

LEG. FINANCE - BILLS 1983 - 1984 2021

SB 104 - SB 105 2021

SFC

STATE OF ALASKA 1984 LEGISLATIVE SESSION
FISCAL NOTE

Revision Date: November 30, 1983

REQUEST

Bill/Resolution No.: SB 104
 Title: "Labor relations between school boards"
 Sponsor: Senator Bill Ray
 Requestor: Senate Labor & Commerce
 Date of Request: February 14, 1983

FISCAL DETAIL

Agency Affected: Labor
 Program Category Affected: Worker Protection
 BRL, Program or Subprogram(s) Affected: Labor Standards & Safety

EXPENDITURES/REVENUES: (Thousands of Dollars)

OPERATING	FY 84	FY 85	FY 86	FY 87	FY 88	FY 89
100 PERSONAL SERVICES	0	124.7	132.2	76.8	81.4	86.3
200 TRAVEL	0	30.9	32.4	22.8	24.2	25.7
300 CONTRACTUAL	0	84.2	89.3	80.0	84.8	89.0
400 SUPPLIES	0	1.5	1.6	1.0	1.1	1.2
500 EQUIPMENT	0	4.8	0	0	0	0
600 LAND & STRUCTURES						
700 GRANTS, CLAIMS						
800 MISCELLANEOUS						
TOTAL OPERATING	0	246.1	255.5	180.6	191.5	203.1
CAPITAL						
REVENUE						

FUNDING: (Thousands of Dollars)

GENERAL FUND	0	246.1	255.5	180.6	191.5	203.1
FEDERAL FUNDS						
OTHER						
TOTAL	0	246.1	255.5	180.6	191.5	203.1

POSITIONS:

FULL-TIME	0	3	3	1	1	1
PART-TIME	0	0	0	1	1	1
TEMPORARY						

SOURCE OF FUNDS TO OFFSET FISCAL IMPACT OF BILL:

ANALYSIS: Attach a separate page for analysis

Prepared By: ^{1R} Robert J. Bacolas, Sr.
 Division: Labor Standards & Safety

Phone: 465-4870

Date: _____

Approved by Commissioner: Jim Robinson

Date: 12/11/83

Agency: Labor

LEG:A:27

Distribution (by Agency preparing fiscal note):

- Legislative Finance
- Legislative Sponsor
- Requestor
- Office of Management and Budget
- Impacted Agency(ies)

12/1/83

FISCAL NOTE

THE LEGISLATURE OF THE STATE OF ALASKA

THIRTEENTH LEGISLATURE

BILL/RESOLUTION NO: SB 104

TITLE: "An Act relating to labor relations between school boards."

AGENCY AFFECTED: Department of Labor

Page 2

Under this bill the Department of Labor will act as the Labor Relations Agency for all school districts and be responsible for investigation of representation petitions; determination of appropriate units for collective bargaining purposes; investigation of unfair labor practices charges; monitoring elections; and holding representation and unfair labor practices hearings.

Two investigators (located in Anchorage) are required to conduct the investigations, monitor the elections, and hold informal hearings. One clerical position will be required to provide support to the investigators.

In addition to the costs associated with the two Wage and Hour Investigators and one clerical support position are costs to contract for a hearing officer on 26 occasions (\$20,700) and court reporting services including transcripts (\$11,300), plus printing (\$5,000) and legal costs (\$12,000). A total of \$10,296 has been included in travel for the hearing officer's transportation and per diem (12 trips of 4 days each) = $[\$518 + (\$85) 4] 12 = \$10,296$.

Of these costs, only the equipment costs of \$4,800 are one-time items.

For Fiscal Year 1985 a variable inflation rate, by line item (average 3.5 percent), is used and in Fiscal Year 1986 through Fiscal Year 1989 a 6 percent inflation rate is used.

Please note Fiscal Year 1987 has an anticipated reduction of one investigator and three months of the clerical support position. After two years this labor relations activity is expected to stabilize.

LEG:A:27

1.	POSITION TITLE Wage & Hour Investigator II				RANGE/STEP 18A	BARG. UNIT GGU	FORM 12	PAGE/LINE	GOV.	APPROV.	DISAPP.
2.	TYPE OF POSITION PFT	STAFF MONTHS 12	RP NUMBER SB 104	PCN NUMBER New	BRU PRIORITY	LOCATION Anchorage	ELECTION DISTRICT 99		LEG.		

3.	CONTINUATION LEVEL	ADDITION		
4.	TYPE OF EXPENDITURE		AMOUNT	
	1	2	3	
	PERSONAL SERVICES			
5.	Salary		37,350	
6.	Benefits		6,265	
7.	Supplemental Benefits		2,290	
8.	Fixed Benefits		2,724	
9.	TOTAL PERSONAL SERVICES	01	48,638	
10.	Travel	02	10,296	
11.	Contractual	03	10,083	
12.	Commodities	04	500	
13.	Equipment	05	1,600	
14.	Other			
15.	TOTAL COST		71,117	

JUSTIFICATION

This position will conduct investigations and informal hearings of unfair labor practices complaints filed with this agency. The position will be responsible for monitoring school district representation elections and assisting school districts in complying with state and federal labor relation laws. The investigator will travel extensively throughout the state performing these investigations, hearings, and monitoring functions.

Personal Services calculations are based on the current salary schedule plus five percent inflation.

Travel funds allow for 12 (4-day) trips costing an average of \$518 for transportation and per diem of \$340.

Contractual Services costs are comprised of telephone charges, equipment rent, management services support of \$4,483 and \$3,600 for space rent.

The equipment costs for a desk, file, partitions, and bookcase are one-time charges.

	RECEIPT CODE	FUNDING SOURCE	
16.		Federal Receipts 1002	
17.		G.F. Match 1003	
18.	100	General Funds 1004	71,117
19.		I-A Receipts 1005	
20.		Program Receipts 1028	
21.		Other	

FOR B&M USE ONLY
4A KEY NUMBER _____

13 REQUEST FOR NEW POSITION

AGENCY Department of Labor
 PROGRAM Worker Protection
 BRU Labor Standards & Safety
 COMPONENT Wage & Hour

LEG:A:20
 Page 1 of 3
 Revised Date _____

FY 84

1.	POSITION TITLE Wage & Hour Investigator II				RANGE/STEP 18A	BARG. UNIT GGU	FORM 12 PAGE/LINE	GOV.	APPROV.	DISAPP.
2.	TYPE OF POSITION PFT	STAFF MONTHS 12	RP NUMBER SB 104	PCN NUMBER New	BRU PRIORITY	LOCATION Anchorage	ELECTION DISTRICT 99	LEG.		

3.	CONTINUATION LEVEL	ADDITION		
4.	TYPE OF EXPENDITURE		AMOUNT	
	1	2	3	
	PERSONAL SERVICES			
5.	Salary		37,359	
6.	Benefits		6,265	
7.	Supplemental Benefits		2,290	
8.	Fixed Benefits		2,724	
9.	TOTAL PERSONAL SERVICES	01	48,638	
10.	Travel	02	10,296	
11.	Contractual	03	10,083	
12.	Commodities	04	500	
13.	Equipment	05	1,600	
14.	Other			
15.	TOTAL COST		71,117	

	RECEIPT CODE	FUNDING SOURCE	
16.		Federal Receipts 1002	
17.		G.F. Match 1003	
18.	100	General Funds 1004	71,117
19.		I-A Receipts 1005	
20.		Program Receipts 102B	
21.		Other	

JUSTIFICATION

This position will conduct investigations and informal hearings of unfair labor practices complaints filed with this agency. The position will be responsible for monitoring school district representation elections and assisting school districts in complying with state and federal labor relation laws. The investigator will travel extensively throughout the state performing these investigations, hearings, and monitoring functions.

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13 REQUEST FOR
NEW POSITION

AGENCY Department of Labor

PROGRAM Worker Protection

BRU Labor Standards & Safety

COMPONENT Wage & Hour

LEG:A:29

Page 2 of 3

Revised Date _____

FY 84

1.	POSITION TITLE Clerk Typist III	RANGE/STEP 8B	BARG. UNIT GGU	FORM 12 PAGE/LINE	GOV.	APPROV.	DISAPP.	
2.	TYPE OF POSITION PFT	STAFF MONTHS 12	RP NUMBER SB 104	PCN NUMBER New	BRU PRIORITY	LOCATION Anchorage	ELECTION DISTRICT 99	LEG.

3.	CONTINUATION LEVEL	ADDITION	
4.	TYPE OF EXPENDITURE		AMOUNT
	1	2	3
	PERSONAL SERVICES*		
5.	Salary	20,135	
6.	Benefits	3,377	
7.	Supplemental Benefits	1,234	
8.	Fixed Benefits	2,724	
9.	TOTAL PERSONAL SERVICES	01	27,470
10.	Travel	02	0
11.	Contractual	03	15,016
12.	Commodities	04	500
13.	Equipment	05	1,600
14.	Other		
15.	TOTAL COST		44,586

JUSTIFICATION

This position will provide clerical support (typing, answering telephone, mail handling, etc.) for two Wage and Hour Investigators.

Personal Services calculations are based on the current salary schedule plus five percent inflation.

Contractual Services costs are comprised of telephone charges, equipment rent, management services support of \$2,416 and \$3,600 for space rent.

The equipment costs for a desk, chair, file, and bookcase are one-time charges.

	RECEIPT CODE	FUNDING SOURCE	
16.		Federal Receipts 1002	
17.		G.F. Match 1003	
18.	100	General Funds 1004	44,586
19.		I-A Receipts 1005	
20.		Program Receipts 1028	
21.		Other	

FOR B&M USE ONLY
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13 REQUEST FOR
NEW POSITION

AGENCY Department of Labor

PROGRAM Worker Protection

BRU Labor Standards & Safety

COMPONENT Wage & Hour

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STATE OF ALASKA 1984 LEGISLATIVE SESSION
FISCAL NOTE

SFC

Revision Date: November 30, 1983

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Bill/Resolution No.: SB 104
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Sponsor: Senator Bill Ray
Requestor: Senate Labor & Commerce
Date of Request: February 14, 1983

FISCAL DETAIL

Agency Affected: Labor
Program Category Affected: Worker Protection
BRU, Program or Subprogram(s) Affected: Labor Standards & Safety

EXPENDITURES/REVENUES: (Thousands of Dollars)

	FY 84	FY 85	FY 86	FY 87	FY 88	FY 89
OPERATING						
100 PERSONAL SERVICES	0	124.7	132.2	75.8	81.4	86.3
200 TRAVEL	0	30.9	32.4	22.8	24.2	25.7
300 CONTRACTUAL	0	84.2	89.3	80.0	84.8	89.0
400 SUPPLIES	0	1.5	1.6	1.0	1.1	1.2
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600 LAND & STRUCTURES						
700 GRANTS, CLAIMS						
800 MISCELLANEOUS						
TOTAL OPERATING	0	246.1	255.5	180.6	191.5	203.1
CAPITAL						
REVENUE						

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GENERAL FUND	0	246.1	255.5	180.6	191.5	203.1
FEDERAL FUNDS						
OTHER						
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POSITIONS:

FULL-TIME	0	3	3	1	1	1
PART-TIME	0	0	0	1	1	1
TEMPORARY						

SOURCE OF FUNDS TO OFFSET FISCAL IMPACT OF BILL:

ANALYSIS: Attach a separate page for analysis

Prepared By: ^{RB} Robert J. Bacolas, Sr.
Division: Labor Standards & Safety

Phone: 465-4870

Date: _____

Approved by Commissioner: ^{RB Jim Robinson} Jim Robinson
Agency: Labor

Date: 12/11/83

LEG:A:27

Distribution (by Agency preparing fiscal note):

- Legislative Finance
- Legislative Sponsor
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- Office of Management and Budget
- Impacted Agency(ies)

12/1/83

FISCAL NOTE

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THIRTEENTH LEGISLATURE

BILL/RESOLUTION NO: SB 104

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AGENCY AFFECTED: Department of Labor

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Of these costs, only the equipment costs of \$4,800 are one-time items.

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Please note Fiscal Year 1987 has an anticipated reduction of one investigator and three months of the clerical support position. After two years this labor relations activity is expected to stabilize.

LEG:A:27

1.	POSITION TITLE Wage & Hour Investigator II				RANGE/STEP 19A	BARG. UNIT GGU	FORM 12 PAGE/LINE	GOV.	APPROV.	DISAPP.
2.	TYPE OF POSITION PFT	STAFF MONTHS 12	RP NUMBER SB 104	PCN NUMBER Ilev	BRU PRIORITY	LOCATION Anchorage	ELECTION DISTRICT 99	LEG.		
3.	CONTINUATION LEVEL				JUSTIFICATION					
4.	TYPE OF EXPENDITURE									
	1		2		3					
	PERSONAL SERVICES									
5.	Salary			37,350						
6.	Benefits			6,265						
7.	Supplemental Benefits			2,200						
8.	Fixed Benefits			2,724						
9.	TOTAL PERSONAL SERVICES		01		48,633					
10.	Travel		02		10,296					
11.	Contractual		03		10,083					
12.	Commodities		04		500					
13.	Equipment		05		1,600					
14.	Other									
15.	TOTAL COST				71,117					
16.	RECEIPT CODE	FUNDING SOURCE								
17.		Federal Receipts 1002								
18.	100	G.F. Match 1003								
19.		General Funds 1004		71,117						
20.		I-A Receipts 1005								
21.		Program Receipts 1028								
22.		Other								
FOR B&M USE ONLY										
4A KEY NUMBER _____										

This position will conduct investigations and informal hearings of unfair labor practices complaints filed with this agency. The position will be responsible for monitoring school district representation elections and assisting school districts in complying with state and federal labor relation laws. The investigator will travel extensively throughout the state performing these investigations, hearings, and monitoring functions.

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13 REQUEST FOR NEW POSITION

AGENCY Department of Labor
 PROGRAM Worker Protection
 BRU Labor Standards & Safety
 COMPONENT Wage & Hour

LEG: A: 29
 Page 1 of 3
 Revised Date _____

FY 84

1.	POSITION TITLE Wage & Hour Investigator II				RANGE/STEP 18A	BARG. UNIT GGU	FORM 12 PAGE/LINE	GOV.	APPROV.	DISAPP.
2.	TYPE OF POSITION PFT	STAFF MONTHS 12	RP NUMBER SB 104	PCN NUMBER New	BRU PRIORITY	LOCATION Anchorage	ELECTION DISTRICT 99	LEG.		
3.	CONTINUATION LEVEL		ADDITION		JUSTIFICATION					
4.	TYPE OF EXPENDITURE			AMOUNT						
	1	2		3						
	PERSONAL SERVICES									
5.	Salary			37,259						
6.	Benefits			6,265						
7.	Supplemental Benefits			2,290						
8.	Fixed Benefits			2,724						
9.	TOTAL PERSONAL SERVICES	01		48,638						
10.	Travel	02		10,296						
11.	Contractual	03		10,083						
12.	Commodities	04		500						
13.	Equipment	05		1,600						
14.	Other									
15.	TOTAL COST			71,117						
	RECEIPT CODE	FUNDING SOURCE								
16.		Federal Receipts 1002								
17.		G.F. Match 1003								
18.	1001	General Funds 1004		71,117						
19.		I-A Receipts 1005								
20.		Program Receipts 1028								
21.		Other								
FOR B&M USE ONLY										
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13 REQUEST FOR
NEW POSITION

AGENCY Department of Labor
 PROGRAM Worker Protection
 BRU Labor Standards & Safety
 COMPONENT Wage & Hour

LEG: A: 29
 Page 2 of 3
 Revised Date _____

FY 84

1.	POSITION TITLE Clerk Typist III				RANGE/STEP 8B	BARG. UNIT GGII	FORM 12 PAGE/LINE	GOV.	APPROV.	DISAPP.
2.	TYPE OF POSITION PFT	STAFF MONTHS 12	RP NUMBER SR 104	PCN NUMBER New	BRU PRIORITY	LOCATION Anchorage	ELECTION DISTRICT 99	LEG.		
3.	CONTINUATION LEVEL				JUSTIFICATION					
4.	TYPE OF EXPENDITURE									
	1		2		3					
	PERSONAL SERVICES*									
5.	Salary		20,135							
6.	Benefits		3,377							
7.	Supplemental Benefits		1,234							
8.	Fixed Benefits		2,724							
9.	TOTAL PERSONAL SERVICES		01	27,470						
10.	Travel		02	0						
11.	Contractual		03	15,016						
12.	Commodities		04	500						
13.	Equipment		05	1,600						
14.	Other									
15.	TOTAL COST			44,586						
	RECEIPT CODE				FUNDING SOURCE					
16.					Federal Receipts 1002					
17.					G.F. Match 1003					
18.	100		General Funds		1004	44,586				
19.					I-A Receipts 1005					
20.					Program Receipts 1028					
21.					Other					
FOR B&M USE ONLY										
4A KEY NUMBER										

This position will provide clerical support (typing, answering telephone, mail handling, etc.) for two Wage and Hour Investigators.

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13. REQUEST FOR NEW POSITION

AGENCY Department of Labor
 PROGRAM Worker Protection
 BRU Labor Standards & Safety
 COMPONENT Wage & Hour

LEG:A:29
 Page 3 of 3
 Revised Date

FY 84

THE LEGISLATURE OF THE STATE OF ALASKA
THIRTEENTH LEGISLATURE

FISCAL NOTE

I. REQUEST

Bill/Resolution No. Senate Bill 104
 Title "An Act relating to labor relations between school boards are . . ."
 Requested by Senate Labor & Commerce Committee Date 2/16/83

II. FISCAL DETAIL

Agency Affected Labor
 Program Category Affected Public Protection
 BRU, Program, Or Subprogram(s) Affected Labor Standards and Safety
 (Note: If more than one budget component is affected, separate line-item amounts and funding for each component in the analysis section.)

EXPENDITURES (Thousands of Dollars) Operating Budget

	FY 83	FY 84	FY 85	FY 86	FY 87	FY 88
100 PERSONAL SERVICES						
200 TRAVEL						
300 CONTRACTUAL						
400 COMMODITIES						
500 EQUIPMENT						
600 LAND & STRUCTURES						
700 GRANTS, CLAIMS, ETC.						
TOTAL		237.7	246.1	172.6		

FUNDING (Thousands of Dollars)

GENERAL FUND		237.7	246.1	172.6		
FEDERAL FUNDS						
OTHER (Specify Source)						
Operating		237.7	246.1	172.6		
Capital						

POSITIONS

FULL TIME						
PART TIME						
TEMPORARY						

III. ANALYSIS (See Fiscal Note Preparation Instruction, Section III)

The Department will be the Labor Relations Agency for 53 separate school districts involving approximately 4600 non-certificated employees.

The following four assumptions have been made.

1. An inflation rate of 6% per annum.
2. Effective date of July 1, 1983.
3. Contracts of 26 school districts will come up for renegotiations each year.
4. Fifty percent of the school districts (equates to approximately 26) will file unfair labor practice charges requiring hearing before the labor relations board. (Average hearing lasts six hours).

This fiscal note is currently being reviewed by
 OMB, Office of the Governor

IV. DATE 2/16/83 PREPARED BY Robert J. Bacolas, Sr.
 AGENCY Labor

Original: Legislative Finance PHONE 465-4870
 cc: Budget and Management 33-001:A:9
 Prime Sponsor (First Legislator Named)

33-001 (Rev. 12/82)

APPROVED BY [Signature]
 Commissioner

Detail Analysis for Senate Bill 104

Under this bill the Department of Labor will act as the Labor Relations Agency for all school districts and be responsible for investigation of representation petitions, determination of appropriate units for collective bargaining purposes, unfair labor practices, monitoring elections, holding representation and unfair labor practices hearings.

Two investigators (located in Anchorage) are required to conduct the investigations, monitor the elections, and hold informal hearings. In addition one clerical position will be required to provide technical support for the investigators.

In addition to the costs associated with the two Wage and Hour Investigators and one clerical support position are costs to contract for a hearing officer on 26 occasions (\$20,700) and court reporting services including transcripts (\$11,300), plus printing (\$5,000) and legal costs (\$12,000). A total of \$6,100 has been included in travel for the hearing officer's transportation and per diem (10) trips of 2 days each = [$\$440 + (\$85) 2$] 10 = \$6,100. All other contractual costs are normal operating expenses, including indirect support (\$12,300 and space rent (\$10,200.)).

Line item costs are as follows for FY'84:

Personal Services	\$118,900
Travel	24,800
Contractual Services	86,500
Commodities	2,000
Equipment	5,500
Total	<u>\$237,700</u>

Of these costs, only the equipment costs of \$5,500 are one time items.

Bill No. Senate Bill 104

Date February 14, 1983

Title "An Act relating to labor relations between school boards and other public employers and their employees."

Contact: Judy Knight
465-2700
Robert J. Bacolas, Sr.
465-4870

This legislation makes it mandatory for all school boards and municipalities to permit their non-certificated employees to enter into collective bargaining and mandates coverage by the Public Employment Relations Act (PERA).

The Department of Labor acts as the Labor Relations Agency for all public employees (except state employees) and would be responsible for the investigation of representation petitions; determination of appropriate units for the purpose of collective bargaining; conducting elections; investigation of unfair labor practices; conducting informal and formal hearings under the Administrative Procedure Act; mediation of disputes; and strike actions.

- Section 1. AS 23.40.100(b) would make it mandatory that "no representation" be a choice on all election ballots for elections conducted by the labor relations agency under PERA.
- Section 2. AS 23.40.200(c) permits non-certificated employees of the school board to engage in a strike.
- Section 3. Adds a new section which would prohibit a school board or municipality from rejecting having the provisions of the PERA apply to its relations with its non-certificated school employees.
- Section 4. AS 23.40.250(5) defines public employees to include non-certificated employees of school boards but excludes certificated employees of school boards.
- Section 5. AS 23.40.250(6) defines a public employer.
- Section 6. AS 23.40.250(8) defines a school board as including a regional education attendance area.
- Section 7. Collective bargaining units, agreements, and recognition of bargaining representatives in existence upon the effective date of this act shall remain status quo.

There are 53 school boards within the State of Alaska (including REAA's). Therefore the Department of Labor as the Labor Relations Agency could be monitoring elections for the 53 separate school boards and holding hearings to settle grievances or unfair labor practice charges involving approximately 4600 non-certificated employees.

POSITION PAPER/Department of Labor

Position Paper
Senate Bill 104
Page 2

Four school districts are presently organized or have a collective bargaining agreement with a union or an association. These are Fairbanks, Kenai, Juneau and Anchorage. A statement of fiscal impact has been submitted.

The Department supports the concept of extending collective bargaining to this group of public employees. However, this Administration feels that responsibility for administering the labor relations activities inherent in this bill should be placed at the local level. This could be effected by amendments to Title 14 similar to provisions in AS 14.20.550 and AS 14.20.590.

APPROVED:



Jim Robison
Commissioner
Department of Labor



STATE OF ALASKA
OFFICE OF THE GOVERNOR

BILL ANALYSIS

Department Labor	Sponsor (Principal) Ray	Bill Number Senate Bill 104
Department Position Support with significant amendments		
Division Director Robert J. Bacolas	Date 2/18/83	Commissioner's Signature <i>Jim Robison</i> Jim Robison
		Date 2/18/83

GOVERNOR'S OFFICE USE

Comments:

Position Noted By _____ Date _____

SUMMARY

1. a) Related Bills (Similar or Conflicting) Senate Bill 78	1. b) Other Agencies Affected by Bill Education
2. a) Organization Support for Bill Organized Labor Non-certificated employees	2. b) Organizational Opposition to Bill Board of Education

3. Program Effects of Bill

This legislation makes it mandatory for all school boards and municipalities to permit their non-certificated employees to enter into collective bargaining and mandates coverage by the Public Employment Relations Act (PERA).

See attached Position Paper

4. Fiscal Impact: None Fiscal Note Attached

5. Amendments Proposed:
Amend AS 14.20 to add Sections permitting school board to negotiate with non-certificated employees.

6. Comments:

The Department of Labor would become the labor relations agency for 53 separate school districts (including REAA's) involving approximately 6700 certificated and 4600 non-certificated employees. The department would be responsible for the investigation of representation petitions; determination of appropriate units for the purpose of collective bargaining; conducting elections; investigations of unfair labor practices; conducting preliminary hearings and formal hearings under the administrative procedure act; mediation of labor disputes; strike action; resolution of grievances; and mediation and/or arbitration subsequent to impasse during collective bargaining negotiations.

THE LEGISLATURE OF THE STATE OF ALASKA
THIRTEENTH LEGISLATURE

FISCAL NOTE

I. REQUEST

Bill/Resolution No. Senate Bill 104
Title "An Act relating to labor relations between school boards are . . ."
Requested by Senate Labor & Commerce Committee Date 2/16/83

II. FISCAL DETAIL

Agency Affected Labor
Program Category Affected Public Protection
BRU, Program, Or Subprogram(s) Affected Labor Standards and Safety
(Note: If more than one budget component is affected, separate line-item amounts and funding for each component in the analysis section.)

EXPENDITURES (Thousands of Dollars) Operating Budget

	FY 83	FY 84	FY 85	FY 86	FY 87	FY 88
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400 COMMODITIES						
500 EQUIPMENT						
600 LAND & STRUCTURES						
700 GRANTS, CLAIMS, ETC.						
TOTAL		237.7	246.1	172.6		

FUNDING (Thousands of Dollars)

GENERAL FUND		237.7	246.1	172.6		
FEDERAL FUNDS						
OTHER (Specify Source)						
Operating		237.7	246.1	172.6		
Capital						

POSITIONS

FULL TIME						
PART TIME						
TEMPORARY						

III. ANALYSIS (See Fiscal Note Preparation Instruction, Section III)

The Department will be the Labor Relations Agency for 53 separate school districts involving approximately 4600 non-certificated employees.

The following four assumptions have been made.

1. An inflation rate of 6% per annum.
2. Effective date of July 1, 1983.
3. Contracts of 26 school districts will come up for renegotiations each year.
4. Fifty percent of the school districts (equates to approximately 26) will file unfair labor practice charges requiring hearing before the labor relations board. (Average hearing lasts six hours).

This fiscal note is currently being reviewed by
OMB, Office of the Governor

IV. DATE 2/16/83 PREPARED BY Robert J. Bacolas, Sr.
AGENCY Labor

Original: Legislative Finance PHONE 465-4870

cc: Budget and Management 33-001:A:9
Prime Sponsor (First Legislator Named)

33-001 (Rev. 12/82)

APPROVED BY Jim Robinson
Commissioner

Detail Analysis for Senate Bill 104

Under this bill the Department of Labor will act as the Labor Relations Agency for all school districts and be responsible for investigation of representation petitions, determination of appropriate units for collective bargaining purposes, unfair labor practices, monitoring elections, holding representation and unfair labor practices hearings.

Two investigators (located in Anchorage) are required to conduct the investigations, monitor the elections, and hold informal hearings. In addition one clerical position will be required to provide technical support for the investigators.

In addition to the costs associated with the two Wage and Hour Investigators and one clerical support position are costs to contract for a hearing officer on 26 occasions (\$20,700) and court reporting services including transcripts (\$11,300), plus printing (\$5,000) and legal costs (\$12,000). A total of \$6,100 has been included in travel for the hearing officer's transportation and per diem (10) trips of 2 days each = [$\$440 + (\$85) 2$] 10 = \$6,100. All other contractual costs are normal operating expenses, including indirect support (\$12,300 and space rent (\$10,200.).

Line item costs are as follows for FY'84:

Personal Services	\$118,900
Travel	24,800
Contractual Services	86,500
Commodities	2,000
Equipment	5,500
Total	<u>\$237,700</u>

Of these costs, only the equipment costs of \$5,500 are one time items.

Bill No. Senate Bill 104

Date February 14, 1983

Title "An Act relating to labor relations between school boards and other public employers and their employees."

Contact: Judy Knight
465-2700
Robert J. Bacolas, Sr.
465-4870

This legislation makes it mandatory for all school boards and municipalities to permit their non-certificated employees to enter into collective bargaining and mandates coverage by the Public Employment Relations Act (PERA).

The Department of Labor acts as the Labor Relations Agency for all public employees (except state employees) and would be responsible for the investigation of representation petitions; determination of appropriate units for the purpose of collective bargaining; conducting elections; investigation of unfair labor practices; conducting informal and formal hearings under the Administrative Procedure Act; mediation of disputes; and strike actions.

- Section 1. AS 23.40.100(b) would make it mandatory that "no representation" be a choice on all election ballots for elections conducted by the labor relations agency under PERA.
- Section 2. AS 23.40.200(c) permits non-certificated employees of the school board to engage in a strike.
- Section 3. Adds a new section which would prohibit a school board or municipality from rejecting having the provisions of the PERA apply to its relations with its non-certificated school employees.
- Section 4. AS 23.40.250(5) defines public employees to include non-certificated employees of school boards but excludes certificated employees of school boards.
- Section 5. AS 23.40.250(6) defines a public employer.
- Section 6. AS 23.40.250(8) defines a school board as including a regional education attendance area.
- Section 7. Collective bargaining units, agreements, and recognition of bargaining representatives in existence upon the effective date of this act shall remain status quo.

There are 53 school boards within the State of Alaska (including REAA's). Therefore the Department of Labor as the Labor Relations Agency could be monitoring elections for the 53 separate school boards and holding hearings to settle grievances or unfair labor practice charges involving approximately 4600 non-certificated employees.

Position Paper
Senate Bill 104
Page 2

Four school districts are presently organized or have a collective bargaining agreement with a union or an association. These are Fairbanks, Kenai, Juneau and Anchorage. A statement of fiscal impact has been submitted.

The Department supports the concept of extending collective bargaining to this group of public employees. However, this Administration feels that responsibility for administering the labor relations activities inherent in this bill should be placed at the local level. This could be effected by amendments to Title 14 similar to provisions in AS 14.20.550 and AS 14.20.590.

APPROVED:

A handwritten signature in cursive script, appearing to read "Jim Robison".

Jim Robison
Commissioner
Department of Labor



STATE OF ALASKA
OFFICE OF THE GOVERNOR

BILL ANALYSIS

Department Labor	Sponsor (Principal) Ray	Bill Number Senate Bill 104
Department Position Support with significant amendments		
Division Director Robert J. Bacolas	Date 2/18/83	Commissioner's Signature <i>Jim Robison</i> Jim Robison
		Date 2/16/83

GOVERNOR'S OFFICE USE

Comments:

Position Noted By _____ Date _____

SUMMARY

1. a) Related Bills (Similar or Conflicting) Senate Bill 78	1. b) Other Agencies Affected by Bill Education
2. a) Organizational Support for Bill Organized Labor Non-certificated employees	2. b) Organizational Opposition to Bill Board of Education

3. Program Effects of Bill

This legislation makes it mandatory for all school boards and municipalities to permit their non-certificated employees to enter into collective bargaining and mandates coverage by the Public Employment Relations Act (PERA).

See attached Position Paper

4. Fiscal Impact: None Fiscal Note Attached

5. Amendments Proposed:
Amend AS 14.20 to add Sections permitting school board to negotiate with non-certificated employees.

6. Comments:

The Department of Labor would become the labor relations agency for 53 separate school districts (including REAA's) involving approximately 6700 certificated and 4600 non-certificated employees. The department would be responsible for the investigation of representation petitions; determination of appropriate units for the purpose of collective bargaining; conducting elections; investigations of unfair labor practices; conducting preliminary hearings and formal hearings under the administrative procedures act; mediation of labor disputes; strike action; resolution of grievances; and mediation and/or arbitration subsequent to impasse during collective bargaining negotiations.

Introduced: 2/2/83
Referred: Labor and Commerce
and Finance

1 IN THE SENATE

BY RAY

2

SENATE BILL NO. 104

3

IN THE LEGISLATURE OF THE STATE OF ALASKA

4

THIRTEENTH LEGISLATURE - FIRST SESSION

5

A BILL

6 For an Act entitled: "An Act relating to labor relations between school

7 boards and other public employers and their employ-

8

ees."

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

10 * Section 1. AS 23.40.100(b) is amended to read:

11 (b) If the labor relations agency has reasonable cause to be-
12 lieve that a question of representation exists, it shall provide for
13 an appropriate hearing upon due notice. If the labor relations agency
14 finds that there is a question of representation, it shall direct an
15 election by secret ballot to determine whether or by which organiza-
16 tion the employees desire to be represented and shall certify the
17 results of the election. Nothing in this section prohibits the waiv-
18 ing of hearings by stipulation for the purpose of a consent election
19 in conformity with the regulations of the labor relations agency or an
20 election in a bargaining unit agreed upon by the parties. The labor
21 relations agency shall determine who is eligible to vote in an elec-
22 tion and shall establish rules governing the election. In an initial
23 election for representation held under this section, one of the
24 choices on the ballot shall be "no representation". In an election in
25 which none of the choices on the ballot receives a majority of the
26 votes cast, a runoff election shall be conducted, the ballot providing
27 for selection between the two choices receiving the largest and the
28 second largest number of valid votes cast in the election. If an
29 organization receives the majority of the votes cast in the election

1 it shall be certified by the labor relations agency as exclusive
2 representative of all the employees in the bargaining unit.

3 * Sec. 2. AS 23.40.200(c) is amended to read:

4 (c) The class in (a)(2) of this section is composed of public
5 utility, snow removal, sanitation and [PUBLIC SCHOOL AND OTHER] edu-
6 cational institution employees, except noncertificated employees of
7 school boards. Employees in this class may engage in a strike after
8 mediation, subject to the voting requirement of (d) of this section,
9 for a limited time. The limit is determined by the interests of the
10 health, safety or welfare of the public. The public employer or the
11 labor relations agency may apply to the superior court in the judicial
12 district in which the strike is occurring for an order enjoining the
13 strike. A strike may not be enjoined unless it can be shown that it
14 has begun to threaten the health, safety or welfare of the public. A
15 court, in deciding whether or not to enjoin the strike, shall consider
16 the total equities in the particular class. "Total equities" includes
17 not only the impact of a strike on the public but also the extent to
18 which employee organizations and public employers have met their sta-
19 tutory obligations. If an impasse or deadlock still exists after the
20 issuance of an injunction, the parties shall submit to arbitration to
21 be carried out under AS 09.43.030.

22 * Sec. 3. AS 23.40 is amended by adding a new section to read:

23 Sec. 23.40.235. APPLICATION OF PUBLIC EMPLOYMENT RELATIONS ACT
24 TO SCHOOL BOARDS AND MUNICIPALITIES. (a) A school board may not
25 reject having the provisions of AS 23.40.070 - 23.40.260 apply to its
26 relations with its noncertificated employees.

27 (b) The provisions of sec. 4, ch. 113, SLA 1972 do not apply to
28 allow a municipality to reject having the provisions of AS 23.40.070 -
29 23.40.260 apply to its relation with its noncertificated school

1 employees.

2 * Sec. 4. AS 23.40.250(5) is amended to read:

3 (5) "public employee" means any employee of a public em-
4 ployer, whether or not in the classified service of the public employ-
5 er, except elected or appointed officials or certificated [TEACHERS OR
6 NONCERTIFICATED] employees of school boards [DISTRICTS];

7 * Sec. 5. AS 23.40.250(6) is amended to read:

8 (6) "public employer" means the state or a political subdi-
9 vision of the state, including without limitation, a [TOWN,] city,
10 borough, school board [DISTRICT], board of regents, public and quasi-
11 public corporation, housing authority or other authority established
12 by law, and a person designated by the public employer to act in its
13 interest in dealing with public employees;

14 * Sec. 6. AS 23.40.250 is amended by adding a new paragraph to read:

15 (8) "school board" includes a regional educational atten-
16 dance area school board.

17 * Sec. 7. Nothing in this Act terminates or modifies a collective bar-
18 gaining unit, recognition of exclusive bargaining representative, or col-
19 lective bargaining agreement if the unit, recognition, or agreement is in
20 effect on the effective date of this Act.

STATE OF ALASKA
FISCAL NOTE

Revision Date: _____, 1983

I. REQUEST

Bill/Resolution No.: SB 104
 Title: Labor Rel. School Board/Other
 Sponsor: Ray Public Employers
 Requestor: and Employees

II. FISCAL DETAIL

Agency Affected: Administration
 Program Category Affected: Gen Admin Svcs
 BRU, Program of Subprogram(s) Affected: Labor Relations

EXPENDITURES/REVENUES: (Thousands of Dollars)

	FY 83	FY 84	FY 85	FY 86	FY 87	FY 88
OPERATING						
100 PERSONAL SERVICES						
200 TRAVEL						
300 CONTRACTUAL						
400 COMMODITIES						
500 EQUIPMENT						
600 LAND & STRUCTURES						
700 GRANTS, CLAIMS, ETC						
TOTAL OPERATING	0	0	0	0	0	0
CAPITAL	0	0	0	0	0	0
REVENUE	0	0	0	0	0	0

FUNDING: (Thousands of Dollars)

GENERAL FUND	0	0	0	0	0	0
FEDERAL FUNDS						
OTHER (Specify Source)						

POSITIONS:

FULL-TIME	0	0	0	0	0	0
PART-TIME						
TEMPORARY						

III. SOURCE OF FUNDS TO OFFSET FISCAL IMPACT OF BILL:

N/A

IV. ANALYSIS: Attach a separate page for any Analysis

Prepared By: Guy Stingham
 Division: Labor Relations

Phone: 465-4404
 Date: March 31, 1983

Approved by Commissioner: Lisa Rudd *LSR*
 Department: Administration

Date: 4/7/83

Distribution:

- Original to Legislative Finance
- Copy to Office of Management and Budget (for Legislature introduced bills)
- Copy to Department (for Governor introduced bills)
- Copy to Sponsor
- Copy to Requestor (if different from Sponsor)

3/8/83

Position Paper
Senate Bill 104


This bill would extend coverage of the Public Employment Relations Act (PERA - A.S. 23.40.070 et. seq.) to noncertificated school employees. Currently, where bargaining relationships exist, these employees bargain under local provisions. A clause protecting preexisting bargaining units, representation rights, or collective bargaining agreements is included. The bill would give noncertificated employees "class 3" status - that is, they would have the unlimited right to strike in the event of a bargaining impasse.

School boards, municipalities and REAA's would be expressly prohibited from rejecting the application of PERA to their noncertificated employees and substituting their own scheme of collective bargaining. A final provision, affecting all employees and employers, is the addition of a statutory requirement that "no representation" be a choice on ballots in initial representation elections.

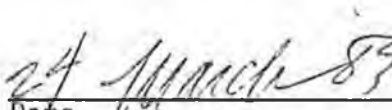
We oppose this bill, for policy reasons. Our opposition is chiefly based upon our belief that bargaining rights for noncertificated school employees should be covered by Title 14, which currently provides for collective bargaining by certificated school employees.

Beyond this basic philosophical disagreement, other areas of the bill cause us some concern. We do not support granting noncertificated school employees the unlimited right to strike; instead we support a limited right to strike coupled with other impasse resolution techniques (as we do for teachers). The original PERA permitted political subdivisions of the State to "opt out" of coverage under PERA and substitute their own scheme of collective bargaining; if PERA is to be extended to noncertificated school employees, this local option should be preserved. Finally, the Labor Relations Agency regulations already provide for "no representation" to appear as a choice on all representation election ballots (2 AAC 10.165(b)) making it unnecessary to address this issue in statute.

Prepared By:



Guy Stringham, Director
Division of Labor Relations

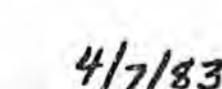


Date

Approved By:



Lisa Rudd, Commissioner
Department of Administration



Date

STATE OF ALASKA
FISCAL NOTE

Revision Date: _____, 1983

I. REQUEST

Bill/Resolution No.: SB 104
 Title: Labor Rel. School Board/Other
 Sponsor: Ray Public Employers
 Requestor: _____ and Employees

II. FISCAL DETAIL

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 Program Category Affected: Gen Admin Svcs
 BRU, Program of Subprogram(s) Affected: Labor Relations

EXPENDITURES/REVENUES: (Thousands of Dollars)

	FY 83	FY 84	FY 85	FY 86	FY 87	FY 88
OPERATING						
100 PERSONAL SERVICES						
200 TRAVEL						
300 CONTRACTUAL						
400 COMMODITIES						
500 EQUIPMENT						
600 LAND & STRUCTURES						
700 GRANTS, CLAIMS, ETC						
TOTAL OPERATING	0	0	0	0	0	0
CAPITAL	0	0	0	0	0	0
REVENUE	0	0	0	0	0	0

FUNDING: (Thousands of Dollars)

GENERAL FUND	0	0	0	0	0	0
FEDERAL FUNDS						
OTHER (Specify Source)						

POSITIONS:

FULL-TIME	0	0	0	0	0	0
PART-TIME						
TEMPORARY						

III. SOURCE OF FUNDS TO OFFSET FISCAL IMPACT OF BILL:

N/A

IV. ANALYSIS: Attach a separate page for any Analysis

Prepared By: Guy Sturgeon
 Division: Labor Relations

Phone: 465-4404
 Date: March 31, 1983

Approved by Commissioner: Lisa Rudd *LSR*
 Department: Administration

Date: 4/7/83

Distribution:

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3/8/83

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Senate Bill 104

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School boards, municipalities and REAA's would be expressly prohibited from rejecting the application of PERA to their noncertificated employees and substituting their own scheme of collective bargaining. A final provision, affecting all employees and employers, is the addition of a statutory requirement that "no representation" be a choice on ballots in initial representation elections.

We oppose this bill, for policy reasons. Our opposition is chiefly based upon our belief that bargaining rights for noncertificated school employees should be covered by Title 14, which currently provides for collective bargaining by certificated school employees.

Beyond this basic philosophical disagreement, other areas of the bill cause us some concern. We do not support granting noncertificated school employees the unlimited right to strike; instead we support a limited right to strike coupled with other impasse resolution techniques (as we do for teachers). The original PERA permitted political subdivisions of the State to "opt out" of coverage under PERA and substitute their own scheme of collective bargaining; if PERA is to be extended to noncertificated school employees, this local option should be preserved. Finally, the Labor Relations Agency regulations already provide for "no representation" to appear as a choice on all representation election ballots (2 AAC 10.165(b)) making it unnecessary to address this issue in statute.

Prepared By:

Guy Stringham
Guy Stringham, Director
Division of Labor Relations

24 March 83
Date

Approved By:

Lisa Rudd
Lisa Rudd, Commissioner
Department of Administration

4/7/83
Date

7/0301-01-3/BDGSF1

COMMITTEE REPORT
HOUSE

(11)

FURTHER:

5/19/83

Date:

5/25/83

Mr. Speaker:

The Committee on FINANCE has had SB 105

"An Act amending an appropriation made in ch. 90, SLA 1981, making an appropriation to the Alaska Power Authority for the Snettisham power to project; and providing for an effective date."

under consideration and reports it back as follows:

- do pass do not pass
- do pass with attached amendments(s)
- replace with CS for _____ same title
- new title
- and recommends _____
- AND attaches a "Letter of Intent" New Fiscal Note
- reports it back without recommendation Zero Fiscal Note Attached
- referred to the _____ Committee

MEMBERS SIGNING
DC PASS

MEMBERS HAVING
OTHER RECOMMENDATIONS:

CHAIRMAN

Introduced: 2/2/83
Referred: Finance

<u>Funding Information</u>	
General Fund	\$4,500,000
Other Funds	-0-
	<u>\$4,500,000</u>

1 IN THE SENATE

BY RAY

2

SENATE BILL NO. 105

3

IN THE LEGISLATURE OF THE STATE OF ALASKA

4

THIRTEENTH LEGISLATURE - FIRST SESSION

5

A BILL

6 For an Act entitled: "An Act amending an appropriation made in ch. 90, SLA
7 1981, making an appropriation to the Alaska Power
8 Authority for the Snettisham power project; and pro-
9 viding for an effective date."

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

11 * Section 1. Section 6(7); ch. 90, SLA 1981, page 2, line 22 (Snetti-
12 sham power project) is repealed.

13 * Sec. 2. The sum of \$4,500,000 is appropriated from the general fund
14 to the Alaska Power Authority for feasibility studies, preconstruction
15 design, engineering, and construction at the Snettisham (Crater Lakes)
16 power project.

17 * Sec. 3. The appropriation made by this Act is for a capital project
18 and is subject to AS 37.25.020.

19 * Sec. 4. This Act takes effect immediately in accordance with AS 01.-
20 10.070(c).

Chapter 90 **SLA 1981**

1 of a right-of-way for and design and construction of an electrical trans-
 2 mission system connecting Craig and Klawock.

3 * Sec. 4. The sum of \$200,000 and the interest earned on the invest-
 4 of that sum are appropriated from the general fund to the power develop-
 5 ment fund of the Alaska Power Authority (AS 44.83.400 - 44.83.510) for const-
 6 ruction of a single wire ground return transmission line between Kebuk and
 7 Shungnak.

8 ~~Sec. 5. The sum of \$3,250,000 and the interest earned on the invest-
 9 ment of that sum are appropriated from the general fund to the power develop-
 10 ment fund of the Alaska Power Authority (AS 44.83.400 - 44.83.510) for const-
 11 ruction of a transmission line between Barrow and Atkasook.~~

12 * Sec. 6. The sum of ^{37,310,000} ~~37,310,000~~ is appropriated from the general fund
 13 to the Alaska Power Authority for feasibility studies, preconstruction
 14 design, and engineering, to be allocated to the following proposed power
 15 projects:

16	(1) Elack Bear Lake	\$ ^{1,400,000} 1,400,000 <i>OK</i>
17	(2) Chester Lake	1,000,000
18	(3) Chakachamna Lake	1,000,000
19	(4) Grant Lake	1,000,000
20	(5) Bethel regional study/Kisaralik	1,000,000
21	(6) Power Creek	700,000
22	(7) Snettisham (Crater Lakes)	4,500,000
23	(8) Susitna	16,100,000
24	(9) Tazimina Lake	1,000,000
25	(10) West Creek	1,000,000
26	(11) Rural community feasibility studies:	
27	Akhiok, Ambler, Angeon, Atka, Chignik,	
28	Chignik Lagoon, Chignik Lake, Chuathbaluk,	
29	Cold Bay, Elm, False Pass, Goodnews Bay,	

Grayling, Gustavus, Iva
 Karluk, Kiana, King Cove
 Nikolski, Old Harbor, I
 Bay, Shungnak, Tenakee
 Unalaska

* Sec. 7. The sum of \$560,000 is
 Alaska Power Authority for recon-
 struction sites for the following rural
 electric facilities: Mission, Chefernah, Craig, Di-
 viding, Kotlik, Koyuk, Lower Kalsk
 Inlet, Ozinkie, Ruby, Saint Geo-
 rge, Shageluk, Shishmaref, Stebbin
 Inlet, and Yakutat.

* Sec. 8. The sum of \$50,000 is
 Alaska Power Authority for a fea-

~~Sec. 9. The sum of \$996,000 is
 Alaska Power Authority for a fea-~~

* Sec. 10. The sum of \$42,000 is
 Alaska Power Authority for a fea-

* Sec. 11. The sum of \$4,500,000
 Alaska Power Authority for a fea-

* Sec. 12. The sum of \$50,000 is
 Alaska Power Authority for a fea-

* Sec. 13. The sum of \$440,000
 Alaska Power Authority for a fea-

Introduced: 2/2/83
Referred: Finance

<u>Funding Information</u>	
General Fund	\$4,500,000
Other Funds	-0-
	<u>\$4,500,000</u>

1 IN THE SENATE

BY RAY

2

SENATE BILL NO. 105

3

IN THE LEGISLATURE OF THE STATE OF ALASKA

4

THIRTEENTH LEGISLATURE - FIRST SESSION

5

A BILL

6

For an Act entitled: "An Act amending an appropriation made in ch. 90, SLA 1981, making an appropriation to the Alaska Power Authority for the Snettisham power project; and providing for an effective date."

7

8

9

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

11 * Section 1. Section 6(7); ch. 90, SLA 1981, page 2, line 22 (Snettisham power project) is repealed.

12
13 * Sec. 2. The sum of \$4,500,000 is appropriated from the general fund to the Alaska Power Authority for feasibility studies, preconstruction design, engineering, and construction at the Snettisham (Crater Lakes) power project.

14
15
16
17 * Sec. 3. The appropriation made by this Act is for a capital project and is subject to AS 37.25.020.

18
19 * Sec. 4. This Act takes effect immediately in accordance with AS 01.-
20 10.070(c).

COMMITTEE REPORT
SENATE

12/15

FURTHER:

Date: _____

Mr. President:

The Committee on Finance has had CS 105

An Act amending an appropriation made in ch. 50, SLA 1981, making an appropriation to the Alaska Power Authority for The Snettisham power project; and eff. date.

under consideration and (a majority of the committee) (the committee) reports it back with the following recommendations:

- do pass do not pass
- do pass with attached amendments(s) same title
- replace with CS for _____ new title
- and recommends _____
- AND attaches a "Letter of Intent" New Fiscal Note
- reports it back without recommendation
- referred to the _____ Committee

MEMBERS SIGNING
DO PASS

MEMBERS HAVING
OTHER RECOMMENDATIONS:

s/John Sackitt
CHAIRMAN

Introduced: 2/2/83
Referred: Finance

<u>Funding Information</u>	
General Fund	\$4,500,000
Other Funds	-0-
	<u>\$4,500,000</u>

1 IN THE SENATE

BY RAY

2

SENATE BILL NO. 105

3

IN THE LEGISLATURE OF THE STATE OF ALASKA

4

THIRTEENTH LEGISLATURE - FIRST SESSION

5

A BILL

6

For an Act entitled: "An Act amending an appropriation made in ch. 90, SLA

7

1981, making an appropriation to the Alaska Power

8

Authority for the Snettisham power project; and pro-

9

viding for an effective date."

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

11 * Section 1. Section 6(7); ch. 90, SLA 1981, page 2, line 22 (Snetti-
12 sham power project) is repealed.

13 * Sec. 2. The sum of \$4,500,000 is appropriated from the general fund
14 to the Alaska Power Authority for feasibility studies, preconstruction
15 design, engineering, and construction at the Snettisham (Crater Lakes)
16 power project.

17 * Sec. 3. The appropriation made by this Act is for a capital project
18 and is subject to AS 37.25.020.

19 * Sec. 4. This Act takes effect immediately in accordance with AS 01.-
20 10.070(c).

Senate Finance Committee
Letter of Intent on SB 105

It is the intent of the Legislature that the Alaska Power Authority expend funds appropriated to it for the purpose of expediting the completion of the Snettisham Hydroelectric Project (addition of third power unit, Crater Lake) by the Corps of Engineers, if the Federal appropriations are insufficient to accomplish the job. It is the desire of the Legislature to see the construction started in 1983 and completed by 1987 at the latest, in order to minimize the economic hardships to the community.

Senator Don Bennett
Co-Chairman, Sen. Fin. Cmte.

Senator John Sackett
Co-Chairman, Sen. Fin. Cmte.

2/14/83

SENATE BILL 105 (Amending an appropriation made in Chapter 90, SLA 1981, making an appropriation to the Alaska Power Authority for the Snettisham Power Project; and providing for an effective date)

2-02-83 Introduced by Senator Ray
Ref: Senate Finance

Summary: Would repeal a \$4.5 million appropriation made in 1981 for the Snettisham power project near Juneau and reappropriates the money to the Alaska Power Authority for "feasibility studies, preconstruction design, engineering, and construction at the Snettisham (Crater Lakes) power project". The 1981 appropriation, contained in Ch. 90, SLA 1981, Sec. 6(7), was part of a \$37,300,000 allocation to the Power Authority for "feasibility projects, preconstruction design, and engineering" for various projects around the state (specifically did not include "construction").

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

Immediate effective date.

Note: Identical bill introduced January 28 in House.

ALASKA POWER AUTHORITY

334 WEST 5th AVENUE - ANCHORAGE, ALASKA 99501

Phone: (907) 277-7641
(907) 276-0001

February 17, 1983

Honorable John Sackett
Senate Finance Committee
Alaska State Legislature
Pouch V
Juneau, Alaska 99811

Dear Senator Sackett:

You have requested information on the Snettisham hydropower project and the potential cost to the State if no or only partial federal funding is provided. As you know, Snettisham is a federal project presently consisting of 47 mw being fed from a reservoir at Long Lake. The phase presently being contemplated is the Crater Lake phase which would add another 27 mw of generation capacity and 106,000,000 kwh of energy. Present wholesale cost of energy is 1.5 ¢/kwh and this is projected to rise to 2.5 ¢/kwh in 1985 for the Long Lake phase.

In that Snettisham is a federal project the Power Authority has conducted no independent assessments of the need or cost of the Crater Lake phase. Thus, we have secured cost estimates from the Corps of Engineers and load demand projections from the federal Alaska Power Administration. On the surface, the project would appear quite economic based on the face value of the information provided by the two federal agencies.

In the event the State requires that a portion of the project is debt financed, power sales contracts would be required from the local utilities. This in turn would necessitate that we attempt to estimate a cost of power for the project. Cost of power would be dependent upon the mix of State, federal, and revenue bond financing provided. Present indications from the Alaska Power Administration are that federal interest rates would be roughly 3.5%. I have yet to see this in writing, however. Theoretically, it could be as high as the prevailing federal interest rate. Not knowing what the federal contribution might be, I have based our preliminary cost of power analysis on a mix of State and revenue bond financing. Our analysis assumes Snettisham is a "stand alone" project and that 10% - 35-year debt financing could be secured. Furthermore, our analysis covers cost of power only from the Crater Lake phase rather than the total melded cost of the two phases. If you wished to determine the melded cost, a close approximation would be two-thirds at 2.5¢/kwh plus one-third at our estimated rates below. Our projections of wholesale power cost are tentative in that there was little time to refine the model and verify the data used to generate the cost of power numbers.

February 17, 1983

Project Assumptions
(per telephone call from Mr. R. Cross,
Alaska Power Administration, Juneau)

Project Cost \$55,387,000
Project Sales 106 Million Killowatt Hours

First year 60 percent of capacity sales.
Third year 100 percent of capacity sales.

Project Cash Flow:	1982	\$ 3,770,000
	1983	12,000,000
	1984	27,000,000
	1985	8,000,000
	1986	4,000,000
	1987	<u>617,000</u>
	Total	\$55,387,000

Interest During Construction (IDC):

IDC was computed through the end-of-construction (1987) rather than to mid-point due to the lack of time necessary to reprogram the model. This results in an overstatement of IDC, but this should not result in a material distortion in the cost of power.

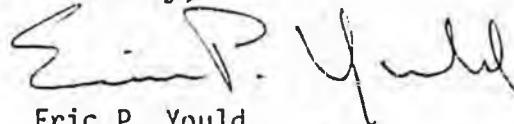
Inflation: DRI (Approximately seven percent per year.)
Interest: Ten percent, 35-year maturity.
Operation and maintenance: Rough estimate by Power Authority.

Estimated Cost of Power

<u>State Contribution</u> (\$ million)	<u>Debt</u> (%)	<u>Cost of Power</u>	
		<u>1988</u> (¢/kwh)	<u>1990</u> (¢/kwh)
61.4	0%	0.83	0.58
36.8	40%	6.58	4.03
0.0	100%	15.77	9.60

Once again, please note that these are tentative numbers generated on a 24-hour turnaround basis. We have not had sufficient time to varify project data from the Federal Government nor have we projected IDC to the mid-point of construction. Please call upon me if you desire additional information.

Sincerely,



Eric P. Yould
Executive Director

EPY/wfs 3/9
Enclosures
cc: Dick Lyon
Bob Cross
Neil Saling

CRATER LAKE 0% DEBT CASE D/S=1.10 IDC INCLUDED NO REAL O&M ESCALATION

POWER RATE BASED ON THE INCLUSION OF: CRATER LAKE

PROJECT POWER RATE SUMMARY FOR : CRATER LAKE

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YEAR	PROJ COST		SALES GWH	W/O CAP	WITH CAP	O/M	TOTAL
	INCL IDC	DEBT DR/W		D/S RATE	D/S RATE	RATE	RATE
	\$MILLIONS	\$MILLIONS		C/KWH	C/KWH	C/KWH	C/KWH
1982	0.00	0.00	0.00	0.00	0.00	0.00	0.00
1983	16.28	0.00	0.00	0.00	0.00	0.00	0.00
1984	46.11	0.00	0.00	0.00	0.00	0.00	0.00
1985	55.53	0.00	0.00	0.00	0.00	0.00	0.00
1986	60.57	0.00	0.00	0.00	0.00	0.00	0.00
1987	61.40	0.00	0.00	0.00	0.00	0.00	0.00
1988	61.40	0.00	63.60	0.00	0.00	0.83	0.83
1989	61.40	0.00	84.80	0.00	0.00	0.68	0.68
1990	61.40	0.00	106.00	0.00	0.00	0.58	0.58
1991	61.40	0.00	106.00	0.00	0.00	0.62	0.62
1992	61.40	0.00	106.00	0.00	0.00	0.67	0.67
1993	61.40	0.00	106.00	0.00	0.00	0.71	0.71
1994	61.40	0.00	106.00	0.00	0.00	0.76	0.76
1995	61.40	0.00	106.00	0.00	0.00	0.82	0.82
1996	61.40	0.00	106.00	0.00	0.00	0.87	0.87
1997	61.40	0.00	106.00	0.00	0.00	0.93	0.93
1998	61.40	0.00	106.00	0.00	0.00	1.00	1.00
1999	61.40	0.00	106.00	0.00	0.00	1.07	1.07
2000	61.40	0.00	106.00	0.00	0.00	1.14	1.14
2001	61.40	0.00	106.00	0.00	0.00	1.22	1.22

(\$MILLIONS)

YEAR	1982	1983	1984	1985	1986	1987	1988	1989	1990	1991
ENERGY GWH	-	-	-	-	-	-	63.6	84.8	106.0	106.0
REAL PRICE- C/KWH	-	-	-	-	-	-	0.6	0.5	0.4	0.4
INFLATION INDEX	100.0	100.0	107.0	114.5	122.5	131.1	140.3	150.1	160.6	171.8
PRICE- C/KWH	-	-	-	-	-	-	0.8	0.7	0.6	0.6
<u>INCOME</u>										
REVENUE	-	-	-	-	-	-	0.5	0.6	0.6	0.7
LESS OPERATING COSTS	-	-	-	-	-	-	0.3	0.3	0.3	0.4
OPERATING INCOME	-	-	-	-	-	-	0.2	0.3	0.3	0.3
ADD INTEREST EARNED ON FUNDS	-	-	-	-	-	-	-	0.1	0.1	0.1
LESS INT ON SHORT TERM DEBT	-	-	-	-	-	-	-	0.1	0.1	0.1
LESS INT ON LONG TERM DEBT	-	-	-	-	-	-	-	-	-	-
NET EARNINGS FROM OPERATIONS	-	-	-	-	-	-	0.2	0.3	0.3	0.3
<u>CASH SOURCE AND USE</u>										
CASH INCOME FROM OPERATIONS	-	-	-	-	-	-	0.2	0.3	0.3	0.3
STATE GRANTS	-	16.3	29.8	9.4	5.0	0.8	-	-	-	-
LONG TERM DEBT DRAWDOWNS	-	-	-	-	-	-	-	-	-	-
WORCAP DEBT DRAWDOWNS	-	-	-	-	-	-	0.6	-	-	0.1
TOTAL SOURCES OF FUNDS	-	16.3	29.8	9.4	5.0	0.8	0.9	0.3	0.3	0.3
LESS CAPITAL EXPENDITURES	-	16.3	29.8	9.4	5.0	0.8	0.2	0.3	0.3	0.3
LESS WORCAP AND FUNDS	-	-	-	-	-	-	0.6	-	-	0.1
LESS DEBT REPAYMENTS	-	-	-	-	-	-	-	-	-	-
LESS PAYMENT TO STATE	-	-	-	-	-	-	-	-	-	-
CASH SURPLUS(DEFICIT)	-	-	-	-	-	-	-	-	-	-
RECOVERY FROM HB9	-	-	-	-	-	-	-	-	-	-
CASH RECOVERED	-	-	-	-	-	-	-	-	-	-
<u>BALANCE SHEET</u>										
RESERVE AND CONT. FUND	-	-	-	-	-	-	0.5	0.6	0.6	0.6
OTHER WORKING CAPITAL	-	-	-	-	-	-	0.1	0.1	0.1	0.1
CUM. CAPITAL EXPENDITURE	-	16.3	46.1	55.5	60.6	61.4	61.6	61.9	62.2	62.5
CAPITAL EMPLOYED	-	16.3	46.1	55.5	60.6	61.4	62.3	62.6	62.9	63.2
STATE CONTRIBUTION	-	16.3	46.1	55.5	60.6	61.4	61.4	61.4	61.4	61.4
RECOVERY FROM HB9	-	-	-	-	-	-	-	-	-	-
RETAINED EARNINGS FROM OPS.	-	-	-	-	-	-	0.2	0.5	0.8	1.1
DEBT OUTSTANDING-SHORT TERM	-	-	-	-	-	-	0.6	0.7	0.7	0.8
DEBT OUTSTANDING-LONG TERM	-	-	-	-	-	-	-	-	-	-
DEBT SERVICE COVER	-	-	-	-	-	-	-	-	-	-
ANNUAL BORROWING \$1983	-	-	-	-	-	-	-	-	-	-
CUM. BORROWING \$1983	-	-	-	-	-	-	-	-	-	-
ANNUAL STATE GRANTS \$1983	-	16.3	27.9	8.2	4.1	0.6	-	-	-	-
CUM. STATE GRANTS \$1983	-	16.3	44.2	52.4	56.5	57.1	57.1	57.1	57.1	57.1
TOTAL ANNUAL FINANCING \$1983	-	16.3	27.9	8.2	4.1	0.6	-	-	-	-
TOTAL CUM. FINANCING \$1983	-	16.3	44.2	52.4	56.5	57.1	57.1	57.1	57.1	57.1

SOURCES:

:PROJECT COST: \$55,387,000.00 MID 1982 DOLLARS

:O&M FROM MYLES YERKES OF ALASKA POWER AUTHORITY

(\$MILLIONS)

Y E A R	1992	1993	1994	1995	1996	1997	1998	1999	2000	2001
ENERGY G&H	106.0	106.0	106.0	106.0	106.0	106.0	106.0	106.0	106.0	106.0
REAL PRICE- C/KWH	0.4	0.4	0.4	0.4	0.4	0.4	0.4	0.4	0.4	0.4
INFLATION INDEX	183.8	196.7	210.5	225.2	241.0	257.9	275.9	295.2	315.9	338.0
PRICE- C/KWH	0.7	0.7	0.8	0.8	0.9	0.9	1.0	1.1	1.1	1.2
-----INCOME-----										
REVENUE	0.7	0.8	0.8	0.9	0.9	1.0	1.1	1.1	1.2	1.3
LESS OPERATING COSTS	0.4	0.4	0.4	0.5	0.5	0.5	0.6	0.6	0.7	0.7
OPERATING INCOME	0.3	0.3	0.4	0.4	0.4	0.5	0.5	0.5	0.6	0.6
ADD INTEREST EARNED ON FUNDS	0.1	0.1	0.1	0.1	0.1	0.1	0.1	0.1	0.1	0.1
LESS INT ON SHORT TERM DEBT	0.1	0.1	0.1	0.1	0.1	0.1	0.1	0.1	0.1	0.1
LESS INT ON LONG TERM DEBT	-	-	-	-	-	-	-	-	-	-
NET EARNINGS FROM OPERATIONS	0.3	0.3	0.4	0.4	0.4	0.4	0.5	0.5	0.5	0.6
-----CASH SOURCE AND USE-----										
CASH INCOME FROM OPERATIONS	0.3	0.3	0.4	0.4	0.4	0.4	0.5	0.5	0.5	0.6
STATE GRANTS	-	-	-	-	-	-	-	-	-	-
LONG TERM DEBT DRAWDOWNS	-	-	-	-	-	-	-	-	-	-
WORCAP DEBT DRAWDOWNS	0.1	0.1	0.1	0.1	0.1	0.1	0.1	0.1	0.1	0.1
TOTAL SOURCES OF FUNDS	0.4	0.4	0.4	0.5	0.5	0.5	0.6	0.6	0.6	0.7
LESS CAPITAL EXPENDITURES	0.3	0.3	0.4	0.4	0.4	0.4	0.5	0.5	0.5	0.6
LESS WORCAP AND FUNDS	0.1	0.1	0.1	0.1	0.1	0.1	0.1	0.1	0.1	0.1
LESS DEBT REPAYMENTS	-	-	-	-	-	-	-	-	-	-
LESS PAYMENT TO STATE	-	-	-	-	-	-	-	-	-	-
CASH SURPLUS(DEFICIT)	-	-	-	-	-	-	-	-	-	-
RECOVERY FROM HB9	-	-	-	-	-	-	-	-	-	-
CASH RECOVERED	-	-	-	-	-	-	-	-	-	-
-----BALANCE SHEET-----										
RESERVE AND CONT. FUND	0.7	0.7	0.8	0.9	0.9	1.0	1.0	1.1	1.2	1.3
OTHER WORKING CAPITAL	0.1	0.1	0.1	0.2	0.2	0.2	0.2	0.2	0.2	0.2
CUM. CAPITAL EXPENDITURE	62.8	63.1	63.5	63.9	64.3	64.7	65.2	65.7	66.2	66.8
CAPITAL EMPLOYED	63.6	64.0	64.4	64.9	65.4	65.9	66.4	67.0	67.7	68.3
STATE CONTRIBUTION	61.4	61.4	61.4	61.4	61.4	61.4	61.4	61.4	61.4	61.4
RECOVERY FROM HB9	-	-	-	-	-	-	-	-	-	-
RETAINED EARNINGS FROM OPS.	1.4	1.7	2.1	2.5	2.9	3.3	3.8	4.3	4.8	5.4
DEBT OUTSTANDING-SHORT TERM	0.8	0.9	0.9	1.0	1.1	1.2	1.2	1.3	1.4	1.5
DEBT OUTSTANDING-LONG TERM	-	-	-	-	-	-	-	-	-	-
DEBT SERVICE COVER	-	-	-	-	-	-	-	-	-	-
ANNUAL BORROWING \$1983	-	-	-	-	-	-	-	-	-	-
CUM. BORROWING \$1983	-	-	-	-	-	-	-	-	-	-
ANNUAL STATE GRANTS \$1983	-	-	-	-	-	-	-	-	-	-
CUM. STATE GRANTS \$1983	57.1	57.1	57.1	57.1	57.1	57.1	57.1	57.1	57.1	57.1
TOTAL ANNUAL FINANCING \$1983	-	-	-	-	-	-	-	-	-	-
TOTAL CUM. FINANCING \$1983	57.1	57.1	57.1	57.1	57.1	57.1	57.1	57.1	57.1	57.1

SOURCES:

:PROJECT COST: \$55,387,000.00 MID 1982 DOLLARS

:O&M FROM MYLES YERKES OF ALASKA POWER AUTHORITY

:

CRATER LAKE 40% DEBT CASE D/S=1.10 IDC INCLUDED NO O&M ESCALATION

POWER RATE BASED ON THE INCLUSION OF: CRATER LAKE

PROJECT POWER RATE SUMMARY FOR : CRATER LAKE

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YEAR	PROJ COST		PROJ DEBT DRAW	SALES GWH	W/O CAP	WITH CAP	O/M	TOTAL
	INCL	IDC			D/S RATE	D/S RATE	RATE	RATE
	\$MILLIONS	\$MILLIONS		C/KWH	C/KWH	C/KWH	C/KWH	C/KWH
1982	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
1983	16.61	6.84	0.00	0.00	0.00	0.00	0.00	0.00
1984	47.72	20.05	0.00	0.00	0.00	0.00	0.00	0.00
1985	59.33	26.01	0.00	0.00	0.00	0.00	0.00	0.00
1986	67.07	30.73	0.00	0.00	0.00	0.00	0.00	0.00
1987	70.99	34.15	0.00	0.00	0.00	0.00	0.00	0.00
1988	70.99	34.15	63.60	6.12	6.12	0.45	6.58	
1989	70.99	34.15	84.80	4.59	4.59	0.42	5.01	
1990	70.99	34.15	106.00	3.67	3.67	0.36	4.03	
1991	70.99	34.15	106.00	3.67	3.67	0.38	4.05	
1992	70.99	34.15	106.00	3.67	3.67	0.40	4.08	
1993	70.99	34.15	106.00	3.67	3.67	0.43	4.10	
1994	70.99	34.15	106.00	3.67	3.67	0.46	4.14	
1995	70.99	34.15	106.00	3.67	3.67	0.52	4.19	
1996	70.99	34.15	106.00	3.67	3.67	0.57	4.25	
1997	70.99	34.15	106.00	3.67	3.67	0.63	4.31	
1998	70.99	34.15	106.00	3.67	3.67	0.70	4.37	
1999	70.99	34.15	106.00	3.67	3.67	0.77	4.44	
2000	70.99	34.15	106.00	3.67	3.67	0.84	4.52	
2001	70.99	34.15	106.00	3.67	3.67	0.92	4.60	

	(\$MILLIONS)									
Y E A R	1982	1983	1984	1985	1986	1987	1988	1989	1990	1991
ENERGY GWH	-	-	-	-	-	-	63.6	84.8	106.0	106.0
REAL PRICE- C/KWH	-	-	-	-	-	-	4.7	3.3	2.5	2.4
INFLATION INDEX	100.0	100.0	107.0	114.5	122.5	131.1	140.3	150.1	160.6	171.8
PRICE- C/KWH	-	-	-	-	-	-	6.6	5.0	4.0	4.1
<hr style="border-top: 1px solid black;"/>										
---INCOME---										
REVENUE	-	-	-	-	-	-	4.2	4.3	4.3	4.3
LESS OPERATING COSTS	-	-	-	-	-	-	0.3	0.3	0.3	0.4
OPERATING INCOME	-	-	-	-	-	-	3.9	3.9	3.9	3.9
ADD INTEREST EARNED ON FUNDS	-	-	-	-	-	-	-	0.1	0.1	0.1
LESS INT ON SHORT TERM DEBT	-	-	-	-	-	-	-	0.1	0.1	0.1
LESS INT ON LONG TERM DEBT	-	-	-	-	-	-	3.4	3.4	3.4	3.4
NET EARNINGS FROM OPERATIONS	-	-	-	-	-	-	0.5	0.5	0.5	0.5
<hr style="border-top: 1px solid black;"/>										
---CASH SOURCE AND USE---										
CASH INCOME FROM OPERATIONS	-	-	-	-	-	-	0.5	0.5	0.5	0.5
STATE GRANTS	-	9.8	17.9	5.7	3.0	0.5	-	-	-	-
LONG TERM DEBT DRAWDOWNS	-	6.8	13.2	6.0	4.7	3.4	-	-	-	-
WORCAP DEBT DRAWDOWNS	-	-	-	-	-	-	1.0	-	-	-
TOTAL SOURCES OF FUNDS	-	16.6	31.1	11.6	7.7	3.9	1.5	0.5	0.6	0.6
LESS CAPITAL EXPENDITURES	-	16.6	31.1	11.6	7.7	3.9	0.2	0.3	0.3	0.3
LESS WORCAP AND FUNDS	-	-	-	-	-	-	1.0	-	-	-
LESS DEBT REPAYMENTS	-	-	-	-	-	-	0.1	0.1	0.2	0.2
LESS PAYMENT TO STATE	-	-	-	-	-	-	-	-	-	-
CASH SURPLUS(DEFICIT)	-	-	-	-	-	-	0.1	0.1	0.1	0.1
RECOVERY FROM HB9	-	-	-	-	-	-	-	-	-	-
CASH RECOVERED	-	-	-	-	-	-	0.1	0.1	0.1	0.1
<hr style="border-top: 1px solid black;"/>										
---BALANCE SHEET---										
RESERVE AND CONT. FUND	-	-	-	-	-	-	0.5	0.6	0.6	0.6
OTHER WORKING CAPITAL	-	-	-	-	-	-	0.5	0.5	0.5	0.5
CUM. CAPITAL EXPENDITURE	-	16.6	47.7	59.3	67.1	71.0	71.2	71.5	71.8	72.1
CAPITAL EMPLOYED	-	16.6	47.7	59.3	67.1	71.0	72.2	72.5	72.8	73.2
STATE CONTRIBUTION	-	9.8	27.7	33.3	36.3	36.8	36.8	36.8	36.8	36.8
RECOVERY FROM HB9	-	-	-	-	-	-	-	-	-	-
RETAINED EARNINGS FROM OPS.	-	-	-	-	-	-	0.4	0.8	1.2	1.7
DEBT OUTSTANDING-SHORT TERM	-	-	-	-	-	-	1.0	1.0	1.1	1.1
DEBT OUTSTANDING-LONG TERM	-	6.8	20.1	26.0	30.7	34.1	34.0	33.9	33.7	33.6
DEBT SERVICE COVER	-	-	-	-	-	-	1.1	1.1	1.1	1.1
ANNUAL BORROWING \$1983	-	6.8	12.3	5.2	3.9	2.6	-	-	-	-
CUM. BORROWING \$1983	-	6.8	19.2	24.4	28.2	30.9	30.9	30.9	30.9	30.9
ANNUAL STATE GRANTS \$1983	-	9.8	16.7	4.9	2.5	0.4	-	-	-	-
CUM. STATE GRANTS \$1983	-	9.8	26.5	31.4	33.9	34.3	34.3	34.3	34.3	34.3
TOTAL ANNUAL FINANCING \$1983	-	16.6	29.1	10.1	6.3	3.0	-	-	-	-
TOTAL CUM. FINANCING \$1983	-	16.6	45.7	55.8	62.1	65.1	65.1	65.1	65.1	65.1

SOURCES:

*PROJECT COST: \$55,387,000.00 MID 1982 DOLLARS
 *O&M FROM MYLES YERKES OF ALASKA POWER AUTHORITY

	(\$MILLIONS)									
YEAR	1992	1993	1994	1995	1996	1997	1998	1999	2000	2001
ENERGY GWH	106.0	106.0	106.0	106.0	106.0	106.0	106.0	106.0	106.0	106.0
REAL PRICE- C/KWH	2.2	2.1	2.0	1.9	1.8	1.7	1.6	1.5	1.4	1.4
INFLATION INDEX	183.8	196.7	210.5	225.2	241.0	257.9	275.9	295.2	315.9	338.0
PRICE- C/KWH	4.1	4.1	4.1	4.2	4.2	4.3	4.4	4.4	4.5	4.6
<u>INCOME</u>										
REVENUE	4.3	4.3	4.4	4.4	4.5	4.6	4.6	4.7	4.8	4.9
LESS OPERATING COSTS	0.4	0.4	0.4	0.5	0.5	0.5	0.6	0.6	0.7	0.7
OPERATING INCOME	3.9	3.9	4.0	4.0	4.0	4.0	4.1	4.1	4.1	4.2
ADD INTEREST EARNED ON FUNDS	0.1	0.1	0.1	0.1	0.1	0.1	0.1	0.1	0.1	0.1
LESS INT ON SHORT TERM DEBT	0.1	0.1	0.1	0.1	0.1	0.1	0.2	0.2	0.2	0.2
LESS INT ON LONG TERM DEBT	3.4	3.3	3.3	3.3	3.3	3.2	3.2	3.2	3.1	3.1
NET EARNINGS FROM OPERATIONS	0.5	0.6	0.6	0.6	0.7	0.7	0.8	0.9	0.9	1.0
<u>CASH SOURCE AND USE</u>										
CASH INCOME FROM OPERATIONS	0.5	0.6	0.6	0.6	0.7	0.7	0.8	0.9	0.9	1.0
STATE GRANTS	-	-	-	-	-	-	-	-	-	-
LONG TERM DEBT DRAWDOWNS	-	-	-	-	-	-	-	-	-	-
WORCAP DEBT DRAWDOWNS	0.1	0.1	0.1	0.1	0.1	0.1	0.1	0.1	0.1	0.1
TOTAL SOURCES OF FUNDS	0.6	0.6	0.6	0.7	0.8	0.8	0.9	1.0	1.0	1.1
LESS CAPITAL EXPENDITURES	0.3	0.3	0.4	0.4	0.4	0.4	0.5	0.5	0.5	0.6
LESS WORCAP AND FUNDS	0.1	0.1	0.1	0.1	0.1	0.1	0.1	0.1	0.1	0.1
LESS DEBT REPAYMENTS	0.2	0.2	0.2	0.2	0.3	0.3	0.3	0.4	0.4	0.4
LESS PAYMENT TO STATE	-	-	-	-	-	-	-	-	-	-
CASH SURPLUS(DEFICIT)	-	-	-	-	-	-	-	-	-	-
RECOVERY FROM HB9	-	-	-	-	-	-	-	-	-	-
CASH RECOVERED	-	-	-	-	-	-	-	-	-	-
<u>BALANCE SHEET</u>										
RESERVE AND CONT. FUND	0.7	0.7	0.8	0.9	0.9	1.0	1.0	1.1	1.2	1.3
OTHER WORKING CAPITAL	0.5	0.5	0.5	0.5	0.5	0.5	0.5	0.6	0.6	0.6
CUM. CAPITAL EXPENDITURE	72.4	72.7	73.1	73.5	73.9	74.3	74.8	75.3	75.8	76.4
CAPITAL EMPLOYED	73.6	73.9	74.4	74.8	75.3	75.8	76.4	77.0	77.6	78.3
STATE CONTRIBUTION	36.8	36.8	36.8	36.8	36.8	36.8	36.8	36.8	36.8	36.8
RECOVERY FROM HB9	-	-	-	-	-	-	-	-	-	-
RETAINED EARNINGS FROM OPS.	2.2	2.7	3.3	3.9	4.6	5.3	6.1	7.0	7.9	8.9
DEBT OUTSTANDING-SHORT TERM	1.2	1.2	1.3	1.4	1.4	1.5	1.6	1.7	1.8	1.9
DEBT OUTSTANDING-LONG TERM	33.4	33.2	33.0	32.7	32.4	32.1	31.8	31.5	31.1	30.6
DEBT SERVICE COVER	1.1	1.1	1.1	1.1	1.1	1.1	1.1	1.1	1.2	1.2
ANNUAL BORROWING \$1983	-	-	-	-	-	-	-	-	-	-
CUM. BORROWING \$1983	30.9	30.9	30.9	30.9	30.9	30.9	30.9	30.9	30.9	30.9
ANNUAL STATE GRANTS \$1983	-	-	-	-	-	-	-	-	-	-
CUM. STATE GRANTS \$1983	34.3	34.3	34.3	34.3	34.3	34.3	34.3	34.3	34.3	34.3
TOTAL ANNUAL FINANCING \$1983	-	-	-	-	-	-	-	-	-	-
TOTAL CUM. FINANCING \$1983	65.1	65.1	65.1	65.1	65.1	65.1	65.1	65.1	65.1	65.1

SOURCES:

:PROJECT COST: \$55,387,000.00 MID 1982 DOLLARS

:O&M FROM MYLES YERKES OF ALASKA POWER AUTHORITY

CRATER LAKE 100% DEBT CASE D/S=1.10 IDC INCLUDED NO REAL O&M ESCALATION

POWER RATE BASED ON THE INCLUSION OF: CRATER LAKE

PROJECT POWER RATE SUMMARY FOR : CRATER LAKE
 //

YEAR	PROJ COST INCL IDC DEBT \$MILLIONS	PROJ DRAW \$MILLIONS	SALES GWH	W/O CAP D/S RATE C/KWH	WITH CAP D/S RATE C/KWH	O/M RATE C/KWH	TOTAL RATE C/KWH
1982	0.00	0.00	0.00	0.00	0.00	0.00	0.00
1983	17.10	17.10	0.00	0.00	0.00	0.00	0.00
1984	50.13	50.13	0.00	0.00	0.00	0.00	0.00
1985	65.03	65.03	0.00	0.00	0.00	0.00	0.00
1986	76.83	76.83	0.00	0.00	0.00	0.00	0.00
1987	85.37	85.37	0.00	0.00	0.00	0.00	0.00
1988	85.37	85.37	63.60	15.31	15.31	0.45	15.77
1989	85.37	85.37	84.80	11.48	11.48	0.49	11.97
1990	85.37	85.37	106.00	9.19	9.19	0.41	9.60
1991	85.37	85.37	106.00	9.19	9.19	0.44	9.62
1992	85.37	85.37	106.00	9.19	9.19	0.46	9.65
1993	85.37	85.37	106.00	9.19	9.19	0.48	9.67
1994	85.37	85.37	106.00	9.19	9.19	0.51	9.70
1995	85.37	85.37	106.00	9.19	9.19	0.54	9.73
1996	85.37	85.37	106.00	9.19	9.19	0.57	9.76
1997	85.37	85.37	106.00	9.19	9.19	0.61	9.79
1998	85.37	85.37	106.00	9.19	9.19	0.64	9.83
1999	85.37	85.37	106.00	9.19	9.19	0.68	9.87
2000	85.37	85.37	106.00	9.19	9.19	0.72	9.91
2001	85.37	85.37	106.00	9.19	9.19	0.77	9.95

ALASKA POWER AUTHORITY FINANCIAL FORECAST FOR FISCAL YEARS ENDING JUNE 30

1983 2 15

(\$MILLIONS)

Y E A R	1982	1983	1984	1985	1986	1987	1988	1989	1990	1991
ENERGY O&M	-	-	-	-	-	-	63.6	84.8	106.0	106.0
REAL PRICE- C/KWH	-	-	-	-	-	-	11.2	8.0	6.0	5.6
INFLATION INDEX	100.0	100.0	107.0	114.5	122.5	131.1	140.3	150.1	160.6	171.8
PRICE- C/KWH	-	-	-	-	-	-	15.8	12.0	9.6	9.6
<u>INCOME</u>										
REVENUE	-	-	-	-	-	-	10.0	10.2	10.2	10.2
LESS OPERATING COSTS	-	-	-	-	-	-	0.3	0.3	0.3	0.4
OPERATING INCOME	-	-	-	-	-	-	9.7	9.8	9.8	9.8
ADD INTEREST EARNED ON FUNDS	-	-	-	-	-	-	-	0.1	0.1	0.1
LESS INT ON SHORT TERM DEBT	-	-	-	-	-	-	-	0.2	0.2	0.2
LESS INT ON LONG TERM DEBT	-	-	-	-	-	-	8.5	8.5	8.5	8.4
NET EARNINGS FROM OPERATIONS	-	-	-	-	-	-	1.2	1.2	1.3	1.3
<u>CASH SOURCE AND USE</u>										
CASH INCOME FROM OPERATIONS	-	-	-	-	-	-	1.2	1.2	1.3	1.3
STATE GRANTS	-	-	-	-	-	-	-	-	-	-
LONG TERM DEBT DRAWDOWNS	-	17.1	33.0	14.9	11.8	8.5	-	-	-	-
WORCAP DEBT DRAWDOWNS	-	-	-	-	-	-	1.6	0.1	-	-
TOTAL SOURCES OF FUNDS	-	17.1	33.0	14.9	11.8	8.5	2.8	1.3	1.3	1.4
LESS CAPITAL EXPENDITURES	-	17.1	33.0	14.9	11.8	8.5	0.2	0.3	0.3	0.3
LESS WORCAP AND FUNDS	-	-	-	-	-	-	1.6	0.1	-	-
LESS DEBT REPAYMENTS	-	-	-	-	-	-	0.3	0.3	0.4	0.4
LESS PAYMENT TO STATE	-	-	-	-	-	-	-	-	-	-
CASH SURPLUS(DEFICIT)	-	-	-	-	-	-	0.6	0.6	0.6	0.6
RECOVERY FROM HB9	-	-	-	-	-	-	-	-	-	-
CASH RECOVERED	-	-	-	-	-	-	0.6	0.6	0.6	0.6
<u>BALANCE SHEET</u>										
RESERVE AND CONT. FUND	-	-	-	-	-	-	0.5	0.6	0.6	0.6
OTHER WORKING CAPITAL	-	-	-	-	-	-	1.0	1.1	1.1	1.1
CUM. CAPITAL EXPENDITURE	-	17.1	50.1	65.0	76.8	85.4	85.6	85.9	86.1	86.4
CAPITAL EMPLOYED	-	17.1	50.1	65.0	76.8	85.4	87.2	87.5	87.8	88.2
STATE CONTRIBUTION	-	-	-	-	-	-	-	-	-	-
RECOVERY FROM HB9	-	-	-	-	-	-	-	-	-	-
RETAINED EARNINGS FROM OPS.	-	-	-	-	-	-	0.6	1.2	1.8	2.5
DEBT OUTSTANDING-SHORT TERM	-	-	-	-	-	-	1.6	1.6	1.7	1.7
DEBT OUTSTANDING-LONG TERM	-	17.1	50.1	65.0	76.8	85.4	85.1	84.7	84.3	83.9
DEBT SERVICE COVER	-	-	-	-	-	-	1.1	1.1	1.1	1.1
ANNUAL BORROWING \$1983	-	17.1	30.9	13.0	9.6	6.5	-	-	-	-
CUM. BORROWING \$1983	-	17.1	48.0	61.0	70.6	77.1	77.1	77.1	77.1	77.1
ANNUAL STATE GRANTS \$1983	-	-	-	-	-	-	-	-	-	-
CUM. STATE GRANTS \$1983	-	-	-	-	-	-	-	-	-	-
TOTAL ANNUAL FINANCING \$1983	-	17.1	30.9	13.0	9.6	6.5	-	-	-	-
TOTAL CUM. FINANCING \$1983	-	17.1	48.0	61.0	70.6	77.1	77.1	77.1	77.1	77.1

SOURCES:

:PROJECT COST: \$55,387,000.00 MID 1982 DOLLARS

:O&M FROM MYLES YERKES OF ALASKA POWER AUTHORITY

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(\$MILLIONS)

YEAR	1992	1993	1994	1995	1996	1997	1998	1999	2000	2001
ENERGY GWH	106.0	106.0	106.0	106.0	106.0	106.0	106.0	106.0	106.0	106.0
REAL PRICE- C/KWH	5.2	4.9	4.6	4.3	4.0	3.8	3.6	3.3	3.1	2.9
INFLATION INDEX	183.8	196.7	210.5	225.2	241.0	257.9	275.9	295.2	315.9	338.0
PRICE- C/KWH	9.6	9.7	9.7	9.7	9.8	9.8	9.8	9.9	9.9	10.0
<u>INCOME</u>										
REVENUE	10.2	10.3	10.3	10.3	10.3	10.4	10.4	10.5	10.5	10.5
LESS OPERATING COSTS	0.4	0.4	0.4	0.5	0.5	0.5	0.6	0.6	0.7	0.7
OPERATING INCOME	9.8	9.8	9.8	9.8	9.8	9.8	9.8	9.9	9.9	9.9
ADD INTEREST EARNED ON FUNDS	0.1	0.1	0.1	0.1	0.1	0.1	0.1	0.1	0.1	0.1
LESS INT ON SHORT TERM DEBT	0.2	0.2	0.2	0.2	0.2	0.2	0.2	0.2	0.2	0.2
LESS INT ON LONG TERM DEBT	8.4	8.3	8.3	8.2	8.2	8.1	8.0	8.0	7.9	7.8
NET EARNINGS FROM OPERATIONS	1.3	1.4	1.4	1.5	1.6	1.6	1.7	1.8	1.9	2.0
<u>CASH SOURCE AND USE</u>										
CASH INCOME FROM OPERATIONS	1.3	1.4	1.4	1.5	1.6	1.6	1.7	1.8	1.9	2.0
STATE GRANTS	-	-	-	-	-	-	-	-	-	-
LONG TERM DEBT DRAWDOWNS	-	-	-	-	-	-	-	-	-	-
WORCAP DEBT DRAWDOWNS	0.1	0.1	0.1	0.1	0.1	0.1	0.1	0.1	0.1	0.1
TOTAL SOURCES OF FUNDS	1.4	1.4	1.5	1.6	1.6	1.7	1.8	1.9	2.0	2.1
LESS CAPITAL EXPENDITURES	0.3	0.3	0.4	0.4	0.4	0.4	0.5	0.5	0.5	0.6
LESS WORCAP AND FUNDS	0.1	0.1	0.1	0.1	0.1	0.1	0.1	0.1	0.1	0.1
LESS DEBT REPAYMENTS	0.5	0.5	0.6	0.6	0.7	0.7	0.8	0.9	1.0	1.1
LESS PAYMENT TO STATE	-	-	-	-	-	-	-	-	-	-
CASH SURPLUS(DEFICIT)	0.6	0.5	0.5	0.5	0.5	0.4	0.4	0.4	0.3	0.3
RECOVERY FROM HB9	-	-	-	-	-	-	-	-	-	-
CASH RECOVERED	0.6	0.5	0.5	0.5	0.5	0.4	0.4	0.4	0.3	0.3
<u>BALANCE SHEET</u>										
RESERVE AND CONT. FUND	0.7	0.7	0.8	0.9	0.9	1.0	1.0	1.1	1.2	1.3
OTHER WORKING CAPITAL	1.1	1.1	1.1	1.1	1.1	1.1	1.1	1.1	1.1	1.2
CUM. CAPITAL EXPENDITURE	86.8	87.1	87.5	87.8	88.3	88.7	89.2	89.7	90.2	90.8
CAPITAL EMPLOYED	88.5	88.9	89.3	89.8	90.3	90.8	91.3	91.9	92.6	93.2
STATE CONTRIBUTION	-	-	-	-	-	-	-	-	-	-
RECOVERY FROM HB9	-	-	-	-	-	-	-	-	-	-
RETAINED EARNINGS FROM OPS.	3.3	4.2	5.1	6.1	7.2	8.3	9.6	11.0	12.6	14.2
DEBT OUTSTANDING-SHORT TERM	1.8	1.8	1.9	2.0	2.0	2.1	2.2	2.3	2.3	2.4
DEBT OUTSTANDING-LONG TERM	83.5	82.9	82.4	81.8	81.1	80.4	79.5	78.6	77.7	76.6
DEBT SERVICE COVER	1.1	1.1	1.1	1.1	1.1	1.1	1.1	1.1	1.1	1.1
ANNUAL BORROWING \$1983	-	-	-	-	-	-	-	-	-	-
CUM. BORROWING \$1983	77.1	77.1	77.1	77.1	77.1	77.1	77.1	77.1	77.1	77.1
ANNUAL STATE GRANTS \$1983	-	-	-	-	-	-	-	-	-	-
CUM. STATE GRANTS \$1983	-	-	-	-	-	-	-	-	-	-
TOTAL ANNUAL FINANCING \$1983	-	-	-	-	-	-	-	-	-	-
TOTAL CUM. FINANCING \$1983	77.1	77.1	77.1	77.1	77.1	77.1	77.1	77.1	77.1	77.1

SOURCES:

:PROJECT COST: \$55,387,000.00 MID 1982 DOLLARS

:O&M FROM MYLES YERKES OF ALASKA POWER AUTHORITY

:

7-1223

Alaska State Legislature

Advisory Council Members
Senator Kerrettula, Chairman
Senator Bennett
Senator Dankworth
Senator Fahrenkamp



Pouch V
State Capital
Juneau, Alaska 99811
Phone: (907) 465-3114

SENATE ADVISORY COUNCIL

MEMORANDUM

TO: Senator Ray

FROM: Kurt S. Dzinich *KSD*
Senior Advisor

RE: Crater Lake

DATE: February 1, 1983

Since my previous memo of November 3, 1982, the following significant events have taken place:

1. The U.S. Congress passed a continuing resolution for FY83 urging the Corps of Engineers to proceed with the construction of the third unit and chided them for not initiating the construction in FY82 with the \$2,000,000 appropriated for that purpose.
2. The AEL&P has requested a moratorium on new electric space heating and hot water installation.
3. Colonel Saling, District Engineer, Alaska District Corps of Engineers, has initiated action through his chain of command to obtain \$2,000,000 in FY83 funds (in addition to carry-over funds of \$250,000 from FY82) and permission to initiate construction in FY83 (ends on September 30, 1983).
4. Introduction of HB134 by Representatives Duncan and Miller amending earlier Snettisham legislation. Copy attached.

Assuming that the Corps can obtain permission to start the construction in FY83, of the 2.25 million total requirement in FY83 about 1.3 million would be for construction while the remainder would be for engineering and design. In FY84 the requirement would be about 12 million of which 10 million would be for construction. Power-on-line would be in 1987 according to their current schedule.

The best and simplest solution remains for the Corps to finish the Snettisham project using only Federal funds. It is essential that the project construction be initiated in 1983 and completed as expeditiously as possible in order to minimize the negative impacts on the Juneau community.

Given sufficient funds, I don't see any reasons why the Corps should not complete the project in three years i.e. power-on-line in 1986. In order for this scenario to succeed, maximum participation and pushing will be required by our Congressional Delegation. As an additional inducement to obtain Federal funding, we could offer to start negotiations for the eventual takeover of Federal power projects in Alaska.

If the construction is initiated by the Feds in 1983 and if they provide all needed funds in a manner allowing for the most expeditious completion of the project, then there is not much left for the State to do. If, however, the Feds choose not to initiate construction in 1983, or if they provide insufficient funds to allow for an expeditious completion of the project, then there is something that the State could and should do.

If the Feds do not want to fund the start of construction in 1983, the State should provide the funds to the Corps on the basis of some type of cost sharing. (It should be made clear to all that this cost sharing would not have anything to do with the "Innovative Financing" program proposed by the Administration and the Corps last year). In order for the cost sharing to work the following would have to be accomplished:

1. The Corps must obtain Congressional approval to receive the State funds.
2. The Corps must obtain permission to initiate construction in 1983 as desired by Congress.
3. The State must appropriate sufficient funds to the Corps with minimum red tape to allow for the most expeditious start and completion of the project. (In this regard, recently introduced HB134 will probably have to be revised.)

With reference to item 3 above, I believe that the best way of coming up with a fund transfer mechanism would be to have the Legal Services draft appropriate legislation. Towards that end I have prepared a memo to Bill Berrier and attached it for your signature.

For the longer term, pending completion of ongoing intertie studies by the Alaska Power Administration, we will probably need to have a study to determine the next best energy source for the Juneau area after Snettisham. As you are probably aware, interties to Canada or other S.E. communities and additional hydro such as Dorothy Lake are just some of the more attractive alternatives. Because of the various ongoing actions, it would probably be better to wait until the FY85.

Please let me know if you need additional information.

Alaska State Legislature

Advisory Council Members
Senator Nerttula, Chairman
Senator Bennett
Senator Dankworth
Senator Fahrenkamp



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SENATE ADVISORY COUNCIL

MEMORANDUM

TO: Senator Bill Ray
FROM: Kurt S. Dzinich *KSD*
Senior Advisor
RE: Crater Lake
DATE: November 3, 1982

According to the latest forecasts by the Alaska Power Administration, and based on Juneau remaining the Capital, the second stage of the Snettisham project -- Crater Lake -- should be completed as soon as possible. If the Hoonah intertie is built, the energy use would increase an additional 13% (includes Noranda).

Due to a phenomenal growth in the past couple of years, Juneau's energy demand is expected to grow 23% and peak demand by 30% just between 1981 and 1982. The energy demand has almost equaled the existing Snettisham capacity. In order to preclude serious energy problems, it is essential that Crater Lake construction be initiated in 1983, and completed as expeditiously as practical. Any delays in the construction of Crater Lake will significantly constrain the economic growth and diversification of the Juneau area.

Since you are well up on the history of Snettisham, as well as the current Federal status of the project, I would like to explore the alternatives under which Crater Lake can be built. In my opinion these are:

- Alternative 1. Federal Government completes the project using Federal funds and the Corps of Engineers and Alaska Power Administration operates the project
- Alternative 2. Federal and State cost sharing; built by the Corps and operated by APA(DOE)
- Alternative 3. State funds totally, Corps builds, APA(DOE) operates
- Alternative 4. State funds totally, APA builds and operates

Alternative 5. State completes project as part of a takeover package deal of APA(DOE) functions and facilities

Based on my experience with Bradley Lake project and attempts to resolve many complex issues, many or all of which will again be involved in Crater Lake, my evaluation of the above alternatives is as follows:

Alternative 1. In view of the Administration's policies to date, there is very little likelihood of the Feds totally funding this project with an estimated cost now at about 68 million. Except for that, this alternative is the cleanest method with the least number of pitfalls.

Alternative 2. This method is very similar to the one we tried to implement on the Bradley project. These were the key issues that had to be resolved:

- a. Three way agreement between APA, APA(DOE) and Corps
- b. Bonding and ownership
- c. Congressional approval for Corps to proceed with State funds
- d. Use of State funds for a Federal project

To make a long story short, the agreement was not consummated because bonding experts convinced the APA and its Board of Directors that revenue bonding would be almost impossible without ownership and because it appeared that the Corps would have difficulty in obtaining Congressional approval. Only the issue of using State funds for a Federal project was successfully solved through legislative action.

Because Alaska is now perceived as being rich, the chances of Feds sharing in the costs of building Crater Lake are only slightly better than Alternative 1, while all other unresolved issues would still have to be solved.

Alternative 3. This is better than the previous two because the State can appropriate the funds as needed thereby expediting construction as much as possible. If the State can not appropriate all of the funds, then it could provide a low interest loan. By providing all of the funds, the issue of bonding vs. ownership can be avoided although a special agreement between APA, APA(DOE) and the Corps would still be required. In order to make it easier to achieve the agreement, Crater Lake should be built as a special project outside of the existing criteria applying to other projects in the Energy Program.

Under both Alternative 2 & 3, existing State legislation would have to be amended to allow the use of the 4.5 million for construction, as well as supplemental funding to allow maximum progress in 1983. This alternative is better than the previous two. Maximum progress in 1983 would probably require more than 14 million currently envisioned by the Corps and based on their Oct. 87 power on live date.

Alternative 4. Under this scenario APA would take the project over and construct it with State funds only, or in combination with bond financing. The takeover agreement would be quite complex as Shettishan would be Federal

while Crater would be State owned. I believe the complexity and the risk of delays to be the greatest under this scenario.

Alternative 5. This scenario is similar to Alternative 4 above except the State would take over Crater Lake as part of a package of taking over all APA(DOE) facilities and functions. Based on similar problems as the Railroad, I believe that the negotiations would be hard and long -- one to two years -- and that considerable delay of power on line would result.

Based on the above, I would recommend proceeding with Alternative 3 as the option with the highest chance of succeeding in a timely fashion. Because the power consumption has increased over 50% in the last two years, time is of essence and the implementing actions designed to start construction in 1983 will have to be pursued aggressively and wholeheartedly by all concerned.

Proceeding expeditiously with Alternative 3 will require action by the Congressional as well as Juneau's legislative delegations. Authority for the Corps to use State funds could be obtained at the upcoming lame duck session as part of an appropriation bill. Failing that, the issue would have to be addressed by the next Congress early in 1983. This action has to be accomplished regardless of whether the costs are shared or solely State funded.

On the State side, the Legislature would have to pass legislation authorizing use of existing funds for construction and provide additional appropriations if at all possible, probably as part of FY83 supplemental appropriations. Specific language would also have to be provided to insure that the project is not needlessly delayed. The bottom line would be to allow the Corps to start construction as early as possible in 1983.

I would be happy to discuss the problem and solution(s) with you at your convenience.

November 19, 1982

NOTES ON JUNEAU AREA POWER SUPPLY

Juneau faces an important electric energy supply problem for the next few years. Starting in the 1982-1983 winter, power use levels will equal or exceed the energy supply available from APA and AEL&P hydro-electric projects. The difference, or hydro energy deficit, is expected to get larger each year until power becomes available from the Crater Lake Unit of Snettisham. With a 1983 construction start, Crater Lake power would be available in the 1986-1987 winter. However, funding has not yet been secured for construction.

The deficits can be met in only two ways: reducing growth in demand or producing power from oil-fired generators.

Most Juneau power consumers are aware that producing power from oil is very expensive. Fuel is the major cost item, amounting to over 10 cents per kilowatt-hour. Thus it will be very important to the community to try to keep the deficit as small as possible.

This paper is intended to provide current information on several of the issues relating to the power supply problem as well as the status on Crater Lake.

The attachments provide additional detail:

- o November 3, 1982, summary sheet on costs, capacity, and energy capability for the Snettisham Project, including Crater Lake.
- o November 10, 1982, update of Juneau area power requirement study.
- o November 1982 APA policy statement on electric space and water heating.

Status of Crater Lake

The 1962 legislation which authorized the Snettisham Project covers both the present or Long Lake stage and the Crater Lake stage. The Corps of Engineers, which has design and construction responsibility, is presently

preparing the detailed design and construction specifications and is prepared to initiate construction in 1983 if funding is secured. The Corps estimates power on line in June 1986, again depending on funding.

The Crater Lake Unit would be rated at 27 MW and estimated new firm energy is 106 million kWh/year. This is approximately a 60 percent increase in firm energy capability for the project.

Congress appropriated \$2 million for Crater Lake in FY 1982 which is being used by the Corps for designs and specifications.

The President's FY 1983 budget request did not include funds to continue construction of Crater Lake. Alaska's congressional delegation requested funding for the project, however, Congress has not yet completed action on the 1983 appropriations.

Amount of Deficit

APA estimates of hydro deficit are contained in table 6 of the power requirement study. Separate numbers are shown for "firm" and "average" conditions.

Firm hydro energy is the amount expected in a critical year of low water supply. More energy is available in most years, so average available energy is higher than the firm.

Expected firm energy deficits and the approximate fuel costs associated with the deficits are as follows:

	<u>Requirements</u> kWh x 10 ⁶	<u>Deficit</u>		<u>Fuel cost at</u> 10c/kWh
		kWh x 10 ⁶	%	
FY 1983	232	11	4	\$1,100,000
FY 1984	253	32	13	3,200,000
FY 1985	273	52	19	5,200,000
FY 1986	301	80	27	8,000,000

Table 6 also indicates the deficits could be reduced significantly if the trend to electric space heating is abated.

The weather, the area economy, and individual decisions on power use are the factors that will determine the size of the hydro deficits, and the fuel bills that accompany them.

From the power supply side, amount of energy available in the winter controls. This is limited by storage in the reservoir and water inflow during the winter. Water inflow is smallest when the weather is the coldest. In a mild, wet winter the inflow is higher and more energy can be produced.

Power use is also related to the weather--normally the highest use levels occur in the coldest days of winter. APA estimates that weather factors can cause at least a 10 percent difference in winter season electric energy use--higher use levels if the weather is unusually cold; lower if the winter is mild. The weather impact on peak demands is even more noticeable.

Increases in Juneau area electric energy and peak demand since 1970 are shown on table 1 of the load forecast. Increases in 1981 and 1982 are substantially larger than in the earlier years. The FY 1982 increases of 21.7 percent for energy and 30.4 percent for peak demand are by far the largest of record. Part of this very large increase is attributable to weather (the 1981-1982 winter season was much colder than the prior year); part is due to the continued strength in the Juneau economy; part is due to the trend to use of electric energy for space and water heating.

APA's estimates of future requirements involve somewhat lower rates of growth than in recent years. FY 1983 growth is estimated at 14.3 percent; 1984 at 9.1 percent, and 1985 at 7.9 percent. If the growth turns out to be higher, the deficits would be larger.

The immediate outlook for 1982-1983 is not too bad: a fairly small deficit if critical year water supply conditions occur, but a "most probable" outlook that hydro energy supply will be sufficient if consumers use the energy wisely.

However, the outlook for the following years is not so good. The deficits will get larger each year until Crater Lake becomes available.



Department of Energy
 Assistant Secretary
 P.O. Box 1
 United States Postal

November 3, 1982

COST DATA, CAPACITY, AND ENERGY CAPABILITY
 FOR SNETTISHAM PROJECT

Investment and repayment obligations, for first or Long Lake stage of Snettisham Project. (Figures as of the end of FY 1981.)

Cumulative Investment:	\$79,414,583
Balance to be Repaid:	77,767,774
Deferred Interest:	<u>12,941,794</u>
Total Repayment Obligation:	\$90,709,568

Cost estimates for second or Crater Lake stage. (Data from Corps of Engineers, 8/82.)

	(1,000's)
(1) Est. expenditures thru FY 1982	\$3,770
(2) Balance to completion	51,617
(3) Construction cost of Crater Lake Unit	55,387

Funding requirements by year (\$1,000's):

1	\$12,000
2	27,000
3	8,000
4	4,000
5	<u>617</u>
	\$51,617

(\$ millions)

Funding requirements, with allowance for inflation

<u>Year</u>	<u>Inflation estimate</u>	<u>1984 Start</u>	<u>1983 Start</u>	<u>Inflation multiplier</u>
1983	7%	--	12.8	1.07
1984	9%	14.0	31.6	1.17
1985	10.5%	34.8	10.3	1.29
1986	10.5%	11.4	5.7	1.41
1987	10.5%	6.3	1.0	1.57
1988	10.5%	<u>1.1</u>	--	1.73
		67.6	61.4	

(POL 1987) (POL 1986)

Alaska Power Administration

Partial Update of July 1982 Juneau Load Forecast

November 1982

Introduction

Alaska Power Administration (APA) has compared the actual Juneau area power requirements through the end of fiscal year 1982 (September 30, 1982) with projections made in July 1982. The earlier projections were based on data through April 1982 and this comparison reflects any changes due to a differing growth pattern than originally forecast for the remainder of the fiscal year.

Basic Data

The basic data and assumptions used previously were essentially the same for this study with minor changes in the distribution among user classes made to reflect actual conditions.

The projections for the base case and the case with electric heat restrictions at the end of FY 1983 were updated and new projections were also made for a case involving electric heat restrictions at the end of calendar year 1982.

Results and Conclusions

Table 1 presents annual system net generation and peak demand for fiscal years 1970 through 1982 along with annual percent increases. The only elements differing from the July 1982 study are the net generation and percent increase for 1982. The actual net generation for 1982 was 202,900 MWh for an increase of 21.7 percent. The earlier study had forecast only slightly higher figures--205,000 MWh and a 23 percent increase.

Table 2 presents the estimates of future demand for the base case. Compared to the earlier projections the actual totals for FY82 were:

- o higher for total residential customers (2%)
- o higher for general class (8%)
- o lower for hot water class (9%)
- o lower for all electric class (5%)
- o total residential use slightly lower (3%)
- o commercial use slightly higher (5%)

The residential sector was expected to have fewer general class customers than the previous year due to customers switching from general class to hot water class. This apparently did not happen as there were actually more general class customers than the previous year. Slight adjustments were thus made to reflect this in future years. The total sales and net generation were also adjusted for future years to reflect slightly lower figures for FY82 than expected. This resulted in somewhat lower total loads in the forecast.

Table 1. Juneau Area Energy and Peak Demand

Fiscal Year	System Net Generation MWH*	MWH % Annual Increase	Peak Demand Mw	MW % Annual Increase
1970	58,266		12.4	
1971	63,786	9.5	13.8	11.3
1972	70,255	10.1	14.9	8.0
1973	75,753	7.8	15.5	4.0
1974	83,059	9.6	16.2	4.5
1975	94,609	13.9	17.8	9.9
1976	106,296	12.4	19.8	11.2
1977	112,197	5.6	20.4	3.0
1978	126,800	13.0	23.4	14.7
1979	138,900	9.5	23.1 (R)	-1.3
1980	145,200	4.5	26.2	13.4
1981	166,700	14.8	32.2	22.9
1982	202,900	21.7	42.0	30.4

* Includes AEL&P and GHEA sales and losses.

(R) Revised from previously published data.

Table 2. Estimate of Future Demands
Base Case

Fiscal Year	1981	1982	1983	1984	1985	1986	1987	1988	1989	1990	1995	2000
Population	20,085	21,495	22,353	23,250	24,180	25,146	25,650	26,160	26,605	27,220	30,050	33,100
People per Customer	2.6	2.6	2.6	2.6	2.6	2.6	2.6	2.6	2.6	2.6	2.6	2.6
Residential Customers (Average)	7,725	8,267	8,600	8,940	9,300	9,670	9,865	10,060	10,260	10,470	11,560	12,760
Residential Sales												
General Class, Customers	5,165	5,287	5,160	4,900	4,880	4,860	4,730	4,790	4,545	4,505	4,055	4,065
KWH/Customer	6,074	7,052	7,083	6,890	6,890	6,890	6,890	6,750	6,620	6,480	5,870	5,870
KWH, Million	31.4	37.3	36.6	34.3	33.6	33.5	32.6	32.3	30.1	29.2	23.8	23.9
Hot Water Class, Customers	2,040	1,935	1,780	2,085	2,190	2,275	2,375	2,455	2,535	2,615	2,765	2,805
KWH/Customer	12,000	13,100	12,900	12,900	12,900	12,900	12,900	12,900	12,900	12,900	12,900	12,900
KWH, Million	24.5	25.3	25.9	26.7	28.3	29.6	30.6	31.7	32.7	33.7	35.7	37.2
All Electric Class, Customers	520	1,043	1,460	1,875	2,230	2,515	2,760	2,815	3,100	3,350	4,740	5,010
KWH/Customer	23,000	26,700	27,500	27,500	27,500	27,500	27,500	27,500	27,500	27,500	27,500	27,500
KWH, Million	12.4	27.8	40.2	51.6	61.3	69.2	75.9	77.4	87.5	92.1	130.4	159.0
Subtotal Residential, KWH, Million	68.4	90.9	102.2	112.0	123.2	122.3	139.1	141.4	150.2	155.1	189.0	220.9
Commercial Sales (historic (30%))												
Subtotal Commercial, KWH, Million	39.7	46.7	53.7	59.0	64.0	69.0	71.0	74.0	77.0	80.0	95.0	110.0
Government Sales (historic (26%))												
Subtotal Govt., GWH	34.7	37.1	44.6	47.0	48.9	58.9	60.8	62.7	64.6	72.9	82.4	102.0
Street Lighting, Residential & Government, GWH			.1	1.2	1.2	1.2	1.2	1.3	1.3	1.3	1.4	1.5
Total Sales, GWH	142.5	174.2	201.6	220.0	237.3	261.4	272.1	279.4	293.1	309.3	360.76	434.4
Net Generation, GWH (110% of Sales)	166.7	202.7	231.9	253.0	272.9	300.6	312.9	321.3	337.1	359.6	425.9	497.9
System Cap. Factor %	59.0	59.0	55.0	55.0	55.0	55.0	55.0	55.0	55.0	55.0	55.0	55.0
Peak Demand, MW	32.2	42.0	48.1	52.5	56.6	62.4	65.0	66.7	70.0	73.0	80.0	107.7

(Revised) APA 11/82

Table 3 and 4 present the estimates of future demand if electric heat-- including hot water--is restricted at the start of calendar year 1983 and fiscal year 1984 respectively. Restricting electric heat at the earlier date would result in about 8 percent lower net generation in 1985 and 16 percent lower in 1990. Restrictions at the later date would result in 5 percent lower in 1985 and 14 percent lower in 1990 compared to the base case. Table 5 summarizes the net generation and peak demand for the three cases.

Table 6 compares the hydro resources and estimated loads for the Juneau area under the three cases. The firm energy figure for Snettisham is higher than used in previous studies. Original power studies by the Corps had indicated 168 GWh of firm energy while the latest studies associated with the design of Crater Lake show 179 GWh of firm energy. Both these figures are theoretical and actual firm energy will have to be proven through operation of the project. All cases indicate an energy deficit of firm energy while only the base case experiences deficits of average energy in a few years. Restricting electric space and hot water heating in January versus October of 1983 would result in slightly lower deficits of firm energy.

Table 4. Estimate of Future Demands
Electric Heat Restricted 10/03

Fiscal Year	1981	1982	1983	1984	1985	1986	1987	1988	1989	1990	1995	2000
Population	20,085	21,495	22,333	23,250	24,100	25,146	25,650	26,160	26,685	27,220	30,050	33,180
People per Customer	2.6	2.6	2.6	2.6	2.6	2.6	2.6	2.6	2.6	2.6	2.6	2.6
Residential Customers (Average)	7,725	8,267	8,600	8,940	9,300	9,670	9,865	10,060	10,260	10,470	11,560	12,760
Residential Sales												
General Class, Customers	5,165	5,209	5,160	5,185	5,545	5,915	6,110	6,305	6,505	6,715	7,005	7,005
KWH/ Customer	6,074	7,052	7,083	6,760	6,900	7,040	6,900	6,760	6,630	6,500	5,890	5,890
KWH, Million	31.4	37.3	36.6	35.1	38.3	41.6	42.2	42.6	43.1	43.6	46.0	53.0
Hot Water Class, 1/ Customers	2,040	1,935	1,980	2,055	2,055	2,055	2,055	2,055	2,055	2,055	2,055	2,055
KWH/ Customer	12,000	13,100	12,700	12,900	12,900	12,900	12,900	12,900	12,900	12,900	12,900	12,900
KWH, Million	24.5	25.3	25.5	26.5	26.5	26.5	26.5	26.5	26.5	26.5	26.5	26.5
All Electric Class, Customers	520	1,043	1,460	1,700	1,700	1,700	1,700	1,700	1,700	1,700	1,700	1,700
KWH/ Customer	23,800	26,700	27,500	27,500	27,500	27,500	27,500	27,500	27,500	27,500	27,500	27,500
KWH, Million	12.4	27.8	40.2	46.8	46.8	46.8	46.8	46.8	46.8	46.8	46.8	46.8
Subtotal Residential, KWH, Million	60.4	90.3	102.2	108.3	111.5	114.9	115.4	115.7	116.4	116.9	119.2	126.3
Commercial Sales (historic (30%))												
Subtotal Commercial, KWH, Million	37.7	46.7	51.6	53.6	56.2	57.0	58.0	57.0	60.0	61.0	66.0	71.0
Government Sales (historic (26%))												
Subtotal Govt., GWH	31.9	37.1	44.6	46.5	46.4	51.1	53.0	54.9	55.8	57.0	67.3	76.0
Street Lighting, Residential & Government, GWH			1.1	1.2	1.2	1.2	1.2	1.3	1.3	1.3	1.4	1.5
Total Sales, GWH	142.5	174.2	199.5	209.6	215.3	224.2	227.6	231.1	233.5	237.0	253.9	275.6
Net Generation, GWH (115% of Sales)	166.7	202.9	229.3	241.1	247.6	257.0	261.0	265.7	268.5	272.6	292.0	316.9
System Cap. Factor %	57.0	55.0	55.0	55.0	55.0	55.0	55.0	55.0	55.0	55.0	55.0	55.0
Peak Demand, MW	32.2	42.0	47.6	50.0	51.4	53.5	54.3	55.2	55.7	56.6	60.6	65.0

1/ Hot Water Class included in restriction.

Table 3. Estimate of Future Demands
Electric Heat Restricted 1/83

Fiscal Year	1981	1982	1983	1984	1985	1986	1987	1988	1989	1990	1995	2000
Population	20,000	21,493	22,355	23,250	24,180	25,146	25,630	26,160	26,600	27,220	30,030	33,100
People per Customer	2.6	2.6	2.6	2.6	2.6	2.6	2.6	2.6	2.6	2.6	2.6	2.6
Residential Customers (Average)	7,725	8,267	8,600	8,940	9,300	9,670	9,865	10,060	10,240	10,470	11,560	12,760
Residential Sales												
General Class, Customers	3,163	3,287	3,220	3,560	3,920	4,190	4,483	4,600	4,880	7,070	8,100	9,300
KWH/Customer	6,074	7,052	7,083	6,760	6,900	7,040	6,900	6,760	6,630	6,500	5,890	5,890
KWH, Million	31.4	37.3	37.0	37.6	40.0	44.3	44.7	43.2	45.6	46.1	40.2	55.2
Hot Water Class, 1/ Customers	2,040	1,935	1,980	1,980	1,980	1,980	1,980	1,980	1,980	1,980	1,980	1,980
KWH/Customer	12,000	13,100	12,900	12,900	12,900	12,900	12,900	12,900	12,900	12,900	12,900	12,900
KWH, Million	24.5	25.3	25.5	25.5	25.5	25.5	25.5	25.5	25.5	25.5	25.5	25.5
All Electric Class, Customers	520	1,043	1,400 2/	1,400	1,400	1,400	1,400	1,400	1,400	1,400	1,400	1,400
KWH/Customer	23,000	26,700	27,500	27,500	27,500	27,500	27,500	27,500	27,500	27,500	27,500	27,500
KWH, Million	12.4	27.8	38.5	38.5	38.5	38.5	38.5	38.5	38.5	38.5	38.5	38.5
Subtotal Residential, KWH, Million	68.4	90.3	101.0	101.6	104.7	108.3	108.8	109.2	109.7	110.1	112.2	119.3
Commercial Sales (historic (30%)) Subtotal Commercial, KWH, Million	39.7	46.7	51.6	53.6	56.2	57.0	58.0	59.0	60.0	61.0	66.0	71.0
Government Sales (historic (26%)) Subtotal Govt., GWH	34.9	37.1	44.6	46.5	46.4	51.1	53.0	54.7	55.8	57.8	67.3	76.8
Street Lighting, Residential & Government, GWH			1.1	1.2	1.2	1.2	1.2	1.3	1.3	1.3	1.4	1.5
Total Sales, GWH	142.3	174.2	198.3	202.7	208.7	217.6	221.0	224.4	226.8	230.2	246.9	260.6
Net Generation, GWH (115% of Sales)	166.7	202.7	228.1	233.4	240.0	250.3	254.1	258.1	260.8	264.8	284.0	300.7
System Cap. Factor %	59.0	59.0	59.0	59.0	59.0	59.0	59.0	59.0	59.0	59.0	59.0	59.0
Peak Demand, MW	32.2	42.0	47.3	48.4	49.8	51.9	52.7	53.6	54.1	55.0	58.9	64.1

1/ Hot Water Class included in restriction.

2/ Total all electric customers on 7/30/82 was 1,303.

APA 11/02

Table 5. Juneau Area Power Requirements

Fiscal Year	Basic Case	Electric Heat Restricted 1/83	Electric Heat Restricted 10/83
1981 GWH	166.7		
MW	32.2		
1982 GWH	202.9	202.9	202.9
MW	42.0	42.0	42.0
1983 GWH	232	228	230
MW	48	47	48
1984 GWH	253	233	241
MW	52	48	50
1985 GWH	273	240	248
MW	57	50	51
1986 GWH	301	250	258
MW	62	52	54
1990 GWH	356	265	273
MW	74	55	57
1995 GWH	424	284	292
MW	88	59	61
2000 GWH	500	309	317
MW	104	64	66

(Revised)

APA 11/82

Table 6. Comparison of Juneau Area Hydro Resources and Estimated Loads

Resource		Annual Energy GWH	
		Firm	Average
Snettisham Long Lake		179 (R)	216 (R)
AEL&P Hydro		42	48
		221	264

Estimated Loads and Deficits									
FY	Base Case			Electric Heat Restricted 1/0/0*			Electric Heat Restricted 10/0/0*		
	Estimated Loads-GWH	Deficit-GWH Firm	Average	Estimated Loads-GWH	Deficit-GWH Firm	Average	Estimated Loads-GWH	Deficit-GWH Firm	Average
1983	232	-11	+32	228	-7	+36	230	-7	+34
1984	253	-32	+11	233	-12	+31	241	-20	+23
1985	273	-52	-9	240	-19	+24	248	-27	+15
1986	301	-80	-37	250	-29	+14	259	-38	+5
1987	313	-92	-49	254	-33	+10	262	-41	+3

(R) Revised from previously published data.

* Includes electric hot water heating.



Department Of Energy

Alaska Power Administration
P.O. Box 50
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November 1982

POLICY STATEMENT/ELECTRIC SPACE AND WATER HEATING FOR JUNEAU

Juneau has had substantial growth in use of electricity for space and water heating in the past several years. This is most notable in residential classes of consumers, but is significant also for commercial, industrial, and government customers.

There have been substantial benefits--important amount of oil saved through substitution of electricity from hydro, improved utilization of the hydro resource, and so forth, as well as substantial dollar benefits to consumers and local firms.

The hydro resources are finite. The latest studies show power demands will exceed firm hydro energy capability from now until completion of the Crater Lake unit of Snettisham. This is further complicated because the funding for Crater Lake construction has not yet been secured. Longer term concerns include knowledge that future hydro projects (after completion of Snettisham) will have substantially higher financing and construction costs--depending of course on future inflation and interest rates.

Much work has been accomplished in identifying energy options for Juneau. Increased use of local renewable resources (principally hydro and wood) and reduced dependency on petroleum products have been proposed as desirable objectives and supported by the community, along with the all important objective of increasing efficiency of all energy uses.

Now we face at least a short term future in which increases in electric power consumption will also increase consumption of oil. That situation calls for careful examination of policies of APA and area utilities which may influence consumer decisions on power use.

The following policy guides are considered appropriate for the current situation:

A. With respect to electric space heat:

1. Continue for the present policies of:
 - a. No promotion of electric heat.
 - b. Encouraging builders and owners who are considering electric heat first to seek optimum building efficiency, and second consider maximizing efficiency of heating systems.
2. Provide added emphasis on builder/owner options such as audits, dual heating systems, sectional controls, load management, and proper sizing of installations.
3. Encourage those contemplating conversion to electric heat to:
 - a. Consider deferring the conversion for a few years until power from Crater Lake is available.
 - b. Plan on retaining oil systems as a backup wherever possible.
4. Encourage those contemplating electric heat in new construction to:
 - a. Strive for heating efficiency at least as great as average heat pump performance in a "code" building through a combination of additional thermal efficiency measures and heating system design.
 - b. Include a backup heating system.

B. With respect to electric hot water heating:


1. Encourage maximum efficiency in design of heating system, including consideration to pre-heating methods and insulation.
2. Encourage use of dual systems which can use oil for water heating as well as electricity.

C. With respect to all classes of power use:

1. Encourage continued activities by consumers to improve efficiency of power use.

- 2. Monitor overall system loads and be prepared to institute program to actively discourage or prohibit new electric heating applications if necessary.

It is noted that AEL&P is considering additional measures including a possible prohibition of new all-electric services pending availability of Crater Lake power and seasonal rates. APA supports and endorses those measures.


Robert J. Cross
Administrator

MISCELLANEOUS

DATA

SHEETS

NET GENERATION (million kWh)

FY.	Snettisham	AEL&P Hydro	AEL&P Diesel	Total
====	=====	=====	=====	=====
78	78.4 (62%) (5%)	42.9 (34%)	3.5 (4%)	124.8
79	82.3 (59%) (15%)	47.6 (34%)	8.9 (7%)	138.9
80	94.6 (65%) (24%)	49.1 (34%)	1.5 (1%)	145.2
81	117.0 (70%) (25%)	48.7 (29%)	1.0 (1%)	166.7
82	146.5 (72%)	39.9 (20%)	16.5 (8%)	202.9

ELECTRIC HEAT

	1979	1980	1981	1982
	====	====	====	====
All Electric Homes	69	145	520	1,043

SNETTISHAM PROJECT DATA

Stage	Installed Capacity Kw	Energy Million kWh	
		Firm	Average
=====	=====	=====	=====
Existing	47,160	179	216
Crater Lake	27,000	106	118
Long Lake Dam	---	57	25
	-----	-----	-----
Total	74,160	342	359

Snettisham Peaks -- Dec. '79 = 23.2 MW; Nov. '82 = 36 MW

ADDITIONAL PROJECTS

	Installed Capacity Kw	Firm Energy kWh
	=====	=====
Lake Dorothy	34,000	150
Sweetheart Lake	29,000	125
Speel River	63,000	275
Tease Creek	16,000	70
	-----	-----
Total	142,000	620

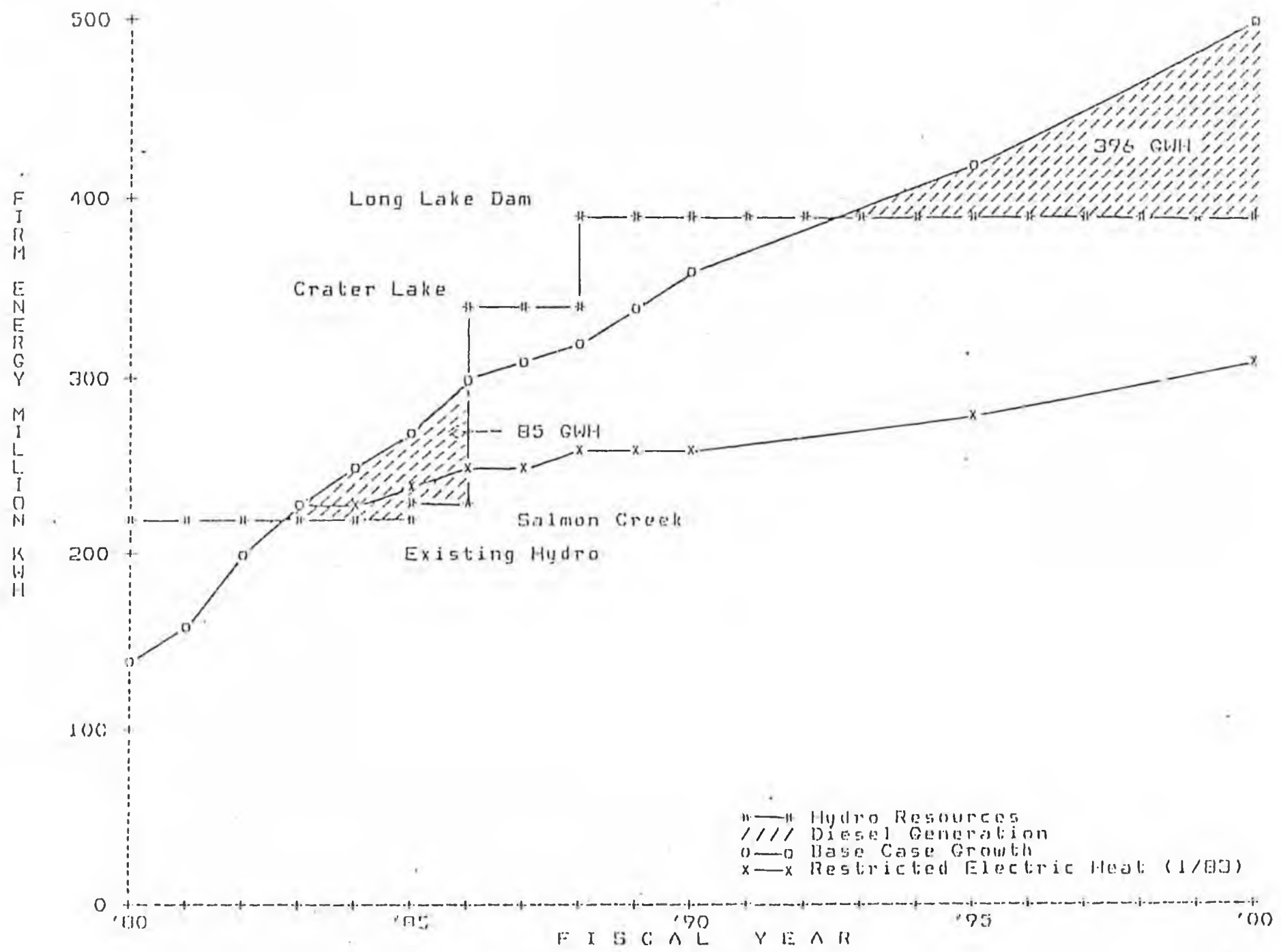
JUNEAU AREA HISTORIC ENERGY AND PEAK DEMAND

Fiscal Year =====	System Generation MWh =====	Peak Demand MW =====
	1970	58,266
1971	63,786	13.8
1972	70,255	14.9
1973	75,753	15.5
1974	83,059	16.2
1975	94,609	17.8
1976	106,296	19.8
1977	112,197	20.4
1978	126,818	23.4
1979	138,922	23.1
1980	145,200	26.2
1981	166,700	32.2
1982	202,900	42.0

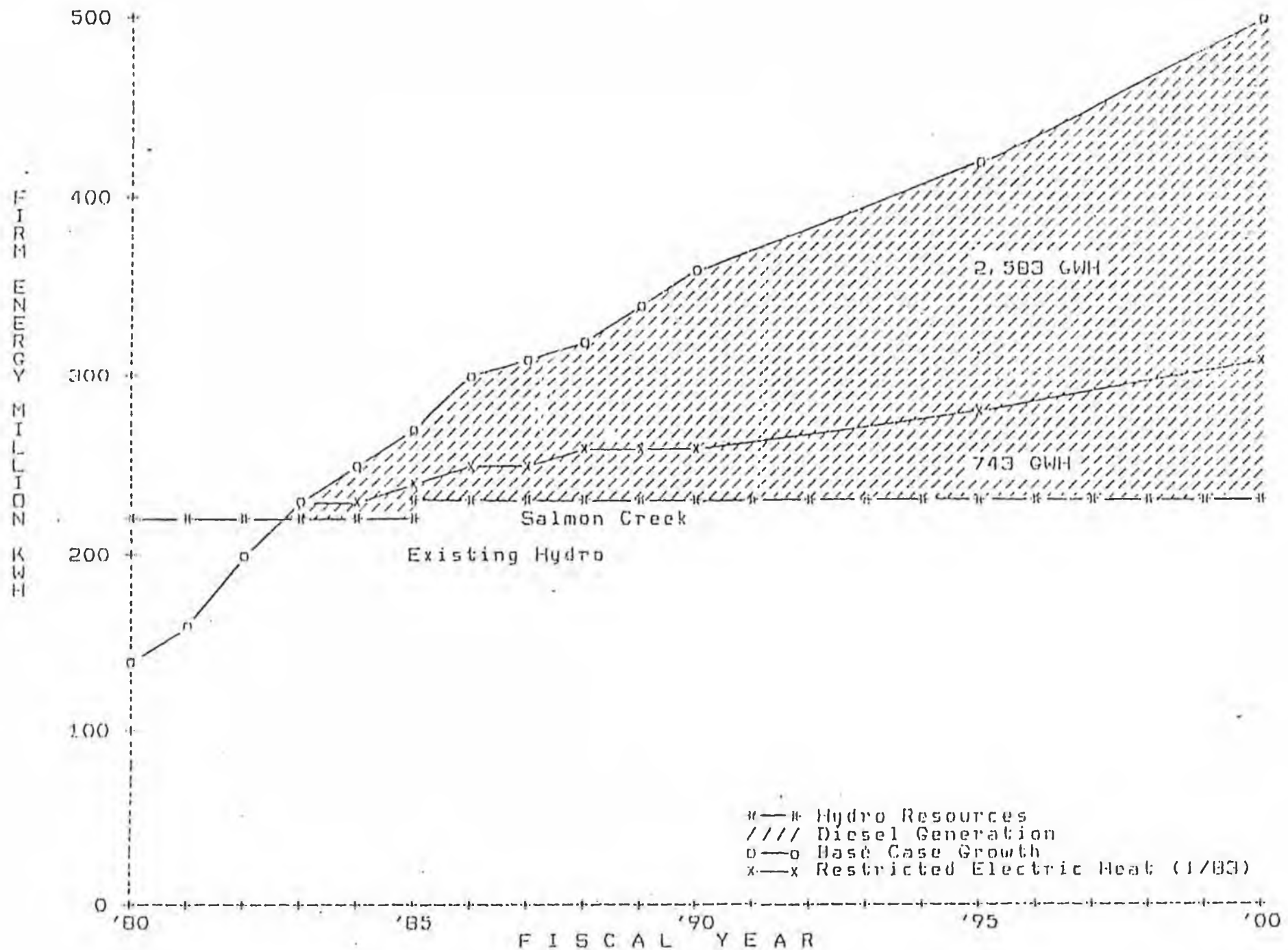
EXISTING JUNEAU AREA GENERATION CAPABILITY

PROJECT	Capacity (kW)	Firm Energy (kWh)
=====	=====	=====
Snettisham	47,160	179 million
Utility Hydro	8,200	42 million
Utility Diesel *	38,200	
	-----	-----
	93,560	221 million

* - includes combustion turbine unit



JUNEAU LOADS & RESOURCES



JUNEAU LOADS & RESOURCES
WITHOUT CRATER LAKE

BACKGROUND Snettisham Project

The Snettisham Project was authorized and designed as a staged project to meet the long-term power needs of the Juneau area. The Corps of Engineers is responsible for design and construction, and the Alaska Power Administration is responsible for operation and maintenance of Federal project facilities. The first or Long Lake stage was completed and has been in commercial operation since October 1975.

Snettisham is the largest hydroelectric project in Alaska and the main power source for Juneau, Alaska's capital city. The Snettisham Powerplant is 28 air miles southeast of Juneau.

The Long Lake stage, now on-line, includes a low dam at the outlet of Long Lake, power tunnel and penstock totaling 10,000 feet in length, and an underground powerplant with two generators, each with a rated capacity of 23,580 kilowatts. Power is transmitted to Juneau over a 44-mile-long, 138,000-volt transmission line, which includes a 3-mile underwater section. The Juneau Substation, located 4 miles south of Juneau, is the point of delivery to the local utility system. Supervisory control equipment provides for operating the Snettisham Powerplant from the Juneau Substation.

The powerplant site is remote, accessible only by air or water. Onsite facilities include an air strip, barge dock and boat harbor, a local road system, living quarters, warehouses, and water and sewer systems, all maintained by the APA maintenance staff stationed at the Project. The staff also has capability to operate the project onsite in case of problems with the supervisory control system.

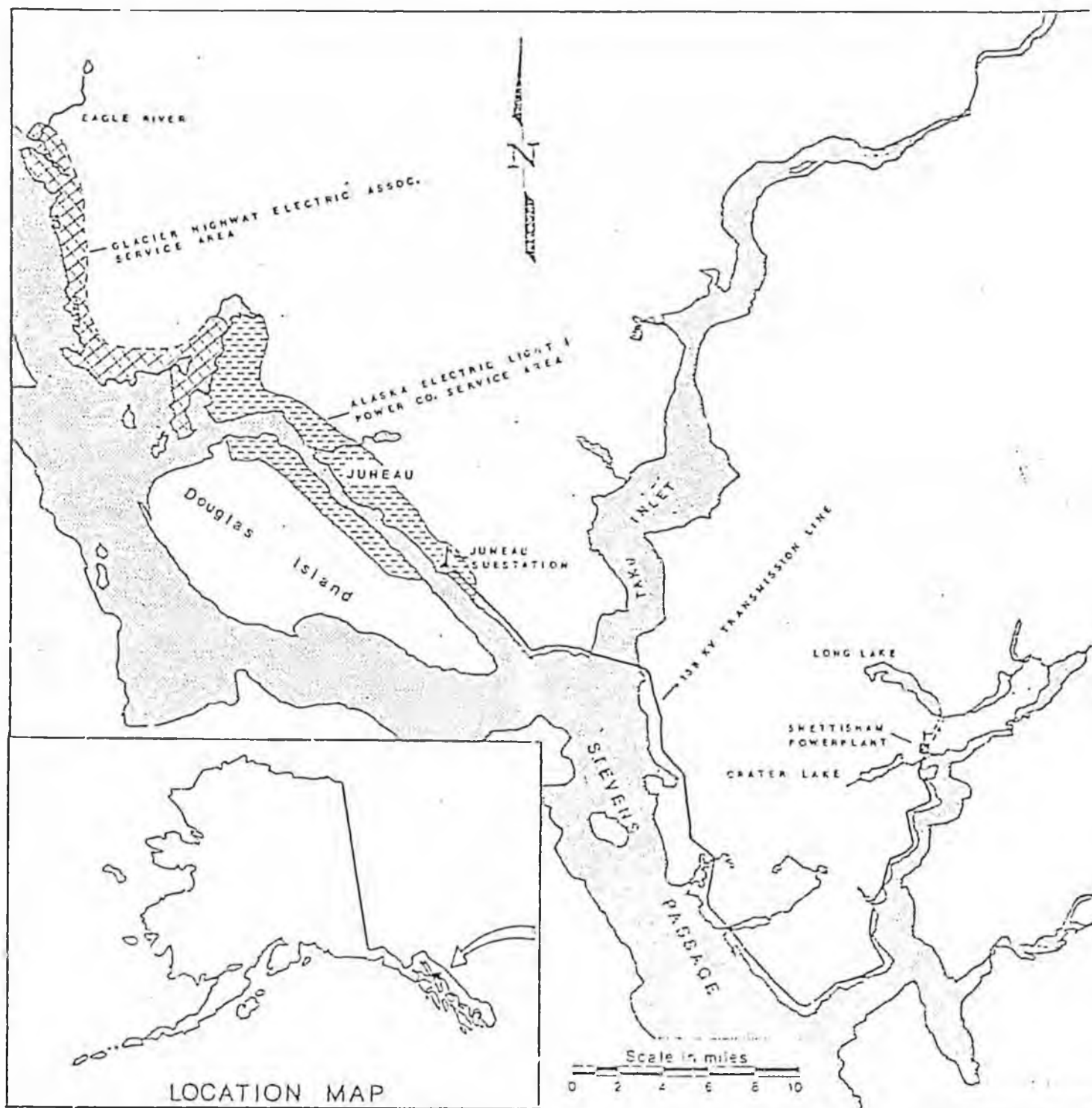
Crater Lake stage is an authorized future addition which would add 27,000 kilowatts of capacity and 106 million kWh per year annual firm energy. New facilities to develop Crater Lake include a tunnel and penstock to tap the existing lake and installation of a new turbine-generator set in the existing powerplant. The existing powerplant was constructed with provisions for the Crater Lake turbine-generator set.

The addition of Long Lake dam would add 57 million kWh of firm annual energy to the project. The new dam would raise the water surface elevation of Long Lake from the present maximum of 313 feet MSL to elevation 385 feet MSL.

The existing transmission line is capable of transmitting the additional power from the Crater Lake and Long Lake dam features.

LOCATION MAP

Snettisham Project and Juneau Power Market Area



A summary of the capabilities of the existing Snettisham Project and the Crater/Long Additions is shown in the following table:

<u>Project</u>	<u>Capacity (kW)</u>	<u>Firm Annual Energy (1,000 kWh)</u>
Existing	47,160	179,000
Crater Lake	27,000	106,000
Long Lake Dam	<u>-----</u>	<u>57,000</u>
Total Project	74,160	342,000

Snettisham Project repayment criteria are governed by language in the initial project authorization (Flood Control Act of 1962) as amended by the Water Resources Development Act of 1976. The present wholesale rate of 15.6 mills per kilowatt-hour reflects deferral of portions of the interest expense for an initial 10-year period pursuant to the 1976 Act. All costs, including the deferred interest, are to be repaid in a subsequent 50-year period which begins in 1986.