

HB

150

<target><bill>HB 150</bill><subject>HB
150</subject><comm>HFIN26</comm></target>



Representative Alan Austerman

Alaska State Legislature

Sponsor Statement for HB 150

Power Cost Equalization (PCE) is the program designed to (1) extend power assistance to rural Alaska as a response to the development of other power around the state and (2) make power more affordable to rural Alaskans. HB 150 proposes to make permanent the changes to the program adopted by the last legislature, which made higher cost power eligible for PCE. This helps Alaskan families continue to afford to buy the electricity that provides the basic services that we all take for granted.

Residents of Alaska whose electricity is generated by oil have seen their power costs increase significantly during the past few years. Last year for example, oil was purchased during the summer when delivery by barge was possible. At that time, they paid the highest price ever recorded. In consequence, though the price of a barrel of oil has plummeted, the cost in the villages continues to reflect the price at which it was purchased - currently over \$7.00 per gallon in many communities.

During the previous legislative session, this high cost of electricity was acknowledged by a change in the Power Cost Equalization statute. It recognized the high cost of fuel and the subsequent increase in Power Cost Equalization by increasing the upper limit, the ceiling, of the PCE calculation from 52.5 cents per kilowatt hour to \$1.00 per kilowatt hour. This change was for this heating season only, and sunsets on June 30, 2009.

The floor is a weighted average of the cost of power in Anchorage, Fairbanks and Juneau; currently a little over 12 cents per kilowatt. Power Cost Equalization is paid only on the first 500 kilowatts of power used each month. Any use above that does not qualify for PCE. The amount of PCE for each eligible family depends on a calculation which determines a floor and an amount per kilowatt which establishes the ceiling. As noted, the ceiling is now \$1.00 but will revert to 52.5 cents if this bill were not to pass. PCE payments are made on any cost for power falling within this band. For many utilities, the cost of producing power now exceeds 52.5 cents per kilowatt. Consequently, for many electric users, reverting to a PCE ceiling of 52.5 cents would mean considerably higher power bills.

Because power costs in many rural communities are approaching the \$1.00 per kilowatt range, it is crucial that PCE helps households by making power more affordable, particularly for basic services. To not pass this legislation would mean that many rural families would simply not be able to afford to buy the electricity needed for even the basic services that we take for granted.

February 25, 2009

26-LS0661\A

~ Representing Alaska State House District 36 ~

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Representative Alan Austerman

Alaska State Legislature

SECTIONAL ANALYSIS House Bill 150

“An Act repealing certain provisions relating to modifying the factors that apply to calculate the amount of power cost equalization; providing for .”

Bill Section 1. Repeals the substantive law provision, sec. 3, ch. 2, 4SSSLA 2008, that, if left unamended, would restore the former factors that apply to calculate the amount of power cost equalization payable under the Power Cost Equalization Program.

Bill Section 2. Is a contingency provision so that, if House Bill 150 is passed late in the session and is substantially delayed in transmittal to the governor, or the governor otherwise fails to act to approve the bill until at or beyond the June 30, 2009, transitional date, the new provisions are made retroactive so that the legislature’s intent (to eliminate the scheduled formula calculation change) is fully and seamlessly carried out.

Bill Section 3. Repeals the related delayed effective date provision, sec. 11, ch. 2, 4SSLA 2008, that, on June 30, 2009, would provide for restoration of the former factors under that Power Cost Equalization formula. This bill section is, in effect, the repeal of an effective date provision that, under the *Manual of Legislative Drafting*, requires that it be separately set out and noticed in the bill title (“providing for an effective date by repealing the effective date of sec. 3, ch. 2, 4SSLA 2008”). of *Legislative Drafting* at pp. 12-13. This change affects an effective date in the earlier bill and requires a two-thirds vote in each house for adoption.

Bill Section 4. Gives the measure an immediate effective date and requires a two-thirds vote in each house for adoption.

This sectional analysis is drawn from a memorandum prepared by Legal Services, Legislative Affairs Agency, at the request of staff of Senator Lyman Hoffman. The full detail of that memorandum, dated January 28, 2009, is available as part of the bill packet for House Bill 150.

February 25, 2009

26-LS0661\A

~ Representing Alaska State House District 36 ~

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FISCAL NOTE

STATE OF ALASKA
2009 LEGISLATIVE SESSION

Fiscal Note Number: 1
Bill Version: HB 150
(H) Publish Date: 3/18/09

Identifier (file name): HB150-CED-AEA-03-06-09 Dept. Affected: DCCED
Title: Power Cost Equalization RDU: Alaska Energy Authority
Sponsor: Representative Austerman Component: AEA Power Cost Equalization
Requester: House Community and Regional Affairs Component Number: 2602

Expenditures/Revenues (Thousands of Dollars)

Note: Amounts do not include inflation unless otherwise noted below.

	Appropriation Required	Information						
		FY 2010	FY 2010	FY 2011	FY 2012	FY 2013	FY 2014	FY 2015
OPERATING EXPENDITURES								
Personal Services								
Travel								
Contractual								
Supplies								
Equipment								
Land & Structures								
Grants & Claims		5,500.0		5,500.0	5,500.0	5,500.0	5,500.0	5,500.0
Miscellaneous								
TOTAL OPERATING		5,500.0	0.0	5,500.0	5,500.0	5,500.0	5,500.0	5,500.0

CAPITAL EXPENDITURES								
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CHANGE IN REVENUES ()								
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FUND SOURCE (Thousands of Dollars)

1002 Federal Receipts								
1003 GF Match								
1004 GF								
1005 GF/Program Receipts								
Other PCE Endowment (1169)								
Other PCE Fund (1089)		5,500.0		5,500.0	5,500.0	5,500.0	5,500.0	5,500.0
TOTAL		5,500.0	0.0	5,500.0	5,500.0	5,500.0	5,500.0	5,500.0

Estimate of any current year (FY2009) cost: _____

POSITIONS

Full-time								
Part-time								
Temporary								

ANALYSIS: (Attach a separate page if necessary)

This bill continues a maximum \$1.00 per kilowatt-hour cap for power costs paid by the PCE program. This fiscal note represents the additional funding needed for the PCE program if the bill passes. The Governor's budget currently contains \$32.16 million. The total funding needed if this bill passes is anticipated to be \$37.66 million.

Prepared by: Linda MacMillan, AIDEA & AEA Finance-Project Accountant
Division: Alaska Energy Authority
Approved by: Amanda Ryder, Director
Administrative Services, Dept. of Commerce, Comm & Econ Development

Phone 907-771-3029
Date/Time 1-30-09/5:00pm
Date 02-06-09/11:45am

FISCAL NOTE

STATE OF ALASKA
2009 LEGISLATIVE SESSION

Fiscal Note Number: 2
 Bill Version: HB 150
 (H) Publish Date: 3/18/09

Identifier (file name): HB150-CED-AEA(Fund Cap)03-06-09 Dept. Affected: Commerce / Fund Capitalization
 Title Power Cost Equalization RDU PCE Fund
 Component PCE Fund
 Sponsor Representative Austerman
 Requester House Community and Regional Affairs Component Number 2500

Expenditures/Revenues (Thousands of Dollars)

Note: Amounts do not include inflation unless otherwise noted below.

	Appropriation Required	Information					
		FY 2010	FY 2010	FY 2011	FY 2012	FY 2013	FY 2014
OPERATING EXPENDITURES							
Personal Services							
Travel							
Contractual							
Supplies							
Equipment							
Land & Structures							
Grants & Claims							
Miscellaneous		5,500.0		5,500.0	5,500.0	5,500.0	5,500.0
TOTAL OPERATING		5,500.0	0.0	5,500.0	5,500.0	5,500.0	5,500.0

CAPITAL EXPENDITURES							
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CHANGE IN REVENUES ()							
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FUND SOURCE (Thousands of Dollars)

	FY 2010	FY 2010	FY 2011	FY 2012	FY 2013	FY 2014	FY 2015
1002 Federal Receipts							
1003 GF Match							
1004 GF		5,500.0		5,500.0	5,500.0	5,500.0	5,500.0
1005 GF/Program Receipts							
Other PCE Fund (1089)							
Other PCE Endowment (1169)							
TOTAL		5,500.0	0.0	5,500.0	5,500.0	5,500.0	5,500.0

Estimate of any current year (FY2009) cost: _____

POSITIONS

Full-time							
Part-time							
Temporary							

ANALYSIS: (Attach a separate page if necessary)

This bill continues the maximum \$1.00 per kilowatt-hour cap for power costs paid by the PCE program. This fiscal note is the additional funding needed to capitalize the PCE fund if the bill passes. Expenditures from the fund are included in another fiscal note.

The total General Funds to fully fund the program will be \$15,879,000 (up from \$10,572,500).

Prepared by: Linda MacMillan, AIDEA & AEA Finance-Project Accountant Phone 907-771-3029
 Division Alaska Energy Authority Date/Time 1/30/09 10:00am
 Approved by: Amanda Ryder, Director Date 3/6/2009
Admin. Services, Dept. Commerce, Community and Econ. Development



LAWS OF ALASKA

2008

FOURTH SPECIAL SESSION

Source

HCS CSSB 4002(FIN) am H

Chapter No.

AN ACT

Amending the bulk fuel bridge loan fund and the bulk fuel revolving loan fund; relating to power cost equalization; relating to Alaska resource rebates, and increasing the amount of the 2008 permanent fund dividend to provide that rebate; suspending the motor fuel tax; eliminating the authority to make certain provisions of the heating assistance program retroactive to November 1, 2007; and providing for an effective date.

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

THE ACT FOLLOWS ON PAGE 1

Enrolled SB 4002

AN ACT

1 Amending the bulk fuel bridge loan fund and the bulk fuel revolving loan fund; relating to
2 power cost equalization; relating to Alaska resource rebates, and increasing the amount of the
3 2008 permanent fund dividend to provide that rebate; suspending the motor fuel tax;
4 eliminating the authority to make certain provisions of the heating assistance program
5 retroactive to November 1, 2007; and providing for an effective date.

6

7 * Section 1. AS 29.60.660(c) is amended to read:

8 (c) Loans made from the bulk fuel bridge loan fund to one borrower in a fiscal
9 year

10 (1) may not exceed \$750,000 [\$500,000]; and

11 (2) shall be repaid within one year after the date of the award.

12 * Sec. 2. AS 42.45.110(c) is amended to read:

1 (c) The amount of power cost equalization provided for each [PER] kilowatt-
2 hour under [SUBSECTION] (b) of this section may not exceed 95 percent of the
3 power costs, or the average rate for each [PER] eligible kilowatt-hour sold, whichever
4 is less, as determined by the commission. However,

5 (1) [DURING THE STATE FISCAL YEAR THAT BEGAN JULY 1,
6 1999,] the power costs for which power cost equalization are [WERE] paid to an
7 electric utility are [WERE] limited to minimum power costs of more than 12 cents a
8 [PER] kilowatt-hour and less than \$1 a [52.5 CENTS PER] kilowatt-hour;

9 (2) each year [DURING EACH FOLLOWING STATE FISCAL
10 YEAR], the commission shall adjust the power costs for which power cost
11 equalization may be paid to an electric utility based on the weighted average retail
12 residential rate in Anchorage, Fairbanks, and Juneau; however, the commission may
13 not adjust the power costs under this paragraph to reduce the amount below the lower
14 limit set out in (1) of this subsection; and

15 (3) the power cost equalization for each [PER] kilowatt-hour may be
16 determined for a utility without historical kilowatt-hour sales data by using kilowatt-
17 hours generated.

18 * Sec. 3. AS 42.45.110(c), as amended by sec. 2 of this Act, is amended to read:

19 (c) The amount of power cost equalization provided for each kilowatt-hour
20 under (b) of this section may not exceed 95 percent of the power costs, or the average
21 rate for each eligible kilowatt-hour sold, whichever is less, as determined by the
22 commission. However,

23 (1) the power costs for which power cost equalization are paid to an
24 electric utility are limited to minimum power costs of more than 12 cents a kilowatt-
25 hour and less than 52.5 cents [\$1] a kilowatt-hour;

26 (2) each year, the commission shall adjust the power costs for which
27 power cost equalization may be paid to an electric utility based on the weighted
28 average retail residential rate in Anchorage, Fairbanks, and Juneau; however, the
29 commission may not adjust the power costs under this paragraph to reduce the amount
30 below the lower limit set out in (1) of this subsection; and

31 (3) the power cost equalization for each kilowatt-hour may be

1 determined for a utility without historical kilowatt-hour sales data by using kilowatt-
2 hours generated.

3 * Sec. 4. AS 42.45.250(e) is amended to read:

4 (e) Loans made from the bulk fuel revolving loan fund to one borrower in any
5 fiscal year

6 (1) may not exceed \$750,000 [\$500,000], or, if the borrower is a
7 cooperative corporation organized under AS 10.15 or an electric cooperative
8 organized under AS 10.25 and uses the loan to purchase bulk fuel on behalf of more
9 than one community, may not exceed the lesser of \$750,000 [\$500,000] multiplied by
10 the number of communities on whose behalf the bulk fuel is to be purchased, or
11 \$1,800,000;

12 (2) shall be repaid in one year or less; and

13 (3) may not exceed 90 percent of the wholesale price of the fuel
14 purchased.

15 * Sec. 5. The uncodified law of the State of Alaska is amended by adding a new section to
16 read:

17 ALASKA RESOURCE REBATE. (a) To provide residents of the state with an Alaska
18 resource rebate, the amount of the 2008 permanent fund dividend shall be increased. After
19 calculating the amount of the 2008 dividend under AS 43.23.025, the commissioner of
20 revenue shall add \$1,200 to determine the total amount of that dividend. An individual may
21 elect not to receive the \$1,200 resource rebate authorized under this subsection. An individual
22 who elects not to receive the \$1,200 resource rebate may provide notice of the election on a
23 form provided by the Department of Revenue. Notice must be postmarked or received by the
24 Department of Revenue not later than September 2, 2008.

25 (b) A veteran or the spouse or dependent of a living or deceased veteran who did not
26 apply for the 2008 permanent fund dividend and is eligible for veterans' benefits under 38
27 U.S.C. 1315, 1513, 1521, 1541, and 1542 may apply to the Department of Revenue for a
28 \$1,200 Alaska resource rebate payment for 2008. The individual shall apply on a form
29 provided by the department not later than October 1, 2008, and shall demonstrate that the
30 individual would have been eligible to receive a 2008 permanent fund dividend under
31 AS 43.23, except that the individual did not apply for that dividend.

1 (c) A veteran or the spouse or dependent of a living or deceased veteran who is
2 eligible for veterans' benefits under 38 U.S.C. 1315, 1513, 1521, 1541, and 1542 who is
3 denied or receives reduced payments under those provisions or reduced health care benefits
4 solely because the \$1,200 increase in the dividend under (a) of this section or the \$1,200
5 payment under (b) of this section received by the individual is counted as income is eligible
6 for cash assistance under AS 47.25.120 - 47.25.300 (general relief assistance).
7 Notwithstanding the limit in AS 47.25.130, the individual is entitled to receive the same
8 amount as the individual would have received under 38 U.S.C. 1315, 1513, 1521, 1541, and
9 1542 and as a health care benefit as a result of being eligible under 38 U.S.C. 1315, 1513,
10 1521, 1541, and 1542, had the \$1,200 increase or payment not been received under (a) or (b)
11 of this section.

12 (d) Subject to appropriation, the amount necessary for resource rebates to increase
13 2008 permanent fund dividends under (a) of this section shall be transferred from the general
14 fund to the dividend fund (AS 43.23.045).

15 (e) When issuing checks or pay warrants associated with a direct deposit to residents
16 receiving a permanent fund dividend, the commissioner of revenue shall include the following
17 statement in bold type: "This payment includes a resource rebate of \$1,200, which is a one-
18 time payment to qualified Alaskans."

19 * **Sec. 6.** The uncodified law of the State of Alaska is amended by adding a new section to
20 read:

21 **SUSPENSION OF THE MOTOR FUEL TAX.** (a) Notwithstanding any other
22 provision of law, the motor fuel tax imposed under AS 43.40.010 is suspended and may not
23 be collected for a period beginning September 1, 2008, and ending August 31, 2009.

24 (b) Every person subject to AS 43.40.010(c) in the fiscal year that precedes the
25 suspension established in (a) of this section shall submit a monthly report, under penalty of
26 unsworn falsification, on a form or in a format prescribed by the Department of Revenue
27 showing all sales or transfers of gasoline, diesel, and aviation fuel during the month. The
28 department may require that invoices be attached to the report supporting all sales and
29 transfers of gasoline, diesel, and aviation fuel in the state. The report is due to the Department
30 of Revenue on the last day of the month following the month in which sales or transfers of
31 gasoline, diesel, or aviation fuel were made. The Department of Revenue may assess a penalty

1 of up to \$5,000 against any person that fails to file a monthly report or provide the supporting
2 invoices as required by this subsection.

3 (c) The Department of Revenue may adopt regulations under AS 44.62 to implement
4 this section.

5 * **Sec. 7.** Sections 9 and 11, ch. 31, SLA 2008, are repealed.

6 * **Sec. 8.** Section 6(a) of this Act is repealed August 31, 2009.

7 * **Sec. 9.** Sections 6(b) and (c) of this Act are repealed October 1, 2009.

8 * **Sec. 10.** Section 2 of this Act takes effect October 1, 2008.

9 * **Sec. 11.** Section 3 of this Act takes effect June 30, 2009.

10 * **Sec. 12.** Except as provided in secs. 10 and 11 of this Act, this Act takes effect
11 immediately under AS 01.10.070(c).

LEGAL SERVICES

DIVISION OF LEGAL AND RESEARCH SERVICES
LEGISLATIVE AFFAIRS AGENCY
STATE OF ALASKA

(907) 465-3867 or 465-2450
FAX (907) 465-2029
Mail Stop 3101

State Capitol
Juneau, Alaska 99801-1182
Deliveries to: 129 6th St., Rm. 329

MEMORANDUM

January 28, 2009

SUBJECT: Senate Bill 88, repealing delayed amendments to the power cost equalization program in order to make permanent certain formula amendments that were treated as temporary when enacted -- sectional analysis (Work Order No. 26-LS0414\A)

TO: Senator Lyman Hoffman, Co-Chair
Senate Finance Committee

FROM: Jack Chenoweth
Assistant Revisor

Among other additions and amendments, § 2, ch. 2, 4SSLA 2008, temporarily amended the parameters for a community to be eligible to receive power cost equalization payments under the power cost equalization program.¹ For one year, now scheduled to

¹ Substantively, § 2, ch. 2, 4SSLA 2008, made changes to AS 42.45.110(c) that increased the maximum allowable kilowatt-hour cost for which power cost equalization payments could be calculated from 52.5 cents to \$1.00 per kilowatt hour:

(c) The amount of power cost equalization provided for each [PER] kilowatt-hour under [SUBSECTION] (b) of this section may not exceed 95 percent of the power costs, or the average rate for each [PER] eligible kilowatt-hour sold, whichever is less, as determined by the commission. However,

(1) [DURING THE STATE FISCAL YEAR THAT BEGAN JULY 1, 1999,] the power costs for which power cost equalization are [WERE] paid to an electric utility are [WERE] limited to minimum power costs of more than 12 cents a [PER] kilowatt-hour and less than \$1 a [52.5 CENTS PER] kilowatt-hour;

(2) each year [DURING EACH FOLLOWING STATE FISCAL YEAR], the commission shall adjust the power costs for which power cost equalization may be paid to an electric utility based on the weighted average retail residential rate in Anchorage, Fairbanks, and Juneau; however, the commission may not adjust the power costs under this paragraph to reduce the amount below the lower limit set out in (1) of this subsection; and

Senator Lyman Hoffman
January 28, 2009
Page 2

end June 30, 2009, the standards were relaxed -- made less restrictive. Another provision of that Act, § 3, ch. 2, 4SSLA 2008, effective June 30, 2009, restores the standards to what they were before the temporary adjustment.

The provisions of Senate Bill 88 set aside the provisions of the 2008 Act that would restore the former standards.

Bill section 1 repeals the substantive law provision, sec. 3, ch. 2, 4SSLA 2008, that, if left unamended, would restore the former factors that apply to calculate the amount of power cost equalization payable under that program.

Bill section 3 repeals the related delayed effective date provision, sec. 11, ch. 2, 4SSLA 2008, that, on June 30, 2009, would provide for restoration of the former factors under that power cost equalization formula. This bill section is, in effect, the repeal of an effective date provision that, under the *Manual of Legislative Drafting*, requires that it be separately set out and noticed in the bill title ("providing for an effective date by repealing the effective date of sec. 3, ch. 2, 4SSLA 2008"). *Manual of Legislative Drafting* at pp. 12 - 13. This change affects an effective date in the earlier bill and requires a two-thirds vote in each house for adoption.

Bill section 2 is a contingency provision so that, if Senate Bill 88 is passed late in the session and is substantially delayed in transmittal to the governor, or the governor otherwise fails to act to approve the bill until at or beyond the June 30, 2009, transitional date, the new provisions are made retroactive so that the legislature's intent (to eliminate the scheduled formula calculation change) is fully and seamlessly carried out.

Bill section 4 gives the measure an immediate effective date and requires a two-thirds vote in each house for adoption.

This sectional analysis was prepared in response to a request from Jay Livey.

JBC:lmb
09-007.lmb

(3) the power cost equalization **for each** [PER] kilowatt-hour may be determined for a utility without historical kilowatt-hour sales data by using kilowatt-hours generated.

A related amendment proposed by § 3, ch. 2, 4SSLA 2008, would readjust the maximum allowable, as amended in the last line of AS 42.45.110(c)(1), as shown in the text, from \$1 back to the former rate of 52.5 cents.



Representative Alan Austerman

Alaska State Legislature

Power Cost Equalization

Alaska Statutes 42.45.100-170

History:

PCE grew out of other energy assistance programs as far back as 1980 PCE was established in 1984 as part of a statewide energy plan to assist rural communities not on the road system that are dependent on diesel fuel which do not benefit from the large subsidized energy projects such as the Four Dam Pool, Bradley Lake and the Alaska Intertie.

- Utilities using diesel to generate at least 75% of power in October 1984 were eligible
- Cost of power was to be equalized to the average of Anchorage, Fairbanks and Juneau – 8.5 cents per kWh
- Costs above 52.5 cents were not covered
- All users were eligible for the first 700 kWh used
- Community Facilities receive PCE on 100% of their usage

Changes to the program since 1984

PCE Endowment Fund was created and capitalized in FY 2001 with funds from the CBR and the Four Dam Pool Project Sale Proceeds. Further capitalized in FY07 with General Funds, now totals around \$400 million, invested to earn 7% annually

- The floor has been raised 51% to 12.83 cents
- The ceiling is unchanged since 1984 at 52.5 cents
- Eligible electricity has been reduced 30% to 500 kWh
- Only one meter per resident
- 6,000 commercial customers are ineligible for PCE
- Fuel use the same, but costs up 150% between FY00 and FY07
- Non fuel costs are up 62%
- Current funding (\$28 million) is at 100% level
- More utilities crossing through the 52.5 cent ceiling
- Next year for the same program estimated cost \$48 million

How does PCE work?

The Regulatory Commission of Alaska determines the PCE level for each utility based on fuel and non-fuel expenses such as salaries, insurance, taxes, interest and other reasonable costs. AEA administers the PCE fund based on appropriation by the legislature, monthly reports submitted by participating utilities and eligibility determination.

~ Representing Alaska State House District 36 ~

Akhiok | Igiugig | Iliamna | Karluk | Kodiak | Kokhanok | Larsen Bay | Levelock
Newhalen | Nondalton | Old Harbor | Ouzinkie | Pedro Bay | Port Alsworth | Port Lions

How is PCE level determined?

A formula is used to determine PCE levels: 95% of a utility's costs between the floor (12.87cents per kWh) and the ceiling (52.5cents) If the eligible costs are more than 52.5cents/ kWh then PCE level is 37.65

$52.5 - 12.87 = 39.63 \text{ cents / kWh} \times 95\% = 37.65 \text{ cents}$

*base may vary on annual basis per AS 42.45.110(c) (2)

What does PCE cost to the state?

FY 09 projection to be \$42 million (\$28mil. endowment plus \$14mil general fund if program remains unchanged)

Doesn't Most of PCE go to "Overheads?"

FY07 Program Statistics

Fuel Costs	\$75,261,627
Non-Fuel Costs	\$67,411,410
Total Electricity Cost	\$142,673,037
Total PCE Disbursed	\$25,437,093
Percent of Fuel Costs	34%
Percent of Total Costs	18%

Does Wind Power affect PCE rates?

According to AEA, rates are affected only if wind generation makes the rate go down. While there are no implicit incentives in PCE legislation for renewable energy there is the economic incentive to keep a downward pressure on costs and subsequent cost to consumer.

Wind power will not completely displace diesel but can reduce fuel consumption by as much as 30%. Last year Kotzebue reduced diesel consumption by 100,000 gallons for instance, saving the community an estimated \$450,000. Kotzebue now gets 10% of its energy from wind and hopes to reach 20% in the next several years.

Does PCE reduce rural power cost to a level equal to urban levels?

	Residential cents/kWh	PCE Rate (cents/kWh)	Effective Residential Rate 2008 (cents/kWh)	400 kWh/Month	700 kWh/Month
Wattage					
Hours per Month					
kWh per Month					
Akiachak	0.5300	0.3460	0.1840	\$73.60	\$128.80
District 38 Average	0.5009	0.3057	0.1952	\$78.08	\$136.64
Juneau	AEL&P		0.1031	\$41.24	\$72.17
Anchorage	Chugach		0.1386	\$55.44	\$97.02
Anchorage	ML&P		0.0972	\$38.88	\$68.04
Fairbanks	GVEA		0.1908	\$76.32	\$133.56
Mat-Su	MEA		0.1341	\$53.64	\$93.87
All PCE comm. av.	0.4312	0.2545	0.1767	\$70.68	\$123.69
Weighted Average ANC/FBX/JNU			0.1283	\$51.32	\$89.81
D-38 High:					
Newtok	0.7200	0.3765	0.3435	\$137.40	\$240.45
Kotzebue	0.3605	0.1915	0.1690	\$67.60	\$118.30
Lime Village	1.1700	0.3765	0.7935	\$317.40	\$555.45
Ambler	0.8098	0.3765	0.4333	\$173.32	\$303.31
Ruby	0.6500	0.2233	0.4267	\$170.68	\$298.69

Note: Even with PCE, D-38 has an average of 52% higher electric rates than the A/F/J weighted average. (the average of all PCE communities, it's 38% higher)

Factoids:

PCE only pays a portion of approximately 30% of all kWh's sold by the participating utilities.

Average kWh Usage per household

PCE communities: 412
Anchorage: 725
National Average: 750

Currently 183 PCE eligible communities in Alaska

Sources:

<http://www.iser.uaa.alaska.edu/Publications/akelectricpowerfinal.pdf>
<http://www.akenergyauthority.org/programspce.html>
<http://www.akenergyauthority.org/PDF%20files/PCE%20Program%20Guide%202007.pdf>
 Meera Kohler, AVEC President and CEO PCE overview power point

Power Cost Equalization Questions and Answers

Mike Harper, Deputy Director/Linda MacMillan, Project
Accountant

Rural Energy Group, Alaska Energy Authority

February 3, 2009



Power for Rural Alaska 30 year History

- **Statewide -almost no transmission in Alaska**
 - Chugach Electric owned a line from Beluga through Anchorage to Nikiski
 - Fairbanks relied on local heavy oil and coal
 - Diesel fuel was the primary energy source elsewhere
- **Very little hydropower**
 - Eklutna – 30 mw, serving ML&P, MEA, CEA
 - Cooper Lake – 20 mw, serving CEA
 - Snettisham – 52 mw, serving Juneau
 - ~20 mw of small projects scattered throughout SE Alaska

Power Development Begins -Oil started flowing down the Pipeline

The State began to spend its newfound wealth

- A transmission line to Fairbanks was started
- The Susitna mega-project design was started - 1981
- The Bradley Lake project was started - 1983
- Kodiak, Valdez, Ketchikan, Wrangell and Petersburg began work on 4 Dam Pool - 1983
- Studies were commissioned to identify projects to reduce the cost of electricity throughout Alaska

Alaska Rural Electrification The First Assistance program

- Oil prices peaked in 1979
- Diesel-fueled utilities were hit hard
- Legislature established the Power Production Cost Assistance Program in 1980 – a one year stop-gap
- In 1981, the program was amended into the Power Cost Assistance Program, which was designed to self-extinguish in five years

RPSU program: Golovin power house

Golovin Before and After



5

Alaska Rural Electrification And finally - PCE

- There was no silver bullet to cure rural Alaska's electric needs
- Small loads and small communities spread across thousands of miles could not be interconnected
- Legislature established Power Cost Equalization
 - Cost of power was to be equalized to the average of Anchorage, Fairbanks and Juneau – 8.5 cents per kwh
 - PCA was rewritten as PCE – effective October 1984
 - Utilities using diesel to generate at least 75% of power in October 1984 were eligible
 - Costs above 52.5 cents were not covered
 - All users were eligible for the first 700 kwh used

Power Cost Equalization

- Eligible electricity has been reduced 30% to 500 kwh
- Only one meter per resident
- Commercial customers are ineligible for PCE
- Fuel use the same, but cost up 150% since FY00
- FY09 funding (\$28 million) is at 100% level
- More utilities crossing through the 52.5 cent ceiling

PCE Program Changes in Recent Years

	<u>2000</u>	<u>2007</u>
Population served	77,625	78,530
Total Sales (gWh)	391	416
Eligible Sales	116	122
Percentage eligible	29.7%	29.2%
Average Fuel Cost/gallon	\$1.10	\$2.78
Fuel Consumed – million gallons	27.7	27.6
Fuel cost – millions	\$30.4	\$75.3
Non-fuel cost – millions	\$41.5	\$67.4
Total PCE Appropriations– millions	\$14.4	\$25.6
Percent of costs	20%	18%

Qn. #1 – Does PCE Reduce Rural Power Cost to Urban Levels?

Residential Power Cost per 2007 PCE Report

Chugach Electric	Anchorage	.1205 kWh
Golden Valley	Fairbanks	.2030 kWh
AEL&P	Juneau	.1140 kWh
Kodiak Electric	Kodiak	.1831 kWh
Kotzebue Electric	Kotzebue	.1881* kWh
AVEC	52 Villages	.2362* kWh
Bettles	Bettles	.2859* kWh
MKEC	5 Villages	.4398* kWh
Napakiak	Napakiak	.6014* kWh

*after PCE

Cost of 700 Residential kWh

• Anchorage	\$84.35
• Fairbanks	\$142.10
• Juneau	\$79.80
• Kodiak	\$128.17
• Kotzebue	\$171.05*
• AVEC Village	\$219.56*
• Bettles	\$268.63*
• MKEC	\$374.88*
• Napakiak	\$489.48*

*After PCE

Qn. #2 – Who gets PCE?

- **Every residential consumer**
 - Only one meter per consumer
 - Only the first 500 kWh
- **Community Facilities**
 - Up to 70 kWh/resident per month
 - Streetlights
 - Washeterias
 - Water and sewer facilities
 - Community buildings

Qn. #3 – Who doesn't get PCE?

- **Schools**
- **State facilities**
- **Federal facilities**
- **Commercial consumers**
- **Consumers with seriously delinquent accounts**

Qn. #4 – How does PCE work?

- Utility applies to RCA to participate
- Utility submits detailed cost and operational data
- RCA determines eligible costs and computes PCE by rate class
- Utility bills customers per normal tariff rates
- Utility applies PCE credit based upon actual consumption (subject to kWh limit)
- Consumer is responsible to pay bill after PCE credit
- Utility bills state (AEA) for all PCE credited
- Utility provides AEA with detailed billing records
- Utility files annual update of costs with RCA, per schedule established by RCA

Qn. #5 – Doesn't PCE discourage Conservation & Innovation?

- Only 29% of all electricity sold in eligible communities receives PCE
- But the smaller the community, the more kwh that are eligible (because of minimal commercial usage)
 - Akiachak 46%
 - Aniak 37%
 - AVEC 48%
 - Cordova 28%
 - Kotzebue 27%
 - Napakiak 72% (School is on own generation)
 - Tanana 38%

Non Fuel Costs –Overhead

- Operating and maintaining power plants
- Operating and maintaining tanks farms
- Operating and maintaining distribution lines
- Connecting customers, billing, collections
- Administration, accounting, engineering, warehouse
- Insurance, depreciation, cost of long-term debt
- Taxes and miscellaneous

Qn. #6 – Would PCE Money be better spent on Alternative Energy?

Wind generation costs 6 times diesel generation

- We cannot use 'utility grade' turbines as in Lower 48
- Average village load is ~150 kw
- There are only 1 or 2 manufacturers of 50-100 kw units
- To accommodate sophisticated integration needs, the existing generation and distribution must be upgraded
- Typical cost of an integrated project \$4+ million
- Diesel generation and fuel tankage still needed for the 70%+ energy that wind cannot provide

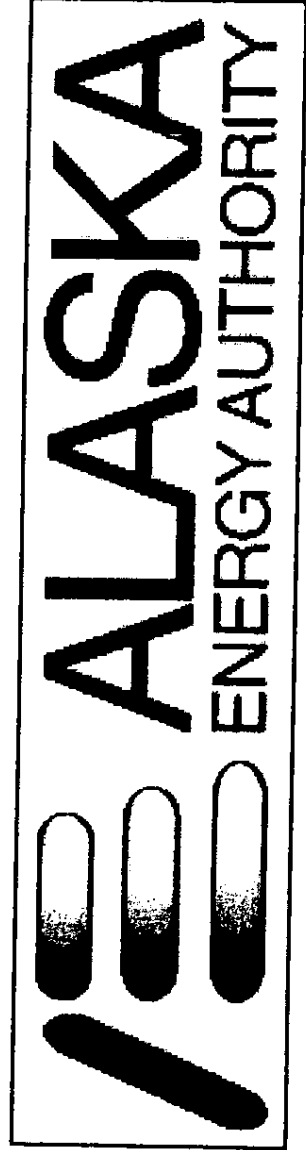
**For more information, please
contact...**

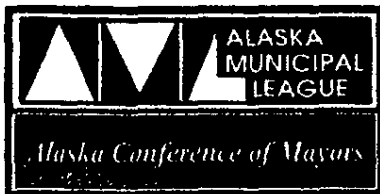
Jeff Williams or Chris Mello

AEA Rural Energy Group

1-888-300-8534 -- Toll Free

1-907-771-3000





217 Second Street, Suite 200 ♦ Juneau, Alaska 99801

Tel (907) 586-1325 ♦ Fax (907) 463-5480 ♦ www.akml.org

**ALASKA MUNICIPAL LEAGUE
RESOLUTION #2009-14**

A RESOLUTION URGING THE GOVERNOR AND THE ALASKA LEGISLATURE TO EXPAND THE POWER COST EQUALIZATION PROGRAM TO INCLUDE MUNICIPAL FACILITIES, SCHOOLS, HEALTH CLINICS, AND COMMERCIAL ENTERPRISES NOT ELIGIBLE UNDER EXISTING LAW.

WHEREAS, energy costs throughout Alaska are creating significant financial burdens for many residents; and

WHEREAS, communities purchase fuel at a contract price that remains fixed even when prices fall; and

WHEREAS, rural municipalities, schools, health clinics and commercial enterprises are facing increasing difficulty meeting energy expenses; and

WHEREAS, the high cost of fuel for space heating and electricity generation threatens the stability of rural communities; and

WHEREAS, communities that pay in excess of the average kilowatt-hour cost of Juneau, Anchorage, and Fairbanks should be eligible for funding; and

WHEREAS, the Alaska Legislature amended the Power Cost Equalization Program during the 2008 Special Session by raising the eligibility ceiling to \$1.00 per kilowatt-hour for one year; and

WHEREAS, the State of Alaska administers the Power Cost Equalization Program to provide residents relief from burdensome fuel costs, thereby providing for community stability and economic relief.

NOW, THEREFORE BE IT RESOLVED that the Alaska Municipal League urges the Governor and the Alaska Legislature to expand the Power Cost Equalization Program to include municipal facilities, schools, health clinics, and commercial enterprises with an appropriate increase in the 70 Kwh per capita credit used to calculate the subsidy, and provide comprehensive assistance to eligible communities.

AND, BE IT FINALLY RESOLVED that the Alaska Municipal League believes that the expanded PCE program should provide short-term relief from burdensome energy costs and be phased out as the cost of energy is reduced.

PASSED AND APPROVED by the Alaska Municipal League on this 14th day of November, 2008.

Signed: 

Denise Michels, President, Alaska Municipal League

Attest: 

Kathie Wasserman, Executive Director, Alaska Municipal League

Member of the National League of Cities and the National Association of Counties



The Association of
Village Council Presidents
Regional Housing Authority
(907) 543-3121 (800) 478-4687

Box 767
Bethel, AK 99559
(907) 543-3933 (FAX)

BOARD OF COMMISSIONERS
ASSOCIATION OF VILLAGE COUNCIL PRESIDENTS
REGIONAL HOUSING AUTHORITY

RESOLUTION # 09-02

A RESOLUTION FOR AVCP RHA
TO SUPPORT SENATE BILL 88

- WHEREAS,** The Association of Village Council Presidents Regional Housing Authority (AVCP RHA) provides housing services for the villages in the Yukon-Kuskokwim region; and
- WHEREAS,** This Senate bill is an act entitled; an Act repealing certain provisions relating to modifying the factors that apply to calculating the amount of power cost equalization, and
- WHEREAS,** The high cost of electricity is impacting the residents in our region as well as the residents of Alaska; and,

NOW THEREFORE BE IT RESOLVED that the Association of Village Council Presidents Regional Housing Authority hereby supports Senate Bill 88.

CERTIFICATION

The foregoing resolution was passed by the Board of Commissioners of the Association of Village Council Presidents Regional Housing Authority in a duly called meeting where a quorum was present, this 19th day of February 2009 by a vote of 5 ayes, 0 nays and 0 abstaining.

SEAL



ATTEST:

Robert Nick
Robert Nick, Chairperson

George Peter
George Peter, Secretary/Treasurer

NATIVE VILLAGE OF KIPNUK KIPNUK TRADITIONAL COUNCIL

P.O. Box 57 • KIPNUK, ALASKA 99614
(907) 896-5515 • FAX (907) 896-5240

RESOLUTION # 09-05

RESOLUTION SUPPORTING A STATE FUEL CAP AND OTHER MEASURES TO LOWER THE COST OF ENERGY FOR REMOTE RURAL COMMUNITIES THROUGHOUT THE STATE OF ALASKA

WHEREAS, the KipnuK Traditional Council (hereinafter "TRIBE") is a federally recognized Tribal Governing Body for the Native of KipnuK; and

WHEREAS, the TRIBE represents to promote and protect the health, education and general welfare of the tribal members of the Native Village of KipnuK; and

WHEREAS, The TRIBE is continuing to conduct business using its 06-19-2008 fuel delivery from Delta Western, Inc. which was purchased at the bulk fuel cost of \$366,095.00 for 71,197 gallons and which was expected to last the TRIBE throughout the winter until next fuel delivery was made in June of 2009; and

WHEREAS, the \$1,200 energy rebate provided to Alaska residents in October 2008 by the State in an attempt to assist individuals with high anticipated energy costs this winter did not adequately address the dire economic crisis in Southwest Alaska which were caused by high costs of fuel, a poor commercial fishing season, an early and enduring cold snap, and failed fuel deliveries; and

WHEREAS, the TRIBE has been affected this winter in the same way that the communities of Emmonak and Tuluksak have been affected as reported in this month's recent *Anchorage Daily News* and *Los Angeles Times* newspaper articles. These articles describe the immediate struggle facing many of our tribal members—a struggle forcing them to choose between using the little money they have to either feed their families or buy fuel to heat their homes; and


WHEREAS, with the reality and hardship of half a winter still ahead of us, it is imperative that more appropriate energy relief be brought to our remote rural community of KipnuK Traditional Council.

THEREFORE BE IT RESOLVED THAT the KipnuK Traditional Council fully supports Senator Hoffman's call for the State of Alaska to subsidize the difference when an Alaskan has to pay more than \$3 a gallon for residential heating fuel (for up to 600 gallons purchased per residence from the months of September through March).

BE IT FURTHER RESOLVED THAT the KipnuK Traditional Council wholly supports an extension of the Power Equalization program (PCE) through Senate Bill 88 and supports continued and full funding of the Renewable Energy Fund by the Alaska State Legislature.

CERTIFICATION:

We, the undersigned, hereby certify that the KipnuK Traditional Council adopted the foregoing Resolution at a duly called, noticed and convened meeting on February 17, 2009, by the affirmative vote of 4 members, with 0 members opposed, and 0 abstaining, and that a quorum was present.


Paul Joshua Paul, President

ATTESTED: 
Daniel M. Mute, Secretary

NATIVE VILLAGE OF KWIGILLINGOK
KWIGILLINGOK I.R.A. COUNCIL
 P.O. BOX 49
 KWIGILLINGOK, ALASKA 99622-0049
 PH: (907)588-8114/8212
 FAX: (907)588-8429
kwkadmin@starband.net

RESOLUTION 02-04-09

RESOLUTION SUPPORTING A STATE FUEL CAP AND OTHER MEASURES TO LOWER THE COST OF ENERGY FOR REMOTE RURAL COMMUNITIES THROUGHOUT THE STATE OF ALASKA.

WHEREAS, The Native Village of Kwigillingok (Hereinafter "TRIBE") is a federally recognized Tribe; and

WHEREAS, The TRIBE is continuing to conduct business using its September 20th, 2008 fuel delivery from North Star Gas & Crowley Marine which was purchased at the bulk fuel cost of \$246,521.50 for 55,013 gallons, and which was expected to last the TRIBE throughout the winter until the next fuel delivery September of 2009; and

WHEREAS, The \$1,200 energy rebate provided to Alaska residents in October 2008 by the State in an attempt to assist individuals with high anticipated energy costs this winter did not adequately address the dire economic crisis in Southwest Alaska which were caused by high costs of fuel, a poor commercial fishing season, and early and enduring cold snap, and failed fuel deliveries; and

WHEREAS, The TRIBE has been affected this winter in the same way that the communities in Emmonak and Tuluksak have been affected as reported in this month's recent Anchorage Daily News and Los Angeles Times newspaper articles. These articles describe the immediate struggle facing many of our tribal members-a struggle forcing them to choose between using the little money they have to either feed their families or buy fuel to heat their homes; and

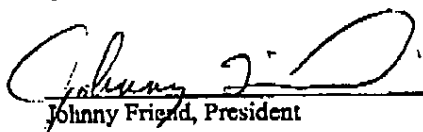
WHEREAS, With the reality and hardship of half a winter still ahead of us, it is imperative that more appropriate energy relief be brought to our remote rural community of Native Village of Kwigillingok.

NOW THEREFORE BE IT RESOLVED THAT the Native Village of Kwigillingok fully supports Senator Hoffman's call for the State of Alaska to subsidize the difference when an Alaskan has to pay more than \$3 a gallon for residential heating fuel (for up to 600 gallons purchased per residence from the months of September through March).

BE IT FURTHER RESOLVED THAT the Native Village of Kwigillingok wholly supports an extension of the Power Cost Equalization Program (PCE) through Senate Bill 88 and supports continued and full funding of the Renewable Energy Fund by the Alaska State Legislature.

CERTIFICATION

We the undersigned, hereby certify that the Tribal Council of the Native Village of Kwigillingok adopted the foregoing Resolution at a duly called, noticed and convened meeting on March 10, 2009, by the affirmative vote of 5 council members, with 0 council members opposed, and 0 abstaining, and that a quorum was present.


 Johnny Friend, President


 Lillian Kiunya, Secretary

3/10/09
 Date

3-10-09
 Date

AVCP

ASSOCIATION OF VILLAGE COUNCIL PRESIDENTS
P.O. BOX 219 • BETHEL, ALASKA 99559 • PHONE 543-3521

RESOLUTION 09-02-01

- TITLE:** RESOLUTION SUPPORTING A STATE FUEL CAP AND OTHER MEASURES TO LOWER THE COST OF ENERGY FOR REMOTE RURAL COMMUNITIES THROUGHOUT THE STATE OF ALASKA
- WHEREAS** The Association of Village Council Presidents, (AVCP) is the non-profit Alaska Native regional corporation for its fifty-six federally recognized indigenous Native tribes within Southwest Alaska; and
- WHEREAS** AVCP's member tribes reside in small isolated villages scattered throughout the Yukon-Kuskokwim Delta in an area that is approximately 59,000 square miles and roughly the size of the State of Oregon. The villages are not connected by road to one another, nor to the rest of Alaska. English is a second language for many tribal members who continue to practice a centuries old hunting, fishing and gathering way of life, congregating at home village sites in the winter and moving to fish camps in the summer; and
- WHEREAS** AVCP serves its member tribes by providing a variety of social service, human development and culturally relevant programs that promote tribal self-determination and self-governance and work to protect and enhance tribal culture and traditions; and
- WHEREAS** In an effort to meet this objective, AVCP has repeatedly requested Federal and State assistance to address our region's current energy crisis which has resulted from the high costs of fuel, the catastrophic Lower Yukon commercial fishery, the early and enduring cold snap, and failed fuel deliveries; and
- WHEREAS** During the last legislative session AVCP supported Senate Bill 4002, Senator Lyman Hoffman's carefully crafted energy subsidy legislation, which attempted to distribute relief to Alaska's rural households facing the daunting challenge of heating and lighting their homes during the grueling winter months; and
- WHEREAS** Senator Hoffman and Representative Mary Nelson argued that the subsidies provided through Senate Bill 4002 were justified by the fact that the State of Alaska furnishes its own employees living in Southwest Alaska with additional monies to defray the higher cost of living; and

WHEREAS While mid-range income Anchorage families were projected to spend about three percent (3%) of their income on energy costs (based on May's prices) and families residing in other cities or towns connected to Alaska's road system were projected to spend about five percent (5%) of a family's income on energy costs, mid-income households in Alaska's remote rural villages were expected to spend about eleven percent (11%) of their income for energy costs; and

WHEREAS It is estimated that the median annual cost of power and heating costs for an Anchorage family is about \$2,400, while it is approximately \$4,100 for midsize Alaska towns and cities, and \$6,600 for Alaska's remote rural villages; and

WHEREAS Now, more than ever, our communities are confronted with dire economic circumstances preventing them from being able to meet these costs. In fact, recent *Anchorage Daily News* and *Los Angeles Times* newspaper articles focused on our member villages of Emmonak and Tuluksak and described the immediate struggle facing many of our tribal members—a struggle forcing them to choose between using the little money they have to either feed their families or buy fuel to heat their homes; and

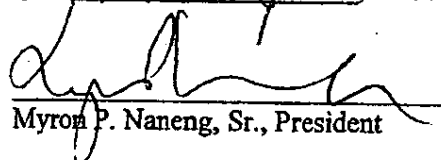
WHEREAS With the reality and hardship of half a winter still ahead of us, it is imperative that more appropriate energy relief be brought to the remote rural fifty- six (56) villages of the Yukon-Kuskokwim Delta.

NOW THEREFORE BE IT RESOLVED THAT the Association of Village Council Presidents fully supports Senator Hoffman's call for the State of Alaska to subsidize the difference when an Alaskan has to pay more than \$3 a gallon for residential heating fuel (for up to 600 gallons purchased per residence from the months of September through March).

BE IT FURTHER RESOLVED THAT the Association of Village Council Presidents wholly supports an extension of the Power Cost Equalization Program (PCE) though Senate Bill 88 and supports continued and full funding of the Renewable Energy Fund. by the Alaska State Legislature.

ADOPTED by the Association of Village Council Presidents' Executive Board during a meeting at Bethel, Alaska, this 24th day of February, 2009.


Raymond J. Watson, Chairman


Myron P. Naneng, Sr., President



Representative Alan Austerman

Alaska State Legislature

MEMORANDUM

To: Representative Mike Hawker, Co-Chair
Representative Bill Stoltze, Co-Chair
House Finance Committee

From: Representative Alan Austerman

Date: April 1, 2009

RE: Public support for HB 150—Power Cost Equalization

There has been a significant volume of support correspondence submitted in reference to House Bill 150. I have attached a small sample of the correspondence for the consideration of the committee members. In addition to support received from individuals, nearly 40 Tribal Councils, Native Corporations, and other organizations such as the Alaska Village Council Presidents and the Alaska Municipal League, submitted their support. I am providing a list of submissions below. Much of the support documentation is available through BASIS.

Please see the attached support packet. Thank you for your consideration of HB 150.

Akiak Native Community	Kotlik Yupik Corporation
Alaska Municipal League	Napaimute
Alaska Village Electric Cooperative	Native Village of Atmaultluak
Anvik Tribal Council	Native Village of Eek
Association of Alaska Housing Authorities	Native Village of Kipnuk
Association of Village Council Presidents	Native Village of Kwigillingok
Atmaultluak Tribal Council	Native Village of Napakiak
Chefarnmute, Inc.	Native Village of Toksook Bay
Chefornak Traditional Council	Native Village of Tununak
City of Akiak	Native Village of Nunapitchuk
City of Chuathbaluk	Newtok Native Corporation
City of Kwethluk	Northstar Gas
City of Platinum	Nunapitchuk Limited
Emmonak Corporation	Ohagamiut Traditional Council
Emmonak Tribal Council	Sleetmute Traditional Council
Georgetown Tribal Council	Tuluksak Native Community
Kipnuk Light Plant	Village of Kotlik
Kokarmiut Corporation	Village of Nightmute
Kongiganak Traditional Council	

~ Representing Alaska State House District 36 ~

Akhiok | Igiugig | Iliamna | Karluk | Kodiak | Kokhanok | Larsen Bay | Levelock
Newhalen | Nondalton | Old Harbor | Ouzinkie | Pedro Bay | Port Alsworth | Port Lions

VILLAGE OF KOTLIK
P.O BOX 20210
KOTLIK, ALASKA 99620
(907)899-4326 / 4836 FAX (907)899-4790

27 February, 2009

Allen Joseph
Grants Coordinator
AVCP Regional Housing Authority
P.O Box 767
Bethel, Alaska 99559

RE: Representative Bob Herron Hearing on Rural Energy issues

Dear Mr. Joseph,

The Kotlik Tribal Council requests that the information regarding the stories about Kotlik be presented in Robert Nick's testimony before the special committee of the State House of Representatives who will be holding a hearing on rural energy issues in Bethel on Saturday, February 28.

The homes in Kotlik are mainly heated with Toyo or Laser stoves, furnaces and other oil burning stoves. Very few homes have wood-stoves. A lot of homes are poorly constructed which are not insulated enough to block out the cold winds. Therefore, they are "forced" to buy more stove oil than others. There are some who paid over \$1,200.00 in one month to heat their home during the month of December 2008 alone.

As many rural villages in Alaska, Kotlik residents and organizations are facing hardship due to the rising cost of energy.

- Freeze up came early the fall of 2008. Beginning October 2008, we have heard of people "missing" stove-oil from their 55 gallon tanks that are connected to their heating system. The high cost of fuel in Kotlik has caused people to "steal" fuel from others, just because they have no other means of purchasing fuel to heat their homes. This has happened many times (in the past) prior to Oct 08, people "stealing" stove-oil from others.
- Some people trade wood and/or borrow money from others for stove oil.
- The Kotlik Yupik Corporation has allowed some people to charge stove oil although they have exceeded their credit limit.
- The price of fuel has forced families to make the choice between paying for bills, food or fuel. Some families chose to buy stove oil over food so the family can sleep in a warm house. The school children were told they can eat breakfast and lunch at the school.
- Between November 20, 2008 and January 26, 2009, thirty eight (38) Kotlik residents were granted the Emergency Fuel Assistance through the Association of Village Council Presidents (AVCP). The emergency funding for Kotlik was used up on January 26, 2009.

- In February 2009, the Kotlik Tribal Council donated a total of 77 gallons of stove oil to families who had no other means of purchasing it themselves. Some people have been ashamed to ask for help whether from AVCP or the tribe, because they never had to in the past.
- More people have applied for the AVCP Energy Assistance than the previous years – hoping to get approved to lower their over-charged credit with the Kotlik Yupik Corporation and/or receive help with fuel.
- For heat, some people are using their electric cook range, portable hot plates and heaters. This has created their electric bills to be \$1,000.00 in one month.
- Despite employer's policy, some employees have been granted early pay advance to purchase fuel.

With high energy costs, and no Chinook salmon commercial fishing this summer, the Kotlik Tribe and local organizations have been trying to come up with ideas to help the people of Kotlik. There is a plan for bingo organizations to have special bingo nights and donate those net proceeds to those who are in need.

Sincerely,

Joseph P. Mike
Tribal President



OHOGAMIUT TRADITIONAL COUNCIL (OTC)

P.O. Box 49, Marshall, AK 99585

Ph: (907) 679-6517/6598 Fax (907) 679-6516

*"Let us put our Minds Together and see what kind of Life we
can build for our Children" –Sitting Bull*

February 27, 2009

Allen Joseph, Grants Coordinator
AVCP RHA
P.O. Box 767
Bethel, AK 99559

RE: Representative Bob Herron on Rural Energy Issues

Dear Mr. Joseph:

The Ohogamiut Traditional Council (OTC) as a federally recognized tribe with jurisdiction in Marshall, Alaska, is advocating for long-term solutions to address the unrealistically high cost of living in Marshall spurred by high energy and transportation costs. Thus, the OTC requests that Mr. Robert Nick convey our plight to Representative Bob Herron and other dignitaries on the hearing on Rural Energy at Bethel Saturday February 28, 2009.

Marshall resident's pay \$7.11 with local taxes for heating fuel. \$6.21 with local taxes, and \$293.47 for one bottle of 100 pounds of propane. Other petroleum products like motor oil have also dramatically increased as well. Majority of the homes in Marshall are old and inadequately insulated/weatherized that contributes to the high consumption of heating fuel on a given cold spell. People are worried when the temperature drops because it means buying more stove oil with very little or no cash left on hand for groceries. Simply, we are forced to choose between food and heating fuel, which creates dilemma.

Though we in the Marshall area have more firewood available, record snowfall has covered logs along the river and other areas making it harder to look for wood to burn. Majority of the homes are equipped with Toyo, Laser stoves, and the newer AVCP homes utilize central boilers. On the average, families spend over \$1,000.00 per month on heating fuel alone with very little cash left to pay for utilities, groceries, and other lines of credit at the local stores. Many families are in debt with utility providers and it is certain that the AVEC will serve many disconnect notices this spring.

The unique challenges in Marshall reflect inflation spurred by the 2008 energy crisis is as follows:

- Colder than usual summer, fall, and winter of 2008-2009.
- Failed summer 2008 king salmon fishery, which is vital to the village economy.
- High grocery and store merchandise prices.
- Lines of local store credit maxed out for groceries and fuel.

- Area air travel to Bethel hub is unaffordable.
- Projected 2009 king salmon commercial fishery closure with subsistence harvest limitations.
- Local wild fire fighters crews did not go out summer 2008; income from this seasonal employment source is another important source of cash flow.
- High unemployment rates in the village as high as 85%.
- 85-90% of the village residents on public assistance.
- Stove oil and firewood theft on the rise.
- CITCO has not distributed free 100 gallons of heating fuel to eligible families to date.
- No local foodbanks for families with low food security.

We are requesting that the State of Alaska, federal government, and other agencies find long-term solutions to address the "third world-like" conditions here in the Wade Hampton District, by far; we are the poorest region in the country. Per capita income for our region was a mere \$8,717.00 during the 2000 Census with little changes to date.

Sincerely,

Jason S. Isaac, President

Nick P. Andrew, Jr., Executive Director

Cc: file:

KOKARMIUT CORPORATION

PO BOX 52147

AKIAK, ALASKA 99552

PH: (907) 765-7228 FAX: (907) 765-7619

March 11, 2009

Senator Bob Harron
Alaska State Capitol, Room 415
Juneau, Alaska 99801

Re: HB 150

Honorable Chairs and Members of the Committee:

On behalf of the Community of Akiak we want to thank the Alaska Legislature's Efforts in addressing the energy needs of all Alaskans, particularly those of our Region which has been faced with challenging humanitarian issues stemming from The ever increasing electric and fuel costs. We are sincerely grateful for last years Increase in the ceiling of the PCE program which has been helping our community The PCE program helps us to maintain the critical circulation of little income and Revenue we are able to have in our village. The PCE program is a priority and we Respectfully ask for, "continuation of the PCE program and perpetuation of the Eligible costs ceiling at \$1.00".

The AEA estimates the FY2010 cost of retaining the \$1.00 ceiling at \$3.4 million. The bulk of our village income is dedicated to paying for the upkeep of energy, and If the PCE rate drops, our electric costs will go up immediately. We realize that Our local utilities will have to collect on those fuel costs in order to recover from 2008. Our families simply cannot afford to pay for this when their energy costs Are already taking up to 70% of their disposable income.

We ask respectfully that the legislature provide funding to continue PCE at a Cost ceiling of \$1.00 per kilowatt-hour (kWh). We are also asking you to Consider increasing the household limit from 500kWh per month to the National average of 750kWh per month. Our local economy is fragile and Vulnerable and needs consideration in the PCE program. We are asking for A restoration of PCE eligibility to businesses, clinics and other public Facilities that were included in the program when it was originally enacted. This is critical to keep down inflation and increase the viability of our local Economies in rural Alaska that are struggling or on the brink of failure.

KOKARMIUT CORPORATION

PO BOX 52147

AKIAK, ALASKA 99552

PH: (907) 765-7228 FAX: (907) 765-7619

Thank you for the opportunity to comment.

Sincerely,



David Gilila Sr

Gen. Manager

TULUKSAK NATIVE COMMUNITY

P.O. BOX 95

TULUKSAK, ALASKA 99679

Telephone: (907) 695-6420

Fax Number: (907) 695-6932

March 16, 2009

House Community & Regional Affairs Committee

RE: Testimony on HB 150

Honorable Co-Chairs and Members of the Committee:

On behalf of the Native Village of Tuluksak, Alaska, we want to thank the Alaska Legislature's efforts in addressing the energy needs of all Alaskans, particularly those of our region which has been faced with challenging humanitarian issues stemming from the ever increasing electric and fuel costs. We are sincerely grateful for last year's increase in the ceiling of the PCE program which has been helping our community. The PCE program helps us to maintain the critical circulation of little income and revenue we are able to have in our village. The PCE program is a priority and we respectfully ask for:

Continuation of the PCE program and perpetuation of the eligible costs ceiling at \$1.00.

The AEA estimates the FY2010 cost of retaining the \$1.00 ceiling at \$3.4 million. The bulk of our village income is dedicated to paying for the upkeep of energy, and if the PCE rate drops, our electric costs will go up immediately. We realize that our local utilities will have to collect on those fuel costs in order to recover from 2008. Our families simply cannot afford to pay for this when their energy costs are already taking up to 70% of their disposable income.

We ask respectfully that the legislature provide funding to continue PCE at a cost of \$1.00 per kilowatt-hour (kWh.) And we are also asking you to consider increasing the household limit from 500kWh per month to the national average of 750kWh per month. Our local economy is fragile and vulnerable and needs consideration in the PCE program. We are asking for a restoration of PCE eligibility to businesses, clinics and other public facilities that were included in the program when it was originally enacted. This is critical to keep down inflation in increase the viability of our local economies in rural Alaska that are struggling or on the brink of failure.

Thank-You for the opportunity to comment.

Sincerely,

Tuluksak Native Community


Joseph Alexie, TNC Council President

City of Kwethluk
P.O. Box 50
Kwethluk, Alaska -99621-

Phone: (907) 757 - 6022

Fax: (907) 757 -6497

March 11, 2009

House Community & Regional Affairs Committee
Juneau, Alaska

Re: Testimony on HB 150

Honorable Co-Chairs and Members of the Committee:

On behalf of the City of Kwethluk, we want to thank the Alaska Legislature's hard work in addressing the energy needs of all Alaskans, particularly those in our region which face humanitarian issues stemming from the continuous increase of our electrical and fuel costs. Many of us are grateful for last years increase in the ceiling of the Power Cost Equalization Program which has been assisting our community as a whole. The PCE program assists all of us to maintain the critical circulation of what little income and revenue we are able to have in our community. The PCE program is a priority and we respectfully ask for:

Continuation of the Power Cost Equalization Program and perpetuation of the eligible costs ceiling at \$1.00.

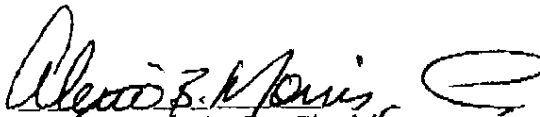
The AEA estimates the FY- 2010 cost of retaining the \$1.00 ceiling at \$3.4 million. The bulk of our community income is dedicated to paying for the upkeep of energy, and if the Power Cost Equalization Program rate drops, our electric costs will go up immediately. Our local utilities will have to collect on those fuel costs in order to recover from 2008. Our families cannot afford to pay for this when their energy costs are already taking up to 70% of their income.

City of Kwethluk asks respectfully that the State of Alaska legislature provide funding to continue PCE at a cost ceiling of \$1.00 per kilowatt-hour, and we ask that you consider increasing the household limit from 500kWh per month to the national average of 700kWh per month. Our local economy needs the PCE program to make ends meet. We are asking for restoration of PCE eligibility to businesses, clinics, schools, and other public facilities when it was originally enacted. This is critical to keep down inflation and increase the viability of our local economy in rural Alaska. Thank you for giving us the opportunity to comment.

Quyana cakneq,



David Epchook, Mayor



Alexie B. Morris, Sr., City Manager

Testimony to:

**Alaska State House of Representatives
Community & Regional Affairs Committee
on H.B. 150**

**By Robert Nick
Nunapitchuk, AK**

Introduction

Good morning, my name is Robert Nick, from Nunapitchuk.

Please allow me to express my thanks to co-chairs Rep. Bob Herron of Bethel and Rep. Cathy Munoz of Auke Bay for this opportunity to come before this committee and talk about rural Alaska energy issues, an area which today is dramatically affecting us and our State in many ways.

Energy Costs in Rural Alaska

As you might have heard, gas prices in bush Alaska are between \$6 to \$8 a gallon, while heating oil equals or costs a little more than gas. In Anchorage, the average electric bill is about \$80 to \$100 for electricity (around 7 to 8 cents per kWh, plus a few fees) for a 2,000 sq. ft. home in winter, using around 1,000 kilowatt hours (a month). In Bethel, residents with a 1,000 sq. ft. home pay around \$150 to \$200 for electricity (about 600 kilowatt hours a month) with the help of PCE, with other high fees (surcharges); without it, this cost would have been \$300 to \$400 month.

This year, we have faced some of the coldest weather, especially in December. People living in bush Alaska villages in some homes, we are told, were trying to keep warm using electric stoves, radiant heaters, or other electric burners. And this has had a dramatic effect on the rise of electricity in relation to the cold weather. And the very cold temperatures this winter have increased heating fuel use also, especially in poorly built homes. And almost all families have fuel-burning furnaces requiring electricity to run. In Kotlik, some families paid \$1,000 for electricity in one month. December heating bills were high, with some families in Kotlik and Atmautluak paying \$1,200 a month for heating. Some paid less – around \$700. Those who only paid \$500 or less were “lucky.”

You’ve now heard it said that bush village residents are now choosing fuel over food so their children could sleep in a warm house. As for food, children are told by their parents to eat breakfast and/or lunch at school. And the parents, they say “they make do” with whatever they can. Many homes have empty cupboards and refrigerators, getting by on 100 percent subsistence foods, which in late winter gets harder to get.

Few Jobs in Rural Alaska

Many Alaska village residents that really need help during this energy crisis don't have much money due to little or few jobs or have low-paying jobs because of the depressed local economies of rural communities. To make things worse, grocery or store items are now very, very expensive - first of all, because of high freight costs due to the recent high energy prices and then the high cost of running stores due to high energy costs which is passed down to consumers. And this high cost of consumable foods will be further increased by the proposed By-Pass Mail rate increases in two months (May 11, 2009) by 30 to 40 percent.

Many village residents have limited income and where I come from, the Bethel Census and Wade-Hampton Districts, have high unemployment and poverty rates. The Bethel Census unemployment rate is 16.6%, while the Wade-Hampton unemployment rate is 22.8% (State of Alaska, Jan. 2009). The Bethel Census poverty rate is 20.7% or a fifth of the people out of the 17,147 population, while in Wade Hampton, the poverty rate is 26% or a *quarter* of the population of 7,580 (U.S. Census). (In comparison, the Anchorage poverty rate is around 8 to 10% and unemployment is around 6.8%.)

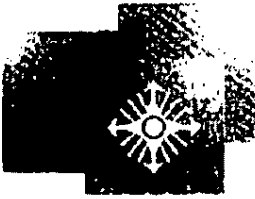
Conclusion

I am very thankful for last year's increase in the ceiling of the PCE program which has been very helpful to our rural community households this winter. We are asking the Alaska State Legislature to continue fully funding PCE at a cost ceiling of \$1.00 per kilowatt-hour (kWh), as per SB 4002, and making this permanent, since that would provide continuing assistance to rural Alaskans in paying for the very expensive electricity found in Bush Alaska.

I am also respectfully asking the Legislature to consider increasing the household limit from 500 kWh per month to the national average of 750kWh per month. Our regional economy is fragile and vulnerable and needs further consideration in the PCE program. Finally, I am asking for a restoration of PCE eligibility to businesses, clinics and other public facilities that were included in the program when it was originally enacted. Without PCE, schools are struggling with high energy and electrical costs, and the cost of maintaining their utilities is taking away from teachers and classroom budgets, compromising the quality of education in those schools.

Thank you very much for listening to me and hearing me out. I don't speak only for myself, but for many of the residents in the Y-K Delta who are facing many hardships this winter because of high energy costs. As part of my testimony, I add some letters that other villages sent (sent by email) and wanted me to include with my other testimony for another energy related bill. Please make time to read them.

Again, thank you for the opportunity to comment.



Association of Alaska Housing Authorities

Written Testimony to the House Community & Regional Affairs Committee

Tlingit-Haida Regional Housing Authority
PO Box 32237
Juneau, Ak 99803-2234
907-780-6868

Interior Regional Housing Authority
828 27th Avenue
Fairbanks, Ak 99701-6918
907-452-8315

North Pacific Rim Housing Authority
8300 King Street
Anchorage, Ak 99518
907-562-1444

Cook Inlet Housing Authority
3510 Spenard Rd, Suite 201
Anchorage, Ak 99503-2745
907-276-8822

Aleutian Housing Authority
4000 Old Seward Hwy, Suite 202
Anchorage, Ak 99503
907-563-2146

Tagiugmiullu Nunamiullu Housing Authority
PO Box 409
Barrow, Ak 99723
907-852-7150

Bristol Bay Housing Authority
PO Box 50
Dillingham, Ak 99576-0050
907-842-5956

Copper River Basin Regional Housing Authority
PO Box 29
Glennallen, Ak 99588
907-822-3633

AVCP Regional Housing Authority
PO Box 767
Bethel, Ak 99559-0767
907-543-3121

Baranof Island Housing Authority
PO Box 517
Sitka, Ak 99835-0517
907-747-5088

Bering Straits Regional Housing Authority
PO Box 995
Nome, Ak 99762-0995
907-443-5256

Alaska Housing Finance Corporation
4300 Boniface Parkway
Anchorage, Ak 99504
907-338-6100

Kodiak Island Housing Authority
3137 Mill Bay Rd
Kodiak, AK 99615-7032
907-486-8111

Northwest Inupia: Housing Authority
PO Box 331
Kotzebue, Ak 99752-0331
907-442-3450

Ketchikan Indian Community
2960 Tongass Avenue
Ketchikan, Alaska 99901

Supporting HB 150

For Committee Meeting on March 12, 2009 at 8:00 a.m.

The Association of Alaska Housing Authorities' (AAHA) membership includes 14 Regional Housing Authorities created pursuant to AK Statute, 18.55, and the Alaska Housing Finance Corporation (AHFC).

AAHA is in strong support of HB 150.

In partnership with AHFC and an ever-growing list of other state and federal partners, AAHA members serve residents in every part of Alaska. The regional housing authorities have built well over 7,000 housing units since their inception in 1971 and collectively administer well over 100 million in federal and state funds on an annual basis. The vast majority of housing in rural Alaska has been built by AAHA members and AAHA's urban members are a strong presence in Alaska's larger communities. In addition to new construction, AAHA members provide a wide range of other housing and housing related services, including providing weatherization and other housing rehab services throughout the state, developing community infrastructure, and working with our partners like AHFC, are also one of the largest employers in rural Alaska, playing a critical role in helping to sustain many of our local bush economies.

Given the role that AAHA members play in meeting these critical human needs across our state, and given the role and impact of energy costs throughout Alaska, it is obvious that we would have an extremely strong interest in the legislation under consideration today, and the broader issues of both short and long-term state energy policies.

It is our understanding that HB150 continues changes to the Power Cost Equalization Program (PCE), which were approved by the Alaska State Legislature in last July's special session. The changes increase the state subsidy for the PCE Program from up to .52 per kilowatt hour to up to \$1.00 per kilowatt hour.

This legislation responsibly addresses the rising cost of energy in the state and the disparity in energy costs in certain parts of the state. Again, on behalf of our many member organizations, serving residents throughout Alaska, we strongly support HB 150.

Heather Arnett, Administrator, Assoc. of AK Housing Authorities
(907) 338-3970, 4300 Boniface Pkwy., Anchorage, AK 99504,
aaha@alaska.net.

SLEETMUTE TRADITIONAL COUNCIL

P.O. Box: 109, Sleetmute, AK-99668; Ph: 907-449-4205; Fax: 907-449-4203
Email: sleetmutetraditionalcouncil@yahoo.com

House Community & Regional Affairs Committee

March 17, 2009

RE: Testimony on HB 150

Honorable Co-Chairs and Members of the Committee:

On behalf of the Native village of Sleetmute we want to thank the Alaska Legislature's efforts in addressing the energy needs of all Alaskans, particularly those of our region which has been faced with challenging humanitarian issues stemming from the ever increasing electric and fuel costs. We are sincerely grateful for last year's increase in the ceiling of the PCE program which has been helping our community. The PCE program helps us to maintain the critical circulation of little income and revenue we are able to have in our village. The PCE program is a priority and we respectfully ask for:

Continuation of the PCE program and perpetuation of the eligible costs ceiling at \$1.00.

The AEA estimates the FY2010 cost of retaining the \$1.00 ceiling at \$3.4 million. The bulk of our village income is dedicated to paying for the upkeep of energy, and if the PCE rate drops, our electric costs will go up immediately. We realize that our local utilities will have to collect those fuel costs in order to recover from 2008. Our families simply cannot afford to pay for this when their energy costs are already taking up to 70% of their disposable income.

We ask respectfully that the legislature provide funding to continue PCE at a cost ceiling of \$1.00 per Kilowatt-hour (kWh.) And we are also asking you to consider increasing the household limit from 500kWh per month to the national average of 750kWh per month. Our local economy is fragile and vulnerable and needs consideration in the PCE program. We are asking for a restoration of PCE eligibility to businesses, clinics and other public facilities that were included in the program when it was originally enacted. This is critical to keep down inflation and increase the viability of our local economies in rural Alaska that are struggling or on the brink of failure.

Thank you for the opportunity to comment.

Sincerely, Native Village of Sleetmute



Tribal Council President

VILLAGE OF KOTLIK
P.O BOX 20210
KOTLIK, ALASKA 99620
(907)899-4326 / 4836 FAX (907)899-4790

27 February, 2009

Allen Joseph
Grants Coordinator
AVCP Regional Housing Authority
P.O Box 767
Bethel, Alaska 99559

RE: Representative Bob Herron Hearing on Rural Energy issues

Dear Mr. Joseph,

The Kotlik Tribal Council requests that the information regarding the stories about Kotlik be presented in Robert Nick's testimony before the special committee of the State House of Representatives who will be holding a hearing on rural energy issues in Bethel on Saturday, February 28.

The homes in Kotlik are mainly heated with Toyo or Laser stoves, furnaces and other oil burning stoves. Very few homes have wood-stoves. A lot of homes are poorly constructed which are not insulated enough to block out the cold winds. Therefore, they are "forced" to buy more stove oil than others. There are some who paid over \$1,200.00 in one month to heat their home during the month of December 2008 alone.

As many rural villages in Alaska, Kotlik residents and organizations are facing hardship due to the rising cost of energy.

- Freeze up came early the fall of 2008. Beginning October 2008, we have heard of people "missing" stove-oil from their 55 gallon tanks that are connected to their heating system. The high cost of fuel in Kotlik has caused people to "steal" fuel from others, just because they have no other means of purchasing fuel to heat their homes. This has happened many times (in the past) prior to Oct 08, people "stealing" stove-oil from others.
- Some people trade wood and/or borrow money from others for stove oil.
- The Kotlik Yupik Corporation has allowed some people to charge stove oil although they have exceeded their credit limit.
- The price of fuel has forced families to make the choice between paying for bills, food or fuel. Some families chose to buy stove oil over food so the family can sleep in a warm house. The school children were told they can eat breakfast and lunch at the school.
- Between November 20, 2008 and January 26, 2009, thirty eight (38) Kotlik residents were granted the Emergency Fuel Assistance through the Association of Village Council Presidents (AVCP). The emergency funding for Kotlik was used up on January 26, 2009.

- In February 2009, the Kotlik Tribal Council donated a total of 77 gallons of stove oil to families who had no other means of purchasing it themselves. Some people have been ashamed to ask for help whether from AVCP or the tribe, because they never had to in the past.
- More people have applied for the AVCP Energy Assistance than the previous years -- hoping to get approved to lower their over-charged credit with the Kotlik Yupik Corporation and/or receive help with fuel.
- For heat, some people are using their electric cook range, portable hot plates and heaters. This has created their electric bills to be \$1,000.00 in one month.
- Despite employer's policy, some employees have been granted early pay advance to purchase fuel.

With high energy costs, and no Chinook salmon commercial fishing this summer, the Kotlik Tribe and local organizations have been trying to come up with ideas to help the people of Kotlik. There is a plan for bingo organizations to have special bingo nights and donate those net proceeds to those who are in need.

Sincerely,

Joseph P. Mike
Tribal President

City of Platinum
P.O. Box 47
Platinum, AK 99651

House Community & Regional Affairs Committee

RE: Testimony on HB 150

Honorable Co-Chairs and Members of the Committee:

On behalf of the Native Village of Platinum, AK; we want to thank the Alaska Legislature's efforts in addressing the energy needs of all Alaskans, particularly those of our region which has been faced with challenging humanitarian issues stemming from the ever increasing electric and fuel costs. We are sincerely grateful for last year's increase in the ceiling of the PCE program which has been helping our community. The PCE program helps us to maintain the critical circulation of little income and revenue we are able to have in our village. The PCE program is a priority and we respectfully ask for:

Continuation of the PCE program and perpetuation of the eligible costs ceiling at \$ 1.00.

The AEA estimates the FY 2010 cost of retaining the \$ 1.00 ceiling at \$ 3.4 million. The bulk of our village income is dedicated to paying for the upkeep of energy, and if the PCE rate drops, our electric costs will go up immediately. We realize that our local utilities will have to collect on those fuel costs in order to recover from 2008. Our families simply cannot afford to pay for this when their energy costs are already taking up to 70 % of their disposable income.

We ask respectfully that the legislature provide funding to continue PCE at a cost ceiling of \$ 1.00 per. kilowatt-hour (kwh). And we are also asking you to consider increasing the household limit from 500 kwh per. month to the national average of 750 kwh per. month. Our local economy is fragile and vulnerable and needs consideration in the PCE program. We are asking for a restoration of PCE eligibility to businesses, clinics and other public facilities that were included in the program when it was originally enacted. This is critical to keep down inflation and increase the viability of our local economies in rural Alaska that are struggling or on the brink of failure.

Thank you for the opportunity to comment.

Sincerely,

Native Village of Platinum, AK



Gilbert Kilbuck (Mayor)

Rob Earl

From: Rep. Bob Herron
Sent: Tuesday, March 10, 2009 5:48 PM
To: Rob Earl
Subject: FW:

From: Florence Therchik [mailto:fptherchik@yahoo.com]
Sent: Tuesday, March 10, 2009 3:57 PM
To: Rep. Bob Herron
Cc: Simeon_John@ykhc.org
Subject:

March 12, 2009

House Community & Regional Affairs Committee

Re: Testimony on HB 150

Honorable Co-Chairs and Members of the Committee:

On behalf of the Native village of Toksook Bay, we want to thank the Alaska Legislature's efforts in addressing the energy needs of all Alaskans, particularly those of our region which has been faced with challenging humanitarian issues stemming from the ever increasing electric and fuel costs. We are sincerely grateful for last year's increase in the ceiling of the PCE program which has been helping our community. The PCE program helps us to maintain the critical circulation of little income and revenue we are able to have in our village. The PCE program is a priority and we respectfully ask for:

Continuation of the PCE program and perpetuation of the eligible costs ceiling at \$1.00.

The AEA estimates the FY2010 cost of retaining the \$1,00 ceiling at \$3.4 million.

The bulk of our village income is dedicated to paying for the upkeep of energy, and if the PCE rate drops, our electric costs will go up immediately. We realize that our local utilities will have to collect on those fuel costs in order to recover from 2008. Our families simply cannot afford to pay for this when their energy costs are already taking up to 70% of their disposable income.

We ask respectfully that the legislature provide funding to continue PCE at a cost ceiling of \$1.00 per kilowatt-hour (kWh.) And we are also asking you to consider increasing the household limit from 500kWh per month to the national average of 750kWh per month. Our local economy is fragile and vulnerable and needs consideration in the PCE program. We are asking for a restoration of PCE eligibility to businesses, clinics and other public facilities that were included in the program when it was originally enacted. This is critical to keep down inflation and increase the viability of our local economies in rural Alaska that are struggling or on the brink of failure.

Thank you for the opportunity to comment.

Sincerely,

NATIVE VILLAGE OF TOKSOOK BAY

March 12, 2009

House Community & Regional Affairs Committee

Re: Testimony on HB 150

Honorable Co-Chairs and Members of the Committee:

On behalf of the Native village of Nunapitchuk we want to thank the Alaska Legislature's efforts in addressing the energy needs of all Alaskans, particularly those of our region which has been faced with challenging humanitarian issues stemming from the ever increasing electric and fuel costs. We are sincerely grateful for last year's increase in the ceiling of the PCE program which has been helping our community. The PCE program helps us to maintain the critical circulation of little income and revenue we are able to have in our village. The PCE program is a priority and we respectfully ask for:

Continuation of the PCE program and perpetuation of the eligible costs ceiling at \$1.00.

The AEA estimates the FY2010 cost of retaining the \$1.00 ceiling at \$3.4 million. The bulk of our village income is dedicated to paying for the upkeep of energy, and if the PCE rate drops, our electric costs will go up immediately. We realize that our local utilities will have to collect on those fuel costs in order to recover from 2008. Our families simply cannot afford to pay for this when their energy costs are already taking up to 70% of their disposable income.

We ask respectfully that the legislature provide funding to continue PCE at a cost ceiling of \$1.00 per kilowatt-hour (kWh.) And we are also asking you to consider increasing the household limit from 500kWh per month to the national average of 750kWh per month. Our local economy is fragile and vulnerable and needs consideration in the PCE program. We are asking for a restoration of PCE eligibility to businesses, clinics and other public facilities that were included in the program when it was originally enacted. This is critical to keep down inflation and increase the viability of our local economies in rural Alaska that are struggling or on the brink of failure.

Thank you for the opportunity to comment.

Sincerely,

NATIVE VILLAGE OF NUNAPITCHUK

Georriak C. Chulot, Sr.

March 12, 2009

House Community & Regional Affairs Committee

Re: Testimony on HB 150

Honorable Co-Chairs and Members of the Committee:

The Association of Village Council Presidents is a non-profit tribal social service organization serving the 56 tribal villages of the Yukon Kuskokwim Delta region of Alaska. Village residents' electric bills and fuel costs have taken up almost all of their disposable income in recent years and in many cases the costs have been overwhelming. As has been reported in news media, many families have had to choose between food and the cost of energy. Because of the energy crisis in our region the PCE program is a priority and we respectfully ask for:

Continuation of the PCE program and perpetuation of the eligible costs ceiling at \$1.00.

The AEA estimates the FY2010 cost of retaining the \$1,00 ceiling at \$3.4 million.

Our residents are already paying upwards of 70% of their available disposable income on energy costs, and if the PCE rate drops, their electric costs will go up immediately. Local utilities will have to collect on those fuel costs in order to recover the 2008 outlay, and this cost is transferred to the households, the families in our villages.


We are asking respectfully that the legislature provide funding to continue PCE at a cost ceiling of \$1.00 per kilowatt-hour (kWh.) Increased funding to PCE is definitely part of the solution. PCE does help to equalize energy costs between rural and urban areas on the first 500 kWh used, since a qualifying rural utility receives 95% of eligible costs between the average of ANC/FBX/JNU rates (12.83 cents/kWh) and 1.00 /kWh (the ceiling). It should be noted that only 29% of electricity sold by PCE utilities is eligible for PCE, with the other 71% being paid for by homeowners and businesses at rates almost five times that in urban Alaska.

In addition to increasing the funding to PCE by raising the "ceiling," we also ask that the household limit be increased from 500kWh per month to the national average of 750kWh per month. After last year's fuel prices, virtually all PCE communities are now over the 52.5 cent cost or, as in the larger hub communities, within a few cents. We also ask the legislature to restore PCE eligibility to businesses, clinics and other public facilities that were included in the program when it was originally enacted. This is critical to keep down inflation and increase the viability of local economies in rural Alaska that are struggling or on the brink of failure.

Thank you for the opportunity to comment.

Sincerely,

ASSOCIATION OF VILLAGE COUNCIL PRESIDENTS, INC.


Myron P. Naneng, Sr.
President

March 12, 2009

House Community & Regional Affairs Committee

Re: Testimony on HB 150

Honorable Co-Chairs and Members of the Committee:

On behalf of the Native village of Nightmute we want to thank the Alaska Legislature's efforts in addressing the energy needs of all Alaskans, particularly those of our region which has been faced with challenging humanitarian issues stemming from the ever increasing electric and fuel costs. We are sincerely grateful for last year's increase in the ceiling of the PCE program which has been helping our community. The PCE program helps us to maintain the critical circulation of little income and revenue we are able to have in our village. The PCE program is a priority and we respectfully ask for:

Continuation of the PCE program and perpetuation of the eligible costs ceiling at \$1.00.

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We ask respectfully that the legislature provide funding to continue PCE at a cost ceiling of \$1.00 per kilowatt-hour (kWh.) And we are also asking you to consider increasing the household limit from 500kWh per month to the national average of 750kWh per month. Our local economy is fragile and vulnerable and needs consideration in the PCE program. We are asking for a restoration of PCE eligibility to businesses, clinics and other public facilities that were included in the program when it was originally enacted. This is critical to keep down inflation and increase the viability of our local economies in rural Alaska that are struggling or on the brink of failure.

Thank you for the opportunity to comment.

Sincerely,

NATIVE VILLAGE OF Nightmute

Carrolline T. [Signature]

Testimony to:

**Alaska State House of Representatives
Community & Regional Affairs Committee
on H.B. 150**

**By Robert Nick
Nunapitchuk, AK**

Introduction

Good morning, my name is Robert Nick, from Nunapitchuk.

Please allow me to express my thanks to co-chairs Rep. Bob Herron of Bethel and Rep. Cathy Munoz of Auke Bay for this opportunity to come before this committee and talk about rural Alaska energy issues, an area which today is dramatically affecting us and our State in many ways.

Energy Costs in Rural Alaska

As you might have heard, gas prices in bush Alaska are between \$6 to \$8 a gallon, while heating oil equals or costs a little more than gas. In Anchorage, the average electric bill is about \$80 to \$100 for electricity (around 7 to 8 cents per kWh, plus a few fees) for a 2,000 sq. ft. home in winter, using around 1,000 kilowatt hours (a month). In Bethel, residents with a 1,000 sq. ft. home pay around \$150 to \$200 for electricity (about 600 kilowatt hours a month) with the help of PCE, with other high fees (surcharges); without it, this cost would have been \$300 to \$400 month.

This year, we have faced some of the coldest weather, especially in December. People living in bush Alaska villages in some homes, we are told, were trying to keep warm using electric stoves, radiant heaters, or other electric burners. And this has had a dramatic effect on the rise of electricity in relation to the cold weather. And the very cold temperatures this winter have increased heating fuel use also, especially in poorly built homes. And almost all families have fuel-burning furnaces requiring electricity to run. In Kotlik, some families paid \$1,000 for electricity in one month. December heating bills were high, with some families in Kotlik and Atmaultluak paying \$1,200 a month for heating. Some paid less – around \$700. Those who only paid \$500 or less were “lucky.”

You’ve now heard it said that bush village residents are now choosing fuel over food so their children could sleep in a warm house. As for food, children are told by their parents to eat breakfast and/or lunch at school. And the parents, they say “they make do” with whatever they can. Many homes have empty cupboards and refrigerators, getting by on 100 percent subsistence foods, which in late winter gets harder to get.

Few Jobs in Rural Alaska

Many Alaska village residents that really need help during this energy crisis don't have much money due to little or few jobs or have low-paying jobs because of the depressed local economies of rural communities. To make things worse, grocery or store items are now very, very expensive - first of all, because of high freight costs due to the recent high energy prices and then the high cost of running stores due to high energy costs which is passed down to consumers. And this high cost of consumable foods will be further increased by the proposed By-Pass Mail rate increases in two months (May 11, 2009) by 30 to 40 percent.

Many village residents have limited income and where I come from, the Bethel Census and Wade-Hampton Districts, have high unemployment and poverty rates. The Bethel Census unemployment rate is 16.6%, while the Wade-Hampton unemployment rate is 22.8% (State of Alaska, Jan. 2009). The Bethel Census poverty rate is 20.7% or a fifth of the people out of the 17,147 population, while in Wade Hampton, the poverty rate is 26% or a *quarter* of the population of 7,580 (U.S. Census). (In comparison, the Anchorage poverty rate is around 8 to 10% and unemployment is around 6.8%.)

Conclusion

I am very thankful for last year's increase in the ceiling of the PCE program which has been very helpful to our rural community households this winter. We are asking the Alaska State Legislature to continue fully funding PCE at a cost ceiling of \$1.00 per kilowatt-hour (kWh), as per SB 4002, and making this permanent, since that would provide continuing assistance to rural Alaskans in paying for the very expensive electricity found in Bush Alaska.

I am also respectfully asking the Legislature to consider increasing the household limit from 500 kWh per month to the national average of 750kWh per month. Our regional economy is fragile and vulnerable and needs further consideration in the PCE program. Finally, I am asking for a restoration of PCE eligibility to businesses, clinics and other public facilities that were included in the program when it was originally enacted. Without PCE, schools are struggling with high energy and electrical costs, and the cost of maintaining their utilities is taking away from teachers and classroom budgets, compromising the quality of education in those schools.

Thank you very much for listening to me and hearing me out. I don't speak only for myself, but for many of the residents in the Y-K Delta who are facing many hardships this winter because of high energy costs. As part of my testimony, I add some letters that other villages sent (sent by email) and wanted me to include with my other testimony for another energy related bill. Please make time to read them.

Again, thank you for the opportunity to comment.

City Of Akiak
P.O. Box 52028
Akiak, Alaska 99552
Ph. 765-7411-Fax 765-7414

Representative Bob Harron
Alaska State Capitol, Room 415
Juneau, Alaska 99801

Representative Cathy Munoz
Alaska State Capitol, Room 409
Juneau, Alaska 99801

House Community And Regional Affairs Committee

Re: Testimony on HB 150

Honorable Co-Chairs and Members of the Committee

On behalf of the City of Akiak we want to extend our thank you to the Alaska Legislature's efforts in addressing the energy needs of all Alaskans, particularly those of us in our region who are facing challenging humanitarian issues stemming from the ever increasing fuel and electricity costs. We are very grateful for last year's increase in the ceiling of the PCE program which has been helping our village.

As mentioned in our Fall 2008 request for assistance, some of our head of household customers in our village have to make a choice of having heat in the house or food on the table and as you understand a home without heat and light is no place to live in. The PCE program helps our customers who pay for heating and electrical costs maintain the circulation of the little income and revenue we are able to have in our village. The PCE program is a priority and we respectfully ask for: CONTINUATION OF THE PCE PROGRAM AND PERPETUATION OF THE ELIGIBLE COSTS CEILING AT \$1.00.

The bulk of our village income is dedicated to paying for the upkeep of heating and electrical needs, and if PCE rate drops, our electric and heating costs will go up, at present our community members with no other choice have to pay for \$.63 cents a kilowatt hour rate and \$6.45 for heating fuel, and even the cost of oil is dropping the fuel our vendors paid for does not change and we pay at the same rate to make sure our vendors will be able to purchase more fuel for the up coming year.

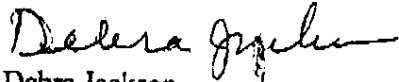
We ask respectfully that the legislature provide funding to continue the PCE program at a cost ceiling of \$1.00 per kilowatt-hour (KWh.) and we also ask you to consider increasing the household limit from 500kWh per month to the national average of 750kWh per month. We also ask for a restoration of the PCE eligibility to businesses, clinics, and other critical public facilities that were included in the program when it was originally enacted.

This is critical to keep down the inflation and increase the viability of our local economies in rural Alaska that are struggling or even on the verge of failing.

Thank you for the opportunity to comment.

Sincerely,

For the City of Akiak

A handwritten signature in cursive script that reads "Debra Jackson". The signature is written in dark ink and is positioned above the printed name.

Debra Jackson
Mayor

SLEETMUTE TRADITIONAL COUNCIL

P.O. Box: 109, Sleetmute, AK-99668; Ph: 907-449-4205; Fax: 907-449-4203

Email: sleetmutetraditionalcouncil@yahoo.com

House Community & Regional Affairs Committee

March 17, 2009

RE: Testimony on HB 150

Honorable Co-Chairs and Members of the Committee:

On behalf of the Native village of Sleetmute we want to thank the Alaska Legislature's efforts in addressing the energy needs of all Alaskans, particularly those of our region which has been faced with challenging humanitarian issues stemming from the ever increasing electric and fuel costs. We are sincerely grateful for last year's increase in the ceiling of the PCE program which has been helping our community. The PCE program helps us to maintain the critical circulation of little income and revenue we are able to have in our village. The PCE program is a priority and we respectfully ask for:

Continuation of the PCE program and perpetuation of the eligible costs ceiling at \$1.00.

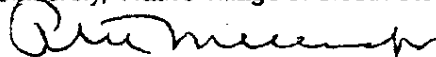
The AEA estimates the FY2010 cost of retaining the \$1.00 ceiling at \$3.4 million.

The bulk of our village income is dedicated to paying for the upkeep of energy, and if the PCE rate drops, our electric costs will go up immediately. We realize that our local utilities will have to collect those fuel costs in order to recover from 2008. Our families simply cannot afford to pay for this when their energy costs are already taking up to 70% of their disposable income.

We ask respectfully that the legislature provide funding to continue PCE at a cost ceiling of \$1.00 per Kilowatt-hour (kWh.) And we are also asking you to consider increasing the household limit from 500kWh per month to the national average of 750kWh per month. Our local economy is fragile and vulnerable and needs consideration in the PCE program. We are asking for a restoration of PCE eligibility to businesses, clinics and other public facilities that were included in the program when it was originally enacted. This is critical to keep down inflation and increase the viability of our local economies in rural Alaska that are struggling or on the brink of failure.

Thank you for the opportunity to comment.

Sincerely, Native Village of Sleetmute



Tribal Council President

**Native Village of Napakiak
IRA Council
P.O. Box 34069
Napakiak, AK 99634
P (907) 589-2135 F (907) 589-2136**

March 12, 2009

Senator Bob Herron
Alaska State Capitol, Rm 415
Juneau, AK 99801
T (907) 465-4942
F (907) 465-4589

Re: Testimony on HB 10

Honorable Co-Chairs and Members of the Committee:

On behalf of the Native village of Napakiak we want to thank the Alaska Legislature's efforts in addressing the energy needs of all Alaskans, particularly those of our region which has been faced with challenging humanitarian issues stemming from the ever increasing electric and fuel costs. We are sincerely grateful for last year's increase in the ceiling of the PCE program which has been helping our community. The PCE program helps us to maintain the critical circulation of little income and revenue we are able to have in our village. The PCE program is a priority and we respectfully ask for:

Continuation of the PCE program and perpetuation of the eligible costs ceiling at \$1.00.

The AEA estimates the FY2010 cost of retaining the \$1.00 ceiling at \$3.4 million. The bulk of our village income is dedicated to paying for the upkeep of energy, and if the PCE rate drops, our electric costs will go up immediately. We realize that our local utilities will have to collect on those fuel costs in order to recover from 2008. Our families simply cannot afford to pay for this when their energy costs are already taking up to 70% of their disposable income.

We ask respectfully that the legislature provide funding to continue PCE at a cost ceiling of \$1.00 per kilowatt-hour (kWh.) And we are also asking you to consider increasing the household limit from 500kWh per month to the national average of 750kWh per month. Our local economy is fragile and vulnerable and needs consideration in the PCE program. We are asking for a restoration of PCE eligibility to businesses, clinics and other public facilities that were included in the program when it was originally enacted. This is critical to keep down inflation and increase the viability of our local economies in rural Alaska that are struggling or on the brink of failure.

Thank you for the opportunity to comment.

Sincerely,
NATIVE VILLAGE OF NAPAKIAK

for IRA Council


Linda Motgin

Akiak Native Community
Akiak IRA Council
P.O. Box 52127
Akiak, Alaska 99552
Phone: (907) 765-7112 Fax: (907) 765-7512

March 12, 2009

House Community & Regional Affairs Committee

Re: Testimony on HB 150

Honorable Co-Chairs and Members of the Committee:

First of all on behalf of the tribal members of the Akiak Native Community I would like to thank the Alaska Legislation addressing the energy needs and challenges ALL Alaskan's face, especially those in our area. The PCE program that was increased last year has helped our community a great deal and the program is critically needed.

This letter is to request that you continue to fund the PCE at a cost ceiling of \$1.00 per kWh. We also request that the PCE eligibility to businesses, health care facilities, and utilities be included in the program .

Again we appreciate your recognition of our communities energy needs throughout Alaska.

Sincerely,

IVAN M IVAN, CHIEF
Akiak IRA Council

Sheila Williams
Tribal Administrator

**ANVIK TRIBAL COUNCIL**

P.O. Box 10
ANVIK, AK 99558
(907) 663-6322
FAX (907) 663-6357

e-mail - anvik_tribal@yahoo.com

March 12, 2009

Representative Cathy Mumoz
Alaska State Capital, Room 409
Juneau, Alaska 99801

Re: Testimony on HB 150

Dear Honorable Co-Chairs and Members of the Committee:

On behalf of the Native Village of Anvik, we want to thank the Alaska Legislatures efforts in addressing the energy need of all Alaskans, particularly those of our region which has been faced with challenging humanitarian issues stemming from the ever increasing electric and fuel costs. We are sincerely grateful for last year's increase in the ceiling of the PCE program which has been helping our community. The PCE program helps us to maintain the critical circulation of little income and revenue we are able to have in our village. The PCE program is a priority and we respectfully ask for:

Continuation of the PCE program and perpetuation of the eligible cost ceiling at \$1.00.

The AEA estimates FY2010 cost for retaining the \$1.00 ceiling at \$3.4 million. The bulk of our village income is dedicated to paying for the upkeep of energy, and if the PCE rate drops, our electric costs will go up immediately. We realized that our local utilities will have to collect on those fuel costs in order to recover from 2008. Our families simply cannot afford to pay for this when their energy cost are already taking up to 70% of their disposable income.

We ask respectfully that the legislature provide funding to continue PCE at a cost ceiling of \$1.00 per kilowatt-hour(kWh.) We are also asking you to consider increasing the household limit from 500kWh per moth to the national average of 750kWh per month. Our local economy is fragile and vulnerable and needs consideration in the PCE program. We are asking for a restoration of PCE eligibility to businesses, clinics, and other public facilities that were included in the program when it was originally enacted. This is critical to keep down inflation and increase the viability of our local economies in rural Alaska that are struggling or on the brink of failure.

Thank you for the opportunity to comment.

Sincerely,

Christine Elswick, Secretary/Treasure
Anvik Traditional Council



Emmonak Tribal Council

P.O. BOX 126
EMMONAK, ALASKA 99581
(907) 949-1720
FAX (907) 949-1384

March 12, 2009

House Community & Regional Affairs Committee

Re: Testimony on HB 150

Honorable Co-Chairs and Members of the Committee:

On behalf of the Native village of Emmonak we want to thank the Alaska Legislature's efforts in addressing the energy needs of all Alaskans, particularly those of our region which has been faced with challenging humanitarian issues stemming from the ever increasing electric and fuel costs. We are sincerely grateful for last year's increase in the ceiling of the PCE program which has been helping our community. The PCE program helps us to maintain the critical circulation of little income and revenue we are able to have in our village. The PCE program is a priority and we respectfully ask for:

Continuation of the PCE program and perpetuation of the eligible cost ceiling at \$1.00.

The AEA estimates the FY2010 cost of retaining the \$1.00 ceiling at \$3.4 million. The bulk of our village income is dedicated to paying for the upkeep of energy, and if the PCE rate drops, our electric costs will go up immediately. We realize that our local utilities will have to collect on those fuel costs in order to recover from 2008. Our families simply cannot afford to pay for this when their energy costs are already taking up to 70% of their disposable income.

We ask respectfully that the legislature provide funding to continue PCE at a cost ceiling of \$1.00 per kilowatt-hour (kWh.) and we are also asking you to consider increasing the household limit from 500kWh per month to the national average of 750kWh per month. Our local economy is fragile and vulnerable and needs consideration in the PCE program. We are asking for a restoration of PCE eligibility to businesses, clinics and other public facilities that were included in the program when it was originally enacted. This is critical to keep down inflation and increase the viability of our local economies in rural Alaska that are struggling or on the brink of failure.

Thank you for the opportunity to comment.

Sincerely,

Native Village of Emmonak



March 13, 2009

House Community & Regional Affairs Committee

Re: Testimony on HB 150

Honorable Co-Chairs and Members of the Committee:

On behalf of the Native Village of Georgetown I want to thank the Alaska Legislature's efforts in addressing the energy needs of all Alaskans, particularly those of our region which has been faced with challenging humanitarian issues stemming from the ever increasing electric and fuel costs. We are sincerely grateful for last year's increase in the ceiling of the PCE program which has been helping our community. The PCE program helps us to maintain the critical circulation of little income and revenue we are able to have in our village. The PCE program is a priority and we respectfully ask for:

Continuation of the PCE program and perpetuation of the eligible costs ceiling at \$1.00.

The AEA estimates the FY2010 cost of retaining the \$1.00 ceiling at \$3.4 million.

The bulk of our village income is dedicated to paying for the upkeep of energy, and if the PCE rate drops, our electric costs will go up immediately. We realize that our local utilities will have to collect on those fuel costs in order to recover from 2008. Our families simply cannot afford to pay for this when their energy costs are already taking up to 70% of their disposable income.

We ask respectfully that the legislature provide funding to continue PCE at a cost ceiling of \$1.00 per kilowatt-hour (kWh.) And we are also asking you to consider increasing the household limit from 500kWh per month to the national average of 750kWh per month. Our local economy is fragile and vulnerable and needs consideration in the PCE program. We are asking for a restoration of PCE eligibility to businesses, clinics and other public facilities that were included in the program when it was originally enacted. This is critical to keep down inflation and increase the viability of our local economies in rural Alaska that are struggling or on the brink of failure.

Thank you for the opportunity to comment.

Sincerely,

Amber Matthews

Tribal Administrator

Kotlik Yupik Corporation
P.O. Box 20207
Kotlik, Alaska 99620
(907) 899-4014 / 4634 Fax (907) 899-4528

March 12, 2009

House Community & Regional Affairs Committee

Re: Testimony on HB 150

Honorable Co-Chairs and Members of the Committee

On behalf of the Native village of Kotlik we want to thank the Alaska Legislature's efforts in addressing the energy needs of all Alaskans, particularly those of our region which has faced with challenging humanitarian issues stemming from the ever increasing electric and fuel costs. We are sincerely grateful for last year's increase in the ceiling of the PCE program which has been helping our community. The PCE program helps us to maintain the critical circulation of little income and revenue we are able to have in our village. The PCE program is a priority and we respectfully ask for:

Continuation of the PCE program and perpetuation of the eligible costs ceiling at \$1.00.

The AEA estimates the FY2010 cost of retaining the \$1.00 ceiling at \$3.4 million. The bulk of our village income is dedicated to paying for the upkeep of energy, and if the PCE rates drops, our electric costs will go up immediately. We realize that our local utilities will have to collect on those fuel costs in order to recover from 2008. Our families simply cannot afford to pay for this when their energy costs are already taking up to 70% of their disposable income.

We ask respectfully that the legislature provide funding to continue PCE at a cost ceiling of \$1.00 per kilowatt-hour (kWh.) And we are also asking you to consider increasing the household limit from 500kWh per month to the national average of 750kWh per month. Our local economy is fragile and vulnerable and needs consideration in the PCE program. We are asking for a restoration of PCE eligibility to businesses, clinics and other public facilities that were included in the program when it was originally enacted. This is critical to keep down inflation and increase the viability of our local economies in rural Alaska that are struggling or on the brink of failure.

Thank you for the opportunity to comment.

Sincerely,


NATIVE VILLAGE OF KOTLIK

MAR 12 2009

City of Kwethluk
P.O. Box 50
Kwethluk, Alaska -99621-

Phone: (907) 757 - 6022

Fax: (907) 757 -6497

March 11, 2009

House Community & Regional Affairs Committee
Juneau, Alaska

Re: Testimony on HB 150

Honorable Co-Chairs and Members of the Committee:


On behalf of the City of Kwethluk, we want to thank the Alaska Legislature's hard work in addressing the energy needs of all Alaskans, particularly those in our region which face humanitarian issues stemming from the continuous increase of our electrical and fuel costs. Many of us are grateful for last years increase in the ceiling of the Power Cost Equalization Program which has been assisting our community as a whole. The PCE program assists all of us to maintain the critical circulation of what little income and revenue we are able to have in our community. The PCE program is a priority and we respectfully ask for:

Continuation of the Power Cost Equalization Program and perpetuation of the eligible costs ceiling at \$1.00.

The AEA estimates the FY- 2010 cost of retaining the \$1.00 ceiling at \$3.4 million. The bulk of our community income is dedicated to paying for the upkeep of energy, and if the Power Cost Equalization Program rate drops, our electric costs will go up immediately. Our local utilities will have to collect on those fuel costs in order to recover from 2008. Our families cannot afford to pay for this when their energy costs are already taking up to 70% of their income.

City of Kwethluk asks respectfully that the State of Alaska legislature provide funding to continue PCE at a cost ceiling of \$1.00 per kilowatt-hour, and we ask that you consider increasing the household limit from 500kWh per month to the national average of 700kWh per month. Our local economy needs the PCE program to make ends meet. We are asking for restoration of PCE eligibility to businesses, clinics, schools, and other public facilities when it was originally enacted. This is critical to keep down inflation and increase the viability of our local economy in rural Alaska. Thank you for giving us the opportunity to comment.

Quyana cakneq,


David Epchook, Mayor
Alexie B. Morris, Jr., City Manager

Nunapitchuk Limited

P.O. Box 129 Nunapitchuk Alaska 99641 Phone No 907 527-5717 Fax 527-5229

March 13, 2009.

House Community & Regional Affairs Committee.

Re: Testimony on HB 150.

Honorable Co-Chairs and Members of the Committee:

On behalf of the Nunapitchuk Limited Corporation, we want to thank the Alaska Legislature's efforts in addressing the energy needs of all Alaskans, particularly those of our region which has been faced with challenging humanitarian issues from the ever increasing electric and fuel costs. We are sincerely grateful for last year's increase in the ceiling of the PCE program which has been helping our community. The PCE program helps us to maintain the critical circulation of little income and revenue we are able to have in our village. The PCE program is priority and we respectfully as for:

Continuation of the PCE program and perpetuation of the eligible costs ceiling at \$ 1.00.

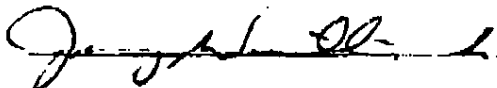
The AEA estimates the FY 2010 cost of retaining the \$ 1.00 ceiling at \$ 3.4 million. The bulk of our village income is dedicated to paying for the upkeep of energy, and if the PCE rate drops, our electric costs will go up immediately. We realize that our local utilities will have to collect on those fuel costs in order to recover from 2008. Our families simply cannot afford to pay for this when their energy costs are already taking up to 70 % of their disposable income.

We ask respectfully that the legislature provide funding to continue PCE at a cost ceiling of \$ 1.00 per kilowatt-hour (kWh). And we are also asking you to consider increasing the household limit from 500kWh per month to the national average of 750kWh per month. Our local economy is fragile and vulnerable and needs consideration in the PCE program. We are asking for a resoration of PCE eligibility to business, clinics and other public facilities that were included in the program when it was originally enacted. This is critical to keep down inflation and increase the viability of our local economies in rural Alaska that are struggling or on the brink of failure.

Thank you for the opportunity to comment.

Sincerely,

Nunapitchuk Limited Corporation.
Vice-Chairman- Jeffrey Sam Wassillie Sr.





March 4, 2009

House Finance Committee

Re: Testimony on HB 81, FY 2010 Operating Budget

Honorable Co-Chairs and Members of the Committee:

Alaska Village Electric Cooperative is a non-profit, consumer owned utility serving 53 villages – 44% of Alaska's village population. Our average village has some 400 residents and the cost of energy in these communities has been crippling families and businesses for several years, especially in recent years as the world cost of oil has skyrocketed.

During last year's legislative and special sessions, the ceiling on Power Cost Equalization (PCE) costs was raised to \$1.00 per kWh for nine months and will automatically revert back to 52.5 cents per kWh unless the legislature acts to perpetuate this rate. If the rate drops, AVEC's residential and community users will see an average rate increase of more than twelve cents a kWh immediately, since we will be collecting on last year's fuel costs through September, 2008.

As you consider the Operating Budget for FY 2010, I respectfully request that funding be included to continue PCE calculated on costs of up to \$1.00 per kilowatt-hour (kWh.) There is no doubt that the floor for PCE calculations will be rising substantially since Juneau saw a few months of diesel powered electricity, Fairbanks saw dramatic fuel cost increases and Anchorage consumers also saw rate increases last year. Each penny that the floor increases reduces the PCE program cost by \$1,160,000.

It is entirely likely that this year's floor increase will result in the Governor's recommendation of \$32,160,000 being sufficient to fully fund PCE even with the higher ceiling of \$1.00 per kWh being left in place. However, I urge you to add an additional sum of \$5,500,000 to the PCE program to continue funding the program up to costs of \$1.00 per kWh, especially since there is no assurance that the cost of oil won't return to the stratospheric heights it reached last year. The \$5.5 million figure was computed by the Alaska Energy Authority as being the maximum amount necessary to cover the balance of last year's fuel cost as well as an allowance for higher non-fuel costs and the inclusion of additional communities.

Thank you for the opportunity to comment.

Sincerely,

Meera Kohler
President and CEO

March 12, 2009

House Community & Regional Affairs Committee

Re: Testimony on HB 150

Honorable Co-Chairs and Members of the Committee:

On behalf of the Native village of Atnautluak, we want to thank the Alaska Legislature's efforts in addressing the energy needs of all Alaskans, particularly those of our region which has been faced with challenging humanitarian issues stemming from the ever increasing electric and fuel costs. We are sincerely grateful for last year's increase in the ceiling of the PCE program which has been helping our community. The PCE program helps us to maintain the critical circulation of little income and revenue we are able to have in our village. The PCE program is a priority and we respectfully ask for:

Continuation of the PCE program and perpetuation of the eligible costs ceiling at \$1.00.

The AEA estimates the FY2010 cost of retaining the \$1.00 ceiling at \$3.4 million. The bulk of our village income is dedicated to paying for the upkeep of energy, and if the PCE rate drops, our electric costs will go up immediately. We realize that our local utilities will have to collect on those fuel costs in order to recover from 2008. Our families simply cannot afford to pay for this when their energy costs are already taking up to 70% of their disposable income.

We ask respectfully that the legislature provide funding to continue PCE at a cost ceiling of \$1.00 per kilowatt-hour (kWh.) And we are also asking you to consider increasing the household limit from 500kWh per month to the national average of 750kWh per month. Our local economy is fragile and vulnerable and needs consideration in the PCE program. We are asking for a restoration of PCE eligibility to businesses, clinics and other public facilities that were included in the program when it was originally enacted. This is critical to keep down inflation and increase the viability of our local economies in rural Alaska that are struggling or on the brink of failure.

Thank you for the opportunity to comment.

Sincerely,

NATIVE VILLAGE OF ATMAUTLUAK

Chefornak Traditional Council
P.O. Box 110
Chefornak, Alaska 99561
Phone # (907) 867-8850 or 8502
Fax # (907) 867-8711

Testimony on HB 150

On behalf of the Native village of **Chefornak**, we want to thank the Alaska Legislature's efforts in addressing the energy needs of all Alaskans, particularly those of our region which has been faced with challenging humanitarian issues stemming from the ever increasing electric and fuel costs. We are sincerely grateful for last year's increase in the ceiling of the PCE program helps us to maintain the critical circulation of little income and revenue we are able to have in our village. The PCE program is a priority and we respectfully ask for:

Continuation of the PCE program and perpetuation of the eligible costs ceiling at \$1.00.

The AEA estimates the FY2010 cost of retaining the \$1.00 ceiling at \$3.4 million. The bulk of our village income is dedicated to paying for the upkeep of energy, and if the PCE rate drops, our electric costs will go up immediately. We realize that our local utilities will have to collect on those fuel costs in order to recover from 2008. Our families simply cannot afford to pay for this when their energy costs are already taking up to 70% of their disposable income.

We ask respectfully that the legislature provide funding to continue PCE at a cost ceiling of \$1.00 per kilowatt-hour (kWh.) And we are also asking you to consider increasing the household limit from 500kWh per month to the national average of 750kWh per month. Our local economy is fragile and vulnerable and needs consideration in the PCE program. We are asking for a restoration of PCE eligibility to businesses, clinics and other public facilities that were included in the program when it was originally enacted. This is critical to keep down inflation and increase the viability of our local economies in rural Alaska that are struggling or on the brink of failure.

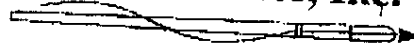
Thank you for the opportunity to comment.

Sincerely,

NATIVE VILLAGE OF Chefornak


Tribal President

3-10-09
Date

Chefarnmute, Inc.

Groceries, Fuel & Hardware

P.O. Box 70

Chefornak, Alaska 99561

Phone: (907) 867-8115

Fax: (907) 867-8895

March 10, 2009

House Community & Regional Affairs Committee

Re: Testimony on HB 150

Honorable Co-Chairs and Members of the Committee:

On behalf of the Native village of Chefornak we want to thank the Alaska Legislature's efforts in addressing the energy needs of all Alaskans, particularly those of our region which has been faced with challenging humanitarian issues stemming from the ever increasing electric and fuel costs. We are sincerely grateful for last year's increase in the ceiling of the PCE program, which has been helping our community. The PCE program helps us to maintain the critical circulation of little income and revenue we are able to have in our village. The PCE program is a priority and we respectfully ask for:

Continuation of the PCE program and perpetuation of the eligible costs ceiling at \$1.00.

The AEA estimates the FY2010 cost of retaining the \$1.00 ceiling at \$3.4 million. The bulk of our village income is dedicated to paying for the upkeep of energy, and if the PCE rate drops, our electric costs will go up immediately. We realize that our local utilities will have to collect on those fuel costs in order to recover from 2008. Our families simply cannot afford to pay for this when their energy costs are already taking up to 70% of their disposable income.

We ask respectfully that the legislature provide funding to continue PCE at a cost ceiling of \$1.00 per kilowatt-hour (kWh). And we are also asking you to consider increasing the household limit from 500kWh per month to the national average of 750kWh per month. Our local economy is fragile and vulnerable and needs consideration in the PCE program. We are asking for a restoration of PCE eligibility to business, clinics, and other public facilities that were included in the program when it was originally enacted. This is critical to keep down inflation and increase the viability of our local economies in rural Alaska that are struggling or on the brink of failure.

Thank you for the opportunity to comment.

Sincerely,

NATIVE VILLAGE OF CHEFORNAK

Robert Panruk
Chefarnmute, Inc.

Native Village of Eek

March 11, 2009

House Community & Regional Affairs Committee

Re: Testimony on HB150

Honorable Co-Chairs and Members of the Committee:

On behalf of the Native Village of Eek, we want to thank the Alaska Legislature's efforts in addressing the energy needs of all Alaskans, particularly those of our region which has been faced with challenging humanitarian issues stemming from the ever increasing electric and fuel costs. We are sincerely grateful for last year's increase in the ceiling of the PCE program which has been helping our community. The PCE program helps us to maintain the critical circulation of little income and revenue we are able to have in our village. The PCE program is a priority and we respectfully:

Continuation of the PCE program and perpetuation of the eligible costs ceiling at \$1.00.

The AEA estimates the FY2010 cost of retaining the \$1.00 ceiling at \$3.4 million. The bulk of our village income is dedicated to paying for the upkeep of energy, and if the PCE rate drops, our electricity costs will rise immediately. We realize that our local utilities will have to collect on those fuel costs to recover from 2008. Our families simply cannot afford to pay for this when such energy costs already take up to 70% of their disposable income.

We ask respectfully that the legislature provide funding to continue PCE at a cost ceiling of \$1.00 per kilowatt-hour (kWh). And we are also asking you to consider increasing the household limit from 500 kWh per month to the national average of 750kWh per month. Our local economy is fragile and vulnerable and needs consideration in the PCE program. We are asking for a restoration of PCE eligibility to businesses, clinics and other public facilities that were included in the program when it was originally enacted. This is critical to keep down inflation and increase the viability of our local economies in rural Alaska that are struggling or on the brink of failure.

I thank you for allowing us to take much of your valuable time.

Sincerely,



Nick Carter, Tribal Administrator
Native Village of Eek

Emmonak Corporation

P.O. Box 49 Emmonak, Alaska 99581
Phone (907) 949-1129 Fax (907) 949-1412
~~emmonak@unikom-alaska.com~~
emcorpe@hughes.net

March 10, 2009

House Community & Regional Affairs

Re: Testimony on HB 150

Dear Honorable Co-Chairs and Members of the Committee:

On behalf of the Emmonak Corporation we want to thank the Alaska Legislature's efforts in addressing the energy needs of all Alaskans, particularly those of our region which has been faced with challenging humanitarian issues stemming from the ever increasing electric and fuel costs. We are sincerely grateful for last year's increase in the ceiling of the PCE program which has been helping our community. The PCE program helps us to maintain the critical circulation of little income and revenue we are able to have in our village. The PCE program is a priority and we respectfully ask for: **Continuation of the PCE program and perpetuation of the eligible costs ceiling at \$1.00.**

The AEA estimates the FY2010 cost of retaining the \$1.00 ceiling at \$3.4 million. The bulk of our village income is dedicated to paying for the upkeep of energy, and if the PCE rate drops, our electric costs will go up immediately. We realize that our local utilities will have to collect on those fuel costs in order to recover from 2008. Our families simply cannot afford to pay for this when their energy costs are already taking up to 70% of their disposable income.

We ask respectfully that the legislature provide funding to continue PCE at a cost ceiling of \$1.00 per kilowatt-hour (kWh.) and we are also asking you to consider increasing the household limit from 500kWh per month to the national average of 750kWh per month. Our local economy is fragile and vulnerable and needs consideration in the PCE program. We are asking for a restoration of PCE eligibility to businesses, clinics and other public facilities that were included in the program when it was originally enacted. This is critical to keep down inflation and increase the viability of our local economies in rural Alaska that are struggling or on the brink of failure.

Thank you for the opportunity to comment.

Sincerely,



Billy Charles, Acting General Manager
Emmonak Corporation

**NATIVE VILLAGE OF KIPNUK
KIPNUK TRADITIONAL COUNCIL**

P.O. BOX 57 • KIPNUK, ALASKA 99614
(907) 896-5515 • FAX (907) 896-5240

10 March 2009

House Community & Regional Affairs Committee

RE: Testimony on HB 150

Honorable Co-Chairs and Members of the Committee:

On behalf of the Native Village of Kipnuk, Kipnuk Traditional Council as the governing body want to thank the Alaska's Legislature's effort in addressing the energy needs of all Alaskans, particularly those of our region which has been faced with challenging humanitarian issues stemming from the ever increasing electric and fuel costs. We are sincerely grateful for last year's increase in the ceiling of the PCE program which has been helping our community. The PCE program helps us to maintain the critical circulation of little income and revenue we are able to have in our village. The PCE program is a priority and we respectfully ask for:

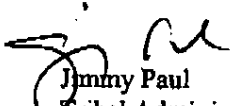
Continuation of the PCE program and perpetuation of the eligible costs ceiling at \$1.00.

The Alaska Energy Authority (AEA) estimates the FY 2010 cost of retaining the \$1.00 ceiling at \$3.4 million. The bulk of our village income is dedicated to paying for the upkeep of energy, and if the PCE rate drops, our electric costs will go up immediately. We realize that our local utilities will have to collect on those fuel costs in order to recover from 2008. Our families simply cannot afford to pay for this when their energy costs are already taking up to 70% of their disposable income.

We ask respectfully that the legislature provide funding to continue PCE at a cost of \$1.00 per kilowatt-hour (kWh). And we are also asking you to consider increasing the household limit from 500kWh per month to the national average of 750kWh per month. Our local economy is fragile and vulnerable and needs consideration in the PCE program. We are asking for a restoration of PCE eligibility to businesses, clinics and other public facilities that were included in the program when it was originally enacted. This is critical to keep down inflation and increase the viability of our local economies in rural Alaska that are struggling or on the brink of failure.

Thank you for your time and attention on this important issue and opportunity to comment.

SINCERELY YOURS,
For the Kipnuk Traditional Council:
Paul Joshua Paul, President


Jimmy Paul
Tribal Administrator

Cc: files

KONGIGANAK TRADITIONAL COUNCIL
P.O. BOX 5069
KONGIGANAK, ALASKA 99545
Phone (907) 557-5226
Fax (907) 557-5224

March 12, 2009

House Community & Regional Affairs Committee

Re: Testimony on HB 150

Honorable Co-Chairs and Members of the Committee:

On behalf of the Native village of *Kongiganak* we want to thank the Alaska Legislature's efforts in addressing the energy needs of all Alaskans, particularly those of our region which has been faced with challenging humanitarian issues stemming from the ever increasing electric and fuel costs. We are sincerely grateful for last year's increase in the ceiling of the PCE program which has been helping our community. The PCE program helps us to maintain the critical circulation of little income and revenue we are able to have in our village. The PCE program is a priority and we respectfully ask for:

Continuation of the PCE program and perpetuation of the eligible costs ceiling at \$1.00.

The AEA estimates the FY2010 cost of retaining the \$1.00 ceiling at \$3.4 million. The bulk of our village income is dedicated to paying for the upkeep of energy, and if the PCE rate drops, our electric costs will go up immediately. We realize that our local utilities will have to collect on those fuel costs in order to recover from 2008. Our families simply cannot afford to pay for this when their energy costs are already taking up to 70% of their disposable income.

We ask respectfully that the legislature provide funding to continue PCE at a cost ceiling of \$1.00 per kilowatt-hour (kWh.) And we are also asking you to consider increasing the household limit from 500kWh per month to the national average of 750kWh per month. Our local economy is fragile and vulnerable and needs consideration in the PCE program. We are asking for a restoration of PCE eligibility to businesses, clinics and other public facilities that were included in the program when it was originally enacted. This is critical to keep down inflation and increase the viability of our local economies in rural Alaska that are struggling or on the brink of failure.

Thank you for the opportunity to comment.

Sincerely,

NATIVE VILLAGE OF *Kongiganak*

 KTC President



March 10, 2009

House Community & Regional Affairs Committee

Re: Testimony on HB 150

Honorable Co-Chairs and Members of the Committee:

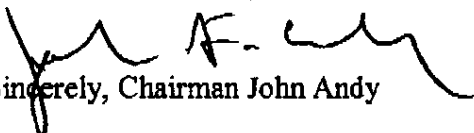
On behalf of the Native Village of Newtok we want to thank the Alaska Legislature's efforts in addressing the energy needs of all Alaskans, particularly those of our region which has been faced with challenging humanitarian issues stemming from the ever increasing electric and fuel costs. We are sincerely grateful for last year's increase in the ceiling of the PCE program which has been helping our community. The PCE program helps us to maintain the critical circulation of little income and revenue we are able to have in our village. The PCE program is a priority and we respectfully ask for:

Continuation of the PCE program and perpetuation of the eligible costs ceiling at \$1.00.

The AEA estimates the FY2010 cost of retaining the \$1.00 ceiling \$3.4 million. The bulk of our village income is dedicated to paying for upkeep of energy, and if the PCE rate drops, our electric costs will go up immediately. We realize that our local utilities will have to collect on the fuel costs in order to recover from 2008. Our families simply cannot afford to pay for this when their energy costs are already taking up to 70% of their disposable income.

We ask respectfully that the legislature provide funding to continue PCE at a cost ceiling of \$1.00 per kilowatt-hour (kWh.) And we are also asking you to consider increasing the household limit from 500kWh per month to the national average of 750kWh per month. Our local economy is fragile and vulnerable and needs consideration in the PCE program. We are asking for a restoration of PCE eligibility to businesses, clinics and other public facilities that were included in the program when it was originally enacted. This is critical to keep down inflation and increase the viability of our local economies in rural Alaska that are struggling or on the brink of failure>

Thank you for the opportunity to comment.


Sincerely, Chairman John Andy

NEWTOK NATIVE CORPORATION FOR THE VILLAGE OF NEWTOK

March 12, 2009

House Community & Regional Affairs Committee

Re: Testimony on HB 150

Honorable Co-Chairs and Members of the Committee:

On behalf of the Native village of Tununak, we want to thank the Alaska Legislature's efforts in addressing the energy needs of all Alaskans, particularly those of our region which has been faced with challenging humanitarian issues stemming from the ever increasing electric and fuel costs. We are sincerely grateful for last year's increase in the ceiling of the PCE program which has been helping our community. The PCE program helps us to maintain the critical circulation of little income and revenue we are able to have in our village. The PCE program is a priority and we respectfully ask for:

Continuation of the PCE program and perpetuation of the eligible costs ceiling at \$1.00.

The AEA estimates the FY2010 cost of retaining the \$1.00 ceiling at \$3.4 million. The bulk of our village income is dedicated to paying for the upkeep of energy, and if the PCE rate drops, our electric costs will go up immediately. We realize that our local utilities will have to collect on those fuel costs in order to recover from 2008. Our families simply cannot afford to pay for this when their energy costs are already taking up to 70% of their disposable income.

We ask respectfully that the legislature provide funding to continue PCE at a cost ceiling of \$1.00 per kilowatt-hour (kWh.) And we are also asking you to consider increasing the household limit from 500kWh per month to the national average of 750kWh per month. Our local economy is fragile and vulnerable and needs consideration in the PCE program. We are asking for a restoration of PCE eligibility to businesses, clinics and other public facilities that were included in the program when it was originally enacted. This is critical to keep down inflation and increase the viability of our local economies in rural Alaska that are struggling or on the brink of failure.

Thank you for the opportunity to comment.

Sincerely,

NATIVE VILLAGE OF TUNUNAK

James G. James
Tribal Administrator

Cc. file
IRA Councils

Kipnuk Light Plant



P.O. Box 071 • KIPNUK, AK 99614
907-896-5427

To: Senators and Representatives

We support the SB 88 and 91. SB 88 would make electricity more affordable by increasing the amount of power paid through PCE. SB 91 would provide a \$300.00 fuel cap subsidy between September 1 and March 31 makes it more affordable for homes lowering the cost of heating homes. Attached is a resolution from Kipnuk Traditional Council which was passed on 17th of February 2009

Kipnuk Light Plant Manager

A handwritten signature in black ink, appearing to read 'Samuel Carl'. The signature is fluid and cursive, with a large initial 'S'.

Samuel Carl



March 10, 2009

House Community and Regional Affairs Committee

Re: Testimony on HB 150

Honorable Co-Chairs and Members of the Committee:

On behalf of the owners of Northstar Gas, LLC we want to thank the Alaska Legislature's efforts in addressing the energy needs of all Alaskans, particularly in the YK Delta region which has been faced with challenging humanitarian issues stemming from the ever increasing electric and fuel costs. We are sincerely grateful for last year's increase in the ceiling of the PCE program which has been helping our customers in the YK Delta region. The PCE program helps our region to maintain the critical circulation of little income and revenue they are able to have.

Continuation of the PCE program and perpetuation of the eligible costs ceiling at \$1.00.

The AEA estimates the FY2010 cost of retaining the \$1.00 ceiling at \$3.4 million. The Bulk of our village's income is dedicated to paying for the upkeep of energy, and if the PCE rate drops, the electric costs will go up immediately. Northstar Gas realizes that our villages in their local utilities will have to collect on those fuel costs in order to recover from 2008. Our people simply cannot afford to pay for this when their energy costs are already taking up to 70% of their disposable income.

We ask respectfully that the legislature provide funding to continue PCE at a cost ceiling of \$1.00 per kilowatt-hour (kWh.) and we are also asking this committee to consider increasing the household limit from 500Wh per month to the national average of 750Kwh per month. The YK region economy is fragile and vulnerable and needs consideration in the PCE program. We are also asking for a restoration of PCE eligibility to businesses, clinics and other public facilities that were included in the program when it was originally enacted. This is critical to keep down inflation and increase the viability of our local economies in rural Alaska that are struggling or on the brink of failure.

Thank you for the opportunity to comment.

Sincerely,

Elaine Brown
NORTHSTAR GAS, LLC
General Manager

cc: file

Jay Livey

From: Sen. Lyman Hoffman
Sent: Friday, January 30, 2009 4:01 PM
To: Jay Livey
Subject: FW: Expensive living in the Bush

From: Edna Nicolai [mailto:kwetcc@yahoo.com]
Sent: Monday, January 26, 2009 11:54 AM
To: Sen. Lyman Hoffman
Subject: Expensive living in the Bush

Dear Senator Lyman,

Greetings from Kwethluk, Ak.

My question and wonder about fuel prices going down in Anchorage and the lower 48 states, and us in the bush, rural villages with high fuel prices, ranging from 6.23 a gallon for stove oil and 7.15 for gas, still rising in three months, why are gas prices going up

in the bush and they're going down in the cities? Doesn't Alaska have it's own gas pipeline, it's own business in gas? It's really expensive to live in the bush. Not only in

Emmonak are the crisis, it's all over the bush villages! Even in the Kuskokwim, because the fisheries in the commercial fishing season sell their fish for only .10cents for kings '

and .05 a pound for chums and so forth! We suffer with enormous charge accounts in the local stores, in debt with credit cards, just to get buy to live like the white man,

to try to afford high prices in fuel and gas. Sometimes I myself, have to decide what to

buy, food or gas or stove oil. Especially to have 7 people to support. I knew that supplement and the dividend had a catch to it too, it's like the state is bribing us constantly, to dry us up. How am I going to come up with 1,800 dollars when taxes

are time, I work my ass off, trying to catch up with my light bill every month, which

mounts up to 287 dollars a month, every month! The other thing I worry about is

running out of stove oil, which 10 gallons of stove oil will last only a week, buy gas

every day because we need woods to keep our house warm, to save up on stove oil,

just so we wouldn't freeze during the night, once a month to go down to Bethel to buy groceries, just to save

money, and man, oh man, can't even afford to buy a bag of potatoes now a days, which costs almost 30 dollars!

Fresh fruits, have to wait some other time, wait until their a little bruised, just to wait until they mark them down, because

their very, very expensive! Once a month to buy food, my fridge is empty by the time

the middle of the month arrives.

The Committee, the Senate, the higher Archy, they've never been here, never lived in the bush before, so they don't

know what the heck is going on, it's not only in Emmonak that suffering is happening, it's all over the bush. Just

the other day, the troopers were in the village, they confiscated a families caribou meat because they hunted

without a license.

I can't afford to buy a license right now and my freezer is empty, my fridge is empty, because we just can't go out

and kill edible food at this time, because we can't afford to buy gas either.

I know you've lived in Bethel, but it's worse now. We need help out here.

I appreciate your patience and time.

Thank you.

Sincerely,

Edna Nicolai

Kwethluk, Ak

in our banks, intentionally letting us suffer.

City of Chuathbaluk
P.O. Box CHU
Chuathbaluk, AK 99557
Phone (907) 467-4115
Fax (907) 467-4180

Senator Lyman Hoffman
Alaska State Capitol, Room 518
Juneau, AK 99801
Phone (907) 465-4453
Fax (907) 465-4523


February 10, 2009

Re: Letter of Support – SB#88 and #91

Dear Senator Lyman Hoffman,

Our community supports the Senate Bill # 88 and #91; it will help all the families that are in low income energy crisis and outstanding electricity bill.

City Manager/Mayor


Jerry L. Peterson

Cc:

Senators:
Donald Olson
Alaska State Capitol, Room 514
Juneau, AK 99801
Phone: (907) 465 3707 Fax: (907) 465 4821

Albert Kookesh
Alaska State Capitol, Room 11
Juneau, AK 99801
Phone: (907) 465 3473 Fax: (907) 465 2827

Representatives:
Bob Harron
Alaska State Capitol, Room 415
Juneau, AK 99801
Phone: (907) 465 4942 Fax: (907) 4589

Reggie Joule
Alaska State Capitol, Room 502
Juneau, AK 99801
Phone: (907) 465 4833 Fax: (907) 465 4586

Richard Foster
Alaska State Capitol, Room 410
Juneau, Alaska 99801
Phone: (907) 465 3789 Fax: (907) 465 3242

Woodie Salmon
Alaska State Capitol, Room 114
Juneau, AK 99801
Phone: (907) 465 4527 Fax: (907) 465 2197

**Letter from
Mark Leary, Tribal Administrator
Napaimute**

2/27/09

I wrote this 4 years ago when fuel prices were closer to half of what they are this winter.

Imagine her situation today at our current energy prices:

3/5/05

Yesterday my family and I went to Tuluksak to watch the regional basketball tournament in their nice new school. During a break in the games we went around town visiting.

We stopped to see one of the elders (age 79). She was sitting there in her dimly-lit HUD house, but it quickly brightened up as she smiled and hugged us – so glad to have visitors.

As we sat there visiting, she mentioned that she was worried that her power was going to turn off and pointed to a little box on the wall. She said that it had been beeping earlier. I asked her what was that little box?

She began to explain:

Her monthly power bill used to be \$300 - \$400 every month – just for a regular house, nothing fancy in it. 2 bedrooms I think. There was no way she could afford to pay that high of electricity bills. This was the case with most of the village and people fell farther and farther behind in paying their power bills. So the power company came in and installed these little boxes in the houses. A person goes over to the IRA/TC office and puts money down to buy power. They get a card, something like a phone card, debit card, etc. which they slide through the little box on the wall in their house to get the amount of power they are able to pay for. When the amount of power they purchased, begins running low, the little box on the wall begins beeping and they have to go buy some more – if they can.

She said she put down \$40 on February 14 – 22 days ago and now was running low on power.

\$40 spent on power over 22 days doesn't sound too bad but it seems to come at a price. She talked about how under this system she is worried about her power all the time and tries to be very conservative – this includes living in a dimly lit house much of the time.

She is alone in there a lot and gets depressed and grouchy. Living in dim light must contribute to that – those older HUD houses are dark to begin with – dark paneled walls, bum windows, and even oriented the wrong way to the sun in some villages.

But she brightened up talking about getting out once in awhile and being able to still get a few pikes and ptarmigans to dry.

She offered to make coffee, but I was thinking those coffee makers use something like 900 watts, so told her no – we already had coffee at another house before. I didn't want her to run out of power.

I guess it's good to be conservative in our power consumption, but does this mean our elders have to live in the dark so that they can afford to have a little bit of power?

I woke up this morning wondering if her power was still on.

Back at the school, the maintenance person gave me a tour of the building's mechanical facilities (heating, ventilation, back up power, fire protection, etc.) – the latest high tech computer controlled systems. He can control it all from the computer in his office and even check the systems on the Internet when he is out of town. It was impressive. He said in cold weather the new school uses up to 4,000 gallons of fuel a month – quite bit more than the old school.

These are two examples of why we have to keep an open mind when considering new options for energy, transportation, and economic development for our region.

Respectfully Submitted by:

Mark Leary
Director of Development & Operations

The Native Village of Napaimute
P.O. Box 1301
Bethel, AK. 99559

Ph: (907)543-2887
Fx: (907)543-2892
Email: napaimute@starband.net
Website: www.napaimute.org

Letter from Atmautluak

From: David Nicholai [atmautluaktc@hughes.net]
Sent: Friday, February 27, 2009 12:34 PM
To: Allen Joseph
Subject: High Energy Cost and Representative Bob Herron on Rural Energy issues

Dear Mr. Joseph,

The Atmautluak Traditional Council requests that the information regarding the stories about Atmautluak be presented in Robert Nick's testimony before the special committee of the State House of Representatives who will be holding a hearing on rural energy issues in Bethel on Saturday, February 28.

The homes in Atmautluak are mainly heated with Toyo or Laser Stoves, furnaces and other burning stoves. A couple of homes use wood stoves but most of the houses are starting to use the wood stoves because of the high prices of fuel oil.

A lot of homes are poorly constructed which are thoroughly insulated enough to block out the cold winds, snow and rain. Most are forced to buy more stove oil than others. Most of the residents paid over \$1,200 in a month to heat their home during the month of December 2009 alone.

Many rural residents in Alaska are facing hardships due to the rising cost of energy, Atmautluak is also in the hardship situation as follows:

1. The price of fuel has forced families to make the choice between paying for bills, food, and fuel oil. Some families chose to buy stove oil over food so their family can stay warm during nights when they sleep.
2. The high cost of fuel in Atmautluak has caused some residents to steal from nearby households/homes. This has happened many times in the past, people stealing stove-oil from others.
3. Estimated percentage of individuals that received Emergency Fuel Assistance for the residents of Atmautluak is 90% from AVCP, but the funding already has been exhausted for the Village of Atmautluak due to most of the residents applying for the assistance. There are more that applied this year (2009) than last year (2008), also most of the residents are applying for Energy Assistance from AVCP.
4. About 30% of the population for the Village of Atmautluak work for a living and despite the policies that they have, most of the employees are being granted advanced pay just to heat their homes.
5. The Native Village of Atmautluak is also in a hardship for keeping up with their electricity. The residents are charged .69 cent a KWH and the whole village is generated thru a 180 KW and a 150 KW generators. Right now the village is using the 150 because the other one needs some parts to be fixed.

6. The Atmautluak Traditional Council had to make/borrow loans for fuel and maintance just to keep the generators running. And is trying to cover the costs by fundraising thru gaming activities. The residents pay about \$500.00 a month just to have the fuel burning furnaces running.

With high energy costs, and no Chinook salmon commercial fishing last summer, the Atmautluak Tribe and local organizations have been trying to come up with ideas to help the people Atmautluak.

Sincerely,

Moses A. Pavilla Sr.
Atmautluak Traditional Council

Bryce Edgemad
Charrise Millett

150 - sunset go
away

HB 153
open meetings



Association of Alaska Housing Authorities

Written Testimony to the House Community & Regional Affairs Committee

Tlingit-Haida Regional Housing Authority
PO Box 32237
Juneau, Ak 99803-2234
907-780-6868

Interior Regional Housing Authority
828 27th Avenue
Fairbanks, Ak 99701-6918
907-452-8315

North Pacific Rim Housing Authority
8300 King Street
Anchorage, Ak 99518
907-562-1444

Cook Inlet Housing Authority
3510 Spencard Rd. Suite 201
Anchorage, Ak 99503-2745
907-276-8822

Aleutian Housing Authority
4000 Old Seward Hwy. Suite 202
Anchorage, Ak 99503
907-563-2146

Tagiugmullu Nunamiullu Housing Authority
PO Box 409
Crow, Ak 99723
7-852-7150

Bristol Bay Housing Authority
PO Box 50
Dillingham, Ak 99576-0050
907-842-5956

Copper River Basin Regional Housing Authority
PO Box 89
Glennallen, Ak 99588
907-822-3633

AVCP Regional Housing Authority
PO Box 767
Bethel, Ak 99555-0767
907-543-3121

Baranof Island Housing Authority
PO Box 517
Sitka, Ak 99835-0517
907-747-5088

Bering Straits Regional Housing Authority
PO Box 995
Nome, Ak 99762-0995
907-443-5256

Alaska Housing Finance Corporation
4300 Boniface Parkway
Anchorage, Ak 99504
907-338-6100

Kodiak Island Housing Authority
3137 Mill Bay Rd
Kodiak, AK 99615-7032
907-486-8111

Northwest Inupiat Housing Authority
PO Box 331
Kotzebue, Ak 99752-0331
907-442-3450

Ketchikan Indian Community
2960 Tongass Avenue
Ketchikan, Alaska 99901

Supporting HB 150

For Committee Meeting on March 12, 2009 at 8:00 a.m.

The Association of Alaska Housing Authorities' (AAHA) membership includes 14 Regional Housing Authorities created pursuant to AK Statute, 18.55, and the Alaska Housing Finance Corporation (AHFC).

AAHA is in strong support of HB 150.

In partnership with AHFC and an ever-growing list of other state and federal partners, AAHA members serve residents in every part of Alaska. The regional housing authorities have built well over 7,000 housing units since their inception in 1971 and collectively administer well over 100 million in federal and state funds on an annual basis. The vast majority of housing in rural Alaska has been built by AAHA members and AAHA's urban members are a strong presence in Alaska's larger communities. In addition to new construction, AAHA members provide a wide range of other housing and housing related services, including providing weatherization and other housing rehab services throughout the state, developing community infrastructure, and working with our partners like AHFC, are also one of the largest employers in rural Alaska, playing a critical role in helping to sustain many of our local bush economies.

Given the role that AAHA members play in meeting these critical human needs across our state, and given the role and impact of energy costs throughout Alaska, it is obvious that we would have an extremely strong interest in the legislation under consideration today, and the broader issues of both short and long-term state energy policies.

It is our understanding that HB150 continues changes to the Power Cost Equalization Program (PCE), which were approved by the Alaska State Legislature in last July's special session. The changes increase the state subsidy for the PCE Program from up to .52 per kilowatt hour to up to \$1.00 per kilowatt hour.

This legislation responsibly addresses the rising cost of energy in the state and the disparity in energy costs in certain parts of the state. Again, on behalf of our many member organizations, serving residents throughout Alaska, we strongly support HB 150.

Heather Arnett, Administrator, Assoc. of AK Housing Authorities
(907) 338-3970, 4300 Boniface Pkwy., Anchorage, AK 99504,
aaha@alaska.net.