

AK LEGISLATURE FINANCE COMMITTEES FILES 2007-2008 3293

175

Failed 3-6

8-2-08

AMENDMENT 16

by Representative Crawford
on CS for HB4005/E

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offered in the House Finance Committee

page 4, following line 12

insert a new subsection to read

“(d) Notwithstanding AS 43.23.011, AS 43.23.015, and other provisions of law, an individual may elect to contribute from that individual’s 2008 permanent fund dividend to the renewable energy grant fund established under AS 4245.045 an amount equal to one half of the Alaska Resource Rebate described in this section. An election to contribute under this subsection may be made only on a form provided by the Department of Revenue that is received by the department on or before September 2, 2008. An agency or individual who applied for the 2008 permanent fund dividend on behalf of another individual may not elect to contribute from that dividend. Notwithstanding an election to contribute under this subsection, the Department of Revenue may not pay any money from a 2008 permanent fund dividend to the renewable energy grant fund if the dividend has been claimed or assigned, in whole or part, under AS 43.23.065 – 43.23.073.”

8-2-08

25-LS1757E.26

Kane

8/1/08

withdrawn

AMENDMENT 17

OFFERED IN THE HOUSE

BY REPRESENTATIVE THOMAS

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

1 Page 1, lines 1 - 5:

2 Delete "amending the power cost equalization program; authorizing, as a
3 temporary rebate of state resources to certain state residents, payments to assist in
4 meeting heating costs under the federal heating assistance program, limiting payments
5 for heating assistance, and eliminating the authority to make certain provisions of the
6 heating assistance program retroactive to November 1, 2007;"

7

8 Page 1, line 7:

9 Delete "suspending the motor fuel tax;"

10

11 Page 1, line 9, through page 3, line 31:

12 Delete all material.

13

14 Page 4, line 1:

15 Delete "Sec. 8"

16 Insert "Section 1"

17

18 Renumber the following bill sections accordingly.

19

20 Page 4, line 6:

21 Delete "\$1,000"

22 Insert "\$1,750"

23

- 1 Page 4, line 13, through page 5, line 1:
- 2 Delete all material.
- 3
- 4 Renumber the following bill section accordingly.
- 5
- 6 Page 5, line 2:
- 7 Delete "Sections 5 - 8 of this Act take"
- 8 Insert "This Act takes"

8-2-08

25-LS1757E.30
Kane
8/2/08

withdrawn
AMENDMENT 18

OFFERED IN THE HOUSE

BY REPRESENTATIVE CHENAULT

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

1 Page 2, line 31, following "that":

2 Insert "(1)"

3

4 Page 3, line 3, following "AS 42.45.150(2)(B) - (C)":

5 Insert "; and

6

7

8

9

10

(2) the executive director of the Alaska Industrial Development and Export Authority certifies to the legislature is not engaged in litigation regarding any contractual obligation to the Alaska Industrial Development and Export Authority with respect to a power generation project owned by the Alaska Industrial Development and Export Authority"

8-2-08

adopted N10

Conceptual Amendment

19

OFFERED IN THE HOUSE

BY REPRESENTATIVE MEYER

To: CS HB 4005(), Draft Version "E"

Page 4, line 21

After "month."

Delete "Sales invoices must be attached"

Insert "The department may require that invoices be attached"

Amendment 20

Gara *SE*

Page 1, line 1, following "Act":

Withdrawn

Insert "establishing the Alaska alternative energy efficient home heating and electricity loan fund and a loan program using the loan fund balance;"

Page 1, following line 8:

Insert a new bill section to read:

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

Sec. 18.56.415. Alaska alternative energy efficient home heating and electricity loan fund. (a) There is established in the corporation the Alaska alternative energy efficient home heating and electricity loan fund consisting of money appropriated to it by the legislature and deposited in it by the corporation.

(b) Subject to appropriation, the corporation may provide to qualified residents zero-interest loans from the Alaska alternative energy efficient home heating and electricity loan fund to assist in installing in dwellings wood, wood-pellet, barley-fired stoves, solar panels, or wind turbines, or other alternative energy efficient heating or electrical systems that meet criteria adopted by the corporation.

(c) The corporation shall

- (1) administer the Alaska alternative energy efficient home heating and electricity loan fund; and
- (2) adopt guidelines and procedures for the fund and for administering the loan program, both as established under the provisions of this section."

Page 1, line 9:

Delete "Section 1"

Insert "Sec. 2

original

82✓

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 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.

Insert "ending on the
15th 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"

AMENDMENT

#9

Sen. Thomas

OFFERED IN THE SENATE

TO: CSSB 4002(FIN), Draft Version "T"

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

2 Insert "relating to grants from the renewable energy grant fund;"

3

4 Page 1, following line 7:

5 Insert new bill sections to read:

6 **** Section 1.** AS 42.45.045(e), as enacted in sec. 3, ch. 31, SLA 2008, is amended to read:

7 (e) In consultation with the advisory committee established in (i) of this
8 section, the authority shall make recommendations to the legislature regarding eligible
9 applicants' projects that finance feasibility studies, reconnaissance studies, energy
10 resource monitoring, and construction of renewable energy projects, alternative
11 energy projects, natural gas projects, or transmission or distribution infrastructure
12 located in Alaska that meet the requirements of (f), (g), [OR] (h), or (m) of this
13 section, as applicable, and shall, at least once each year, solicit from the advisory
14 committee funding recommendations for all grants.

15

16

17

18 * ~~Sec 3~~ ² AS 42.45.045, as enacted in sec. 3, ch. 31, SLA 2008, is amended by adding a new
19 subsection to read:

20 (m) For an alternative energy project to qualify for a grant recommendation
21 under (e) of this section, the project must be a

22 (1) new project not in operation on the effective date of this bill section
23 or an addition to an existing project made after the effective date of this bill section;

Renumber
Section 1

1 and

2 (2) facility that generates energy or fuel that is less expensive, more
3 efficient, or has a less adverse effect on the environment than the energy or fuel that
4 was previously used by a community."
5

6 Page 1, line 8:

7 Delete "Section 1"

8 Insert "Sec. 4"

9

10 Renumber the following bill sections accordingly.

11

12 Page 2, line 4:

13 Delete "sec. 1"

14 Insert "sec. 4"

15

16 Page 3, line 20:

17 Delete "sec. 4"

18 Insert "sec. 7"

19

20 Page 4, following line 9:

21 Insert new bill sections to read:

22 "* Sec. 9. The uncodified law of the State of Alaska enacted in sec. 1(b), ch. 31, SLA 2008,
23 is amended to read:

24 (b) It is the intent of the legislature that each year for the next five years
25 \$50,000,000 in capital funds be appropriated to fund renewable energy projects
26 recommended by the Alaska Energy Authority as described in AS 42.45.045(f) and
27 sec. [SECS. 3 AND] 6 of this Act.

28 * Sec. 10. The uncodified law of the State of Alaska enacted in sec. 6, ch. 31, SLA 2008, is
29 amended to read:

30 RENEWABLE ENERGY GRANTS DURING STATE FISCAL YEAR 2009.

31 (a) For the fiscal year ending June 30, 2009, from an appropriation made under the

1 statement of intent set out in sec. 1(b) of this Act, the Alaska Energy Authority shall
 2 distribute grants to applicants determined by the authority and that meet the criteria in
 3 AS 42.45.045(f) - (h) and (m) [, ADDED BY SEC. 3 OF THIS ACT,] based on the
 4 procedure described in (b) of this section.

5 (b) For administering grants under AS 42.45.045(f) - (h) and (m) [, ADDED
 6 BY SEC. 3 OF THIS ACT,] for the fiscal year ending June 30, 2009, notwithstanding
 7 AS 42.45.045(d), (e), and (i) - (l), added by sec. 3 of this Act,

8 (1) the Alaska Energy Authority shall submit to the Legislative Budget
 9 and Audit Committee for review a revised program setting out the proposed grants;

10 (2) 45 days shall elapse before commencement of expenditures under
 11 the revised program unless the Legislative Budget and Audit Committee earlier
 12 recommends otherwise;

13 (3) should the Legislative Budget and Audit Committee recommend
 14 within the 45-day period that the Alaska Energy Authority not award the grants as set
 15 out in the revised program, the Alaska Energy Authority shall again review the grant
 16 applications and, if the Alaska Energy Authority determines to authorize the
 17 expenditures, the Alaska Energy Authority shall provide the Legislative Budget and
 18 Audit Committee with a statement of the Alaska Energy Authority's reasons before
 19 commencement of expenditures making the approved grants."
 20

21 Renumber the following bill sections accordingly.

22
 23 Page 4, line 14:

24 Delete "sec. 7"

25 Insert "sec. 12"

26
 27 Page 4, line 15:

28 Delete "sec. 8"

29 Insert "sec. 13"

30
 31 Page 9, line 13:

1 Delete "Sections 8(a), (b), (d) - (f), (i) - (o), and (q)"

2 Insert "Sections 13(a), (b), (d) - (f), (i) - (o), and (q)"

3

4 Page 9, line 15:

5 Delete "Sections 2 and 5"

6 Insert "Sections 5 and 8"

7

8 Page 9, line 16:

9 Delete "Sections 1, 3, 4, 9, and 10"

10 Insert "Sections 4, 6, 7, 14, and 15"

11

12 Page 9, line 17:

13 Delete "Sections 6 - 8"

14 Insert "Sections 1 - 3 and 9 - 13"

replaced

adopted 8/3/08 N/D

25-1 S1757 M
Kane
8.2.08

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

** amended 8/3/08
effective date
to 1/1/09*

A BILL

FOR AN ACT ENTITLED

1 "An Act amending the bulk fuel bridge loan fund and the bulk fuel revolving loan fund;
2 amending the power cost equalization program; authorizing a temporary power cost
3 assistance program; authorizing, as a temporary rebate of state resources to certain
4 state residents, payments to assist in meeting heating costs under the federal heating
5 assistance program, limiting payments for heating assistance, and eliminating the
6 authority to make certain provisions of the heating assistance program retroactive to
7 November 1, 2007; relating to Alaska resource rebates, and increasing the amount of the
8 2008 permanent fund dividend by the amount of the rebate; suspending the motor fuel
9 tax; and providing for an effective date."

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

11 * Section 1, AS 29.60.660(e) is amended to read:

12 (e) Loans made from the bulk fuel bridge loan fund to one borrower in a fiscal

1 year

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

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

4 * Sec. 2. AS 42.45.110(b) is amended to read:

5 (b) An eligible electric utility is entitled to receive 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 determined annually by the latest figures of
10 the United States Bureau of the Census or other population data that the Department of
11 Commerce, Community, and Economic Development determines is reliable; and

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

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

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

16 (1) for sales of power to local community facilities, calculated in the
17 aggregate for each community served by the electric utility, for actual consumption of
18 not more than 70 kilowatt-hours a month for each resident of the community; the
19 number of community residents shall be determined annually by the latest figures of
20 the United States Bureau of the Census or other population data that the Department of
21 Commerce, Community, and Economic Development determines is reliable; and

22 (2) for actual consumption of not more than 500 kilowatt-hours a
23 month sold to each residential [AND COMMERCIAL] customer.

24 * Sec. 4. AS 42.45.110(c) is amended to read:

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

29 (1) [DURING THE STATE FISCAL YEAR THAT BEGAN JULY 1,
30 1999.] the power costs for which power cost equalization are [WERE] paid to an
31 electric utility are [WERE] limited to minimum power costs of more than 12 cents a

1 [PER] kilowatt-hour and less than 75 [52.5] cents a [PER] kilowatt-hour;

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

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

12 * Sec. 5. AS 42.45.110(c), as amended by sec. 4 of this Act, is amended to read:

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

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

20 (2) each year, the commission shall adjust the power costs for which
21 power cost equalization may be paid to an electric utility based on the weighted
22 average retail residential rate for a residential customer [AND THE RETAIL
23 COMMERCIAL POWER RATE FOR A COMMERCIAL CUSTOMER] in
24 Anchorage, Fairbanks, and Juneau; however, the commission may not adjust the
25 power costs under this paragraph to reduce the amount below the lower limit set out in
26 (1) of this subsection; and

27 (3) the power cost equalization for each kilowatt-hour may be
28 determined for a utility without historical kilowatt-hour sales data by using kilowatt-
29 hours generated.

30 * Sec. 6. AS 42.45.110(d) is amended to read:

31 (d) An electric utility whose customers receive power cost equalization under

1 AS 42.45.100 - 42.45.150 shall set out in its tariff the rates without the power cost
2 equalization and the amount of power cost equalization for each [PER] kilowatt-hour
3 sold. The rate charged to the customer shall be the difference between the two
4 amounts. Power cost equalization paid under AS 42.45.100 - 42.45.150 shall be used
5 to reduce the cost of all power sold to local community facilities, in the aggregate, to
6 the extent of 70 kilowatt-hours a [PER] month for each [PER] resident of the
7 community, and to reduce the cost of the first 500 kilowatt-hours for each
8 commercial and each [PER] residential customer a [PER] month.

9 * Sec. 7. AS 42.45.110(d), as amended by sec. 6 of this Act, is amended to read:

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

19 * Sec. 8. AS 42.45.250(e) is amended to read:

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

22 (1) may not exceed \$750,000 [\$500,000], or, if the borrower is a
23 cooperative corporation organized under AS 10.15 or an electric cooperative
24 organized under AS 10.25 and uses the loan to purchase bulk fuel on behalf of more
25 than one community, may not exceed the lesser of \$750,000 [\$500,000] multiplied by
26 the number of communities on whose behalf the bulk fuel is to be purchased, or
27 \$1,800,000;

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

29 (3) may not exceed 90 percent of the wholesale price of the fuel
30 purchased.

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

1 * **Sec. 10.** The uncodified law of the State of Alaska is amended by adding a new section to
2 read:

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

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

10 (c) The assistance provided under this section may only accrue to a single individual
11 at a single residence with an individual meter for residential electric service.

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

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

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

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

24 * **Sec. 11.** The uncodified law of the State of Alaska is amended by adding a new section to
25 read:

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

30 (b) Notwithstanding another provision of law, for the period beginning October 1,
31 2008, and ending June 30, 2011, to supplement provisions of the federal low-income heating

1 and energy assistance program provided under 42 U.S.C. 8621 - 8629 (Low-Income Home
2 Energy Assistance Act of 1981), as amended, subject to legislative appropriation of state
3 general funds for the purpose, the Department of Health and Social Services shall increase the
4 amount of a heating assistance payment.

5 (c) Amounts payable under this section shall be calculated by application of the
6 assistance formula set out in 7 AAC 44.080, as those provisions read on the effective date of
7 this section, and shall be made from the appropriation described in (b) of this section. The
8 dollar value of a community heating cost point under 7 AAC 44.080 may not exceed \$127.50.

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

11 STATE IMPLEMENTATION OF THE ALASKA HEATING ASSISTANCE
12 PROGRAM. For the period beginning October 1, 2008, and ending June 30, 2011, amounts
13 payable under AS 47.25.621 - 47.25.625 shall be calculated by application of the assistance
14 formula set out in 7 AAC 44.080, as those provisions read on the effective date of this section,
15 and the dollar value of a community heating cost point under 7 AAC 44.080 may not exceed
16 \$127.50.

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

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

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

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

29 (d) An individual may elect not to receive the \$1,000 resource rebate authorized under
30 (a) of this section. An individual who elects not to receive the \$1,000 resource rebate
31 authorized under (a) of this section may provide notice of the election on a form provided by

1 the Department of Revenue. Notice must be postmarked or received by the Department of
2 Revenue not later than September 2, 2008.

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

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

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

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

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

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

3 * Sec. 15. Sections 10 - 12 and 14(a) of this Act are repealed June 30, 2011.

4 * Sec. 16. Sections 2, 4, 6, and 10 of this Act take effect October 1, 2008.

5 * Sec. 17. Sections 3, 5, and 7 of this Act take effect June 30, 2011.

6 * Sec. 18. Section 14 of this Act takes effect September 1, 2008.

7 * Sec. 19. Sections 9 and 11 - 13 of this Act take effect immediately under AS 01.10.070(c).

25-LS1757 M

Kane

8 2 08

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

A BILL

FOR AN ACT ENTITLED

1 "An Act amending the bulk fuel bridge loan fund and the bulk fuel revolving loan fund;
 2 amending the power cost equalization program; authorizing a temporary power cost
 3 assistance program; authorizing, as a temporary rebate of state resources to certain
 4 state residents, payments to assist in meeting heating costs under the federal heating
 5 assistance program, limiting payments for heating assistance, and eliminating the
 6 authority to make certain provisions of the heating assistance program retroactive to
 7 November 1, 2007; relating to Alaska resource rebates, and increasing the amount of the
 8 2008 permanent fund dividend by the amount of the rebate; suspending the motor fuel
 9 tax; and providing for an effective date."

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

11 * Section 1, AS 29.60.660(c) is amended to read

12 (c) Loans made from the bulk fuel bridge loan fund to any borrower are a local

1 year

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

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

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

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

(1) for sales of power to local community facilities, calculated in the aggregate for each community served by the electric utility, for actual consumption of not more than 70 kilowatt-hours a month for each resident of the community; the number of community residents shall be determined annually by the latest figures of the United States Bureau of the Census or other population data that the Department of Commerce, Community, and Economic Development determines is reliable; and

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

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

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

(1) for sales of power to local community facilities, calculated in the aggregate for each community served by the electric utility, for actual consumption of not more than 70 kilowatt-hours a month for each resident of the community; the number of community residents shall be determined annually by the latest figures of the United States Bureau of the Census or other population data that the Department of Commerce, Community, and Economic Development determines is reliable; and

(2) for actual consumption of not more than 500 kilowatt-hours a month sold to each residential [AND COMMERCIAL] customer.

* Sec. 4. AS 42.45.110(c) is amended to read:

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

(1) [DURING THE STATE FISCAL YEAR THAT BEGAN JULY 1, 1999,] the power costs for which power cost equalization are [WERE] paid to an electric utility are [WERE] limited to minimum power costs of more than 12 cents a

1 [PER] kilowatt-hour and less than 75 [52.5] cents a [PER] kilowatt-hour;

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

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

12 * Sec. 5. AS 42.45.110(c), as amended by sec. 4 of this Act, is amended to read:

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

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

20 (2) each year, the commission shall adjust the power costs for which
21 power cost equalization may be paid to an electric utility based on the weighted
22 average retail residential rate for a residential customer [AND THE RETAIL
23 COMMERCIAL POWER RATE FOR A COMMERCIAL CUSTOMER] in
24 Anchorage, Fairbanks, and Juneau; however, the commission may not adjust the
25 power costs under this paragraph to reduce the amount below the lower limit set out in
26 (1) of this subsection; and

27 (3) the power cost equalization for each kilowatt-hour may be
28 determined for a utility without historical kilowatt-hour sales data by using kilowatt-
29 hours generated.

30 * Sec. 6. AS 42.45.110(d) is amended to read:

31 (d) An electric utility whose customers receive power cost equalization under

1 AS 42.45.100 - 42.45.150 shall set out in its tariff the rates without the power cost
 2 equalization and the amount of power cost equalization for each [PER] kilowatt-hour
 3 sold. The rate charged to the customer shall be the difference between the two
 4 amounts. Power cost equalization paid under AS 42.45.100 - 42.45.150 shall be used
 5 to reduce the cost of all power sold to local community facilities, in the aggregate, to
 6 the extent of 70 kilowatt-hours a [PER] month for each [PER] resident of the
 7 community, and to reduce the cost of the first 500 kilowatt-hours for each
 8 commercial and each [PER] residential customer a [PER] month.

9 * Sec. 7. AS 42.45.110(d), as amended by sec. 6 of this Act, is amended to read:

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

19 * Sec. 8. AS 42.45.250(e) is amended to read:

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

22 (1) may not exceed \$750,000 [\$500,000], or, if the borrower is a
 23 cooperative corporation organized under AS 10.15 or an electric cooperative
 24 organized under AS 10.25 and uses the loan to purchase bulk fuel on behalf of more
 25 than one community, may not exceed the lesser of \$750,000 [\$500,000] multiplied by
 26 the number of communities on whose behalf the bulk fuel is to be purchased, or
 27 \$1,800,000,

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

29 (3) may not exceed 90 percent of the wholesale price of the fuel
 30 purchased.

31 * Sec. 9. Sections 9 and 11, ch. 31, SFA 2008, are repealed.

1 * Sec. 10. The uncodified law of the State of Alaska is amended by adding a new section to
2 read:

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

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

10 (c) The assistance provided under this section may only accrue to a single individual
11 at a single residence with an individual meter for residential electric service.

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

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

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

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

24 * Sec. 11. The uncodified law of the State of Alaska is amended by adding a new section to
25 read:

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

30 (b) Notwithstanding another provision of law, for the period beginning October 1,
31 2008, and ending June 30, 2011, to supplement provisions of the federal low income heating

1 and energy assistance program provided under 42 U.S.C. 8621 - 8629 (Low-Income Home
2 Energy Assistance Act of 1981), as amended, subject to legislative appropriation of state
3 general funds for the purpose, the Department of Health and Social Services shall increase the
4 amount of a heating assistance payment.

5 (c) Amounts payable under this section shall be calculated by application of the
6 assistance formula set out in 7 AAC 44.080, as those provisions read on the effective date of
7 this section, and shall be made from the appropriation described in (b) of this section. The
8 dollar value of a community heating cost point under 7 AAC 44.080 may not exceed \$127.50.

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

11 STATE IMPLEMENTATION OF THE ALASKA HEATING ASSISTANCE
12 PROGRAM. For the period beginning October 1, 2008, and ending June 30, 2011, amounts
13 payable under AS 47.25.621 - 47.25.625 shall be calculated by application of the assistance
14 formula set out in 7 AAC 44.080, as those provisions read on the effective date of this section,
15 and the dollar value of a community heating cost point under 7 AAC 44.080 may not exceed
16 \$127.50.

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

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

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

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

29 (d) An individual may elect not to receive the \$1,000 resource rebate authorized under
30 (a) of this section. An individual who elects not to receive the \$1,000 resource rebate
31 authorized under (a) of this section may provide notice of the election on a form provided by

1 the Department of Revenue. Notice must be postmarked or received by the Department of
2 Revenue not later than September 2, 2008.

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

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

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

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

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

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

3 * Sec. 15. Sections 10 - 12 and 14(a) of this Act are repealed June 30, 2011.

4 * Sec. 16. Sections 2, 4, 6, and 10 of this Act take effect October 1, 2008.

5 * Sec. 17. Sections 3, 5, and 7 of this Act take effect June 30, 2011.

6 * Sec. 18. Section 14 of this Act takes effect September 1, 2008.

7 * Sec. 19. Sections 9 and 11 - 13 of this Act take effect immediately under AS 01.10.070(c).

FISCAL NOTE

STATE OF ALASKA
2008 LEGISLATIVE SESSION

Fiscal Note Number: _____
Bill Version: CSHB4005(FIN)
() Publish Date: _____

Identifier (file name): HB4005CS(FIN) DHSS-EAP-8-2-08 (2) Dept. Affected: DHSS
Title: PCE Elig. Amts. Eligible Utility Defined RDU: Public Assistance
Component: Energy Assistance Program
Sponsor: House Finance
Requester: House Finance Component Number: 226

Expenditures/Revenues (Thousands of Dollars)

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

	Appropriation Required	Information				
		FY 2009	FY 2009	FY 2010	FY 2011	FY 2012
OPERATING EXPENDITURES						
Personal Services	220.0		220.0	220.0		
Travel						
Contractual	40.0		40.0	40.0		
Supplies						
Equipment	36.0					
Land & Structures						
Grants & Claims	9,772.5		9,772.5	9,772.5		
Miscellaneous						
TOTAL OPERATING	10,068.5	0.0	10,032.5	10,032.5	0.0	0.0

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

1002 Federal Receipts						
1003 GF Match						
1004 GF	10,068.5		10,068.5	10,068.5		
1005 GF/Program Receipts						
1037 GF/Mental Health						
Other Interagency Receipts						
TOTAL	10,068.5	0.0	10,068.5	10,068.5	0.0	0.0

Estimate of any current year (FY2008) cost: _____

POSITIONS

Full-time	5		5	5		
Part-time						
Temporary						

ANALYSIS: (Attach a separate page if necessary)

Analysis: CS HB 4005 (FIN) with adoption of amendment E 28 increases the amount of assistance that may be paid to households eligible to participate in the federally-funded Low Income Heating and Energy Assistance Program (LIHEAP) and the solely state-funded Alaska heating assistance program (AKHAP). It establishes that the dollar value of a community heating cost point (HCP) may not exceed \$127.50. These provisions are in effect for the period beginning October 1, 2008 and ending June 30, 2011.

Prepared by: Kenneth Chief of Field Operations Phone: 465-5843
Division: Public Assistance Date/Time: 08/02/08
Approved by: William H. Hogan Date: 8.2.2008
Commissioner, Dept. Health & Social Services

FISCAL NOTE

STATE OF ALASKA
2008 LEGISLATIVE SESSION

BILL NO. CS HB 4005 (FIN)

ANALYSIS CONTINUATION

The minimum number of HCP allowed is 2 and the maximum is 35. Based on income below 25% of the federal poverty guidelines (FPG) and at \$127.50 per HCP, the highest payment would be \$4,462.50 and the lowest would be \$255. In FY08, an average of 13 HCP was used to calculate a LIHEAP household's payment. At \$85 per HCP, the average household in FY08 received a payment of \$1,105. Under CS HB 4005, a household with 13 HCP would receive a grant of \$1,657.50.

We have no payment history for AKHAP and cannot calculate an average or per capita payment. However, we know that the maximum number of HCP will be 14 and the minimum number will be 2 points. For the purposes of estimating costs for this fiscal note, we assume the average will be 5 HCP for households between 150-225% FPG.

Assumptions:

- The Department estimates that, in addition to the approximately 15,000 households served by LIHEAP, an additional 8,800 households will be served by AKHAP. Note: information about the number of qualifying households with incomes between 150% and 225% of the FPG for Alaska is difficult to project. Information from the 2005 American Community Survey for Alaska (ACS) released on 8/29/2006 provides the most recent data about household income in Alaska. Using the ACS, the department estimated the caseload as follows

Household calculation: In FY2008, the average household served by LIHEAP had 3 members. The income of a three person household at 150% FPG is \$33,000. Approximately 61,000 Alaskan households had income below this limit. In 2008 LIHEAP served approximately 25% of these households.

An estimated 35,200 households had incomes between \$33,000 (150% FPG) and \$49,500 which is 225% of the FPG for a household of three. If AKHAP serves only 25% of these households, an estimated 8,800 households will receive AKHAP payments.

- The average household below 150% FPG will receive 13 HCP.
- The average household between 150% and 225% FPG will receive 5 HCP.
- The maximum allowable dollar value per community heating cost point is \$127.50.
- The Department intends to give Alaska Native organizations who operate tribal energy assistance programs an opportunity to administer AKHAP as authorized under HB 152.

FISCAL NOTE

STATE OF ALASKA
2008 LEGISLATIVE SESSION

BILL NO. CS HB 4005 (FIN)

ANALYSIS CONTINUATION

Analysis Continued:

Total annual benefit costs are estimated to be \$9,772.5 for FY2009.

- Total annual LIHEAP benefit costs are estimated to be \$24,862.5 (15,000 households x 13 HCP x \$127.50 per HCP = \$24,862.5)
- Total annual AKHAP benefit costs are estimated to be \$5,610.0 (8,900 households x 5 HCP x \$127.50 per HCP = \$5,610.0)
- \$10,000.0 has already been appropriated to support heating assistance programs.
- The department anticipates receiving a federal LIHEAP block grant of \$10,700.0 for FY09
- $\$24,862.5 + \$5,610.0 - 20,700.0 = \$9,772.5$

Administrative Cost Assumptions:

• 4 Eligibility Technicians (Range 13) and 1 Accounting Tech I (Range 12) will be needed to manage the increased applications and workload resulting from more households applying for heating assistance. These positions are responsible for providing customer service, communicating with applicants and vendors, verifying applicant information, and making the eligibility decisions, processing and accounting for vendor payments and processing vendor agreements. The positions are seasonal and work up to 8 months each year (Sept - April)

Total Administrative Costs: \$296.0

Personal Services: \$220.0 (salary and benefits for 5 seasonal positions)

Contractual: \$40.0 (annual costs for information technology, telecommunications, office space, phones)

Equipment/Supplies: \$36.0 (one-time costs for desktop computers, printers, and work stations for 16 positions)

FISCAL NOTE

STATE OF ALASKA
2008 LEGISLATIVE SESSION

Fiscal Note Number: _____
Bill Version: CSHB 4005 (FIN)/ M
() Publish Date: _____

Identifier (file name): HB4005-CED-BULK FUEL FUN CAPS-08-03-08 Dept. Affected: FUND CAPITALIZATIONS
Title: PCE:ELIGIB:AMTS:ELIGIBLE UTILITY DEFINED RDU: Bulk Fuel Revolving Loan Fund
Sponsor: House Finance Component: Bulk Fuel Revolving Loan Fund
Requester: House Finance Component Number: _____

Expenditures/Revenues (Thousands of Dollars)

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

	Appropriation Required	Information						
		FY 2009	FY 2009	FY 2010	FY 2011	FY 2012	FY 2013	FY 2014
OPERATING EXPENDITURES								
Personal Services								
Travel								
Contractual								
Supplies								
Equipment								
Land & Structures								
Grants & Claims								
Misc Fnd Cap Bulk Fuel 1074	3,461.0							
TOTAL OPERATING	3,461.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0

CAPITAL EXPENDITURES								
CHANGE IN REVENUES ()								

FUND SOURCE (Thousands of Dollars)

	FY 2009	FY 2009	FY 2010	FY 2011	FY 2012	FY 2013	FY 2014
1002 Federal Receipts							
1003 GF Match							
1004 GF	3,461.0						
1005 GF/Program Receipts							
1037 GF/Mental Health							
Other PCE Fund 1089							
TOTAL	3,461.0	0.0	0.0	0.0	0.0	0.0	0.0

Estimate of any current year (FY2008) cost: _____

POSITIONS

Full-time							
Part-time							
Temporary							

ANALYSIS: (Attach a separate page if necessary)

This legislation amends the statute for the Bulk Fuel Revolving Loan Fund [AS 42.45.250(e)] by raising the cap from \$500,000 to \$750,000 for any one borrower. The cap is also raised for a cooperative corporation or an electric cooperative that uses the loan to purchase bulk fuel on behalf of more than one community. This cap may not exceed the lesser of \$750,000 (from \$500,000) multiplied by the number of communities on whose behalf the bulk fuel is to be purchased, or \$1.8 million.

Prepared by: Sara Fisher-Goad, Deputy Director - Operations
Division: Alaska Energy Authority
Approved by: Amanda Ryder, Director
Division of Administrative Services

Phone: 907-771-3012
Date Time: _____
Date: 8/3/2008

FISCAL NOTE

STATE OF ALASKA
2008 LEGISLATIVE SESSION

Fiscal Note Number: _____
Bill Version: HB 4005
() Publish Date: _____

Identifier (file name): HB4005-CED-AIDEA-07-26-08 Dept. Affected: Commerce
Title: PCE:ELIGIB;AMTS;ELIGIBLE UTILITY DEFINED RDU: AIDEA (125)
Component: AIDEA Operations
Sponsor: House Finance
Requester: House Finance Component Number: 1234

Expenditures/Revenues (Thousands of Dollars)

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

	Appropriation Required	Information						
		FY 2009	FY 2009	FY 2010	FY 2011	FY 2012	FY 2013	FY 2014
OPERATING EXPENDITURES								
Personal Services	121.0		121.0	121.0	121.0	121.0	121.0	121.0
Travel								
Contractual								
Supplies								
Equipment								
Land & Structures								
Grants & Claims								
Miscellaneous								
TOTAL OPERATING	121.0	0.0	121.0	121.0	121.0	121.0	121.0	121.0

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

1002 Federal Receipts								
1003 GF Match								
1004 GF								
1005 GF/Program Receipts								
1037 GF/Mental Health								
1007 Interagency Receipts	121.0		121.0	121.0	121.0	121.0	121.0	121.0
TOTAL	121.0	0.0	121.0	121.0	121.0	121.0	121.0	121.0

Estimate of any current year (FY2008) cost: _____

POSITIONS

Full-time	2.0		2.0	2.0	2.0	2.0	2.0
Part-time							
Temporary							

ANALYSIS: (Attach a separate page if necessary)

This legislation amends the PCE program administered by the Alaska Energy Authority (AEA) by expanding program eligibility. AIDEA provides staff support for AEA programs. Two employees, one Range 12 and one Range 14 will be hired to assist in administering the increased workload for this program.

Prepared by: Sara Fisher-Goad, Deputy Director-Operations
Division: Alaska Industrial Development and Export Authority
Approved by: Amanda Ryder, Director
Division of Administrative Services

Phone 907-771-3012
Date/Time _____
Date 7/28/2008

FISCAL NOTE

STATE OF ALASKA
2008 LEGISLATIVE SESSION

Fiscal Note Number: _____
Bill Version: HB 4005
() Publish Date: _____

Identifier (file name): HB4005-CED-AEA-08-03-08 Dept. Affected: Commerce
Title: PCE:ELIGIB;AMTS;ELIGIBLE UTILITY DEFINED RDU: Alaska Energy Authority (453)
Component: AEA Power Cost Equalization
Sponsor: House Finance
Requester: House Finance Component Number: 2602

Expenditures/Revenues (Thousands of Dollars)

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

	Appropriation Required	Information					
		FY 2009	FY 2009	FY 2010	FY 2011	FY 2012	FY 2013
OPERATING EXPENDITURES							
Personal Services							
Travel							
Contractual	121.0		281.0	281.0			
Supplies							
Equipment							
Land & Structures							
Grants & Claims	130,252.0		158,252.0	158,252.0			
Miscellaneous							
TOTAL OPERATING	130,373.0	0.0	158,533.0	158,533.0	0.0	0.0	0.0

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

1002 Federal Receipts							
1003 GF Match							
1004 GF							
1005 GF/Program Receipts							
1037 GF/Mental Health							
Other PCE Fund 1089	130,373.0		158,252.0	158,252.0			
TOTAL	130,373.0	0.0	158,252.0	158,252.0	0.0	0.0	0.0

Estimate of any current year (FY2008) cost: _____

POSITIONS

Full-time							
Part-time							
Temporary							

ANALYSIS: (Attach a separate page if necessary)

HB 4005 amends the PCE program by adjusting the PCE formula that is used to calculate a utility's PCE subsidy and allows commercial customers to receive a 500 kWh/month credit. The bill also creates a new temporary program for non-pce eligible utilities. Page 2 details the changes and estimated increased grants paid to utilities. AEA contracts with AIDEA for staff support. The contractual costs reflect the costs to hire two employees to assist in the administration of the program.

Prepared by: Sara Fisher-Goad, Deputy Director - Operations Phone 907-771-3012
Division: Alaska Energy Authority Date/Time: _____
Approved by: _____ Date: _____

ANALYSIS CONTINUATION

PROJECTIONS FOR PCE and NEW PROGRAM

ASSUMPTIONS

ESTIMATED RATE I	1.500
FLOOR	0.1283
CEILING	0.75
Multiply Factor	0.95

Type	Customers	kWh	\$ Grant	
Estimate 2-classic				
Community		31,391,312	14,969,479.99	
Residential 2	25,797	122,307,878	56,849,751.51	Based on reported residential sales
Commercial - ESTIM	6,400	38,400,000	19,200,000.00	Est PCE rate of 5.kWh
		<u>192,099,190</u>	<u>91,019,231.50</u>	
Estimate - new				
New Residential Cus	244,485	1,344,664,750	67,233,237.50	
Community Facilities			0.00	
			<u>67,233,237.50</u>	
Total - New Program			<u>158,252,469.00</u>	
Maximum res custom \$	PCE	Power Assistance		
	295.30	\$ 25.00		

FISCAL NOTE

STATE OF ALASKA
2008 LEGISLATIVE SESSION

Fiscal Note Number: _____
Bill Version: HB 4005
() Publish Date: _____

Identifier (file name): HB4005-CED-AEA-08-03-08 Dept. Affected: FUND CAPITALIZATIONS
Title: PCE-ELIGIB;AMTS;ELIGIBLE UTILITY DEFINED RDU: PCE Fund
Component: PCE Fund
Sponsor: House Finance
Requester: House Finance Component Number: 2500

Expenditures/Revenues (Thousands of Dollars)

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

	Appropriation Required	Information					
		FY 2009	FY 2009	FY 2010	FY 2011	FY 2012	FY 2013
OPERATING EXPENDITURES							
Personal Services							
Travel							
Contractual							
Supplies							
Equipment							
Land & Structures							
Grants & Claims							
Misc Cap PCE Fund 1089	130,373.0		130,373.0	130,373.0			
TOTAL OPERATING	130,373.0	0.0	130,373.0	130,373.0	0.0	0.0	0.0
CAPITAL EXPENDITURES							
CHANGE IN REVENUES ()							

FUND SOURCE (Thousands of Dollars)

	FY 2009	FY 2009	FY 2010	FY 2011	FY 2012	FY 2013	FY 2014
1002 Federal Receipts							
1003 GF Match							
1004 GF	130,373.0		130,373.0	130,373.0			
1005 GF/Program Receipts							
1037 GF/Mental Health							
Other PCE Fund 1089							
TOTAL	130,373.0	0.0	130,373.0	130,373.0	0.0	0.0	0.0

Estimate of any current year (FY2008) cost: _____

POSITIONS

Full-time							
Part-time							
Temporary							

ANALYSIS: (Attach a separate page if necessary)

HB 4005 amends the PCE program by adjusting the PCE formula that is used to calculate a utility's PCE subsidy and allows commercial customers to receive a 500 kWh/month credit. The bill also creates a new temporary program for non-pce eligible utilities. This fiscal note reflects the capitalization need for the PCE Fund.

Prepared by: Sara Fisher-Goad, Deputy Director - Operations Phone: 907-771-3012
Division: Alaska Energy Authority Date/Time: _____
Approved by: Amanda Ryder, Director Date: 8/3/2008
Division: Division of Administrative Services

Need New Note

FISCAL NOTE

STATE OF ALASKA
2008 LEGISLATIVE SESSION

Fiscal Note Number: _____
Bill Version: HB 4005
() Publish Date: _____

Identifier (file name): HB4005-CED-AIDEA-07-26-08 Dept. Affected: Commerce
Title: PCE:ELIGIB;AMTS:ELIGIBLE UTILITY DEFINED RDU: AIDEA (125)
Component: AIDEA Operations
Sponsor: House Finance
Requester: House Finance Component Number: 1234

Expenditures/Revenues (Thousands of Dollars)

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

	Appropriation Required	Information						
		FY 2009	FY 2009	FY 2010	FY 2011	FY 2012	FY 2013	FY 2014
OPERATING EXPENDITURES								
Personal Services	121.0		121.0	121.0	121.0	121.0	121.0	121.0
Travel								
Contractual								
Supplies								
Equipment								
Land & Structures								
Grants & Claims								
Miscellaneous								
TOTAL OPERATING	121.0	0.0	121.0	121.0	121.0	121.0	121.0	121.0

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

1002 Federal Receipts								
1003 GF Match								
1004 GF								
1005 GF/Program Receipts								
1037 GF/Mental Health								
1007 Interagency Receipts	121.0		121.0	121.0	121.0	121.0	121.0	121.0
TOTAL	121.0	0.0	121.0	121.0	121.0	121.0	121.0	121.0

Estimate of any current year (FY2008) cost: _____

POSITIONS

Full-time	2.0		2.0	2.0	2.0	2.0	2.0
Part-time							
Temporary							

ANALYSIS: (Attach a separate page if necessary)

This legislation amends the PCE program administered by the Alaska Energy Authority (AEA) by expanding program eligibility. AIDEA provides staff support for AEA programs. Two employees, one Range 12 and one Range 14 will be hired to assist in administering the increased workload for this program.

Prepared by: Sara Fisher-Goad, Deputy Director-Operations
Division: Alaska Industrial Development and Export Authority
Approved by: Amanda Ryder, Director
Division: Division of Administrative Services

Phone: 907-771-3012
Date/Time: _____
Date: 7/28/2008

Should be OK

FISCAL NOTE

STATE OF ALASKA
2008 LEGISLATIVE SESSION

Fiscal Note Number: _____
Bill Version: HB 4005
() Publish Date: _____

Identifier (file name): HB4005-CED-RCA-7-31-08 Dept. Affected: Commerce
Title: PCE: Eligibility; Amounts; Eligible Utility Defined RDU: Regulatory Commission of Alaska (399)
Component: Regulatory Commission of Alaska
Sponsor: House Finance
Requester: House Finance Component Number: 2417

Expenditures/Revenues (Thousands of Dollars)

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

OPERATING EXPENDITURES	Appropriation Required	Information					
	FY 2009	FY 2009	FY 2010	FY 2011	FY 2012	FY 2013	FY 2014
Personal Services	133.1	0.0	145.0	145.0	145.0	145.0	145.0
Travel							
Contractual							
Supplies	7.5						
Equipment	7.0						
Land & Structures							
Grants & Claims							
Miscellaneous							
TOTAL OPERATING	147.6	0.0	145.0	145.0	145.0	145.0	145.0

CAPITAL EXPENDITURES							
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CHANGE IN REVENUES ()							
------------------------	--	--	--	--	--	--	--

FUND SOURCE (Thousands of Dollars)

1002 Federal Receipts							
1003 GF Match							
1004 GF	147.6	0.0	145.0	145.0	145.0	145.0	145.0
1005 GF/Program Receipts							
1037 GF/Mental Health							
1141 RCA Receipts							
TOTAL	147.6	0.0	145.0	145.0	145.0	145.0	145.0

Estimate of any current year (FY2009) cost: 147.6

POSITIONS

Full-time	2	2	2	2	2	2	2
Part-time							
Temporary							

ANALYSIS: (Attach a separate page if necessary)

This legislation would add new utilities to the PCE program. This legislation would also require all participating utilities to file new tariff revisions or cost information to allow the RCA to recalculate PCE levels. The impact of this additional work varies between currently regulated utilities and non-regulated utilities.

ANALYSIS CONTINUED

Prepared by: Robert M. Pickett
Division: Regulatory Commission of Alaska
Approved by: Amanda Ryder, Director
DCCED, Administrative Services

Phone: 907.276.6222
Date/Time: 7/28/08 6:15 PM
Date: 7/31/2008

FISCAL NOTE

STATE OF ALASKA
2008 LEGISLATIVE SESSION

BILL NO. HB 4005

ANALYSIS CONTINUATION

Regulated Utilities: This legislation increases the work of the RCA Tariff section because many of the regulated utilities will need tariff revisions more often (PCE will be adjusted more frequently). The legislation makes these filings more complicated and therefore will take additional review time. The costs associated with staff time are passed back to all regulated utilities through the Regulatory Cost Charge (RCC) mechanism. This is similar to a Cost Allocation Plan in place for some divisions or agencies that results in the RCA charging regulated utilities based on the cost of regulating.

Non-regulated Utilities: This legislation increases the work of the RCA Finance section. Similar to regulated utilities, the number of filings and depth of the filings will increase. In addition, the new thresholds currently planned in this legislation will result in an increase to the number of non-regulated utilities involved in the program. The non-regulated utilities are charged differently than regulated utilities. Non-regulated utilities may be assessed the RCA's costs for review in accordance with a flat fee schedule set in 2001. However, true actual costs are not fully assessed or fully collected from these small utilities. This legislation will directly increase the gap between what PCE utilities pay and the actual costs of the program, which is largely borne by entities not participating in the PCE program, such as water, sewer and gas service providers.

The extra work associated with increased filings and increased number of utilities is estimated to require 2 new positions;

Utility Tariff Analyst I / range 14 at	\$65.3 / 12 =	\$5.4 * 11 =	\$59.4
Utility Financial Analyst I / range 17 at	\$79.8 / 12 =	\$6.7 * 11 =	\$73.7
Total Personal Services 2	\$145.0 / 12 =	\$12.1 * 11 =	\$133.1

Upon review of the number of personnel assigned and level of impact, funding these new positions from General Funds would reduce the cost transfer from non-regulated utilities to regulated utilities that pay RCCs. Another alternative would be to impose all costs directly on the utilities participating in the PCE program – however that issue should be addressed after a more thorough review of the rate and cost structure.

This fiscal note assumes an effective date of August 1, 2008 for this legislation, and apportions 11/12ths of the payroll costs of the new positions to FY2009. Annual cost of living increases are not included in the fiscal note.

No general funds are currently allocated for support of the agency.

70 Revised "E"

FISCAL NOTE

STATE OF ALASKA
2008 LEGISLATIVE SESSION

Fiscal Note Number: _____
Bill Version: CSHB4005(FIN)
() Publish Date: _____

Identifier (file name): CSHB4005-DOR-TAX-8-2-08 Dept. Affected: Revenue 04
Title: PCE:ELIGIB;AMTS;ELIGIBLE UTILITY DEFINED RDU: Taxation and Treasury
Component: Tax Division
Sponsor: RULES
Requester: House Finance Component Number: 2476

Expenditures/Revenues (Thousands of Dollars)

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

	Appropriation Required	Information					
		FY 2009	FY 2009	FY 2010	FY 2011	FY 2012	FY 2013
OPERATING EXPENDITURES							
Personal Services							
Travel							
Contractual							
Supplies							
Equipment							
Land & Structures							
Grants & Claims							
Miscellaneous							
TOTAL OPERATING	*	0.0	0.0	0.0	0.0	0.0	0.0

CAPITAL EXPENDITURES							
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CHANGE IN REVENUES ()		(33,250.0)	(39,900.0)	(39,900.0)	0.0	0.0	0.0
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FUND SOURCE (Thousands of Dollars)

1002 Federal Receipts							
1003 GF Match							
1004 GF							
1005 GF/Program Receipts							
1037 GF/Mental Health							
Other Interagency Receipts							
TOTAL	*	0.0	0.0	0.0	0.0	0.0	0.0

Estimate of any current year (FY2008) cost: _____

POSITIONS

Full-time							
Part-time							
Temporary							

ANALYSIS: (Attach a separate page if necessary)
*See attached

Prepared by: Johanna Bales Phone: 269-6528
Division: Tax Date/Time: 8/2/08 1:13 PM
Approved by: Jerry Burnett Date: 8/2/2008
Department of Revenue

FISCAL NOTE

STATE OF ALASKA
2008 LEGISLATIVE SESSION

BILL NO. CSHB4005(FIN)

ANALYSIS CONTINUATION

Bill Language: This bill would suspend the Motor Fuel tax for the period September 1, 2008 through June 30, 2011.

Revenues: The Department of Revenue expects that suspending the Motor Fuel Tax would result in the loss of \$39.8 million in general fund unrestricted revenues, and \$0.1 million in revenue which is customarily shared with municipalities, for a total of \$39.9 million in lost revenues. The suspension period covers 10 months of fiscal year 2009 and all of fiscal years 2010 and 2011. As such, the Department expects a reduction in revenue in FY 2009 of \$33,250,00 and \$39,900,000 in FY 2010 and FY 2011.

The Department of Revenue's current forecast for Motor Fuel Tax revenues for FY2009 is \$39.9 million. The breakdown of revenues by fuel type is as follows:

Highway	\$29.6 million
Marine	\$ 5.6 million
Aviation Gas	\$ 0.7 million
Aviation Jet Fuel	\$ 4.1 million
Subtotal	\$40.0 million
Municipal Share	-\$ 0.1 million
Total	\$39.9 million

Expenditures: The Department of Revenue will not realize any reduction of expenditures during this tax suspension.

Although there will be no tax liabilities incurred during the tax suspension, this bill require taxpayers to continue to file reports which will allow the Department to collect data which we are required to provide to the Federal Highway Administration in order to secure Federal funding for the Alaska Department of Transportation. The Department of Revenue will therefore need to continue to collect and process Motor Fuel Tax forms.

The Tax Division shares 60% of the Aviation Gas revenues collected at municipally owned or operated airports with the municipality. This municipal share has held steady at \$0.15 million in the recent past. If it were desired to hold the municipalities harmless during this tax suspension, an appropriation of \$150,000 would be required to match the forecast amount.

FISCAL NOTE

STATE OF ALASKA
2008 LEGISLATIVE SESSION

Fiscal Note Number: _____
 Bill Version: CS HB 4005 FIN
 () Publish Date: _____
 Dept. Affected: Health & Social Services
 RDU Public Assistance
 Component Energy Assistance Program

ID(File name) HB4005CS(FIN)-DHSS-EAP-08-03-08
 Title PCE: ELIGIB;AMTS;ELIGIBLE UTILITY DEFINED

Sponsor HOUSE FINANCE
 Requester HOUSE FINANCE Component No. 226

Expenditures/Revenues (Thousands of Dollars)

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

	Appropriation Required	Information						
		FY 2009	FY 2009	FY 2010	FY 2011	FY 2012	FY 2013	FY 2014
OPERATING EXPENDITURES								
Personal Services	220.0			220.0	220.0			
Travel								
Contractual	40.0			40.0	40.0			
Supplies								
Equipment	36.0							
Land & Structures								
Grants & Claims	9,772.5			9,772.5	9,772.5			
Miscellaneous								
TOTAL OPERATING	10,068.5	0.0		10,032.5	10,032.5	0.0	0.0	0.0
CAPITAL EXPENDITURES								
CHANGE IN REVENUES (0)								

FUND SOURCE (Thousands of Dollars)

	FY 2009	FY 2009	FY 2010	FY 2011	FY 2012	FY 2013	FY 2014
1002 Federal Receipts							
1003 GF Match							
1004 GF	10,068.5		10,032.5	10,032.5			
1037 GF/Mental Health							
Other(Specify Type-do not abbreviate)							
Other(Specify Type-do not abbreviate)							
TOTAL	10,068.5	0.0	10,032.5	10,032.5	0.0	0.0	0.0

Estimate of any current year (FY2008) cost: _____

POSITIONS

Full-time	5		5	5			
Part-time							
Temporary							

ANALYSIS: (Attach a separate page if necessary)

Analysis: CS HB 4005 (FIN) with adoption of amendment E.28 increases the amount of assistance that may be paid to households eligible to participate in the federally-funded Low Income Heating and Energy Assistance Program (LIHEAP) and the solely state-funded Alaska heating assistance program (AKHAP). It establishes that the dollar value of a community heating cost point (HCP) may not exceed \$127.50. These provisions are in effect for the period beginning October 1, 2008 and ending June 30, 2011.

Prepared by: Ron Kreher, Chief of Field Operations
 Division: Public Assistance
 Approved by: William H. Hogan, Commissioner
 Agency: Department of Health and Social Services

Phone 465-5843
 Date/Time 08/02/2008
 Date 08/03/2008

FISCAL NOTE

STATE OF ALASKA
2008 LEGISLATIVE SESSION

BILL NO: CS HB 4005 FIN

ANALYSIS CONTINUATION

The minimum number of HCP allowed is 2 and the maximum is 35. Based on income below 25% of the federal poverty guidelines (FPG) and at \$127.50 per HCP, the highest payment would be \$4,462.50 and the lowest would be \$255. In FY08, an average of 13 HCP was used to calculate a LIHEAP household's payment. At \$85 per HCP, the average household in FY08 received a payment of \$1,105. Under CS HB 4005, a household with 13 HCP would receive a grant of \$1,657.50.

We have no payment history for AKHAP and cannot calculate an average or per capita payment. However, we know that the maximum number of HCP will be 14 and the minimum number will be 2 points. For the purposes of estimating costs for this fiscal note, we assume the average will be 5 HCP for households between 150-225% FPG.

Assumptions:

- The Department estimates that, in addition to the approximately 15,000 households served by LIHEAP, an additional 8,800 households will be served by AKHAP. Note: information about the number of qualifying households with incomes between 150% and 225% of the FPG for Alaska is difficult to project. Information from the 2005 American Community Survey for Alaska (ACS) released on 8/29/2006 provides the most recent data about household income in Alaska. Using the ACS, the department estimated the caseload as follows:

Household calculation: In FY2008, the average household served by LIHEAP had 3 members. The income of a three person household at 150% FPG is \$33,000. Approximately 61,000 Alaskan households had income below this limit. In 2008 LIHEAP served approximately 25% of these households.

An estimated 35,200 households had incomes between \$33,000 (150% FPG) and \$49,500 which is 225% of the FPG for a household of three. If AKHAP serves only 25% of these households, an estimated 8,800 households will receive AKHAP payments.

- The average household below 150% FPG will receive 13 HCP.
- The average household between 150% and 225% FPG will receive 5 HCP.
- The maximum allowable dollar value per community heating cost point is \$127.50.
- The Department intends to give Alaska Native organizations who operate tribal energy assistance programs an opportunity to administer AKHAP as authorized under HB 152.

FISCAL NOTE

STATE OF ALASKA
2008 LEGISLATIVE SESSION

BILL NO: CS HB 4005 FIN

ANALYSIS CONTINUATION

Total annual benefit costs are estimated to be \$9,772.5 for FY2009.

- Total annual LIHEAP benefit costs are estimated to be \$24,862.5 (15,000 households x 13 HCP x \$127.50 per HCP = \$24,862.5).
- Total annual AKHAP benefit costs are estimated to be \$5,610.0 (8,800 households x 5 HCP x \$127.50 per HCP = \$5,610.0).
- \$10,000.0 has already been appropriated to support heating assistance programs.
- The department anticipates receiving a federal LIHEAP block grant of \$10,700.0 for FY09
- $\$24,862.5 + \$5,610.0 - 20,700.0 = \$9,772.5$

Administrative Cost Assumptions:

- 4 Eligibility Technicians (Range 13) and 1 Accounting Tech I (Range 12) will be needed to manage the increased applications and workload resulting from more households applying for heating assistance. These positions are responsible for providing customer service, communicating with applicants and vendors, verifying applicant information, and making the eligibility decisions, processing and accounting for vendor payments and processing vendor agreements. The positions are seasonal and work up to 8 months each year (Sept - April).

Total Administrative Costs: \$296.0

Personal Services: \$220.0 (salary and benefits for 5 seasonal positions)

Contractual: \$40.0 (annual costs for information technology, telecommunications, office space, phones)

Equipment/Supplies: \$36.0 (one-time costs for desktop computers, printers, and work stations for 5 positions)

FISCAL NOTE

STATE OF ALASKA
2008 LEGISLATIVE SESSION

Fiscal Note Number: _____
 Bill Version: CS HB 4005 FIN
 () Publish Date: _____
 Dept. Affected: Health & Social Services
 RDU: Public Assistance
 Component: PFD Hold Harmless

ID (File name): HB4005CS(FIN)-DHSS-PFDHH-08-03-08
 Title: PCE: ELIGIB;AMTS;ELIGIBLE UTILITY DEFINED
 Sponsor: HOUSE FINANCE
 Requester: HOUSE FINANCE

Component No. 225

Expenditures/Revenues (Thousands of Dollars)

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

	Appropriation		Information					
	Required		FY 2009	FY 2010	FY 2011	FY 2012	FY 2013	FY 2014
OPERATING EXPENDITURES								
Personal Services								
Travel								
Contractual								
Supplies								
Equipment								
Land & Structures								
Grants & Claims		400.0						
Miscellaneous								
TOTAL OPERATING		400.0	0.0	0.0	0.0	0.0	0.0	0.0

CAPITAL EXPENDITURES								
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CHANGE IN REVENUES (0)								
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FUND SOURCE (Thousands of Dollars)

	FY 2009	FY 2010	FY 2011	FY 2012	FY 2013	FY 2014
1002 Federal Receipts						
1003 GF Match						
1004 GF						
1037 GF/Mental Health						
Other(PFD Hold Harmless)	400.0					
Other(Specify Type-do not abbreviate)						
TOTAL	400.0	0.0	0.0	0.0	0.0	0.0

Estimate of any current year (FY2008) cost: _____

POSITIONS

	FY 2009	FY 2010	FY 2011	FY 2012	FY 2013	FY 2014
Full-time						
Part-time						
Temporary						

ANALYSIS: (Attach a separate page if necessary)

CSHB 4005 (FIN) increases the 2008 Permanent Fund Dividend by \$1,000 to provide residents of the state with an Alaska resource rebate. The increase of \$1,000 to the total amount of the dividend will be funded by transfers from the general fund to the dividend fund.

The Food Stamp, Social Security Supplemental Income (SSI), and Adult Public Assistance (APA) programs count the Permanent Fund Dividend (PFD) as income in determining whether a person or household qualifies for benefits. PFD money that is not spent and is kept after the month of receipt is also considered an available asset (cash on hand or money in the bank) for program participants.

Prepared by: Ellie Fitzjarrald
 Division: Public Assistance
 Approved by: William H. Hogan, Commissioner
 Agency: Department of Health and Social Services

Phone 465-5847
 Date/Time 08/02/2008
 Date 08/03/2008

FISCAL NOTE

STATE OF ALASKA
2008 LEGISLATIVE SESSION

BILL NO: CS HB 4005 FIN

ANALYSIS CONTINUATION

The Permanent Fund Dividend Hold Harmless program established in AS 43.32.075 requires that public assistance benefits which are lost as the result of counting the PFD as income or as an asset must be replaced by issuing a PFD Hold Harmless (PFD HH) benefit. PFD HH replacement benefits are limited to four months a year.

The department estimates an increment of \$400,000 in PFD HH will be needed in FY 09 to replace Food Stamp benefits that would otherwise be reduced or stopped as a result of households receiving the extra \$1,000 in the PFD.

The department does not expect the \$1,000 increase in the 2008 PFD to affect the amount of PFD HH expenditures needed to replace lost APA and SSI benefits. The amount of the PFD has been so high in recent years that benefits to these program recipients have been replaced with PFD Hold Harmless benefits, even without the additional \$1,000. These appropriations are accounted for in the FY 09 budget. The department also expects that the extra \$1,000 received by program participants will be spent on additional expenses such as increased energy costs.

Assumptions:

In FY09, the department expects that the \$1,000 added to the 2008 PFD will affect 1,000 households. The average PFD HH payment for food stamps is \$400/month. $1,000 \times \$400 = \$400,000$

FISCAL NOTE

STATE OF ALASKA
2008 LEGISLATIVE SESSION

Fiscal Note Number: _____
 Bill Version: CS HB 4005 FIN
 () Publish Date: _____
 Dept. Affected: Health & Social Services
 RDU Public Assistance
 Component General Relief Assistance

ID(File name) HB4005CS(FIN)-DHSS-GRA-08-03-08
 Title PCE: ELIGIB;AMTS;ELIGIBLE UTILITY DEFINED
 Sponsor HOUSE FINANCE
 Requester HOUSE FINANCE

Component No. 221

Expenditures/Revenues (Thousands of Dollars)

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

	Appropriation		Information				
	Required						
OPERATING EXPENDITURES	FY 2009	FY 2009	FY 2010	FY 2011	FY 2012	FY 2013	FY 2014
Personal Services	76.4						
Travel	10.0						
Contractual	49.5						
Supplies	20.3						
Equipment							
Land & Structures							
Grants & Claims	1,207.1						
Miscellaneous							
TOTAL OPERATING	1,363.3	0.0	0.0	0.0	0.0	0.0	0.0

CAPITAL EXPENDITURES							
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CHANGE IN REVENUES (0)							
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FUND SOURCE (Thousands of Dollars)

	FY 2009	FY 2009	FY 2010	FY 2011	FY 2012	FY 2013	FY 2014
1002 Federal Receipts							
1003 GF Match							
1004 GF	1,363.3						
1037 GF/Mental Health							
Other(Specify Type-do not abbreviate)							
Other(Specify Type-do not abbreviate)							
TOTAL	1,363.3	0.0	0.0	0.0	0.0	0.0	0.0

Estimate of any current year (FY2008) cost: _____

POSITIONS

	FY 2009	FY 2009	FY 2010	FY 2011	FY 2012	FY 2013	FY 2014
Full-time							
Part-time							
Temporary		2					

ANALYSIS: (Attach a separate page if necessary)

CSHB4005 (FIN) increases the 2008 Permanent Fund Dividend by \$1,000 to provide residents of the state with an Alaska resource rebate. The bill also allows veterans, spouses or dependents of a living or deceased veteran to apply for the \$1,000 resource rebate payment if they did not apply for a 2008 permanent fund dividend. Veterans' benefits, both pension and medical, that would be lost as a result of counting the rebate must be replaced with Hold Harmless (HH) benefits through the General Relief Assistance program.

Prepared by: Ellie Filzjarrald, Director
 Division Public Assistance
 Approved by: William H. Hogan, Commissioner
 Agency Department of Health and Social Services

Phone 465-5847
 Date/Time 08/02/2008
 Date 08/03/2008

FISCAL NOTE

STATE OF ALASKA
2008 LEGISLATIVE SESSION

BILL NO: CS HB 4005 FIN

ANALYSIS CONTINUATION

Some veterans benefits are income tested. The Veterans Administration has advised us it will likely treat the resource rebate as income. Pension benefits will be reduced dollar for dollar and prorated over the calendar year. The cost of replacing medical benefits will vary according the veteran's usage of VA medical services. The pension and medical benefits will be replaced through payment of a Hold Harmless benefit.

Cost Assumptions

VA estimates 376 beneficiaries (312 vets and 64 widows and dependents) will be impacted. We estimate the VA hold harmless cost to replace these benefits is \$376.0 (376 x \$1,000).

VA estimates that 497 veterans are receiving assistance with costs of medications, inpatient/outpatient care, and long-term care services. Based on information provided by the VA, the anticipated cost for holding these services harmless is \$831.1

In order to issue these benefits, the Division will need to employ two temporary Project Assistant positions to manage the additional workload associated with determining eligibility and issuing hold harmless benefits, and will need to modify DPA's Eligibility Information System (EIS) to facilitate the issuance of Hold Harmless benefits for veterans whose benefits are reduced due to the resource rebate.

FY09 Administrative Costs for VA benefits: \$156.2

Personal Services (2 positions): \$76.4

Travel (to facilitate employee training and outreach): \$10.0

Contractual (telecommunication, printing, and outreach to inform veterans of the program's availability): \$14.5

Contractual (EIS Computer Programming Modifications): \$35.0

Supplies (equipment and supplies for issuing notices and warrants): \$20.3

All costs for the Alaska Resource Rebate Hold Harmless Program are eliminated in FY 2010 to reflect the sunset of the program June 30, 2009.

FISCAL NOTE

STATE OF ALASKA
2008 LEGISLATIVE SESSION

Fiscal Note Number: _____
Bill Version: HB 4005
() Publish Date: _____

Identifier (file name): HB4005-CED-CRA-08-03-08 Dept. Affected: FUND CAPITALIZATIONS
Title: PCE:ELIGIB;AMTS,ELIGIBLE UTILITY DEFINED RDU: Bulk Fuel Bridge Loan Fund
Component: Bulk Fuel Bridge Loan Fund
Sponsor: House Finance
Requester: House Finance Component Number: 2920

Expenditures/Revenues (Thousands of Dollars)

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

	Appropriation Required	Information						
		FY 2009	FY 2009	FY 2010	FY 2011	FY 2012	FY 2013	FY 2014
OPERATING EXPENDITURES								
Personal Services								
Travel								
Contractual								
Supplies								
Equipment								
Land & Structures								
Grants & Claims								
Misc Cap Fuel Bridge 1208	2,518.0							
TOTAL OPERATING	2,518.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
CAPITAL EXPENDITURES								
CHANGE IN REVENUES ()								

FUND SOURCE (Thousands of Dollars)

1002 Federal Receipts								
1003 GF Match								
1004 GF	2,518.0							
1005 GF/Program Receipts								
1037 GF/Mental Health								
Other PCE Fund 1089								
TOTAL	2,518.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0

Estimate of any current year (FY2008) cost: _____

POSITIONS

Full-time							
Part-time							
Temporary							

ANALYSIS: (Attach a separate page if necessary)
This legislation amends the statute for the Bulk Fuel Bridge Loan Fund by raising the cap from \$500,000 to \$750,000 on the amount that can be borrowed by communities for fuel purchases. As a result, another \$2.5 million is expected to be needed for loans from this fund. The \$18.0 is the amount expected to be needed for increased on-site travel by the contractor operating the program and is included in the fiscal note for DCRA.

Prepared by: Tara Jollie, Director Phono 907-269-7959
Division: Division of Community and Regional Affairs Date/Time: _____
Approved by: Amanda Ryder, Director Date: 8/3/2008
Division: Division of Administrative Services

FISCAL NOTE

STATE OF ALASKA
2008 LEGISLATIVE SESSION

Fiscal Note Number: _____
Bill Version: HB 4005
() Publish Date: _____

Identifier (file name): HB4005-CED-CRA-08-03-08 Dept. Affected: Commerce
Title: PCE:ELIGIB;AMTS;ELIGIBLE UTILITY DEFINED RDU: Comm Assist & Econ Development
Sponsor: House Finance Component: Community & Regional Affairs
Requester: House Finance Component Number: 2703

Expenditures/Revenues (Thousands of Dollars)

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

	Appropriation Required	Information					
		FY 2009	FY 2010	FY 2011	FY 2012	FY 2013	FY 2014
OPERATING EXPENDITURES							
Personal Services							
Travel							
Contractual	18.0		18.0	18.0	18.0	18.0	18.0
Supplies							
Equipment							
Land & Structures							
Grants & Claims							
Miscellaneous							
TOTAL OPERATING	18.0	0.0	18.0	18.0	18.0	18.0	18.0
CAPITAL EXPENDITURES							
CHANGE IN REVENUES ()							

FUND SOURCE (Thousands of Dollars)

	FY 2009	FY 2010	FY 2011	FY 2012	FY 2013	FY 2014
1002 Federal Receipts						
1003 GF Match						
1004 GF						
1005 GF/Program Receipts						
1037 GF/Mental Health						
Other Fuel Bridge Fund (1208)	18.0		18.0	18.0	18.0	18.0
TOTAL	18.0	0.0	18.0	18.0	18.0	18.0

Estimate of any current year (FY2008) cost: _____

POSITIONS

Full-time						
Part-time						
Temporary						

ANALYSIS: *(Attach a separate page if necessary)*

This legislation amends the statute for Bulk Fuel Bridge Loan Fund by raising the cap (from \$500,000 to \$750,000) on the amount that can be borrowed by communities for fuel purchases. Because this program is a lender of last resort, a rise in the cap may increase the possibility that borrowers (i.e., communities) may struggle to repay the loans. When this occurs, the contractor provides on-site assistance to the loan recipient regarding the retail pricing of fuel, sales, or collection on past due retail accounts, or strategies regarding use of government funds for repayment of loans.

While it is difficult to determine exactly how much more the contractor may need to travel, the contractor is reimbursed only for travel that actually occurs.

Prepared by: Tara Jollie, Director Phone 907-269-7959
Division: Division of Community and Regional Affairs Date/Time: _____
Approved by: Amanda Ryder, Director Date 8/3/2008
Division of Administrative Services

FISCAL NOTE

*To Revised "E"
with adoption of
amendment 1*

STATE OF ALASKA
2008 LEGISLATIVE SESSION

Fiscal Note Number: _____
Bill Version: CSHB4005(FIN)
() Publish Date: _____

Identifier (file name): CSHB4005(FIN)-DDR-RRP-8-2-08 Dept. Affected: 04 Revenue
Title: PCE:ELIGIB;AMTS;ELIGIBLE UTILITY DEFINED RDU: Taxation and Treasury
Sponsor: _____ Rules: _____ Component: Resource Rebate
Requester: _____ House Finance _____ Component Number: 2930

Expenditures/Revenues (Thousands of Dollars)

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

	Appropriation Required	Information						
		FY 2009	FY 2009	FY 2010	FY 2011	FY 2012	FY 2013	FY 2014
OPERATING EXPENDITURES								
Personal Services								
Travel								
Contractual		100.0	50.0					
Supplies								
Equipment								
Land & Structures								
Grants & Claims		620,400.0						
TOTAL OPERATING		0.0	620,500.0	50.0	0.0	0.0	0.0	0.0

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

1002 Federal Receipts							
1003 GF Match							
1004 GF		620,500.0	50.0				
1005 GF/Program Receipts							
1037 GF/Mental Health							
TOTAL		620,500.0	50.0				

Estimate of any current year (FY2008) cost: _____

POSITIONS

Full-time							
Part-time							
Temporary							

ANALYSIS: (Attach a separate page if necessary)

This bill adds \$1,000.00 to each 2008 PFD from the general fund. It also adds a one time \$1,000.00 payment for approximately 400 disabled veterans who have not previously applied for a 2008 PFD. In addition to the small impact of processing 400 new applications, we expect additional costs to the PFD Division in terms of additional public contacts and appeals of eligibility determinations. The increased size of the dividend will result in more appeals and more time spent on appeals. The \$100,000 in FY 09 and \$50,000 in FY 10 are based on increased appeal costs from the Office of Administrative Hearings beyond what can be absorbed in the current PFD Division budget for both FY 09 and FY 10. Funding for this program is in a separate appropriations bill. Estimated costs based on 620,000 eligible PFD applicants and 400 disabled veterans, actual number will not be determined until mid-September.

Prepared by: Loretta Withington
Division: Admin Services
Approved by: Jerry Burnett
Department of Revenue

Phone 465-2312
Date/Time 8/2/08 12:00 AM
Date 8/2/2008

Power Cost Equalization Program--FY09 Costs under Various Assumptions

FY08 Appropriation	\$ 28,000,000						
Current FY08 Base Rate (\$/MWh)	0.1283	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%	100.00%	100.00%	100.00%	120.00%
Adjusted PCE Base Rate	0.1283	0.1283	0.1283	0.1283	0.1283	0.1283	0.1540
Enter Winter Maximum kWh/month (retaining 8,000 kWh annual ceiling)	500	500	500	500	500	700	700
Additional Cost of Seasonal Variation	0%	0%	0%	0%	0%	23%	23%
Enter Rate Factor (Anticipated Increase in FY09)	1.00	1.50	1.50	1.80	1.80	1.80	1.80
Rate Factor 1/1/09		AEA estimate of impact of fuel on the rate per kWh	AEA estimate of impact of fuel on the rate per kWh				
Enter Ceiling Rate	0.5250	0.5250	1.1200	0.0000	0.0000	0.0000	0.0000
Maximum PCE Reimbursement per kWh	0.3769	0.3769	0.9421	1.7781	1.7781	1.7781	1.8463

Current Formula at Latest Reported Residential Rate	Current Formula at 150% of Latest Reported Residential Rate	Increase the Ceiling Rate and Use AEA Rate Factor	Enter Any Scenario	Enter Any Scenario	Enter Any Scenario
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Payments to Currently Qualified Utilities	\$ 33,351,333	\$ 41,962,729	\$ 60,404,858	\$ 60,631,806	\$ 74,623,761	\$ 70,832,719
Payments to Newly Qualified Utilities	\$ 25,672,373	\$ 25,672,373	\$ 25,672,373	\$ 25,672,373	\$ 1,596,767	\$ 17,961,786
PCE Payments	\$ 59,023,706	\$ 67,635,102	\$ 86,077,231	\$ 86,304,179	\$ 106,220,528	\$ 88,794,505
FY09 Supplemental Appropriation (Full year)	\$ 31,023,706	\$ 39,635,102	\$ 58,077,231	\$ 59,304,179	\$ 78,220,528	\$ 60,794,505
FY09 Supplemental (enter portion of FY)	0.75	\$ 29,726,327	\$ 43,557,923	\$ 43,728,134	\$ 58,665,396	\$ 45,595,879
Add to PCE Endowment (in the Fully Fund PCE after FY2013)	\$ 456,000,000	\$ 579,000,000	\$ 843,000,000	\$ 846,000,000	\$ 1,130,000,000	\$ 881,000,000

Cost of Applying PCE to Commercial Customers	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
(Assumes commercial customers would use 17% of the amount of PCE power used by residential customers per FY09 usage)	Enter a factor for subsidy to commercial customers					0%

Increase kWh Covered by PCE to	600	Note: 750 kWh is national average consumption. 700 kWh is estimated average consumption for Anchorage, Fairbanks and Juneau.				
Subsidy Rate (from 500 kWh to new limit)	100%	kWh up to 500/mph are covered at 100%, enter the portion of costs subsidized for consumption above 500 kWh/mph.				
Portion of Residential kWh used	75%	Current average consumption in PCE households is 390 kWh/mph. Consumption may not increase proportionately as the amount of subsidized power is increased.				
Residential Increase	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Residential Total	\$ 59,023,706	\$ 67,635,102	\$ 86,077,231	\$ 86,304,179	\$ 106,220,528	\$ 88,794,505
Portion of Commercial kWh used	100%	Commercial consumers are more likely to use the upper limit of subsidized power.				
Commercial Increase	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Commercial Total	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Total PCE Payments	\$ 59,023,706	\$ 67,635,102	\$ 86,077,231	\$ 86,304,179	\$ 106,220,528	\$ 88,794,505
Add to PCE Endowment (in the Fully Fund PCE after FY 2013)	\$ 456,000,000	\$ 579,000,000	\$ 843,000,000	\$ 846,000,000	\$ 1,130,000,000	\$ 881,000,000

Utility	Total kWh subject to PCE	Latest Residential Rate	Base PCE Payout under Various Assumptions about Power Costs and the Ceiling Rate			
Of the 181 participating utilities, costs for 141 will increase the ceiling rate if local power costs increase by 50%			Current	150% of Current	AEA	150% of AEA
Alaska PCE	611,357	0.5300	230,398	230,398	407,582	407,582
Alsea PCE	181,896	0.6000	73,074	73,074	149,632	149,632
Alutian PCE	285,803	0.3250	55,848	55,848	101,803	101,803
Alutian/Kodiak PCE	200,518	0.7361	98,180	98,180	245,438	245,438
Bethel/Evening PCE	148,638	0.6396	59,293	59,293	135,084	135,084
Chitina PCE	150,588	0.6294	56,748	56,748	122,158	122,158
Coffman Cove PCE	473,695	0.5095	178,519	178,519	301,246	301,246
Craig PCE	329,677	0.2662	433,961	862,000	862,000	1,080,823
Dot Lake/Dot Lake Village PCE	121,822	0.4544	35,369	87,818	71,124	81,124
Eagle/Village PCE	341,709	0.5629	129,532	129,532	248,081	248,081
Haines/Coyne/Life PCE	3,831,848	0.2307	834,381	834,381	834,381	1,026,825
Heavy Lake PCE	38,908	0.7484	14,863	14,863	36,657	36,657
Holly PCE	336,370	0.2812	44,367	88,729	88,729	104,806
Hydang PCE	687,579	0.2062	62,064	120,832	120,832	149,716
Klawock/Kasaan PCE	1,502,690	0.2012	208,120	408,426	408,426	503,808
Mentana PCE	124,641	0.7805	48,875	48,875	114,886	114,886
Naklat PCE	212,522	0.5082	80,585	80,585	134,726	134,726
Northway/Northway Village PCE	380,396	0.5789	132,052	132,052	258,258	258,258
Shagway PCE	2,532,652	0.2017	186,902	448,913	448,913	552,808
Sitka PCE	153,905	0.6097	57,911	57,911	120,819	120,819
TADN PCE	181,175	0.4094	50,808	68,279	88,016	110,326
Thorne Bay/Kasaan PCE	1,199,258	0.2062	95,422	217,385	217,385	267,157
Tukituk PCE	2,805,595	0.4084	187,086	1,068,617	1,377,532	1,695,424
Whale Pass PCE	117,532	0.5079	44,294	44,294	74,492	91,848
Alaska PCE	886,913	0.4802	312,105	334,246	626,042	626,042
Anchor PCE	317,946	0.3086	185,211	185,211	488,002	488,002
Anvik PCE	211,113	0.5482	79,729	79,729	143,033	143,033
Berth Mission PCE	500,081	0.4117	172,037	184,803	290,183	290,183
Chevak PCE	1,050,180	0.4727	361,888	398,000	610,240	610,240
Eek PCE	418,248	0.4826	147,123	156,931	247,322	247,322
Elim PCE	813,095	0.4826	181,290	193,588	305,588	305,588
Estacada PCE	1,293,291	0.4578	422,848	493,627	716,590	716,590
Gambell PCE	801,212	0.5018	296,157	301,994	400,081	400,081
Goodman Bay PCE	365,556	0.4845	133,868	137,766	224,252	224,252
Grayling PCE	302,588	0.5122	113,943	113,943	191,500	191,500
Holy Cross PCE	377,628	0.5076	142,590	142,590	279,148	279,148
Hoopers Bay PCE	1,155,836	0.4600	519,890	471,081	617,887	617,887
Huslia PCE	821,591	0.5086	186,569	186,569	332,018	332,018
Katag PCE	330,907	0.4906	118,888	124,707	201,358	201,358
Kavik PCE	617,967	0.4054	189,149	212,890	291,966	291,966
Klana PCE	617,819	0.5212	240,518	240,518	420,549	420,549
Kivalina PCE	460,343	0.5207	173,487	173,487	300,488	300,488
Koyuk PCE	655,190	0.4654	187,598	208,490	348,892	348,892
Lower Katakag PCE	543,558	0.4890	178,923	180,914	286,136	286,136
Marshall PCE	579,260	0.4857	180,482	218,303	330,323	330,323
Metliska PCE	543,141	0.4890	178,918	190,818	287,023	287,023
Minot PCE	387,803	0.4382	120,586	148,183	205,772	205,772
Mt. Village PCE	1,008,804	0.4507	354,036	414,331	601,548	601,548
New Khyahak PCE	128,655	0.4984	149,729	149,729	217,829	217,829

7/22/2008
11/24/08

Powe: Cost Equalization Program--FY09 Costs under Various Assumptions

FY08 Approaches		Current FY09 Base Rate (SAW)		100.00%		100.00%		100.00%		100.00%	
Enter a Factor to Increase the Base Rate (and Restore Reimbursement)		Adjusted PCE Base Rate		100.00%		100.00%		100.00%		100.00%	
Enter Winter Maximum kWh/month (retaining 8,000 kWh annual ceiling)		Additional Cost of Seasonal Variation		1.00		1.50		1.50		1.50	
Enter Rate Factor (Anticipated Increase in FY09)		Rate Factor Notes		AEA estimate of impact of rate on the rate per kWh		AEA estimate of impact of rate on the rate per kWh		AEA estimate of impact of rate on the rate per kWh		AEA estimate of impact of rate on the rate per kWh	
Enter Ceiling Rate		Enter Ceiling Rate		2.5250		2.5250		1.1200		2.0000	
Maximum PCE Reimbursement per kWh		Maximum PCE Reimbursement per kWh		0.3789		0.3789		0.9421		1.7781	
		Current Formula at Latest Reported Residential Rate		Current Formula at 150% of Latest Reported Residential Rate		Increase the Ceiling Rate and Use AEA Rate Factor		Enter Any Scenario		Enter Any Scenario	
Dillingham/Alatnagik PCE	4,818,368	0.2278	489,178	1,048,153	1,048,153	1,048,153	1,048,153	1,281,215	1,135,999		
Duval PCE	547,601	0.3610	86,887	130,899	143,829	143,829	143,829	176,774	165,786		
Padua Bay PCE	82,830	0.6000	31,140	31,140	83,798	83,798	83,798	78,681	79,871		
Petal Point PCE	152,385	0.5000	58,542	57,428	94,738	94,738	94,738	118,800	111,798		
Platinum PCE	33,645	0.5000	11,381	11,548	19,052	19,052	19,052	23,448	22,481		
Pompano Beach PCE	448,070	0.4500	144,480	188,239	245,507	245,507	245,507	302,182	287,880		
Ruby PCE	248,858	0.8500	93,033	83,033	208,018	208,018	208,018	257,250	248,434		
Sand Point PCE	1,528,011	0.5248	575,954	575,874	1,008,826	1,008,826	1,008,826	1,238,148	1,190,889		
St. Paul PCE	1,038,546	0.5300	381,769	381,768	693,085	693,085	693,085	853,063	820,173		
Stovena Village PCE	84,587	0.5500	32,635	32,835	60,332	60,332	60,332	74,255	71,520		
Tate PCE	93,728	0.5810	34,183	34,183	67,430	67,430	67,430	82,991	80,125		
Port Aisworth PCE	175,265	0.6898	65,051	68,051	153,550	153,550	153,550	188,984	183,648		
Tanana PCE	408,807	0.5683	154,103	154,103	298,723	298,723	298,723	365,194	352,714		
Tatook PCE	198,335	0.4350	58,234	73,992	101,446	101,446	101,446	124,857	118,658		
Tenakee Springs PCE	238,981	0.4400	74,805	80,444	127,603	127,603	127,603	157,050	149,471		
Angoon PCE	749,418	0.4177	218,882	282,430	373,398	373,398	373,398	455,587	435,889		
Chitka Valley PCE	537,008	0.4177	155,408	202,377	267,560	267,560	267,560	329,505	312,346		
Haakon PCE	2,021,128	0.4177	844,914	781,692	1,007,028	1,007,028	1,007,028	1,234,417	1,175,561		
Kake PCE	838,647	0.4177	271,644	353,743	467,681	467,681	467,681	575,607	545,965		
Blukwan PCE	218,982	0.4177	62,708	81,772	108,110	108,110	108,110	133,058	128,208		
Tuluksat PCE	252,804	0.6000	65,188	65,188	184,935	184,935	184,935	239,818	231,942		
Tumuk PCE	282,850	0.5200	108,598	108,598	184,935	184,935	184,935	228,872	217,898		
Twin Hills PCE	123,651	0.5100	48,800	48,800	84,148	84,148	84,148	108,029	102,123		
Nikolai PCE	64,414	0.6000	24,275	24,275	49,708	49,708	49,708	61,178	58,145		
Unalakleet PCE	1,285,189	0.3989	287,983	484,343	484,343	484,343	484,343	598,170	555,581		
Unalakleet PCE	9,081,020	0.4444	1,630,271	1,818,627	2,740,486	2,740,486	2,740,486	3,372,831	3,212,138		
Unalakleet PCE	264,078	0.7200	89,521	89,521	248,790	248,790	248,790	308,319	300,878		
Unalakleet PCE	178,858	0.5100	67,443	67,443	113,843	113,843	113,843	140,238	134,588		
White Mountain PCE	334,718	0.6000	128,143	128,143	258,302	258,302	258,302	317,810	307,939		
Yakutat PCE	1,428,247	0.4540	436,815	538,258	748,545	748,545	748,545	918,824	878,718		
Chugach Electric Assoc	418,242,000	0.11654									
Golden Valley	218,370,000	0.21066	18,237,983	18,237,983	18,237,983	18,237,983	18,237,983	18,935,222	13,088,782		
Home Electric Association, Inc	443,058,000	0.1758	8,785,255	8,785,255	8,785,255	8,785,255	8,785,255	8,363,381	3,845,398		
Matanuska Electric Association, Inc	111,870,000	0.129	219,578	219,578	219,578	219,578	219,578	248,274			
Municipal Light & Power	144,244,800	0.2678									
Cooper Valley Electric Association, Inc	17,558,000	0.1578	419,858	519,858	519,858	519,858	519,858	638,578	85,133		
KODIAK ELECTRIC ASSOCIATION, INC	31,788,000	0.1813	1,472,858	1,472,858	1,472,858	1,472,858	1,472,858	1,812,502	934,879		
Koon Tribal Corporation	438,000	0.1879	17,345	17,345	17,345	17,345	17,345	21,347	7,818		
Kenai Village Electric Cooperative (Tale)	35,784,000										
City and Borough of Sitka	30,878,000	0.1817	411,085	411,085	411,085	411,085	411,085	595,651			
City of Anchorage	34,168,000	0.0958									
City of Seward	11,884,000	0.0862									
City of Wasilla	8,324,000	0.114									
City of Kenai	8,248,000	0.119									
Barrow Utilities and Electric Cooperative	8,158,000	0.1011									

For non-utility facilities community power (all into utility costs) and use latest reported rate which may be less than current rates

8-2-08

**2008 Poverty Guidelines for Alaska
Income Guidelines as Published**

2008 Annual Guidelines

No in Household	2008 AK Guidelines	75%	135%	150%	175%	200%	225%	250%	300%
1	\$13,000	9,750	17,550	19,500	22,750	26,000	29,250	32,500	39,000
2	17,500	13,125	23,625	26,250	30,625	35,000	39,375	43,750	52,500
3	22,000	16,500	29,700	33,000	38,500	44,000	49,500	55,000	66,000
4	26,500	19,875	35,775	39,750	46,375	53,000	59,625	66,250	79,500
5	31,000	23,250	41,850	46,500	54,250	62,000	69,750	77,500	93,000
6	35,500	26,625	47,925	53,250	62,125	71,000	79,875	88,750	106,500
7	40,000	30,000	54,000	60,000	70,000	80,000	90,000	100,000	120,000
8	44,500	33,375	60,075	66,750	77,875	89,000	100,125	111,250	133,500

For family units of more than eight, add \$4,500 for each additional member

2008 Monthly Guidelines

No in Household	2008 AK Guidelines	75%	135%	150%	175%	200%	225%	250%	300%
1	\$1,083.33	812	1,463	1,625	1,896	2,167	2,437	2,708	3,250
2	1,458.33	1,094	1,969	2,188	2,552	2,917	3,281	3,646	4,375
3	1,833.33	1,375	2,475	2,750	3,208	3,667	4,125	4,583	5,500
4	2,208.33	1,656	2,981	3,313	3,865	4,417	4,969	5,521	6,625
5	2,583.33	1,938	3,488	3,875	4,521	5,167	5,813	6,458	7,750
6	2,958.33	2,219	3,994	4,438	5,177	5,917	6,656	7,396	8,875
7	3,333.33	2,500	4,500	5,000	5,833	6,667	7,500	8,333	10,000
8	3,708.33	2,781	5,006	5,563	6,490	7,417	8,344	9,271	11,125

For family units of more than eight, add \$4,500 for each additional member

D+ISS

	30,845			Current Formula at Latest Reported Residential Rate	PCE applies to costs greater than 120% of urban average \$.05/kWh to non-PCE utilities	Effective Rate for First 500kWh per Month	Monthly Electric Bill	PCE applies above a \$.10 Floor with a minimum of \$.05/kWh to non-PCE utilities	Effective Rate for First 500kWh per Month	Monthly Electric Bill	House to Senate
Payments to Currently Qualified Utilities				\$ 32,062,714	\$ 54,667,204	0.1780	\$ 89	\$ 63,971,107	0.1005	\$ 50	\$ 9,303,903
Payments to Newly Qualified Utilities				\$ -	\$ 69,448,230	0.0897	\$ 45	\$ 83,803,667	0.0793	\$ 40	\$ 14,355,437
Payments for Newly Qualified Community Facilities					\$ -			\$ 21,000,000			\$ 21,000,000
PCE Payments				\$ 32,062,714	\$ 124,115,434	0.0967	\$ 48	\$ 168,774,774	0.0810	\$ 41	\$ 44,659,340
				(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)

PCE Payout under Various Assumptions:

Utility	Total (residential and community) kWh subject to PCE	Last Residential Rate	Anticipated FY09 Rate								
Atakanuk PCE	886,913	0.4802	0.7203	296,499	498,800	79	550,152	0.1000	50	51,352	
Ambler PCE	517,986	0.8098	1.2147	195,211	305,930	312	543,885	0.1000	82	237,955	
Anvik PCE	211,559	0.5442	0.8163	79,729	124,950	113	151,540	0.1000	50	26,590	
Bravig Mission PCE	500,981	0.4717	0.7076	163,435	275,684	79	304,371	0.1000	50	28,687	
Chevak PCE	1,050,780	0.4727	0.7091	343,794	579,728	79	639,978	0.1000	50	60,249	
Ek PCE	415,249	0.4826	0.7239	139,767	234,956	79	259,074	0.1000	50	24,118	
Elim PCE	513,095	0.4826	0.7239	172,700	290,319	79	320,120	0.1000	50	29,801	
Emmonak PCE	1,283,291	0.4578	0.6867	401,702	680,760	78	752,907	0.1000	50	72,147	
Gambell PCE	801,252	0.5016	0.7524	284,152	473,231	81	522,737	0.1000	50	49,505	
Goodnews Bay PCE	365,559	0.4945	0.7418	127,174	213,040	79	234,597	0.1000	50	21,558	
Grayling PCE	302,344	0.5122	0.7683	110,266	178,569	89	202,056	0.1000	50	23,468	
Holy Cross PCE	377,828	0.5075	0.7613	136,109	223,151	85	249,839	0.1000	50	26,688	
Hooper Bay PCE	1,135,636	0.4600	0.6900	357,856	605,992	78	670,025	0.1000	50	64,033	
Huslia PCE	521,591	0.5099	0.7649	189,087	308,059	87	346,780	0.1000	50	38,720	
Kallag PCE	330,907	0.4906	0.7359	113,893	191,006	79	210,424	0.1000	50	19,418	
Kasigluk PCE	617,967	0.4004	0.6006	159,741	277,273	76	309,354	0.1000	50	32,082	
Kiana PCE	637,678	0.5252	0.7878	240,319	376,622	99	438,595	0.1000	50	61,973	
Kivalina PCE	460,343	0.5207	0.7811	171,607	271,885	95	313,517	0.1000	50	41,631	
Koyuk PCE	555,795	0.4654	0.6981	177,991	300,857	78	332,421	0.1000	50	31,564	
Lower Kalamag PCE	344,988	0.4460	0.6690	104,123	177,208	78	196,298	0.1000	50	19,090	
Marshall PCE	579,260	0.4657	0.6986	185,670	313,807	78	346,716	0.1000	50	32,909	
Makoryuk PCE	343,141	0.4660	0.6990	110,085	186,039	78	205,541	0.1000	50	19,502	
Minto PCE	387,893	0.4392	0.6588	114,566	195,488	77	216,755	0.1000	50	21,266	
Mt. Village PCE	1,098,804	0.4505	0.6758	336,333	571,463	78	632,636	0.1000	50	61,173	
New Stuyahok PCE	528,855	0.4984	0.7476	185,943	311,144	80	342,486	0.1000	50	31,343	
Nightmute PCE	316,938	0.4880	0.7320	108,302	191,769	79	200,305	0.1000	50	18,536	
Noatak PCE	747,524	0.7411	1.1117	281,716	441,452	281	756,233	0.1000	50	314,734	
Noorvik PCE	961,408	0.5172	0.7758	355,197	567,822	93	649,720	0.1000	50	81,898	
Nulato PCE	595,475	0.5263	0.7895	224,414	351,696	99	410,550	0.1000	50	58,854	
Nunapitchook PCE	587,412	0.4004	0.6006	151,843	263,563	76	294,058	0.1000	50	30,495	
Old Harbor PCE	431,277	0.4445	0.6668	129,551	220,610	78	244,426	0.1000	50	23,816	
Pilot Station PCE	722,403	0.4843	0.7265	244,317	410,500	79	452,549	0.1000	50	42,049	
Pitkas Point PCE	158,287	0.4659	0.6989	50,766	85,795	78	94,790	0.1000	50	8,995	
Quinhagak PCE	883,474	0.4828	0.7242	297,532	500,139	79	551,464	0.1000	50	51,325	
Rusklan Mission PCE	345,520	0.4669	0.7004	111,143	187,772	78	207,433	0.1000	50	19,661	
Savoonga PCE	884,887	0.4849	0.7274	299,773	503,587	79	555,134	0.1000	50	51,547	
Scammon Bay PCE	564,022	0.5231	0.7847	211,542	333,120	97	386,158	0.1000	50	53,038	
Selawik PCE	1,275,987	0.4953	0.7430	444,873	745,071	80	820,396	0.1000	50	75,325	

	30,645			Current Formula at Latest Reported Residential Rate	PCE applies to costs greater than 120% of urban average \$.05/kWh to non-PCE utilities	Effective Rate for First 500kWh per Month	Monthly Electric Bill	PCE applies above a \$.10 Floor with a minimum of \$.05/kWh to non-PCE utilities	Effective Rate for First 500kWh per Month	Monthly Electric Bill	House to Senate
Payments to Currently Qualified Utilities				\$ 32,062,714	\$ 54,667,204	0.1780	\$ 89	\$ 63,971,107	0.1005	\$ 50	\$ 9,303,903
Payments to Newly Qualified Utilities				\$ -	\$ 69,448,230	0.0897	\$ 45	\$ 83,803,667	0.0793	\$ 40	\$ 14,355,437
Payments for Newly Qualified Community Facilities				\$ -	\$ -			\$ 21,000,000			\$ 21,000,000
PCE Payments				\$ 32,062,714	\$ 124,115,434	0.0967	\$ 48	\$ 168,774,774	0.0810	\$ 41	\$ 44,659,340
				(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)

Utility	Total (residential and community) kWh subject to PCE	Last Residential Rate	Anticipated FY09 Rate	PCE Payout under Various Assumptions							
Shageluk PCE	178,271	0.5652	0.8478	67,184	105,290		129	133,311	0.1000	50	28,022
Shaktolik PCE	365,197	0.4548	0.6822	113,275	192,168		78	212,618	0.1000	50	20,449
Shishmaref PCE	717,088	0.4358	0.6537	209,479	357,920		77	397,052	0.1000	50	39,131
Shungnak PCE	374,009	0.7203	1.0805	140,951	220,895		245	366,697	0.1000	50	145,802
St. Mary's/Andreasafsky PCE	873,991	0.4659	0.6989	280,306	473,723		78	523,390	0.1000	50	49,667
St. Michael PCE	699,829	0.4511	0.6767	214,610	364,564		78	403,556	0.1000	50	38,993
Stebbins PCE	599,887	0.4834	0.7251	202,369	340,112		79	374,989	0.1000	50	34,877
Teller PCE	308,684	0.5453	0.8180	116,332	182,313		114	221,620	0.1000	50	39,306
Togiak PCE	1,123,244	0.4483	0.6725	341,466	580,653		78	643,001	0.1000	50	62,348
Toksook Bay PCE	658,211	0.3728	0.5592	152,886	269,442		75	302,250	0.1000	50	32,809
Tununak PCE	439,744	0.3728	0.5592	102,142	180,011		75	201,930	0.1000	50	21,919
Upper Kalaag PCE	348,679	0.4460	0.6690	105,237	179,104		78	198,398	0.1000	50	19,294
Wales PCE	217,932	0.4764	0.7146	72,069	121,385		79	133,941	0.1000	50	12,556
Wartuk PCE	80,511	0.6000	0.9000	30,342	47,551		155	64,409	0.1000	50	16,858
Witka PCE	155,210	0.5520	0.8280	58,493	91,669		119	112,993	0.1000	50	21,324
Aniak PCE	722,684	0.6705	1.0058	272,354	426,828		208	654,571	0.1000	50	227,743
Almatulik PCE	271,403	0.6400	0.9600	102,282	160,295		185	233,407	0.1000	50	73,112
Beaver PCE	69,645	0.5000	0.7500	24,593	41,133		80	45,269	0.1000	50	4,136
Bethel/Oscarville PCE	8,402,567	0.4404	0.6606	2,491,319	4,249,052		77	4,710,479	0.1000	50	461,427
Buckland PCE	326,953	0.4036	0.6054	85,510	148,190		76	165,242	0.1000	50	17,052
Central PCE	218,494	0.5089	0.7634	79,001	129,046		86	144,938	0.1000	50	15,892
Chenega Bay PCE	118,883	0.4350	0.6525	34,580	59,103		77	65,572	0.1000	50	6,469
Chignik PCE	218,408	0.5570	0.8355	82,310	128,995		122	160,639	0.1000	50	31,644
Chignik Lagoon PCE	205,667	0.4000	0.6000	53,086	92,162		76	102,834	0.1000	50	10,671
Chitina PCE	161,341	0.5550	0.8325	60,804	95,290		121	118,182	0.1000	50	22,892
Circle PCE	90,409	0.5000	0.7500	31,925	53,397		80	58,766	0.1000	50	5,369
Cordova PCE	5,588,427	0.4313	0.6470	1,608,629	2,753,516		77	3,056,590	0.1000	50	303,074
Diomede PCE	161,023	0.6000	0.9000	60,684	95,103		155	128,818	0.1000	50	33,716
Egegik PCE	169,452	0.5500	0.8250	63,861	100,081		117	122,853	0.1000	50	22,772
Etivak PCE	188,678	0.5000	0.7500	66,625	111,436		80	122,641	0.1000	50	11,205
Fifin Cove PCE	87,993	0.4200	0.6300	24,384	41,939		77	46,636	0.1000	50	4,698
False Pass PCE	67,387	0.4200	0.6300	18,674	32,118		77	35,715	0.1000	50	3,597
Colt Bay PCE	157,772	0.6589	0.9884	59,459	93,183		199	140,157	0.1000	50	46,974
Galena PCE	1,322,003	0.3980	0.5970	338,717	588,642		76	657,035	0.1000	50	68,394
Golovin PCE	241,550	0.5400	0.8100	91,032	142,683		110	171,501	0.1000	50	28,837
Guadalupe PCE	790,267	0.7504	1.1256	297,824	466,744		267	810,498	0.1000	50	343,754
Fort Yukon PCE	1,038,544	0.4529	0.6794	319,639	542,628		78	600,522	0.1000	50	57,894
Hughes PCE	147,630	0.5100	0.7650	53,533	87,192		87	98,174	0.1000	50	10,981

	30,645			Current Formula at Latest Reported Residential Rate	PCE applies to costs greater than 120% of urban average \$.05/kWh to non-PCE utilities	Effective Rate for First 500kWh per Month	Monthly Electric Bill	PCE applies above a \$.10 Floor with a minimum of \$.05/kWh to non-PCE utilities	Effective Rate for First 500kWh per Month	Monthly Electric Bill	House to Senate
Payments to Currently Qualified Utilities				\$ 32,062,714	\$ 54,667,204	0.1780	\$ 89	\$ 63,971,107	0.1005	\$ 50	\$ 9,303,903
Payments to Newly Qualified Utilities				\$ -	\$ 69,448,230	0.0897	\$ 45	\$ 83,803,667	0.0793	\$ 40	\$ 14,355,437
Payments for Newly Qualified Community Facilities				\$ -	\$ -			\$ 21,000,000			\$ 21,000,000
PCE Payments				\$ 32,062,714	\$ 124,115,434	0.0967	\$ 48	\$ 168,774,774	0.0810	\$ 41	\$ 44,659,340
				(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)

Utility	Total (residential and community) kWh subject to PCE	Last Residential Rate	Anticipated FY03 Rate	PCE Payout under Various Assumptions							
Iglugig PCE	85,196	0.6030	0.9045	32,107	50,318		157	68,540	0.1000	50	18,222
Iliamna/Nawaken/Hondaton PCE	817,524	0.6024	0.9036	308,096	482,842		156	656,962	0.1000	50	174,120
Dawling PCE	288,370	0.6215	0.9323	108,677	170,316		171	239,996	0.1000	50	69,680
King Cove PCE	1,147,175	0.2400	0.3600	121,732	252,510		70	298,266	0.1000	50	45,755
Kipnuk PCE	691,873	0.5073	0.7610	249,109	408,631		85	457,293	0.1000	50	48,663
Kokhanok Bay PCE	221,867	0.6900	1.0350	83,614	131,038		222	207,446	0.1000	50	76,408
Kotiganek PCE	249,308	0.5000	0.7500	88,034	147,245		80	162,050	0.1000	50	14,805
Kotlik PCE	741,424	0.5551	0.8327	279,417	437,896		121	543,204	0.1000	50	105,308
Kotzebue PCE	5,805,877	0.3605	0.5408	1,280,718	2,274,902		74	2,558,940	0.1000	50	284,038
Koyukuk PCE	89,884	0.4500	0.6750	27,470	46,683		78	51,683	0.1000	50	5,001
Kwethluk PCE	420,962	0.4400	0.6600	124,653	212,634		77	235,739	0.1000	50	23,104
Kwigillingok PCE	343,389	0.5000	0.7500	121,256	202,811		80	223,203	0.1000	50	20,392
Larsen Bay PCE	165,567	0.4000	0.6000	42,735	74,193		76	82,784	0.1000	50	8,590
Levelock PCE	129,236	0.5000	0.7500	45,635	76,329		80	84,003	0.1000	50	7,675
Lima Village PCE	31,472	1.1700	1.7550	11,861	18,588		582	33,046		353	14,458
Manley Hot Springs PCE	109,010	0.6010	0.9015	41,082	64,383		155	87,372	0.1000	50	22,989
Manokotak PCE	343,867	0.3400	0.5100	69,157	124,691		74	140,985	0.1000	50	16,294
McGrath PCE	840,937	0.4778	0.7167	279,212	470,067		79	518,606	0.1000	50	48,539
Chuathbaluk PCE	95,782	0.7749	1.1624	36,097	56,570		286	100,571	0.1124	56	44,001
Crooked Creek PCE	113,404	0.7749	1.1624	42,738	66,978		286	119,074	0.1124	56	52,096
Red Devil PCE	43,257	0.7749	1.1624	16,302	25,548		286	45,420	0.1124	56	19,872
Steelmute PCE	137,915	0.7749	1.1624	51,975	81,455		286	144,811	0.1124	56	63,356
Stony River PCE	36,507	0.7749	1.1624	13,757	21,560		286	38,329	0.1124	56	16,769
Nahnak/S Nahnak/Kng Simn PCE	2,902,514	0.3582	0.5343	628,430	1,119,538		74	1,260,605	0.1000	50	141,067
Napaklak PCE	354,008	0.6333	0.9500	133,413	209,082		180	300,889	0.1000	50	91,807
Napaklak PCE	754,578	0.6000	0.9000	171,315	268,481		155	363,662	0.1000	50	95,182
Chalofnak PCE	111,741	0.5500	0.8250	155,171	243,180		117	298,512	0.1000	50	55,332
Nelson Lagoon PCE	162,604	0.5200	0.7800	60,507	96,036		95	110,571	0.1000	50	14,534
Nikolai PCE	108,950	0.5000	0.7500	38,472	64,348		80	70,818	0.1000	50	6,470
Nome PCE	7,480,443	0.3169	0.4754	1,340,271	2,466,283		73	2,807,784	0.1000	50	341,501
Nunam Iqua PCE	278,560	0.3800	0.5700	86,808	116,888		75	130,923	0.1000	50	14,035
Dillingham/Aleknagik PCE	4,916,369	0.2278	0.3417	464,720	906,695		69	1,188,286	0.1000	50	191,591
Duzinkie PCE	347,601	0.3610	0.5415	76,842	136,447		74	153,466	0.1000	50	17,019
Peuro Bay PCE	82,630	0.6000	0.9000	31,140	48,803		155	66,104	0.1000	50	17,301
Pilot Point PCE	152,385	0.5000	0.7500	53,809	90,001		80	99,050	0.1000	50	9,049
Pielnum PCE	30,645	0.5000	0.7500	10,821	18,099		80	19,919	0.1000	50	1,820
Kongiganak PCE	449,070	0.4500	0.6750	137,243	233,231		78	258,215	0.1000	50	24,984
Ruby PCE	246,859	0.6500	0.9750	93,033	145,799		102	216,002	0.1000	50	70,203

	30,646				Current Formula at Latest Reported Residential Rate	PCE applies to costs greater than 120% of urban average \$.05/kWh to non-PCE utilities	Effective Rate for First 500kWh per Month	Monthly Electric Bill	PCE applies above a \$.10 Floor with a minimum of \$.05/kWh to non-PCE utilities	Effective Rate for First 500kWh per Month	Monthly Electric Bill	House to Senate
Payments to Currently Qualified Utilities					\$ 32,062,714	\$ 54,667,204	0.1780	\$ 89	\$ 63,971,107	0.1005	\$ 50	\$ 9,303,903
Payments to Newly Qualified Utilities					\$ -	\$ 69,448,230	0.0897	\$ 45	\$ 83,803,667	0.0793	\$ 40	\$ 14,355,437
Payments for Newly Qualified Community Facilities					\$ -	\$ -			\$ 21,000,000			\$ 21,000,000
PCE Payments					\$ 32,062,714	\$ 124,115,434	0.0967	\$ 48	\$ 168,774,774	0.0810	\$ 41	\$ 44,659,340
					(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)

Utility	Total (residential and community) kWh subject to PCE	Last Residential Rate	Anticipated FY09 Rate	PCE Payout under Various Assumptions								
Sand Point PCE	1,528,011	0.5248	0.7872	575,564	902,466	98	1,050,049	0.1000	50	147,583		
St. Paul PCE	1,039,546	0.5300	0.7950	391,769	613,971	102	722,484	0.1000	50	108,513		
Sleavens Village PCE	88,597	0.5500	0.8250	32,635	51,145	117	62,783	0.1000	50	11,637		
Takotna PCE	90,729	0.5810	0.8715	34,193	53,586	140	69,997	0.1000	50	16,412		
Port Alsworth PCE	175,265	0.6696	1.0044	68,051	103,514	207	158,510	0.1000	50	54,996		
Tanana PCE	408,907	0.5893	0.8540	154,103	241,507	132	308,295	0.1000	50	66,789		
Tatitleh PCE	196,335	0.4300	0.6450	56,273	96,374	77	107,003	0.1000	50	10,629		
Tanana Springs PCE	239,991	0.4400	0.6600	71,065	121,223	77	134,395	0.1000	50	13,172		
Angoon PCE	749,419	0.4177	0.6266	206,038	354,728	77	394,607	0.1000	50	39,878		
Chikot Valley PCE	537,000	0.4177	0.6266	147,637	254,182	77	282,757	0.1000	50	28,575		
Hoonah PCE	2,021,126	0.4177	0.6266	555,668	956,675	77	1,064,224	0.1000	50	107,549		
Kake PCE	938,647	0.4177	0.6266	258,062	444,297	77	494,245	0.1000	50	49,948		
Klukwan PCE	216,980	0.4177	0.6266	59,654	102,705	77	114,251	0.1000	50	11,546		
Tuluksak PCE	252,604	0.6000	0.9000	95,198	149,192	155	202,083	0.1000	50	52,891		
Tuntutuliak PCE	282,850	0.5200	0.7800	105,253	167,055	95	192,338	0.1000	50	25,283		
Twin Hills PCE	123,651	0.5500	0.8250	46,600	73,030	117	89,647	0.1000	50	16,617		
Nikolaki PCE	64,414	0.6000	0.9000	24,275	38,044	155	51,531	0.1000	50	13,487		
Unalakleet PCE	1,285,189	0.3368	0.5052	254,564	460,168	74	520,759	0.1000	50	60,590		
Unalaska PCE	5,091,020	0.4444	0.6666	1,528,808	2,603,471	78	2,884,572	0.1000	50	281,101		
Newtok PCE	264,076	0.7200	1.0800	99,521	155,967	245	258,794	0.1000	50	102,827		
Venetie PCE	178,959	0.5100	0.7650	64,893	105,696	87	119,008	0.1000	50	13,312		
White Mountain PCE	334,718	0.6000	0.9000	126,143	197,689	155	267,774	0.1000	50	70,085		
Yakutat PCE	1,428,247	0.4340	0.6510	414,784	709,217	77	786,964	0.1000	50	77,747		
	120,039,821											

	30,415			Current Formula at Latest Reported Residential Rate	PCE applies to costs greater than 120% of urban average \$.05/kWh to non-PCE utilities	Effective Rate for First 500kWh per Month	Monthly Electric Bill	PCE applies above a \$.10 Floor with a minimum of \$.05/kWh to non-PCE utilities	Effective Rate for First 500kWh per Month	Monthly Electric Bill	House to Senate
Payments to Currently Qualified Utilities				\$ 32,062,714	\$ 54,667,204	0.1780	\$ 89	\$ 63,971,107	0.1005	\$ 50	\$ 9,303,903
Payments to Newly Qualified Utilities				\$ -	\$ 69,448,230	0.0897	\$ 45	\$ 83,803,667	0.0793	\$ 40	\$ 14,355,437
Payments for Newly Qualified Community Facilities				\$ -	\$ -			\$ 21,000,000			\$ 21,000,000
PCE Payments				\$ 32,062,714	\$ 124,115,434	0.0967	\$ 48	\$ 168,774,774	0.0810	\$ 41	\$ 44,659,340
				(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)

Utility	Total (residential and community) kWh subject to PCE	Last Residential Rate	Anticipated FY09 Rate	PCE Payout under Various Assumptions							
				(1)	(2)	(3)	(4)	(5)	(6)		
				Utilities Not Currently Eligible for PCE							
regulated	6000*hookups*.95										
Chugach Electric Assoc.	397,329,900	0.1180	0.1239		19,866,495	0.0739	36,971	19,866,495	0.0739	37	-
ALEP (Juneau)	76,927,200	0.1031	0.1083		3,846,360	0.0583	29	3,846,360	0.0583	29	-
Golden Valley	207,451,500	0.2027	0.2128		10,372,575		81	23,399,077	0.1000	50	13,026,502
Homez Electric Association, Inc.	135,905,100	0.1422	0.1493		6,795,255	0.0993	50	6,795,255	0.0993	50	-
Matanuska Electric Association, Inc.	296,371,500	0.1290	0.1355		14,818,575	0.0855	43	14,818,575	0.0855	43	-
Municipal Light & Power	137,050,800	0.0976	0.1025		6,852,540	0.0525	26	6,852,540	0.0525	26	-
unregulated											
Copper Valley Electric Association, Inc.	16,678,200	0.1579	0.1658		833,910	0.1158	58	1,097,342	0.1000	50	263,432
KODIAK ELECTRIC ASSOCIATION, INC.	26,396,700	0.1813	0.1904		1,319,835		70	2,385,338	0.1000	50	1,065,503
City and Borough of Sitka	29,144,100	0.1047	0.1100		1,457,205	0.0600	30	1,457,205	0.0600	30	-
City of Ketchikan	32,438,700	0.0958	0.1006		1,621,935	0.0506	25	1,621,935	0.0506	25	-
City of Seward	11,303,100	0.0862	0.0905		565,155	0.0405	20	565,155	0.0405	20	-
City of Wrangell	6,007,800	0.1052	0.1105		300,390	0.0605	30	300,390	0.0605	30	-
City of Petersburg	7,831,800	0.1172	0.1231		391,590	0.0731	37	391,590	0.0731	37	-
Matanuska Utilities and Electric Cooperative	8,128,200	0.1053	0.1106		406,410	0.0606	30	406,410	0.0606	30	-

7/24/08
 as returned
 BY
 MR. Treal

Discussion of HB 4005—Power Cost Equalization
 July 23, 2008 Draft

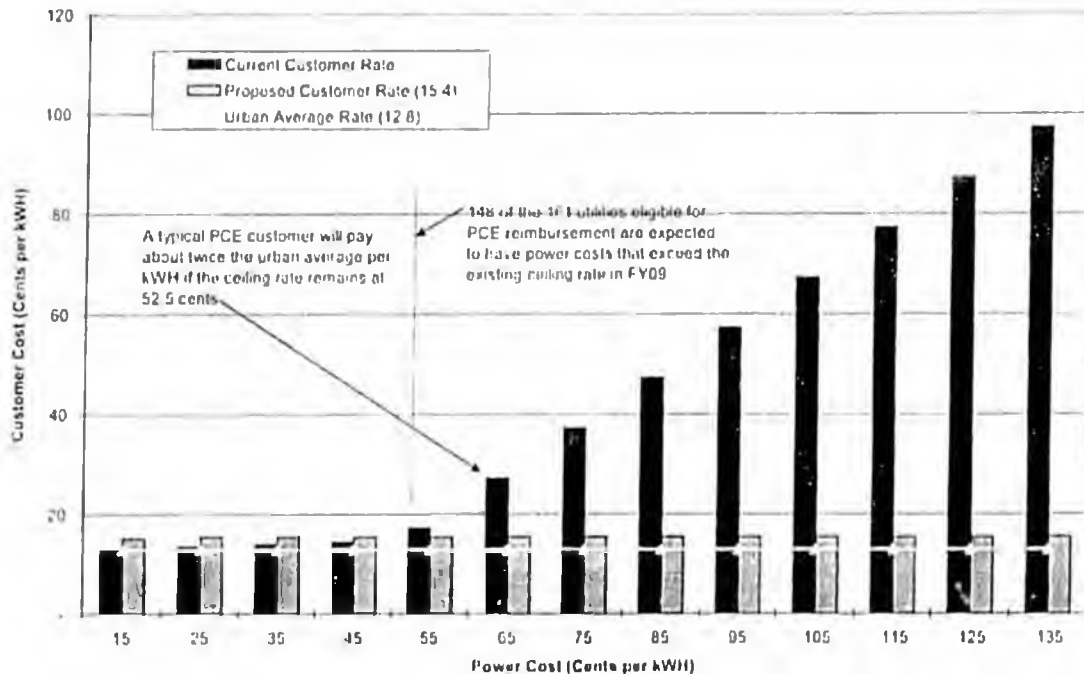
The Power Cost Equalization (PCE) program was designed to equalize electrical power costs for Alaskans. It does this by subsidizing power costs in communities with high power costs within the following limits:

1. Subsidized rates apply only to residential consumers and community buildings.
2. The amount of power subsidized is minimal—500 kWh per month for residential consumers.
3. The subsidy applies only to power costs less than \$.525 per kWh (and greater than a \$.128/kWh rate floor that is the average rate in Anchorage, Fairbanks and Juneau).

Recent increases in oil prices prevent PCE from functioning as it was designed to do. When it was set in 1984, the PCE ceiling rate of 52.5 cents/kWh affected few, if any, communities because the cost of generating power was below the ceiling rate. As the price of diesel has risen, the cost of power has also risen. Power costs this winter will exceed the ceiling rate for 148 of the 161 utilities eligible for PCE payments (assuming a 50% increase in power costs as rates are adjusted this fall). Customers pay 100% of costs that exceed the ceiling rate. The bottom line is that a typical PCE customer will not pay a rate near the average urban rate (for 500 kWh per month), but will pay nearly twice that amount.

Figure 1

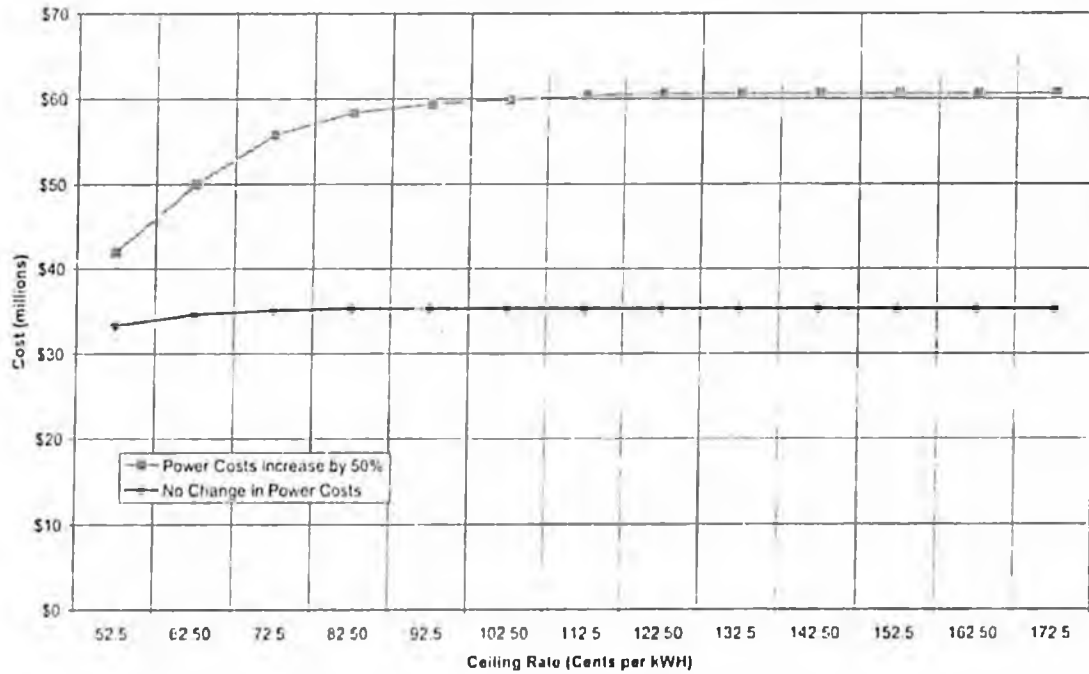
Power Costs Eligible for PCE Reimbursement



Section 2 of the bill increases the PCE ceiling rate to \$2 per kWh. Increasing the ceiling rate reduces costs to PCE customers with power costs above \$.525. As shown in Figure 2, PCE costs increase as the proposed ceiling approaches \$1.20—assuming 1) no other program changes and 2) rates increase by 50%—then flatten out. The \$2 dollar figure is an arbitrary number designed to be substantially above anticipated power costs in the near future.

Figure 2

Projected FY09 PCE Cost at Various Ceiling Rates



The assumption that rates will increase by 50% is based on calculations like those shown in Figure 3. A 50% rate increase would be the result if fuel were available to AVEC at about \$5.50 per gallon.

Figure 3

PCE Projections for AVEC--2007 Data from 2007 AEA Statistical Report
For communities that rely on diesel generators, the cost of producing electrical power

	4,919,095	Everything but price of fuel stays the same					
		\$ 3.00	\$ 4.00	\$ 5.00	\$ 6.00	\$ 7.00	\$ 8.00
fuel gallons	4,919,095						
fuel cost/gal	\$ 2.28	\$ 3.00	\$ 4.00	\$ 5.00	\$ 6.00	\$ 7.00	\$ 8.00
fuel cost	11,216,834	14,757,285	19,676,360	24,595,475	29,514,570	34,433,665	39,352,760
other costs	18,491,059	18,491,059	18,491,059	18,491,059	18,491,059	18,491,059	18,491,059
total	29,707,893	33,248,344	38,167,439	43,086,534	48,005,629	52,924,724	57,843,819
kwh sold	63,820,171	63,820,171	63,820,171	63,820,171	63,820,171	63,820,171	63,820,171
cost of power	\$ 0.47	\$ 0.52	\$ 0.60	\$ 0.68	\$ 0.75	\$ 0.83	\$ 0.91
% Increase		12%	28%	45%	62%	78%	95%

Section 2 also increases the floor rate by 20%. As shown in Figure 1, the combination of higher floor and higher ceiling result in a PCE customer rate of 15.4 cents for virtually all utilities. This is a slight increase for utilities with low power costs, and a large reduction for utilities with high power costs.

Sections 5 and 6 eliminate language that disqualified large utilities and utilities that did not use (primarily) diesel for power generation in 1984. The section makes Golden Valley, Copper Valley, and Kodiak (and perhaps other) utilities eligible for PCE. Under the bill, the only test for PCE eligibility is the cost of power, so that electric costs throughout the state are equalized regardless of how that power is generated.

The cost of expanding eligibility is substantial—the cost of various options can be projected by changing parameters in a model available on the Legislative Finance web site. As a cost containment measure, section 1 disqualifies PCE power sales for community facilities if the community population exceeds 10,000. Increasing the floor rate by 20% (section 2) is also a cost containment measure.

Section 1 changes the amount of power eligible for PCE. Current law allows 500 kWh per residential customer per month. An early draft of the bill increased that amount to 700 kWh per month—a return to the level available before program amendments in 1999. That proposed change was projected to cost over \$20 million. Language in the bill continues to apply PCE reimbursement to an annual maximum of 6,000 kWh per customer, but reduces summer eligibility while increasing winter eligibility. The change reduces projected costs by about \$6 million annually.

Sections 3 and 4 make changes to conform to the changes proposed in sections 1 and 2.

The proposed effective date of July 1, 2008 is problematic. A later effective date and language to conform to utility billing cycles may be forthcoming.

Meer Kohler, AVAC

July 28, 2008

Representative Mike Chenault, Co-Chair
Representative Kevin Meyer, Co-Chair
House Finance Committee
State Capital Room 519
Juneau, AK 99811-0001

Dear Co-Chairs and Members of the Finance Committee,

On behalf of our statewide membership, thank you for your service to our great state and for proposing a short-term energy assistance program for all Alaskans. We applaud your proposal's emphasis on equity and efficiency.

The Board of Directors of the State Chamber of Commerce offers the following suggestions. Eliminate the potentially complex utility subsidy, and redirect all of the one-time cash distribution. Please use a much smaller amount of money to increase capacity in existing means tested programs such as the Heating Assistance, Low Income Home Energy Assistance program, Subsidized Rental Housing Utility Deposit and the Small Municipality Energy Assistance Program to name a few. Adjustments to Power Cost Equalization and lowering the threshold for access to means tested energy assistance programs will address the majority of the energy needs of Alaskans. A large percentage of Alaskans, although inconvenienced by high-energy prices, currently have enough discretionary income to weather the increases.

If a family faces a choice between food and fuel, they would easily qualify for assistance under the above named programs. For those Alaskans already relying on these programs, increases in assistance will hold them harmless from energy price increases.

This approach will assist those Alaskans who truly need relief, while not undercutting healthy conservation efforts that will be a natural market response to high-energy prices.

We would encourage the remainder of our treasury's surplus be placed in the most restrictive savings account possible. To paraphrase a Native American proverb, "We do not inherit the "surplus" from our ancestors; we borrow it from our children."

The biggest risk from the utility subsidy and cash payment is a loss of political will to end both programs if energy prices decrease. Additionally, even though the energy assistance proposal is scheduled to last one year, why would any leader end the assistance program if energy prices were unchanged after that year ends?

We heartily applaud your efforts to compile the much more important long-term energy plan, but we are not naïve to think that the plan will have substantial impact on energy use or cost within five years. Given that assumption, then our state could easily end up funding the "short-term" program for those five years – to a tune of \$6 billion.

Six billion dollars might underwrite or encourage large portions of the long-term plan, and yield benefit to many generations.

Please, help those in need today, and spend wisely to benefit our children tomorrow.

Sincerely,



Wayne A. Stevens
President/CEO



Alaska Energy Authority
PCE Program Overview
July 24, 2008

Program Establishment and Eligibility:

- The PCE program was established in 1985 as one of the components of a statewide energy plan, providing economic assistance to customers in rural areas of Alaska that do not have the benefit of large subsidized energy projects such as the Bradley Lake Hydroelectric Project, the Alaska Intertie, and the Four Dam Pool Project. Prior to the PCE program, there was the Power Production Assistance Program and the Power Cost Assistance Program.
- An electric utility is eligible for PCE reimbursement if 1) they provide electric service to the public for compensation 2) during calendar year 1983, had eligible residential consumption less than 7,500 megawatt hours for one community, or if the utility served two or more communities had eligible residential consumption less than 15,000 megawatt hours and 3) during calendar year 1984, the utility produced more than 75% of their power by diesel generators.
- If served by an eligible utility, a residential customer is eligible for PCE credit up to 500 kWh/month. A community facility, defined as a water and sewer facility, public outdoor lighting, charitable educational facility, or community building whose operations are not paid for by the state, the federal government, or private commercial interests, is eligible for PCE credit. Collectively, eligible community facilities share PCE credit up to 70 kWh/month multiplied by the community population.

Program Administration:

- The Regulatory Commission of Alaska determines the PCE level for each utility based on:
 - Fuel expenses such as the cost of fuel, and transportation; and
 - Non-fuel expenses such as salaries, insurance, taxes, parts and supplies, interest and other reasonable costs.
- The Alaska Energy Authority administers the PCE program based on:
 - Fiscal appropriation by the Legislature
 - Monthly reports submitted by the participating utilities, and
 - Determination of eligibility for residential and community facility customers

Program Formula:

RCA sets the PCE level by calculating the lesser of the rate charged by the utility or eligible power costs based on the following formula:

- 95% of the eligible costs per kWh between:
 - 12.00 cents/kWh or the weighted average residential rates of Anchorage, Juneau and Fairbanks, "the floor," (currently 12.83 cents/kWh) and
 - 52.5 cents/kWh, "the ceiling."

- Costs below 12.83 cents/kWh and above 52.5 cents/kWh are not eligible for PCE. The current maximum PCE level is 37.69 cents/kWh $(52.50 - 12.83) \times 0.95$. Currently there are approximately 41 locations at the maximum PCE level.
- RCA provides AEA the base rate calculation annually; the FY 2009 calculation was based on Utilities' 2007 annual reports. In FY 2008, the average cost of power in Anchorage, Fairbanks and Juneau exceeded 12.0 cents/kWh for the first time since the 12.0 cent floor was established.

Fiscal Year	Base Rate (cents/kWh)
2003	10.60
2004	10.57
2005	10.52
2006	11.10
2007	11.70
2008	12.87
2009	12.83

Detail from RCA's FY 2009 base rate calculation:

Utility	Cents/kWh	% Utility's Residential kWh in Anch, Fbks, or Juneau	% Total Residential kWh in Anch, Fbks, and Juneau
AEL&P	10.02	100.00	13.88
Chugach Electric	13.81	98.7	53.71
GVEA	16.92	22.20	6.93
MEA	13.41	26.80	11.08
ML&P	9.47	100.00	14.39

Program Eligibility:

- An eligible residential customer may receive PCE credit on up to the first 500 kWhs consumed each month.

Community	Sample Residential Rates and PCE Benefit				
	Lime Village	Cordova	Chuathbaluk	King Cove	Wainwright (2007)
Residential Customers	20	798	42	184	520
Residential Rates \$/kWh	1.1700	0.4313	0.7749	0.2400	0.1500
PCE 100% \$/kWh	0.3769	0.1628	0.3769	0.0713	0.0213
Effective Rate	0.7931	0.2685	0.3980	0.1687	0.1287
<i>Assuming Residential Customer uses 500 kWh/month</i>					
\$ Cost/month no PCE	\$ 585.00	\$ 215.65	\$ 387.45	\$ 120.00	\$ 75.00
\$ Benefit/month at 100%	\$ 188.45	\$ 81.40	\$ 188.45	\$ 35.65	\$ 10.65
\$ Cost/month at 100%	\$ 396.55	\$ 134.25	\$ 199.00	\$ 84.35	\$ 64.35

- Each community has a maximum community facility credit of 70 kWh per month multiplied by the community population. Examples of community facilities include washeteria, water pump station, street lights, community centers, city and tribal council offices, and clinics.

- For FY 2007, there were 22 communities that consistently reached their kWh capacity for community facilities. The 22 communities include Chignik, Chignik Lagoon, Cordova, Egegik, False Pass, G&K utility serving Cold Bay, Galena, Grayling, Healy Lake, Hughes, Igiugig, Deering (served by Ipnatchiaq Utility), King Cove Larsen Bay, Minto, Naknek, Selawik, St. Paul, Skagway, Stevens Village, Takotna, and Nikolski (served by Umnak Power Company).
- State and Federal customers, as well as commercial customers, including schools, are not eligible for PCE credit.

PCE Endowment Fund:

- The PCE Endowment Fund was created and capitalized in FY 2001 with funds from the Constitutional Budget Reserve and the Four Dam Pool Project sale proceeds. The PCE Endowment Fund is managed by the Department of Revenue for the Alaska Energy Authority; it is invested to earn at least 7% over time. \$182.7 million was appropriated to the fund in FY 2007. The deposit occurred in October 2006.
- AS 42.45.085 provides that 7% of the PCE Endowment Fund's 3 year monthly average market value may be appropriated to the PCE Rural Electric Capitalization Fund for annual PCE program costs.

PCE Endowment Invested Assets at June 30:

	Fiscal Year Earnings	Fair Value	Actual Return
2000	1,726,614	101,726,614	
2001	(6,049,407)	95,677,206	(6.00)%
2002	(5,716,214)	172,445,674	(5.09)%
2003	6,241,929	166,653,975	3.88%
2004	20,676,236	179,303,474	12.90%
2005	15,384,400	181,113,210	8.78%
2006	14,591,803	184,456,694	8.43%
2007	44,876,372	400,250,076	15.91%
2008	(18,750,502)	368,706,164	(4.68)%

7/27/08

July 9, 2008

To The Honorable Legislators
State of Alaska

I am writing to voice my opposition to the Governor's plan to give away money to everyone in the State.

To give away State money for cost of living rate increases is poor policy. There will certainly be future price increases in some if not most products. Energy price increases are not unique to urban or rural Alaskans. Yes, I know home heating prices are up disproportionately in the bush, but I am also sure that the cost of commuting to work is up disproportionately in Wasilla. Every individual and business in America is impacted by high energy prices. Alaska is one of the few places where this has a positive impact on our economy.

Alaska has many unmet needs. Our education system, roads and airports, and public safety programs are far from best in class categories. Leadership and a little imagination can benefit all Alaskans much more than a cash (or gas) giveaway program.

There will be no long term benefit to the State or its citizens by indiscriminately giving away the State's money. Another entitlement program is not good for Alaska and difficult to eliminate when (not if) oil prices go down.

This is my 40th year in Alaska and this would be the worst legislation, if passed, that I have seen.

Since this my first legislative letter, I don't want it to all be negative. I applaud the 2008 Legislature for funding the CBR, providing revenue sharing for municipalities, forward funding the school budgets and killing the \$500 give away. Please don't backslide during the special session and give away our current revenue windfall.

Sincerely,

Robert Ballow
9601 Sidorof Lane
Anchorage, AK 99507
rballow@yahoo.com

Dist. by Rep. Hawker 7.27.08

AVEC



July 31, 2008

Senate Finance Committee
Alaska State Legislature

Re: AVEC Support for changes to the PCE program

Honorable Co-Chairs and Members of the Senate Finance Committee:

Alaska Village Electric Cooperative serves 22,000 residents of 53 Alaska villages, constituting 44% of Alaska's village population. We are collectively the largest recipient of Power Cost Equalization payments, constituting about one third of all payments. This is because our villages are small and remote and costs to maintain sustainable electric systems are very high.

Two months ago, AVEC's board of directors adopted a resolution declaring a fuel cost emergency, as we were facing a fuel cost increase of almost 100% over 2007. As a result of that cost increase, it was clear that our members could not possibly afford to purchase the very modest amount of electricity they consume since PCE would only cover a relatively small amount of total costs.

The bill before you today makes a tremendous difference in our villages' economics. Raising the ceiling on allowable eligible costs is absolutely critical to village residents and community facilities. Before any bills modifying PCE were introduced, AVEC had worked with other electric utilities to develop a formula to raise the ceiling, staying mindful of what might be acceptable to the Legislature and the Administration.

The formula we proposed was a very modest increase of the cap to 72.5 cents, based upon fuel costs of about \$4.50 a gallon. We ourselves experience costs significantly higher than that and, just a few months ago, had to fly 16,000 gallons of fuel into Ambler at a cost of \$8.35 a gallon. Ambler's electricity cost right now is 88 cents a kWh, and will likely be close to \$1.10 by the end of this year.

AVEC whole-heartedly supports increasing the cost cap to \$1.15 a kWh. There will undoubtedly be a handful of villages whose costs still exceed that cap, but I hope that projects that are underway or in the planning stages will work to lower those costs in the near future so that all Alaskans can be assured that they will have access to affordable electricity for at least a modest number of kilowatt-hours.

Yours very sincerely,

Meera Kohler
President & CEO

SARAH PALIN
GOVERNOR

GOVERNOR@GOV.STATE.AK.US



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STATE OF ALASKA
OFFICE OF THE GOVERNOR
JUNEAU

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

Grand Totals	1221	485	1706
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Daily Gas Price Barometer

Auto Club South

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).

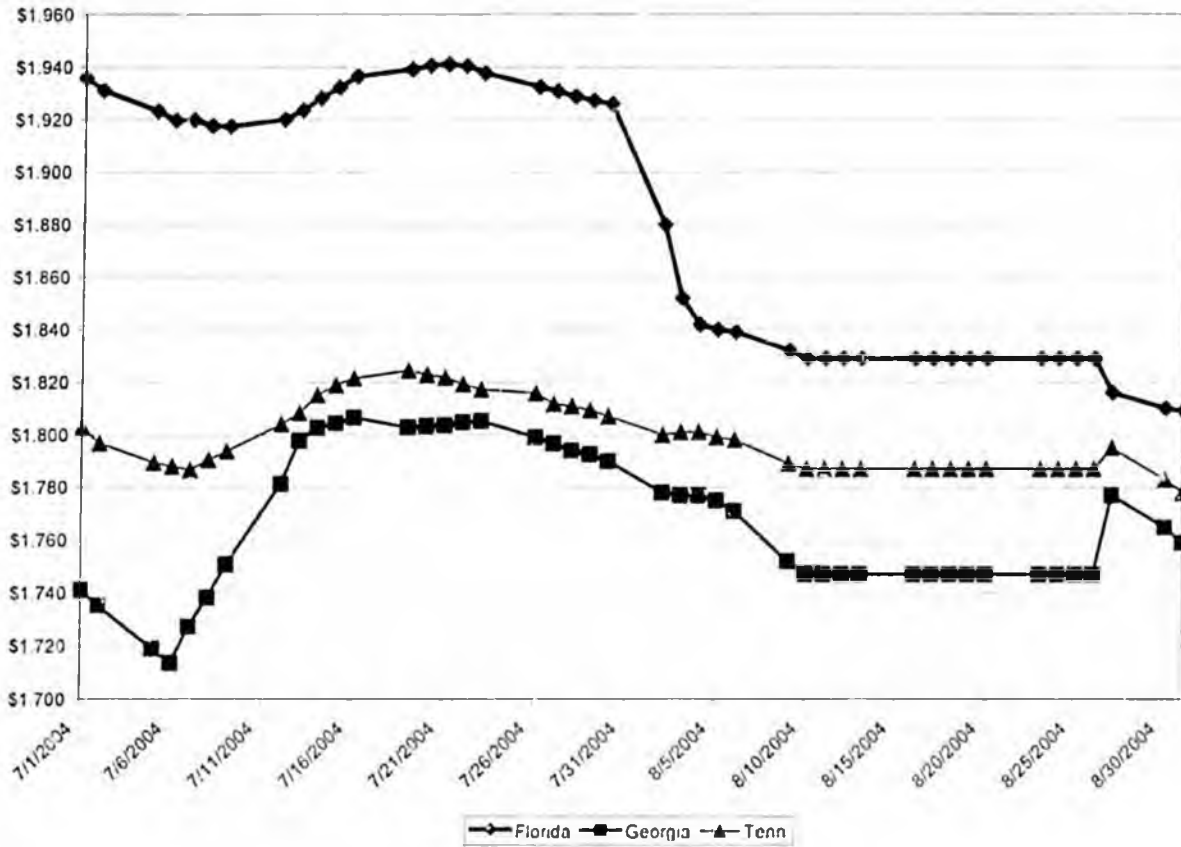
Following is AAA's estimate of the Savings Per Gallon To Consumer based on Florida's statewide average price for Self Service Regular Unleaded for Saturday, Sunday and Monday, August 31:

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
<p>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.</p>				

AAA's fuel price information updates can be found at 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.

-more-

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.

sf Sarah Fisher-Goad, Deputy Director of Operations,
Alaska Energy Authority, Department of Commerce,
Community and Economic Development

dt ✓ David Teal, Director, Legislative Finance Division

JL ✓ Jay Livey, Staff, Senator Hoffman

Teleconference:

Bob Pickett, Chairman, Regulatory Commission of
Alaska

✓ Dennis Wheeler, Commissioner, Regulatory
Commission of Alaska

✓ Mary Villone, RCA

Richard Gazaway, Hearing Examiner, Regulatory
Commission of Alaska

Questions:

Chris Poag, Assistant Attorney General, Department
of Law (JNU)

HB

4006

HFIN

FILE

FISCAL NOTE

STATE OF ALASKA
2008 LEGISLATIVE SESSION

Fiscal Note Number _____
 Bill Version: HB 4006
 () Publish Date: _____
 Dept. Affected: Health & Social Services
 RDU Public Assistance
 Component Energy Assistance Program

ID(File name) HB4006-DHSS-EAP-07-24-08
 Title RESOURCE REBATE FOR HOME HEATING
 Sponsor HOUSE FINANCE
 Requester HOUSE FINANCE

Component 226

Expenditures/Revenues (Thousands of Dollars)

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

	Appropriation Required	Information						
		FY 2009	FY 2009	FY 2010	FY 2011	FY 2012	FY 2013	FY 2014
OPERATING EXPENDITURES								
Personal Services	631.3							
Travel								
Contractual	128.0							
Supplies								
Equipment	115.2							
Land & Structures								
Grants & Claims	74,287.5							
Miscellaneous								
TOTAL OPERATING	75,162.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
CAPITAL EXPENDITURES								
CHANGE IN REVENUES (0)								

FUND SOURCE (Thousands of Dollars)

1002 Federal Receipts								
1003 GF Match								
1004 GF	75,162.0							
1037 GF/Mental Health								
Other(Specify Type-do not abbreviate)								
Other(Specify Type-do not abbreviate)								
TOTAL	75,162.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0

Estimate of any current year (FY2008) cost: _____

POSITIONS

Full-time							
Part-time							
Temporary	16						

ANALYSIS: (Attach a separate page if necessary)

HB 4006 supplements provisions of the federally-funded Low Income Heating and Energy Assistance Program (LIHEAP) and, depending upon appropriations by the legislature, authorizes the Department of Health and Social Services to increase the amount of heating assistance payments to eligible households.

The bill also increases the income eligibility limit for the Alaska heating assistance program (AKHAP) from 225% to 350% of the federal poverty guidelines (FPG) for Alaska and authorizes the Department to increase the amount of heating assistance payments to households eligible to participate in the solely state-funded Alaska heating assistance program. (continued next page)

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 Approved by William H. Hogan - Acting Commissioner
 Agency Department of Health and Social Services

Phone 555-5843
 Date/Time 07/23/2008
 Date 07/24/2008

FISCAL NOTE

STATE OF ALASKA
2008 LEGISLATIVE SESSION

BILL NO: HB 4006

ANALYSIS CONTINUATION
Analysis Continued

The Department is directed to calculate payments based on the methodology described in regulations at 7 AAC 44.080 and as established in statute at AS 47.25.623.

These provisions are in effect for the period beginning September 1, 2008 and ending August 1, 2009. Because the affected programs only accept applications from September 1 through April 30 of each year, the department does not anticipate expenditures in FY 10.

The administration and funding for the federally-funded LIHEAP program is shared by the State and Alaska Native organizations operating tribal energy assistance programs. In fiscal year 2008 an estimated 15,000 households received help from state and tribal programs.

Benefits for the newly created Alaska heating assistance program will not be issued until November 1, 2008.

Assumptions:

- The state program modified by this legislation will operate the same as the existing Heating Assistance Program, which has a fixed annual appropriation through the LIHEAP Block grant and accepts applications from September 1 through April 30 each year.
- The state will receive a LIHEAP block grant of approximately \$10,700.0 for FY2009
- The legislature has already appropriated an additional \$10,000.0 to fund heating assistance programs for FY2009.
- The Department estimates that, in addition to the approximately 15,000 households served by LIHEAP, an additional 22,250 households will be served by AKHAP under the expanded income thresholds. Note: information about the number of qualifying households with incomes between 150% and 350% of the FPG for Alaska is difficult to project.
 - Household calculation: In FY2008, the average household served by LIHEAP (excluding tribal programs) had 3 members. The income of a 3-person household at 150% FPG is \$33,000. According to 2000 census data, approximately 59,000 Alaska households had income below this limit. LIHEAP served approximately 25% of these households.
 - An estimated 89,000 households have incomes between \$33,000 (150% FPG) and \$77,000, which is 350% of the FPG for a household of three. If AKHAP only serves 25% of these households, an estimated 22,250 households will receive AKHAP payments.

(continued next page)

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ANALYSIS CONTINUATION
Analysis Continued

- The average household will receive 10 community heating cost points (HCP).
- Heating assistance in 2008 was based on a payment of \$85 per HCP. In 2009 the amount paid per HCP point will be \$255.
- The retroactivity provision of the act establishing AKHAP, which is discretionary to DHSS, will not be pursued because a threefold increase in heating assistance payments to eligible households will satisfy the intent of the provision.

Total annual benefit costs are estimated to be \$74,287.5 for FY2009.

- Total annual LIHEAP benefit costs are estimated to be \$27,550.0

(15,000 households x 10 HCP x \$255 per HCP). Note: Approximately \$10,700.0 in federal funds will be available for FY2009. $\$38,250.0 - \$10,700.0 = \$27,550.0$

- Total annual AKHAP benefit costs are \$46,737.5 (22,250 households x 10 HCP x \$255 per HCP) Note: \$10,000.0 has already been appropriated to support heating assistance programs. $\$56,737.5 - \$10,000.0 = \$46,737.5$

Administrative Cost Assumptions:

- 12 Eligibility Technicians (Range 13) and 4 Administrative Clerk II (Range 8) will be needed to manage the increased applications and workload resulting from more households applying for heating assistance. These positions are responsible for providing customer service, communicating with applicants and vendors, verifying applicant information, and making the eligibility decisions. The positions are seasonal and work up to 8 months each year (Sept – April). Currently, the department has 14 positions to operate a program that serves approximately 10,000 households annually. Regulations require that applications be processed within 45 days. As this one-time expansion could reach an additional 20,000 households, the department estimates an additional 16 temporary positions will be needed for some part of FY 09 to process the increased application volume within mandated timeframes.

Total Administrative Costs:

Personal Services:	\$631.3 (salary and benefits for 16 seasonal positions)
Contractual:	\$128.0 (annual costs for information technology, telecommunications, office space, phones)
Equipment/Supplies:	\$115.2 (one-time costs for desktop computers, printers, and work stations for 16 positions)