

ALASKA LEGISLATURE

1161

HOUSE and SENATE FINANCE COMMITTEE FILES, 1993-1994

235

Fiscal Note Analysis for
Emergency Unemployment Compensation Program

This bill would make changes to the state's Extended Benefits program for unemployment insurance and to enable the state to continue participation in the federal Emergency Unemployment Compensation program.

Federal law extends the Emergency Unemployment Compensation program through October 2, 1993. Claimants may continue to draw Emergency Unemployment Compensation benefits through January 15, 1994.

Under the Emergency Unemployment Compensation program, more than \$50 million has been paid to approximately 40,000 claimants since the program's inception in late 1991.

Savings to Alaska's Unemployment Insurance Trust Fund are estimated at \$20 million since Extended Benefits have not been paid and unemployment claims were paid under the Emergency Unemployment Compensation Program. These savings will continue assuming that the State of Alaska remains triggered off Extended Benefits and benefit payments continue to be paid under the Emergency Unemployment Compensation program.

Several sections of this bill require additional benefits to be paid to claimants. Under a "worst case scenario" it is projected that an additional \$2.1 million would be paid out annually. Revenues to the Unemployment Insurance Trust Fund for the past three years averaged \$164,864.8 annually. Total benefits paid to claimants averaged \$148,467.7 for the same time period.

Sections 4, 7, and 8 are conformity requirements for Alaska to keep its unemployment insurance law consistent with federal law. Failure to enact these sections can result in the loss of federal administrative funds for unemployment insurance, as well as loss of the Wagner-Peyser grant which funds the public employment service and other employment and training grants totalling \$29.4 million. Job Training Partnership funds exceeding \$10.0 million would also be eliminated.

DEPARTMENT OF LABOR

SECTIONAL ANALYSIS

SENATE BILL NO. 162

"An Act relating to the implementation of the federal emergency unemployment compensation program; making changes relating to unemployment compensation under the extended benefits program and the supplemental state benefits program; and providing for an effective date."

Section 1.

Authorizes the implementation of the federal emergency unemployment compensation program in this state as required under AS 23.20.080(b) for continued state participation in this program.

Specifies that the eligibility standards for the emergency unemployment compensation program are the same as for the existing unemployment compensation extended benefits program as provided for in AS 23.20.406.

Section 2.

Provides that an unemployed individual who cannot qualify for emergency unemployment benefits because of the earnings requirements of AS 23.20.406(1) will be able to receive supplemental state unemployment benefits during a period in which emergency unemployment compensation benefits are being provided in this state and will be able to receive supplemental state benefits under the same conditions as those established for emergency benefits.

Section 3.

Establishes an alternative method that will allow an unemployment benefits claimant to qualify for extended or emergency benefits by incorporating an earnings test that was added as an option in the 1992 version of the federal Emergency Unemployment Compensation Act.

Section 4.

Outlines a second level of benefits that are available during a high unemployment period. Under this provision, Alaskans will be eligible for extended or emergency benefits for a longer period of time when the total unemployment rate equals or exceeds eight percent.

Section 5.

Adds an additional optional "trigger" to allow the state to provide extended unemployment benefits. Under this provision, the state may qualify under more than one set of requirements for the extended unemployment benefit program.

Section 6.

Eliminates the calculations that have been used to determine the "off" indicator and indicates that the "off" trigger occurs whenever the conditions indicating an "on" trigger are not applicable.

Adds a provision that will allow the state to trigger "off" extended benefits in order to pay emergency unemployment compensation.

Section 7.

Sets out the conditions under which the state will be considered to be in a high unemployment period, thereby indicating that a longer duration of unemployment payments may be made to qualified individuals.

Section 8.

Temporarily suspends the more stringent work search and eligibility requirements that have been required under the federal extended benefit program so that Alaska law will conform with new federal requirements. As a result, from March 7, 1993 through December 31, 1994, the same requirements that currently apply to regular unemployment benefits will be applicable to extended benefits or emergency benefits.

Section 9.

Consistent with federal law, repeals the temporary suspension of the more stringent work search and eligibility requirements of the extended benefits program established in Section 8 of this bill. Section 9 is to be effective January 1, 1995.

DEPARTMENT OF LABOR
SECTIONAL ANALYSIS

-3-

Section 10.

Provides for an effective date retroactive to March 7, 1993 for the temporary suspension of the more stringent work search and eligibility requirements of the extended benefits program established in Section 8 of this bill.

Section 11.

Provides for an immediate effective date for the implementation of Sections 8 and 10 of this bill pertaining to the temporary suspension of the more stringent work search and eligibility requirements of the extended benefits program retroactive to March 7, 1993.

Section 12.

Provides for an effective date of July 1, 1993 for Sections 1, 2 and 4 through 7 pertaining to the authorization for the continuation of the federal emergency unemployment compensation program (Sec. 1); to various eligibility standards for claimants for the extended benefits program and the supplemental state benefits program (Sec. 1 and Sec. 2); to additional benefits available during a high unemployment benefits (Sec. 4 and Sec. 7); and to the triggering mechanisms for the state's qualifications to participate in the extended unemployment benefit program (Sec. 5 and Sec. 6).

Section 13.

Provides for an effective date of October 3 for Section 3 pertaining to an alternative method that will allow an unemployment benefits claimant to qualify for extended or emergency benefits.

Section 14.

Provides for an effective date of January 1, 1995 for Section 9 pertaining to the repeal of the temporary suspension of the more stringent work search and eligibility requirements of the extended benefits program established in Section 8 of this bill.

**UNEMPLOYMENT INSURANCE
AT-A-GLANCE**

STATE ELIGIBILITY REQUIREMENTS

\$1,000 in the base period with at least \$100 outside the highest quarter of wages.

Must have worked in at least two quarters.

Able and available for work each week claimant.

**FEDERAL REQUIREMENTS FOR EXTENDED AND EMERGENCY UNEMPLOYMENT
COMPENSATION**

Must have earned 40 times the regular weekly benefit amount or earned 1.5 times the wages during the calendar quarter of the base period in which the wages were the highest.

If living out of state, only two weeks are payable if that state is not paying extended benefits. (EB only)

BENEFITS FOR ALL PROGRAMS

A claimant will qualify for a minimum of \$44 per week to a maximum of \$212 per week.

Dependent's allowance for children under 18 of \$24 per dependent up to three (3) dependents.

REGULAR BENEFITS

The claimant may be eligible for a minimum of 16 weeks to a maximum of 26 weeks during the benefit year.

FUNDING SOURCE

UI Trust Fund
or
Direct billed to
reimbursable employers
(Gov't and non-profits)

EXTENDED BENEFITS

A claimant will be eligible for additional weeks equal to one-half the regular entitlement, or an additional 8-13 weeks.

1/2 UI Trust Fund
and 1/2 Federal Funding
or
100% Direct billed to
reimbursable employers
(Gov't and non-profits)

STATE SUPPLEMENTAL BENEFITS

A state program that pays additional benefits to claimants who do not meet the federal qualifying requirements of extended benefits or emergency unemployment compensation. Benefits are the same as extended benefits or emergency unemployment compensation.

UI Trust Fund
or
Direct billed to
reimbursable employers
(Gov't and non-profit)

EMERGENCY UNEMPLOYMENT COMPENSATION (EUC)

A claimant qualifies for the same number of weeks as regular benefits, less any EB paid.

100% Federal Funding

Initially a claimant must have exhausted regular or extended benefits, or had the benefit year end after 3/1/91 to be eligible.

Department of Labor
March 23, 1993

WALTER J. HICKEL, GOVERNOR

DEPARTMENT OF LABOR

OFFICE OF THE COMMISSIONER

P.O. BOX 21149
JUNEAU, ALASKA 99802-1149
PHONE: (907) 465-2700

FAX: (907) 465-2784

March 31, 1993

The Honorable Drue Pearce
Co-Chair, Finance Committee
Alaska State Senate
State Capitol, Room 508
Juneau, AK 99801-1182

Dear Senator Pearce:

Senate Bill No. 162, which will enable the state to continue its participation in the federal emergency unemployment compensation program and which makes changes relating to unemployment compensation under the extended benefits program and supplemental state benefits program was considered by the Senate Labor & Commerce on March 23, 1993.

The Labor and Commerce Committee did pass the bill out and requested that the Department prepare amendments for the Senate Finance Committee to repeal the provisions of the emergency unemployment compensation program when the federal program expires. Enclosed for your consideration is an amendment to repeal the statutory provisions of the emergency unemployment compensation program at such time as the federal program expires.

Since the federal government pays 100 percent of the benefits under the federal unemployment compensation program as opposed to the 50 percent paid under the state extended benefit program, savings to Alaska's Unemployment Insurance Trust Fund is considerable. However, continued state participation in the program must be approved this legislative session as required by AS 23.20.080(b) enacted in 1992.

In addition, certain amendments to Alaska's unemployment insurance law are required to be consistent with federal law. Therefore, I am requesting that the bill be scheduled for a hearing before the Senate Finance Committee at the earliest possible date.

Thank you for your consideration of my request to schedule Senate Bill No. 162 for a hearing.

Sincerely,

Charles W. Mahlen
Charles W. Mahlen
Commissioner

**See Amend. #1
Adopted 4-13-93
for incorp. in CS (Fin)*

Enclosure

cc: The Honorable Tim Kelly, Chair
Senate Labor & Commerce Committee

BILL NO: SENATE BILL NO. 162

DATE: March 23, 1993

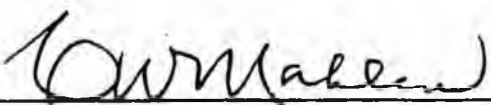
TITLE: Emergency Unemployment Compensation Program **CONTACT:** Arbe Williams
465-2700

Congress first passed the Emergency Unemployment Compensation Act in late 1991. The state has participated in the federal emergency unemployment compensation program under emergency regulations and the provisions of AS 23.20.080(b) enacted in 1992. Under the Emergency Unemployment Compensation program, more than \$50 million has been paid to approximately 40,000 claimants since the program's inception in late 1991. Savings to Alaska's Unemployment Insurance Trust Fund are estimated at \$20 million since the federal government pays 100 percent of the benefits under the federal unemployment compensation program as opposed to the 50 percent paid under the extended benefits program.

Continued state participation in the emergency unemployment benefit program must be approved this legislative session. In addition, certain amendments to Alaska's unemployment insurance law are required to be consistent with federal law. Failure to act can result in the loss of federal administrative funds for unemployment insurance as well as the loss of the Wagner-Peyser grant which funds the public employment service. These grants, plus the department's other employment and training grants total \$29.4 million. Job Training Partnership funds exceeding \$10.0 million would also be eliminated.

The Department supports Senate Bill No. 162 and urges passage this legislative session.

APPROVED:



Charles W. Mahlen, Commissioner

POSITION PAPER/Department of Labor

STATE OF ALASKA

WALTER J. HICKEL, GOVERNOR

DEPARTMENT OF LABOR

OFFICE OF THE COMMISSIONER

P.O. BOX 21149
JUNEAU, ALASKA 99802-1149
PHONE: (907) 465-2700

FAX: (907) 465-2784

March 15, 1993

The Honorable Drue Pearce
Co-Chair, Finance Committee
Alaska State Senate
State Capitol, Room 508
Juneau, AK 99801-1182

Dear Senator Pearce:

Senate Bill No. 162, which will enable the state to continue its participation in the federal emergency unemployment compensation program and which makes changes relating to unemployment compensation under the extended benefits program and supplemental state benefits program was considered by the Senate Labor & Commerce on March 23, 1993. I am requesting that the bill be scheduled for a hearing before the Senate Finance Committee at the earliest possible date.

Under the Emergency Unemployment Compensation program, savings to Alaska's Unemployment Insurance Trust Fund to date are estimated at \$20 million. Continued state participation in the emergency unemployment benefit program must be approved this legislative session.

In addition, certain amendments to Alaska's unemployment insurance law are required to be consistent with federal law. Failure to act can result in the loss of federal administrative funds for unemployment insurance as well as the loss of the Wagner-Feyser grant which funds the public employment service. These grants, plus the department's other employment and training grants total \$29.4 million. Job Training Partnership funds exceeding \$10.0 million would also be eliminated.

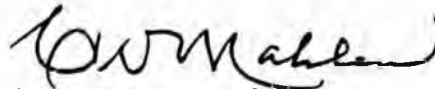
The Honorable Drue Pearce
Page 2

March 23, 1993

A sectional analysis, fiscal note and position paper from the Department of Labor are enclosed for your information. If you would like additional information concerning this legislation, please do not hesitate to contact my Special Assistant, Arbe Williams.

Thank you for your consideration of my request to schedule Senate Bill No. 162 for a hearing.

Sincerely,



Charles W. Mahlen
Commissioner

Enclosures

STATE OF ALASKA

DEPARTMENT OF LABOR

OFFICE OF THE COMMISSIONER

WALTER J. HICKEL, GOVERNOR

P.O. BOX 21149
JUNEAU, ALASKA 99802-1149
PHONE: (907) 465-2700

FAX: (907) 465-2784

March 15, 1993

SB 162 is scheduled
for a hearing in
the L&C on Tuesday,
3/23. Please call
if you have any questions
Ortiz

The Honorable Tim Kelly
Chair, Labor & Commerce Committee
Alaska State Senate
State Capitol, Room 101
Juneau, AK 99801-1182

Dear Senator Kelly:

Senate Bill No. 162, which will enable the state to continue its participation in the federal emergency unemployment compensation program and which makes changes relating to unemployment compensation under the extended benefits program and supplemental state benefits program was introduced and referred to the Senate Labor & Commerce and Finance Committees on March 12, 1993. I am requesting that the bill be scheduled for a hearing before the Senate Labor & Commerce Committee at the earliest possible date.

Congress first passed the Emergency Unemployment Compensation Act in late 1991. The state has participated in the federal emergency unemployment compensation program under emergency regulations and the provisions of AS 23.20.080(b) enacted in 1992. Under the Emergency Unemployment Compensation program, more than \$50 million has been paid to approximately 40,000 claimants since the program's inception in late 1991. Savings to Alaska's Unemployment Insurance Trust Fund are estimated at \$20 million since the federal government pays 100 percent of the benefits under the federal unemployment compensation program as opposed to the 50 percent paid under the state extended benefit program.

Continued state participation in the emergency unemployment benefit program must be approved this legislative session. In addition, certain amendments to Alaska's unemployment insurance law are required to be consistent with federal law. Failure to act can result in the loss of federal

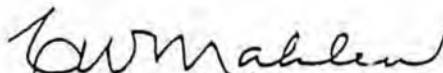
The Honorable Tim Kelly
Page 2

March 15, 1993

administrative funds for unemployment insurance as well as the loss of the Wagner-Peyser grant which funds the public employment service. These grants, plus the department's other employment and training grants total \$29.4 million. Job Training Partnership funds exceeding \$10.0 million would also be eliminated.

A sectional analysis, fiscal note and a copy of the bill are enclosed for your information. If you would like additional information concerning this legislation, please do not hesitate to contact my Special Assistant, Arbe Williams. Thank you for your consideration of my request to schedule Senate Bill No. 162 for a hearing.

Sincerely,


Charles W. Mahlen
Commissioner

Enclosures

WALTER J. HICKEL
GOVERNOR



P. O. Box 110001
Juneau, Alaska 99811-0001
(907) 465-3500

STATE OF ALASKA
OFFICE OF THE GOVERNOR
JUNEAU

March 12, 1993

162

*The Honorable Rick Halford
President of the Senate
Alaska State Legislature
State Capitol
Juneau, AK 99801-1182*

Dear Mr. President:

Under the authority of art. III, sec. 18, of the Alaska Constitution, I am transmitting a bill that will improve the financing of the state's unemployment compensation program and will enable the state to continue its participation in the federal emergency unemployment compensation program.

Section 1 authorizes the implementation of the federal emergency unemployment compensation program in this state as required under AS 23.20.080(b) for continued state participation in this program, and specifies that the eligibility standards for the emergency program are the same as for the existing unemployment compensation extended benefits program (AS 23.20.406).

Section 2 provides that an unemployed individual who cannot qualify for emergency unemployment benefits because of the earnings requirements of AS 23.20.406(l) will be able to receive supplemental state unemployment benefits during a period in which emergency unemployment compensation benefits are being provided in this state and under the same conditions as those established for emergency benefits.

Section 3 establishes an alternative method that will allow an unemployment benefits claimant to qualify for extended benefits by incorporating an earnings test that was added as an option in the 1992 version of the federal Emergency Unemployment Compensation Act (P.L. 102-318). This optional method will benefit approximately 500 Alaskan claimants and will result in unemployment trust fund savings annually of approximately \$150,000 during periods of extended benefits. The October 3, 1993 effective date for sec. 3 coincides with the end of the emergency unemployment compensation program. See sec. 13 of the bill.

*The Honorable Rick Halford
Page 2*

Section 4 outlines a second level of benefits that are available during a "high unemployment period." Under this provision, Alaskans will be eligible for extended or emergency benefits for a longer period of time when the total unemployment rate equals or exceeds eight percent.

Section 5 adds an additional optional "trigger" to allow the state to provide extended unemployment benefits. Under this provision, the state may qualify under more than one set of requirements for the extended unemployment benefit program.

Section 6 eliminates the calculations that have been used to determine the "off" indicator and indicates that the "off" trigger occurs whenever the conditions indicating an "on" trigger are not applicable. This section also adds a provision that will allow the state to trigger "off" extended benefits in order to pay emergency unemployment compensation.

Section 7 sets out the conditions under which the state will be considered to be in a "high unemployment period," thereby indicating that a longer duration of unemployment payments may be made to qualified individuals.

Section 8 temporarily suspends the more stringent work search and eligibility requirements that have been required under the federal extended benefit program so that Alaska law will conform with new federal requirements. As a result, from March 7, 1993 through December 31, 1994, the same requirements that currently apply to regular unemployment benefits will be applicable to extended benefits or emergency benefits.

Sections 9 - 14 are sections that provide that the suspension of certain eligibility requirements will be effective retroactively to March 7, 1993 and that the additional provisions of the bill become effective on July 1, 1993, or October 3, 1993, to allow for an organized transition by the department. Sections 9 and 14 repeal the temporary suspension of eligibility requirements on January 1, 1995, consistent with the federal law.

Sincerely,

A handwritten signature in black ink, appearing to read "Walter J. Hickel". The signature is written in a cursive, flowing style.

*Walter J. Hickel
Governor*

gma

SENATE COMMITTEE REPORT
FIRST COMMITTEE OF REFERRAL

DATE: 3/12/93

FURTHER: FINANCE

Date of 5-Day Notice: 3/18/93
(in accordance with Uniform Rule 23)

DATE TURNED INTO OFFICE: 3/23/93

L&C Committee considered SB 162

"An Act EMERGENCY UNEMPLOYMENT COMPANSATION PROGRAM compensation program, making changes relating to unemployment compensation under the extended benefits program and the supplemental state benefits program; and providing for an effective date."

and recommends:

and a majority of the committee recommends do pass

replace with _____ CS _____

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

attaches amendment(s)

adopts _____ Letter of Intent

further referral to the _____

do pass

do not pass

no recommendation

individual recommendations

phi

FISCAL NOTE INFORMATION

(Doc)

| Department | Date | Zero | Fiscal |
|------------|------|-------------------------------------|------------|
| DOL | 3/9 | <input checked="" type="checkbox"/> | (previous) |
| | | | |
| | | | |
| | | | |
| | | | |

| Department | Date | Zero | Fiscal |
|------------|------|------|--------|
| | | | |
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| | | | |
| | | | |

Appropriation No Fiscal Note

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

DO PASS:

OTHER RECOMMENDATIONS:

Steve Rieger Rieger

Tommy Sharp

J. E. Salo

[Signature]

Tim Kelly - Do Pass

Chair: Signature and Recommendation

SB

163

SFIN

FILE

SENATE FINANCE COMMITTEE REPORT

DATE: 3/19/93

FURTHER:

DATE TURNED INTO OFFICE: 4-15-93

The Finance Committee considered **SENATE BILL NO. 163**

"An Act relating to power cost equalization; and providing for an effective date."

and recommends:

- replace with _____ CS SB 163 (FINANCE)
- or adopt previous _____ CS _____
- attaches amendment(s)

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

adopts _____ Letter of Intent

further referral to the _____

do pass

do not pass

no recommendation

individual recommendations

NEW FISCAL NOTES

| Department | Date | Zero | Fiscal |
|------------|------|------|--------|
| | | | |
| | | | |
| | | | |
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PREVIOUS FISCAL NOTES

| Department | Date | Zero | Fiscal |
|------------|---------|------|---------|
| DC&ED | 3/16/93 | | \$600.0 |
| | | | |
| | | | |
| | | | |
| | | | |
| | | | |

Appropriation No Fiscal Note

DO PASS.

Twin Kelly

George K. Kelly

Thomas P. Kelly

Barry J. Kelly

David D. Kelly

1. _____
 Co-Chair: Signature/Recommendation

OTHER RECOMMENDATIONS:

2. _____
 Co-Chair: Signature/Recommendation

STATE OF ALASKA
1993 LEGISLATIVE SESSION

FISCAL NOTE

No. 1
II Version: SB163
(S) Publish Date: 3-19-93

Revision Date: n/a

Department Affected: Commerce & Economic Development

Title: "An act relating to power cost equalization; and providing for
an effective date."

BRU: Alaska Energy Authority

Component: Power Cost Equalization Grants

Sponsor: The House Finance Committee

Requestor: _____

COMPONENT SERIAL NO.

| | | |
|-----|--|--|
| 965 | | |
|-----|--|--|

EXPENDITURES/REVENUES:

(Thousands of Dollars)

| OPERATING | FY 94 | FY 95 | FY 96 | FY 97 | FY 98 | FY 99 |
|-------------------|-------|-------|-------|-------|-------|-------|
| PERSONAL SERVICES | | | | | | |
| TRAVEL | | | | | | |
| CONTRACTUAL | | | | | | |
| SUPPLIES | | | | | | |
| EQUIPMENT | | | | | | |
| LAND & STRUCTURES | | | | | | |
| GRANTS | 600.0 | 624.0 | 649.0 | 674.9 | 701.9 | 730.0 |
| MISCELLANEOUS | | | | | | |
| TOTAL OPERATING | 600.0 | 624.0 | 649.0 | 674.9 | 701.9 | 730.0 |

| | | | | | | |
|---------|--|--|--|--|--|--|
| CAPITAL | | | | | | |
|---------|--|--|--|--|--|--|

| | | | | | | |
|----------------------|--|--|--|--|--|--|
| REVENUE FUND SOURCE: | | | | | | |
|----------------------|--|--|--|--|--|--|

FUNDING:

(Thousands of Dollars)

| | | | | | | |
|--------------------------|-------|-------|-------|-------|-------|-------|
| 1002 Federal Receipts | | | | | | |
| 1003 GF Match | | | | | | |
| 1004 GF | 600.0 | 624.0 | 649.0 | 674.9 | 701.9 | 730.0 |
| 1005 GF/Program Receipts | | | | | | |
| 1006 GF/MHTIA | | | | | | |
| Other | | | | | | |
| TOTAL | 600.0 | 624.0 | 649.0 | 674.9 | 701.9 | 730.0 |

POSITIONS: N/A

| | | | | | | |
|-----------|--|--|--|--|--|--|
| FULL-TIME | | | | | | |
| PART-TIME | | | | | | |
| TEMPORARY | | | | | | |

Estimate of current year (FY93) impact: \$ none

ANALYSIS: (Attach a separate page if necessary.)

See Attached.

Prepared By: Gloria Manni

Phone: 561-7877

Division: Alaska Energy Authority

Date: 3/16/93

Approved By Commissioner: Paul Fuhs

Agency: Commerce and Economic Development

Date: _____

ANALYSIS: (continued)

The intent of SB163 is to cut the costs of the PCE program effective July 1, 1993. However, the FY94 PCE Grants budget request submitted by the Alaska Energy Authority, as approved by the Board of Directors, in the amount of \$17,920,000 assumes the implementation of the above legislative changes, plus the exclusion of school facilities from PCE credit. Enactment of SB163 would result either in an increase of the PCE Grants budget request in FY94 and following years, or, if the increased cost is not funded, in a pro-rata reduction of PCE rates for all customers to accommodate the unbudgeted requirement for school facilities.

amended 5-15-93

8-LS0825V

CS FOR SENATE BILL NO. 163(FIN)
IN THE LEGISLATURE OF THE STATE OF ALASKA
EIGHTEENTH LEGISLATURE - FIRST SESSION

BY THE SENATE FINANCE COMMITTEE

Offered:
Referred:

Sponsor(s): SENATE FINANCE COMMITTEE

*Delete
in (1)
Palmer
Homer
Seward on p. 2*

A BILL

FOR AN ACT ENTITLED

1 "An Act relating to power cost equalization; and providing for an effective date."

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

3 * ~~Section 1.~~ AS 44.83.162(a) is amended to read:

4 (a) ~~The power cost equalization fund is established as a separate fund for the~~
5 ~~purpose of equalizing power cost per kilowatt-hour statewide at a cost close or equal~~
6 ~~to the mean of the cost per kilowatt-hour in Anchorage, Palmer, Fairbanks, Homer,~~
7 ~~Seward, and Juneau by paying money from the fund to eligible electric utilities in the~~
8 ~~state. The fund shall be administered by the authority as a fund distinct from the other~~
9 ~~funds of the authority. The fund is composed of money appropriated for the purpose~~
10 ~~of providing power cost equalization to eligible electric utilities.~~

11 * Sec. 2. AS 44.83.162(c) is amended to read:

12 (c) An eligible electric utility is entitled to receive power cost equalization for
13 (1) sales of power to local community facilities, calculated in the
14 aggregate for each community served by the electric utility, for actual consumption of

1 not more than 70 kilowatt-hours per month for each resident of the community; and
2 (2) actual consumption of not more than 700 [750] kilowatt-hours per
3 month sold to each customer in all classes served by the electric utility except

4 (A) [TO] customers of the utility under (1) of this subsection;

5 and

6 (B) customers that are state or federal offices or state or
7 federal facilities other than public schools.

8 * Sec. 3. AS 44.83.162(d) is amended to read:

9 (d) The amount of power cost equalization provided per kilowatt-hour under
10 (c) of this section may not exceed 95 percent of the power costs, or the average rate
11 per eligible kilowatt-hour sold, whichever is less, as determined by the commission.

12 However,

13 (1) during the state fiscal year that begins July 1, 1993, [1984] the
14 power costs for which power cost equalization may be paid to an electric utility are
15 limited to minimum power costs of more than 9.82 [8.5] cents per kilowatt-hour and
16 less than 52.5 cents per kilowatt-hour,

17 (2) during each following state fiscal year, the power costs for which
18 power cost equalization may be paid to an electric utility shall be adjusted by the
19 commission, based on the weighted average retail residential rate in Anchorage,
20 Palmer, Fairbanks, Homer, Seward, and Juneau [CONSIDERING THE RATE OF
21 CHANGE IN FUEL COST AND POWER DEMAND]; and

22 (3) the power cost equalization per kilowatt-hour may be determined
23 for a utility without historical kilowatt-hour sales data by using kilowatt hours
24 generated.

25 * Sec. 4. AS 44.83.162(e) is amended to read:

26 (e) An electric utility whose customers receive power cost equalization under
27 this section shall set out in its tariff the rates without the power cost equalization and
28 the amount of power cost equalization per kilowatt-hour sold. The rate charged to the
29 customer shall be the difference between the two amounts. Power cost equalization
30 paid under this section shall be used to reduce the cost of all power sold to local
31 community facilities, in the aggregate, to the extent of 70 kilowatt-hours per month per

1 resident of the community, and to reduce the cost of the first 700 [750] kilowatt-hours
2 per customer per month for all other classes served by the electric utility except state
3 and federal offices and state and federal facilities other than public schools.

4 * Sec. 5. This Act takes effect July 1, 1993.

8-LS0825E
Cramer
4/12/93

CS FOR SENATE BILL NO. 163(FIN)
IN THE LEGISLATURE OF THE STATE OF ALASKA
EIGHTEENTH LEGISLATURE - FIRST SESSION

BY THE SENATE FINANCE COMMITTEE

Offered:
Referred:

Sponsor(s): SENATE FINANCE COMMITTEE

A BILL

FOR AN ACT ENTITLED

1 "An Act relating to power cost equalization; and providing for an effective date."

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

3 * Section 1. AS 44.83.162(c) is amended to read:

4 (c) An eligible electric utility is entitled to receive power cost equalization for

5 (1) sales of power to local community facilities, calculated in the
6 aggregate for each community served by the electric utility, for actual consumption of
7 not more than 70 kilowatt-hours per month for each resident of the community; and

8 (2) actual consumption of not more than 700 [750] kilowatt-hours per
9 month sold to each customer in all classes served by the electric utility except to
10 customers of the utility under (1) of this subsection and customers that are federal
11 offices or federal facilities other than public schools.

12 * Sec. 2. AS 44.83.162(d) is amended to read:

13 (d) The amount of power cost equalization provided per kilowatt-hour under
14 (c) of this section may not exceed 95 percent of the power costs, or the average rate

1 per eligible kilowatt-hour sold, whichever is less, as determined by the commission.
2 However,

3 (1) during the state fiscal year that begins July 1, 1993, [1984] the
4 power costs for which power cost equalization may be paid to an electric utility are
5 limited to minimum power costs of more than 9.82 [8.5] cents per kilowatt-hour and
6 less than 52.5 cents per kilowatt-hour;

7 (2) during each following state fiscal year, the power costs for which
8 power cost equalization may be paid to an electric utility shall be adjusted by the
9 commission, based on the weighted average retail residential rate in Anchorage,
10 Fairbanks, and Juneau [CONSIDERING THE RATE OF CHANGE IN FUEL COST
11 AND POWER DEMAND]; and

12 (3) the power cost equalization per kilowatt-hour may be determined
13 for a utility without historical kilowatt-hour sales data by using kilowatt hours
14 generated.

15 * Sec. 3. AS 44.83.162(e) is amended to read:

16 (e) An electric utility whose customers receive power cost equalization under
17 this section shall set out in its tariff the rates without the power cost equalization and
18 the amount of power cost equalization per kilowatt-hour sold. The rate charged to the
19 customer shall be the difference between the two amounts. Power cost equalization
20 paid under this section shall be used to reduce the cost of all power sold to local
21 community facilities, in the aggregate, to the extent of 70 kilowatt-hours per month per
22 resident of the community, and to reduce the cost of the first 700 [750] kilowatt-hours
23 per customer per month for all other classes served by the electric utility except
24 federal offices and federal facilities other than public schools.

25 * Sec. 4. This Act takes effect July 1, 1993.

8/3/63

State of Alaska
Walter J. Hickel, Governor**Alaska Energy Authority**

A Public Corporation

April 5, 1993

The Honorable Eileen MacLean
Co-Chair, House Finance Committee
Alaska House of Representatives
State Capitol
Juneau, Alaska 99801-1182

Subject: HB216
Power Cost Equalization

Dear Representative MacLean:

Per your request of April 3, 1993, we have computed the respective impact of lowering the monthly level of PCE eligible kwh from 750 to 650 and/or 700 (Att. 1). The computation is based on the ten utilities that have been recently analyzed to compute the effect of other proposed program variances. It resulted that the average number of eligible kwh used by the residential and commercial customers which would be affected by the reduced kwh cap represents a small percentage of the total monthly kwh consumption. Federal and state facilities were excluded from our evaluation.

For example, customers of the Alaska Village Electric Cooperative (AVEC) using more than 650 kwh/mo would have had to pay additional \$2.86 in January 1993, as an average. The same customers would have continued to receive full PCE credit if the cap was lowered to 700 kwh/mo, as the average consumption in the communities served by AVEC was 661 kwh during that peak month. Concurrently, comparable customers of Alaska Power & Telephone in Skagway would have continued to receive full PCE credit, either under the 650 or 700 cap, as the average electrical consumption in January 1993 was 581 kwh.

Please note that because our computations are based on averages they do not reflect the PCE loss to individual customers that may continue to use up to or more than 750 kwh/mo. This kind of usage is usually associated with schools, commercial customers and residential customers in more economically developed areas in rural Alaska.

SENT BY:

: 4- 5-93 ; 16:03, ; AK ENERGY AUTHORITY-

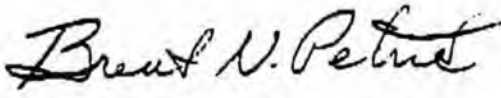
9074633241;# 3

Letter to: Representative Eileen MacLean
Subject: HB216/Power Cost Equalization
April 5, 1993

I will not be available to attend the House Finance Committee scheduled at 1:30 p.m. on Tuesday, April 6, 1993 as I will be traveling to Ketchikan. If you wish Brent Petrie, Gloria Manni, and Herv Hensley of my office could be available by teleconference to respond to questions, if any.

I thank you for the opportunity to provide this information to you.

Sincerely,

for 
Ronald A. Garzini
Executive Director

GM:RAG:ja

cc: The Honorable Ronald L. Larson
Co-Chair, House Finance Committee
Alaska House of Representative

Alaska Energy Authority

Power Cost Equalization Program

Analysis of Average Electrical Consumption over 500/kwh/mo, 650/kwh/mo, 700/kwh/mo and Associated PCE

| January, 1993 | | | | | | | | | | | | |
|-------------------------------------|-----------------------|--|---------------------------------|--------------------------------|--------------------|--|--------------------------------|--------------------|---|---------------------------------|---------------------|---|
| Utility Name (1) | Total Cust. (2) | Res/Comm Cust with load usage over 500* (3) | Kwh Usage over 500 (4) | 500 kwh | | | 650 kwh | | | 700 kwh | | |
| | | | | Average Eligible kwh (5) | PCE Rate (6) | Additional Customer Cost for Peak month (7) | Average Eligible kwh (8) | PCE Rate (9) | Additional Customer Cost for Peak month (10) | Average Eligible kwh (11) | PCE Rate (12) | Additional Customer Cost for Peak month (13) |
| Alaska Power & Telephone | | | | | | | | | | | | |
| Tok | 598 | 290 | 57,356 | 198 | 0.0963 | \$19.05 | 48 | 0.0963 | \$4.60 | ** | 0.0963 | |
| Craig | 671 | 375 | 75,836 | 202 | 0.0643 | \$13.00 | 52 | 0.0643 | \$3.36 | 2 | 0.0643 | \$0.14 |
| Skagway | 479 | 253 | 20,586 | 81 | 0.0397 | \$3.23 | ** | 0.0397 | | ** | 0.0397 | |
| Chistochina | 32 | 12 | 2,267 | 189 | 0.2183 | \$41.24 | 39 | 0.2183 | \$8.50 | ** | 0.2183 | |
| Hollis | 48 | 15 | 2,433 | 162 | 0.0643 | \$10.43 | 12 | 0.0643 | \$0.78 | ** | 0.0643 | |
| Hydaburg | 178 | 93 | 16,922 | 182 | 0.0643 | \$11.70 | 32 | 0.0643 | \$2.05 | ** | 0.0643 | |
| Mentasta | 20 | 1 | 250 | 250 | 0.1634 | \$40.85 | 100 | 0.1634 | \$16.34 | 50 | 0.1634 | \$8.17 |
| Bethes | 55 | 13 | 1,964 | 151 | 0.3248 | \$49.07 | 1 | 0.3248 | \$0.35 | ** | 0.3248 | |
| Naknek | 735 | 316 | 66,797 | 211 | 0.087 | \$18.39 | 61 | 0.087 | \$5.34 | 11 | 0.087 | \$0.99 |
| Kotzebue | 995 | 459 | 96,639 | 211 | 0.0816 | \$17.18 | 61 | 0.0816 | \$4.94 | 11 | 0.0816 | \$0.86 |
| INNEC | 231 | 86 | 13,172 | 153 | 0.2981 | \$45.66 | 3 | 0.2981 | \$0.94 | ** | 0.2981 | |
| Cordova | 1,434 | 572 | 110,427 | 193 | 0.0819 | \$15.81 | 43 | 0.0819 | \$3.53 | ** | 0.0819 | |
| THREA | | | | | | | | | | | | |
| Klawock | 371 | 190 | 37,406 | 197 | 0.1559 | \$30.69 | 47 | 0.1559 | \$7.31 | ** | 0.1559 | |
| Katce | 282 | 174 | 35,838 | 206 | 0.1559 | \$32.11 | 56 | 0.1559 | \$8.73 | 6 | 0.1559 | \$0.93 |
| Angoon | 190 | 106 | 22,374 | 211 | 0.1559 | \$32.91 | 61 | 0.1559 | \$9.52 | 11 | 0.1559 | \$1.73 |
| Hoonah | 331 | 179 | 38,597 | 216 | 0.1559 | \$33.62 | 66 | 0.1559 | \$10.23 | 16 | 0.1559 | \$2.44 |
| Kassan | 36 | 12 | 1,784 | 149 | 0.1559 | \$23.18 | ** | 0.1559 | | ** | 0.1559 | |
| Bethel | 1,874 | 865 | 176,721 | 204 | 0.0992 | \$20.27 | 54 | 0.0992 | \$5.39 | 4 | 0.0992 | \$0.43 |
| Nome | 1,651 | 719 | 144,719 | 201 | 0.0432 | \$8.70 | 51 | 0.0432 | \$2.22 | 1 | 0.0432 | \$0.06 |
| Nushagak | 1,157 | 527 | 110,976 | 211 | 0.0764 | \$16.09 | 61 | 0.0764 | \$4.63 | 11 | 0.0764 | \$0.81 |
| AVEC | 5,141 | 1,343 | 216,565 | 161 | 0.254 | \$40.96 | 11 | 0.254 | \$2.86 | ** | 0.254 | |
| Total | 16,509 | 6,600 | 1,249,629 | | | | | | | | | |

*Excludes State and Federal Facilities.

**Changing the monthly PCE eligible kwh to 650 or 700 will not affect, as an average the electrical customers of this utility. However, on individual basis some customers may experience a higher loss of PCE credit.

| Sample School Consumption: | | | | | |
|-----------------------------------|------------------------------|-------------------------|-------------------------|-----------------------|---------------------------|
| | Kilowatt Consumed | PCE Eligible | Gross Billed | PCE Credit | Net Amount Due |
| Tanana | | | | | |
| September, 1992 | 16494 | 750 | \$6,553.70 | \$128.93 | 1.97% \$6,424.77 |
| January, 1993 | 20486 | 750 | \$7,631.69 | \$135.60 | 1.78% \$7,496.09 |
| Levick | | | | | |
| September, 1992 | 9889 | 750 | \$3,351.51 | \$188.10 | 5.6% \$3,163.41 |
| January, 1993 | 11408 | 750 | \$3,833.79 | \$188.10 | 4.9% \$3,645.69 |

ALASKA ENERGY AUTHORITY
Power Cost Equalization Program
 Analysis of impact of CSHB216 (FIN) Amended, April 12, 1993
 on FY94 PCE Grant Requirements

| | |
|--|----------------------------|
| FY94 PCE Grant Requirements* | \$20,738,159 |
| Estimated Savings (subject to passage of CSHB216 - Amended): | |
| Exclusion of Federal offices/facilities | \$600,000 |
| Reduce residential/commercial customers monthly maximum eligible kwh from 750 to 700 kwh | \$100,000 |
| Increase minimum power cost eligible for PCE (floor) from 8.5¢ to 9.82¢ | <u>\$1,320,000</u> |
| FY94 Revised Grant Requirements | <u>\$18,818,159</u> |
| Less: FY94 PCE Grant Budget Request | <u>\$17,920,000</u> |
| Projected PCE Grant Shortfall | <u>(\$898,159)</u> |

* Per letter dated March 10, 1993 to Representative Eileen MacLean from Ronald A. Garzini, Executive Director.

The current FY94 Grant Budget request excludes state and school offices/facilities from the PCE program. Associated program savings are:

| | |
|--------------------------|-----------|
| State offices/facilities | \$400,000 |
| Schools | \$588,518 |



Alaska Energy Authority

A Public Corporation

April 15, 1993

The Honorable Drue Pearce
Co-Chair
Senate Finance Committee
State Capitol
Juneau, AK 99801-1182

Dear Senator Pearce:

Re: Sectional Analysis - CSSB 163 (FIN)
Work Draft April 12, 1993

Enclosed is our sectional analysis of CSSB 163 (FIN) work draft.

At this time the only additional change that we suggest the committee consider is deleting state offices and facilities, as well as federal offices and facilities, from the program beginning July 1, 1993.

Sincerely,

Ronald A. Garzini
Executive Director

RAG/1vs9298t
041593a
Enclosures

SECTIONAL ANALYSIS

CSSB 163 (FIN) WORK DRAFT

Section 1. This section lowers the total monthly kilowatt hours sold per customer from 750 kwh to 700 kwh. This adjustment reflects a change in the average kwh monthly residential consumption among the five utilities serving Anchorage, Fairbanks, and Juneau since the PCE program began. In 1991, the collective average kwh residential consumption for Anchorage Municipal Light and Power, Chugach Electric Association, Fairbanks Municipal Utilities System, Golden Valley Electric Association, and Alaska Electric Light and Power was 711 kwh per month per residential customer. This amendment is expected to reduce program funding requirements by \$100,000.

This section would also delete federal offices and facilities from eligibility for the PCE program which is expected to reduce program funding requirements by \$600,000.

Section 2. AS 44.83.162(d)(1). Beginning July 1, 1993, this section adjusts the base rate at which eligibility for PCE begins from 8.5 cents per kilowatt hour to 9.82 cents per kilowatt hour. This adjustment is based on the weighted average residential rates at 500 kwh for the five utilities serving Anchorage, Fairbanks, and Juneau as of January 1, 1992 based on calendar year 1991 sales. This amendment is expected to result in a program requirement reduction of \$1,320,000.

AS 44.83.162(d)(2). This section amends language which provides guidance to the Alaska Public Utilities Commission in adjusting the base rate at which PCE becomes eligible. The existing language does not make sense for rate analysis and has caused difficulty in attempting to adjust the eligibility floor for PCE.

Section 3. This is conforming language to be consistent with changes in Section 1.

Section 4. The effective date of this bill would be July 1, 1993.

UPDATE OF URBAN POWER COST RATES
 rates as of January 1, 1992
 other data is total cy1991

| City | Utility | Average residential rate at 500 kWh/month (cents/kWh) | 1991 Residential Sales (MWh) | Weighted Average % | Weighted contribution (cents/kWh) |
|--------------|---------|---|------------------------------|--------------------|-----------------------------------|
| Anchorage | Chugach | 9.2 | 447,929 | 47% | 4.32 |
| Anchorage | AML&P | 9.5 | 148,520 | 16% | 1.48 |
| Fairbanks | GVEA | 11.7 | 202,118 | 21% | 2.48 |
| Fairbanks | FMUS | 10.4 | 25,953 | 3% | 0.28 |
| Juneau | AEL&P | 9.3 | 129,767 | 14% | 1.28 |
| Total | | | 954,285 | 100% | <u>9.82</u> cents/kWh |

| City | Utility | Average cents/kWh for all retail sales (cents/kWh) | 1991 Total Sales (MWh) | Weighted Average % | Weighted contribution (cents/kWh) | percent residential sales |
|--------------|---------|--|------------------------|--------------------|-----------------------------------|---------------------------|
| Anchorage | Chugach | 7.8 | 920,043 | 35% | 2.69 | 49% |
| Anchorage | AML&P | 8.7 | 798,817 | 31% | 2.67 | 19% |
| Fairbanks | GVEA | 7.4 | 470,905 | 18% | 1.34 | 43% |
| Fairbanks | FMUS | 8.9 | 143,504 | 6% | 0.49 | 18% |
| Juneau | AEL&P | 10.5 | 286,487 | 10% | 1.08 | 49% |
| Total | | | 2,599,556 | 100% | <u>8.27</u> cents/kWh | |

| City | Utility | Average annual kWh use by residential customers (kWh/year) | 1991 Residential Sales (MWh) | Weighted Average % | Weighted contribution (kWh/year) |
|--------------|---------|--|------------------------------|--------------------|----------------------------------|
| Anchorage | Chugach | 8,300 | 447,929 | 47% | 3,898 |
| Anchorage | AML&P | 6,328 | 148,520 | 16% | 985 |
| Fairbanks | GVEA | 8,677 | 202,118 | 21% | 1,838 |
| Fairbanks | FMUS | 5,940 | 25,953 | 3% | 162 |
| Juneau | AEL&P | 12,178 | 129,767 | 14% | 1,658 |
| Total | | | 954,285 | 100% | <u>8,536</u> kWh/year |
| | | | | | <u>711</u> kWh/month |

NAKNEK ELECTRIC ASSOCIATION, INC.
P.O. BOX 118
NAKNEK, ALASKA 99633

April 14, 1993

Memo to: Senate Finance Committee
From: Meera Kohler, Gen. Mgr.
Subject: SB 163--Amendments to PCE

My name is Meera Kohler. I am the general manager of Naknek Electric Association, an electric cooperative providing diesel fired electricity to the communities of Naknek, South Naknek and King Salmon.

I am sorry I could not appear in person to testify on SB 163 as I was prepared to do yesterday, but urgent business compels me to return to Anchorage today. I must instead request that my written comments be accepted into the record.

We in the Bush are keenly aware that fiscal constraints dictate that the funding level for Power Cost Equalization be reduced as other vital programs are being concurrently cut back.

I know that you are fully aware of the high cost of living in rural Alaska--in Bristol Bay Borough for example just the cost of food alone for a family of four is over \$2,500 more in a year than for a comparable family in Anchorage or Fairbanks. Our gasoline is 50% higher and our home heating fuel is similarly higher.

In this bleak financial picture, PCE has been a bright spot that has significantly helped our residents to afford their monthly electric bill. PCE represents only 7% of our annual electric revenues at NEA because the vast majority of our energy sales are to businesses and large power users who receive PCE only on the first 750 KWH used. It none the less represents a cost reduction worth about \$500 per member annually. A residential user still pays about \$1,000 annually for electricity, on the average.

Although we would far prefer that the eligible KWH remain at 750 per month, we can live with the reduction to 700. We can also live with a revised floor of 9.82 cents, although we had hoped for that to use no higher than 9.5 cents. We support the exclusion of federal facilities and hope that an amendment will be offered that will eliminate state facilities from eligibility as well. Because a significant portion of public schools' operating expenses are funded locally, we support their retention as PCE eligible facilities.

I urge that you pass this bill for consideration on the floor.

NAKNEK ELECTRIC ASSOCIATION, INC.
P.O. BOX 118
NAKNEK, ALASKA 99633

April 14, 1993

Memo to: Senate Finance Committee
From: Meera Kohler, Gen. Mgr.
Subject: CS SB 106/126--Energy Plan

As Manager of Naknek Electric Association, I would like to express my strongest support for SB 106 and SB 126 and urge that this vital energy legislation be forwarded to the Senate floor for action. The State of Alaska has tried in vain to establish a comprehensive energy plan and now, with the last remaining substantial pool of energy funds, it is finally possible for this legislature to accomplish what many others have failed to do.

With the passage of SB 106, as amended April 14, the backbone interties for the Railbelt can be built, the Sutton-Glennallen intertie can become reality and the Swan and Tyee Lake hydroelectric projects can be linked. In addition, rural Alaska's modified PCE needs can be met for the period during which the small isolated utilities can marshal themselves to meet the future without PCE.

Naknek Electric Association's board of directors has long been on record supporting the building of the interties, and recently, supporting the concept of the AEA restructuring plan. I attach for your consideration a resolution adopted by our board earlier this year. While this resolution is now three months old and the numbers have changed somewhat, the message is unchanged. We wholeheartedly support the concept of this bill and urge you to move it to fruition.



NAKNEK ELECTRIC ASSOCIATION, INC.

POST OFFICE BOX 118 • NAKNEK, ALASKA 99633 • PHONE (907) 246-4261 • FAX (907) 246-6242

RESOLUTION 93-1

A Resolution of the Board of Directors of Naknek Electric Association strongly endorsing the Alaska Energy Authority Restructuring Plan.

WHEREAS, the Alaska Energy Authority was established by the State Legislature in 1976 to construct and administer projects aimed at building the state's energy infrastructure, and

WHEREAS, since its establishment, the AEA has evolved into a multifaceted agency responsible for building and administering rural and urban energy related projects and programs, and

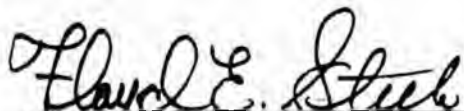
WHEREAS, building the Railbelt Intertie, the Southeast Intertie and the Copper Valley Intertie have been determined to be of critical importance to urban Alaska and Power Cost Equalization, rural technical assistance and small capital projects have been identified by rural Alaska as critical energy programs, and

WHEREAS, the AEA Restructuring Plan, incorporating a beginning balance of \$154.8 million, is projected to meet some of Alaska's energy infrastructure needs for the next twenty years, including the urban interties, and will provide support for Alaska's rural areas as they develop affordable power systems.

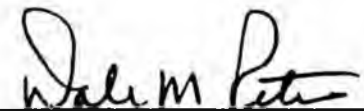
NOW, THEREFORE, BE IT RESOLVED that the Naknek Electric Association Board of Directors applauds the Governor of the State of Alaska and the AEA board of directors for developing a far-reaching plan that provides for Alaska's energy future at minimal expense to future state operating budgets.

BE IT FURTHER RESOLVED that the NEA board of directors strongly urges urban and rural legislators alike to enact into law the AEA Restructuring Plan as presented by the Administration.

PASSED AND APPROVED by the Board of Directors of Naknek Electric Association, Inc. on this 25th day of January, 1993.



President

Attest, 

Secretary

AMENDMENT
CSSB 163 (FIN)

Offered by Senator Jacko

Page 1, line 10, after subsection,

DELETE [and customers that are federal offices or federal facilities other than public schools.]

ADD and customers that are state or federal offices or state or federal facilities other than public schools.

SENATE FINANCE
COMMITTEE ③
Amendment Number: _____
Bill Number: SB 163
Sponsor: _____ Date: 4/15/97
Logged In By: Ben

*not offered
already in CS
see draft
CS(FIN) Evasion*



Official Business

Alaska State Legislature

Senate

Committee on Finance

Pouch V
State Capitol
Juneau, Alaska 99811

SPONSOR STATEMENT

SB 163, AN ACT RELATING TO POWER COST EQUALIZATION

The language in SB 163 is taken from Governor Hickel's proposed restructuring of the Alaska Energy Authority. The changes in the bill are essential if the Legislature is going to be able to fully fund Power Cost Equalization at the Governor's requested level of \$17,920,000. Both Finance Committees have introduced identical bills to make certain the issue is resolved as early as possible this session.

The bill proposes two changes to current statute. First, it excludes from payment-eligibility "customers that are state or federal offices or state or federal facilities other than public schools." Under the proposal, therefore, public facilities will not have the benefit of subsidized power; public schools will retain the subsidy. Secondly, it increases the minimum power cost eligibility from 8.5 cents per KWH to 9.5 cents per KWH.

With the ever-increasing strain on the operating budget, both proposed changes are designed to keep budgetary expenses in check while insuring adequate G.F. funding for PCE.

For FY 94, the Alaska Energy Authority estimates that it would take \$20.7 million to fully fund the existing requirements. Each of the cost-savings above would represent an estimated \$1.0 million savings in general fund dollars.

The Alaska Energy Authority has estimated that the average residential consumer uses 367 KWH per month. The "floor" increase of 1c per KWH represents a monthly increase of \$3.67...or \$44.04 annually. Commercial consumers will see their costs increase an estimated \$4.30 per month...or \$51.60 annually.

The program first received state funding in FY 81...\$2,657,600. This year, the Governor's Budget reflects an appropriation of \$17,920,000.



Alaska Energy Authority

A Public Corporation

March 10, 1993

The Honorable Eileen MacLean
Alaska State Representative
Co-Chair House Finance Committee
State Capitol
Juneau, Alaska 99801-1182

Subject: FY94 Operating Budget Request/Power Cost Equalization Grants

Dear Representative MacLean:

I am pleased to provide the following information on the Power Cost Equalization (PCE) program, in response to your request letter dated March 9, 1993.

- The updated FY94 budget estimate as of today for the full funding of the PCE program is presented below. However, due to the numerous factors affecting use of electricity and the eligible cost of each utility participating to the program, it is difficult to closely project what would be the actual program demand; limited upward or downward adjustments may continue to occur.

FY94 Preliminary Grant Budget Projects as of 3/10/93*

| | |
|--|---------------------|
| FY93 Participating Utilities Requirement of 100% | \$20,204,077 |
| Increased FY94 Rates/Power Sales of | |
| FY93 Participating Utilities | 404,082 |
| New Participating Utilities | 50,000 |
| APUC Regulatory Cost Charges | <u>80,000</u> |
| FY94 PCE Grant Requirements | <u>\$20,738,159</u> |

Estimated Savings (subject to passage of proposed legislation):

| | |
|---------------------------------|-------------------------|
| Federal, State offices | \$ 1,000,000 |
| Schools | 566,516 |
| Increase floor to 9.5 cents** | <u>1,000,000</u> |
| FY94 Revised Grant Requirements | <u>\$18,171,643 (a)</u> |

| | |
|-------------------------------------|---------------------------|
| Less: FY94 PCE Grant Budget Request | <u>\$17,920,000</u> |
| Potential FY94 Shortfall | <u><u>(\$251,643)</u></u> |


Letter to: Representative Eileen MacLean
Subject: FY94 Operating Budget Request/PCE Grants
March 10, 1993

- * Based on FY92 actual program requirements plus budget amounts for those utilities with pending disbursements.
- ** Savings related to residential, commercial customers, and community facilities. It assumes that Federal, State offices and Schools are eliminated from the program.
- o Our best estimate of cost savings due to the removal of state and federal facilities from the program, is about \$1 million. The cost of the schools continued participation in the program is about \$570,000, as presented in the above schedule.
- o Based on the FY91 PCE program statistics report, issued December 1992, the average monthly consumption of residential and commercial customers eligible for PCE is 374 kwh/mo. Community facilities are excluded from this computation.
- o Based on the FY91 PCE program statistics, the average monthly consumption of residential customers eligible for PCE is 367 kwh/mo.
- o If the PCE "floor" is increased to 9.5 cents, the electrical customers, as an average, will incur additional costs as follows:

| <u>Customers</u> | <u>Average Consumption</u> | <u>Cost Increase 1¢/kwh</u> | |
|------------------|----------------------------|-----------------------------|---------------|
| | | <u>Monthly</u> | <u>Annual</u> |
| Residential | 367 kwh/mth | \$3.67 | \$44.04 |
| Commercial | 430 kwh/mth | \$4.30 | \$51.6 |

I appreciate your interest and your support of this program that is essential to insure economic viability of local rural electric utilities. Please call my office at 561-7877 if you have any questions or need additional information.

Sincerely,



Ronald A. Garzini
Executive Director

GM:RAG:tlj

**ELECTRICAL APPLIANCE
KILOWATT HOUR REQUIREMENTS**

5B163

Since the price of electricity for AVEC consumers is higher than that charged in larger cities where it can be produced less expensively, it is always important for members to make every effort to conserve electricity. One of the first things to think about when you plan to purchase an electrical appliance is how much it will affect your monthly AVEC bill.

Most people have a tendency to overlook the hidden cost when they purchase an appliance. AVEC consumers should never do this. Be especially careful when shopping for any appliance that generates heat, as it will use more electricity. Hot water heaters are a prime example. If you have one, consider changing to oil. Electric hot water heaters are not recommended at these rates. Always buy the highest efficiency appliances. Frostless freezers and self-cleaning ovens can use much more electricity than manual models. Do not leave the CB radio on when not essential. Consider a good quality microwave range. They save much electricity for many cooking jobs.

| APPLIANCE | TYPICAL CONSUMPTION* per month | ACTUAL COST** |
|--|-----------------------------------|------------------|
| Electric Hot Water Heater | 351 KWH | \$130.79 |
| Freezer (Frostless 15') | 195 KWH | 72.54 |
| Refrigerator (Frostless) | 182 KWH | 67.70 |
| Sauna Heater, 1,000 Watt (6 hrs. per day) | 180 KWH | 66.96 |
| Heat Tape, 200 Watt (24 hrs. per day) | 144 KWH | 53.57 |
| Refrigerator (Automatic Defrost) | 127 KWH | 47.24 |
| Freezer (Manual Defrost, Upright, 15') | 105 KWH | 39.06 |
| Refrigerator (Manual Defrost) | 104 KWH | 38.69 |
| Electric Range | 100 KWH | 37.20 |
| Small Space Heater, 1,500 Watt (60 hrs. per mo.) | 90 KWH | 33.48 |
| Clothes Dryer | 90 KWH | 33.48 |
| Freezer (Manual Defrost, Chest, 15') | 88 KWH | 32.74 |
| Lights (small home, 800 sq. ft.) | 60 KWH | 22.32 |
| Television (color) | 55 KWH | 20.46 |
| Heat Tape, 75 Watt (24 hrs. per day) | 54 KWH | 20.09 |
| Television (black/white, tube) | 53 KWH | 19.71 |
| Microwave Oven | 16 KWH | 5.95 |
| Electric Fry Pan | 15 KWH | 5.58 |
| Coffee Maker | 10 KWH | 3.72 |
| Hot Plate | 10 KWH | 3.72 |
| Automatic Washing Machine | 9 KWH | 3.48 |
| AM Radio | 7 KWH | 2.60 |
| CB Radio (10 hrs. per day) | 7 KWH | 2.60 |
| Toaster | 5 KWH | 1.86 |

*Variations of up to 50% or more depending on your use patterns.

**Does not reflect fuel surcharge figures.

During the considered fall/winter month, the average residential customer electric power consumption among the selected communities ranges from a minimum of 276 Kwh to a maximum of 682 Kwh per month, with an average consumption of about 430 kwh per month, depending on the community geographic location, level of economic development, available disposable income, etc. This indicates that even in the fall/winter period when energy needs are high, the residential customers usage remains below the PCEP cap of 750 Kwh per month.

For general information and to test the residential customers electrical needs we have summarized, using either state or national standards, the potential components of energy demand for rural lifestyle:

Rural Lifestyle Basic Electric Power Need

Components

| | Kwh | |
|--|----------|---------|
| | Annual | Monthly |
| Lighting | 1560 | |
| Refrigerator (12 cu. ft./manual defr.) | 241 | |
| T.V. Color/Solid State | 440 | |
| Radio/Record Player | 109 | |
| Sewing Machine | 11 | |
| Shop Appliance or Portable Heater | 176 | |
| Coffee Maker or Block Heater | 140 | |
| Humidifier | 163 | |
| | Subtotal | 236 |
| Freezer (15 cu.ft./manual defr.) | 1195 | |
| | Total | 336 |

2.20

Once the residential customers fall/winter energy demand (55%) is adjusted to reflect reduced spring/summer demand (45%), it appears that in a large number of communities the consumption is even below the level of a rural lifestyle basic electric power need.

Please feel free to call me if you have any questions.

GM:kyf

cc: Robert D. Heath, Alaska Power Authority
Susan White, Alaska Power Authority
Gene Dusek, Alaska Power Authority.

5B163

**First Annual
Statistical Report
of the
Power Cost
Equalization Program**

December 15, 1988

**ALASKA POWER AUTHORITY
Robert E. LeRoche
Executive Director**

Table IX

ADJUSTED PROGRAM STATISTICS
POWER COST ASSISTANCE/EQUALIZATION
FY 81 - 88

| | PPCA FY 81 | PCA FY 82 | PCA FY 83 | PCA FY 84 | PCA/PCE FY 85 | PCE FY 86 | PCE FY 87 | PCL FY 88 |
|----------------------------------|---------------|--------------|--------------|--------------|------------------|--------------|--------------|--------------|
| FUNDING | | | | | | | | |
| Appropriations | \$2,657,600 | \$9,300,000 | \$8,300,000 | \$8,300,000 | \$19,100,000 | \$21,700,000 | \$13,840,299 | \$15,067,900 |
| Total Disbursements | \$2,183,168 | \$6,419,408 | \$8,327,152 | \$8,740,820 | \$13,800,868 | \$17,785,390 | \$16,771,338 | \$17,642,895 |
| Disbursements Less CVEA & KEA | \$1,781,104 | \$5,606,201 | \$7,795,705 | \$8,531,713 | \$13,740,030 | \$17,785,390 | \$16,771,338 | \$16,787,586 |
| Disbursements/Customer | \$235 | \$442 | \$476 | \$385 | \$623 | \$766 | \$686 | \$686 |
| PARTICIPATION | | | | | | | | |
| # of Utilities | 13 | 31 | 48 | 61 | 83 | 94 | 97 | 98 |
| Communities Served | 66 | 84 | 112 | 127 | 149 | 162 | 164 | 165 |
| Population Served | NA | 40,488 | 45,969 | 51,435 | 59,007 | 62,042 | 63,025 | 65,886 |
| CUSTOMERS | | | | | | | | |
| Residential & Commercial | 6,982 | 11,930 | 15,579 | 18,057 | 21,106 | 22,175 | 23,372 | 23,401 |
| Community Facilities | 603 | 757 | 739 | 890 | 1,040 | 1,040 | 1,093 | 1,054 |
| Total Customers | 7,585 | 12,687 | 16,318 | 18,946 | 22,146 | 23,215 | 24,465 | 24,455 |
| CONSUMPTION | | | | | | | | |
| Total MWH Generated | 49,389 | 122,743 | 169,244 | 183,968 | 182,065 | 211,553 | 227,909 | 251,540 |
| Total MWH Sold | 50,809 | NA | NA | NA | 160,804 | 225,414 | 242,621 | 256,653 |
| Elig. MWH Resid. & Comrc. | 15,396 | 37,730 | 54,445 | 63,729 | 81,253 | 91,788 | 97,578 | 101,095 |
| Elig. KWH/Month, Resid. & Comrc. | 350 | 341 | 329 | 330 | 357 | 371 | 376 | 396 |
| Elig. MWH Comm. Facil. | 4,521 | 7,717 | 9,487 | 12,305 | 14,193 | 16,551 | 17,014 | 16,685 |
| Elig. KWH/Month, Comm. Facil. | 1,354 | 1,204 | 1,605 | 1,679 | 1,980 | 2,196 | 2,166 | 2,366 |
| Total Elig. MWH | 19,916 | 45,450 | 63,931 | 76,031 | 95,446 | 108,339 | 114,592 | 117,779 |
| Elig. KWH/Month, Total Cust. | 393 | 376 | 369 | 375 | 402 | 421 | 424 | 445 |
| COSTS | | | | | | | | |
| Average Fuel Price (per gallon) | \$1.150 | \$1.279 | \$1.283 | \$1.265 | \$1.172 | \$1.147 | \$0.984 | \$0.970 |
| Fuel Consumed (gallons) | NA | NA | NA | NA | 14,861,722 | 20,994,795 | 20,155,802 | 22,860,328 |
| Total Fuel Costs | NA | NA | NA | NA | \$18,706,253 | \$23,284,918 | \$18,930,252 | \$21,638,546 |
| Total Operating Costs | NA | NA | NA | NA | \$20,179,674 | \$31,707,920 | \$29,053,402 | \$32,003,859 |
| EFFICIENCY RATIOS | | | | | | | | |
| Fuel Efficiency (KWH Sold/Gal.) | NA | NA | NA | NA | 10.6 | 10.7 | 11.0 | 11.2 |
| Operating Costs/KWH Sold | NA | NA | NA | NA | \$0.154 | \$0.140 | \$0.122 | \$0.132 |
| RATES | | | | | | | | |
| Avr. PCA/PCE Amount (\$/KWH) | \$0.089 | \$0.123 | \$0.122 | \$0.112 | \$0.144 | \$0.164 | \$0.146 | \$0.143 |

**STATISTICAL REPORT
of the
POWER COST EQUALIZATION
PROGRAM**

FOURTH EDITION

**FISCAL YEAR 1991
July 1, 1990 - June 30, 1991**

December 1992

ALASKA ENERGY AUTHORITY

**Ronald A. Garzini
Executive Director**

**POWER COST EQUALIZATION PROGRAM
HISTORICAL TRENDS
Fiscal Year 1985 - 1991**

| | Fiscal Year 85 | Fiscal Year 86 | Fiscal Year 87 | Fiscal Year 88 | Fiscal Year 89 | Fiscal Year 90 | Fiscal Year 91 |
|--|-------------------|-------------------|-------------------|-------------------|-------------------|-------------------|-------------------|
| PARTICIPATION | | | | | | | |
| Participating Utilities | 83 | 94 | 97 | 99 | 97 | 96 | 96 |
| Communities Served | 149 | 162 | 164 | 168 | 166 | 165 | 160 |
| Population Served | 59,007 | 62,042 | 63,025 | 66,131 | 66,444 | 68,764 | 67,223 |
| CUSTOMERS | | | | | | | |
| Residential & Commercial | 20,967 | 22,175 | 23,372 | 23,431 | 24,110 | 24,990 | 24,711 |
| Community Facilities | 1,023 | 1,040 | 1,093 | 1,070 | 1,080 | 1,133 | 1,195 |
| Total Customers | 21,990 | 23,215 | 24,465 | 24,501 | 25,190 | 26,123 | 25,906 |
| FUNDING | | | | | | | |
| Appropriations (\$) | \$19,100,000 | \$21,700,000 | \$13,840,299 | \$15,000,000 | \$19,724,000 | \$16,814,000 | \$16,912,100 |
| Disbursements (\$) | \$13,770,449 | \$17,785,390 | \$16,771,338 | \$17,018,680 | \$17,104,631 | \$17,785,256 | \$19,607,435 |
| Disbursements/Customer (\$) | \$636 | \$766 | \$686 | \$695 | \$679 | \$681 | \$757 |
| CONSUMPTION | | | | | | | |
| Total MWH Sold (MWH) | 160,804 | 225,414 | 242,621 | 261,762 | 270,265 | 293,086 | 286,508 |
| PCE Eligible MWH Residential & Commercial | 66,253 | 91,788 | 97,578 | 102,561 | 105,531 | 112,251 | 111,065 |
| PCE Eligible KWH/Month/Cust. Resid & Comm | 348 | 347 | 354 | 367 | 376 | 385 | 379 |
| PCE Eligible MWH Community Facilities | 14,099 | 16,551 | 17,014 | 16,964 | 16,200 | 18,004 | 19,703 |
| Elig. KWH/Month/Capita, Community Facilities | 21.81 | 22.31 | 22.81 | 21.51 | 21.21 | 23.01 | 25.0 |
| Total PCE Eligible MWH (MWH) | 95,353 | 108,339 | 114,592 | 119,525 | 121,732 | 130,255 | 130,768 |
| Eligible KWH/Month/Cust. Total Customers | 390 | 392 | 397 | 409 | 415 | 428 | 427 |
| COSTS | | | | | | | |
| Average Price of Fuel Oil (\$/gallon) | \$1.174 | \$1.170 | \$1.013 | \$0.996 | \$0.874 | \$0.920 | \$1.050 |
| Total Gallons of Fuel Oil Consumed (gallons) | 14,861,722 | 20,994,795 | 20,155,802 | 23,128,769 | 23,124,266 | 24,827,962 | 23,540,785 |
| Total Cost of Fuel Oil (\$) | \$18,706,253 | \$23,284,918 | \$18,930,252 | \$21,948,620 | \$21,154,979 | \$22,865,957 | \$24,631,042 |
| Total Operating Costs (\$) | \$20,179,674 | \$31,707,920 | \$29,053,402 | \$32,415,081 | \$32,058,897 | \$40,998,307 | \$38,058,236 |
| EFFICIENCY RATIOS | | | | | | | |
| KWH Sold per Gallon of fuel oil (kwh/gallon) | 10.6 | 10.7 | 11.0 | 11.3 | 11.7 | 11.8 | 12.2 |
| Operating Expenses per total KWH Sold (\$/kwh) | \$0.154 | \$0.140 | \$0.122 | \$0.124 | \$0.119 | \$0.140 | \$0.133 |
| RATES | | | | | | | |
| Average PCA/PCE per Eligible KWH (\$/kwh) | \$0.156 | \$0.164 | \$0.146 | \$0.143 | \$0.141 | \$0.139 | \$0.150 |

State of Alaska

***Power Cost Equalization
Program Manual***

Alaska Energy Authority

Alaska Public Utilities Commission

January 1990

ENERGY
005172

**POWER COST EQUALIZATION
PROGRAM MANUAL**

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POWER COST EQUALIZATION STATUTES**

**APPENDIX II:
POWER COST EQUALIZATION REGULATIONS
ALASKA ENERGY AUTHORITY
ALASKA PUBLIC UTILITIES COMMISSION**

Throughout this publication the following abbrevia-
tions will be used:

AEAAlaska Energy Authority

APUCAlaska Public Utilities Commission

PCEPower Cost Equalization

kwhKilowatt-hour

INTRODUCTION

The State of Alaska's Power Cost Equalization program has been helping rural electric utility customers by paying part of their electricity costs since 1985. Prior to that time, the Power Production Assistance Program (1980) and the Power Cost Assistance Program (1981) were in effect.

The goal of the PCE program is to provide economic assistance to customers in rural parts of Alaska where, in many instances, the kilowatt-hour charge for electricity can be three to five times higher than the charge in the more urban areas of the State. As an example, in 1989, the following are typical energy rates paid by residential customers in different areas of Alaska:

| | | | |
|------------------|--------|-------------------|---------|
| Anchorage | 7c/kwh | Cold Bay | 37c/kwh |
| Fairbanks | 9c/kwh | Fort Yukon | 44c/kwh |
| Juneau | 8c/kwh | Unalaska | 17c/kwh |

State funds are appropriated by the Legislature for the PCE program each year and are paid to utilities on behalf of eligible customers. During 1989, 103 utilities participate in the program, a number that has remained relatively constant since 1987 (Tables 1 and 2). The cost of this statewide program in FY89 was \$17.6 million which provided assistance to over 24,000 customers living in 170 rural communities.

The Alaska Public Utilities Commission and the Alaska Energy Authority, formerly the Alaska Power Authority, administer PCE. The Alaska Legislature has established functions for each agency by statute; AS 44.83.162-165 governs APUC and AEA program responsibilities. The APUC determines if a utility is eligible to be in the pro-

gram and calculates the amount of PCE per kwh payable to the utility. The AEA determines the eligibility of the community facilities and authorizes payment to the electric utility. The utility is required to reduce each customer's bill by the amount that the State pays for PCE. Appendix I and II are copies of the statute and the regulations governing PCE.

This publication offers a general description of the PCE program. Further information on any aspect of the program is available from the:

Alaska Public Utilities Commission
1016 West Sixth Ave, Ste 400
Anchorage, AK 99501
Telephone: (907) 276-6222

Alaska Energy Authority
P.O. Box 190869
Anchorage, AK 99519-0869
Telephone: (907) 561-7877

5/16
R A P A

Rural Alaska Power Association

LINDA DIANNE RABB
Executive Director

March 24, 1993

P.O. Box 100214
Anchorage, Alaska 99510

(907) 345-5771
Fax (907) 345-5878

To House and Senate members:

The purpose of sharing this information with you is to keep you fully informed of RAPA Board of Directors' position on current legislation being considered by the House and Senate. The Board participated in a teleconference meeting on Friday, March 19, and affirmed their position on four major issues:

1. RAPA cannot support the proposed legislation which would "reorganize" the Alaska Energy Authority (SB 124 and SB 125). RAPA believes there is inadequate emphasis placed energy efficiency and improvements, capital equipment, funding of fuel tank repair and development of alternative energy sources in rural Alaska. Also Power Cost Equalization funding as proposed by SB 124 and SB 125 does not take into account the eroding effects of inflation over the 20-year timeframe in the bills.

Also, the bills--as currently written--heavily infringe on privately-owned businesses operating power systems in Alaska, and on businesses which supply energy planning, engineering, line work and construction of rural power plants.

* 2. The RAPA Board ^{supports} ~~opposes~~ SB 163, which raises the floor to 9.5 cents and discontinues eligibility for federal and state buildings (but leaving schools still being eligible) for PCE. With these adjustments to the program we want to see full funding of the residential program.

3. The Board offers its full support for HB 50, HB 51, SB 106 and SB 126. It is important to develop Alaska's infrastructure. We would like to see more in these bills, including support and funding for the repair and upgrading of our rural power plants around the state. PCE is a vital and necessary program for the survival of our rural communities at this time. However, we would like to see planned funding to upgrade the rural power plants as major state funding is being spent on interties which benefit the urban areas.

4. The alternative we support is to fund the urban projects with a "zero interest" 50-year loan instead of a grant. This, along with some supplemental PCE appropriations over the first few years, would provide money to fund both the urban intertie projects and PCE for 20 years at \$17 million per year, according to financial projections of the Alaska Energy Authority. To this foundation the legislature could consider additional year-to-year appropriations to PCE. At least we would have the \$17 million that we could count on as a base level of funding. The main idea is to keep the money (\$135 million) working as an investment fund to serve the energy needs of all Alaska, not just the Railbelt. The difference between a grant and a loan for the intertie projects is insignificant to an urban area consumer. According to a financial analysis by the Alaska Energy Authority, for an average residential urban area consumer, the difference is less than 1/10th of a cent per KW, or about \$5.00 per household per year. The difference to an AVEC consumer today is that without PCE their electric bill would increase in cost by 24.5 cents per KW, or an average of \$956 per household per year. The difference to AVEC or other rural customers is substantial.

R A P A



Rural Alaska Power Association

COST OF GENERATING ELECTRICITY, PER kwh AROUND ALASKA WITHOUT PCE

Community

Utility's Residential Rate

| | | |
|------------------|------|------------------------------|
| Akhiok | 45.0 | (cents/kwh) |
| Akiachak | 40. | |
| Akiak | 45.0 | FY 1991, Alaska Energy Auth. |
| Akutan | 37.0 | |
| Craig | 17.7 | |
| Hollis | na | |
| Hydaburg | 23.1 | |
| Skagway | 20.6 | |
| Tok | 23.3 | |
| Alakanuk | 40.6 | |
| Ambler | 40.6 | |
| Anvik | 40.6 | |
| Chevak | 40.6 | |
| Eek | 40.6 | |
| Elim | 40.6 | |
| Emmonak | 40.6 | |
| Gambell | 40.6 | |
| Goodnews Bay | 40.6 | |
| Grayling | 40.6 | |
| Holy Cross | 40.6 | |
| Hooper Bay | 40.6 | |
| Huslia | 40.6 | |
| Kaltag | 40.6 | |
| Kiana | 40.6 | |
| Kivalina | 40.6 | |
| Koyuk | 40.6 | |
| Lower Kaliskag | 40.6 | |
| Marshall | 40.6 | |
| Mekoryuk | 40.6 | |
| Minto | 40.6 | |
| Mountain Village | 40.6 | |
| New Stuyahok | 40.6 | |
| Noatak | 40.6 | |
| Noorvik | 40.6 | |
| Nulato | 40.6 | |
| Kasigluk | 40.6 | |
| Old Harbor | 40.6 | |
| Pilot Station | 40.6 | |
| Pitkas Point | 40.6 | |
| Quinhagak | 40.6 | |
| Russian Mission | 40.6 | |
| St. Michael | 40.6 | |
| Saint Mary's | 40.6 | |
| Savoonga | 40.6 | |
| Scammon Bay | 40.6 | |
| Selawik | 40.6 | |
| Shageluk | 40.6 | |
| Shaktoolik | 40.6 | |

CommunityUtility's Residential Rate

| | |
|-----------------|------|
| Shishmaref | 40.6 |
| Shungnak | 40.6 |
| Stebbins | 40.6 |
| Togiak | 40.6 |
| Toksook Bay | 40.6 |
| Tununak | 40.6 |
| Upper Kalskag | 40.6 |
| Wales | 40.6 |
| Allakaket | 60.0 |
| Andreanof | 39.1 |
| Aniak | 43.0 |
| Atmautluak | 46.8 |
| Beaver | 54.9 |
| Bethel | 22.2 |
| Bettles | 52.6 |
| Birch Creek | 60.0 |
| Brevig Mission | na |
| Buckland | 33.0 |
| Chefornak | 40.0 |
| Chignik | 28.0 |
| Chignik Lake | 47.0 |
| Chitina | 44.5 |
| Circle | 48.0 |
| Coffman Cove | 24.0 |
| Cordova | 18.2 |
| Diomedes | 35.0 |
| Eagle | 38.0 |
| Eagle Village | 55.0 |
| Egegik | 50.0 |
| Ekwok | 30.0 |
| Elfin Cove | 24.3 |
| Far North | 47.3 |
| G & K | 36.6 |
| Galena | 28.0 |
| Arctic Village | 70.0 |
| Golovin | 38.0 |
| Gustavus | 55.8 |
| Gwitchyeha Zhee | 31.0 |
| Haines | 16.4 |
| Hughes | 51.0 |
| INN | 45.5 |
| Igiugig | 58.3 |
| Ipnatchiaq | 38.5 |
| King Cove | 20.0 |
| Kipmuk | 35.0 |
| Kobuk | 53.0 |
| Kokhanok | 55.1 |
| Kotlik | 30.0 |
| Kotzebue | 30.5 |
| Kuiggluum | 44.0 |
| Kwig Power | 50.0 |
| Larsen Bay | 40.0 |
| Levelock | 41.2 |
| Manley | 64.9 |

CommunityUtility's Residential Rate

| | |
|-----------------|------|
| McGrath | 35.0 |
| Chauthbaluk | 58.6 |
| Crooked Creek | 58.6 |
| Red Devil | 58.6 |
| Sleetmute | 58.6 |
| Stony River | 58.6 |
| Naknek | 32.0 |
| Napakiak | 49.6 |
| Napaskiak | 59.0 |
| Nelson Lagoon | 42.0 |
| Nikolai | 50.0 |
| Nome | 17.2 |
| Northway | 28.5 |
| Nushagak | 17.9 |
| Ouzinkie | 30.0 |
| Pedro Bay | 60.0 |
| Pelican | 15.1 |
| Perryville | 30.0 |
| Pilot Point | 35.0 |
| Puvurnaq | 50.0 |
| Rampart | 60.0 |
| St. George | 39.5 |
| St. Paul | 34.0 |
| Sand Point | 32.8 |
| Sheldon Point | 50.0 |
| Yakutat | 24.3 |
| Takotna | 48.1 |
| Tanana | 40.6 |
| Teller | 53.8 |
| Tenakee Springs | 34.0 |
| Thorne Bay | 21.0 |
| Angoon | 31.1 |
| Hoonah | 31.1 |
| Kale | 31.1 |
| Kasaan | 31.1 |
| Klawock | 31.1 |
| Tuluksak | na |
| Tuntutuliak | 46.0 |
| Unalakleet | 24.8 |
| Unalaska | 22.4 |
| Ungusraq | 54.0 |
| White Mountain | 34.3 |

* This report is based on a statistical report from the Alaska Energy Authority for the fiscal year 1991, July 1, 1990-June 30, 1991. It is the latest published data. The data does not reflect any assistance the customer may receive to pay their electric bill.

SENATE COMMITTEE REPORT
FIRST COMMITTEE OF REFERRAL

DATE: 3/12/93

FURTHER: FINANCE

Date of 5-Day Notice: 3/18/93
(in accordance with Uniform Rule 23)

DATE TURNED INTO OFFICE: 3/18/93

L&C Committee considered SB 163

"An Act relating to power cost equalization; and providing for an effective date."

& report it back as floor

and recommends:

replace with _____ CS _____

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

attaches amendment(s)

adopts _____ Letter of Intent

further referral to the _____

do pass

do not pass

no recommendation

individual recommendations

FISCAL NOTE INFORMATION

| Department | Date | Zero | Fiscal |
|------------|---------|------|--------|
| DCEV | 3/16/93 | | 600.0 |
| | | | |
| | | | |
| | | | |
| | | | |

| Department | Date | Zero | Fiscal |
|------------|------|------|--------|
| | | | |
| | | | |
| | | | |
| | | | |
| | | | |

Appropriation No Fiscal Note Governor's Bill with Previous Fiscal Notes (enter information above)

DO PASS:

Signed before L&C report adopted 3/19

OTHER RECOMMENDATIONS:

Steve Rizzo No Rec
Judy Sals - No Rec

Twin Kelly - Do Pass
Chair: Signature and Recommendation

SB

165

HFIN

FILE

HOUSE COMMITTEE REPORT

(11)

Date Referred: May 10, 1993

FURTHER REFERRALS:

Date of Committee Action: 5/11/93

The FINANCE Committee considered:

CSSB 165(FIN) am

CS FOR SENATE BILL NO. 165(FIN) am

APPROP: ALYESKA SETTLEMENT FUND

"An Act making an appropriation to the Alyeska Settlement Fund and making appropriations from the Alyeska Settlement Fund; making, amending, and repealing operating and capital appropriations; and providing for an effective date."

RECOMMENDATIONS:

be replaced with HCS CSSB 165(FIN) the same title
 a new title

have attached amendments(s)

do pass

do not pass

no recommendations

individual recommendations

additional referral to the _____ Committee

ADOPTS: _____ letter of Intent

ATTACHES NEW FISCAL NOTE(S): _____ (Dept)

APPROVES PREVIOUS: _____ (Dept/Date)

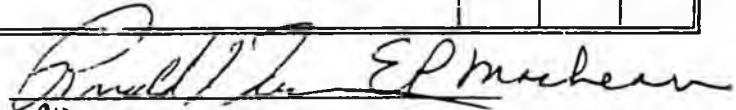
fiscal impact _____

fiscal note(s) _____

zero fiscal note _____

zero fiscal note(s) _____

| SIGNING <u>DO</u> PASS | DP | OTHER RECOMMENDATIONS | DNP | NR | AM |
|---|----|---|-----|----|----|
| <i>Eileen P. Maclean</i> ^{Maclean} | ✓ | | | | |
| <i>Donald Larson</i> ^{Larson} | x | | | | |
| <i>Hoffman</i> ^{Hoffman} | y | <i>Mark Hanley</i> ^{Hanley} | | x | |
| <i>Larry Martin</i> ^{Martin} | x | <i>Dean Harrell</i> ^{Harrell} | | x | |
| <i>Richard [unclear]</i> ^[unclear] | x | <i>Gene Theriault</i> ^{Theriault} | | x | |
| | | <i>Ben Grussendorf</i> ^{Grussendorf} | | x | |
| | | <i>Mike Navarre</i> ^{Navarre} | | | ✓ |
| | | <i>Lay Brown</i> ^{Brown} | | | ✓ |
| | | | | | |
| | | | | | |
| | | | | | |
| | | | | | |


 CO CHAIRMAN'S SIGNATURE
 Larson Maclean

SB

165

SFIN

FILE

SENATE FINANCE COMMITTEE REPORT

DATE: 3/25/93

FURTHER:

DATE TURNED INTO OFFICE: 4-28-93

The Finance Committee considered **SENATE BILL NO. 165**

"An Act making an appropriation to the Alyeska Settlement Fund and making appropriations from the Alyeska Settlement Fund; and providing for an effective date."

and recommends:

replace with CS 5B 165 (FINANCE)
 or adopt previous CS _____
 attaches amendment(s)

same title
 new title
 technical title change
 (HB only)

adopts _____ Letter of Intent

further referral to the _____

do pass

do not pass

no recommendation

individual recommendations

NEW FISCAL NOTES

| Department | Date | Zero | Fiscal |
|------------|------|------|--------|
| | | | |
| | | | |
| | | | |
| | | | |
| | | | |
| | | | |

PREVIOUS FISCAL NOTES

| Department | Date | Zero | Fiscal |
|------------|------|------|--------|
| | | | |
| | | | |
| | | | |
| | | | |
| | | | |
| | | | |

Appropriation No Fiscal Note

DO PASS.

OTHER RECOMMENDATIONS:

Keith Do Not Pass
Tim Kelly - No Rec
Alan - No Rec
Bob - No Rec

1. *Tracy* - No Rec

2. *Frank* - No Rec

Co-Chair: Signature/Recommendation

Co-Chair: Signature/Recommendation

4-28-93
3F
moved
Adopted

AMENDMENT

^{CS}
AMENDMENT TO SENATE BILL NO. 165 (Fin) 8-LS0854\I
FY 94 4-7-93
Utter mobile

IN SENATE FINANCE COMMITTEE

DELETE PAGE 1, LINES 10 - 14 AND PAGE 2, LINES 1 - 12.

INSERT THE FOLLOWING:

*Sec. 2. The sum of \$20,500,000 is appropriated from the Alyeska Settlement Fund to the Department of Transportation and Public Facilities and is allocated for the following projects in the amounts listed:

| PROJECT | ALLOCATION |
|---|--------------|
| Construction of oil spill response equipment storage facilities and docks at Tatitlek and Chenega; acquisition of oil spill response equipment for prepositioning at Tatitlek and Chenega | \$14,500,000 |
| Construction of road from Cordova to Shepard Point; construction of oil spill response equipment storage facilities at Shepard Point; acquisition of oil spill response equipment for prepositioning at Shepard Point | \$6,000,000 |

SENATE FINANCE
COMMITTEE
Amendment Number: SB 165
Bill Number: 1
Sponsor: _____ Date: 4/29/93
Logged In By: [Signature]

4-28-93
Adopted

WORK DRAFT

WORK DRAFT

WORK DRAFT

8-LS0854N
Utermohle
4/7/93

Sen. Pearce

CS FOR SENATE BILL NO. 165()

IN THE LEGISLATURE OF THE STATE OF ALASKA

EIGHTEENTH LEGISLATURE - FIRST SESS. JN

BY

Offered:

Referred:

| | | |
|----------------------|--------------|-------------------|
| Funding Information: | General Fund | \$ -0- |
| | Other Funds | <u>28,200,000</u> |
| | | \$28,200,000 |

Sponsor(s): SENATE FINANCE COMMITTEE

A BILL

FOR AN ACT ENTITLED

1 "An Act making an appropriation to the Alyeska Settlement Fund and making
 2 appropriations from the Alyeska Settlement Fund; and providing for an effective
 3 date."

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

5 * Section 1. The interest of the State of Alaska in payments received by the state for
 6 deposit into the Alyeska Settlement Fund under the Agreement and Consent Decree in IN RE:
 7 The EXXON VALDEZ. United States District Court, District of Alaska. case No. A89-095
 8 Civil (Consolidated)(Re: case No. A92-175 Civil, decree entered November 25, 1992), is
 9 appropriated to the Alyeska Settlement Fund.

10 * Sec. 2. The sum of \$20,500,000 is appropriated from the Alyeska Settlement Fund for
 11 the following purposes and is allocated in the amounts listed:

| PURPOSE | ALLOCATION |
|--|------------|
| 13 (1) Department of Commerce and Economic | |
| 14 Development for payment as a grant | |

WORK DRAFT

WORK DRAFT

WORK DRAFT

1 under AS 37.05.316 to the Chugach
2 Alaska Corporation for construction
3 of oil spill response equipment
4 storage facilities and docks at Tatitlek
5 and Chenega and prepositioning at Tatitlek
6 and Chenega storage facilities oil spill
7 response equipment that may be provided by
8 third parties

\$14,355,000

9 (2) Department of Transportation and Public
10 Facilities for costs of inspection and
11 certification of the facilities and docks
12 constructed under (1) of this appropriation
13 for use by the Alaska marine highway system

145,000

14 (3) Department of Transportation and Public Facilities
15 for construction of a road from Cordova to
16 Shepard Point; construction of oil spill response
17 equipment storage facilities and an oil spill
18 response staging area at Shepard Point; and
19 prepositioning at Shepard Point storage facilities
20 oil spill response equipment that may be provided
21 by third parties

6,000,000.

22 * Sec. 3. The sum of \$7,500,000 is appropriated from the Alyeska Settlement Fund to the
23 Department of Natural Resources for the purchase of the inholdings of the Seldovia Native
24 Association and of the Timber Trading Company, within the Kachemak Bay State Park as
25 identified in the Preliminary Exchange Agreement dated June 30, 1989, as amended as of the
26 effective date of this Act. between the state, the Seldovia Native Association, and the Timber
27 Trading Company; and for the purchase of the inholdings of the Cook Inlet Region, Inc.,
28 within Kachemak Bay State Park.

29 * Sec. 4. The sum of \$200,000 is appropriated from the Alyeska Settlement Fund to the
30 Department of Environmental Conservation for the acquisition and installation of
31 communications equipment at the Valdez Emergency Operations Center.

1 * Sec. 5. In this Act, "Alyeska Settlement Fund" means the trust fund established in the
2 state treasury for the purpose of receiving, holding, and disbursing the settlement proceeds
3 received by the state under the Agreement and Consent Decree in IN RE: The EXXON
4 VALDEZ, United States District Court, District of Alaska, case No. A89-095 Civil
5 (Consolidated)(Re: case No. A92-175 Civil, decree entered November 25, 1992).

6 * Sec. 6. The unexpended and unobligated balance of the appropriation made by sec. 2 of
7 this Act lapses upon completion of the projects for which the appropriation is made, as
8 determined by the departments responsible for completing the projects or administering the
9 grant, as appropriate.

10 * Sec. 7. The appropriations made by secs. 3 and 4 of this Act are for capital projects and
11 lapse under AS 37.25.020.

12 * Sec. 8. This Act takes effect immediately under AS 01.10.070(c).

5-11-93

cc on SB 165

SF Item #1 accept H

\$436.6 Judgment figure A.C.

SF Suit against Coghill

Larson - New total \$1,578,163
 1,436,106 House
 309,8 Senate

AG Weeks ordered 961,000 plus

3 motions ↓

- ① SF re 309 A \$1 million sec. 80
 Larson (1,012,645) new no. Adopted
- ② SF (100.0) or (143) prisoners Adopted
- ③ Sec (60) House of - Approach Adopted

Supplemental/Special/Reappropriations

| SB 165 SEC. # | AGENCY | PROGRAM/PURPOSE | ORIGINAL HOUSE | | | ORIGINAL SENATE | | | NEW HOUSE | | |
|------------------|--------------------|---|----------------------|----------------|----------------|-------------------------|----------------|----------------|-------------------|----------------|----------------|
| | | | HCS CSSB 100(Fin) am | | | CSSB 100 (Fin) am | | | HCS CSSB 165(Fin) | | |
| | | | TOTAL GF | OTHER FUNDS | TOTAL FUNDS | TOTAL GF | OTHER FUNDS | TOTAL FUNDS | TOTAL GF | OTHER FUNDS | TOTAL FUNDS |
| 1 | Statewide | State's share of EVOS settlement to Alyeska Settlement Fund | | | | | | | | | |
| 2 | Transportation/PF | Tatitlek/Chenega oil spill equip storage/docks/equipment | | 14,500.0 | 14,500.0 | Alyeska Settlement Fund | | | | 14,500.0 | 14,500.0 |
| 2 | Transportation/PF | Cordova to Shepard Pt road/Shepard Pt oil spill equip | | 6,000.0 | 6,000.0 | sections in | | | | 6,000.0 | 6,000.0 |
| 3 | Natural Resources | Kachemak Bay State Park purchases | | 7,500.0 | 7,500.0 | CSSB 165(Fin) am | | | | 7,500.0 | 7,500.0 |
| 4 | Environmental Cons | Valdez Emergency Ops Center communications equip | | 200.0 | 200.0 | same as House | | | | 200.0 | 200.0 |
| 5 | Statewide | Defines Alyeska Settlement Fund re: Sec. 1-5 | | | | | | | | | |
| 6-56 | | Reappropriations | | | | | | | | | |
| 57 | University | Dix et al v. University settlement agreement/legal costs | 1,150.0 | | 1,150.0 | 1,150.0 | | 1,150.0 | 1,150.0 | | 1,150.0 |
| 58-59 | | Reappropriations | | | | | | | | | |
| 60 | | Reappropriation / <i>Ship Creek</i> | | | | | | | | | |
| 61-65 | | Reappropriations | | | | | | | | | |
| 66 | Administration | City of King Cove: hydroelectric power project | | | | | | | 500.0 | | 500.0 |
| 67 | Transportation/PF | Marine Highways improvements/overhaul | | | | | | | 4,000.0 | | 4,000.0 |
| 68 | | Reappropriation | | | | | | | | | |
| 69 | Governor | Elections: operating costs - FY93 | 175.0 | | 175.0 | 175.0 | | 175.0 | 175.0 | | 175.0 |
| 70 | Administration | Longevity Bonus Payments | 1,980.7 | | 1,980.7 | 1,980.7 | | 1,980.7 | 1,980.7 | | 1,980.7 |
| 71 | Administration | Public Defender: increased operating costs | 383.0 | | 383.0 | 300.0 | | 300.0 | 342.0 | | 342.0 |
| 72 | Administration | RATNet: operating costs | 200.0 | | 200.0 | 138.4 | | 138.4 | 175.0 | | 175.0 |
| 73 | Administration | Personnel Board: increased operating costs | 90.0 | | 90.0 | 49.0 | | 49.0 | 70.0 | | 70.0 |
| 74 | Administration | Office of Public Advocacy: increased caseload | 616.4 | | 616.4 | 500.0 | | 500.0 | 575.0 | | 575.0 |
| 75 | Administration | EPORS: increased health insurance premiums/recipients | 30.4 | | 30.4 | 30.4 | | 30.4 | 30.4 | | 30.4 |
| 76 | Administration | Leasing Program: additional lease costs | 642.9 | | 642.9 | 642.9 | | 642.9 | 642.9 | | 642.9 |
| 77 | Law | Oil and Gas Litigation | 6,600.0 | 2,200.0 | 8,800.0 | 6,600.0 | 2,200.0 | 8,800.0 | 6,600.0 | 2,200.0 | 8,800.0 |
| 78 | Law | FCC/APUC joint proceedings: telecomm outside counsel | 280.0 | | 280.0 | 280.0 | | 280.0 | 280.0 | | 280.0 |
| 79 | Law | Subsistence law implementation | 35.0 | | 35.0 | 35.0 | | 35.0 | 35.0 | | 35.0 |
| 80 | Law | Judgments/claims | 1,436.6 | | 1,436.6 | 309.8 | | 309.8 | 1,436.6 | | 1,436.6 |
| 81 | Law | New regulations attorney | 28.1 | | 28.1 | 28.1 | | 28.1 | 28.1 | | 28.1 |
| 82 | Law | Prosecution: increased costs | 400.0 | | 400.0 | 400.0 | | 400.0 | 400.0 | | 400.0 |
| 83 | Law | Court ordered costs for plaintiffs: Weiss v. State | 284.5 | | 284.5 | 284.5 | | 284.5 | 284.5 | | 284.5 |
| 84 | Revenue | Revenue Operations: increased audit activities | 275.0 | | 275.0 | 225.0 | | 225.0 | 225.0 | | 225.0 |
| 85 | Education | Foundation Program: increased student enrollment | 4,101.7 | | 4,101.7 | 4,101.7 | | 4,101.7 | 4,101.7 | | 4,101.7 |
| 86 | Education | Postsecondary Education/WAMI: operating costs | 98.5 | | 98.5 | 98.5 | | 98.5 | 98.5 | | 98.5 |

Supplemental/Special/Reappropriations

| SB 165 SEC. # | AGENCY | PROGRAM/PURPOSE | ORIGINAL HOUSE HCS CSSB 100(Fin) am | | | ORIGINAL SENATE CSSB 100 (Fin) am | | | NEW HOUSE HCS CSSB 165(Fin) | | | |
|------------------|------------------------|---|--|---------|----------|--------------------------------------|---------|----------|--------------------------------|---------|----------|--|
| | | | TOTAL | OTHER | TOTAL | TOTAL | OTHER | TOTAL | TOTAL | OTHER | TOTAL | |
| | | | GF | FUNDS | FUNDS | GF | FUNDS | FUNDS | GF | FUNDS | FUNDS | |
| 87 | Education | Ratification/amendment prior year expenditures | | | | | | | | | | |
| 88 | Health/Social Services | AFDC: COLA/caseload increases | 4,203.5 | 4,203.5 | 8,407.0 | 4,203.5 | 4,203.5 | 8,407.0 | 4,203.5 | 4,203.5 | 8,407.0 | |
| 89 | Health/Social Services | Adult Public Assistance: COLA/caseload increases | 1,671.1 | | 1,671.1 | 1,671.1 | | 1,671.1 | 1,671.1 | | 1,671.1 | |
| 90 | Health/Social Services | Medicaid-Facilities | -4,719.2 | | -4,719.2 | -4,719.2 | | -4,719.2 | -4,719.2 | | -4,719.2 | |
| 91 | Health/Social Services | Public Assistance Eligibility Determin: caseload increases | 224.3 | 41.0 | 265.3 | 224.3 | 41.0 | 265.3 | 224.3 | 41.0 | 265.3 | |
| 92 | Health/Social Services | AK Work Programs: child care costs/JOBS caseload | 195.0 | 195.0 | 390.0 | 195.0 | 195.0 | 390.0 | 195.0 | 195.0 | 390.0 | |
| 93 | Health/Social Services | Medical Assistance Claims Processing: increased costs | 187.5 | 562.5 | 750.0 | 187.5 | 562.5 | 750.0 | 187.5 | 562.5 | 750.0 | |
| 94 | Health/Social Services | Foster Care Prog: care provider payments/subsidized adoptions | 1,100.0 | | 1,100.0 | 600.0 | | 600.0 | 1,000.0 | | 1,000.0 | |
| 95 | Health/Social Services | Post Mortem Exams: increased court-ordered autopsies | 200.0 | | 200.0 | 229.6 | | 229.6 | 200.0 | | 200.0 | |
| 96 | Health/Social Services | McLaughlin Youth Center: expanded facility operations | 97.5 | | 97.5 | 97.5 | | 97.5 | 97.5 | | 97.5 | |
| 97 | Health/Social Services | Fairbanks Youth Facility: operating costs | 60.0 | | 60.0 | 60.0 | | 60.0 | 60.0 | | 60.0 | |
| 98 | Health/Social Services | Family and Youth Services Northern Region | -157.5 | | -157.5 | -157.5 | | -157.5 | -157.5 | | -157.5 | |
| 99 | Commerce/Economic Dev | ASMI: overseas marketing federal grant matching funds | 196.3 | | 196.3 | 196.3 | | 196.3 | 196.3 | | 196.3 | |
| 100 | Commerce/Economic Dev | ASMI - extend lapse date | | | | | | | | | | |
| 101 | Natural Resources | Fire Suppression | 6,000.0 | | 6,000.0 | 6,000.0 | | 6,000.0 | 6,000.0 | | 6,000.0 | |
| 102 | Natural Resources | State land selection activities | 391.0 | | 391.0 | 391.0 | | 391.0 | 391.0 | | 391.0 | |
| 103 | Fish/Game | Boards: subsistence law implementation | 492.0 | | 492.0 | 292.2 | | 292.2 | 400.0 | | 400.0 | |
| 104 | Fish/Game | Subsistence: subsistence law implementation | 8.0 | | 8.0 | 8.0 | | 8.0 | 8.0 | | 8.0 | |
| 105 | Fish/Game | Administration: king salmon tag vendor compensation | 84.3 | | 84.3 | 84.3 | | 84.3 | 84.3 | | 84.3 | |
| 106 | Fish/Game | Ratification/amendment prior year expenditures | | | | | | | | | | |
| 107 | Public Safety | GGU civilian employee arbitration settlement | 101.4 | | 101.4 | 101.4 | | 101.4 | 101.4 | | 101.4 | |
| 108 | Public Safety | Civil Air Patrol: aircraft maintenance/operations costs | 125.0 | | 125.0 | 100.0 | | 100.0 | 100.0 | | 100.0 | |
| 109 | Public Safety | Contract Jails: increased operating costs | 690.4 | | 690.4 | 500.0 | | 500.0 | 690.4 | | 690.4 | |
| 110 | Transportation/PF | Arbitrator's decision: on-site construction engineers' overtime | | 539.6 | 539.6 | | 539.6 | 539.6 | | 539.6 | 539.6 | |
| 111 | Transportation/PF | Dalton Hwy/Aviation: snow removal, ice control, maintenance | 1,222.9 | | 1,222.9 | 1,222.9 | | 1,222.9 | 1,222.9 | | 1,222.9 | |
| 112 | Transportation/PF | Ratification of prior year supply/inventory asset accounts | | | | | | | | | | |
| 113 | Transportation/PF | All regions Hwys & Aviation - extend lapse dates | | | | | | | | | | |
| 114 | Transportation/PF | Uncollectible airport landing/leasing revenues; legal costs | 650.0 | | 650.0 | 720.0 | | 720.0 | 720.0 | | 720.0 | |
| 115 | Environmental Cons | Seafood/Sanitation: maintain essential services | 351.2 | | 351.2 | 351.2 | | 351.2 | 351.2 | | 351.2 | |
| 116 | Environmental Cons | Paralytic shellfish poison inspections/support activities | 109.9 | | 109.9 | 109.9 | | 109.9 | 109.9 | | 109.9 | |
| 117 | Environmental Cons | Water Quality Standards Advisory Group costs | 41.4 | | 41.4 | 41.4 | | 41.4 | 41.4 | | 41.4 | |
| 118 | Community/Regional Aff | City and Borough of Yakutat: organizational grant | 300.0 | | 300.0 | 300.0 | | 300.0 | 300.0 | | 300.0 | |

Supplemental/Special/Reappropriations

| SB 165 SEC. # | AGENCY | PROGRAM/PURPOSE | ORIGINAL HOUSE | | | ORIGINAL SENATE | | | NEW HOUSE | | |
|------------------|----------------------------|--|----------------------|----------------|----------------|-------------------|----------------|----------------|-------------------|----------------|----------------|
| | | | HCS CSSB 100(Fin) am | | | CSSB 100 (Fin) am | | | HCS CSSB 165(Fin) | | |
| | | | TOTAL GF | OTHER FUNDS | TOTAL FUNDS | TOTAL GF | OTHER FUNDS | TOTAL FUNDS | TOTAL GF | OTHER FUNDS | TOTAL FUNDS |
| 119 | Community/Regional Aff | Rev Sharing: underpmt Mat-Su/Palmer fire service areas | 25.6 | | 25.6 | 25.6 | | 25.6 | 25.6 | | 25.6 |
| 120 | Corrections | Statewide Operations: allocated operating costs | 5,553.4 | | 5,553.4 | 4,700.0 | | 4,700.0 | 5,553.4 | | 5,553.4 |
| 121 | University | Additional snow removal costs | 275.0 | | 275.0 | 275.0 | | 275.0 | 275.0 | | 275.0 |
| 122 | Alaska Court System | Relieve workload Weiss v. State (mental health trust) | 19.9 | | 19.9 | 19.9 | | 19.9 | 19.9 | | 19.9 |
| 123 | Administration | Miscellaneous claims/stale-dated warrants | 187.5 | | 187.5 | 181.1 | | 181.1 | 187.5 | | 187.5 |
| 123 | Health/Social Services | Miscellaneous claims/stale-dated warrants | 112.9 | | 112.9 | 112.9 | | 112.9 | 112.9 | | 112.9 |
| 123 | Labor | Miscellaneous claims/stale-dated warrants | 0.1 | | 0.1 | 0.1 | | 0.1 | 0.1 | | 0.1 |
| 123 | Public Safety | Miscellaneous claims/stale-dated warrants | 0.1 | | 0.1 | 0.1 | | 0.1 | 0.1 | | 0.1 |
| 123 | Corrections | Miscellaneous claims/stale-dated warrants | 4.0 | | 4.0 | 4.0 | | 4.0 | 4.0 | | 4.0 |
| 123 | Military/Veterans' Affairs | Miscellaneous claims/stale-dated warrants | 1.4 | | 1.4 | 1.4 | | 1.4 | 1.4 | | 1.4 |
| 123 | Transportation/PF | Miscellaneous claims/stale-dated warrants | 55.9 | | 55.9 | 55.9 | | 55.9 | 55.9 | | 55.9 |
| 123 | Fish/Game | Miscellaneous claims/stale-dated warrants | 1.9 | | 1.9 | 1.9 | | 1.9 | 1.9 | | 1.9 |
| 124 | Military/Veterans' Affairs | Veteran's Death Gratuity: additional costs | 90.0 | | 90.0 | | | | 90.0 | | 90.0 |
| 125 | Fish/Game | Offset unrealized federal repts: sport fish access acquisition | | 134.7 | 134.7 | | | | | 134.7 | 134.7 |
| 126 | Natural Resources | State land selection activities: publications, rent, pers svcs costs | 216.0 | | 216.0 | | | | 150.0 | | 150.0 |
| 127 | Law | Conference of Western Attorneys General Fairbanks meeting | 25.0 | | 25.0 | | | | 25.0 | | 25.0 |
| 128 | Natural Resources | Agriculture: Mat Maid buildings contamination cleanup costs | 75.0 | | 75.0 | | | | 75.0 | | 75.0 |
| 129 | Administration | Maniilaq Senior Center underfunding/unanticipated costs | 215.1 | | 215.1 | | | | 215.1 | | 215.1 |
| 130 | Law | Commission/Drug Free America: staff support | 25.0 | | 25.0 | | | | 25.0 | | 25.0 |
| 131 | Community/Regional Aff | Bering Sea Fisherman's Association grant | 15.0 | | 15.0 | | | | 15.0 | | 15.0 |
| 132 | Administration | Anchorage disaster assistance grant: Mt. Spurr ash cleanup | 200.0 | | 200.0 | | | | 200.0 | | 200.0 |
| 133 | Administration | Arbitrator's decision: Anchorage print shop closure | 66.8 | | 66.8 | | | | 66.8 | | 66.8 |
| 134 | Commerce/Economic Dev | Alaska Aerospace Development Corp - extend lapse | | | | | | | | | |
| 135 | Governor | Executive Operations/OMB - extend lapse | | | | | | | | | |
| 136 | Administration | Increase health insurance premiums | | 2,059.0 | 2,059.0 | | | | | 2,059.0 | 2,059.0 |
| 137 | Health/Social Services | Medicaid disproportionate share claims of various hospitals | 2,802.0 | 2,802.0 | 5,604.0 | | | | 2,802.0 | 2,802.0 | 5,604.0 |
| 138(a) | Health/Social Services | Federal Medicaid reimbursement for API to MHPIA | | | | | | | | | |
| 138(b) | Health/Social Services | Legislative intent re: funds for API replacement facility | 23,100.0 | | 23,100.0 | | | | | | |
| 139 | Governor | Elections: Crane v. Coghill, et. al. settlement | 140.0 | | 140.0 | | | | 140.0 | | 140.0 |
| 140 | Public Safety | Computer services costs | 157.5 | | 157.5 | | | | 100.0 | | 100.0 |
| 141 | Corrections | Operation Hope | 1,500.0 | | 1,500.0 | | | | 1,500.0 | | 1,500.0 |
| 142 | Public Safety | Criminal Records/ID: reduce backlogs | 90.6 | | 90.6 | | | | 90.6 | | 90.6 |

Supplemental/Special/Reappropriations

| SB 165 SEC. # | AGENCY | PROGRAM/PURPOSE | ORIGINAL HOUSE HCS CSSB 100(Fin) am | | | ORIGINAL SENATE CSSB 100 (Fin) am | | | NEW HOUSE HCS CSSB 165(Fin) | | |
|------------------|----------------------------|--|--|-----------------|------------------|--------------------------------------|----------------|-----------------|--------------------------------|-----------------|-----------------|
| | | | TOTAL | OTHER | TOTAL | TOTAL | OTHER | TOTAL | TOTAL | OTHER | TOTAL |
| | | | GF | FUNDS | FUNDS | GF | FUNDS | FUNDS | GF | FUNDS | FUNDS |
| 143 | Public Safety | Prisoner Transportation: increased transport costs | 125.0 | | 125.0 | | | | 125.0 | | 125.0 |
| 144 | Community/Regional Aff | JTPA: reimburse federal govt for disallowed grant | 48.5 | | 48.5 | | | | 48.5 | | 48.5 |
| 145 | University | Sitka Campus: Katlian Cooperative Vocational School | 30.0 | | 30.0 | | | | 30.0 | | 30.0 |
| 146 | Governor | Elections: FY94 reapportionment plan implementation | | | | | | | 297.7 | | 297.7 |
| 147 | | Reappropriation | | | | | | | | | |
| 148 | Health/Social Services | HB178 fiscal note: Medicaid options - FY94 | | | | | | | 873.2 | 873.0 | 1,746.2 |
| 149 | Military/Veterans' Affairs | Women in Military Services memorial | | | | | | | 15.0 | | 15.0 |
| 150 | | Reappropriation | | | | | | | | | |
| 151-158 | | Effective/lapse dates | | | | | | | | | |
| | Health/Social Services | Bloodborne Pathogen Prog: implementation/violation citations | 115.3 | | 115.3 | | | | | | |
| | Public Safety | Bloodborne Pathogens: OSHA compliance costs | 100.0 | | 100.0 | | | | | | |
| | Education | Collect'v Barg Agrmt: Centralized Correspondence FY93 | 6.0 | | 6.0 | | | | | | |
| | Education | Collect'v Barg Agrmt: Centralized Correspondence FY94 | 36.3 | | 36.3 | | | | | | |
| | | | | | | | | | | | |
| | TOTAL | | 68,050.5 | 40,937.3 | 108,987.7 | 35,717.1 | 7,741.6 | 43,458.7 | 49,930.9 | 41,810.3 | 91,741.1 |

WALTER J. HICKEL, GOVERNOR

OFFICE OF THE GOVERNOR
OFFICE OF MANAGEMENT AND BUDGET

P.O. BOX 110020
JUNEAU, ALASKA 99811-0020
PHONE: (907) 465-3568
FAX: (907) 465-2090

April 16, 1993

The Honorable Ron Larson
The Honorable Eileen Maclean
Co-Chairs
House Finance Committee
State Capital
Juneau, Alaska 99801-1182

Dear Committee Co-Chairs:

I would appreciate your consideration of the following amendment to a previously amended section in the supplemental legislation currently under consideration by the committee:

Amend the following section of HB 135:

Sec.12. The sum of \$1,436,600[1,309,800] is appropriated from the general fund to the Department of Law to pay judgements and claims against the state for the fiscal year ending June 30, 1993.

Additional documentation in support of this amendment is attached. Should you have additional questions or need further information, please let me know.

Sincerely,


Cheryl Frasca
Director

Attachments

cc: Senator Steve Frank
Senator Drue Pearce

Charlie Cole, Attorney General
Department of Law

MEMORANDUM

State of Alaska
Department of Law

TO: J. Shelby Stastny, Director
Office of Management and Budget

DATE: April 16, 1993

FILE NO.:

TEL. NO.: 465-3600

SUBJECT: FY 93 Judgments Supplemental
Revision #3

FROM:

Charles E. Cole
Charles E. Cole
Attorney General

This is to revise our request of March 23, 1993, for a supplemental appropriation to pay judgments awarded against the state during FY 93. Since that time, the Department of Law has received 7 additional judgments totalling \$126,800. Therefore, our last request for \$309,800 to pay miscellaneous judgments should be increased to \$436,600. The revised list of judgments is attached for your review.

Attachment

Updated 4/16/93

| Judgment | Date of Judgment | Amount | Interest thru 06/30/93 Anticipated | Total | Cumulative Total |
|--------------------------------------|------------------|-----------|------------------------------------|-----------|------------------|
| 1) Flisock v. Retirement & Benefits | | | | | |
| Peter Flisock-Costs: | 5/9/92 | 409.61 | 47.82 | | |
| " "-Fees: | 5/9/92 | 10,303.35 | 1,253.16 | 12,015.94 | 12,015.94 |
| 2) CFEC v. Schefers | | | | | |
| Oswald Schefers | 7/19/90 | 7,065.00 | 2,219.32 | 9,284.32 | 21,300.26 |
| 3) Galt v. ABC Board, SOA | | | | | |
| John Galt | 10/1/92 | 7,500.00 | 595.01 | 8,095.01 | 29,395.27 |
| 4) Sonneman v. Hickel | | | | | |
| Joseph Sonneman-Fees | 8/12/92 | 1,000.00 | 93.92 | | |
| " "-Costs | 10/26/92 | 404.11 | 29.11 | 1,527.14 | 30,922.41 |
| 5) Trustees for AK v. Gorsuch | | | | | |
| Supreme Court-Fees | 11/6/92 | 20,035.50 | 1,379.13 | 21,414.63 | 52,337.04 |
| 6) Ledger v. State | | | | | |
| Estate of Pearl Ledger | 11/30/92 | 10,000.00 | 0.00 | 10,000.00 | 62,337.04 |
| 7) State v. Morry | | | | | |
| Ak Legal Services-Costs | 7/8/92 | 500.00 | 31.06 | | |
| " "-Costs | 8/24/92 | 210.00 | 10.17 | 751.23 | 63,088.27 |
| 8) State v. Morry | | | | | |
| John Starkey-Costs | 7/8/92 | 500.00 | 31.06 | 531.06 | 63,619.33 |
| 9) Shaan-Seet, Inc. v. HRC | | | | | |
| Lloyd Miller-Costs and Fees | 9/27/92 | 20,533.90 | 1,653.00 | 22,186.90 | 85,806.23 |
| 10) Russell/Tesche | | | | | |
| Comp Board/Stephens | 7/1/92 | 1,000.00 | 0.00 | 1,000.00 | 86,806.23 |
| 11) John Starkey | | | | | |
| Kwethluk IRA | 7/22/92 | 685.00 | 20.38 | 705.38 | 87,511.61 |
| 12) Greg Gau | | | | | |
| CSED v. Gau | 7/31/92 | 150.00 | 4.07 | 154.07 | 87,665.68 |
| 13) Trustees for Alaska | | | | | |
| V. Gorsuch-Costs | 11/23/92 | 364.50 | 0.00 | 364.50 | 88,030.18 |
| 14) Trustees for AK v. Gorsuch | | | | | |
| Superior Court-Fees | 12/29/92 | 19,854.00 | 1,059.72 | 20,913.72 | 109,943.90 |
| 15) Flisock v. Retirement & Benefits | | | | | |
| Supreme Court-Costs: | 11/1/91 | 235.00 | 41.61 | | |
| " "-Fees: | 10/2/91 | 750.00 | 139.35 | 1,165.96 | 110,109.86 |

| | | | | | |
|--|----------|------------|----------|------------|------------|
| 16) Blanche Johnson Johnston v. Keller | 1/11/93 | 4,665.65 | 231.34 | 4,896.99 | 115,006.85 |
| 17) Trustees for Alaska Stein v. State | 1/20/93 | 14,049.00 | 659.73 | 14,708.73 | 129,715.58 |
| 18) Joseph Josephson ARLF v. Emery | 12/19/91 | 3,186.00 | 519.46 | 3,705.46 | 133,421.04 |
| 19) Bobby Doisher v. Easter | 12/14/92 | 230.00 | 0.00 | 230.00 | 133,651.04 |
| 20) Ak Legal Services Heffle v. State, DNR | 7/24/92 | 1,772.38 | 176.28 | 1,948.66 | 135,599.70 |
| 21) Cliff Day Enterprises v. State, OPS | 3/4/93 | 3,500.00 | 120.46 | 3,620.46 | 139,220.16 |
| 22) Albert M. Manns State, DCED v. Manns | 2/8/93 | 35,166.41 | 1,456.49 | 36,622.90 | 175,843.06 |
| 23) Ak Legal Services Graybeal v. Mala | 3/22/93 | 10,000.00 | 0.00 | 10,000.00 | 185,843.06 |
| 24) Schendel and Callahan Crane v. Coghill | 3/9/93 | 120,000.00 | 3,955.05 | 123,955.05 | 309,798.11 |
| 25) Kaktovik Inupiat Corp v. State, DOR | 3/16/93 | 18,282.80 | 565.25 | 18,848.05 | 328,646.16 |
| 26) Alaska Legal Services Hart v. Theodore Mala | 2/17/93 | 9,046.04 | 350.91 | 9,396.95 | 338,043.11 |
| 27) Dennis Miller v. State, DOR | 10/9/92 | 1,500.00 | 115.50 | 1,615.50 | 339,658.61 |
| 28) Brooks R. Smith v. DNR | 1/7/92 | 3,474.40 | 547.22 | 4,021.62 | 343,680.23 |
| 29) John Starky Morry & Kwethluk IRA | 12/22/92 | 20,359.76 | 1,128.28 | 21,488.04 | 365,168.27 |
| 30) Ak Legal Services Corp Morry & Kwethluk IRA | 12/22/92 | 29,404.86 | 1,629.54 | 31,034.40 | 396,202.67 |
| 31) Ak Legal Services Corp Bobby v. State | 6/19/91 | 33,205.00 | 7,186.20 | 40,391.20 | 436,593.87 |

MEMORANDUM

| | | | |
|--|--------------|------------|-------------|
| Post-It™ brand fax transmittal memo 7671 | | # of pages | 1 |
| To | JORAN KASSON | From | Dick Pegues |
| Co. | LEG. Fin. | Co. | LAW |
| Dept. | | Phone # | 5-3672 |
| Fax # | 463-4385 | Fax # | 465-5419 |

TO: Richard Pegues
Administrator

FILE:

TEL.NO.: 465-3600

SUBJECT: Attorneys' fees in reapportionment

FROM: Stephen C. Slotnick *Neil*
Assistant Attorney General

Unofficial reapportionment attorneys' fees liability as calculated by plaintiffs pursuant to order of the superior court:

| Party | Attorneys' Fees | Costs |
|----------------------|-------------------|-------------------|
| Dementieff | 61,218.75 | 42,713.62 |
| Democratic Party | 91,046 | 34,479.11 |
| Leavitt | 175,582.41 | 57,315.5 |
| Mat-Su | 213,032.25 | 71,024.98 |
| Southeast Conference | 230,105.8 | 79,553.5 |
| TOTALS | 770,985.21 | 285,086.71 |

GRAND TOTAL: \$ 1,056,071.92 (plus interest to 6/25/92)

Attorneys fees on appeals to date:

| Party | Attorneys Fees |
|----------------------|------------------|
| Democratic Party | 12,380 |
| Southeast Conference | 25,200 |
| Mat-Su | 24,631.25 |
| Leavitt | 23,280 |
| Dementieff | ? |
| TOTAL | 85,491.25 |

TOTAL FEES TO DATE 1,141,563.17 (plus interest)

PLEASE NOTE: FINAL COST/FEES ORDER HAS NOT BEEN ISSUED BY THE COURT. WHEN IT IS, THE STATE WILL HAVE 30-DAYS TO APPEAL. SUPREME COURT COSTS ARE NOT YET KNOWN. RHP 2/04



Alaska State Legislature
House of Representatives
Office of the Chief Clerk

State Capitol, Rm 214
Juneau, AK 99801-1182
(907) 465-3725

Official Business

May 11, 1993

MESSAGE TO THE SENATE

Mr. President:


CONCUR MESSAGE

The House has passed CS SENATE BILL NO. 165(FIN), with the following amendment:

HOUSE CS FOR CS FOR SENATE BILL NO. 165(FIN)

"An Act making an appropriation to the Alyeska Settlement Fund and making appropriations from the Alyeska Settlement Fund; making, amending, and repealing operating and capital appropriations; and providing for an effective date."

and it is transmitted for consideration.


JC Shine, Chief Clerk

Sen. Halford
Sen. Jacko
Sen. Taylor
Sen. _____
(prime sponsor)
Sen. _____
(Chair, last committee)
Sen. Pearce, Co-Ch., Finance
Sen. Frank, Co-Ch., Finance

SENATE FINAL PASSAGE ON
JOURNAL PAGE #: 2298

FISCAL NOTE: _____



TANANA CHIEFS CONFERENCE, INC.

122 FIRST AVENUE
FAIRBANKS, ALASKA 99701-4897
PHONE (907) 452-8251 FAX (907) 451-8939

February 5, 1993

Honorable Fran Ulmer
Alaska State Senate
Pouch V
Juneau, Alaska 99801-1182

Re: Costs and Attorney Fees for Reapportionment

Dear Senator Ulmer:

Your office contacted us regarding TCC's attorney fees and costs associated with the reapportionment litigation. The Legal Department of Tanana Chiefs Conference, Inc. represented the Interior Athabascan Plaintiffs in Demientieff, et. al. v Hickel, et. al., Ak. Sup. Ct. 4 FA-91-1730 (4th. Judicial Dist.) which was consolidated with the other reapportionment cases in Southeast Conference, et. al. v Hickel, Ak. Sup. Ct. 1JU-91- 1608C (1st Judicial Dist.). As you are aware, the Interior Plaintiffs were determined by the Court to be prevailing parties with regard to award of attorney fees, together with the other plaintiffs.

Our adjusted¹ expenses for the trial court activity amounted to \$103,932.37, which includes \$61,218.75 in attorney fees and \$42,713.62 in costs. While we also participated in the appeal before the Alaska Supreme Court, we have not submitted a request for

¹ This amount is adjusted based upon the Superior Court's order disallowing certain expenses from our claim for attorney fees and costs.

attorney fees or costs to the Courts for this work, and do not intend to do so at this time.

We would greatly appreciate your efforts to assist us in recovering our award of attorney fees. If we can be of any further assistance, please feel free to contact us on this matter.

Sincerely,

TANANA CHIEFS CONFERENCE, INC.



Michael J. Waller
General Counsel

cc: Sen. Lincoln



February 5, 1993

Representative Fran Ulmer
Alaska State Capital
Room CCT 601
Juneau, Alaska 99801-1182

Re: Leavitt v. Hickel (Reapportionment Litigation)

Dear Representative Ulmer:

You have asked for the total of reimbursable fees and costs advanced by the Arctic Slope Regional Corporation on behalf of the plaintiffs in Leavitt v. Hickel.

ASRC advanced \$232,455.64 for the trial phase of the litigation, not including amounts disallowed by the Superior Court. ASRC also advanced, and the Leavitt appellees have requested, \$23,280.00 in reimbursable fees at the appellate level. Thus, the total principal amount that our lawyers advice has been awarded, or is likely to be awarded, to the Leavitt plaintiffs in the reapportionment litigation is \$255,735.64.

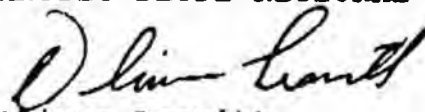
This figure is subject to revision upward if the State appeals the Superior Court's award.

ASRC believes that it is in the best interest of the State to deal with the fee and cost awards during this session, as any final judgment entered by the courts will bear interest at the legal rate of 10.5%.

If I can be of further assistance to you, please call. In the alternative you may contact David C. Crosby in Juneau, who is representing the Leavitt litigants.

Sincerely Yours,

ARCTIC SLOPE REGIONAL CORPORATION



Oliver Leavitt
Vice President

cc: David C. Crosby