

**SB**

**126**

**SFIN**

**FILE**

# SENATE FINANCE COMMITTEE REPORT

DATE: 1/19/93

FURTHER:

Date of 5-Day Notice: 2-25-93  
(in accordance with Uniform Rule 23)

DATE TURNED INTO OFFICE: 4-15-93

The Finance Committee considered SB 126

"An Act making special appropriations for design and construction of power transmission interties between Anchorage and the Kenai Peninsula, between Healy and Fairbanks, and between the Swan Lake and Tye Lake hydroelectric projects; and providing for an effective date."

and recommends:

replace with \_\_\_\_\_ CS SB 126 (FINANCE)  
or  adopt previous \_\_\_\_\_ CS \_\_\_\_\_  
 attaches amendment(s)

same title  
 new title  
 technical title change (HB only)

adopts \_\_\_\_\_ Letter of Intent

further referral to the \_\_\_\_\_

do pass

do not pass

no recommendation

individual recommendations

**NEW FISCAL NOTES**

Department	Date	Zero	Fiscal

**PREVIOUS FISCAL NOTES**

Department	Date	Zero	Fiscal

Appropriation No Fiscal Note

**DO PASS:**

Best Sharp  
George S. Adkins  
Tim Kelly

**OTHER RECOMMENDATIONS:**

Steve King No Rec

1. David No Pass  
Co-Chair: Signature/Recommendation

2. Steve King - 10/22/93  
Co-Chair: Signature/Recommendation

*Sh...*

SB 126  
4/9/93 workdraft 8-LSO649\B

**AMENDMENT #1**

page 2, line 29-30      **delete**

[section 8]

\*      Renumber sections and section references accordingly.

**SENATE FINANCE  
COMMITTEE**  
Amendment Number: ①  
Bill Number: SB 126  
Sponsor: \_\_\_\_\_ Date: 4/14/93  
Logged In By: Bra

*adopted upon  
5-15-93*

*amended  
sic  
adopted*

SB 126  
4/9/93  
workdraft  
8-LSO649\B

AMENDMENT #2

4/15/93

CONCEPTUAL AMENDMENT

*reinsert*

**Section 8** The sum of \$2,100,000 is appropriated from the Power Development Revolving Loan Fund to Alaska Energy Revolving Fund and is allocated for the following purposes in the amounts listed:

APPROPRIATION	AMOUNT
(1) Operation, Technical and Emergency Assistance	\$1,100,000.00
(2) Electrical System Life, Health and Safety Improvements	\$730,000.00
(3) Rural Utility Regionalization, Consolidation & Business Mgmt Training	\$270,000.00

SENATE FINANCE COMMITTEE  
 Amendment Number: SB 126  
 Sponsor: \_\_\_\_\_ Date: 4/15/93  
 Logged In By: \_\_\_\_\_

*amended*

**Section 9** The sum of \$4,300,000.00 is appropriated from the General Fund to Alaska Energy Revolving Fund and is allocated for the following purposes in the amounts listed:

APPROPRIATION	AMOUNT
(1) Rural Power Systems Upgrade	<del>\$750,000.00</del> 650,000
(2) Snettisham Acquisition	\$50,000.00
(3) Emergency Bulk Fuel Repairs/Prevention	\$500,000.00
(4) Statewide Electric and Power Project Development	\$250,000.00
(5) Bulk Fuel System Upgrades	\$2,000,000.00
(6) Alternative and Applied Energy Technology Development	<del>\$500,000.00</del> 350,000
(7) King Cove Hydroelectric Project	<del>\$250,000.00</del> 500,000

PAGE 2  
SB 126  
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workdraft  
8-LSO649\B

AMENDMENT #2 cont.  
CONCEPTUAL AMENDMENT

4/15/93

*new* **Section 10** The Alaska Energy Authority Revolving Loan Fund is authorized to receive and expend \$2,000,000.00 in program receipts from non-state sources for statewide energy project development.

*new* **Section 11** The Alaska Energy Authority Revolving Loan Fund is authorized to receive and expend \$5,000,000 in program receipts from non-state or trustee held funds for renewal and replacement funds at authority owned facilities.

- \* Renumber the following sections accordingly.
- \* Effective date should be the same as the effective establishing the Alaska Energy Revolving Fund.
- \* Conform the title

8-LS0649B  
Cramer  
4/9/93

*adopted*  
5-15-93

CS FOR SENATE BILL NO. 126( )  
IN THE LEGISLATURE OF THE STATE OF ALASKA  
EIGHTEENTH LEGISLATURE - FIRST SESSION

BY

Offered:  
Referred:

Sponsor(s): SENATORS SHARP, Taylor, Miller

A BILL

FOR AN ACT ENTITLED

1 "An Act making special appropriations to fund the energy authority revolving  
2 fund and for design and construction of power transmission interties between  
3 Anchorage and the Kenai Peninsula, between Healy and Fairbanks, between the  
4 Swan Lake and Tye Lake hydroelectric projects, and between Sutton and  
5 Glennallen; and providing for an effective date."

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

7 \* Section 1. The balance in the Railbelt intertie reserve (sec. 159, ch. 208, S.L.A. 1990) on  
8 June 30, 1993, is appropriated from the Railbelt intertie reserve to the energy authority  
9 revolving fund (AS 44.83.107) to capitalize the fund.

10 \* Sec. 2. The sum of \$90,000,000 is appropriated from the energy authority revolving fund  
11 (AS 44.83.107) to the Alaska Energy Authority for design and construction of a power  
12 transmission intertie of at least 138 kilovolts between Healy and Fairbanks and for design and  
13 construction of a power transmission intertie of at least 138 kilovolts between Anchorage and

1 the Kenai Peninsula.

2 \* Sec. 3. The sum of \$35,000,000 is appropriated from the energy authority revolving fund  
3 to the Alaska Energy Authority for the design and construction of a power transmission  
4 intertie of at least 115 kilovolts between the Tyee Lake and Swan Lake hydroelectric projects.

5 \* Sec. 4. The sum of \$27,500,000 is appropriated from the energy authority revolving fund  
6 to the Alaska Energy Authority for the design and construction of a power transmission  
7 intertie of at least 138 kilovolts between Sutton and Glennallen.

8 \* Sec. 5. The balance in the Railbelt energy fund (AS 37.05.520) on June 30, 1993, is  
9 appropriated to the energy authority revolving fund (AS 44.83.107) to capitalize the fund.

10 \* Sec. 6. (a) The unexpended and unobligated balance of the appropriation made in sec. 3,  
11 ch. 128, SLA 1986, page 8, line 7, as amended by sec. 1, ch. 96, SLA 1987 (Alaska Power  
12 Authority, Bradley Lake power project - \$50,000,000) is repealed and reappropriated to the  
13 energy authority revolving fund (AS 44.83.107) to capitalize the fund.

14 (b) The unexpended and unobligated balance of the appropriation made in sec. 6,  
15 ch. 172, SLA 1988 (Bradley Lake power project - \$7,000,000) is repealed and reappropriated  
16 to the energy authority revolving fund (AS 44.83.107) to capitalize the fund.

17 \* Sec. 7. (a) All right, title, and interest in loans described in (b) of this section as of  
18 June 30, 1993, and all right, title, and interest in all mortgages, notes, power sales agreements,  
19 reserves, and other instruments of security made in connection with those loans as of June 30,  
20 1993, are transferred and appropriated to the Alaska Energy Authority to capitalize the energy  
21 authority revolving fund (AS 44.83.107).

22 (b) This section transfers and appropriates

23 (1) power project fund loans made under former AS 44.83.170;

24 (2) rural electrification revolving loan fund loans made under former  
25 AS 44.83.361 - 44.83.363;

26 (3) power development revolving loan fund loans made under former  
27 AS 44.83.500 - 44.83.530; and

28 (4) bulk fuel loan fund loans made under former AS 44.83.600 - 44.83.650.

29 \* Sec. 8. The sum of \$9,300,000 is appropriated from the general fund to the energy  
30 authority revolving fund (AS 44.83.107) to capitalize the fund.

31 \* Sec. 9. The appropriations made by secs. 2 - 4 of this Act are for capital projects and

1 lapse under AS 37.25.020.

2 \* Sec. 10. The appropriations made by secs. 1 and 5 - 8 of this Act are for capitalization  
3 of a fund and do not lapse under AS 37.25.010.

4 \* Sec. 11. Section 2 of this Act takes effect on the effective date of an Act enacted by the  
5 Eighteenth Alaska State Legislature that authorizes the Alaska Energy Authority to design and  
6 construct power transmission interties between Healy and Fairbanks and between the Kenai  
7 Peninsula and Anchorage.

8 \* Sec. 12. Section 3 of this Act takes effect on the effective date of an Act enacted by the  
9 Eighteenth Alaska State Legislature that authorizes the Alaska Energy Authority to design and  
10 construct a power transmission intertie between the Tyee Lake and Swan Lake hydroelectric  
11 projects.

12 \* Sec. 13. Section 4 of this Act takes effect on the effective date of an Act enacted by the  
13 Eighteenth Alaska State Legislature that authorizes the Alaska Energy Authority to design and  
14 construct a power transmission intertie between Sutton and Glennallen.

15 \* Sec. 14. Sections 1 and 5 - 8 of this Act take effect July 1, 1993, but only if a bill  
16 establishing the energy authority revolving fund is enacted into law on or before that date.

# Alaska State Legislature

SENATOR  
**BERT SHARP**

DISTRICT P

CHAIRMAN  
TRANSPORTATION COMMITTEE

MEMBER  
FINANCE COMMITTEE  
LEGISLATIVE BUDGET & AUDIT COMMITTEE  
HEALTH & SOCIAL SERVICES



FAIRBANKS

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(907) 452-7885/7886

SESSION ADDRESS

STATE CAPITOL, ROOM 514  
JUNEAU, ALASKA 99801-1182  
(907) 465-3004/4921

*Senate*

## SECTIONAL ANALYSIS

SB - 126

4/13/93

SECTION 1. Appropriates the balance of the Railbelt intertie reserve on 6-30-93 to the energy authority revolving fund. This consists of \$100 million plus interest of approximately \$18.9 million.

SECTION 2. Appropriates \$90 million from the energy authority revolving fund to the Alaska Energy Authority for design and construction of a transmission intertie between Healy and Fairbanks and for a transmission intertie between Anchorage and the Kenai Peninsula.

SECTION 3. Appropriates \$20 million from the energy authority revolving fund to the Alaska Energy Authority for design and construction of a transmission intertie between Tye Lake and Swan Lake hydroelectric projects.

SECTION 4. Appropriates \$35 million from the energy authority revolving fund to the Alaska Energy Authority for design and construction of a transmission intertie between Sutton and Glennallen.

SECTION 5. Appropriates the balance of the Railbelt energy fund to the energy authority revolving fund. This amount is approximately \$2.5 million.

SECTION 6. Appropriates the money left from construction of the Bradley Lake hydroelectric project to the energy authority revolving fund. This amount is approximately \$11 million.



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SECTION 7. Appropriates the right, title and interest in all receivables on loans or power sales agreements and reserves of the energy authority to the energy authority revolving fund. The largest of these items is the 4-dam pool power sales agreement.

SECTION 8. Appropriates an amount from the general fund required to complete the capitalization of the energy authority revolving fund.

SECTION 9-14. Provide for lapse conditions and effective dates.

SB 126  
4/9/93  
workdraft  
8-LSO649\B

AMENDMENT #5

4/15/93

CONCEPTUAL AMENDMENT

**Section** The sum of \$5,000,000.00 is appropriated from the General Fund to Alaska Energy Revolving Fund for INNEC Tazamina Hydroelectric project and area interties.

- \* Renumber the following sections accordingly.
- \* Effective date should be the same as the effective establishing the Alaska Energy Revolving Fund.
- \* Conform the title

SENATE FINANCE  
COMMITTEE  
Amendment Number: 5  
Bill Number: SR 126  
Sponsor: \_\_\_\_\_ Date: 4/15/93  
Logged In By: Don

# ALASKA STATE LEGISLATURE

## LEGISLATIVE BUDGET AND AUDIT COMMITTEE

Division of Legislative Finance




P.O. Box 113200  
Juneau, AK 99811-3200  
(907) 465-3795  
FAX (907) 463-4215

Memorandum

March 1, 1993

TO: Senator Bert Sharp

FROM: Nancy J. Stagle   
Fiscal Analyst

RE: Railbelt Energy and Intertie Reserve Fund Balances

The following is the balance of the Railbelt Funds as of 2/26/93:

Railbelt Energy Fund	\$2,565,500
Railbelt Intertie Reserve	116,530,663

The Intertie Reserve is accumulating approximately \$400,000 per month in investment earnings. This would add another \$2,400,000 for the remainder of FY93. Our projected balance for the two funds on June 30, 1993 is estimated at \$121,500,000.

If you need any further clarification, please let me know.

# Alaska State Legislature

SENATOR  
**BERT SHARP**

DISTRICT P

CHAIRMAN  
TRANSPORTATION COMMITTEE

MEMBER  
FINANCE COMMITTEE  
LEGISLATIVE BUDGET & AUDIT COMMITTEE  
HEALTH & SOCIAL SERVICES



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SESSION ADDRESS

STATE CAPITOL, ROOM 514  
JUNEAU, ALASKA 99801-1182  
(907) 465-3004/4921

Senate

## MEMORANDUM

DATE: April 13, 1993  
TO: All legislators  
FROM: Senator Bert Sharp  
SUBJECT: Proposed Energy Plan

---

After analysis of many alternatives, I believe this combination offers the most positives to address interties, long-term PCE policy and a revolving loan fund for future projects that offer economic energy alternatives.

I strongly urge your support of this package.

The proposed draft substitutes for SB 106 and SB 126 would do the following:

- \* Provide a \$90 million grant for the Railbelt interties
- \* Provide a total of \$55 million in 3% - 50 year loans to be allocated to Swan-Tyee Lake and Sutton-Glennallen interties
- \* Provide \$17 million annually for the PCE program with GF appropriations ending approximately year 2000
- \* Authorize construction of each of the interties subject to utilities agreeing to assume completion risk and cost overruns. The Sutton-Glennallen intertie is further conditioned upon approval by OMB of the feasibility study.
- \* Minimum statutory changes required.
- \* All expenditures from the new AEA account will be subject to legislative appropriation.



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- \* Provides a 4-dam pool account (50% of the 4-dam pool revenues) to support 4-dam pool projects.

The funding sources used to capitalize the fund to accomplish the items listed above:

Railbelt Energy Fund	\$ 2,565,500
Railbelt Intertie Reserve Fund	100,000,000
Interest on Rblt Int. Reserve	18,930,663
Bradley Lake Surplus	11,000,000
Additional State Contribution	<u>9,303,837</u>
	\$141,800,000

Revenues used to complete the funding for this compromise approach include;

- Revolving Fund Investment Income
- Collections on Existing Loans
- Intertie State Loan Repayments
- Debt Service from 4-Dam Pool
- Appropriation - PCE Grants
- Appropriation - PCE Administration

Enclosed is a spreadsheet which projects the revenues and expenses to the combined fund which would be created by this work draft for SB 106. Please keep in mind, however, as you look at this spreadsheet that all expenditures beyond the capital appropriations for the interties contained in the work draft for SB 126 would require appropriations by the legislature. This approach does not guarantee that these expenditures, and it creates the political presumption that this is how those funds will be used.

# Alaska State Legislature

SENATOR  
**BERT SHARP**

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Senate

## SECTION ANALYSIS

**CS** SB - 106

3/3/93

SECTION 1. Amends AS 36.30.850(b) to include the requirement that a contract between Alaska Energy Authority (AEA) and public utilities for the construction of a intertie can only occur if the utility has agreed, in writing, to pay any additional costs over the agreed upon project cost, and operation and maintenance costs of the project.

SECTION 2. Authorizes the AEA to design and construct a 138 kilovolt power transmission intertie between Anchorage and the Kenai Peninsula at a cost of \$103,000,000.

SECTION 3. Authorizes the AEA to design and construct a 138 kilovolt power transmission intertie between Healy and Fairbanks, at a cost of \$95,500,000.

SECTION 4. (a) Authorizes the Alaska Energy Authority to design and construct a 138 kilovolt power transmission intertie between Swan Lake and Tye Lake hydroelectric projects, at a cost of \$55,600,000.

(b) It is the intent of the Legislature that the Alaska Energy Authority finance the design and construction of the Swan Lake and Tye Lake intertie through the sale of revenues bonds which are to be repaid from revenue from the sale of power from the hydroelectric projects included in the Four Dam Pool.



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(c) This is contingent upon a written agreement between the utilities involved in the project and AEA providing the utilities agree to pay the design and construction cost not to exceed \$27,800,000, and also the operation and maintenance costs of the intertie project.

(d) This project is contingent on OMB's recommending approval of the feasibility study and the plan of finance for the project

SECTION 5. The authorizations made by secs. 2 and 3 of the Act are contingent upon written agreements between the AEA and the participating utilities, providing the participating utilities agree to cover the the design and construction costs exceeding \$99,250,000; and the total operation and maintenance costs of the interties.

SECTION 6. Under AS 01.10.070(c), this Act takes effect immediately.

## SECTION ANALYSIS

SB - 106

SECTION 1. AS 44.83.185(c) contingent upon sec.4 of this Act, authorizes the Alaska Energy Authority to design and construct a 138 kilovolt power transmission intertie with the capability of being upgraded to 230 kilovolts, between Anchorage and the Kenai Peninsula at a cost of \$84,100,000.

SECTION 2. AS 44.83.185(c) contingent upon sec. 4 of this Act, authorizes the Alaska Energy Authority to design and construct a 138 kilovolt power transmission intertie with the capability of being upgraded to 230 kilovolts, between Healy and Fairbanks, at a cost of \$77,600.00.

SECTION 3. (a) AS 44.83.185.(c), authorizes the Alaska Energy Authority to design and construct a 138 kilovolt power transmission intertie between Swan Lake and Tye Lake hydroelectric projects, at a cost of \$55,600,000.

SECTION 3. (b) It is the intent of the Legislature that the Alaska Energy Authority shall finance the design and construction of the intertie authorized in (a) of this section through the sale of revenues bonds which are to be repaid from revenue from the sale of power from the hydroelectric projects included in the Four Dam Pool.

SECTION 4. The authorizations made by secs. 1 and 2 of the Act are contingent upon written agreement between the Alaska Energy Authority and the participating electric utilities, providing the participating utilities agree to pay 50 percent of the design and construction costs; and the total operation and maintenance costs of the power transmission interties authorized by this Act.

SECTION 5. Under AS 01.10.070(c), this Act takes effect immediately.

Adopted  
3-3-93

WORK DRAFT

WORK DRAFT

WORK DRAFT

8-LS0649K  
Cramer  
3/2/93

CS FOR SENATE BILL NO. 126( )  
IN THE LEGISLATURE OF THE STATE OF ALASKA  
EIGHTEENTH LEGISLATURE - FIRST SESSION

BY

Offered:

Referred:

Funding Information: General Fund \$  
Other Funds -0-  
\$

Sponsor(s): SENATORS SHARP, Taylor, Miller

A BILL

FOR AN ACT ENTITLED

1 "An Act making special appropriations for design and construction of power  
2 transmission interties between Anchorage and the Kenai Peninsula, between Healy  
3 and Fairbanks, and between the Swan Lake and Tye Lake hydroelectric projects;  
4 and providing for an effective date."

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

6 \* Section 1. The sum of \$99,250,000 and the interest earned on that sum beginning on the  
7 effective date of this Act is appropriated from the general fund, Railbelt intertie reserve  
8 (sec. 159, ch. 208, SLA 1990), to the Alaska Energy Authority for design and construction  
9 of a 138 kilovolt power transmission intertie between Anchorage and the Kenai Peninsula and  
10 for design and construction of a 138 kilovolt power transmission intertie between Healy and  
11 Fairbanks.

12 \* Sec. 2. The sum of \$9,000,000 is appropriated from the power development revolving  
13 loan fund (AS 44.83.500(a)) to the Alaska Energy Authority for the design and construction  
14 of a 138 kilovolt power transmission intertie between the Swan Lake and the Tye Lake

1 hydroelectric projects.

2 \* Sec. 3. The appropriations made by this Act are for capital projects and lapse under  
3 AS 37.25.020.

4 \* Sec. 4. This Act takes effect on the effective date of an Act enacted by the Eighteenth  
5 Alaska State Legislature that authorizes the Alaska Energy Authority to design and construct  
6 power transmission interties between Anchorage and the Kenai Peninsula, between Healy and  
7 Fairbanks, and between the Swan Lake and the Tyee Lake hydroelectric projects.

# Alaska State Legislature

SENATOR  
BERT SHARP

DISTRICT P

CHAIRMAN  
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MEMBER  
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LEGISLATIVE BUDGET & AUDIT COMMITTEE  
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STATE CAPITOL, ROOM 514  
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Senate

## MEMORANDUM

DATE: April 13, 1993

TO: All legislators

FROM: Senator Bert Sharp

SUBJECT: Proposed Energy Plan

---

After analysis of many alternatives, I believe this combination offers the most positives to address interties, long-term PCE policy and a revolving loan fund for future projects that offer economic energy alternatives.

I strongly urge your support of this package.

The proposed draft substitutes for SB 106 and SB 126 would do the following:

- \* Provide a \$90 million grant for the Railbelt interties
- \* Provide a total of \$55 million in 3% - 50 year loans to be allocated to Swan-Tyee Lake and Sutton-Glennallen interties
- \* Provide \$17 million annually for the PCE program with GF appropriations ending approximately year 2000
- \* Authorize construction of each of the interties subject to utilities agreeing to assume completion risk and cost overruns. The Sutton-Glennallen intertie is further conditioned upon approval by OMB of the feasibility study.
- \* Minimum statutory changes required.
- \* All expenditures from the new AEA account will be subject to legislative appropriation.



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\* Provides a 4-dam pool account (50% of the 4-dam pool revenues) to support 4-dam pool projects.

The funding sources used to capitalize the fund to accomplish the items listed above:

Railbelt Energy Fund	\$ 2,565,500
Railbelt Intertie Reserve Fund	100,000,000
Interest on Rblt Int. Reserve	18,930,663
Bradley Lake Surplus	11,000,000
Additional State Contribution	<u>9,303,837</u>
	\$141,800,000

Revenues used to complete the funding for this compromise approach include;

- Revolving Fund Investment Income
- Collections on Existing Loans
- Intertie State Loan Repayments
- Debt Service from 4-Dam Pool
- Appropriation - PCE Grants
- Appropriation - PCE Administration

Enclosed is a spreadsheet which projects the revenues and expenses to the combined fund which would be created by this work draft for SB 106. Please keep in mind, however, as you look at this spreadsheet that all expenditures beyond the capital appropriations for the interties contained in the work draft for SB 126 would require appropriations by the legislature. This approach does not guarantee that these expenditures, and it creates the political presumption that this is how those funds will be used.

# Alaska State Legislature

SENATOR  
**BERT SHARP**

DISTRICT P

CHAIRMAN  
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Senate

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## SECTIONAL ANALYSIS

**CS** SB - 126

3/3/93

SECTION 1. \$99,250,000.00 is appropriated from the Railbelt intertie reserve to the Alaska Energy Authority for the design and construction of a 138 kilovolt power transmission intertie between Anchorage/Kenai Peninsula, and Healy/Fairbanks.

SECTION 2. \$9,000,000.000 is appropriated from the power development revolving loan fund to the AEA for the design and construction of a 138 kilovolt power transmission intertie between Swan Lake and the Tyee Lake hydroelectric project.

SECTION 3. Funds lapse under AS 37.25.020, when the project is complete.

SECTION 4. The appropriation takes effect only when SB 106 passes the legislature and authorizes the design and construction of interties between Anch./Kenai, Healy/Fbks, and Swan/Tyee Lake.



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OF ALASKA

## SECTIONAL ANALYSIS

SB - 126

SECTION 1. \$80,850,000.00 is appropriated from the Railbelt intertie reserve to the Alaska Energy Authority for the design and construction of a 138 kilovolt power transmission intertie between Anchorage/Kenai Peninsula, and Healy/Fairbanks.

SECTION 2. \$9,000,000.000 is appropriated from the general fund to the AEA for the design and construction of a 138 kilovolt power transmission intertie between Swan Lake and the Tyee Lake hydroelectric project.

SECTION 3. Funds lapse under AS 37.25.020

SECTION 4. The appropriation takes effect only when SB 106 passes the legislature and authorizes the design and construction of interties between Anch./Kenai, Healy/Fbks, and Swan/Tyee Lake.

ALASKA ENERGY AUTHORITY  
(All Dollars in Thousands)

page 1 of 2  
13-Apr-93

SENT BY:

	6/30/93	1994	1995	1996	1997	1998	1999	2000	2001	2002	2003
<b>AEA Revolving Fund Balance</b>	<b>\$141,800</b>	<b>\$161,926</b>	<b>\$173,344</b>	<b>\$178,428</b>	<b>\$121,470</b>	<b>\$82,033</b>	<b>\$88,164</b>	<b>\$92,385</b>	<b>\$94,160</b>	<b>\$96,090</b>	<b>\$98,120</b>
<b>Revenue</b>											
Revolving Fund Investment Income		10,635	12,144	13,001	13,232	9,110	6,152	6,812	6,929	7,062	7,207
Collections on Existing Loans		2,413	2,413	2,271	2,244	2,234	2,181	2,130	1,856	1,837	1,831
Debt Service from 4-Dam Pool		10,396	10,667	10,909	11,155	11,405	11,584	11,766	11,932	12,064	12,121
Appropriation - FCC		17,000	14,571	12,143	9,714	7,288	4,857	2,429	0	0	0
Appropriation - PCE Admin.		182	190	199	207	217	227	237	0	0	0
<b>Total</b>		<b>33,626</b>	<b>39,985</b>	<b>38,522</b>	<b>36,553</b>	<b>30,252</b>	<b>25,001</b>	<b>23,174</b>	<b>20,217</b>	<b>21,063</b>	<b>21,259</b>
<b>Expenditure</b>											
Railbelt Intertie Grant		1,000	9,000	14,400	65,600	0	0	0	0	0	0
Tyee-Swan Intertie Grant		500	500	1,200	3,600	29,200	0	0	0	0	0
Copper Valley Intertie Grant		500	500	1,200	3,600	21,700	0	0	0	0	0
Other Capital Projects/ Programs		0	0	0	0	0	0	0	0	0	0
PCE Outlay		\$17,000	\$17,000	\$17,000	\$17,000	\$17,000	\$17,000	\$17,000	\$17,000	\$17,000	\$17,000
Rural Technical Assistance		1,500	1,568	1,838	1,712	1,789	1,869	1,953	2,041	2,139	2,229
<b>Total</b>		<b>20,500</b>	<b>28,568</b>	<b>35,438</b>	<b>91,512</b>	<b>69,889</b>	<b>18,869</b>	<b>18,953</b>	<b>19,041</b>	<b>19,199</b>	<b>18,229</b>
<b>Surplus (Shortage)</b>		<b>\$ 20,126</b>	<b>\$ 11,418</b>	<b>\$ 3,084</b>	<b>(\$4,959)</b>	<b>(\$39,437)</b>	<b>\$ 6,132</b>	<b>\$ 4,220</b>	<b>\$ 1,778</b>	<b>\$ 1,930</b>	<b>\$ 2,030</b>

Revolving Fund Beginning Balance		Assumptions	
Railbelt Energy Fund	\$2,800	Annual Inflation Rate	4.5 %
Railbelt Intertie Reserve Fund	100,000	Return on AEA Fund	7.5 % of fund balance
Interest on Rblt Intertie Reserve	18,000	PCE State Appropriation	7 year ramp
Bradley State Fund Surplus	11,000	Railbelt Intertie Est. Total Cost	\$180,000
Additional State Contribution	10,000	Railbelt Intertie State Grant	\$90,000
<b>Total</b>	<b>\$141,800</b>	Tyee-Swan Est. Total Cost	\$60,000
		Tyee-Swan State Grant	\$35,000
		Copper Valley Est. Total Cost	\$60,000
		Copper Valley State Grant	\$27,500

Funds are available in the Revolving Fund for annual appropriation to AEA Administration

Projections exclude restricted revenues and associated expenditures.  
(Example: revenues dedicated to project operations and maintenance.)

Case 9J

SPREAD SHEET #1

4-13-93 13:49

AK ENERGY AUTHORITY

# 1

ALASKA ENERGY AUTHORITY  
(All Dollars in Thousands)

page 2 of 2  
13-Apr-93

SENT BY:

	2004	2005	2006	2007	2008	2009	2010	2011	2012	2013	Total
<b>AEA Revolving Fund Balance</b>	<b>\$100,162</b>	<b>\$102,077</b>	<b>\$103,894</b>	<b>\$105,711</b>	<b>\$107,589</b>	<b>\$109,543</b>	<b>\$111,570</b>	<b>\$113,669</b>	<b>\$115,839</b>	<b>\$118,082</b>	
<b>Revenue</b>											
Revolving Fund Investment Income	7,359	7,612	7,656	7,792	7,929	8,069	8,216	8,368	8,525	8,688	\$172,198
Collections on Existing Loans	1,831	1,609	1,425	1,347	1,333	1,333	1,333	1,333	1,333	1,333	95,920
Debt Service from 4-Dam Pool	12,182	12,228	12,280	12,336	12,386	12,454	12,512	12,568	12,625	12,684	238,263
Appropriation - PCE	0	0	0	0	0	0	0	0	0	0	68,000
Appropriation - PCE Admin.	0	0	0	0	0	0	0	0	0	0	1,458
<b>Total</b>	<b>21,872</b>	<b>21,349</b>	<b>21,361</b>	<b>21,475</b>	<b>21,658</b>	<b>21,856</b>	<b>22,061</b>	<b>22,269</b>	<b>22,483</b>	<b>22,705</b>	<b>515,839</b>
<b>Expenditure</b>											
Railbelt Inter tie Grant	0	0	0	0	0	0	0	0	0	0	90,000
Tye-Swan Inter tie Grant	0	0	0	0	0	0	0	0	0	0	35,000
Copper Valley Inter tie Grant	0	0	0	0	0	0	0	0	0	0	27,500
Other Capital Projects/ Programs	0	0	0	0	0	0	0	0	0	0	0
PCE Outlay	\$17,000	\$17,000	\$17,000	\$17,000	\$17,000	\$17,000	\$17,000	\$17,000	\$17,000	\$17,000	340,000
Rural Technical Assistance	2,329	2,434	2,544	2,658	2,778	2,903	3,034	3,170	3,313	3,462	47,057
<b>Total</b>	<b>19,329</b>	<b>19,434</b>	<b>19,544</b>	<b>19,658</b>	<b>19,778</b>	<b>19,903</b>	<b>20,034</b>	<b>20,170</b>	<b>20,313</b>	<b>20,462</b>	<b>539,557</b>
<b>Surplus (Shortage)</b>	<b>\$ 2,043</b>	<b>\$ 1,915</b>	<b>\$ 1,817</b>	<b>\$ 1,817</b>	<b>\$ 1,878</b>	<b>\$ 1,953</b>	<b>\$ 2,027</b>	<b>\$ 2,099</b>	<b>\$ 2,170</b>	<b>\$ 2,243</b>	<b>(23,716)</b>

: 4-13-93 : 13:49 : AK ENERGY AUTHORITY

Case 9J

# 2

SB 126



BOX 337, VALDEZ, ALASKA 99686 907-835-2231

March 31, 1993

Senator Drew Pearce, Co-Chair  
Senate Finance Committee  
State Capital, Room 508  
Juneau, Alaska 99801

Dear Senator Pearce:

Copper Valley Telephone Cooperative, Inc., is a non-profit, member owned cooperative providing communications services throughout a large portion of South-Central Alaska. The nature of this area requires us to provision many small, remote buildings in which we house electronic equipment requiring AC power to operate. We have a constant first question we ask when engineering and planning upgrades or new facilities--what is the availability of AC power?

This dependence translates into charges for electrical services from Copper Valley Electric Cooperative in excess of \$65,000 per year--and growing!! Since we operate on a non-profit basis, any net effect upon those costs ultimately appears on our customers' bills. We have more than enough expensive obstacles to overcome in order to accomplish our goals, and strongly support any project which can help us keep the lid on our operating expenses as we intend to remain in business here for many years to come.

The Sutton-Glennallen Intertie Project has the potential to stabilize rates--a direct benefit for our customers. It has the potential to encourage economic development--a direct benefit for our customers. And it addresses future need for many years--again, a direct benefit for our customers. We can only see positive returns through this project, returns which directly affect the pocketbooks of our 4000 customers.

We urge your support of this very necessary and worthwhile project. House Bills 50 and 51, Senate Bills 106 and 126, 124 and 125 all have impact on funding for this intertie. Please give these your attention and support.

Sincerely yours,

Scott L. Smith  
General Manager

Alaska Village Electric Cooperative, Inc.  
4831 Eagle Street  
Anchorage, Alaska 99503  
561-1818

April 15, 1993

Memo to: Senate Finance Committee

From: Charlie Walls, General Manager *CYW*

Re: SB 106/126 -Energy Plan

The Alaska Village Electric Cooperative (AVEC) is a bush electric utility system that serves a population of about 20,000 rural people who live in 49 villages. This summer that will increase to 50 villages with the community of Brevig Mission joining us.

The power cost equalization program is of critical importance to rural Alaska. We have followed the progression of SB106/126 and support the bill as amended on April 14. Our bottom line is twenty year funding for the PCE program at \$17 million per year. The cash flow will enable us to move toward the goal of self sufficiency. When we talk with the federal government about loans for our villages, the fact that the state has made a long term commitment will greatly enhance our ability to increase federal participation in solving the rural energy problems.

We also support the state investing in the transmission interties. This strengthened infrastructure will provide the means for future economic development in the state. The bill is a good balance for the whole state.

We fully support the bills in their present form and urge reporting them out of the Senate Finance Committee.

**Testimony of Daniel E. Bloomer--Chugach Electric Association, Inc.  
On SB 106 & 126**

**Before Senate Finance Committee  
April 15, 1993**

Thank you for the opportunity to present Chugach Electric Association's comments on SB 106/126. As many of you know, Chugach is the largest electric utility in the state of Alaska, providing service to more than 63,000 customers in the Anchorage bowl and upper Kenai Peninsula.

Chugach is also the largest generator and transmitter of electricity in Alaska. In addition to generating power for our own customers, Chugach also produces the electricity used by Matanuska Electric Association in Palmer (29,000 customers), Homer Electric Association on the Kenai Peninsula (18,000 customers), City of Seward (2,600 customers), and sells economy energy to Golden Valley Electric Association in Fairbanks (27,000 customers). Therefore, Chugach has substantial interest in this legislation.

The bills before you, as amended yesterday, present a solid energy package that will help to strengthen power systems throughout the state. In the Railbelt, the new interties will improve the ability to transfer Bradley Lake power throughout the region and reduce operating costs for the utilities. The Sutton to Glennallen intertie will electrically tie the Copper River Basin and City of Valdez into the railbelt providing those areas with access to inexpensive reliable electricity. The Swan-Tyee intertie will enhance southeast's ability to utilize their hydroelectric facilities and ultimately reduce costs for all of the four-dam pool participants. PCE funding gives our rural systems financial support which allows them time to resolve their energy problems.

In a nutshell, these bills represent a good energy package that addresses a majority of the electrical needs in Alaska. The utilities are united in our support for the package and we urge your support to move the bills to the Senate floor. Thanks again for the opportunity to comment on these bills.

**SENATE COMMITTEE REPORT**  
FIRST COMMITTEE OF REFERRAL

DATE: 2/19/93

FURTHER: FINANCE

**Date of 5-Day Notice:** \_\_\_\_\_  
(in accordance with Uniform Rule 23)

**DATE TURNED INTO OFFICE:** \_\_\_\_\_

L&C            Committee considered    SB 126

"An Act making special appropriations for design and construction of power transmission interties between Anchorage and the Kenai Peninsula, between Healy and Fairbanks, and between the Swan Lake and Tye Lake hydroelectric projects; and providing for an effective date."

and recommends:

replace with \_\_\_\_\_ CS \_\_\_\_\_

- same title
- new title
- technical title change (HB only)

attaches amendment(s)

adopts \_\_\_\_\_ letter of Intent

further referral to the \_\_\_\_\_

do pass

do not pass

no recommendation

individual recommendations

*Waived 2-19-93*

**FISCAL NOTE INFORMATION**

Department	Date	Zero	Fiscal

Department	Date	Zero	Fiscal

Appropriation, No Fiscal Note

Governor's Bill with Previous Fiscal Notes (enter information above)

**DO PASS:**

\_\_\_\_\_

\_\_\_\_\_

\_\_\_\_\_

\_\_\_\_\_

\_\_\_\_\_

**OTHER RECOMMENDATIONS:**

\_\_\_\_\_

\_\_\_\_\_

\_\_\_\_\_

\_\_\_\_\_

\_\_\_\_\_

\_\_\_\_\_  
Chair: Signature and Recommendation