- 4.) the Electrical Service Extension Fund
- 5.) the Bulk Fuel Revolving Fund

Section 3 states the legislative policy behind the implementation of Section 4. That policy is to gradually phase out state participation in power project development and simultaneously encourage private development of these enterprises. This section also repeals the legislative findings implemented upon the establishment of the Alaska Energy Authority.

Section 4 creates the Alaska Energy Transfer Authority (AETA) as a public corporation.

Section 5 provides for the membership of the authority, which consists of seven directors appointed by the Governor and confirmed by the Legislature. This section also repeals the provisions detailing the membership of the AEA.



Section 6 provides that members of the Authority serve for overlapping two year terms, and that they be residents and qualified voters of the state.

Section 7 details the purpose of the AETA while also repealing the purpose of the AEA. The purpose of the AETA is to recommend to the legislature how to eliminate the involvement of state government in the construction, maintenance, and operation of power projects; to maintain and operate power projects currently owned by the state, and to continue construction of power projects on which construction began prior to the effective date of this section.

Section 8 details the powers of the AETA. These powers are essentially parallel to those of the AEA. The main exception is that the AETA does not have the authority to develop new power projects in the state. Instead they are to encourage private development of these projects.

Section 9 provides that the AETA may issue bonds for the completing the construction of power projects. It amends AEA's current authority to issue bonds for the acquisition of power projects.

Sections 10 and 11 are technical amendments.

Section 12 places the Rural Electrification Revolving Loan Fund under the authority of the AETA.

Section 13 places the energy program for Alaska under the authority of the AETA.

Section 14 amends the functions of the energy program for Alaska. No longer is the program to provide for the construction of new power projects by the state. In turn the energy program is only to apply to power projects which were submitted to the legislature for funding prior to the effective date of this section.

Section 15 established the power development fund under the authority of the AETA.

Sections 16 and 17 address how the power development fund may be spent. These sections provide that the power development

fund may no longer be used to provide money for reconnaissance and feasibility studies for new power projects in the state. In addition, these funds can only be used for the costs of power projects that were under construction on the effective date of this section.

Section 18 is a technical amendment.

Section 19 provides that if a power project designated by the legislature by law is not constructed, the amount appropriated to it shall be returned to the general fund. This amends existing practice whereby the legislature may reappropriate the amount to other power projects designated by the legislature.

Sections 20 and 21 provide that the AETA will administer the power development revolving loan fund. Additionally, funds from the power development revolving loan fund may no longer be used to acquire new power projects.

Section 22 provides that the annual report of the AETA will recommend steps needed to bring about the transfer of power projects to the private industry.

Section. 23 through 26 are technical, clean-up amendments.

Section 27 provides the short title of the bill.

Section 28 addresses AETA Board membership during its initial period of implementation.

Section 29 provides that by January 1993, the AETA will present a report to the legislature concerning the transfer of its function to the Department of Community and Regional Affairs.

Section 30 provides that the repeal of certain statutes does not affect the obligations the state has on existing bonds or actions.

Section 31 provides that all litigation and actions pending under a law amended or repealed by this bill be completed by the APUC, the Department of Community and Regional Affairs, the AETA, or an agency designated by the Legislature. In addition, all regulations, certificates, or orders adopted under authority of a law amended or repealed by this Act remain in effect for the term issued, unless revoked or otherwise modified by this act.

Sections 32 through 36 provide the effective dates for this act.

Section 32 abolishes the Alaska Energy Authority.

Section 33 provides that AETA authority over the power project fund and the rural electrification fund is phased out by July 1, 1994. These projects are then transferred to CR&A.

Section 34 provides the AETA be phased out by July 1, 1997.

Section 35 provides that the creation of the AETA and that CR&A authority over the P.C.E. program, the electrical services extension fund, and the bulk fuel revolving loan fund take effect immediately.

Section 36 provides that C&RA authority over the power project fund takes effect July 1, 1994.

REPRESENTATIVE DAVE DONLEY



ALASKA STATE LEGISLATURE
DISTRICT ELEVEN
SEAT A

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REGULATION REVIEW COMMITTEE
MEMBER
RULES COMMITTEE
LABOR AND COMMERCE COMMITTEE

MEMORANDUM

TO: Members of the House Community and Regional Affairs
Committee

FROM: Representative Dave Donley ^{DB}

RE: HB 529, an act to disband the AEA and to
transfer its functions to C&RA

DATE: March 12, 1992

Thank you for hearing HB 529, an act to disband the Alaska Energy Authority (AEA) and to transfer its functions to the Department of Community and Regional Affairs (C&RA).

I introduced HB 529 for one reason. The AEA is a run away train and a bureaucratic nightmare. For six years I have been a member of the Finance Subcommittee overseeing the AEA budget. And for six years I have never ceased to have been amazed at how this agency manipulates the budget process, often irrespective of legislative intent.

During my tenure on the Finance Subcommittee overseeing the AEA budget, I have witnessed the AEA:

- a. constantly shift its organization chart and create new positions through the CIP funds



- b. request additional positions from the OMB by purposely misrepresenting the intent of the legislature
- c. pay to its employees excessive salaries out of range with public sector employment and comparable state jobs
- d. place in the pipeline new power projects the state simply will not have the ability to finance, and
- e. violate state procurement procedures (The Ombudsman's Office currently has a complaint before it on this issue).

This form of budget manipulation and fiscal irresponsibility cannot be tolerated in the face of declining state revenues. Although the functions the AEA serves are very worthwhile, I seriously doubt that the authority is the most effective mechanism to carry out these policies. For this reason, I have sponsored this legislation to abolish the AEA and to set up a transitional organization, the Alaska Energy Transfer Authority (AETA), for the transfer of AEA programs to the Department of Community and Regional Affairs. The sectional overview of HB 529 details how this transition would occur.

HB 529 provides the AETA with one clear mandate that does result in a change in Alaskan energy policy. However, I believe this is a change that is necessary as state revenues continue to decline. Under HB 529, the state would no longer act as chief initiator of energy development projects. Alternatively, the purposes of the AETA would be to recommend to the legislature how to end state involvement in the construction, operation, and maintenance of power projects and to encourage private investment in the industry.

I believe this is the proper time for this new policy directive to occur. Frankly, the AEA has long been a capital project driven authority. It was created in the days on the oil boom to oversee the development the Susitna Hydroelectric Project. When that project was abandoned, after great costs to the state, it took on the Four Dam Pool project. (Electrical utilities still owe the state about \$100 million for this project.) Next came the Bradley Lake Project, and next the Healy Clean Coal Project. The AEA continues to be a capital project driven agency, ever attempting to increase the supply of energy by putting into the pipeline new energy projects the state simply cannot afford to build. At the same time, the authority has opposed a redirection of its mandate to reduce consumer demand for electricity

by promoting energy conservation. This position is in direct opposition to the energy policy recommendations developed by the Alaska Energy Task Force in 1988. The list of their recommendations is attached.

Although HB 529 is lengthy legislation, its mandate is simple. The State of Alaska needs to redirect its priorities. Increasing energy supply well beyond consumer demand should not be a top priority. Instead, the Legislature needs more fiscal control over the energy programs in place. Placing the functions of the AEA within the Department of Community and Regional Affairs will give us the fiscal control we desperately require.

I welcome the committee hearing this legislation today. Thank you.

DD/jmn

FISCAL NOTE

STATE OF ALASKA
1992 LEGISLATIVE SESSION

BILL NO. HB 529

Revision Date: _____ Department Affected: Commerce
 Title: "An Act Transferring certain projects and programs of the Alaska Energy Authority, etc." BRU: AEA
 Component: AEA Agency Operations
 Sponsor: Rep. Donley, Brown, Ellis
 Requestor: _____ COMPONENT SERIAL NO.

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EXPENDITURES/REVENUES: (Thousands of Dollars)

OPERATING	FY 93	FY 94	FY 95	FY 96	FY 97	FY 98
Personal Services	165.6	148.9	242.4	241.5	82.3	
Travel	80.6	80.8	99.9	100.1	43.8	
Contractual	103.7	101.6	133.8	133.9	54.8	
Supplies	7.5	7.5	9.4	9.4	3.8	
Equipment	20.3	20.5	24.5	24.7	13.6	
Grants	0.0	0.0	0.0	0.0	0.0	
Misc	45.2	45.2	56.6	56.6	22.6	
Total Operations	423.0	404.6	566.5	566.2	220.9	
Funding:						
General Fund	480.8	481.6	597.4	598.3	254.3	
Federal Funds						
Other						
Power Project/Rural Electrification Revolving Loan	-57.8	-77	-30.9	-32.1	-33.4	
Total	423.0	404.6	566.5	566.2	220.9	
Positions:						
Full-Time	-2	-2	-2	-2	-2	
Part-Time						
Temporary	1	1	1	1	1	

Estimate of current year impact: 0

ANALYSIS: (Attach a separate page if necessary.)

This information should be considered preliminary due to the limited time available to perform an accurate analysis. Please consider this information as preliminary due to the limited time available to perform accurate analysis.

Prepared By: Bruce Holmes Phone: 561-7877
 Division: Alaska Energy Authority Date: 3/12/92
 Approved by Commissioner: [Signature] 3-12-92
 Agency: [Signature] Date: 3/12/92
 Charife Bussell, Executive Director

FISCAL NOTE

**STATE OF ALASKA
1992 LEGISLATIVE SESSION**

BILL NO. HB 529

Revision Date: _____
Title: "An Act Transferring certain projects and programs of the Alaska Energy Authority, etc."

Department Affected: Commerce
BRU: AEA
Component: Power Cost Equalization Program

Sponsor: Rep. Dorley, From: E111a
Requestor: _____

COMPONENT SERIAL NO.

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EXPENDITURES/REVENUES: (Thousands of Dollars)

OPERATING	FY 93	FY 94	FY 95	FY 96	FY 97	FY 98
PERSONAL SERVICES	(104.3)	(144.6)	(150.3)	(156.4)	(162.6)	
TRAVEL	(3.4)	(4.7)	(4.9)	(5.1)	(5.3)	
CONTRACTUAL	(16.3)	(22.6)	(23.5)	(24.4)	(25.4)	
SUPPLIES	(2.1)	(2.9)	(3.0)	(3.1)	(3.3)	
EQUIPMENT	(4.5)	(6.2)	(6.5)	(6.7)	(7.0)	
LAND & STRUCTURES						
GRANTS, CLAIMS	(19,355)	(19,355)	(19,355)	(19,355)	(19,355)	
MISCELLANEOUS						
TOTAL OPERATING	(19,485.6)	(19,536.0)	(19,543.2)	(19,550.7)	(19,558.6)	

CAPITAL						
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REVENUE FUND SOURCE:						
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FUNDING: (Thousands of Dollars)

GENERAL FUND	(19,485.5)	(19,536.0)	(19,543.2)	(19,550.7)	(19,558.6)	
FEDERAL FUNDS						
OTHER FUND SOURCE:						
TOTAL	(19,485.5)	(19,529.0)	(19,529.0)	(19,529.0)	(19,529.0)	

POSITIONS:

FULL-TIME	(2.4)	(3.14)	(3.14)	(3.14)	(3.14)	
PART-TIME						
TEMPORARY						

Estimate of current year impact: -0-

ANALYSIS: (Attach a separate page if necessary.)
Assumption: Program will be terminated effective 7/1/93, however 3 month cross-over will occur.
Please consider this information as preliminary due to the limited time available to perform accurate analysis.

Prepared By: Bruce Holmes Phone: 561-7877
Division: Alaska Energy Authority Date: 3/12/92
Approved by Commissioner: [Signature] 3/12/92
Agency: Charife Bussell, Executive Director Date: 3/12/92

Assumptions with regard to additions:

1. The agency will continue to perform under annual operating and capital appropriations from year to year through FY87.
2. All major facilities (dams, tie-lines) will require inventorying and transfer of permits, licenses, etc.
3. All small projects (transmission lines, small tie-lines, small hydros, etc.) will require at least a minimum level of transfer activity.
4. Public hearings will be conducted and a report prepared on transfer issues.
5. 4% inflation factor has been applied to each future year.
6. Snettisham will be transferred to AEA and then to another agency/entity.
7. Bulk Fuel Revolving Loan Program will be transferred to DCRA effective FY83.
8. Power Project Loan Fund and Rural Electrification Revolving Loan Programs will be transferred to DCRA effective FY85.
9. Electrical Service Extension Fund will be transferred to DCRA effective immediately; however, no administrative costs associated with this fund are reflected in AEA's operating budget and, as a result, no fiscal impact is included in this note.
10. Bulk Fuel Revolving Loan Fund transfer will occur up to 90 days into FY83.