

AK LEGISLATURE FINANCE COMMITTEES FILES 2007-2008 3292

**Number of 2007 Year-End Permits by Alaskan Community  
(Ranked by Total Permits)**

CITY	STATE	Resident			Nonresident			Overall		
		Limited Entry	Open Access	Total	Limited Entry	Open Access	Total	Limited Entry	Open Access	Total
SAINT MARYS	AK	75	7	82	0	0	0	75	7	82
MEKORYUK	AK	37	45	82	0	0	0	37	45	82
WARD COVE	AK	63	18	81	0	0	0	63	18	81
PELICAN	AK	45	33	78	2	0	2	47	33	80
NOME	AK	28	45	73	0	0	0	28	45	73
METLAKATLA	AK	56	14	70	0	0	0	56	14	70
EAGLE RIVER	AK	55	14	69	0	0	0	55	14	69
KAKE	AK	51	17	68	0	0	0	51	17	68
SELDOVIA	AK	39	23	62	0	0	0	39	23	62
TUNUNAK	AK	23	37	60	0	0	0	23	37	60
UNALASKA	AK	9	47	56	0	4	4	9	51	60
KLAWOCK	AK	55	4	59	0	0	0	55	4	59
TUNTUTULIAK	AK	55	4	59	0	0	0	55	4	59
NIKISKI	AK	50	7	57	2	0	2	52	7	59
PILOT STATION	AK	56	1	57	0	0	0	56	1	57
HYDABURG	AK	51	6	57	0	0	0	51	6	57
AUKE BAY	AK	38	17	55	1	1	2	39	18	57
OLD HARBOR	AK	37	20	57	0	0	0	37	20	57
GUSTAVUS	AK	34	23	57	0	0	0	34	23	57
CHIGNIK LAGOON	AK	26	26	52	2	2	4	28	28	56
DUTCH HARBOR	AK	8	41	49	0	7	7	8	48	56
KWETHLUK	AK	55	0	55	0	0	0	55	0	55
NINILCHIK	AK	49	6	55	0	0	0	49	6	55
SCAMMON BAY	AK	51	3	54	0	0	0	51	3	54
GIRDWOOD	AK	41	13	54	0	0	0	41	13	54
VALDEZ	AK	35	17	52	1	0	1	36	17	53
NUNAPITCHUK	AK	50	0	50	0	0	0	50	0	50
CHEFORNAK	AK	13	37	50	0	0	0	13	37	50
KIPNUK	AK	21	28	49	0	0	0	21	28	49
EEK	AK	46	2	48	0	0	0	46	2	48
PORT ALEXANDER	AK	21	27	48	0	0	0	21	27	48
CLAM GULCH	AK	31	13	44	3	0	3	34	13	47
GOODNEWS BAY	AK	46	0	46	0	0	0	46	0	46
KING SALMON	AK	39	3	42	3	0	3	42	3	45
THORNE BAY	AK	35	9	44	0	0	0	35	9	44
CHUGIAK	AK	37	5	42	1	0	1	38	5	43
NAPAKIAK	AK	42	0	42	0	0	0	42	0	42
SHAKTOOLIK	AK	37	5	42	0	0	0	37	5	42
HOOPER BAY	AK	34	8	42	0	0	0	34	8	42
DELTA JUNCTION	AK	15	27	42	0	0	0	15	27	42
KASIGLUK	AK	41	0	41	0	0	0	41	0	41
ELFIN COVE	AK	23	17	40	0	0	0	23	17	40

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ELIM	AK	37	2	39	0	0	0	37	2	39
ANGOON	AK	24	15	39	0	0	0	24	15	39
MARSHALL	AK	38	0	38	0	0	0	38	0	38
PORT LIONS	AK	22	16	38	0	0	0	22	16	38
SOUTH NAKNEK	AK	32	0	32	4	0	4	36	0	36
OUZINKIE	AK	15	20	35	0	0	0	15	20	35
NIKOLAEVSK	AK	13	20	33	0	1	1	13	21	34
NIGHTMUTE	AK	16	17	33	0	0	0	16	17	33
NEWTOK	AK	13	20	33	0	0	0	13	20	33
NAPASKIAK	AK	31	1	32	0	0	0	31	1	32
WILLOW	AK	14	17	31	1	0	1	15	17	32
POINT BAKER	AK	25	6	31	0	0	0	25	6	31
STERLING	AK	16	15	31	0	0	0	16	15	31
ALEKNAGIK	AK	28	1	29	0	0	0	28	1	29
NELSON LAGOON	AK	27	2	29	0	0	0	27	2	29
NEW STUYAHOK	AK	25	3	28	0	0	0	25	3	28
TULUKSAK	AK	26	1	27	0	0	0	26	1	27
ATMAUTLUAK	AK	26	0	26	0	0	0	26	0	26
NENANA	AK	25	0	25	0	0	0	25	0	25
NORTH POLE	AK	21	3	24	1	0	1	22	3	25
EGEGIK	AK	19	4	23	2	0	2	21	4	25
AKIAK	AK	23	0	23	0	0	0	23	0	23
SAINT PAUL ISLAND	AK	0	23	23	0	0	0	0	23	23
KWIGILLINGOK	AK	17	5	22	0	0	0	17	5	22
KONGIGANAK	AK	15	7	22	0	0	0	15	7	22
GRAYLING	AK	9	13	22	0	0	0	9	13	22
CHEVAK	AK	14	6	20	0	0	0	14	6	20
EDNA BAY	AK	13	7	20	0	0	0	13	7	20
NUNAM IQUA	AK	12	8	20	0	0	0	12	8	20
CHIGNIK	AK	7	12	19	0	1	1	7	13	20
TENAKEE	AK	15	4	19	0	0	0	15	4	19
FRITZ CREEK	AK	13	6	19	0	0	0	13	6	19
STEBBINS	AK	18	0	18	0	0	0	18	0	18
MEYERS CHUCI	AK	14	4	18	0	0	0	14	4	18
KOLIGANEK	AK	17	0	17	0	0	0	17	0	17
ILIAMNA	AK	16	1	17	0	0	0	16	1	17
TYONEK	AK	16	0	16	0	0	0	16	0	16
RUSSIAN MISSION	AK	15	0	15	0	0	0	15	0	15
PORT HEIDEN	AK	13	2	15	0	0	0	13	2	15
TANANA	AK	14	0	14	0	0	0	14	0	14
PILOT POINT	AK	12	2	14	0	0	0	12	2	14
GALENA	AK	13	0	13	0	0	0	13	0	13

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		Limited Entry	Open Access	Total	Limited Entry	Open Access	Total	Limited Entry	Open Access	Total
GOLOVIN	AK	12	1	13	0	0	0	12	1	13
LARSEN BAY	AK	10	1	11	2	0	2	12	1	13
FALSE PASS	AK	6	7	13	0	0	0	6	7	13
ANIAK	AK	11	1	12	0	0	0	11	1	12
ANVIK	AK	11	1	12	0	0	0	11	1	12
TWIN HILLS	AK	10	2	12	0	0	0	10	2	12
SAVOONGA	AK	0	12	12	0	0	0	0	12	12
CLARKS POINT	AK	11	0	11	0	0	0	11	0	11
KOYUK	AK	11	0	11	0	0	0	11	0	11
NEWHALEN	AK	11	0	11	0	0	0	11	0	11
COPPER CENTER	AK	10	1	11	0	0	0	10	1	11
KALTAG	AK	10	0	10	0	0	0	10	0	10
MANLEY HOT SPRINGS	AK	10	0	10	0	0	0	10	0	10
BIG LAKE	AK	9	0	9	0	0	0	9	0	9
HOLY CROSS	AK	9	0	9	0	0	0	9	0	9
KOKHANOK	AK	9	0	9	0	0	0	9	0	9
NULATO	AK	9	0	9	0	0	0	9	0	9
PLATINUM	AK	9	0	9	0	0	0	9	0	9
PERRYVILLE	AK	7	2	9	0	0	0	7	2	9
HALIBUT COVE	AK	4	5	9	0	0	0	4	5	9
AKUTAN	AK	0	9	9	0	0	0	0	9	9
ATKA	AK	0	9	9	0	0	0	0	9	9
RUBY	AK	8	0	8	0	0	0	8	0	8
SAINT MICHAEL	AK	8	0	8	0	0	0	8	0	8
TALKEETNA	AK	8	0	8	0	0	0	8	0	8
PORT GRAHAM	AK	7	1	8	0	0	0	7	1	8
SUTTON	AK	6	2	8	0	0	0	6	2	8
ADAK	AK	1	7	8	0	0	0	1	7	8
COFFMAN COVE	AK	7	0	7	0	0	0	7	0	7
LEVELOCK	AK	7	0	7	0	0	0	7	0	7
SKAGWAY	AK	6	1	7	0	0	0	6	1	7
HYDER	AK	5	2	7	0	0	0	5	2	7
WHITTIER	AK	2	5	7	0	0	0	2	5	7
AKHIOK	AK	6	0	6	0	0	0	6	0	6
GLENNALLEN	AK	6	0	6	0	0	0	6	0	6
NANWALEK	AK	6	0	6	0	0	0	6	0	6
NOATAK	AK	6	0	6	0	0	0	6	0	6
NONDALTON	AK	6	0	6	0	0	0	6	0	6
SAINT GEORGE ISL	AK	0	6	6	0	0	0	0	6	6
BARROW	AK	5	0	5	0	0	0	5	0	5
CHIGNIK LAKE	AK	5	0	5	0	0	0	5	0	5
TELLER	AK	5	0	5	0	0	0	5	0	5

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		Limited Entry	Open Access	Total	Limited Entry	Open Access	Total	Limited Entry	Open Access	Total
TRAPPER CREEK	AK	5	0	5	0	0	0	5	0	5
UGASHIK	AK	5	0	5	0	0	0	5	0	5
GAKONA	AK	4	1	5	0	0	0	4	1	5
TATITLEK	AK	4	1	5	0	0	0	4	1	5
COLD BAY	AK	3	2	5	0	0	0	3	2	5
COOPER LANDING	AK	4	0	4	0	0	0	4	0	4
SELAWIK	AK	4	0	4	0	0	0	4	0	4
CHIGNIK BAY	AK	3	0	3	0	0	0	3	0	3
CIRCLE CITY	AK	3	0	3	0	0	0	3	0	3
DEERING	AK	3	0	3	0	0	0	3	0	3
EKWOK	AK	3	0	3	0	0	0	3	0	3
FORTUNA LEDGE	AK	3	0	3	0	0	0	3	0	3
IGIUGIG	AK	3	0	3	0	0	0	3	0	3
KALSKAG	AK	3	0	3	0	0	0	3	0	3
KIANA	AK	3	0	3	0	0	0	3	0	3
PEDRO BAY	AK	3	0	3	0	0	0	3	0	3
STEVENS VILLAGE	AK	3	0	3	0	0	0	3	0	3
AMBLER	AK	2	1	3	0	0	0	2	1	3
SHELDON POINT	AK	1	2	3	0	0	0	1	2	3
ALEXANDER CREEK	AK	2	0	2	0	0	0	2	0	2
FORT RICHARDSO	AK	2	0	2	0	0	0	2	0	2
FORT WAINWRIGHT	AK	2	0	2	0	0	0	2	0	2
HEALY	AK	2	0	2	0	0	0	2	0	2
INDIAN	AK	2	0	2	0	0	0	2	0	2
KASAAN	AK	2	0	2	0	0	0	2	0	2
KIVALINA	AK	2	0	2	0	0	0	2	0	2
PORT ALSWORTH	AK	2	0	2	0	0	0	2	0	2
RAMPART	AK	2	0	2	0	0	0	2	0	2
SHISHMAREF	AK	2	0	2	0	0	0	2	0	2
TOK	AK	2	0	2	0	0	0	2	0	2
TWO RIVERS	AK	2	0	2	0	0	0	2	0	2
CENTRAL	AK	1	1	2	0	0	0	1	1	2
CHITINA	AK	1	1	2	0	0	0	1	1	2
SHAGELUK	AK	1	1	2	0	0	0	1	1	2
NIKOLSKI	AK	0	2	2	0	0	0	0	2	2
ATQASUK	AK	1	0	1	0	0	0	1	0	1
BUCKLAND	AK	1	0	1	0	0	0	1	0	1
DOT LAKE	AK	1	0	1	0	0	0	1	0	1
FORT YUKON	AK	1	0	1	0	0	0	1	0	1
HOPE	AK	1	0	1	0	0	0	1	0	1
HOUSTON	AK	1	0	1	0	0	0	1	0	1
HUSLIA	AK	1	0	1	0	0	0	1	0	1

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		Limited Entry	Open Access	Total	Limited Entry	Open Access	Total	Limited Entry	Open Access	Total
LOWER KALSKAG	AK	1	0	1	0	0	0	1	0	1
MOOSE PASS	AK	1	0	1	0	0	0	1	0	1
NAUKATI BAY	AK	1	0	1	0	0	0	1	0	1
NIKISHKA	AK	1	0	1	0	0	0	1	0	1
NOORVIK	AK	1	0	1	0	0	0	1	0	1
OSCARVILLE	AK	1	0	1	0	0	0	1	0	1
PITKAS POINT	AK	1	0	1	0	0	0	1	0	1
POINT LAY	AK	1	0	1	0	0	0	1	0	1
SALCHA	AK	1	0	1	0	0	0	1	0	1
SLEETMUTE	AK	1	0	1	0	0	0	1	0	1
UPPER KA'ISKAG	AK	1	0	1	0	0	0	1	0	1
WHITE MOUNTAIN	AK	1	0	1	0	0	0	1	0	1
WISEMAN	AK	1	0	1	0	0	0	1	0	1
CHINIAK	AK	0	1	1	0	0	0	0	1	1
DENALI PARK	AK	0	1	1	0	0	0	0	1	1
PRUDHOE BAY	AK	0	1	1	0	0	0	0	1	1
<b>Alaskan Subtotal</b>		<b>11,213</b>	<b>4,529</b>	<b>15,742</b>	<b>147</b>	<b>68</b>	<b>215</b>	<b>11,360</b>	<b>4,597</b>	<b>15,957</b>
<b>Non-Alaskan Community</b>		<b>73</b>	<b>41</b>	<b>114</b>	<b>3,183</b>	<b>1,352</b>	<b>4,535</b>	<b>3,256</b>	<b>1,393</b>	<b>4,649</b>
<b>Grand Total</b>		<b>11,286</b>	<b>4,570</b>	<b>15,856</b>	<b>3,330</b>	<b>1,420</b>	<b>4,750</b>	<b>14,616</b>	<b>5,990</b>	<b>20,606</b>

Source: CFEC permit file

Note: This table reflects year-end 2007 permit information for permanent and interim-use permits in limited fisheries, and interim-use permits in open access fisheries. Educational, hatchery, test, reservation, and permits foreclosed upon and held by the Department of Commerce, Community & Economic Development, Division of Investments are not included.

Note: Residency reflects the declared residency of the permit holder at the time the permit was applied for or renewed.

Note: The city and state reflect the permanent mailing address of the permit holder at the time the permit was applied for or renewed. The Non-Alaskan community totals reflect permit holders whose permanent mailing address was not Alaska.

Note: The totals indicated here may not match totals presented on the CFEC website ([www.cfec.state.ak.us](http://www.cfec.state.ak.us)) due to slight differences in programming selection criteria. This table includes 2007 halibut permits

NEWS FROM THE OFFICE OF

SENATOR LISA MURKOWSKI

*United States Senate*



**SENATOR MURKOWSKI INTRODUCES LEGISLATION TO HELP COMMERCIAL FISHERMEN WITH EXCESSIVE FUEL COSTS**

Thursday, June 26, 2008

WASHINGTON, D.C. - Sen. Lisa Murkowski, R-Alaska, today introduced legislation that would provide commercial fishermen a temporary income tax credit to help them offset the high cost of fuel.

"My office has received a petition signed by more than 1,700 Alaskans asking Congress to help provide commercial fishermen with emergency relief from high fuel prices," Murkowski said. "The Fisheries Fuel Tax Relief Act of 2008, which I introduced today along with Sen. Ted Stevens as an original co-sponsor, would go a long way toward helping our fishermen out in these dire economic times."

The tax credit would be based on the difference between the price of fuel on Labor Day 2004, adjusted for inflation, and prices paid this year. The excessive fuel costs would be an additional deduction for an eligible taxpayer, and the tax credit would be applicable for a two-year period following enactment of the legislation.

"Diesel fuel prices in Alaska and across the nation have increased more than 50 percent over the past year," Murkowski said. "Some fishermen are reporting that they are now spending up to 70 percent of their income for fuel."

Senator Ted Stevens said: "Soaring fuel costs have dramatically impacted Alaska's commercial fishermen. As I travel around the state, many people have told me that they can no longer afford to fuel their boats and cannot earn a living. This is having an unfortunate effect on Alaska's families that depend on fishing as their only income. It also hurts our nation, because our seafood fills Americans' freezers from coast to coast. Something must be done now. I am pleased to join Senator Murkowski in introducing this bill that will provide much needed relief for our commercial fishermen, and I urge Congress to pass it as quickly as possible."

Murkowski said that high fuel prices are having a "devastating impact" on the commercial fishing industry because fishermen don't have the option of passing the cost of fuel on to customers, turning to alternative modes of transportation or selling their product for a higher price.

"Fish prices, in most cases, are set by the seafood processing sector and are tied to prices in the global seafood market," Murkowski said.

Murkowski said that fishermen all over the country are staying tied to the dock, unable to make enough money from their catch to pay for fuel.

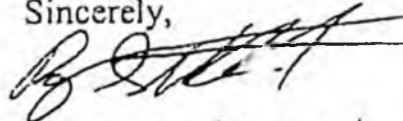
"In Gloucester and Biloxi, Key West and Honolulu, Point Judith and Kodiak, fishermen simply can't afford to go fishing," she said. "And some U.S. vessels are running all the way from the Gulf of Mexico and California to Mexico to buy fuel. When fishermen can't go fishing, they can't make their boat and permit payments. Many are simply going out of business.

"Since more than 80 percent of the seafood Americans eat is imported, we simply can't afford for this to happen. We must try to help the fishing industry weather this storm. I believe this legislation will help us do that."

May 9, 2008

We would like to make you aware of our petition to help commercial fishermen with high fuel costs. We've started getting signatures in Petersburg with plans to expand our efforts. We would appreciate any help you can provide on this issue. Please contact us, we would like to share our ideas with you.

Sincerely,



Sara M. Stoner

Ray and Sara Stoner  
P.O. Box 394  
Petersburg, Alaska 99833  
907-209-3095

CC:

Senator Ted Stevens  
Senator Lisa Murkowski c/o Arni Fuglvog  
US Representative Don Young  
Governor Sarah Palin  
Senator Bert Stedman  
Representative Peggy Wilson



80/82/F  
7/28/08

# The Airport's Economic Impact.....18,434 Jobs

10,222  
Airport Jobs



8,212  
Community  
Jobs

One in eight jobs in Anchorage

About \$562 million in direct annual payroll

Another \$288 million in annual payroll for community jobs

Source: Institute of Social and Economic Research, University of Alaska Anchorage, September 2007.

**HB**

**4005**

**HFIN**

**FILE**

*conceptual amended* adopted 6/4 8/4/08

25-LS1757L  
Kane  
8/4/08

#3  
adopted CS FOR HOUSE BILL NO. 4005(FIN)  
IN THE LEGISLATURE OF THE STATE OF ALASKA  
TWENTY-FIFTH LEGISLATURE - FOURTH SPECIAL SESSION

BY THE HOUSE FINANCE COMMITTEE

Offered:  
Referred:

Sponsor(s): HOUSE FINANCE COMMITTEE

*2 amendments adopted*  
*#1, #3*

**A BILL**

**FOR AN ACT ENTITLED**

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

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

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

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

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

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

12 \* Sec. 2. AS 42.45.250(e) is amended to read:

13 (c) Loans made from the bulk fuel revolving loan fund to one borrower in any

1 fiscal year

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

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

9 (3) may not exceed 90 percent of the wholesale price of the fuel  
10 purchased.

11 \* Sec. 3. Sections 9 and 11, ch. 31, SLA 2008, are repealed.

12 \* Sec. 4. The uncodified law of the State of Alaska is amended by adding a new section to  
13 read:

14 ALASKA RESOURCE REBATES. (a) To provide residents of the state with an  
15 Alaska resource rebate, the amount of the 2008 permanent fund dividend shall be increased.  
16 After calculating the amount of the 2008 dividend under AS 43.23.025, the commissioner of  
17 revenue shall add \$1,200 to determine the total amount of that dividend.

18 (b) Subject to appropriation, the amount necessary to increase 2008 permanent fund  
19 dividends under (a) of this section shall be transferred from the general fund to the dividend  
20 fund (AS 43.23.045).

21 (c) When issuing checks or pay warrants associated with a direct deposit to residents  
22 receiving a permanent fund dividend, the commissioner of revenue shall include the following  
23 statement: "The resource rebate is a one-time payment to qualified Alaskans."

24 (d) An individual may elect not to receive the \$1,200 resource rebate authorized under  
25 (a) of this section. An individual who elects not to receive the \$1,200 resource rebate  
26 authorized under (a) of this section may provide notice of the election on a form provided by  
27 the Department of Revenue. Notice must be postmarked or received by the Department of  
28 Revenue not later than September 2, 2008.

29 (e) Notwithstanding any contrary provision of law, an individual who did not apply  
30 for the 2008 permanent fund dividend and is eligible for veterans' benefits under 38 U.S.C.  
31 1315, 1513, 1521, 1541, and 1542 may apply for a \$1,200 Alaska resource rebate payment for

1 2008. The veteran or the spouse or dependent of a living or deceased veteran must apply to  
2 the Department of Revenue not later than October 1, 2008, and demonstrate that the  
3 individual would have been eligible to receive a 2008 permanent fund dividend under  
4 AS 43.23, except for not having applied for the 2008 permanent fund dividend previously.

5 (f) The veteran or the spouse or dependent of a living or deceased veteran who is  
6 denied or receives reduced payments or reduced health care benefits solely because the  
7 \$1,000 payment under this section received by the individual is counted as income is eligible  
8 for benefits under AS 47.25.120 - 47.25.300. Notwithstanding the limit in AS 47.25.130, the  
9 veteran or the spouse or dependent of a living or deceased veteran is entitled to receive the  
10 same amount as the individual would have received under 38 U.S.C. 1315, 1513, 1521, 1541,  
11 and 1542 had a \$1,200 payment not been received under this section.

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

14 SUSPENSION OF THE MOTOR FUEL TAX. (a) Notwithstanding any other  
15 provision of law, the motor fuel tax imposed under AS 43.40.010 is suspended and may not  
16 be collected for a period beginning September 1, 2008, and ending June 30, 2011.

17 (b) Every person subject to AS 43.40.010(c) in the fiscal year that precedes the  
18 suspension established in (a) of this section shall submit a monthly report, under penalty of  
19 unsworn falsification, on a form or in a format prescribed by the Department of Revenue  
20 showing all sales or transfers of gasoline, diesel, and aviation fuel during the month. The  
21 department may require that invoices be attached to the report supporting all sales and  
22 transfers of gasoline, diesel, and aviation fuel in the state. The report is due to the Department  
23 of Revenue on the last day of the month following the month in which sales or transfers of  
24 gasoline, diesel, or aviation fuel were made. The Department of Revenue may assess a penalty  
25 of up to \$5,000 against any person that fails to file a monthly report or provide the supporting  
26 invoices as required by this subsection.

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

29 \* Sec. 6. Section 5(a) of this Act is repealed June 30, 2011.

30 \* Sec. 7. Sections 3 and 4 of this Act take effect immediately under AS 01.10.070(c).

31 \* Sec. 8. Section 5 of this Act takes effect September 1, 2008.

8/4/04

adopted M/0

CONCEPTUAL AMENDMENT |

OFFERED IN THE HOUSE  
TO: CSHB 4005(FIN), Draft Version "L."

BY REPRESENTATIVE MEYER

Page 3, line 7

Delete "\$1,000"

Insert "\$1,200"

8/4/08

25-LS1757\M.4  
Bullard/Kane  
8/4/08

withdrawn

AMENDMENT 2

OFFERED IN THE HOUSE

BY REPRESENTATIVE KELLY

TO: CSHB 4005(FIN), Draft Version "M"

1 Page 1, line 1, following "An Act":

2 Insert "amending the Alaska energy efficient home grant fund;"

3

4 Page 1, following line 10:

5 Insert a new bill section to read:

6 \*\* Section 1. AS 18.56.410(b) is amended to read:

7 (b) Subject to appropriation, the corporation may grant funds from the Alaska  
8 energy efficient home grant fund to

9 (1) agencies of the state or federal government, individuals, or  
10 businesses that retrofit existing single family dwellings or build new single family  
11 dwellings that meet criteria adopted by the corporation;

12 (2) individuals who are installing in dwellings wood, wood-pellet, or  
13 barley-fired stoves, or other energy efficient heating systems that meet criteria  
14 adopted by the corporation; and

15 (3) individuals who are installing in dwellings solar or other energy  
16 efficient systems that meet criteria adopted by the corporation."

17

18 Page 1, line 11:

19 Delete "Section 1"

20 Insert "Sec. 2"

21

22 Renumber the following bill sections accordingly.

23

- 1 Page 2, line 14:
- 2 Delete "sec. 2"
- 3 Insert "sec. 3"
- 4
- 5 Page 3, line 12:
- 6 Delete "sec. 4"
- 7 Insert "sec. 5"
- 8
- 9 Page 4, line 9:
- 10 Delete "sec. 6"
- 11 Insert "sec. 7"
- 12
- 13 Page 8, line 3:
- 14 Delete "Sections 10 - 12 and 14(a)"
- 15 Insert "Sections 11 - 13 and 15(a)"
- 16
- 17 Page 8, line 4:
- 18 Delete "Sections 2, 4, 6, and 10"
- 19 Insert "Sections 3, 5, 7, and 11"
- 20
- 21 Page 8, line 5:
- 22 Delete "Sections 3, 5, and 7"
- 23 Insert "Sections 4, 6, and 8"
- 24
- 25 Page 8, line 6:
- 26 Delete "Section 14"
- 27 Insert "Section 15"
- 28
- 29 Page 8, line 7:
- 30 Delete "Sections 9 and 11 - 13"
- 31 Insert "Sections 10 and 12 - 14"

adopted 7/31/08 N/O

25-LS1757E  
Kane  
7/31/08

**CS FOR HOUSE BILL NO. 4005( )**

**IN THE LEGISLATURE OF THE STATE OF ALASKA**

**TWENTY-FIFTH LEGISLATURE - FOURTH SPECIAL SESSION**

**BY**

**Offered:  
Referred:**

**Sponsor(s): HOUSE FINANCE COMMITTEE**

**A BILL**

**FOR AN ACT ENTITLED**

1 "An Act amending the power cost equalization program; authorizing, as a temporary  
2 rebate of state resources to certain state residents, payments to assist in meeting heating  
3 costs under the federal heating assistance program, limiting payments for heating  
4 assistance, and eliminating the authority to make certain provisions of the heating  
5 assistance program retroactive to November 1, 2007; relating to Alaska resource  
6 rebates, and increasing the amount of the 2008 permanent fund dividend by the amount  
7 of the rebate; suspending the motor fuel tax; and providing for an effective date."

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

9 \* Section 1. AS 42.45.110(c) is repealed and reenacted to read:

10 (c) The amount of power costs for which equalization is paid to an electric  
11 utility is the difference between

12 (1) a minimum power cost calculated as 120 percent of the weighted  
13 average retail residential power rate in Anchorage, Fairbanks, and Juneau for the

1 previous calendar year, before equalization under (j) of this section for those cities;  
2 and

3 (2) an amount that may not exceed, as determined by the commission,  
4 one of the following, whichever is lowest:

5 (A) 75 cents a kilowatt hour;

6 (B) actual power costs; or

7 (C) the average rate for each eligible kilowatt hour sold.

8 \* Sec. 2. AS 42.45.110(c) is repealed and reenacted to read:

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

13 (1) during the state fiscal year that began July 1, 1999, the power costs  
14 for which power cost equalization were paid to an electric utility were limited to  
15 minimum power costs of more than 12 cents a kilowatt-hour and less than 52.5 cents a  
16 kilowatt-hour; and

17 (2) during each following state fiscal year, the commission shall adjust  
18 the power costs for which power cost equalization may be paid to an electric utility  
19 based on the weighted average retail residential rate in Anchorage, Fairbanks, and  
20 Juneau; however, the commission may not adjust the power costs under this paragraph  
21 to reduce the amount below the lower limit set out in (1) of this subsection.

22 \* Sec. 3. AS 42.45.110 is amended by adding new subsections to read:

23 (j) An electric utility is entitled to receive five cents a kilowatt-hour for actual  
24 consumption of not more than 500 kilowatt-hours a month sold to each residential  
25 customer. An electric utility whose customers receive power cost equalization under  
26 this subsection shall comply with the provisions of AS 42.45.120 and set out in its  
27 tariff the rates without the power cost equalization and the amount of power cost  
28 equalization for each kilowatt-hour sold. The rate charged to the customer shall be the  
29 difference between the two amounts. In this subsection, "electric utility" means a  
30 public, cooperative, or other corporation, company, individual, or association of  
31 individuals, including the lessees, trustees, or receivers appointed by a court that owns,

1 operates, manages, or controls a plant or system for the furnishing, by generation,  
2 transmission, or distribution, of electric service to the public for compensation but  
3 does not meet the requirements of AS 42.45.150(2)(B) - (C).

4 (k) The power cost equalization for each kilowatt-hour may be determined for  
5 a utility without historical kilowatt-hour sales data by using kilowatt-hours generated.

6 \* Sec. 4. AS 42.45.110(j) is repealed June 30, 2011.

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

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

10 STATE IMPLEMENTATION OF THE FEDERAL LOW-INCOME HEATING AND  
11 ENERGY ASSISTANCE PROGRAM. (a) This section applies to heating assistance  
12 payments authorized to persons under 7 AAC 44, adopted under the authority of  
13 AS 47.05.010.

14 (b) Notwithstanding another provision of law, for the period beginning October 1,  
15 2008, and ending June 30, 2011, to supplement provisions of the federal low-income heating  
16 and energy assistance program provided under 42 U.S.C. 8621 - 8629 (Low-Income Home  
17 Energy Assistance Act of 1981), as amended, subject to legislative appropriation of state  
18 general funds for the purpose, the Department of Health and Social Services shall increase the  
19 amount of a heating assistance payment.

20 (c) Amounts payable under this section shall be calculated by application of the  
21 assistance formula set out in 7 AAC 44.080, as those provisions read on the effective date of  
22 this section, and shall be made from the appropriation described in (b) of this section. The  
23 dollar value of a community heating cost point under 7 AAC 44.080 may not exceed \$170.

24 \* Sec. 7. The uncodified law of the State of Alaska is amended by adding a new section to  
25 read:

26 STATE IMPLEMENTATION OF THE ALASKA HEATING ASSISTANCE  
27 PROGRAM. For the period beginning October 1, 2008, and ending June 30, 2011, amounts  
28 payable under AS 47.25.621 - 47.25.625 shall be calculated by application of the assistance  
29 formula set out in 7 AAC 44.080, as those provisions read on the effective date of this section,  
30 and the dollar value of a community heating cost point under 7 AAC 44.080 may not exceed  
31 \$170.

1 \* Sec. 8. The uncodified law of the State of Alaska is amended by adding a new section to  
2 read:

3 ALASKA RESOURCE REBATES. (a) To provide residents of the state with an  
4 Alaska resource rebate, the amount of the 2008 permanent fund dividend shall be increased.  
5 After calculating the amount of the 2008 dividend under AS 43.23.025, the commissioner of  
6 revenue shall add \$1,000 to determine the total amount of that dividend.

7 (b) Subject to appropriation, the amount necessary to increase 2008 permanent fund  
8 dividends under (a) of this section shall be transferred from the general fund to the dividend  
9 fund (AS 43.23.045).

10 (c) When issuing checks or pay warrants associated with a direct deposit to residents  
11 receiving a permanent fund dividend, the commissioner of revenue shall include the following  
12 statement: "The resource rebate is a one-time payment to qualified Alaskans."

13 \* Sec. 9. The uncodified law of the State of Alaska is amended by adding a new section to  
14 read:

15 SUSPENSION OF THE MOTOR FUEL TAX. (a) Notwithstanding any other  
16 provision of law, the motor fuel tax imposed under AS 43.40.010 is suspended and may not  
17 be collected for a period beginning September 1, 2008, and ending June 30, 2011.

18 (b) Every person subject to AS 43.40.010(c) in the fiscal year that precedes the  
19 suspension established in (a) of this section shall submit a monthly report, under penalty of  
20 unsworn falsification, on a form or in a format prescribed by the Department of Revenue  
21 showing all sales or transfers of gasoline, diesel, and aviation fuel during the month. Sales  
22 invoices must be attached to the report supporting all sales and transfers of gasoline, diesel,  
23 and aviation fuel in the state. The report is due to the Department of Revenue on the last day  
24 of the month following the month in which sales or transfers of gasoline, diesel, or aviation  
25 fuel were made. The Department of Revenue may assess a penalty of up to \$5,000 against any  
26 person that fails to file a monthly report or provide the supporting invoices as required by this  
27 subsection.

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

30 \* Sec. 10. Sections 1 and 3 of this Act take effect October 1, 2008.

31 \* Sec. 11. Section 2 of this Act takes effect June 30, 2011.

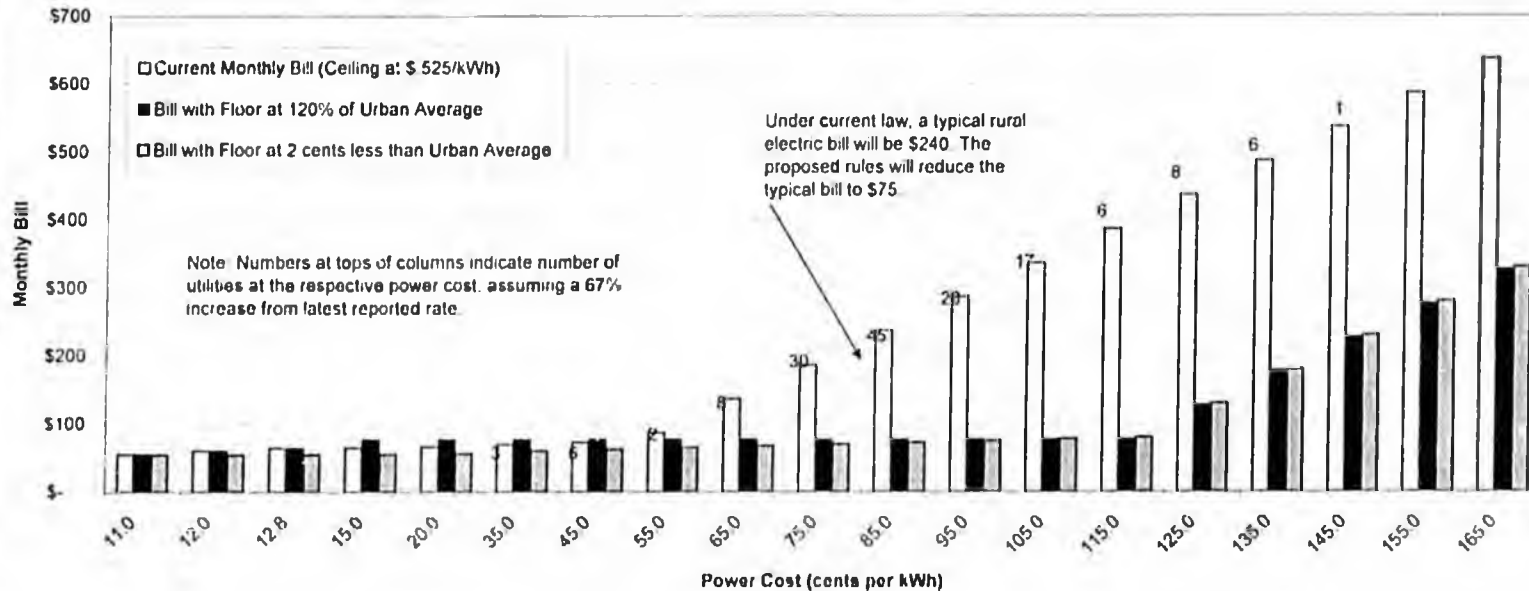
- 1 \* **Sec. 12.** Section 9 of this Act takes effect September 1, 2008.
- 2 \* **Sec. 13.** Sections 5 - 8 of this Act take effect immediately under AS 01.10.070(c).

7/31/08  
4005

### Comparing Monthly Electric Bills at Various Costs and Usage

Cents per kWh	Utilities at this Power Cost in FY09	Current PCE Subsidy per kWh	120% Floor PCE Subsidy per kWh	Current Customer Rate	Customer Rate at 120% Floor	Customer Rate with Floor at Urban Avg-2 cents	Urban Average Rate (12.8)	300 kWh per Month				500 kWh per Month				700 kWh per Month			
								Cost of Power	Current Monthly Bill	Bill with Floor at 120% of Urban Average	Bill with Floor at 2 cents less than Urban Average	Cost of Power	Current Monthly Bill (Ceiling at \$525/kWh)	Bill with Floor at 120% of Urban Average	Bill with Floor at 2 cents less than Urban Average	Cost of Power	Current Monthly Bill	Bill with Floor at 120% of Urban Average	Bill with Floor at 2 cents less than Urban Average
11.00		-	-	11.00	11.00	10.84	12.83	\$ 33	\$ 33	\$ 33	\$ 33	\$ 55	\$ 55	\$ 55	\$ 54	\$ 77	\$ 77	\$ 77	\$ 76
12.00		-	-	12.00	12.00	11.89	12.83	\$ 36	\$ 36	\$ 36	\$ 33	\$ 60	\$ 60	\$ 60	\$ 54	\$ 84	\$ 84	\$ 84	\$ 78
12.83	0	-	-	12.83	12.83	10.33	12.83	\$ 38	\$ 38	\$ 38	\$ 33	\$ 64	\$ 64	\$ 64	\$ 55	\$ 90	\$ 90	\$ 90	\$ 80
15.00	0	2.06	-	12.94	15.40	11.04	12.83	\$ 45	\$ 39	\$ 46	\$ 33	\$ 75	\$ 65	\$ 77	\$ 55	\$ 105	\$ 95	\$ 107	\$ 85
20.00	0	6.61	4.60	13.19	15.40	11.29	12.83	\$ 60	\$ 40	\$ 46	\$ 34	\$ 100	\$ 66	\$ 77	\$ 56	\$ 140	\$ 106	\$ 117	\$ 96
35.00	3	21.06	19.60	13.94	15.40	12.04	12.83	\$ 105	\$ 42	\$ 46	\$ 36	\$ 175	\$ 70	\$ 77	\$ 60	\$ 245	\$ 140	\$ 147	\$ 130
45.00	6	30.56	29.60	14.44	15.40	12.54	12.83	\$ 135	\$ 43	\$ 46	\$ 38	\$ 225	\$ 72	\$ 77	\$ 63	\$ 315	\$ 162	\$ 167	\$ 153
55.00	2	37.69	39.60	17.31	15.40	13.04	12.83	\$ 165	\$ 52	\$ 46	\$ 39	\$ 275	\$ 87	\$ 77	\$ 65	\$ 385	\$ 197	\$ 187	\$ 175
65.00	8	37.69	49.60	27.31	15.40	13.54	12.83	\$ 195	\$ 82	\$ 46	\$ 41	\$ 325	\$ 137	\$ 77	\$ 68	\$ 455	\$ 267	\$ 207	\$ 198
75.00	30	37.69	59.60	37.31	15.40	14.04	12.83	\$ 225	\$ 112	\$ 46	\$ 42	\$ 375	\$ 187	\$ 77	\$ 70	\$ 525	\$ 337	\$ 227	\$ 220
85.00	45	37.69	69.60	47.31	15.40	14.54	12.83	\$ 255	\$ 142	\$ 46	\$ 44	\$ 425	\$ 237	\$ 77	\$ 73	\$ 595	\$ 407	\$ 247	\$ 243
95.00	28	37.69	79.60	57.31	15.40	15.04	12.83	\$ 285	\$ 172	\$ 46	\$ 45	\$ 475	\$ 287	\$ 77	\$ 75	\$ 665	\$ 477	\$ 267	\$ 265
105.00	17	37.69	89.60	67.31	15.40	15.54	12.83	\$ 315	\$ 202	\$ 46	\$ 47	\$ 525	\$ 337	\$ 77	\$ 78	\$ 735	\$ 547	\$ 287	\$ 288
115.00	6	37.69	99.60	77.31	15.40	16.04	12.83	\$ 345	\$ 232	\$ 46	\$ 48	\$ 575	\$ 387	\$ 77	\$ 80	\$ 805	\$ 617	\$ 307	\$ 310
125.00	8	37.69	99.60	87.31	25.40	26.04	12.83	\$ 375	\$ 262	\$ 76	\$ 78	\$ 625	\$ 437	\$ 127	\$ 130	\$ 875	\$ 637	\$ 377	\$ 380
135.00	6	37.69	99.60	97.31	35.40	36.04	12.83	\$ 405	\$ 292	\$ 106	\$ 108	\$ 675	\$ 487	\$ 177	\$ 180	\$ 945	\$ 757	\$ 447	\$ 450
145.00	1	37.69	99.60	107.31	45.40	46.04	12.83	\$ 435	\$ 322	\$ 136	\$ 138	\$ 725	\$ 537	\$ 227	\$ 230	\$ 1,015	\$ 827	\$ 517	\$ 520
155.00	0	37.69	99.60	117.31	55.40	56.04	12.83	\$ 465	\$ 352	\$ 166	\$ 168	\$ 775	\$ 587	\$ 277	\$ 280	\$ 1,085	\$ 897	\$ 587	\$ 590
165.00	0	37.69	99.60	127.31	65.40	66.04	12.83	\$ 495	\$ 382	\$ 196	\$ 198	\$ 825	\$ 637	\$ 327	\$ 330	\$ 1,155	\$ 967	\$ 657	\$ 660
175.00	0	37.69	99.60	137.31	75.40	76.04	12.83	\$ 525	\$ 412	\$ 226	\$ 228	\$ 875	\$ 687	\$ 377	\$ 380	\$ 1,225	\$ 1,037	\$ 727	\$ 730
185.00	0	37.69	99.60	147.31	85.40	86.04	12.83	\$ 555	\$ 442	\$ 256	\$ 258	\$ 925	\$ 737	\$ 427	\$ 430	\$ 1,295	\$ 1,107	\$ 797	\$ 800
195.00	0	37.69	99.60	157.31	95.40	96.04	12.83	\$ 585	\$ 472	\$ 286	\$ 288	\$ 975	\$ 787	\$ 477	\$ 480	\$ 1,365	\$ 1,177	\$ 867	\$ 870
205.00	1	37.69	99.60	167.31	105.40	106.04	12.83	\$ 615	\$ 502	\$ 316	\$ 318	\$ 1,025	\$ 837	\$ 527	\$ 530	\$ 1,435	\$ 1,247	\$ 937	\$ 940

Figure 1. Monthly Electric Bills at 500 kWh Used per Month and a Ceiling Rate of \$1.15/kWh



Note that the 120% Floor increases costs for customers that pay rates less than \$52.5. A floor \$0.02 below the urban average eliminates that problem.

7/31/08  
4005

City of Galena  
PO Box 149 - Galena, Alaska 99741-0149  
(907) 656-1301 -- (907) 656-1769 Fax

**RESOLUTION 2008-27**  
**Declaring Fuel Emergency**

**WHEREAS**, Galena is a village in rural Alaska; a community that has one of the lowest per capita incomes in the state of Alaska and in the United States; and

**WHEREAS**, Because of the historically very high cost of power, residents and businesses in Galena have been conserving power for many years, resulting in low electricity consumption per capita and very poor economies of scale; and

**WHEREAS**, Recent activity in world oil markets has resulted in delivered fuel cost reaching unprecedented levels; and

**WHEREAS**, Galena purchased fuel for its power plants at an average cost of \$1.29 per gallon in 2002, escalating to \$2.93 per gallon in 2007; and

**WHEREAS**, Galena's fuel price for 2008 deliveries will be at least \$4.60 per gallon based upon the L.A. Platt's Fuel Price Index as of May 13, 2008, and

**WHEREAS**, Crude oil prices closed on May 21, 2008 at \$132.57, which is a further increase of 6.7% over May 13, indicating that delivered fuel could cost as much as \$4.87 per gallon; and


**WHEREAS**, Galena has issued purchase orders for fuel totaling 610,000 gallons that will likely cost about \$3,000,000; and

**WHEREAS**, Galena with a population of 638 does not have the financial ability to make such an outlay, nor do its members have the financial ability to pay the electric bills that will ensue following incorporation of current fuel costs into electric and steam heating rates; and

**NOW, THEREFORE, BE IT RESOLVED** that the Galena City Council declares a current and ongoing financial emergency; and

**BE IT FURTHER RESOLVED**, that Galena exhorts the State of Alaska to take proactive steps to reduce the delivered cost of fuel to Galena to a reasonable level of \$10.00 per million BTU which equals \$1.29 per gallon

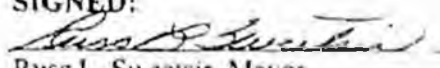
ATTEST:

  
Walt Wilcox, Acting City Clerk

City of Galena

Resolution 2008-27

SIGNED:

  
Russ L. Sweetsir, Mayor

# GALENA CITY SCHOOL DISTRICT

GALENA, ALASKA 99741  
PHONE (907) 656-1205  
FAX (907) 656-2238

SUPERINTENDENT  
Jim Smith



## Fuel Emergency Resolution June 18, 2008

**Whereas**, Galena is a village in rural Alaska; a community that has one of the lower per capita incomes in the state of Alaska and in the United States; and

**Whereas**, the Galena City School District operates a residential Vocational Training Center for one hundred and thirty students from over fifty communities crossed Alaska; and

**Whereas**, Galena purchased fuel for its power plants at an average cost of \$1.29 per gallon in 2002, escalating to \$2.93 per gallon in 2007; and

**Whereas**, Galena's fuel price for 2008 deliveries will be at least \$4.60 per gallon upon L.A. Platt's Fuel Price Index as of May 13, 2008, and

**Whereas**, Fuel oil and gasoline prices have raised to \$7.00 per gallon at the pump for general heating and transportation; and

**Whereas**, Air Force BRAC properties will become school district utilities obligations in October of this year; and

**Whereas**, Galena School utilities are projected to cost \$1,530,558.96 for the coming school year; and

**Whereas**, Galena School programs teach 3,759 students from all across Alaska in 2007-2008, and

**Whereas**, many rural village students are relocating to Galena because schools are being forced to closure due to high fuel costs; and

**Whereas**, Galena school facilities provide a proven regional learning center with excellent student performances; **thus**

**Therefore Be It Resolved**, that the Galena School Board of Trustees declare a current and ongoing financial emergency.

ATTESTED:

SIGNED:

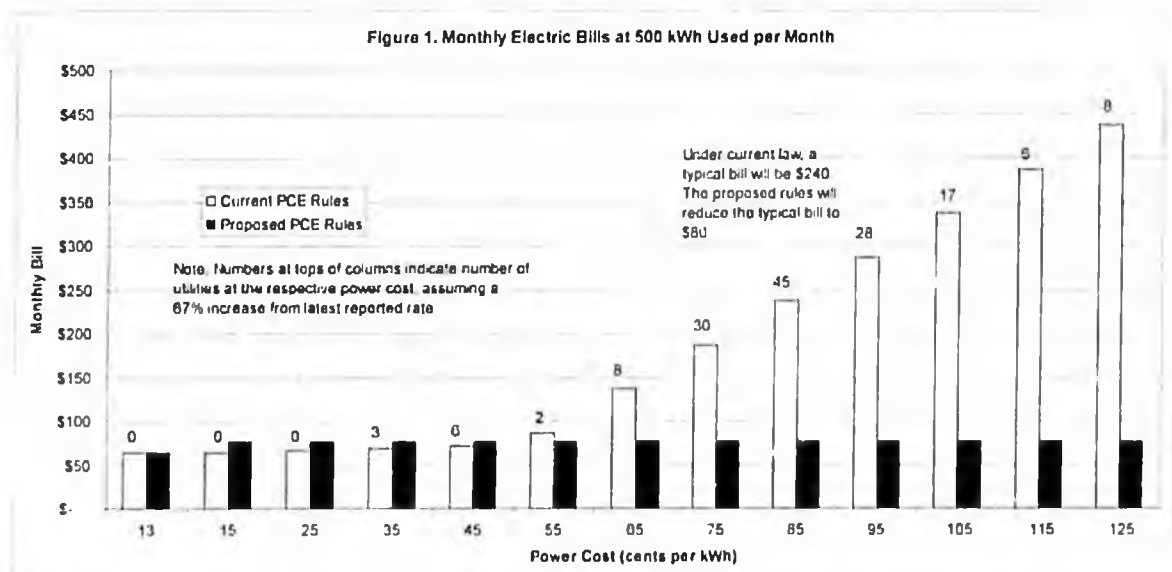
*John Billings*  
 \_\_\_\_\_  
 John Billings, School Board Chair

## Power Cost Equalization Program Modifications

July 27, 2008

### Situation:

Fuel costs are expected to drive the cost of generating electric power above the ceiling rate of 52.5 cents for almost all utilities eligible for power cost equalization (PCE) payments. As costs break the ceiling, typical electric bills for PCE customers will increase from about \$80 per month to about \$240 per month. (Assumes rates increase by 67% in 2009.)



## Program Modifications

### The Ceiling Rate

For existing PCE-eligible utilities, simply increasing the ceiling would mitigate rate increases. Points to consider:

1. Program costs increase as the ceiling is raised, but the cost curve flattens at higher ceiling rates because fewer utilities are affected as the ceiling increases.
2. How high should the ceiling be? A ceiling above \$2 would be unrestrictive—all utilities would have rates lower than the ceiling. \$1.25 would leave fewer than 10 utilities above the cap. \$1.05 would leave about 20 utilities above the ceiling.
  - a. Objective: strike a balance between the cost of raising the ceiling and the impact of a restrictive ceiling on customers.
  - b. At a ceiling of \$1.05, residential PCE benefits would be about \$68 million. At \$1.25, benefits would be about \$69 million, and benefits would be about \$69.2 million if the ceiling were at \$2 or higher.
  - c. Does a restrictive ceiling encourage utilities to contain costs?
    - i. The ceiling was invisible until recently; it was far above the cost of generating power.
    - ii. Yet most utilities had rates far below the ceiling.

- iii. Fuel costs are primarily responsible for driving rates up, and fuel costs are essentially beyond the control of utilities.
  - iv. Utilities eligible for PCE tend to be community-owned utilities that have incentive to contain power costs to their owner-customers. Much of the power sold by PCE-eligible utilities is unsubsidized—commercial customers, schools, and residents who exceed the 500 kWh monthly cap pay unsubsidized rates.
  - v. While a ceiling on non-fuel costs is intriguing, there is insufficient time to gather and analyze data required to design a second ceiling.
- d. **Recommendation:** A ceiling near \$1.15 would leave fewer than 20 utilities above the ceiling. Although the affected utilities are small and it would cost relatively little to include them, there appears to be concern that an unrestrictive ceiling would provide no encouragement (for those utilities with rates below the ceiling) to contain costs. \$1.15 may be a workable compromise, considering that 1) the practicality of a non-fuel ceiling has not been investigated and 2) high-cost utilities may not see rate increases as large as anticipated.

### Program Eligibility

While increasing the ceiling rate would stabilize costs for those who buy power from PCE-eligible utilities, some utilities that do not qualify for PCE are also experiencing skyrocketing rates. **Recommendation:** Expand PCE by eliminating restrictions pertaining to utility size and to method of power generation in 1984. As an alternative: devise a parallel system for utilities that do not qualify for PCE.

### The Floor Rate

Expanding program eligibility would equalize power costs throughout Alaska, but at substantial cost. Although the few newly-eligible utilities would have low subsidy rates (relative to utilities currently eligible for PCE) they sell as much power as all currently eligible utilities combine.<sup>1</sup> This raises concerns about program costs.

Cost containment concerns bring the focus to the floor rate—the point at which PCE begins to subsidize power costs. The floor rate has a much greater impact on program costs than does the ceiling rate. Small changes in the ceiling rate affect only a few (typically small) utilities while the floor rate affects all eligible utilities (and, in fact, determines eligibility). As an example, Utility A sells power for 16 cents and Utility B sells power for 64 cents. At a floor rate of 14 cents, the subsidy is 2 cents and 50 cents, respectively. If the floor is raised to 15 cents, the cost of subsidizing Utility A drops 50% (from 2 cents to 1 cent) while the cost of subsidizing Utility B drops 2% (from 50 cents to 49 cents). Further, if Utility A is 20 times the size of Utility B, changes in total program costs are driven almost entirely by Utility A. Bottom line: The floor rate has a huge impact on program costs, with the impact concentrated on low cost utilities.

- 1 Is the method of computing the floor rate important? Yes, to the extent that the floor determines which utilities are eligible for PCE and how much their rates are subsidized. But there is no single "right" method to compute the floor. Points to consider:
  - a. PCE was designed to reduce power costs for utilities with high rates, but not to reduce all rates to equal those of the lowest cost utilities.
  - b. A floor based on power costs of most Alaskans is a reasonable starting point if program cost is important.
  - c. There is no reason that high-cost power must be reduced to the urban average rate, or to any other precise calculation.
  - d. The floor can be used as a cost containment tool.
- 2 Where should the floor be set? That decision depends on cost objectives and on perceptions of equity.
  - a. The floor proposed in HB 4005 is 20% above the urban average rate.
  - b. The "120% floor" was proposed as a cost containment measure and is targeted toward newly eligible utilities.
  - c. Raising the floor to 110% of the urban average reduces costs by about \$8 million. Raising the floor to 120% of the urban average reduces costs by about \$16 million.
  - d. Figure 1 shows that customers of utilities with rates below the ceiling get more benefits under the existing floor. Figure 1 also shows that only three utilities are expected to have rates lower than 35 cents. All newly eligible utilities are expected to have rates below 30 cents.
  - e. The proposed increase in the floor is linked to a proposed change in the calculation of subsidy.
    - i. Current law pays 95% of the rate above the floor (up to the ceiling) while the bill proposing paying 100% of the difference.
    - ii. Many will find the 95% formula attractive because it provides incentive to contain rates.
    - iii. Retaining the 95% formula while raising the floor rate would have reduced payments to utilities currently eligible for PCE.
    - iv. Setting the floor at 120% of the urban average was the breakeven point for utilities with a rate at the ceiling rate of 52.5 cents per kWh.
  - f. *Recommendation:* The 95% formula should be retained because cost containment incentives provided by the formula are important to the program. Selecting the floor rate is primarily a matter of determining the desired program cost. If the 95% formula is retained, it would mitigate the fiscal impact of setting the floor at less than 120% of the urban average rate. Most of the benefit of a reduced floor would accrue to newly eligible utilities.

### **The 300/700 Split Cap**

Revising the current cap on power usage from 500 kWh per month to a summer cap of 300 kWh and a winter cap of 700 kWh was intended to benefit PCE customers without

raising the annual cap of 6,000 kWh. Data indicate that the proposal does not work as intended because typical usage is substantially higher than average usage. In addition, the proposal adds complexity to regulation and the billing process. **Recommendation:** drop the proposal.

### **Further Program Expansion**

The proposed program expansion omitted Anchorage and much of Southeast Alaska. If PCE were a power cost *assistance* program, this omission would rightly be questioned. But PCE is an *equalization* program that is not designed to reduce power costs for utilities with relatively low rates. While it would be possible to amend the program to provide a rate subsidy to relatively low-cost utilities, doing so would produce an internal conflict—it would increase rate disparity rather than reduce it. The result could be additional equalization payments to the relatively high cost utilities.

This internal conflict may be less important than a desire to offer energy cost relief on a broad basis. No recommendation: this is a policy call.

### **Funding PCE**

Modifications intended to increase PCE benefits will be ineffective unless the program is funded. For the long-term, deposits to the PCE endowment maximize program stability. Points to consider:

- 1 If high fuel costs are a short-term situation, depositing sufficient money to fund PCE at levels based on high fuel prices is premature.
- 2 Renewal of natural gas contracts by Anchorage electrical utilities could result in substantial rate increases. As power costs in Anchorage increase, the PCE subsidy will decline.
- 3 There is a substantial lag between deposit to the endowment and payout from the endowment. Regardless of the amount appropriated to the endowment, PCE will require short-term general fund appropriations to the PCE fund in order to maintain benefit levels above \$28 million.

8-2-08

SARAH PALIN  
GOVERNOR

GOVERNOR@GOV.STATE.AK.US



STATE OF ALASKA  
OFFICE OF THE GOVERNOR  
JUNEAU

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July 31, 2008

The Honorable Bert Stedman  
Alaska State Senator  
Co-Chair, Senate Finance Committee  
State Capitol, Room 516  
Juneau, AK 99801

The Honorable Lyman Hoffman  
Alaska State Senator  
Co-Chair, Senate Finance Committee  
State Capitol, Room 518  
Juneau, AK 99801

Dear Co-Chair Stedman and Co-Chair Hoffman:

At the hearing on SB 4004 you requested additional information on how much of the marine fuel sold in the state of Alaska was to non-residents. The Department of Revenue does not track sales to residents and non-residents. The Department was able to tell me that about 40 percent of the marine fuel is sold in House District 37 which includes Dutch Harbor and other communities. While there is no breakdown available between marine fuel sold to residents and non-residents, there are approximately 1706 limited entry or open access fishing permits held by residents of Alaska in House District 37. Each of these individuals would likely see a significant benefit from a suspension of the tax on marine fuel. A list by community is enclosed for your review. Please advise if you have any further questions.

Sincerely,

A handwritten signature in black ink, appearing to read "Randy Ruaro".

Randy Ruaro  
Special Staff Assistant

Enclosure

Community Name	Limited Entry	Open Access	Community Total
Adak	1	7	8
Akutan	0	9	9
Aleknagik	28	1	29
Amchitka	0	0	0
Atka	0	9	9
Attu Station	0	0	0
Chignik	7	12	19
Chignik Bay	3	0	3
Chignik Lagoon	26	26	52
Chignik Lake	5	0	5
Clarks Point	11	0	11
Cold Bay	3	2	5
Dillingham	241	54	295
Dutch Harbor	8	41	49
Eareckson AS	0	0	0
Egegik	19	4	23
Ekuk	0	0	0
Ekwok	3	0	3
False Pass	6	7	13
Ivanof Bay	0	0	0
King Cove	52	47	99
King Salmon	39	3	42
Koliganek	17	0	17
Manokotak	113	3	116
Naknek	113	13	126
Nelson Lagoon	27	2	29
New Stuyahok	25	3	28
Nikolski	0	2	2
Perryville	7	2	9
Pilot Point	12	2	14
Port Heiden	13	2	15
Port Moller	0	0	0
Portage Creek	0	0	0
Pribilof Island	0	0	0
Saint George Island	0	6	6
Saint Paul Island	0	23	23
Sand Point	94	130	224
Shemya Island	0	0	0
South Naknek	32	0	32
Squaw Harbor	0	0	0
Togiak	292	26	318
Twin Hills	10	2	12
Ugashik	5	0	5
Unalaska	9	47	56

## House District 37

Year-End Permits  
by Community - 2007

<b>Grand Totals</b>	1221	485	1706
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# Daily Gas Price Barometer

Contact: Randy Bly, Director Community Relations, AAA Auto Club South, 813-289-5934, or pager: 1-877-766-6215  
 Gregg Laskoski, Managing Director, Public & Govt. Relations, 813-289-1320, or pager: 877-764-0975

## AAA DAILY GAS PRICE BAROMETER SHOWS CONSUMERS BENEFITED FROM MONTH-LONG REDUCTION IN STATE GAS TAX

TAMPA, FL (Sept. 1) – Today's AAA Daily Gas Price Barometer – comprised of Tuesday's (August 31 data) credit card transactions from more than 5,000 Florida retail stations – estimates that motorists filling up yesterday saved an average of 9.4 cents per gallon that can be attributed to the Motor Fuel Tax Relief Act of 2004.

AAA's report is significant because it is based on actual purchases versus informal surveys and observations. Oil Price Information Service monitors and reports prices from more than 60,000 stations daily for AAA.

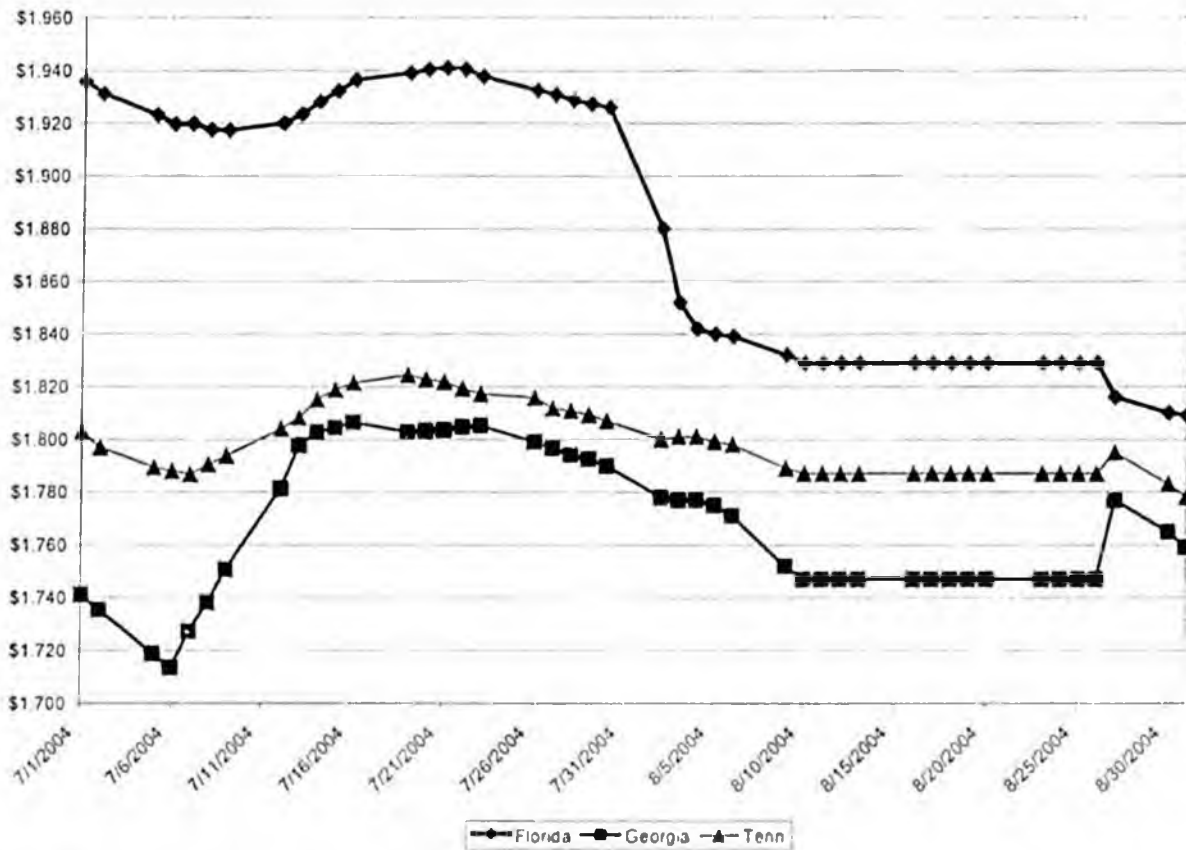
"We are pleased to see that retailers in Florida are still passing along to motorists the full benefit of the tax savings," said Kevin Bakewell, senior vice president, AAA Auto Club South. Bakewell noted that Wednesday's report will reflect the final day of the tax break (Tuesday's prices) and that Thursday's report will reflect the first day of post-tax relief prices (Wednesday's prices).

Following is AAA's estimate of the Savings Per Gallon To Consumer based on Florida's statewide average price for Self Service Regular Unleaded for Saturday, Sunday and Monday, August 31:

Price Date	GA/TN Average Actual Price on This Date	Estimate of FL Average Price Without Tax Cut (GA/TN Average x 107.62%)	FL Actual Price On This Date	Savings Per Gallon To Consumer
08/31	\$1.769	\$1.903	\$1.809	\$0.094
To determine the above estimate AAA used July 2004 data to calculate a monthly average price for Florida and the combined monthly average price for Georgia and Tennessee, using each state's actual daily prices for the entire month. AAA then divided the Florida average by the combined Georgia/Tennessee average to determine the average relationship between prices in these states. For the month of July, prices in Florida averaged 107.62% of prices in Georgia/Tennessee combined. An assumption is made that August will produce a similar price relationship.				

AAA's fuel price information updates can be found at [www.aaa.com/fuelgauge](http://www.aaa.com/fuelgauge). Daily prices reported on Wednesday, Thursday, Friday and Monday represent the average price of all transactions for the 24 hour period ending midnight on the previous weekday. Average prices for the 72 hour period comprised of Saturday, Sunday and Monday are combined and reported on Tuesday.

The following chart illustrates price changes in Florida, Georgia and Tennessee since July 30, 2004.



Source: AAA Auto Club South and Oil Price Information Service (OPIS)

NOTE: Due to Hurricane Charley, no reports were issued (hence the flat lines on the above graph) between August 13 and August 27. Actual price dates affected were August 12 through August 26.

AAA Auto Club South is one of the largest motor clubs in the AAA federation serving the interests of more than 47 million motorists nationwide. Headquartered in Tampa, AAA Auto Club South represents more than 3.6 million members in Florida, Georgia and the western two-thirds of Tennessee.



# Alaska Conservation Alliance

*Uniting for Alaska's Future*

7/27/08  
MSTRULL  
testimony

May 27, 2008

On behalf of 40 state based conservation organizations with a combined membership of 38,000 Alaskans, Alaska Conservation Alliance is pleased to present this short paper on

## Energy Cost Relief and Energy Conservation

Whether it is rural Alaskans coping with \$8 gallon diesel, Fairbanks residents struggling with burdensome increases in home heating oil or Juneau residents coping with an avalanche-induced energy crisis, Alaskans across the state are feeling the pain of high energy costs. Fortunately, rising oil prices also means rising revenues to the State of Alaska and as such the State can provide a path to reduced monthly bills and long-term energy security.

The challenge is to meet this need without undermining the price signals for energy conservation. As noted by economist Greg Erickson, "the most troublesome aspect of these programs (referring to Governor Palin's recent energy rebate proposal) is the incentives they create for us to increase our energy use. Higher prices convey a powerful message of conservation." Furthermore, to provide relief without leadership on energy conservation and efficiency would be the equivalent of applying a band-aid while ignoring the underlying systemic problem of relying on high-priced fossil fuels; a problem that is not going away anytime soon. For that reason, the Alaska Legislature and the Palin Administration, in addition to short-term energy price relief, should carefully consider and institute some longer-term strategies, especially investing in education of the public and integrating energy conservation and efficiency into building, weatherization, and renewable energy into state energy grids.

Fortunately, Alaskans are resourceful and in many areas are already implementing immediate energy conservation measures. The public's response in Juneau to their energy crisis demonstrates this clearly. Virtually overnight individuals and businesses in Juneau adopted multiple conservation measures; and energy consumption dropped by approximately one-third. For example, on Tuesday April 15, prior to the avalanche, Juneau consumed 1,006 MWh, while on Tuesday May 6, after the avalanche, Juneau consumed 660MWh.

It is in response to the dual need of energy cost relief and energy conservation that the conservation community, through Alaska Conservation Alliance, has prepared a list of options to be evaluated and considered by the Alaska Legislature and the Palin Administration. This list is divided into four parts:

- A. Energy Price Relief Alternatives - options that should be further investigated as means to provide price relief while minimizing distorted market signals and incentives to consume more energy.

- B. Immediate Energy Conservation Measures – options that are doable in a short special session.
- C. Other Energy Conservation Measures – options that may have more long-term benefit but may require more legislative deliberation.
- D. Transportation Relief Options - As gasoline and diesel prices increase, Alaskans are facing increased transportation costs and it is appropriate to consider price relief in this arena.

Please note: options with an \* are based on the recommendations contained in the "Energy Efficiency Interim Report" prepared for Cold Climate Housing Research Center (CCHRC).

#### A. Energy Price Relief Alternatives

1. **Fully fund, expand and adjust the Power Cost Equalization Program (PCE).** The legislature should fully fund and expand the Power Cost Equalization Program, as part of its approach to addressing the increased price for electricity in heavily impacted communities. First of all, the PCE needs to be fully funded for this upcoming year to ensure that the first 500 kWhs consumed by residential customers are affordable. In the last six months of 2007, only 89% of the program was covered. It appears that the program is currently under funded by approximately 10 to 15%, a short fall of approximately \$3 million. Secondly, the PCE could be expanded to include schools and other key buildings and institutions not currently covered. In this context, the appropriateness of expanding this program to small businesses should be considered. The cost of this depends on the magnitude of the expansion. Equally important to fully funding the program is the need to remove disincentives for reducing diesel consumption.
2. **Consider Short-Term Residential Electric and Heating Oil Rebates.** The legislature should examine the merits of utility based rebate program that results in credit back to residential electrical users, including tenants. Using established home heating vendors a limited rebate approach could also be targeted to provide price relief to those areas most impacted by escalating prices of heating oil. However, the time frame should be shortened (not the 12 months currently proposed) to avoid creating entitlement expectations and price distortions both which would result in increased energy consumption.

#### B. Immediate Energy Conservation Measures

1. **\* Fund a Comprehensive Energy Conservation Public Awareness Campaign.** There is a need for more public education on energy conservation measures, and, in some cases, implementation assistance. Some energy conservation measures are not universally understood, such as the energy savings achieved from unplugging appliances not in use. A 2000 study by the University of California and Lawrence Berkeley National Laboratory indicates that eliminating this standby electricity could save households between 6 and 26 percent on their average electricity bill. It is estimated that phantom appliances use about 450 kWh per household annually.

One option is to immediately establish an Alaska Energy Conservation Education program within Alaska Energy Authority (AEA). This unit of AEA would work with utilities, the media, key organizations and others to educate the public on ways in which consumers can reduce their energy use quickly and efficiently. Among other immediate projects, this program could modify and expand a state-wide, web-based Alaska Energy Reducer, which would provide quick, practical ways to reduce energy use. It could also work with the media to produce statewide PSAs on energy use reducing strategies; and with key housing and other organizations like RuralCAP, as well as local governments. Printed materials, including posters, would also be utilized.

An alternative option would to provide an \$800,000 grant to an existing entity outside of state government, to provide the services described above.

- 2. Purchase Power Cost Monitors for Alaskan Households** Provide money to utilities to educate their consumers and distribute home metering devices (also called 'smart meters'). Studies show that when consumers can see how much energy they are using and from what sources, they are better able to reduce their energy use. Right now these smart meters cost about \$150 each. They consist of two parts - a transmitter that is attached on the outside of a meter (no electrical expertise needed) that transmits data wirelessly to a receiver in the home. The user programs in his kWh cost information and the device will display what the current load is, how much it costs per hour, what has been used in the last day, month and so on. Anecdotal reports are that a user that understands how their electricity is being used can typically lower their consumption by 15 - 25%. There are about 250,000 households in Alaska so approximately 100,000 of these devices would be enough to blanket the state. They should not be supplied to users at no charge. A nominal amount of \$25 or so should be the co-pay to ensure that recipients make good use of them. They should be made available through the utility because then the utility would know whether their usage actually goes down or not. If a residential consumer using 500 kWh a month can save 15%, that's 75 kWh a month or 900 kWh a year. At 25 cents a kWh, that's an annual saving of \$225. If 250,000 households each reduce their monthly electric consumption by 75 kWh, that would equate to 225,000,000 kWh a year or approximately three and a half Alaska Village Electric Co-ops or the equivalent of 10 million gallons of diesel. For more information go to [www.powercostmonitor.com.htm](http://www.powercostmonitor.com.htm).

Along the same line, purchasing of 'Kill A Watt' meters should be considered. These differ from "smart meters" in that do not meter household energy consumption but rather are specific to metering specific appliances. This enables the homeowner or consumer to determine which appliances are 'energy hogs' and in need of replacement. These meters run about \$25 each and could also be distributed through utilities.

- 3. Juneau Study and Lessons Learned.** Fund a study to examine quickly how Juneau reduced its energy consumption by approximately one-third. This study would document the strategies and lessons learned. The results of this study should be promptly and widely disseminated.

4. **Distribute Energy Efficiency Products.** Provide to consumers via AEA and/or local utilities immediate access to free or low-cost energy conservation products. This could be done either for low income consumers or for all consumers regardless of income levels. Such products could include: compact fluorescent bulbs (CFL bulbs use about 75% less energy than standard incandescent bulbs), programmable room thermostats (average savings about 10%), plug-in strips, and lighting occupancy sensors (average household dedicates 11% of its energy budget to lighting).
5. **\* Articulate an Energy Efficiency Vision for Alaska.** Through Legislative Resolution or Executive Order set a goal to reduce energy consumption in buildings 20% by 2020 from 2000 levels. The State of Alaska and its political subdivisions could set an example by reducing energy consumption in state-owned facilities by the same amount – reducing consumption 20 percent by 2020 from 2000 levels. Furthermore, the State of Alaska could implement energy conservation measures wherever they are cost-effective – in facilities, purchasing, transportation, etc. The political climate is ripe for leadership in energy conservation.
6. **Assist Local Governments.** There are several actions that can relatively quickly assist local governments, including schools, in saving energy. Examples include installing more energy efficient street lighting and stop lights, upgrading refrigeration, water conservation measures (water treatment plants are high energy consumers), energy audits and upgrading and making indoor lighting more efficient.
7. **Target Inefficient Community Diesel Systems.** Task AVEC and AEA to evaluate the rural diesel systems that would benefit most from energy-efficiency retrofitting and then provide the money to retrofit those systems.

#### C. Other Energy Conservation Measures

1. **\*Designate a Lead Entity for State End-Use Efficiency Programs.** As noted in the Interim Report to CCHRC referenced above there are 7 state related programs that deal with energy efficiency policies and programs. The Oregon Energy Trust is a non-profit set up by the Oregon Legislature that is a one-stop shop for state energy assistance – see <http://www.energytrust.org/>. An Alaska Energy Trust could be similarly established and housed under AEA. This energy trust could then offer these conservation programs that have a proven record of reducing energy demand:
  - free residential and small business energy audits
  - rebates (\$50-100 range) for purchasing energy star appliances such as refrigerators, clothes washers and dryers,
  - rebates (\$100 – 200 range) for upgrades to high efficiency gas, oil and electric furnaces and hot water heaters
  - free compact fluorescent light bulbs (CFL bulbs use about 75% less energy than standard incandescent bulbs)
  - free energy review for commercial buildings using a certified energy contractor

- free programmable thermostats to low-income residents (average savings about 10%).

While this is not a comprehensive list, it does however demonstrate the potential for an effective one-stop shop dedicated to energy audits, conservation, efficiency and problem-solving.

2. **\*Adopt and Implement Building Energy Efficiency Standard (BEES)** The BEES program was introduced in 1985 and adopted in 1992 (but not fully implemented) as the new state residential energy efficiency building code. BEES should be viewed as the minimal energy efficiency code and research should be quickly conducted to see how best to build upon BEES in light of new international standards and technology. For a brief explanation of BEES see p. 4 of the Interim Report. In regards to commercial building codes, AEA should contract for a stakeholder process to develop a commercial energy efficiency building code.
3. **Training and Certification.** Establish training and certification programs necessary to implement Alaska's new weatherization, renewable energy, and energy conservation programs. In particular, the capability to perform energy audits in response to implementing SB 289 needs to be reviewed and supported where necessary.
4. **Consider Net Metering Legislation.** Pass legislation similar to HB 288 which promotes renewable energy use by establishing a net metering policy for Alaskan utilities. Net metering is the measurement of the difference between electricity purchased from a utility and electricity produced from a customer's private generating equipment. Home and business owners who install renewable energy equipment such as solar panels or wind turbines will receive a credit for any excess monthly energy generation. Alaska utilities also benefit under this legislation. By trading the homeowner a credit for the energy that the homeowner leaves on the grid, the utility does not have to generate more electricity to supply other customers. Alaska is one of the few states left in the nation without such a policy in place. Net metering is current policy in 42 states.

#### D. Transportation Relief Options

1. **Expand Public Transportation.** Public transportation systems in Alaska are under funded, and provide minimal service. Providing state funding to increase bus service in larger communities, and to begin bus service in smaller ones, is a very desirable option. In the short term, the state could provide money to reduce or even eliminate fares. This strategy also creates bus driving jobs and is especially beneficial to low-income residents. Similarly for residents that depend on marine transportation for community access use of more fuel efficient ferries should be considered.
2. **Expand Van Pooling and Car Pooling.** Van pooling systems in Alaska are under funded. Providing state funding to acquire (preferably hybrid vehicles) and operate vans for van pooling, and/or paying for gas for van pools and car pools would promote

these services. Additional staff should be hired to advertise and coordinate van and car pools.

3. **Implement Bicycle Programs.** Right now, some people who would like to have a bicycle for alternative transportation cannot afford one. This program would make bicycles available either for purchase or rent on needs-based criteria. Also, bike paths and bike routes could be improved and included in such a program.
4. **Increase Pedestrian Programs.** Community planning for pedestrian access to major work centers should be encouraged. And for those communities with active pedestrian systems, support should be considered for sidewalk plowing and safety. Aggressive implementation of the Safe Routes to Schools program would reduce reliance on personal autos.
5. **Provide Efficiency Rebates.** Many people want to purchase new, more efficient vehicles, outboard motors, snow machines, and so forth. This program would provide money to acquire more efficient vehicles. The amount of the rebate could be income based. This program could also be available to municipalities to upgrade their fleet.
6. **Jumpstart Commuter Rail Service – Mat. Valley and Anchorage.** Over 15,000 commuters travel between Palmer and Wasilla and Anchorage every day. At \$4.00/gallon the economics for commuter rail service on the existing rail line has improved dramatically since the Alaska Railroad last studied the issue five years ago. Self propelled and efficient railcars called diesel multiple units (DMU) can move people with approximately 10 times the fuel efficiency of a person traveling alone while getting 15 miles per gallon. Federal grant monies are available to purchase rolling stock and build a Wasilla station and maintenance facility. Side benefits include the likelihood of higher work productivity of commuters, less roadway congestion and fewer dollars needed to maintain the Glenn Highway.

7/27/08

Ms. Kohler

testimony



July 27, 2008

House Finance Committee  
Alaska State Legislature

Re: Testimony on HB 4005

Honorable Co-Chairs and Committee Members,

Alaska Village Electric Cooperative is a non-profit, member-owned electric utility serving 53 villages in rural Alaska. Although our villages are small, our combined population is 22,000, about the same as Bethel, Cordova, Dillingham, Kotzebue, Nome and Unalaska rolled together.

AVEC operates 48 power plants and 47 bulk fuel tank farms. Our costs of operation are extremely high because of the lack of efficiencies of scale. Our per capita electricity consumption is 242 kWh per month, compared with 542 in Bethel and over 1,000 in Anchorage or Fairbanks, reflecting the impact of the higher level of commerce associated with lower cost electricity.

Consumption has always been very low, because the true cost of electricity in the villages has always been high. It is high because we must have one power plant and tank farm per every 400 in population – compare that with one power plant for Bethel's 6,000 population, or three power plants for Fairbanks, or five for Anchorage.

We support expansion of the PCE program to include any community contending with very high costs of electricity because we know how crippling it is to contend with such costs even as other energy costs are catapulting at the same time.

We respectfully protest the implementation of a seasonal kWh limit because, despite its good intentions, it would actually cost all of our current PCE beneficiaries money, rather than increasing their assistance by 23% as suggested in the model. AVEC, Cordova, Inside Passage Electric, Kotzebue, Naknek, Nome and Nushagak Electric in Dillingham have all conducted analyses of the change and all have concluded that this change will be detrimental to consumers.

Instead, we request that this committee consider restoring the eligible PCE cap to 700 kWh per month. This is the level at which PCE operated for the first 15 years – from 1984 to 1999. It represents the average kWh consumed by residents of Anchorage,

Fairbanks and Juneau. When the program was cut back in 1999, eligible residential kWh fell by about 22%.

Since eligible kWh today are almost unchanged from 1999, the most likely impact is that the residential kWh covered would go back up by the 22% that it declined eight years ago. The legislative analysis previously presented by staff projects that the 300/700 seasonal cap would result in additional kWh usage of about 23% over current levels. The financial impact of a change to the flat 700 kWh cap should be identical to the seasonal cap's impact as calculated by staff.

In May of this year, the AVEC board adopted a resolution declaring a fuel cost emergency. That resolution was sent to all legislators and a copy is attached to this testimony. The crisis we declared two months ago is coming to its predicted peak right now.

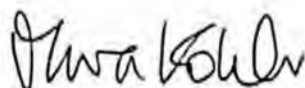
We are two thirds of the way into our fuel delivery season and have fuel bills of \$16 million to pay for and will have another \$12 million due within the next six weeks. Our fuel bill last year was \$14 million, and we are only half way through collecting those monies. We have an emergency amendment to our line of credit, raising it to \$15 million. The cost of that borrowing will add another two cents a kWh to our already high electricity rates. There is no state fund available to borrow from to purchase our fuel and the small amount available in the AEA's fuel loan program will not cover five percent of rural Alaska's needs.

AVEC has proposed having the State provide assistance to cap the delivered cost of fuel for generating electricity at \$10 per million btu. Alaska Power Association endorses this approach and also advocates for the State providing no-cost loans to cover this year's fuel purchase. Something needs to happen soon, or rural Alaska is going to enter this winter without adequate fuel on hand to see them through the season. We will then be faced with the even more crippling cost of flying fuel in on an emergency basis.

This is not tenable, especially when our state is bursting at the seams from revenues gleaned from the burgeoning cost of a barrel of Alaskan crude oil.

Please support the changes proposed to PCE, with the exception of restoring the 700 kWh cap. It is a stop gap measure as we continue our quest to build wind systems across our villages and tap emerging technologies to reduce our dependence on diesel fuel.

Sincerely,



Meera Kohler  
President & CEO

**Resolution 08-27  
Declaring Fuel Emergency**

**WHEREAS**, AVEC serves 53 villages in rural Alaska; communities that have the lowest per capita income in the state of Alaska and in the United States; and

**WHEREAS**, Because of the historically very high cost of power, residents and businesses in AVEC's communities have been conserving power for many years, resulting in extremely low electricity consumption per capita and very poor economies of scale; and

**WHEREAS**, Recent activity in world oil markets has resulted in delivered fuel cost reaching unprecedented levels; and

**WHEREAS**, AVEC purchased fuel for its power plants at an average cost of \$1.29 per gallon in 2002, escalating to \$2.93 per gallon in 2007; and

**WHEREAS**, AVEC's fuel price for 2008 deliveries will be at least \$4.60 per gallon based upon the L.A. Platt's Fuel Price Index as of May 13, 2008, and

**WHEREAS**, Crude oil prices closed on May 21, 2008 at \$132.57, which is a further increase of 6.7% over May 13, indicating that delivered fuel could cost as much as \$4.87 per gallon; and

**WHEREAS**, AVEC has issued purchase orders for fuel totaling 5,400,000 gallons that will likely cost at least \$26,300,000; and

**WHEREAS**, AVEC does not have the financial ability to make such an outlay, nor do its members have the financial ability to pay the electric bills that will ensue following incorporation of current fuel costs into rates - \$0.25 non-fuel cost + \$0.39 fuel cost = \$0.64; and

**WHEREAS**, Less than 50% of electricity sold by AVEC is eligible for PCE and that benefit is capped at costs below \$0.525 per kWh.

**NOW THEREFORE BE IT RESOLVED** that the AVEC Board of Directors declares a current and ongoing financial emergency; and,

**BE IT FURTHER RESOLVED** that AVEC exhorts the State of Alaska to take proactive steps to reduce the delivered cost of fuel to AVEC to a reasonable level of \$10.00 per million BTU and

**BE IT FURTHER RESOLVED** that AVEC petitions the State of Alaska to develop a relief program for its citizens such that the delivered retail cost of petroleum, propane and natural gas be capped at \$12.50 per million BTU.

**CERTIFICATION**

I, Phyllis Clough, Secretary, do hereby certify that the above is a true and correct excerpt from the minutes of the meeting of the Board of Directors of the Alaska Village Electric Cooperative, Inc., 4831 Eagle Street, Anchorage, Alaska 99503, on the 23rd day of May 2008, at which meeting a quorum was present.

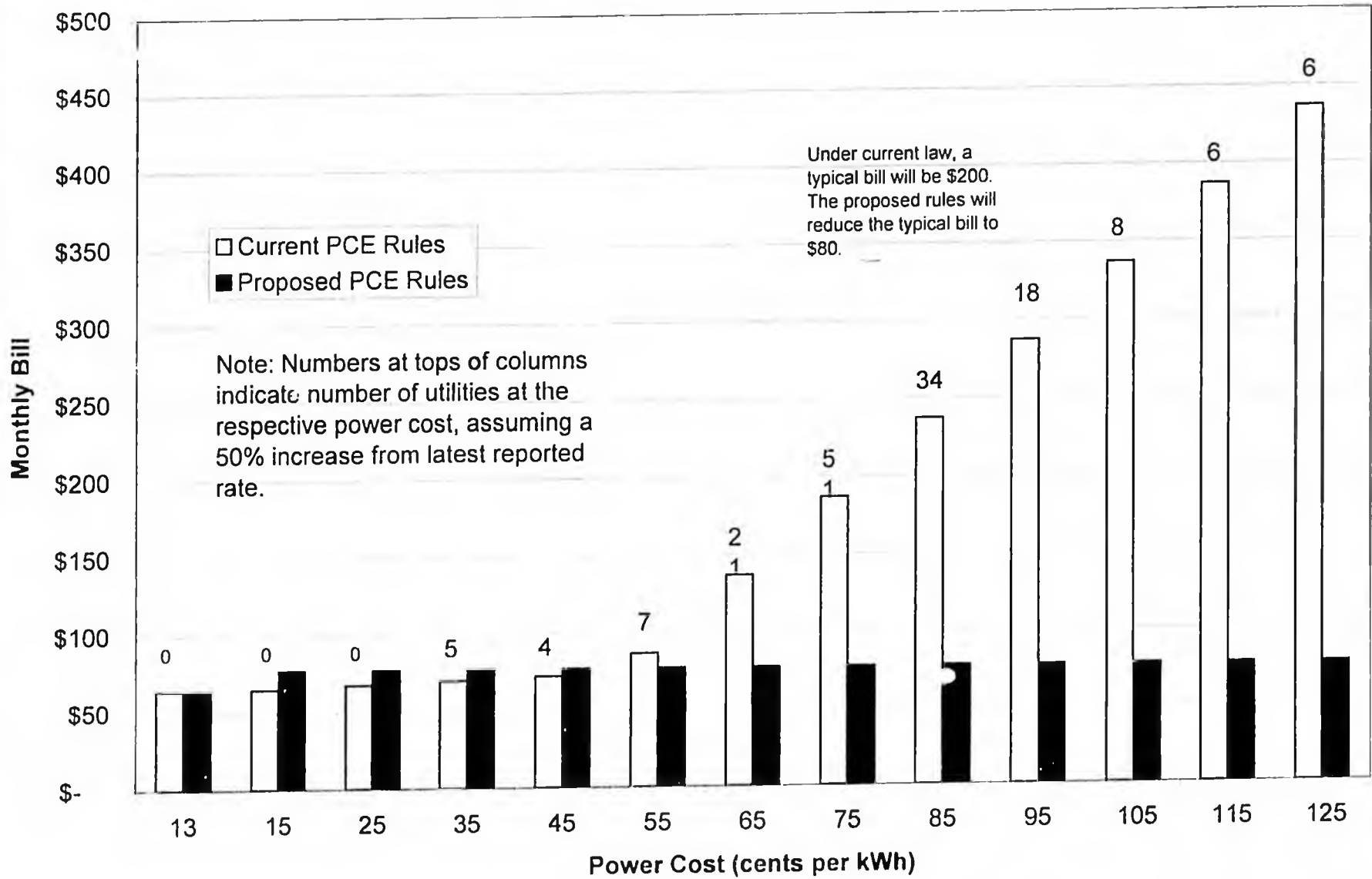
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\_\_\_\_\_  
Phyllis Clough, Secretary  
Alaska Village Electric Cooperative, Inc.

7/27/08

### Monthly Electric Bills at 500 kWh Used per Month



Prepared by Leg Fin Div

**Power Cost Equalization Program--FY09 Costs under Various Assumptions**

FY09 Appropriation	\$	24,000,000	(1)	(2)	(3)	(4)	(5)	(6)
Current FY09 Base Rate (\$/kWh)			0.1283	0.1283	0.1283	0.1283	0.1283	0.1283
Enter a Factor to Increase the Base Rate (and Revise Reimbursement):			100.00%	100.00%	100.00%	120.00%	120.00%	0.02
Adjusted PCE Base Rate			\$ 0.1283	\$ 0.1283	\$ 0.1283	\$ 0.1540	\$ 0.1540	\$ 0.1083
Enter Rate Factor (Anticipated Increase in FY09):			1.00	1.50	1.50	1.50	1.50	1.60
Enter Rate Factor for New Utilities (Anticipated Increase in FY09):						1.10	1.10	1.10
Per kWh Payment to New Utilities:						\$ -	\$ 0.05	\$ -
Per kWh Payment Not to Reduce Cost Below:								
Enter Ceiling Rate:			0.5250	0.5250	2.0000	1.1500	0.7500	0.7500
Enter 1 if new utilities are eligible for PCE, otherwise enter zero:			0	0	0	1	1	1
Maximum PCE Reimbursement per kWh:			0.3759	0.3759	1.7781	0.9960	0.5960	0.6096

Utility	Total Residential and community kWh subject to PCE	Last Residential Rate	Current Formula at Latest Reported Residential Rate	Current Formula at 150% of Latest Reported Residential Rate (match anticipated fuel price increases)	Increase the Ceiling Rate and use 150% of Latest Reported Rate	PCE applies to greater than 120% of urban average	PCE applies to greater than 120% of urban average \$..xx/kWh to non-PCE utilities	PCE applies to 95% of a floor set at \$.xx below urban average
	30,645							

Payments to Currently Qualified Utilities	\$ 32,062,714	\$ 41,583,975	\$ 57,600,216	\$ 57,493,758	\$ 54,464,204	\$ 56,947,961
Payments to Newly Qualified Utilities	\$ -	\$ -	\$ -	\$ 15,331,767	\$ 65,812,770	\$ 47,904,324
PCE Payments	\$ 32,062,714	\$ 41,583,975	\$ 57,600,216	\$ 72,825,526	\$ 120,276,974	\$ 104,852,285

Utility	Total Residential and community kWh subject to PCE	Last Residential Rate	PCE Payout under Various Assumptions			
---------	--	-----------------------	--------------------------------------	--	--	--

148	Of the 161 participating utilities, costs for will exceed the ceiling rate if local power costs increase by 50%					
	120,039,821					
Attachak PCE	611,357	0.5300	230,399	230,399	387,212	391,904
Akub PCE	193,899	0.6000	73,074	73,074	142,150	144,656
Akutan PCE	285,803	0.3230	52,864	96,713	96,713	94,469
Alakakes/Alaina PCE	260,518	0.7361	98,180	98,180	241,515	247,542
Bettles/Evansville PCE	146,638	0.6996	55,263	55,263	128,315	131,306
Chistochina PCE	150,568	0.6264	56,744	56,744	116,048	118,292
CoRman Cove PCE	473,695	0.5095	171,544	178,519	286,184	289,091
Craig PCE	3,280,077	0.2602	412,263	818,900	818,900	777,577
Dol Lake/Dol Lake Village PCE	125,822	0.4094	33,600	47,418	58,068	57,896
Eagle/Eagle Village PCE	343,709	0.5628	129,532	129,532	233,758	237,242
Haines/Covenant Life PCE	3,831,848	0.2307	372,762	792,666	792,666	736,060
Healy Lake PCE	38,909	0.7464	14,663	14,663	36,642	37,572
Holha PCE	335,370	0.2602	42,149	83,722	83,722	79,408
Hydaburg PCE	667,579	0.2062	49,404	114,790	114,790	103,702
Kluock/Ravenn PCE	1,562,696	0.2602	195,814	388,955	388,955	369,328
Menasta PCE	124,646	0.7000	46,975	46,975	109,142	111,688
Neutali PCE	212,502	0.5082	76,693	80,085	127,890	120,273
Northway/Northway Village PCE	350,396	0.5769	132,052	132,052	245,346	249,268
Stagway PCE	2,532,652	0.2037	181,414	426,467	426,467	383,925
Siana PCE	153,665	0.6057	57,911	57,911	114,778	116,876
Talhn PCE	181,175	0.4084	48,382	68,279	83,614	83,366
Thorne Bay/Kasaan PCE	1,199,256	0.2082	88,751	206,212	206,212	186,292
Tok Tanakiosse PCE	2,835,595	0.4094	757,231	1,068,637	1,308,655	1,304,771
Whale Pass PCE	117,532	0.5079	42,384	44,294	70,730	71,447
Alaknub PCE	886,913	0.4802	298,499	334,246	498,800	502,294
Ambler PCE	517,986	0.8098	195,211	195,211	534,603	515,935
Anvik PCE	211,559	0.5442	79,729	79,729	138,275	140,124

7/31/08  
4005

	30,845								
				Current Formula at Latest Reported Residential Rate	Current Formula at 100% of Latest Reported Residential Rate (match anticipated fuel price increases)	Increase the Ceiling Rate and use 100% of Latest Reported Rate	PCE applies to greater than 120% of urban average	PCE/applies to greater than 120% of urban average \$ .xx/kWh to non-PCE utilities	PCE applies to 95% of a floor set at \$.xx below urban average
<b>Payments to Currently Qualified Utilities</b>				\$ 32,062,714	\$ 41,583,975	\$ 57,600,216	\$ 57,493,758	\$ 54,464,204	\$ 56,947,961
<b>Payments to Newly Qualified Utilities</b>				\$ -	\$ -	\$ -	\$ 15,331,767	\$ 65,812,770	\$ 47,904,324
<b>PCE Payments</b>				\$ 32,062,714	\$ 41,583,975	\$ 57,600,216	\$ 72,825,526	\$ 120,276,974	\$ 104,852,285
Utility	Total (residential and community) kWh subject to PCE	Last Residential Rate		PCE Payout under Various Assumptions					
Bravg Mission PCE	500,981	0.4717	183,435	186,802	275,684	277,338	277,338	285,202	
Chavak PCE	1,050,780	0.4727	343,794	396,002	579,728	583,277	583,277	599,693	
Eak PCE	415,249	0.4826	139,767	156,493	234,956	236,667	236,667	242,846	
Elim PCE	513,095	0.4826	172,700	193,368	290,319	292,433	292,433	300,068	
Emmonak PCE	1,283,291	0.4578	401,702	483,627	680,760	683,660	683,660	705,143	
Gambell PCE	801,252	0.5016	284,152	301,964	475,058	479,501	477,578	488,455	
Goodnews Bay PCE	365,559	0.4945	127,174	137,786	213,040	214,872	214,872	219,985	
Grayling PCE	302,344	0.5122	110,266	113,943	183,825	185,742	180,209	184,313	
Holy Cross PCE	377,828	0.5075	138,109	142,390	227,189	229,451	225,201	230,330	
Hooper Bay PCE	1,135,636	0.4600	357,856	427,981	605,992	608,746	608,746	627,569	
Hustle PCE	521,591	0.5099	189,087	196,569	315,418	318,635	318,635	317,970	
Katag PCE	330,807	0.4906	113,893	124,707	191,006	192,568	192,568	197,293	
Kasegiuk PCE	617,967	0.4004	159,741	232,890	277,273	276,009	276,009	289,014	
Kuna PCE	637,678	0.5252	240,319	240,319	399,521	404,186	380,082	388,738	
Kivaline PCE	460,343	0.5207	171,607	173,487	285,464	288,676	274,383	280,632	
Koyuk PCE	555,795	0.4654	177,991	209,460	300,857	302,430	302,430	311,417	
Lower Kaling PCE	344,988	0.4460	104,123	130,014	177,208	177,683	177,683	183,763	
Marshall PCE	570,260	0.4657	185,670	218,303	313,807	315,459	315,459	324,813	
Meluruk PCE	343,141	0.4660	110,085	129,318	186,039	187,026	187,026	192,559	
Minto PCE	387,893	0.4392	114,566	146,183	195,488	195,824	195,824	202,658	
Mt. Village PCE	1,098,804	0.4505	336,333	414,101	571,463	573,345	573,345	592,341	
New Stuyahok PCE	528,855	0.4984	185,943	199,307	311,144	313,949	313,949	321,192	
Nightmute PCE	316,938	0.4880	108,302	119,443	181,769	183,203	183,203	187,791	
Noatak PCE	747,524	0.7411	281,716	281,716	698,324	715,896	445,554	455,702	
Nooruk PCE	961,408	0.5172	355,197	362,321	591,386	597,842	573,038	586,089	
Nulato PCE	595,475	0.5263	224,414	224,414	374,013	378,418	354,927	363,010	
Nunapichuk PCE	587,412	0.4004	151,843	221,375	263,563	262,362	262,362	274,724	
Old Harbor PCE	431,277	0.4445	129,551	162,533	220,619	221,155	221,155	228,804	
Pilot Station PCE	722,403	0.4843	244,317	272,248	410,500	413,568	413,568	424,226	
Pitkas Point PCE	158,287	0.4659	50,766	59,653	85,795	86,249	86,249	88,803	
Quinhagak PCE	883,474	0.4828	297,532	332,950	500,139	503,792	503,792	516,925	
Rustan Mission PCE	345,520	0.4669	111,143	130,214	187,772	188,789	188,789	194,337	
Savoniga PCE	884,887	0.4849	299,773	333,483	503,587	507,385	507,385	520,400	
Scammon Bay PCE	564,022	0.5231	211,542	212,560	351,686	355,723	336,180	343,838	
Selbert PCE	1,275,987	0.4953	444,873	480,875	745,071	751,544	751,544	769,315	
Shageluk PCE	178,271	0.5652	67,184	67,184	121,853	123,692	106,257	108,677	
Shattuck PCE	365,197	0.4548	113,275	137,630	192,168	192,912	192,912	199,107	
Shishmaref PCE	717,088	0.4358	209,479	270,245	357,920	358,358	358,358	371,545	
Shungnak PCE	374,009	0.7203	140,951	140,951	338,307	346,516	222,924	228,001	
St. Mary's/Andreafsky PCE	873,991	0.4659	280,306	329,377	473,723	476,229	476,229	490,329	
St. Michael PCE	699,829	0.4511	214,610	263,741	364,564	365,794	365,794	377,860	
Stebbins PCE	599,887	0.4834	202,369	226,076	340,112	342,610	342,610	351,510	
Talkeet PCE	308,684	0.5453	116,332	116,332	202,240	204,963	183,988	188,178	
Tingeb PCE	1,123,244	0.4483	341,466	423,311	580,653	582,391	582,391	601,994	
Tukoot Bay PCE	658,211	0.3728	152,866	248,057	269,442	266,733	266,733	281,948	





	20,845				Current Formula at Latest Reported Residential Rate	Current Formula at 160% of Latest Reported Residential Rate (match anticipated fuel price increases)	Increase the Ceiling Rate and use 160% of Latest Reported Rate	PCE applies to greater than 120% of urban average	PCE/applies to greater than 120% of urban average \$.xx/kWh to non-PCE utilities	PCE applies to 95% of a floor set at \$.xx below urban average
<b>Payments to Currently Qualified Utilities</b>					\$ 32,062,714	\$ 41,583,975	\$ 57,600,216	\$ 57,493,758	\$ 54,464,204	\$ 56,947,961
<b>Payments to Newly Qualified Utilities</b>					\$ -	\$ -	\$ -	\$ 16,331,767	\$ 66,812,770	\$ 47,904,324
<b>PCE Payments</b>					\$ 32,062,714	\$ 41,583,975	\$ 57,600,216	\$ 72,825,526	\$ 120,276,974	\$ 104,852,285
<b>Utility</b>	<b>Total (residential and community) kWh subject to PCE</b>	<b>Last Residential Rate</b>	<b>PCE Payout under Various Assumptions</b>							
			<b>Utilities Not Currently Eligible for PCE</b>							
<b>Regulated</b>	<b>6000*hookup: * 9</b>									
Chugach Electric Assoc	376,417,800	0.1180			Chugach Electric Assoc	-		18,820,890		7,704,068
AELP (Juneau)	72,878,400	0.1031			AELP (Juneau)	-		3,643,920		353,788
Golden Valley	196,533,000	0.0027			Golden Valley	13,554,095		9,826,650		21,401,402
Homer Electric Association, Inc.	128,752,200	0.1422			Homer Electric Association, Inc.	316,730		6,437,610		5,885,778
Matanuska Electric Association, Inc.	280,773,000	0.1290			Matanuska Electric Association, Inc.	-		14,030,650		8,962,274
Municipal Light & Power	129,837,600	0.0976			Municipal Light & Power	-		6,491,880		-
<b>Unregulated</b>										
Copper Valley Electric Association, Inc.	15,800,400	0.1579			Copper Valley Electric Association, Inc.	211,742		790,020		981,529
KODIAK ELECTRIC ASSOCIATION, INC.	25,007,400	0.1813			KODIAK ELECTRIC ASSOCIATION, INC.	1,137,086		1,250,370		2,164,978
Kake Tribal Corporation	394,200	0.1679			Kake Tribal Corporation	12,114		19,710		28,607
City and Borough of Sitka	27,610,200	0.1047			City and Borough of Sitka	-		1,380,510		181,352
City of Ketchikan	30,731,400	0.0958			City of Ketchikan	-		1,536,570		-
City of Seward	10,708,200	0.0862			City of Seward	-		535,410		-
City of Wrangell	5,691,600	0.1052			City of Wrangell	-		284,580		40,120
City of Petersburg	7,419,600	0.1172			City of Petersburg	-		370,980		145,343
Barrow Utilities and Electric Cooperative	7,700,400	0.1053			Barrow Utilities and Electric Cooperative, Inc.	-		385,020		55,085

MN-0BJ = passed 8-2-08  
7-3  
L.g. - m to amend #1, #2, #3  
withdrew  
25 LS1757/E.28  
Kane  
8/2/08  
adopted  
unchanged  
AMENDMENT |

OFFERED IN THE HOUSE

BY REPRESENTATIVE MEYER

TO: CSHB 4005( ), Draft Version "E"

1 Page 1, line 1, following "program;":

2 Insert "authorizing a temporary power cost assistance program;"

3

4 Page 1, line 9, through page 3, line 6:

5 Delete all material and insert:

6 \*\* Section 1. AS 42.45.110(c) is amended to read:

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

11 (1) [DURING THE STATE FISCAL YEAR THAT BEGAN JULY 1,  
12 1999,] the power costs for which power cost equalization are [WERE] paid to an  
13 electric utility are [WERE] limited to minimum power costs of more than 12 cents a  
14 [PER] kilowatt-hour and less than <sup>1.17</sup>75 [52.5] cents a [PER] kilowatt-hour;

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

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

1 \* Sec. 2. AS 42.45.110(c), as amended by sec. 1 of this Act, is amended to read:

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

6 (1) the power costs for which power cost equalization are paid to an  
7 electric utility are limited to minimum power costs of more than 12 cents a kilowatt-  
8 hour and less than 52.5 [75] cents a kilowatt-hour;

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

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

17  
18 Renumber the following bill sections accordingly.

19  
20 Page 3, following line 7:

21 Insert a new bill section to read:

22 "\* Sec. 4. The uncodified law of the State of Alaska is amended by adding a new section to  
23 read:

24 POWER COST ASSISTANCE. (a) For the period beginning October 1, 2008, and  
25 ending June 30, 2011, an electric utility that does not receive power cost equalization under  
26 AS 42.45.100 - 42.45.150 is entitled to receive <sup>(4)</sup> five cents a kilowatt-hour for actual  
27 consumption for each residential customer of not more than 500 kilowatt-hours a month or a  
28 maximum of 6,000 kilowatt-hours a year.

29 (b) The assistance provided to the utility under this section shall be passed along  
30 directly to the residential customer in the form of a credit by the electric utility.

31 (c) The assistance provided under this section may only accrue to a single individual

1 at a single residence with an individual meter for residential electric service.

2 (d) An electric utility that receives the assistance provided under this section shall  
3 comply with the provisions of AS 42.45.120.

4 (e) The Regulatory Commission of Alaska shall modify the tariffs of an electric utility  
5 that maintains a tariff with the commission to reflect the utility's participation under this  
6 section.

7 (f) The Alaska Energy Authority shall administer the program established in this  
8 section and may adopt regulations for that purpose.

9 (g) In this section, "electric utility" means a public, cooperative, or other corporation,  
10 company, individual, or association of individuals, including the lessees, trustees, or receivers  
11 appointed by a court, that owns, operates, manages, or controls a plant or system for the  
12 furnishing, by generation, transmission, or distribution, of electric service to the public for  
13 compensation but does not meet the requirements of AS 42.45.150(2)(B) and (C)."  
14

15 Renumber the following bill sections accordingly.

16

17 Page 3, line 23:

18 Delete "\$170"

19 Insert "\$127.50"

20

21 Page 3, line 31:

22 Delete "\$170"

23 Insert "\$127.50"

24

25 Page 4, following line 12:

26 Insert new subsections to read:

27 "(d) An individual may elect not to receive the \$1,000 resource rebate authorized  
28 under (a) of this section. An individual who elects not to receive the \$1,000 resource rebate  
29 authorized under (a) of this section may provide notice of the election on a form provided by  
30 the Department of Revenue. Notice must be postmarked or received by the Department of  
31 Revenue not later than September 2, 2008.

1 (e) Notwithstanding any contrary provision of law, an individual who did not apply  
 2 for the 2008 permanent fund dividend and is eligible for veterans' benefits under 38 U.S.C.  
 3 1315, 1513, 1521, 1541, and 1542 may apply for a \$1,000 Alaska resource rebate payment for  
 4 2008. The veteran or the spouse or dependent of a living or deceased veteran must apply to  
 5 the Department of Revenue not later than October 1, 2008, and demonstrate that the  
 6 individual would have been eligible to receive a 2008 permanent fund dividend under  
 7 AS 43.23, except for not having applied for the 2008 permanent fund dividend previously.

8 (f) The veteran or the spouse or dependent of a living or deceased veteran who is  
 9 denied or receives reduced payments or reduced health care benefits solely because the  
 10 \$1,000 payment under this section received by the individual is counted as income is eligible  
 11 for benefits under AS 47.25.120 - 47.25.300. Notwithstanding the limit in AS 47.25.130, the  
 12 veteran or the spouse or dependent of a living or deceased veteran is entitled to receive the  
 13 same amount as the individual would have received under 38 U.S.C. 1315, 1513, 1521, 1541,  
 14 and 1542 had a \$1,000 payment not been received under this section."

15

16 Page 4, following line 29:

17 Insert new bill section to read:

18 **"\* Sec. 9. Section 4 of this Act is repealed June 30, 2011."**

19

20 Renumber the following bill sections accordingly.

21

22 Page 4, line 30:

23 Delete "Sections 1 and 3"

24 Insert "Sections 1 and 4"

25

26 Page 5, line 1:

27 Delete "Section 9"

28 Insert "Section 8"

29

30 Page 5, line 2:

31 Delete "Sections 5 - 8"

1

Insert "Sections 3 and 5 - 7"

Failed 1-9

8-2-08

AMENDMENT 2

OFFERED IN THE HOUSE FINANCE

BY Meyer by Request

COMMITTEE

TO: CSHB 4005( )

Page 4, following line 27:

Insert:

“(c) A retail dealer located in a municipality or community of 1,000 or fewer residents that purchases or receives a transfer of gasoline, diesel, or aviation fuel from a person that would have been subject to AS 43.40.010(c) except for the suspension established in (a) of this section, shall pass on to the end user 100 percent of the tax savings realized from the tax suspension provided under (a) of this section.

(d) While the suspension of the state motor fuel tax is in effect, a retail dealer described under (c) of this section shall annually submit a signed statement, under penalty of unsworn falsification, on a form or in a format prescribed by the Department of Revenue stating that

- (1) the retail dealer will pass on to end users 100 percent of the tax savings while the suspension under (a) of this section is in effect;
- (2) the retail dealer will not increase its price for motor fuel based solely in response to the suspension of the state motor fuel tax; and

(3) the retail dealer's pricing policy will remain consistent with prior practices, and be based on similar criteria as though the suspension of the motor fuel tax had not occurred.

(e) The statement required by (d) of this section is due to the Department of Revenue on the last day of the month following the effective date of a tax suspension provided under (a) of this section.

(f) The Department of Revenue

(1) may audit a retail dealer's books and records to confirm that the statement made under (d) of this section is complete and accurate;

(2) shall authorize a retail dealer of gasoline, diesel, or aviation fuel described under (c) of this section that has complied with (c) of this section to post a sign on its premises, including each pump, that states the retail dealer has passed on to the end user 100 percent of the tax savings realized from the suspension of the motor fuel tax; each retail dealer that displays one or more signs must remove the signs immediately if the retail dealer does not remain in compliance with (c) of this section; all signs described under this subsection must be removed immediately after the expiration of the tax suspension imposed under this section."

Page 4, line 28:

Delete "(c)"

Insert "(h)"

8-2-08

25-LS1757E.1

Kane

7/31/08

Failed 3-7

AMENDMENT 3

OFFERED IN THE HOUSE

BY REPRESENTATIVE HAWKER

TO: CSHB 4005( ), Draft Version "E"

- 1 Page 1, lines 5 - 7:
- 2 Delete "relating to the Alaska resource rebates, and increasing the amount of the
- 3 2008 permanent fund dividend by the amount of the rebate"
- 4
- 5 Page 4, lines 1 - 12:
- 6 Delete all material.
- 7
- 8 Renumber the following bill sections accordingly.
- 9
- 10 Page 5, line 1:
- 11 Delete "Section 9"
- 12 Insert "Section 8"
- 13
- 14 Page 5, line 2:
- 15 Delete "Sections 5 - 8"
- 16 Insert "Sections 5 - 7"

8-2-08

25-LS1757E.4  
Kane  
7/31/08

Withdrawn

AMENDMENT 4

OFFERED IN THE HOUSE

BY REPRESENTATIVE Thomas

TO: CSHB 4005( ), Draft Version "E"

1 Page 3, following line 5:

2 Insert a new subsection to read:

3 "(I) If an electric utility received power cost equalization payments under this  
4 section before the effective date of this Act, the electric utility may elect to receive  
5 power cost equalization based on the provisions of (c) of this section as it read on the  
6 day before the effective date of this Act instead of those in (c) of this section."  
7

8 Page 3, line 6:

9 Delete "is"

10 Insert "and 42.45.110(I) are"

*Withdrawn*

AMENDMENT 5

*Thomas*

OFFERED IN THE HOUSE

TO: CSHB 4005( ), Draft Version "E"

1 Page 3, following line 3:

2 Insert a new subsection to read:

3 "(k) An electric utility that meets all of the requirements of AS 42.45.150(2)  
4 but does not qualify for power cos' equalization under the provisions of (c) this section  
5 is entitled to receive five cents a kilowatt-hour in power cost equalization

6 (1) for sales of power to local community facilities, calculated in the  
7 aggregate for each community served by the electric utility, for actual consumption of  
8 not more than 70 kilowatt-hours a month for each resident of the community; the  
9 number of community residents shall be based on latest figures of the United States  
10 Bureau of the Census or other population data that in the judgment of the commission  
11 is reliable; and

12 (2) for actual consumption of not more than 500 kilowatt-hours a  
13 month sold to each residential customer."  
14

15 Reletter the following subsection accordingly.

16

17 Page 3, line 6:

18 Delete "is"

19 Insert "and 42.45.110(k) are"

8-2-08

25-LS1757AE.13  
Mischel/Kane  
8/1/08

*Withdrawn*

AMENDMENT 60

*Thomas*

OFFERED IN THE HOUSE

TO: CSHB 4005( ), Draft Version "E"

1 Page 1, following line 8:

2 Insert a new bill section to read:

3 **\*\* Section 1.** AS 42.45.110(b) is amended to read:

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

5 (1) for 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 a month for each resident of the community; the  
8 number of community residents shall be determined annually by the latest figures of  
9 the United States Bureau of the Census or other population data that the Department of  
10 Commerce, Community, and Economic Development determines is reliable; and

11 (2) for actual consumption of not more than 500 kilowatt-hours a  
12 month sold to each residential and business customer."

13

14 Page 1, line 9:

15 Delete "Section 1"

16 Insert "Sec. 2"

17

18 Renumber the following bill sections accordingly.

19

20 Page 1, line 13, following "rate":

21 Insert "for a residential customer, and the retail commercial power rate, for a business  
22 customer,"

23

1 Page 2, line 19, following "rate":

2 Insert "for a residential customer, and the retail commercial power rate, for a business  
3 customer,"

4

5 Page 2, following line 21:

6 Insert a new bill section to read:

7 **\*\* Sec. 4. AS 42.45.110(d) is amended to read:**

8 (d) An electric utility whose customers receive power cost equalization under  
9 AS 42.45.100 - 42.45.150 shall set out in its tariff the rates without the power cost  
10 equalization and the amount of power cost equalization **for each** [PER] kilowatt-hour  
11 sold. The rate charged to the customer shall be the difference between the two  
12 amounts. Power cost equalization paid under AS 42.45.100 - 42.45.150 shall be used  
13 to reduce the cost of all power sold to local community facilities, in the aggregate, to  
14 the extent of 70 kilowatt-hours **a** [PER] month **for each** [PER] resident of the  
15 community, and to reduce the cost of the first 500 kilowatt-hours **for each business**  
16 **and each** [PER] residential customer **a** [PER] month."

17

18 Renumber the following bill sections accordingly.

19

20 Page 2, line 24, following "residential":

21 Insert "and business"

22

23 Page 4, line 30:

24 Delete "Sections 1 and 3"

25 Insert "Sections 1, 2, 4, and 5"

26

27 Page 4, line 31:

28 Delete "Section 2"

29 Insert "Section 3"

30

31 Page 5, line 1:

- 1 Delete "Section 9"
- 2 Insert "Section 11"
- 3
- 4 Page 5, line 2:
- 5 Delete "Sections 5 - 8"
- 6 Insert "Sections 7 - 10"

passed 6-4

8/2/08

25-LS1757A.E.13  
Mischel/Kane  
8/1/08

with conceptual amendment #1  
New AMENDMENT 6

Thomas

OFFERED IN THE HOUSE

TO: CSHB 4005( ), Draft Version "E"

1 Page 1, following line 8:

2 Insert a new bill section to read:

3 **\*\* Section 1.** AS 42.45.110(b) is amended to read:

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

5 (1) for 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 a month for each resident of the community; the  
8 number of community residents shall be determined annually by the latest figures of  
9 the United States Bureau of the Census or other population data that the Department of  
10 Commerce, Community, and Economic Development determines is reliable; and

11 (2) for actual consumption of not more than 500 kilowatt-hours a  
12 month sold to each residential ~~and business~~ customer."

*Commercial*

14 Page 1, line 9:

15 Delete "Section 1"

16 Insert "Sec. 2"

17

18 Renumber the following bill sections accordingly.

19

20 Page 1, line 13, following "rate":

21 Insert "for a residential customer, and the retail commercial power rate, for a ~~business~~  
22 customer,"

*Commercial*

23

*conceptual  
amendment  
to add  
Sunset*

*June 30 2011*

*consistent  
with other  
PLF*

1 Page 2, line 19, following "rate":

2 Insert "for a residential customer, and the retail commercial power rate, for a ~~business~~ <sup>Commercial</sup>  
3 customer,"

5 Page 2, following line 21:

6 Insert a new bill section to read:

7 "\* Sec. 4. AS 42.45.110(d) is amended to read:

8 (d) An electric utility whose customers receive power cost equalization under  
9 AS 42.45.100 - 42.45.150 shall set out in its tariff the rates without the power cost  
10 equalization and the amount of power cost equalization for each [PER] kilowatt-hour  
11 sold. The rate charged to the customer shall be the difference between the two  
12 amounts. Power cost equalization paid under AS 42.45.100 - 42.45.150 shall be used  
13 to reduce the cost of all power sold to local community facilities, in the aggregate, to  
14 the extent of 70 kilowatt-hours a [PER] month for each [PER] resident of the  
15 community, and to reduce the cost of the first 500 kilowatt-hours for each ~~business~~ <sup>Commercial</sup>  
16 and each [PER] residential customer a [PER] month."

17

18 Renumber the following bill sections accordingly.

19

20 Page 2, line 24, following "residential":

21 Insert "and ~~business~~ <sup>Commercial</sup>"

23 Page 4, line 30:

24 Delete "Sections 1 and 3"

25 Insert "Sections 1, 2, 4, and 5"

26

27 Page 4, line 31:

28 Delete "Section 2"

29 Insert "Section 3"

30

31 Page 5, line 1:

- 1 Delete "Section 9"
- 2 Insert "Section 11"
- 3
- 4 Page 5, line 2:
- 5 Delete "Sections 5 - 8"
- 6 Insert "Sections 7 - 10"

failed 2-8

8-2-08

25-GH4060\C.3  
Bullock  
8/1/08

Conceptual AMENDMENT 7

OFFERED IN THE HOUSE

BY REPRESENTATIVE STOLTZE

TO: CSHB ~~4005~~  
4005, version E

1 Page 1, line 1:

2 Delete "motor fuel tax"

3 Insert "state motor fuel tax and municipal taxes on the sale of motor fuel"

4

5 Page 1, following line 2:

6 Insert a new bill section to read:

7 "\* Section 1. The uncodified law of the State of Alaska is amended by adding a new section  
8 to read:

9 LEGISLATIVE INTENT. (a) It is the intent of the legislature that

10 (1) secs. 2 and 3 of this Act will result in a decrease in the cost of motor fuel  
11 to the people of the state by reducing the taxes applicable to the sale or transfer of motor fuel;  
12 and

13 (2) during the suspension period described in secs. 2 and 3 of this Act, no new  
14 tax be imposed by the state or a municipality on the sale or transfer of motor fuel.

15 (b) For the purposes of (a) of this section, "new tax" means a tax on the sale or  
16 transfer of motor fuel that would be applicable after the effective date of this Act and that was  
17 not levied or collected before the effective date of this Act."

18

19 Page 1, line 3:

20 Delete "Section 1"

21 Insert "Sec. 2"

22

23 Renumber the following bill sections accordingly.

1

2 Page 2, following line 5:

3 Insert a new bill section to read:

4 **\*\* Sec. 3. The uncodified law of the State of Alaska is amended by adding a new section to**  
5 **read:**

6 **SUSPENSION OF MUNICIPAL TAXES ON THE SALE OF MOTOR FUEL.**

7 **Notwithstanding any other provision of law, a municipality may not levy and collect a tax on**  
8 **the sale of gasoline, diesel, or aviation motor fuel for the 12 consecutive calendar months**  
9 **immediately following the month of the effective date of this Act."**

10

11 **Renumber the following bill section accordingly.**

8-2-08

with drawn

8-2-08

25-LS1757E.6  
Kane  
8/1/08

AMENDMENT 3

OFFERED IN THE HOUSE

BY REPRESENTATIVE KELLY

TO: CSHB 4005( ), Draft Version "E"

1 Page 1, line 1, following "Act":

2           Insert "establishing the Alaska <sup>alternative</sup> energy ~~efficient~~ home heating loan fund and a loan  
3 program using the loan fund balance;"

5 Page 1, following line 8:

6           Insert a new bill section to read:

7           \*\* Section 1. AS 18.56 is amended by adding a new section to read:

8                   Sec. 18.56.415. Alaska <sup>alternative</sup> energy ~~efficient~~ home heating loan fund. (a) There is  
9 established in the corporation the Alaska <sup>alternative</sup> energy ~~efficient~~ home heating loan fund  
10 consisting of money appropriated to it by the legislature and deposited in it by the  
11 corporation.

12                   (b) Subject to appropriation, the corporation may provide to qualified  
13 residents zero-interest loans from the Alaska <sup>alternative</sup> energy ~~efficient~~ home heating loan fund  
14 to assist in installing in dwellings wood, wood-pellet, or barley-fired stoves, or other  
15 <sup>alternative</sup> energy ~~efficient~~ heating systems that meet criteria adopted by the corporation.

16                   (c) The corporation shall

17                           (1) administer the Alaska <sup>alternative</sup> energy efficient home heating loan fund; and

18                           (2) adopt guidelines and procedures for the fund and for administering  
19 the loan program, both as established under the provisions of this section."

21 Page 1, line 9:

22           Delete "Section 1"

23           Insert "Sec. 2

1

2 Renumber the following bill sections accordingly.

3

4 Page 4, line 30:

5 Delete "Sections 1 and 3"

6 Insert "Sections 2 and 4"

7

8 Page 4, line 31:

9 Delete "Section 2"

10 Insert "Section 3"

11

12 Page 5, line 1:

13 Delete "Section 9"

14 Insert "Section 10"

15

16 Page 5, line 2:

17 Delete "Sections 5 - 8"

18 Insert "Sections 1 and 6 - 9"

not taken up # 8 with drawn. Gava  
due to Amendment 1 to Amendment 8.

Insert at

line 8 + 9 + 13 + 17

~~"and the power"~~

"and electricity" after "heating"

Insert at line 14 after "stoves," the  
following: "solar panels, wind  
turbines,"

Insert at line 15 after "heating,"  
the following: "or electrical"

Withdrawn

8-2-08

8-2-08

25-LS1757E.11  
Luckhaupt/Kane  
8/1/08

AMENDMENT 9

OFFERED IN THE HOUSE

BY REPRESENTATIVE KELLY

TO: CSHB 4005( ), Draft Version "E"

1 Page 1, line 1, following "Act":

2 Insert "establishing the Alaska <sup>alternative</sup> energy ~~efficient~~ home heating grant fund and a  
3 grant program using the grant fund balance;"

(how about tapping the \$300mil for this?)

5 Page 1, following line 8:

6 Insert a new bill section to read:

7 "\* Section 1. AS 18.56 is amended by adding a new section to read:

8 Sec. 18.56.415. Alaska <sup>alternative</sup> energy ~~efficient~~ home heating grant fund. (a) There  
9 is established in the corporation the Alaska <sup>alternative</sup> energy ~~efficient~~ home heating grant fund  
10 consisting of money appropriated to it by the legislature and deposited in it by the  
11 corporation.

12 (b) Subject to appropriation, the corporation may provide to qualified  
13 residents grants of up to \$1,000 from the Alaska <sup>alternative</sup> energy ~~efficient~~ home heating grant  
14 fund to assist in installing in dwellings wood, wood-pellet, or barley-fired stoves, or  
15 other <sup>alternative</sup> energy ~~efficient~~ heating systems that meet criteria adopted by the corporation.

16 (c) The corporation shall

17 (1) administer the Alaska <sup>alternative</sup> energy ~~efficient~~ home heating grant fund;

18 and

19 (2) adopt guidelines and procedures for the fund and for administering  
20 the grant program, both as established under the provisions of this section."

22 Page 1, line 9:

23 Delete "Section 1"

- 1           Insert "Sec. 2"
- 2
- 3    Renumber the following bill sections accordingly.
- 4
- 5    Page 4, line 30:
- 6           Delete "Sections 1 and 3"
- 7           Insert "Sections 2 and 4"
- 8
- 9    Page 4, line 31:
- 10           Delete "Section 2"
- 11           Insert "Section 3"
- 12
- 13   Page 5, line 1:
- 14           Delete "Section 9"
- 15           Insert "Section 10"
- 16
- 17   Page 5, line 2:
- 18           Delete "Sections 5 - 8"
- 19           Insert "Sections 1 and 6 - 9"

8-2-08

25-LS1757\E.15  
Luckhaupt/Kane  
8/1/08

*Withdrawn*

AMENDMENT )(

OFFERED IN THE HOUSE

BY REPRESENTATIVE NELSON

TO: CSHB 4005( ), Draft Version "E"

- 1 Page 2, line 1:
- 2 Delete "before"
- 3 Insert "after"

*failed 4-6*

8-2-08

25-LS1757\E.10  
Kane  
8/1/08

AMENDMENT 10

OFFERED IN THE HOUSE

TO: CSHB 4005( ), Draft Version "E"

*Rep. Nelson*

- 1 Page 2, line 5:
- 2 Delete "75 cents"
- 3 Insert "\$1.15"

*with drawn*

8-2-08

AMENDMENT 12

OFFERED IN THE HOUSE  
TO: CSHB 4005 ( ), Draft Version "E"

BY REPRESENTATIVE NELSON

- 1 Page 3, line 23:
- 2 Delete "\$170"
- 3 Insert "\$300"
- 4
- 5 Page 3, Line 31:
- 6 Delete "\$170"
- 7 Insert "\$300"

*conceptual amend.  
insert \$170.  
failed 55*

*Adopted with  
conceptual amendment*

8-2-08

25-LS1757AE.5  
Mischel/Kane  
7/31/08

AMENDMENT 13

OFFERED IN THE HOUSE

BY REPRESENTATIVE NELSON

TO: CSHB 4005( ), Draft Version "E"

*conceptual amendment:  
adopted*

1 Page 1, line 1, following "Act":

2 Insert "amending the bulk fuel bridge loan fund;" *"and to also reflect the bulk*  
3 *fuel revolving fund;"*

4 Page 1, following line 8:

5 Insert a new bill section to read:

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

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

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

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

11

12 Page 1, line 9:

13 Delete "Section 1"

14 Insert "Sec. 2"

15

16 Renumber the following bill sections accordingly.

17

18 Page 3, following line 5:

19 Insert a new bill section to read:

20 **\*\* Sec. 5.** AS 42.45.250(e) is amended to read:

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

23 (1) may not exceed \$750,000 [\$500,000], or, if the borrower is a

1 cooperative corporation organized under AS 10.15 or an electric cooperative  
2 organized under AS 10.25 and uses the loan to purchase bulk fuel on behalf of more  
3 than one community, may not exceed the lesser of \$750,000 [\$500,000] multiplied by  
4 the number of communities on whose behalf the bulk fuel is to be purchased, or  
5 \$1,800,000;

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

7 (3) may not exceed 90 percent of the wholesale price of the fuel  
8 purchased."

9  
10 Renumber the following bill sections accordingly.

11  
12 Page 4, line 30:

13 Delete "Sections 1 and 3"

14 Insert "Sections 2 and 4"

15  
16 Page 4, line 31:

17 Delete "Section 2"

18 Insert "Section 3"

19  
20 Page 5, line 1:

21 Delete "Section 9"

22 Insert "Section 11"

23  
24 Page 5, line 2:

25 Delete "Sections 5 - 8"

26 Insert "Sections 7 - 10"

8-2-08

25-LS1757E.7  
Bullock/Kane  
8/1/08

*replaced*

AMENDMENT 14

OFFERED IN THE HOUSE

BY REPRESENTATIVE GARA

TO: CSHB 4005( ), Draft Version "E"

1 Page 1, line 7, following "tax":

2 Insert "during certain months based on the average price per barrel for Alaska  
3 North Slope crude oil for sale on the United States West Coast"

4  
5 Page 3, following line 5:

6 Insert new bill sections to read:

7 "\* Sec. 4. AS 43.40.010(c) is amended to read:

8 (c) Except as provided in AS 43.40.013, [EVERY] dealer who sells or  
9 otherwise transfers motor fuel in the state shall collect the tax at the time of sale, and  
10 remit the total tax collected during each calendar month of each year to the department  
11 by the last day of each succeeding month. Every user shall likewise remit the tax  
12 accrued on motor fuel actually used by the user during each month. If the monthly tax  
13 return is timely filed, one percent of the total monthly tax due, limited to a maximum  
14 of \$100, may be deducted and retained to cover the expense of accounting and filing  
15 the monthly tax return. At the time the remittance is made, each dealer or user shall  
16 submit a statement to the department showing all fuel that [WHICH] the dealer or  
17 user has distributed or used during the month.

18 \* Sec. 5. AS 43.40 is amended by adding a new section to read:

19 Sec. 43.40.013. Temporary suspension of tax collection. (a) The collection  
20 of the tax required to be collected under AS 43.40.010(c) is suspended for the calendar  
21 month immediately following the end of a 30-day period during which the average  
22 price per barrel for Alaska North Slope crude oil for sale on the United States West  
23 Coast is more than \$80.

1           (b) The department shall adjust the average price per barrel in (a) of this  
2 section based on the percentage increase in the Consumer Price Index for urban wage  
3 earners and clerical workers for Anchorage, Alaska, during the previous calendar year,  
4 as determined by the United States Department of Labor, Bureau of Labor Statistics.

5           (c) The department shall adopt regulations necessary to implement this section  
6 and a procedure for notifying persons responsible for the collection of the tax levied  
7 and collected under this chapter."

8

9       Renumber the following bill sections accordingly.

10

11       Page 4, lines 13 - 29:

12           Delete all material.

13

14       Renumber the following bill sections accordingly.

15

16       Page 5, line 1:

17           Delete all material.

18

19       Renumber the following bill section accordingly.

20

21       Page 5, line 2:

22           Delete "Sections 5 - 8"

23           Insert "Sections 4, 5, and 7 - 10"

82V

withdrawn

AMENDMENT

14 new

OFFERED IN THE HOUSE

BY REPRESENTATIVE GARA

TO: CSHB 4005( ), Draft Version "E"

1 Page 1, line 7, following "tax":

2 Insert "during ce 'ain months based on the average price per barrel for Alaska  
3 North Slope crude oil for sale on the United States West Coast"

5 Page 3, following line 5:

6 Insert new bill sections to read:

7 \*\* Sec. 4. AS 43.40.010(c) is amended to read:

8 (c) Except as provided in AS 43.40.013, [EVERY] dealer who sells or  
9 otherwise transfers motor fuel in the state shall collect the tax at the time of sale, and  
10 remit the total tax collected during each calendar month of each year to the department  
11 by the last day of each succeeding month. Every user shall likewise remit the tax  
12 accrued on motor fuel actually used by the user during each month. If the monthly tax  
13 return is timely filed, one percent of the total monthly tax due, limited to a maximum  
14 of \$100, may be deducted and retained to cover the expense of accounting and filing  
15 the monthly tax return. At the time the remittance is made, each dealer or user shall  
16 submit a statement to the department showing all fuel that [WHICH] the dealer or  
17 user has distributed or used during the month.

18 \* Sec. 5. AS 43.40 is amended by adding a new section to read:

19 Sec. 43.40.013. Temporary suspension of tax collection. (a) The collection  
20 of the tax required to be collected under AS 43.40.010(c) is suspended for the calendar  
21 month immediately following the end of a 30-day period during which the average  
22 price per barrel for Alaska North Slope crude oil for sale on the United States West  
23 Coast is more than \$80.

Insert "ending on the  
15<sup>th</sup> day of the  
previous month,"

1 (b) The department shall adjust the average price per barrel in (a) of this  
2 section based on the percentage increase in the Consumer Price Index for urban wage  
3 earners and clerical workers for Anchorage, Alaska, during the previous calendar year,  
4 as determined by the United States Department of Labor, Bureau of Labor Statistics.

5 (c) The department shall adopt regulations necessary to implement this section  
6 and a procedure for notifying persons responsible for the collection of the tax levied  
7 and collected under this chapter."  
8

9 Renumber the following bill sections accordingly.

10

11 Page 4, lines 13 - 29:

12 Delete all material.

13

14 Renumber the following bill sections accordingly.

15

16 Page 5, line 1:

17 Delete all material.

18

19 Renumber the following bill section accordingly.

20

21 Page 5, line 2:

22 Delete "Sections 5 - 8"

23 Insert "Sections 4, 5, and 7 - 10"

Failed 3-6

8-2-08

AMENDMENT 15

by Representative Crawford

on CS for HB4005E

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offered in the House Finance Committee

page 4, before line 1

add

Sec. 8. The uncodified law of the state of Alaska is amended by adding a new section to read:

MOTOR FUEL REBATE. (a) To provide residents of the state with a rebate equivalent to the state motor fuels tax, the amount of the 2008 permanent fund dividend shall be increased.

(b) Subject to appropriation, sum of \$40,000,000 to increase 2008 permanent fund dividends under (a) of this section shall be transferred from the general fund to the dividend fund (AS 43.23.045).

page 4, line 12

"The resource and motor fuel rebates are [is] a one time payment to qualified Alaskans."

page 4, line 13 through 29

delete all information

page 5, line 1

delete all information

renumber sections accordingly