

ALABAMA LEGISLATURE COMPTROLLER FILED 1905-1900 00/2

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Table 1 (continued)
Electric Rates and Production Costs For Selected Utilities
1983

Utility	Production Cost (cents/kwh)	Retail Rate (cents/kwh)	Difference (Rate-Cost)
Naknek (NEA)	14.7	22.8	8.1
Nome (NTUB)	17.7	20.4	2.7
Petersburg (PMP&L)	10.4	13.3	2.9
Sitka (SED) [†]	8.0	6.8	-1.2
Wrangell (WML&P)	10.5	14.6	4.1

* Homer Electric Association, Matanuska Electric Association and the City of Seward are combined with Chugach Electric. Seward is an unregulated utility.

† According to John McCracken, Finance Director for the City and Borough of Sitka, the utility did show a paper loss of approximately \$69,000 in 1983; however, this does not account for the large negative difference between the retail rate and the production cost. This difference is the result of not counting substantial income from interest on cash reserves and on overlapping financing, while apportioning the interest expense of this financing to production costs.

Source: Alaska Power Authority, Advisory Committee Report on Statewide Power Production Costs, December 15, 1984.

Table prepared by the House Research Agency, February 1985.

1982
 GRAND ELECTRIC UTILITIES
 1982 FINANCIAL OPERATING STATISTICS
 (CENTS/KWH)

UTILITY NAME BEST OF STATE	OPERATING REVENUES/WH SALES					PRODUCTION & TRANSMISSION COSTS/WH GENERATION						
	OPERATING REVENUES (KWH)	ENERGY SALES (MWH)	RETAIL RATE (CENTS/WH)	VARIANCE (KWH) (PERCENT)		PROD/TRANS (KWH)	ENERGY GENERATION (MWH)	PLANT RATE (CENTS/WH)	VARIANCE (KWH) (PERCENT)		RETAIL RATE (CENTS/WH)	REVISED RET. RATE (CENTS/WH)
ALABAMA ELECTRIC CO. (AL)	11,401.3	24,563	44.8	18,974	-81.6	6,174.5	28,345	27.6	16,974	-83.8	63.2	16.5
AMERICAN ELECTRIC CO. (IN)	455.3	1,343	33.9	1,343	-75.7	276.1	1,408	28.3	1,326	-82.3	71.6	9.6
ATLANTA ELECTRIC CO. (GA)	23.1	188	21.4	188	-61.5	17.9	188	14.9	188	-66.3	51.2	18.4
BAY AREA ELECTRIC CO. (CA)	1,462.7	18,715	9.0	11,371	-8.3	618.4	22,822	2.7	527	-65.2	31.3	11.8
BAY STATE ELECTRIC CO. (OH)	4,142.1	22,663	18.1	12,257	54.5	3,744.1	23,168	15.7	12,471	-69.8	59.7	7.2
BAY STATE ELECTRIC CO. (OH)	446.9	821	43.1	1,331	-82.2	272.7	1,154	25.5	1,211	-84.3	57.7	24.7
CHESAPEAKE ELECTRIC CO. (VA)	682.7	3,197	21.4	1,429	-61.5	527.6	3,545	14.9	1,411	-66.3	51.2	18.4
CHESAPEAKE ELECTRIC CO. (VA)	38.5	76	42.8	1,111	-86.7	27.8	188	27.8	188	-83.1	64.3	15.3
CHESAPEAKE ELECTRIC CO. (VA)	4,494.5	16,629	21.4	12,721	-6.1	3,446.2	17,284	27.7	12,721	-74.5	57.8	18.4
CHESAPEAKE ELECTRIC CO. (VA)	2,181.1	19,133	21.4	11,241	-61.5	1,685.9	11,287	3	11,171	-66.4	51.3	18.4
CHESAPEAKE ELECTRIC CO. (VA)	30.5	188	21.4	188	-61.5	27.8	288	3	188	-66.3	51.2	18.4
CHESAPEAKE ELECTRIC CO. (VA)	67.6	158	42.8	155	-86.7	52.3	175	3	188	-83.2	64.3	15.3
CHESAPEAKE ELECTRIC CO. (VA)	636.5	1,851	34.3	1,881	-76.4	522.5	2,127	24.5	1,411	-77.5	65.3	11.9
CHESAPEAKE ELECTRIC CO. (VA)	526.3	1,383	38.1	1,121	-78.3	464.6	1,537	38.2	1,387	-83.4	73.6	18.4
CHESAPEAKE ELECTRIC CO. (VA)	61.6	144	42.8	158	-86.7	47.6	162	29.8	158	-83.1	64.3	15.3
CHESAPEAKE ELECTRIC CO. (VA)	522.4	1,314	42.8	1,541	-84.7	434.7	1,418	29.8	1,561	-83.1	64.3	15.3
CHESAPEAKE ELECTRIC CO. (VA)	67.3	324	21.4	183	-61.5	53.6	348	14.9	188	-66.3	51.2	18.4
CHESAPEAKE ELECTRIC CO. (VA)	179.3	419	42.8	1,151	-86.7	138.6	466	29.7	1,151	-83.1	64.2	15.3
CHESAPEAKE ELECTRIC CO. (VA)	2,784.8	11,877	21.4	11,884	-64.8	2,466.6	13,668	18.8	11,788	-77.7	61.9	8.4
CHESAPEAKE ELECTRIC CO. (VA)	154.1	362	42.8	1,121	-86.7	119.1	448	29.8	1,121	-83.1	64.3	15.3
CHESAPEAKE ELECTRIC CO. (VA)	77.8	188	42.8	1,621	-86.7	59.5	248	29.8	158	-83.1	64.3	15.3
CHESAPEAKE ELECTRIC CO. (VA)	77.8	188	42.8	1,621	-86.7	59.5	248	29.8	158	-83.1	64.3	15.3
CHESAPEAKE ELECTRIC CO. (VA)	62.7	273	21.4	137	-61.5	48.5	325	14.9	188	-66.3	51.2	18.4
CHESAPEAKE ELECTRIC CO. (VA)	771.6	2,413	35.4	1,571	-74.2	786.6	2,781	24.5	1,521	-77.5	72.8	3.7
CHESAPEAKE ELECTRIC CO. (VA)	2,714.3	11,923	21.4	11,731	-63.8	2,855.7	13,763	14.9	11,351	-65.7	67.9	11.4
CHESAPEAKE ELECTRIC CO. (VA)	185.7	475	21.4	1,651	-61.5	81.9	558	14.9	151	-66.3	51.2	18.4
CHESAPEAKE ELECTRIC CO. (VA)	32.7	153	21.4	188	-61.5	25.3	178	14.9	171	-66.3	51.2	18.4
CHESAPEAKE ELECTRIC CO. (VA)	3,618.6	17,734	24.4	12,156	-57.6	3,423.8	17,287	17.7	12,455	-71.7	67.8	6.6
CHESAPEAKE ELECTRIC CO. (VA)	318.8	1,169	26.2	1,211	-68.9	244.2	1,278	18.9	1,171	-73.5	57.7	11.2
CHESAPEAKE ELECTRIC CO. (VA)	534.2	2,753	17.3	1,181	-57.2	484	3,457	16.4	1,471	-67.1	65.4	6.7
CHESAPEAKE ELECTRIC CO. (VA)	3,195.8	7,465	42.8	12,577	-86.7	2,467.3	8,274	29.8	12,853	-83.1	64.3	15.3
CHESAPEAKE ELECTRIC CO. (VA)	23.1	54	42.8	119	-86.7	17.9	68	29.8	111	-83.1	64.3	15.3
CHESAPEAKE ELECTRIC CO. (VA)	672.7	5,158	17.3	1,671	-52.3	853.9	5,284	15.5	1,571	-67.6	64.6	6.1
CHESAPEAKE ELECTRIC CO. (VA)	544.5	1,585	31.4	1,371	-74.1	489.1	1,788	24.6	1,371	-77.6	72.9	8.2
CHESAPEAKE ELECTRIC CO. (VA)	231.1	548	42.8	1,181	-86.7	178.6	624	29.8	1,149	-83.1	64.3	15.3
CHESAPEAKE ELECTRIC CO. (VA)	881.3	2,798	31.6	1,651	-73.9	461.4	3,188	14.9	1,561	-66.3	54.7	28.6
TOTAL BEST OF STATE	44,816.8	171,431	25.7	129,877	-67.9	35,845.8	188,229	18.6	125,557	-73.8	58.1	18.8
IDA STATE	298,328.6	3,528,345	8.2	0	0.0	17,784.7	3,838,711	5.8	0	0.0	0.0	8.2

RETAIL TRANSMISSION CREDIT (KWH)

52,976

51,135

111 IEA, MEA, AND SES COMBINED WITH DORFCH
 121 ESTIMATED

NOTES

<u>Column</u>	<u>Explanation</u>
1	Retail Operating Revenues - does not include wholesale power sales by Chugach.
2	Retail energy sales.
3	(Column 1/Column 2) x 100.
4	$\left(\frac{\text{Statewide Average Retail Rate} - \text{Column 3}}{100} \right) \times \text{Column 2}.$
5	$1 - \left(\frac{\text{Statewide Average Retail Rate}}{\text{Column 3}} \right).$
6	Includes operating costs and depreciation incurred in production and transmission accounts and allocations of interest and taxes to production and transmission. Also includes allocation of administration and general expenses and depreciation, interest, and taxes incurred by General Plant. A & G and General Plant expenses are allocated based on the ratio of the expenses in the remaining categories.
7	Energy Production before distribution losses.
8	(Column 6/Column 7) x 100.
9	$\left(\frac{\text{Statewide Average Rate} - \text{Column 8}}{100} \right) \times \text{Column 7}.$
10	$1 - \left(\frac{\text{Statewide Average Rate}}{\text{Column 8}} \right).$
11	(Column 9/Column 1) x 100.
12	(1 + (Column 11/100)) x Column 3.

Attachment B

CERTIFICATED ELECTRIC UTILITIES

- *Akutan, City of
 - Alaska Electric Light & Power Company
 - Alaska Power & Telephone Company
 - Alaska Village Electric Cooperative, Inc.
 - Andreanof Electric Corporation
 - Aniak Light and Power Company, Inc.
 - Arctic Utilities, Inc.
 - Barrow Utilities and Electric Cooperative, Inc.
 - Bethel Utilities Corporation, Inc.
 - Bettles Light & Power, Inc.
- *Chitina, City of
- *Chistochina Trading Post
- Chugach Electric Association, Inc.
- *Circle Electric
 - Richard Hutchinson d/b/a
 - Copper Valley Electric Association, Inc.
- *Cordova Electric Cooperative, Inc.
- *Fairbanks Municipal Utilities System
- *Glacier Highway Electric Association, Inc.
- Golden Valley Electric Association, Inc.
- Switchoya Zhee Utility Company
- Haines Light & Power Company, Inc.
- Homer Electric Association, Inc.
- Iliamna-Newhalen Electric Cooperative, Inc.
- *Ketchikan Public Utilities, City of
- *King Cove, City of
 - Kodiak Electric Association, Inc.
- *Kotlik, City of
 - Kotzebue Electric Association, Inc.
- *Kwethlux Incorporated
 - M & D Enterprises
 - Daniel and Margaret Patrick d/b/a
- Manley Utility Company, Inc.
- Matanuska Electric Association, Inc.
- McGrath Light & Power Company
- Municipal Light & Power Department
 - Municipality of Anchorage d/b/a
- *Naknek Electric Association, Inc.
- *Nikolski Power and Light Company
 - Fred Landt d/b/a
- *Nome, City of
 - Nome Light & Power Utilities d/b/a
- *North Slope Power & Light Company
 - North Slope Borough d/b/a
- Northern Power and Engineering Corporation, Inc.
- Northway Power & Light, Inc.
- Nushagak Electric Cooperative, Inc.
- *Paxson Lodge, Inc.
- Pelican Utility Company⁽¹⁾
- *Petersburg, City of
- *Semloh Supply
 - Weldon S. Holmes d/b/a
- *Seward, City of
- *Sitka, City and Borough of
 - Tanana Power Company, Inc.
 - Teller Power Company
 - Helen M. and Robert R. Blodgett d/b/a
- *Thorne Bay, City of
 - Tlingit-Haida Regional Electrical Authority
- *Unalaska, City of
- *Weisner Trading Company
- *Wrangell, City of
 - Yakutat Power, Inc.

(*) Not Regulated by Alaska Public Utilities Commission as to rates and services.

(1) Pelican Utility Company is the holder of two electric utility certificates, one for service in Pelican, the other for service in Sand Point.

Alaska Statutes

Title 42. Public Utilities and Carriers.

Chapter.

- 05. Alaska Public Utilities Commission Act (§ 42.05.141)
- 06. Pipeline Act (§§ 42.06.160 — 42.06.200, 42.06.280, 42.06.340)
- 40. Alaska Railroad Corporation (§§ 42.40.010 — 42.40.990)

Chapter 05. Alaska Public Utilities Commission Act.

Article

- 2. Powers and Duties of the Commission (§ 42.05.141)

Article 2. Powers and Duties of the Commission.

Section

- 141. General powers and duties of the commission

Sec. 42.05.141. General powers and duties of the commission.

(a) The Alaska Public Utilities Commission may

(1) regulate every public utility engaged or proposing to engage in such a business inside the state, except to the extent exempted by AS 42.05.711, and the powers of the commission shall be liberally construed to accomplish its stated purposes;

(2) investigate, upon complaint or upon its own motion, the rates, classifications, rules, regulations, practices, services and facilities of a public utility and hold hearings on them;

(3) make or require just, fair and reasonable rates, classifications, regulations, practices, services and facilities for a public utility;

(4) prescribe the system of accounts and regulate the service and safety of operations of a public utility;

(5) require a public utility to file reports and other information and data;

(6) appear personally or by counsel and represent the interests and welfare of the state in all matters and proceedings involving a public utility pending before an officer, department, board, commission or court of the state or of another state or the United States and to intervene in, protest, resist, or advocate the granting, denial or modification of any petition, application, complaint or other proceeding;

(7) examine witnesses and offer evidence in any proceeding affecting the state and initiate or participate in judicial proceedings to the extent necessary to protect and promote the interests of the state.

(b) The commission shall perform the duties assigned to it under AS 44.83.162.

(c) In the establishment of electric service rates under this chapter the commission shall promote the conservation of resources used in the generation of electric energy. (§ 6 ch 113 SLA 1970; am § 1 ch 33 SLA 1971; am § 43 ch 83 SLA 1980)

Editor's notes. — This section is set out above to correct a minor error in the main pamphlet

Chapter 06. Pipeline Act.

Article

1. Powers and Duties of Commission (§§ 42.06.160 — 42.06.200)
2. Certificate of Public Convenience and Necessity (§ 42.06.280)
3. Services and Facilities (§ 42.06.340)

Article 1. Powers and Duties of Commission.

Section

160—200. (Repealed)

Secs. 42.06.160 — 42.06.200. Administrative authority and procedures of commission; application of Administrative Procedure Act, hearings; orders. (Repealed, § 20 ch 110 SLA 1981.)

Editor's notes. — This repeal line is set out above to implement an editorial change.

Article 2. Certificate of Public Convenience and Necessity.

Section

280. Insurance and security

Sec. 42.06.280. Insurance and security. The commission may require any lessee to procure and furnish liability and property damage insurance from a company licensed to do business in the state or furnish other security or undertaking upon the terms and conditions the commission considers necessary if the commission finds that the net assets of the lessee are insufficient to protect the public from damage for which the lessee may be liable arising out of the construction or operation of the pipeline. (§ 1 ch 139 SLA 1972; am § 4 ch 6 FSSLA 1973; am § 110 ch 6 SLA 1984)

Effect of amendments. — The 1984 amendment, effective February 14, 1984, substituted "commission" for "commissioner" in two places near the middle of the section.

(d) In this section, "record" means a report, file, book, account, paper, or application, and the facts and information contained in it. (§ 6 ch 113 SLA 1970; am § 8 ch 110 SLA 1981)

Effect of amendments. — The 1981 amendment rewrote this section.

NOTES TO DECISIONS

Narrow construction. — The privilege reflected by this section should be construed narrowly so that it does not conflict with the constitutional requirements of due process. *City of Fairbanks v Alaska Pub. Utils. Comm'n & Wire Communications, Inc.*, Sup. Ct. Op. No. 2079 (File No. 3977), 611 P.2d 493 (1980).

Due process controls over section. — The requirement of this section that infor-

mation not be withheld if "required in the interests of the public" will normally prevent a conflict with due process requirements. If a conflict nevertheless occurs, due process must control. *City of Fairbanks v Alaska Pub. Utils. Comm'n & Wire Communications, Inc.*, Sup. Ct. Op. No. 2079 (File No. 3977), 611 P.2d 493 (1980).

Sec. 42.05.681. Validity of certain certificates. A certificate issued before July 29, 1968, to a public utility for the generation, transmission, or distribution of electric energy and power, or for the furnishing of telecommunications may not be considered as terminated, or voided, for the sole reason that the utility did not or would not produce an annual gross income in excess of \$25,000. (§ 6 ch 113 SLA 1970)

Sec. 42.05.691. Utility classes. The commission may by regulation provide for the classification of public utilities based upon differences in annual revenue, assets, nature of ownership and other appropriate distinctions and as between these classifications, by regulation, provide for different reporting, accounting and other regulatory requirements. (§ 6 ch 113 SLA 1970)

Article 10. General Provisions.

Section	Section
711. Exemptions	720. Definitions
712. Deregulation ballot	721. Short title

Sec. 42.05.701. [Renumbered as AS 42.05.720.]

Sec. 42.05.711. Exemptions. (a) The provisions of this chapter do not apply to a person who furnishes water, gas or petroleum or petroleum products by tank, wagon, or similar conveyance, unless the person is thereby supplying water, gas, petroleum or petroleum products to a public utility in which the person has an "affiliated interest."

(b) Public utilities owned and operated by a political subdivision of the state and none of whose utilities is in competition with any other utility, are exempt from the provisions of this chapter, other than the provisions of AS 42.05.221 — 42.05.281, unless the owner and operator elects to be subject to all provisions of this chapter.

(c) The ownership in whole or part, of the corporate stock of a public utility does not make the owner a public utility.

(d) The commission, on a finding that no legitimate public interest will be served, may exempt a utility from all or any portion of this chapter.

(e) Notwithstanding any other provisions of this chapter, any electric or telephone utility that does not gross \$50,000 annually is exempt from regulation under this chapter unless 25 percent of the subscribers petition the commission for regulation.

(f) Notwithstanding any other provisions of this chapter, an electric or telephone utility that does not gross \$325,000 annually may elect to be exempt from the provisions of this chapter other than AS 42.05.221 — 42.05.281 under the procedure described in AS 42.05.712.

(g) A utility, other than a telephone or electric utility, that does not gross \$100,000 annually may elect to be exempt from the provisions of this chapter other than AS 42.05.221 — 42.05.281 under the procedure described in AS 42.05.712.

(h) A cooperative organized under AS 10.25 may elect to be exempt from the provisions of this chapter, other than AS 42.05.221 — 42.05.281, under the procedure described in AS 42.05.712.

(i) A utility which furnishes collection and disposal service of garbage, refuse, trash, or other waste material and has annual gross revenues of \$200,000 or less is exempt from the provisions of this chapter, other than the certification provisions of AS 42.05.221 — 42.05.281, unless 25 percent of the subscribers or subscribers representing 25 percent of the gross revenue of the utility petition the commission for regulation.

(j) The provisions of this chapter do not apply to sales, exchanges or gifts of energy to an electric utility certificated under this chapter when the energy which is the subject of the sale, exchange or gift is waste heat, electricity, or other energy which is surplus or the by-product of an industrial process. In an area in which no electric utility is certificated for service, energy provided by sale, exchange or gift may be provided to any utility which is certificated for service to that area. A contract for the sale, exchange or gift of energy exempt under this subsection does not make the supplier a public utility, and does not transfer the responsibility to provide utility services from a certificated utility to any other person.

(k) A utility which furnishes cable television service is exempt from the provisions of this chapter other than AS 42.05.221 — 42.05.281 unless 25 percent of the subscribers petition the commission for regulation.

(h) A person, utility, or cooperative that is exempt from regulation under AS 42.05.711(a) or (d) — (k) is not subject to regulation by a municipality under AS 29.48.060 — 29.48.090. (§ 4 ch 113 SLA 1970; am § 3 ch 76 SLA 1973; am § 8 ch 83 SLA 1980; am § 7-9 ch 136 SLA 1980; am § 89 ch 59 SLA 1982; am § 1 ch 30 SLA 1983)

Cross references. — For limitations on these exemptions, see AS 42.05.321(b) and AS 42.05.381(c).

Effect of amendments. — The first 1980 amendment added subsection (j).

The second 1980 amendment deleted "excepting the furnishing of collection and disposal service of garbage, refuse, trash or other waste material," following "none of whose utilities" near the beginning of subsection (b), deleted the former second sentence in subsection (b), which read: "Notwithstanding any other provisions of this chapter, municipalities providing collection and disposal service of garbage, refuse, trash or other waste material within their corporate boundaries are not subject to regulation by the Alaska Public Utilities Commission unless the municipality elects to be subject to the provisions of this chapter," substituted "\$50,000" for "\$25,000" following "does not gross" near the middle of subsection (c), substituted

"under this chapter" for "hereunder" following "exempt from regulation" near the middle of subsection (e), and added subsections (f) through (i).

The 1982 amendment, effective May 28, 1982, deleted "on June 30, 1980" preceding "a utility," and inserted "annual" preceding "gross revenue" in subsection (i).

The 1983 amendment added subsections (k) and (l).

Opinions of attorney general. — An electrical utility owned and operated by a regional electrical authority would continue to qualify for the broad exemption from this chapter, available to political subdivisions under subsection (b) of this section once the regional electrical authority had completed its proposed organization as a nonprofit corporation pursuant to AS 10.20.005 et seq. June 7, 1976, Op. Att'y Gen.

NOTES TO DECISIONS

Municipally owned utilities in competition with other utilities subjected to full gamut of regulation pertaining to other utilities, with exception

relating to bond covenants. — See Alaska Pub. Utils. Comm'n v. Municipality of Anchorage, Sup. Ct. Op. No. 1326 (File No. 2940), 555 P.2d 262 (1976).

Sec. 42.05.712. Deregulation ballot. (a) A utility or cooperative which may elect to be exempt from the provisions of this chapter shall poll its subscribers or members in the manner described in this section.

(b) The votes of a majority of those voting in an election in which a' least 15 percent of the eligible subscribers or members return ball are required for a utility or cooperative to elect exemption under this section.

(c) Each subscriber or member of the utility or cooperat receive notice of an election under this section with the su' member's regular bill for service at least 60 days before the election. The notice shall contain impartial langu subscribers or members that an election on the op' or regulation by the Alaska Public Utilities Co' within 60 days and that a ballot to participat mailed or delivered to each subscriber or cooperative with the regular bill for servi

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ENERGY USE, BILLING, CHARGE - 1983

Place	Utility	Residential			Commercial/Industrial			Total		
		Average Annual			Average Annual			Average Annual		
		Use Kwh/Cust.	Bill \$/Cust.	Charge C/Kwh	Use Kwh/Cust.	Bill \$/Cust.	Charge C/Kwh	Use Kwh/Cust.	Bill \$/Cust.	Charge C/Kwh
SOUTHEAST										
AP&T Ttl. (incl. Tok)	AP&T	4939	740	14.9	25594	3428	13.3	11935	1656	13.8
5 Villages	THREA	4620	1688	36.5	23140	8674	37.4	8199	2971	36.2
Auke Bay	GHEA	11685	1316	11.2	36557	2980	8.1	14528	1538	10.5
Haines	HL&P	5651	1023	18.1	26317	4160	15.8	10837	1801	16.6
Juneau	AEL&P	11999	674	5.6	48161	3011	6.2	20384	1199	5.8
Ketchikan	KPU	8937	765	8.5	48461	4196	8.6	13687	1193	8.7
Metlaxatla	MP&L	15074	893	5.9	98545	10290	10.4	29061	2371	8.1
Petersburg	FMP&I	6301	693	10.9	50533	5171	10.2	13694	1455	10.6
Sitka	SED	9714	697	7.1	56157	4553	8.1	16351	1258	7.6
Wrangell	WML&P	5105	802	15.7	21483	2634	12.2	9717	1333	13.7
Yakutat	YPI	6730	1352	20.0	58391	9952	17.0	14774	2674	18.0
Regional Average		9684	791	8.2	44809	4068	9.1	16254	1372	8.4
SOUTHCENTRAL										
Anchorage	AML&P	8177	471	5.7	146570	7346	5.1	33026	1782	5.3
	CEA	10815	832	5.8	77811	4020	5.1	17238	966	5.6
	MEA	12510	1056	8.4	64183	4318	6.7	16550	1312	7.9
Cordova	CEC	5365	1211	22.5	33931	6619	19.5	12948	2636	20.3
Glennallen	CVEA	4784	878	18.4	56097	7718	13.7	18244	2674	14.6
Homer	HEA	11184	830	7.4	111232	6426	5.7	24935	1601	6.4
Kodiak	KdEA	6214	1034	16.6	53761	8217	15.2	16058	2529	15.7
Port Lions	KdEA	3444	1714	49.7	11600	5015	43.2	4908	2316	47.1
Seward	S&S	8033	651	8.6	43703	3154	7.2	16845	1285	7.6
Valdez	CVEA	7452	981	13.1	65014	7345	12.2	13070	2387	12.5
Regional Average		10490	732	7.0	93975	5638	6.0	20471	1330	6.5
YUKON										
Fairbanks	F&U	5917	469	7.9	62047	5119	8.2	20780	1732	8.3
	GVEA	3039	958	10.5	77522	7327	9.4	16330	1685	9.9
Regional Average		8378	855	10.2	72227	6572	9.1	17826	1696	9.5
ARCTIC NORTHWEST										
48 Villages	AVEC	2514	1228	48.8	12320	5421	44.0	5747	2564	44.6
7 Villages	NSBPL	9537	2027	21.2				9537	2027	21.2
Deadhorse	AUI				574000	152344	26.5	574000	152344	26.5
Kotzebue	KrEA	5053	1263	24.9	48512	11102	22.8	13597	3205	23.5
Unalakleet	UVEC	4024	1093	27.1	39561	10139	25.6	10290	2687	26.1
Regional Average		3958	1347	34.0	58256	15937	27.5	9986	3243	32.5
SOUTHWEST										
Aniak	APC	7642	2710	35.4				7642	2710	35.4
Dillingham	NEC	5509	1119	20.3	34819	6852	19.6	11596	2311	19.9
McGrath	MGL&P	3554	1166	32.8	29444	9647	29.3	10968	3330	30.3
Natnek	NEA	5632	1363	24.2	29000	7524	25.9	14010	3572	25.4
Unalaska	UE	6822	1945	29.3				6622	1945	29.3
Regional Average		5848	1535	26.2	31230	7445	23.8	10842	2674	24.7
ALASKA AVERAGE		9807	787	8.0	80708	5794	7.2	18988	1472	7.8

Attachment C

ALASKA UTILITY ABBREVIATIONS

AEC	Andreanof Electric Corporation (Atka)	Private	(SW)
AEU	Akutan Electric Utility (Dutch Harbor)	Municip.	(SW)
AEL&P	Alaska Electric Light & Power Company (Juneau)	Private	(SE)
AML&P	Anchorage Municipal Light & Power Department	Municip.	(SC)
APA-E	Alaska Power Administration-Eklutna (Anchorage)	Federal	(SC)
APA-S	Alaska Power Administration-Snettisham (Juneau)	Federal	(SE)
APC	Aniak Power Company	Private	(SW)
AP&T	Alaska Power & Telephone Company (Craig, Hydaburg, Skagway, Tok, Dot Lake) (1)	Private	(SE;Y)
AVEC	Alaska Village Electric Cooperative, Inc. (48 villages)	Coop.	(SC,Y;SW; A-NW)
AUI	Arctic Utilities, Inc. (Deadhorse)	Private	(A-NW)
BU&EC	Barrow Utilities & Electric Cooperative, Inc.	Coop.	(A-NW)
BUC	Bethel Utilities Corporation, Inc.	Private	(SW)
BL&P	Bettles Light & Power, Inc.	Private	(Y)
CE	Circle Electric	Private	(Y)
CEA	Chugach Electric Association, Inc. (Anchorage Area)	Coop.	(SC)
CEC	Cordova Electric Cooperative, Inc.	Coop.	(SC)
CHE	Chignik Electric	Municip.	(SW)
COM	City of Manokotak	Municip.	(SW)
CTP	Chistochina	Private	(SC)
	Cold Bay (see NP&E)		
CVEA	Copper Valley Electric Association, Inc. (Glennallen, Valdez)	Coop.	(SC)
EL&P	Egegik Light & Power (2)	Private	(SW)
FMU	Fairbanks Municipal Utilities System	Municip.	(Y)
FYU	Fort Yukon Utilities	Private	(Y)
GHEA	Glacier Highway Electric Association, Inc. (Juneau Area)	Coop.	(SE)
GVEA	Golden Valley Electric Association, Inc. (Fairbanks Area)	Coop.	(Y)
HEA	Homer Electric Association, Inc. (Kenai Peninsula)	Coop.	(SC)
HL&P	Haines Light & Power Co. Inc.	Private	(SE)
HuP&L	Hughes Power & Light (certif. application-1984)	Private	(Y)
I-NEC or INNEC	Iliamna Newhalen Nondalton Electric Coop., Inc.	Coop.	(SW)
KC	Kotlik City	Municip.	(Y)
KCC	King Cove City	Municip.	(SW)
KdEA	Kodiak Electric Association, Inc. (Kodiak, Pt. Lions)	Coop.	(SC)
KEU	Klukwan Electric Utility	Municip.	(SE)
KI	Kwethluk, Inc. (Kuiggluum Kallugvia)	Municip.	(SW)
KtEA	Kotzebue Electric Association, Inc.	Coop.	(A-NW)
KPU	Ketchikan Public Utilities	Municip.	(SE)

LBES	Larson Bay Electric System	Private	(SC)
	Manokotak (see COM)		
M&DE	M&D Enterprises (Galena)	Private	(Y)
MEA	Matanuska Electric Association, Inc. (Palmer-Talkeetna Area and Unalakleet) (3)	Coop.	(SC, A-NW)
MUC	Manley Utility Co., Inc. (Manley Hot Springs)	Private	(Y)
MP&L	Metlakatla Power & Light	Municip.	(SE)
MGL&P	McGrath Light & Power	Private	(SW)
MKEC	Middle Kuskokwim Electric Coop., Inc. (pending) (Chuathbaluk, Crooked Creek, Sleetmute, Stony River)	Coop.	(SW)
NaC or NIPC	Napaklak Corporation (SWGR Service from BUC) Napaklak Incinaq Power Company	Private	(SW)
NEA	Naknek Electric Association, Inc. (2)	Coop.	(SW)
NEC	Nushagak Electric Cooperative, Inc. (Dillingham)	Coop.	(SW)
NiP&L	Nikolski Power & Light Co. (Umnak Is.) (4)	Private	(SW)
NJUB	Nome Joint Utilities Board (was ML&P)	Municip.	(A-NW)
NP&E	Northern Power & Engineering Corp., Inc. (Cold Bay)	Private	(SW)
NP&L	Northway Power & Light, Inc.	Private	(Y)
NSBP&L	No. Slope Borough Power & Light System (Atkasook, Kaktovik, Wainwright, Point Hope, Point Lay, Nuiqsut, Anaktuvuk Pass)	Municip.	(A-NW)
PLI	Paxon Lodge, Inc.	Private	(SC)
PMP&L	Petersburg Municipal Power & Light	Municip.	(SE)
PUC	Pelican Utility Company (Pelican and Sand Point)	Private	(SE, SW)
SED	Sitka Electric Department	Municip.	(SE)
SES	Seward Electric System	Municip.	(SC)
SS	Semloh Supply (Lake Minchumina)	Private	(Y)
TB	Thorne Bay	Municip.	(SE)
TePC	Teller Power Company	Private	(A-NW)
T-HREA	Tlingit-Haida Regional Electrical Authority (Angoon, Hoonah, Kake, Kasaan, Klawock)	Coop.	(SE)
TPC	Tanana Power Company	Private	(Y)
TSU	Tenakee Springs	Private	(SE)
UE	Unalaska Electric (was COU)	Municip.	(SW)
UVEC	Unalakleet Valley Electric Cooperative (3)	Coop.	(A-NW)
WML&P	Wrangall Municipal Light & Power	Municip.	(SE)
WTC	Weisner Trading Co. (Rampart)	Private	(Y)
YPI	Yakutat Power, Inc.	Private	(SE)

- (1) Tok-Dot Lk. intertie operating and Dot Lk. powerplant decommissioned in 1983.
- (2) P&L separated from NEA in 1983.
- (3) UVEC is in process of taking over the Unalakleet electric function from MEA
- (4) Applied for municipal utility certificate in 1984.

CITY OF SEWARD

P.O. BOX 167
SEWARD, ALASKA 99664



- Main Office (907) 224-3331
- Police (907) 224-3338
- Harbor (907) 224-3138
- Fire (907) 224-3445
- Telecopier (907) 224-3248

February 25, 1985

The Honorable Mike Navarre
HOUSE OF REPRESENTATIVES
Pouch V
Juneau, AK 99811

SUBJECT: HOUSE BILL NO. 12, 14th LEGISLATIVE

Dear Representative Navarre:

Reference is made to House Bill 12 concerning Regulatory Exemption of Municipalities.

In my earlier letter I expressed concern that HB 12, as then drafted, would place an unreasonable burden upon small utilities such as Seward Electrical Utility. I now note that a revised version has cleared committee. This revision does not ease any of my concerns.

The key elements of the revised bill are the condition that all customers be able to vote for members of a public utility board and that 25% of the customers could petition the APUC for regulation.

Both revisions present unacceptable conditions for the Seward Utility. The elected Seward City Council acts as the utility board. Obviously, only those persons living within the City are permitted to vote in a City Council election. Complying with the revision would require a separate board and election conducted outside of the City. For Seward, with a small number of customers and only a small percentage outside of the City, this is an unreasonable requirement, especially when you realize those customers have easy access to the City Council and their testimony is considered in a matter related to utility operations. The cost of a special election would be charged to the utility, and eventually reflect in the cost of power to the rate payer.

House Bill 12
14th Legislative
February 25, 1985
Page 2

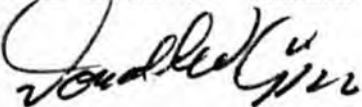
I am equally concerned about the 25% petition. As I understand the revision, if 25% of the customers petitioned the APUC for regulation, the decision to regulate would be made by APUC. I have no doubt if APUC has an opportunity they will elect to manage any utility. The committee may doubt that a 25% petition could ever pass, however, in a small town such as Seward, that is a small number of people. Thus, a minority of the rate payers could influence the regulation of a utility over the desire of a large majority.

A more acceptable condition would be that if a majority of the customers, including those outside of the City, voted in favor of APUC regulation then APUC would consider regulation. Such an election should be set up according to a municipality's code of ordinances.

To reiterate my position from my first letter - placing Seward Electrical Utility under APOC regulation will not benefit its customers by lower rates or improved services. Since Seward City Council has close communications with all customers, including those outside of the City limits, I see no need for the condition proposed in the revision. The bill should be defeated, or at least amended to exempt small municipal owned utilities having a majority of their customers within the City limits.

Respectfully yours,

THE CITY OF SEWARD



DONALD W. CRIPPS
MAYOR

EPD:DWC:mr

Office of the City Attorney



HERBERT P. KUSS
CITY ATTORNEY

WM. RONALD SMITH
DEPUTY CITY ATTORNEY

PATRICK B. COLE
DEPUTY CITY ATTORNEY

JAMES M. MULLEN
ASSISTANT CITY ATTORNEY

410 CUSHMAN STREET
FAIRBANKS, ALASKA 99701
907-452-1881

MAR 19 1985

March 14, 1985

Honorable John Ringstad
House of Representatives
Pouch V
Juneau AK 99811

RE: HB 12

Dear Representative Ringstad:

I appreciate your support of the city's position on HB 12. The city of Fairbanks is genuinely attempting to serve all our telephone customers, both inside and outside the city. It is my opinion that the city public utilities board and city council are far more accessible than the APUC is in Anchorage. Both city bodies listen and act on the concerns of their customers from outside the city. Both bodies conduct open meetings twice a month with a time reserved early on the agenda for citizens to express their complaints or concerns.

Not only is HB 12 not necessary, it entails considerable costs to the city. It is difficult to quantify what these costs would be, but from talking with the telephone manager and the MUS controller, it would be necessary to hire at least an additional telephone traffic engineer and a rates and tariff specialist with accounting expertise. At least initially and probably yearly it would be necessary for the city to contract with accounting firms to conduct cost of service studies to justify rates to the APUC. These costs at a minimum would be:

Traffic engineers	\$40,000
Rates and tariffs specialist	\$35,000
Cost of service study by outside consultant	\$30,000

The above are only salary costs and do not reflect clerical, office and overhead expenses. The actual cost could easily be double. These costs would be in addition to the very considerable portion of my time and that of the telephone manager, controller and other personnel who

March 14, 1985
Page 2

would necessarily expend considerable time and resources to comply with the regulations of the APUC. The APUC staff is conscientious and works hard but has difficulty in keeping up with its numerous other tasks assigned by state law.

Representative Davis has been receptive to modifying HB 12 in order to make it less objectionable to the city. However, the city still maintains that it would not be to the benefit of MUS customers for the bill to pass. I appreciate your assistance in this matter.

Sincerely,



Wm. Ronald Smith
Deputy City Attorney

WRS/bjw

cc: Virgil Gillespie, MUS General Manager
Ernie Cuzzecrero, Telephone Manager



ADOPTED AUGUST 1972

CITY of WRANGELL, ALASKA

INCORPORATED JUNE 15, 1903

BOX 531, 99929 (907) 874-2381

March 14, 1985

House Labor & Commerce Committee
Alaska State Legislature
Pouch V
Juneau, AK 99811

Re: CS for House Bill No. 12 (C&RA)
Municipally Owned Utility Regulation

Dear Committee Members:

House Bill No. 12 has been substantially changed by the committee substitute now before you.

The City of Wrangell strongly objects to the addition of a home rule limitation by AS 29.13.100 (48). We also strongly object to any provision which could bring our utilities under Alaska Public Utilities Commission regulations.

We support testimony given by the City of Fairbanks at your hearing held March 13, 1985. Contrary to popular belief, utilities in small communities do not subsidize general funds. In Wrangell, quite the opposite is true, and our taxpayers often fund, by contribution or loan, necessary improvements that would otherwise require substantial rate increases. Many people choose to reside outside municipal boundaries to avoid taxes to support local government. They should not, therefore, be provided an opportunity to make decisions for the governing body, for any reason. This action could later be a basis for non residents to request a decision making role in operation of municipally owned libraries, hospitals and other services provided them.

We urge a do not pass on this Bill.

Very truly yours,

A handwritten signature in cursive script, appearing to read "Joyce Rasler".

Joyce Rasler
City Manager

JR:fv

cc: Senator Robert Ziegler
Representative Robin Taylor
Representative John Sund
Alaska Municipal League
City of Fairbanks

**STATE OF ALASKA 1986 LEGISLATIVE SESSION
FISCAL NOTE**

Revision Date: 1/16/86

<p>REQUEST</p> <p>Bill/Resolution No.: <u>HB 12</u> Title: <u>An Act relating to the exemption of municipally owned utilities from certain provisions of the Alaska Public Utilities Act.</u> Sponsor: _____ Requestor: <u>HLC</u> Date of Request: <u>1/14/85</u></p>	<p>FISCAL DETAIL</p> <p>Agency Affected: <u>Dept. Community & Regional Affairs</u> BRU: <u>None</u> Components: <u>None</u></p>
---	--

EXPENDITURES/REVENUES : (Thousands of Dollars)

OPERATING	FY 86	FY 87	FY 88	FY 89	FY 90	FY 91
PERSONAL SERVICES						
TRAVEL						
CONTRACTUAL						
SUPPLIES						
EQUIPMENT						
LAND & STRUCTURES						
GRANTS, CLAIMS						
MISCELLANEOUS						
TOTAL OPERATING	-0-	-0-	-0-	-0-	-0-	-0-
CAPITAL						
REVENUE						


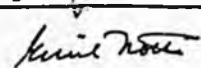
FUNDING : (Thousands of Dollars)

GENERAL FUND	-0-	-0-	-0-	-0-	-0-	-0-
FEDERAL FUNDS						
OTHER						
TOTAL						

POSITIONS :

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

ANALYSIS : Attach a separate page if necessary

Prepared by: James Plasman  Phone: 465-4707
 Division: Municipal & Regional Assistance Date: 1/16/86
 Approved by Commissioner:  Date: 1/17/86
 Agency: Community & Regional Affairs

Distribution (by Agency preparing fiscal note):

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

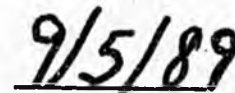


RECORDS CERTIFICATION



I, the undersigned, an employee of the State of Alaska, do hereby certify that the microfilm images on this microform are accurate reproductions of the original records of the State of Alaska as accumulated during the regular course of business, and that it is the established policy and practice of this State to microfilm its records and to dispose of the original records after microfilm reproductions have been made.


Signature of Camera Operator


Date

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HB 20 File Contents

- 1) Bill Summary -- Legislative Reporting Service
- 2) Overview -- R. Poppe, Committee Staff
- 3) SS for HB 20
- 4) Statutory Reference
- 5) Fiscal Note -- APUC
- 6) 1983 Annual Report on Utility and Carrier Regulation
- 7) DCED Regulations on uniform deposits
- 8) House Research Memo and data -- February 12, 85 Pease to Goll
- 9) House Research Memo and data -- February 22, 85 Pease to Goll
- 10) Deposits of Electrical Utilities for 1983



STATE OF ALASKA
OFFICE OF THE GOVERNOR

Please call Edith Wallen at 465-2504 to receive this information immediately.

BILL ANALYSIS

DEPARTMENT Commerce & Economic Development	DIVISION Alaska Public Utilities Commission	BILL NUMBER HB 20	SPONSOR Goll, Sund and Marrou
DEPARTMENT POSITION			
PREPARED BY Carolyn S. Guess Chairman	DATE 1/22/85	COMMISSIONER'S SIGNATURE	DATE

SUMMARY

OTHER AGENCIES AFFECTED BY BILL	CONSTITUENT GROUP(S) AFFECTED BY BILL
ORGANIZATIONAL SUPPORT FOR BILL	ORGANIZATIONAL OPPOSITION TO BILL

FISCAL IMPACT: NONE FISCAL NOTE ATTACHED

~~BACKGROUND/REGULATORY INTENT~~

ANALYSIS OF BILL:

This bill would affect 114 regulated utilities; it would not affect 143 certificated utilities that are not subject to the regulatory jurisdiction of the Commission.

~~ANALYSIS OF BILL/PROGRAM EFFECTS~~

Attached is a copy of the APUC regulations applicable to regulated utilities that address deposits.

The Commission takes no position on the issue of whether or not interest should be paid on utility deposits. It believes, however, that in making that decision, the legislators should realize that this legislation may not produce a net benefit to the ratepayer. Under current regulatory accounting practices customer deposits are deducted from a utility's cash working capital requirements, thereby decreasing this expense to the ratepayers. In the event that consumer deposits were placed in an account to earn interest and, thus, were not available as cash working capital, a utility's revenue requirement would be increased to cover the costs of cash working capital which would then have to be acquired from customers' rates. If the utility were able to use the customer deposits as cash working capital but were required to pay interest on those monies at a future time, the interest expense would be an allowable regulatory expense and passed on to all ratepayers.

M E M O R A N D U M

TO: All Members, House Labor and Commerce Committee

FROM: Roger Poppe, Committee Staff

DATE: March 6, 1985 Wednesday

SUBJECT: Overview, HB 20

On Wednesday, March 6, at 1:15 pm in Room 102 of the Capitol Building, the House Labor and Commerce Committee met on HB 20: Interest on Public Utility Deposits, by Rep. Goll.

There was no legislation on this issue in previous legislatures, and there is no companion legislation in the Senate.

Alaska is the only state in the union that doesn't have some kind of statutory or regulatory requirement dealing with the return of interest on utility deposits. Material in your backup file from the sponsor breaks this information out state by state (see the 1983 Annual Report on Utility and Carrier Regulation).

The initial bill has been rewritten as a Sponsor Substitute by Rep. Goll, and the conception and language in it were both done with the assistance of the A.P.U.C. Testimony on the bill will be forthcoming from Carolyn Guess of APUC, Maureen Kennedy of AKPIRG, and Roger Plog, manager of the Juneau-Douglas Telephone Co.

The FN for the original bill will remain the same for the Sponsor Substitute, which is zero.

The changes in the SS include: 1) line 11-12 "...for recurring monthly service..." focuses the bill on deposits for setting up service, and not on deposits for construction, pole installation, etc.; 2) line 12 "...at or before the time it is returned..." allows a utility to pay back the deposit money a little bit at a time, rather than a lump sum at the end of a certain period (some of them do the former currently); 3) line 14 "...at the legal rate of interest..." should be in the neighborhood of 10.5; while if the utility puts the deposit in an interest-bearing account at rate lower or higher than this, they would have to pay that instead of the standard legal rate; 4) lines 17-19 indicate that if a customer is shown to be unreliable, he forfeits his entire deposit with interest, and if later service with him is re-established, he becomes such a credit risk that the utilities feel they should not pay any deposit interest for the first twelve months.

The major difference in this SS is that the time limitation has been dropped; currently all deposits under regulation have to be returned within two years anyway, so having the bill not go into effect for the first year was apparently considered too narrow. There is additional backup supplied by the sponsor that indicates the amount of money we are talking about annual with Alaskan electrical utilities alone is some \$9 million + dollars.

ELECTRIC UTILITIES
(Source - 1983 Annual Report)

<u>NAME</u>	<u>CLASS</u>	<u>CUSTOMER DEPOSITS</u>
Alaska Electric Light and Power Company	A	\$ 107,165
Alaska Power and Telephone Company	B	36,899
Alaska Village Electric Cooperative, Inc.	A	670
Aniak Light & Power Company	D	0
Arctic Utilities, Inc.	B	0
Barrow Utilities and Electric Cooperative, Inc.	B	Data Not Available
Bethel Utilities Corporation, Inc.	B	80,545
Bettles Light & Power, Inc.	D	0
Chugach Electric Association, Inc.	A	1,739,017
Copper Valley Electric Association, Inc.	A	165,216
Fort Yukon Utilities (now Gwitchyaa Zhee Utility Co.)	C	0
Golden Valley Electric Association, Inc.	A	897,705
Haines Light and Power Company	C	3,425
Homer Electric Association, Inc.	A	960,090
Iliamna-Newhalen Electric Cooperative, Inc.	D	11,622
Kodiak Electric Association, Inc.	A	111,755
Kotzebue Electric Association, Inc.	B	44,455

ELECTRIC UTILITIES (CONT.)
(Source - 1983 Annual Report)

<u>NAME</u>	<u>CLASS</u>	<u>CUSTOMER DEPOSITS</u>
M & D Enterprises	C	Data Not Available
Manley Utility Company, Inc.		Data Not Available
Matouska Electric Association, Inc.	A	\$ 802,909
McGrath Light & Power Company	C	3,450
Municipality of Anchorage d/b/a Municipal Light & Power Dept.	A	44,913
Northern Power & Engineering Corporation (now G&K, Inc.)	C	1,276
Northway Power & Light, Inc.	D	0
Nushagak Electric Cooperative, Inc.	B	6,955
Pelican Utility Company Pelican Division	D	0
Pelican Utility Company Sand Point Division	C	0
Tanana Power Company, Inc.	C	6,244
Teller Power Company	D	Data Not Available
Tlingit-Haida Regional Electrical Authority	B	17,320
Yakutat Power, Inc.	C	0
SUBTOTAL		<u>\$5,041,631</u>

GAS UTILITIES
(Source - 1983 Annual Report)

<u>NAME</u>	<u>CLASS</u>	<u>CUSTOMER DEPOSITS</u>
Alaska Pipeline Company	A	\$ 0
Barrow Utilities and Electric Cooperative, Inc.	C	Data Not Available
ENSTAR Natural Gas Company	A	765,255
Kenai Utility Service Corporation	C	Data Not Available
SUBTOTAL		<u>\$765,255</u>

TELEPHONE UTILITIES
(Source - 1983 Annual Report)

<u>NAME</u>	<u>CLASS</u>	<u>CUSTOMER DEPOSITS</u>
Alascom, Inc.	A	\$ 233,242
Arctic Slope Telephone Association Cooperative, Inc.	B	6,867
Bristol Bay Telephone Cooperative, Inc.	B	6,307
Bush-Tell, Inc.	C	315,473
Copper Valley Telephone Coopera- tive, Inc.	B	45,805
General Telephone Company of Alaska	A	160,836
Glacier State Telephone Company	A	250,677 <i>290,471</i>
Interior Telephone Company	B	18,482
Juneau and Douglas Telephone Company	A	50,198 <i>55,193</i>
Matanuska Telephone Association, Inc.	A	620,512
Mukluk Telephone Company, Inc.	C	3,275
Municipality of Anchorage d/b/a Anchorage Telephone Utility	A	1,014,349
National Utilities, Inc.	C	32,083
Nushagak Telephone Cooperative, Inc.	B	35,487
OTZ Telephone Cooperative, Inc.	B	3,600
Sitka Telephone Company	A	61,873
Telephone Utilities of Alaska, Inc.	B	2,369
United Utilities, Inc.	A	80,846
Whittier Telephone Company	C	Data Not Available
Yukon Telephone Company	C	3,437
SUBTOTAL		<u>\$2,945,718</u>

WATER UTILITIES
(Source - 1983 Annual Report)

<u>NAME</u>	<u>CLASS</u>	<u>CUSTOMER DEPOSITS</u>
Alyeska Utilities, Inc.	D	\$ 0
Barrow Utilities and Electric Cooperative, Inc.	A	30,660
Central Alaska Utilities ¹	A	200,869
College Utilities Corporation	B	52,416
Chugiak Utilities, Inc.	D	Data Not Available
Dawn Development Corporation	D	Data Not Available
Eklutna Utilities, Inc.	D	18,930
Glacier Utilities, Inc.	D	Data Not Available
Kwik Log Water System	D	Data Not Available
Matanuska Utility Company	D	Data Not Available
McCann, Alfred O.	D	Data Not Available
McGahan Utilities, Inc.	D	Data Not Available
McKinley Utilities, Inc.	D	0
Mendenhaven Improvement & Maintenance Corporation	D	0
Municipality of Anchorage d/b/a Anchorage Water Utility	A	189,311
Norfolk Utilities, Inc.	D	2,860
Paul Omlin, Inc.	D	0

¹Now owned by the Municipality of Anchorage d/b/a Anchorage Water Utility.

WATER UTILITIES (CONT.)
(Source - 1983 Annual Report)

<u>NAME</u>	<u>CLASS</u>	<u>CUSTOMER DEPOSITS</u>
Pelican Utility Company	D	\$ 0
R.J. & Clara Rhodes	D	0
Romig Park Improvement Company	D	0
S & S Development	D	0
Settlers Bay Properties, Inc.	D	0
Spenard Heights Water System	D	0
Sunny Slopes Water System	D	Data Not Available
Valley Water Company, Inc.	D	8,440
SUBTOTAL		<u>\$503,486</u>
GRAND TOTAL OF ALL UTILITIES		<u>\$9,826,810</u>



ALASKA STATE LEGISLATURE
HOUSE OF REPRESENTATIVES
RESEARCH AGENCY

Pouch Y. State Capitol
Juneau, Alaska 99811
(907) 465-3991

February 12, 1985

MEMORANDUM

TO: Representative Peter Goll

FROM: Nancy Pease *Nancy Pease*
Legislative Analyst

RE: Deposits to Public Utilities
Research Request 85-142

Bob Berry of your office requested the following information on deposits that public utilities may require of first-time customers or those with no established credit:

- the representative low, high and average deposit required;
- the total amount of deposits held by public utilities;
- the length of time the deposits are held;
- the administrative cost and the burden to public utilities if they were required to pay interest on the deposits, and;
- an indication of the lead time utilities would require to begin paying interest on deposits without undue burden to the utilities.

The attached table presents information on the customer deposit requirements of 28 electric, natural gas, water, sewer or refuse utilities across the state. The four smallest utilities surveyed do not require deposits from first-time customers or those with no established credit.¹ In addition, several utilities waive their deposit requirement for new customers who provide good credit references or for new residential customers who own or purchase a home.

¹The Cities of Kotlik, Seldovia, North Pole and Dillingham each provide utility services to no more than 225 customers.

Average deposits

Utilities which require a standard deposit from their new customers charge, on average, a \$74 deposit to open a residential account and \$142 to open a commercial account.

However, many utilities adjust the amount of a customer's deposit according to the monthly bills or credit histories of previous customers with similar service needs. Depending upon the methods used to calculate customer risk, residential deposits range from \$10 for water and sewer service in Fairbanks to \$600 for telephone service from the Matanuska telephone utility. Deposit requirements for new commercial accounts range from \$19 for water service in Wrangell to \$2,500 for electricity in Dillingham.² For those utilities which reported varying deposit requirements, the average low and high residential deposits are \$29 and \$130 respectively. The average low and high commercial deposits are \$89 and \$950 respectively.

Total Amount of Deposits Held by Public Utilities

Bob Berry indicated that the Alaska Public Utilities Commission (APUC) was providing you with the total deposits held by all APUC-regulated utilities. Based on the information gathered in this survey, we are unable to estimate the amount of deposits held by unregulated utilities. The 10 unregulated utilities which indicated in this survey that they require customer deposits hold a total amount of at least \$1,180,000. Four of the unregulated utilities surveyed do not require deposits.

These 14 unregulated utilities represent only 20 percent of the approximately 70 unregulated utility corporations which provide electricity, natural gas, water, refuse removal, sewer or telephone service to Alaska consumers.³ It is difficult to assess how accurately this survey reflects the sizes and types of unregulated utilities as well as

²David Bowker, General Manager of Nushagak Electric Co-operative in Dillingham, stated that Nushagak received permission from the Alaska Public Utilities Commission to charge commercial users a deposit of up to the estimated two-month billing. This policy was directed specifically toward fish processors after the utility suffered \$50,000 in losses when fish processors went bankrupt.

³The survey included the following unregulated utilities: Fairbanks Municipal Utilities Systems, Ketchikan Public Utilities, Kodiak Municipal Utilities, and the Cities of Kenai, Petersburg, Sitka, Nome, Wrangell, Palmer, Unalaska, Kotlik, Seldovia, Dillingham and North Pole.

other unknown factors which may correlate to deposit policy. Because this sample is not necessarily representative, the information cannot be used to extrapolate the total amount of deposits for all utilities.

We were also unable to estimate the total amount of deposits by determining the average deposit charged per customer or per capita. Utilities' records show the number of customer accounts, but not necessarily the number of actual customers. One customer may pay a single deposit for several services or he may pay multiple deposits either to the same or different utility companies. An extrapolation of total deposits based on a per capita estimate would also be inaccurate because the percent of the population who are utility customers varies greatly in different localities.

Length of Time Deposits Are Held

Most of the surveyed utilities which require deposits refund them after either one or two years if the customer maintains good credit with the company. Nearly half (42 percent) of those utilities keep the deposits for two years. Four of the utilities surveyed hold the deposit until the customer closes the account. For those utilities which return customer deposits after a scheduled interval, the average period for holding deposits is 16 months.

Administrative Cost, Burden and Lead Time for Requiring Interest Payments on Deposits

The administrative cost to utilities of paying interest on customer deposits depends largely on whether the utility has a computerized accounting system. Spokespersons for several utilities which currently pay interest indicated that implementing the interest paying policy incurred a one-time computer programming cost. Their computers calculate interest monthly on each customer's deposit. The interest is either credited to the customer's bill once per year or is refunded with the deposit. Utility spokespersons who currently use computerized accounting systems to pay interest estimated that implementing an interest paying policy would require very little lead time.

Some of the small utilities balance their customer accounts by hand. Calculating and paying interest for each customer deposit would increase considerably the accounting and clerical work for these utilities. The utilities clerk for the city of Kenai stated that the Kenai utility might find it advantageous to stop requiring deposits rather than handle the paperwork of paying interest on each deposit.

Representative Goll
February 12, 1985
Page 4

Several utilities spokespersons mentioned that administrative complications would arise in calculating and paying interest to customers delinquent on their payments. The amount held in deposit for a customer may change many times at irregular intervals if the customer is consistently late with his payments and is disconnected, has part of his deposit confiscated, or is required to pay additional deposits.

Utility spokespersons were not able to estimate the financial burden of paying interest without determining what portion of their customer deposits would be affected. The burden to each utility will depend on the amount of deposits on which it must pay interest and on the utility's current use of the deposits. There was no consistent pattern to utilities' management of the deposits. Some of the utilities hold their deposits in a general fund and use them for general operating expenses while other utilities keep the deposits in checking accounts or interest bearing saving accounts, either separately or in combination with other daily cash deposits.

Chugach Electric keeps its deposits in a noninterest bearing checking account because it must frequently make refunds. If the utility were forced to commit its deposits to an investment account, it would lose this flexibility. Utilities which enter deposits into their general funds would also lose operating flexibility.

Ketchikan Public Utilities currently keeps customer deposits in an interest bearing savings account and passes along interest to the depositors. The City of Sitka invests its customer deposits for a return of 8 or 9 percent, also passing most of the interest to depositors. These utilities will incur a minimal burden if interest payment is mandated.

* * *

We hope you find this information to be useful. Please contact us if you have further questions.

NP

Attachment

Utility	Number of Customers	Deposits Residential Low	Deposits Residential High	Deposits Resident. Standard	Deposits Business High	Deposits Business Standard	Utility Deposits TOTAL	Period Held	Interest Paid
Fairbanks Muni. Util							799491	12	6
electricity		20	40						
water		10	30			1 mo. = 5%			
telephone		20	50			40			
district heat		10	15			30			
Juneau-Douglas telephone	17061			100	400	225	55193	12	0
Anchorage Mun. Tel. telephone	170390	50	150		900		1100000		0
ENSTAR gas	60505	25	225		over 1000		800000	24	5
Mat-Susitna Tel. telephone	26050		600	50	2000		616000	12	6
Homer Elec. Asso. electric	14427		150	100			960,090 *		0
Ketchikan Pub. Util. elec. & tel.			100	50		100	117000	13	5
Kanai, City of water & sewer				40		50	19000	24	0
Petersburg, City of elec, water & sewer				40		75	12821	12	0
Bathel Utilities electricity	2055			100		100	66000		0
AK Elec. Lt & Power electricity	9856	20	30		300		107,165 *	24	0
Barrow Pub. Util. electricity	1101			75		75	32000	24	0
gas	787			75		75			
Chugach Elec. Asso. electricity	59874			30	300		1,739,017 *	24	0
Sitka Telephone telephone	6320			90		125 *	61,873 *	6	5
Sitka, City of elec, water & sewer				75		105	167700 *til close		6
Nushagak Elec. electricity	879			100	2500		32000	24	0
telephone				100		1500	45000	24	0
Nome, City of							20000	12	0
electricity				75		75			
water & sewer				50		50			
Bristol Bay Tel. telephone	679		100	100	500		10700	24	0
Wrangell, City of electricity				50			13000 til close		5
water			20				2000	12	5
Glacier State Tel. telephone	28540			100		150	290478	12	0
Kodiak Mun. Util. water hookup				250		250	NA	1	0
sewer hook-up				300		300	NA	1	0
refuse	272			10		10 NA		til close	0
City of Palmer water, sewer & refuse				40		40	30700 til close		0
Eklutna Utilities water	303			50			20000	24	10

Prepared by house research agency (8 Feb 1985)

Utility	Number of Customers	Deposits Residential Low (\$)	Deposits Residential High (\$)	Deposits Residential Btd (\$)	Deposits Business Low (\$)	Deposits Business High (\$)	Deposits Business Btd (\$)	Utility Deposits TOTAL	Months Held	Rate of Interest Paid
Seldatna, City of water sewer	800	15 0	200 0	0	20 0	280 0	0	10,000	36	0
Seward, City of electric water sewer & refuse	1,700			100 25 0	0	0	200 75 0	60,665	6	6
Haines, City of water sewer	400			16 24			16 24	6,000	24	0
Sitka, City of water, sewer, refuse	300	0	0	0	0	0	0	0	0	0
General Tel Co of Alaska telephone	9,800	100	300		100	1,200		172,000	10.2	0
Cordova, City of water & sewer refuse	700 NA	0	0	0 40	0 115	0 230	0	NA	NA	0
Cordova Elec. Co-op electricity	1,250			200		200	1,000	57,500	24	0
Cordova Tel. Co-op telephone (1)	1,356			60			100	NA	24	0
Craig, City of water sewer refuse	350			28 20 25	25	68	44 30	NA	varies	0
Yakutat, City of water & sewer	200	0	0	0	0	0	0	0	6	0
Yakutat Power, Inc. electricity	300		100			500		400	12	0
Juneau, City of water & sewer	4,700	0	0	0	0	0	0	0	0	0
Valdez, City of water sewer	1,700	0	0	50 0	0	0	50 0	7,700 til close		0
Copper Valley Elec. electricity	3,000	150	300		800	2,000		190,770	12	0
Alaska Power & Tel. electricity telephone	1,300 1,200	50 50	500 500		50 50	500 500	25,672 30,764	12 12	0 0	
Manley Utility Co. elec. & tel.	48			varies		varies		0	varies	0
Alaska Village Elec. electricity	5,046	0	0	0	0	0	0	0	0	0
Kotzebue Elec. Assoc. electricity	742	35	200	100			200	52,480 til close		0
Kotzebue, City of water, sewer, refuse	540		100			100		5,400	6	0
Kodiak Elec. Assoc. electricity	4,700			50		1,500	100	120,000	24	0
Hastilla, City of water	300	0	0	0	0	0	0	0	0	0
Channel Sanitation Corp refuse	4,000	0	0	0	0	0	0	0	0	0
McGrath Light & Power electricity	220			75			75	5,500 til close		0
Anchorage Muni Lt & Power electricity (1)	28,500			20					24	0
Anchorage Water & Wastewater water (1) sewer (1)	36,514 40,684			20 20					24 24	0 0
TOTAL	150,350							668,439		
PARTIAL AVERAGE (2)		67	275	51	166	643	4,168	44,563	24	

(1) These utilities reported the number of customer accounts not the number of customers.

(2) Average excludes utilities not requiring or reporting deposits.

Prepared by House Research Agency, February 1985

INTRODUCTION OF BILLS (House)(cont'd)

HB 17 (cont'd)

provide for an effective date (becomes law 90 days after Governor signs bill).

On January 14 Rep. Szymanski added his name as co-sponsor.

Introduced January 14 and referred to Judiciary.

Child &
Sexual Abuse
(teacher
training)

HOUSE BILL NO. 18, by Rep. Phillips. Would require that each school district provide one day of in-service training a year to teachers and principals on the subjects of child abuse and sexual abuse of minors. Language added as new section to AS 14.03.030 (Public Schools Generally. School Term). Does not provide for an effective date (takes effect 90 days after Governor signs bill).

On January 14 Reps. Goll and Larson added their names as co-sponsors. On January 16 Rep. Gruenberg was added as a co-sponsor. On January 18 Rep. Collins was added.

Introduced January 14 and referred to Health, Education & Social Services and Finance.

Runaways
(locating)

HOUSE BILL NO. 19, by Rep. Phillips. Requires that a law enforcement agency make reasonable efforts to locate runaway children not later than 24 hours after receiving a written request from the person having legal custody. If a peace officer finds the minor and does not detain him, the officer is required to notify the Department of Health & Social Services immediately of the location and the circumstances in which the minor was found. The Department has 12 hours after notification to notify the legal guardian. The Department is required to contact the minor in person before notifying the legal guardian, determine the minors condition and circumstances and advise the minor in writing of services available through the Department. Does not provide for an effective date (takes effect 90 days after Governor signs bill).

On January 14 Reps. Goll and Larson added their names as co-sponsors.

Introduced January 14 and referred to Health & Social Services, Judiciary and Finance.

Public Utility
Deposits
(interest on)

HOUSE BILL NO. 20, by Rep. Goll. Requires a public utility that collects and retains for more than one year a deposit for service of \$100 or more to pay interest on that deposit at the time it is returned. Sets interest at the legal rate at the time the deposit was made. Does not provide for an effective date (takes effect 90 days after Governor signs bill).

On January 14 Reps. Sund and Marrou added their names as co-sponsors. On January 16 Rep. Gruenberg was added.

Introduced January 14 and referred to Labor & Commerce, Finance.



ALASKA STATE LEGISLATURE
HOUSE OF REPRESENTATIVES
RESEARCH AGENCY

Pouch Y, State Capitol
Juneau, Alaska 99811
(907) 465-3991

February 22, 1985

MEMORANDUM

TO: Representative Peter Goll

FROM: Nancy Pease *Nancy Pease*
Legislative Analyst

RE: Deposits to Public Utilities
Research Request 85-142 (Additional Information)

In response to your request, we are providing information on customer deposits for 25 additional public utilities. (See attached table.)

We are still awaiting deposit information for Anchorage's electric, water and sewer utilities; we will forward these statistics to you as soon as we obtain them.

NP

Attachment

**1983 ANNUAL REPORT ON
UTILITY AND CARRIER REGULATION**



**National Association of
Regulatory Utility Commissioners**

Table 400 - UTILITY BILLING PRACTICES - Part II

AGENCY	A10 Standline	A11 Type of Billing Period(s)				B1 When Deposit Required	B2 Deposit		B3 Deposit Returned			B4 Authority (c)	
		Elec.	Gas	Phone	Water		Earn Int.	X	Re- quest	Auto	When		Adopt GABUC
ALABAMA PSC	No	N	N	N	N	company discretion	Yes	7	Yes	No	credit established	No	CR
ALASKA PUC	Yes	K	K	K	M, B	establish or reestablish credit	Yes	varies	---	Yes	usually two years	No	CR, T
ALBERTA PUC	No	M	M	M	M	varies	Yes	varies	---	varies	varies	No	T
ARIZONA CC	No	M	M	M	M	new customer 1/	Yes	2/	No	Yes	1 year sat. payments	No	CR
ARIZONA PSC	No	M	M	M	M	new customer	Yes	6	No	Yes	1 year sat. payments	---	CR, S
CALIFORNIA PUC	Yes	N	N	N	N	varies	Yes	7	No	Yes	1 year sat. payments	No	T
COLORADO PUC	No	M	M	M	M	PUC rules	Yes	3/	No	Yes	credit established	Yes	CR
CONNECTICUT DPUC	No	N	N	N	Q	credit not established	Yes	8	No	Yes	credit established	No	CR
DELAWARE PSC	No	M	M	M	Q	credit not established	Yes	6	No	Yes	1 year sat. payments	---	T
D.C. PSC	No	M	M	M	N/A	credit not established	Yes	8	No	Yes	1 year sat. payments 2/	---	T
FLORIDA PSC	No	M	M	M	M	initiation of service	Yes	8-1	No	Yes	25 mos. sat. payments	---	CR
GEORGIA PSC 2B	No	M	M	M	N/A	company discretion	Yes	7	No	Yes	2 years sat. payments 5/	No	CR
HAWAII PUC	No	N, B	M	M	M	credit not established	Yes	6	No	Yes	credit established	No	CR
IDAHO PUC	No	K	M	M	M	in accordance w/UTC rules	Yes	12	No	Yes	1 year sat. payments	---	CR
ILLINOIS CC	No	M	M	M	M, B	credit not established 2/	Yes	7	No	Yes	1 year sat. payments 2/	Yes	CR
INDIANA PSC	No	K	N	N	N	credit not established 4/	Yes	6	No	Yes	1 year sat. payments	No	CR
IOWA SCC	No	N	K	K	K	credit not established	Yes	12	No	Yes	1 year sat. payments	No	CR, S
KANSAS SCC	Yes	M	K	K	M, B	3 mos. of delinquency	Yes	8	No	Yes	1 year sat. payments	No	CR
KENTUCKY PSC	No	M	K	M	M, Q	company discretion	Yes	4	---	Yes	utilities' option or termination	---	CR
LOUISIANA PSC	No	M	K	M	K	initiation of service	Yes	6	No	Yes	credit established/termination	No	CR, S
MAINE PUC	No	M	M	M	Q	credit not established 4/	Yes	6	---	Yes	12 months	No	CR
MARYLAND PSC	No	M	M	M	M	credit not established	Yes	6	---	Yes	18 months	---	CR
MASSACHUSETTS DPUC	No	M	M	M	Q	new customer 2/	Yes	2/	No	Yes	2 years sat. payments	No	CR
MICHIGAN PSC	No	K	M	M	M	new customer 1/	Yes	9	No	Yes	1 year sat. payments	No	CR
MINNESOTA PUC	No	M	M	M	10/	credit not established	Yes	6	No	Yes	1 year sat. payments	No	CR
MISSISSIPPI PSC	No	N	M	M	M	new customer	Yes	8	No	Yes	credit established/termination	---	CR
MISSOURI PSC	Yes	M	M	X	M, Q	11/	Yes	4-9	No	Yes	1 year sat. payments	No	CR
MONTANA PSC	No	M	M	M	M, B, Q	credit not established	Yes	1/mo.	No	Yes	1 year sat. payments	---	CR
NH/MASSA PSC	No	13/	13/	M	10/	credit not established	Yes	3	No	Yes	1 year sat. payments	---	CR
NEW HAMPSHIRE PSC	No	M	M	M	Q	12/	Yes	8	No	Yes	1 year residential, 3 years others	No	CR
NEW JERSEY PUC	No	M	M	M	Q	credit not established	Yes	9	No	Yes	termination 14/	---	CR
NEW MEXICO PSC	No	M	M	---	M	credit not established	Yes	3	No	Yes	varies 16/	No	CR
NEW MEXICO SCC	No	13/	16/	X	10/	credit not established	Yes	9	No	Yes	5 months sat. payments	No	S
NEW YORK PSC	No	M	K	K	Q	15/	Yes	11	No	Yes	1 year sat. payments 17/	No	CR, S
NORTH CAROLINA CC	Yes	M	M	M	M	18/	Yes	4	No	Yes	17/	No	CR
NORTH CAROLINA PSC	Yes	M	M	M	13/	credit not established 4/	Yes	6	No	Yes	1 year sat. payments	No	CR, S
NOVA SCOTIA PUC	No	---	---	---	Q	credit not established	Yes	8	---	Yes	varies	No	T
OHIO PUC	No	K	M, B	M	1-3 X	credit not established	Yes	6	No	Yes	varies	No	CR, S
OKLAHOMA CC	No	M	M	M	M	credit not established	Yes	6	No	Yes	credit established/termination	No	CR
ONTARIO ED	No	---	K	---	---	credit not established 4/	Yes	10/	No	Yes	Two years sat. payments	No	CR
ONTARIO PSC	No	---	---	M	---	credit not established	Yes	Prime	No	Yes	---	---	CR
OREGON PUC	No	M	M	M	M	credit not established	Yes	9	No	Yes	1 year/termination	No	CR
PENNSYLVANIA PUC	No	M	M	M	M, Q	PUC rules	Yes	11	No	Yes	21/	No	CR
PURDUE PSC	No	M	M	---	---	22/	Yes	Prime	No	Yes	1 to two years	---	CR
QUEBEC PSC	No	---	---	M	---	credit not established	Yes	8	No	Yes	6-9 months sat. payments	No	CR
RHODE ISLAND PUC	No	M	M	N	M, Q	credit not established	Yes	12	No	Yes	credit established/termination	No	CR
SOUTH CAROLINA PSC	No	K	M	M	M	21/	Yes	12	No	Yes	credit established/2 years	---	CR, S
SOUTH CAROLINA PUC	No	M	M	M	10/	credit not established	Yes	7	No	Yes	credit established 1/1 year	No	CR
TENNESSEE PSC	No	N	K	M	M	credit not established	Yes	6	No	Yes	1 to 2 years	No	CR

Table 48b - UTILITY BILLING PRACTICES - Part II (Continued)

AGENCY	A10 Studies	All Usual Billing Period(s)				A1 When Deposit Required	B2 Deposit		B3 Deposit Returned			Adopt NLRUC	B4 Authority (c)
		Elec.	Gas	Phone	Water		Int.	%	Re- quest	Auto	When		
TEXAS PSC TEXAS BC VIRGIN PSC	No No No	M --- M	M M M	M --- M	M --- M	credit not established 4/ initial service credit not established 4/	Yes Yes Yes	5 5 2 1/2	No No Yes	Yes Yes ---	1 year sat. payments 1 year sat. payments termination/credit out. (1-2 yrs.) 1 year sat. payments/ termination 1 year	--- No No	CR, S CR, S CR
VERMONT PSC VIRGIN ISLANDS PSC	No Yes	M, B, M	M ---	M M	1 mo.- yr- M	company discretion always	Yes Yes	10 5	No ---	Yes Yes	1 year sat. payments 1 year sat. payments/ termination 1 year	No No	CR CR, S
VIRGINIA SCC MISSISSIPPI UIC WEST VIRGINIA PSC	No No No	M B, M M, B	M M M	M M M	M B, M M	credit not established 4/ 25/ new customer-credit not est. 22/	Yes Yes Yes	10 10 0	No No No	Yes Yes Yes	1 year sat. payments credit established 1 year sat. payments	--- No No	CR CR CR
WISCONSIN PSC WYOMING PSC	Yes Yes	M M	M M	M M	Q M	credit not established 4/	Yes Yes	0 ---	No No	Yes Yes	1 year specified period	No No	CR CR

NOTES: c. CR (commission rules), S (statutes), T (tariffs)
4. M (monthly), B (bimonthly), Q (quarterly)

SPECIAL NOTE: Complete questions can be obtained in Appendix by number at head of each column.

Footnotes - Table 48b - UTILITY BILLING PRACTICES - Part II

- 1/ If delinquent more than twice in last 12 months of service or if disconnected for non-payment.
- 2/ Pursuant to tariff.
- 3/ Rate of interest paid is established each year based upon the average for the period October 1 through September 30 (of the immediately preceding year) of the twelve monthly average rates of interest expressed in percent per annum, payable on one-year United States Treasury bills, as published in the Federal Reserve Bulletin.
- 4/ Or bill delinquency.
- 5/ One year satisfactory payments for electric and gas; nine months for telephone service.
- 6/ Two years satisfactory payment for electric and gas; one year for telephone.
- 7/ General Order 171, (and Revised) Sec. 7, contains detailed information regarding deposits.
- 8/ After termination for non-payment; after two payments are more than 45 days past due in any 12-month period.
- 9/ The average rate on two-year U.S. Treasury notes for the preceding calendar year as published in the Federal Reserve Statistical Review G.11 (413).
- 10/ Not regulated by the Commission.
- 11/ Telephone - delinquency on two of twelve consecutive billings; gas and electric - delinquency on five of twelve consecutive billings.
- 12/ Statutory rate.
- 13/ Usually all commercial/industrial accounts; residential accounts with poor credit, via disconnect for non-payment.
- 14/ Residential account review by company once a year; non-residential account review every two years.
- 15/ Company policy must be approved by PSC; automatic review once a year.
- 16/ Residential: After two consecutive months without reasonable payment, defined as one-half of total arrears. Business: Deposits permitted unless customer not delinquent for three years.
- 17/ Three years - business.
- 18/ Credit not established, had service discontinued or two or more late payments in previous twelve billings.
- 19/ Service discontinued: when bills paid for twelve consecutive payments without having service discontinued, or did not have more than two occasions in twelve consecutive billings in which a bill was not paid when it was due.
- 20/ Current rate on bank savings accounts.
- 21/ Telephone utilities and all commercial/industrial accounts--varies; residential gas, electric and water--12 consecutive months without having service terminated or without having paid subsequent to the due date on more than two occasions.
- 22/ In exceptional cases specified in General Orders G-168 of June 9, 1977 for gas customers and General Order 929 for electricity customers under the jurisdiction of the Electricity and Gas Board.
- 23/ Annually.
- 24/ Required to pay same rate as charged to delinquent accounts.
- 25/ Established by Commission.
- 26/ When credit requirements cannot be met on initial application or upon restoration of service following disconnection for non-payment; also may be requested for excess toll not paid in full upon demand.
- 27/ Deposits for new residential service required if customer has outstanding debt with utility which occurred within past six months. Deposits bear 8% interest and are returned if not disconnected for 12-month period.
- 28/ Data submitted is for gas and electric utilities only.

APPENDIX

NARUC QUESTIONNAIRE RE UTILITY BILLING PRACTICES

Date _____

Name of State _____

Name of Agency _____

A. Time of Payment

1. Do billing practices in your State include any type of penalty for late payments, whether expressed as a "discount" for prompt payment, "net-gross" billing, or other. Yes _____ No _____
If "yes", what type of penalty:

- a. Net-gross rates _____
b. Collection charge (flat fee) _____
c. Other (please specify) _____

2. Does your State have uniform billing practices for all utilities on:

- a. Due and payable periods? Yes _____ No _____
b. Late payment penalties (discounts)? Yes _____ No _____

3. What authority exists for use of such practices?

- a. Statutes? Yes _____ No _____
b. Commission rules? Yes _____ No _____
c. Other (please specify) _____
Please attach copies.

4. Are these charges subject to any State truth-in-lending law? Yes _____ No _____
If "yes", has it been sustained in court in your State? Yes _____ No _____
(If "yes", please give case citation.)

5. List utilities in your State which use net-gross rates:

6. What period of time is usually allowed before penalty is incurred ("due and payable" period)?

If less than 30 days, please give reasons:

7. Are customers allowed any "late" payments without incurring any penalty? Yes _____ No _____
If "yes", how many per year? _____

8. Do the utilities that have a late payment penalty apply it to all classifications of customers (residential, commercial, industrial, etc.)? Yes _____ No _____
If "no", what classes are excluded? _____

9. What percentage of late payments are incurred by:

- a. Residential customers? _____
b. Commercial and industrial customers? _____

10. Do you know of any studies which support the statement that "collection costs associated with late payments support the use of penalties"? Yes _____ No _____ If "yes", please identify and, if practicable, enclose a copy of the study.

11. What is the usual billing period for:

- a. Electric utilities? _____
b. Gas utilities? _____
c. Telephone? _____
d. Water? _____

B. Deposits

- 1. When is a deposit required? (Specify by type of utility if differences exist.) _____
- 2. Do deposits earn interest? Yes _____ No _____
If "yes", at what annual rate? _____
- 3. When is a deposit returned:
 - a. At customer's request? Yes _____ No _____
 - b. Automatically by utility? Yes _____ No _____ If "yes", when? _____
- 4. What authority governs deposits?
 - a. Statute _____
 - b. Commission rules _____
(Has commission adopted (ARUC model rule on deposits?) Yes _____ No _____)
 - c. Other (please specify) _____
Please provide copies. _____

C. Disconnections

- 1. How much notice must be given customers before disconnection for failure to pay bills? _____
- 2. Can a customer's service be disconnected for failure to pay the difference between net and gross, if net amount is paid? Yes _____ No _____
- 3. What authority governs disconnections?
 - a. Statutes _____
 - b. Commission rules _____
 - c. Other (please specify) _____
Please provide copies. _____

D. Rate Information

- 1. How can a customer check the accuracy of his billing? _____
 - a. Is the utility required to supply the customer all the back-up information? Yes _____ No _____
 - b. Does your commission provide an analysis upon request? Yes _____ No _____
 - c. Is sufficient information provided with the billing to enable the customer to make this calculation (usage, block rates, etc.)? _____
- 2. Are bills itemized (separately stated and adequately described) for:
 - a. Service charges? Yes _____ No _____
 - b. Other recurring charges? Yes _____ No _____
 - c. Special charges (connect, reconnect, extension telephone, etc.)? (Please specify) _____

E. Has your Agency conducted an analysis of the billing procedures of the utilities under your jurisdiction? Yes _____ No _____ If "yes", please summarize. _____

F. Comments _____

Jack:
On page 2
of this question-
naire are the
4 "Deposits"
questions, which
are answered
in Table 481,
State-Rep-Stat 512

Name of Official completing questionnaire

Title of Official

**STATE OF ALASKA 1985 LEGISLATIVE SESSION
FISCAL NOTE**

Revision Date: _____

REQUEST

Bill/Resolution No.: HB 20
 Title: interest on deposits collected by public utilities
 Sponsor: _____
 Requestor: _____
 Date of Request: _____

FISCAL DETAIL

Agency Affected: Alaska Public Util. Commission
 Program Category Affected: Consumer Protection
 BRU, Program or Subprogram(s) Affected: Alaska Public Utilities Commission

EXPENDITURES/REVENUES: (Thousands of Dollars)

	FY 85	FY 86	FY 87	FY 88	FY 89	FY 90
OPERATING						
100 PERSONAL SERVICES						
200 TRAVEL						
300 CONTRACTUAL						
400 SUPPLIES						
500 EQUIPMENT						
600 LAND & STRUCTURES						
700 GRANTS, CLAIMS						
800 MISCELLANEOUS						
TOTAL OPERATING	0	0	0	0	0	0

CAPITAL						
----------------	--	--	--	--	--	--

REVENUE						
----------------	--	--	--	--	--	--

FUNDING: (Thousands of Dollars)

	FY 85	FY 86	FY 87	FY 88	FY 89	FY 90
GENERAL FUND						
FEDERAL FUNDS	0	0	0	0	0	0
OTHER						
TOTAL	0	0	0	0	0	0

POSITIONS:

	FY 85	FY 86	FY 87	FY 88	FY 89	FY 90
FULL-TIME						
PART-TIME						
TEMPORARY						

ANALYSIS: Attach a separate page if necessary

No Fiscal Impact.

Prepared by: John B. Farleigh, Executive Director Phone: 276-6222, x-311
 Division: Alaska Public Utilities Commission Date: 1/22/85

Approved by Commissioner: _____ Date: _____
 Agency: _____

Distribution (by Agency preparing fiscal note):

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

7/1/84

(c) Until such time as an adopted tariff is refiled in the name of the utility or pipeline carrier which adopted it, all revisions of it subsequent to adoption will bear, at the top part of each tariff sheet, the name of the utility or pipeline carrier whose tariff was adopted and, at the bottom part of the sheet after "Issued by," the name of the utility or pipeline carrier that adopted the tariff and is issuing the revisions of the tariff. A tariff adopted by one utility or pipeline carrier may not be adopted by another utility or pipeline carrier, but instead must be filed as the tariff of the filing utility or pipeline carrier without any substantive change in the rates, charges, rules, and regulations of the predecessor utility or pipeline carrier. (Eff. 11/16/73, Reg. 48; am 6/29/84, Reg. 90)

Authority: AS 42.05.141 AS 42.06.305
AS 42.05.151 AS 42.06.350
AS 42.05.361 AS 42.06.360
AS 42.06.140(a)(5) AS 42.06.390

3 AAC 48.410. TARIFF OF ACQUIRED UTILITY OR PIPELINE CARRIER.

A utility or pipeline carrier acquiring ownership or control of another utility or pipeline carrier, or portion of one, and filing a notice adopting the rates, rules, and regulations, etc., of that utility or pipeline carrier shall, within 90 days after the filing of that adoption notice, file those rates, rules, and regulations, etc., as a part of its own tariff or as a separate tariff in its own name if it plans to continue to operate in accordance with them. (Eff. 11/16/73, Reg. 48; am 6/29/84, Reg. 90)

Authority: AS 42.05.141 AS 42.06.305
AS 42.05.151 AS 42.06.350
AS 42.05.361 AS 42.06.360
AS 42.05.411 AS 42.06.390
AS 42.06.140(a)(5)

3 AAC 48.420. UNIFORM DEPOSIT PRACTICES.

(a) When a deposit is required as a condition of receiving utility service the rule which established the deposit requirement shall also set forth the maximum amount of the deposit to be paid, which in no case shall exceed the following amount for a customer of the indicated type of utility as determined by the utility after consultation with the customer:

(1) two months' telephone billings, including toll charges as estimated by the utility;

(2) two months' electric billing based on the utility's estimate of usage;

(3) two months' water charges at the flat rate, or two months of metered charges as estimated by the utility;

(4) two months' gas billings as estimated by the utility;

(5) two months' sewer service fees as estimated by the utility;

(6) two months' garbage, refuse, trash, or other waste material collection and disposal service billings as estimated by the utility;

(7) two months' community antenna or cable television (CATV) service billings as estimated by the utility; and

(8) two months' radio common carrier service billings as estimated by the utility.

(b) The deposit rule shall clearly state the length of time the utility will retain a customer's deposit, but under no circumstances shall a utility retain a customer's deposit longer than two years, providing that in the interim period, the utility has not been forced to disconnect that customer's service for reasons of delinquency in payment of charges, and that the customer has not been delinquent in payment more than once in any 12 consecutive months. The deposit is to be returned to the customer within 25 days of discontinuance of service, except within 60 days for deposits for telephone service, after deducting monies due to the utility. (Eff. 11/16/73, Reg. 48; am 6/29/84, Reg. 90)

Authority: AS 42.05.141 AS 42.05.381
AS 42.05.151 AS 42.05.391
AS 42.05.361

3 AAC 48.430. JURISDICTIONAL SEPARATIONS.

The February, 1971, edition of the Separations Manual (standard procedure for separating telephone property costs, revenues, expenses, taxes, and reserves) published by the National Association of Regulatory Utility Commissioners, and as amended by the Federal Communications Commission through July 1, 1983, is adopted by reference. The property costs, revenues, expenses, taxes, and reserves of each telephone utility will be allocated in accordance with

Consumer Deposits with Public Utilities

Utility	Number of Customers	Deposits Residential		Deposits Resident. Std. (\$)	Deposits Resident. Low (\$)	Deposits Business High (\$)	Deposits Business Std. (\$)	Utility Deposits TOTAL (\$)	Months Held	Interest Paid
		Low (\$)	High (\$)							
Fairbanks Mun. Util								799,491	12	6
electricity	6,274	20	40				1 no. req			
water	4,539	10	30				40			
sewer	5,198	10	30				40			
telephone	22,885	20		100			220			
district heat	131	10	15				30			
Juneau & Douglas Tel										
telephone	17,061			100		400	225	55,193	12	"
Anchorage Mun. Tel.										
telephone	170,390	50	150			900		1,100,000		0
ENSTAR Natural Gas										
gas (1)	60,505	25	225			2,000		800,000	24	5
Matanuska Tel. Util.										
telephone	26,050		600	50		2,000		616,000	12	6
Homer Elec. Assoc.										
electric	14,427		150	100						0
Ketchikan Pub. Util.										
elec. & tel.	14,748		100	50			100	117,000	15	5
Kenai, City of										
water & sewer	2,153			40			50	19,000	24	0
Petersburg, City of										
elec, water & sewer	3,700			40			75	12,821	12	0
Bethel Utilities										
electricity	2,055			100			100	66,000	var	0
AK Elec. Lt. & Power										
electricity	9,856	20	30		75	300		NA	24	0
Barrow Util. & Elec.										
electricity	1,101			75			75	32,000	24	0
gas	787			75			75			
Chugach Elec. Assoc.										
electricity	59,874			30	50	300		NA	24	0
Sitka Telephone										
telephone	6,320			90			125	NA	6	5
Sitka, City of										
elec, water & sewer	4,000			75			105	167,700 til close		6
Nushagak Elec. Coop.										
electricity	879			100	200	2,500		32,000	24	0
telephone				100			1,500	45,000	24	0
Nome, City of										
electricity	2,500			75			75	20,000	12	0
sewer				50			50			
Bristol Bay Tel.										
telephone	679		100	100		500		10,700	24	0
Wrangell, City of										
electricity	1,164			50			50	13,000 til close		5
water			20		19	403		2,000	12	5
Glacier State Tel.										
telephone	28,540			100			150	290,478	12	0
Kodiak Mun. Util.										
water hook-up	1,690			250			250	NA	1	0
sewer hook-up				300			300	NA	1	0
refuse				10			10	NA	til close	0
Palmer, City of										
water, sewer, refuse	675			40			40	30,700 til close		0
Eklutna Utilities										
water	505			50				20,000	24	10
Unalaska, City of										
elec. & water	475	100	200		100	200		1,400	24	6
Kotlik, City of										
elec. & tel.	105	0	0	0	0	0	0	0	0	0
Seldovia, City of										
water & sewer	209	0	0	0	0	0	0	0	0	0
North Pole, City of										
water & sewer	225	0	0	0	0	0	0	0	0	0
Dillingham, City of										
water & sewer	175	0	0	0	0	0	0	0	0	0
Total	4469,496							64,250,483		
Partial Average (2)		629	6130	686	689	6950	6168	6223,710	16.4	

(1) Deposits required for business accounts range into the thousands of dollars.

(2) Average includes utilities not requiring or not reporting deposits.

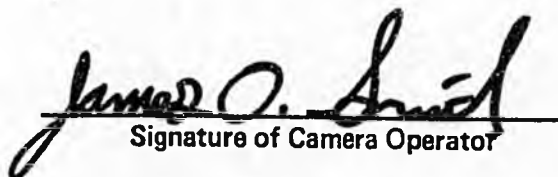
Prepared by House Research Agency, February 1985

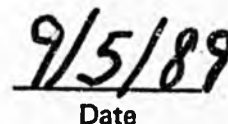


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Signature of Camera Operator


Date

HB

40

HB 40 FILE CONTENTS

- 1) Overview Material Provided by Sponsor (Larson)
 - a. background
 - b. breakdown of expenses
- 2) History ("The Awakening of the Iditarod")
- 3) Budgets from previous races
 - a. 1981 Actual budget
 - b. 1982-83 Proposed Budget
- 4) **Three pamphlets describing the race will be available on the Committee table for Committee members to review.

Alaska State Legislature
House of Representatives



Labor and Commerce Committee
MEMORANDUM

TO: All Members, House Labor and Commerce Committee
FROM: Committee Staff
DATE: January 22, 1985
RE: Committee Meeting, Thursday, January 24, 1985

On Thursday, January 24, 1985, from 1:15 - 2:45 pm in Room 102 of the Capitol Building, the House Committee on Labor and Commerce will hold the following hearings:

HB 40: "An Act making a special appropriation for the 1985 Iditarod sled dog race; and providing for an effective date."

HB 40 provides funding to the Department of Commerce and Economic Development for \$72,000 for expenses to run the Iditarod sled dog race. The Department has a matching grant program that will channel these funds.

Last year, CSHB 142 by Larson appropriated \$65,050 for the Iditarod, which passed both houses and passed into law under Chapter 8 with an effective date of February 22, 1984. A breakdown of how this year's appropriation would be spent is attached.

This appropriation covers only a part of the total expenses of the race, which come from other sources as well; totalling some \$380,655 in 1981 and \$468,760 in 1983.

HB 20: "An Act relating to interest on deposits collected by public utilities."

HB 20 has been Cancelled for today's Hearings.

Overview of Boards and Commissions Office, Office of the Governor
by Carol Derfner.

Because of the large number of Board and Commission appointments that this Committee will be holding confirmation hearings on, Ms. Derfner will provide the Committee with verbal and written background on the activities of the Boards and Commissions.

THE AWAKENING OF THE IDITAROD

The Iditarod Trail began in Seward during the gold rush days. It stretched to Knik then on to the gold camp of Iditarod and eventually to Nome.

It's over a thousand miles from Anchorage to Nome via the presently used Iditarod Trail race route. It crosses two mountain ranges, passes through ice-locked wilderness areas, and winds over 200 miles along the mighty Yukon River. The mushers leave civilization at Knik and there's only small towns and villages to break the monotony of traveling in bone-chilling cold until they reach the historic goldrush town of Nome, perched on the shores of the Bering Sea.

The historic Iditarod Trail was established by its many travelers and freighters. But having a sled dog race over the trail was initiated by Dorothy Page, a history buff who lives in Wasilla. Back in 1964 Page was serving as chairman of the Wasilla-Knik Centennial Committee and also as secretary of the Aurora Dog Mushers Club.

As a spectacular centennial year project, Page talked to many people about re-opening the Iditarod Trail, beginning at Knik, and having a sled dog race to call attention to Alaska's past and the part the mushers and their dog teams had played in opening up the Territory of Alaska.

Page could see that raising sled dogs and mushing were going downhill due to the wide use of snowmachines. She felt mushing needed to be revived before the dogs were "completely run down by snow machines." But Page also knew she could talk on forever about a big new race unless she could get a musher interested in her "weird idea."

Dorothy's husband, Vondolee, was Superintendent of Schools in Wasilla then and had kept a dog team for several years. But Von only had time to train the dogs evenings and weekends. Sometimes he couldn't even manage to find time enough for those shorter periods of training. Many of the

teachers new to Alaska got their first taste of dog mushing by helping train the team, too. Von was also a member of the Aurora Dog Mushers Club. He said he thought the idea of a race on the historic trail was a good one, but that he'd have little time to help put such a race together. Others expressed interest in the idea but backed off because they thought it would take too much work.

About the time Dorothy had decided she couldn't stand it if one more person gave her a strange look and asked: "Are you crazy? Don't you realize how much work that would be?" she met the right musher to help her promote the race and put it together.

While attending the "Willow Winter Carnival" sled dog races in 1966, Dorothy talked to Joe Redington Sr., and his wife, Vi, who were then living at Flat Horn Lake. Joe was a veteran musher who had traveled over sections of the historic Iditarod Trail when he homesteaded adjacent to Flat Horn Lake.

During a lull in the finish of the Willow race, Dorothy went up to Redington and asked: "What do you think about having a race over the historic Iditarod Trail? We could begin re-opening the trail just out of Knik. Then we could gradually extend the trail until we reached Iditarod and maybe even Nome some day."

Redington had grinned and replied: "I think that's a great idea!" Vi agreed. With the Redingtons on her side, Page knew that many of the problems connected with making be-

lievers out of the other mushers were solved. But first they'd have to convince the twenty-three members of the Aurora Dog Mushers Club that the race was feasible.

At the next meeting of the club, the proposed Iditarod Trail race was the main topic of conversation. It was decided that the Wasilla-Knik Centennial Committee and the Aurora Dog Mushers Club would co-sponsor the race in 1967, the year that marked the 100th anniversary of the purchase of Alaska from Russia in 1867. The club unanimously endorsed the idea of having an Iditarod Trail race. Ed Carney of Wasilla, then president of the Aurora Dog Mushers Club, appointed an "Iditarod Trail Committee." Members included Joe Redington, Al Hibbard, Dorothy Page, Vi Redington and Ed Carney.

The first major problems the Iditarod committee faced were clearing the old trail overgrown with brush and trees, and scheduling the race between the season's two big races, the World Championship race in Anchorage and the North American Championship race in Fairbanks. They finally picked the dates, February 11 and 12, the usual time for the Aurora championship race.

Many people said the Iditarod Trail race wouldn't be a success because it was bucking the two prestige races. But the members of the Iditarod Trail committee kept working. They'd decided to offer \$25,000 in prize money and there was no end to fundraising activities. Also, they



A group of people, including Dorothy and Von Page, Joe and Vi Redington, Dan Seavey of Seward and Bill Coghill of Anchorage, gathered in Seward on the 4th of July in 1982 to dedicate the Mile "0" sign on the Iditarod Trail. It was paid for by the Iditarod Trail Blazers.

Photo by Steve Guzzi

decided to call the race the "Iditarod Trail International Championship Race," because they said someday it would attract mushers from all sections of Alaska, the smaller states and even foreign countries.

When the small group of Iditarod promoters signed up 58 mushers for the 1967 race, the Iditarod critics changed their tune. Because fund raising had taken time away from trail work, only nine miles of the Iditarod Trail were re-opened. The race covered 25 miles from Knik to Big Lake on Saturday, and from Big Lake to Knik on Sunday, for a total of 50 miles. Isaac Okleasik of Teller won the race. It took the committee the next year to get out of debt.

Due to lack of snow in 1968 the race was postponed. Snowmachine races were sweeping the area then, and for the 1969 race the committee could only raise \$1,000. George Attla, then living

in Huslia, won that year.

By 1970, snowmachine races were still attracting the attention of the majority of Alaskans and interest in the Iditarod waned. But trail work continued.

Members of the Iditarod Trail Committee knew that they couldn't hold the interest of Alaskans by extending the trail a little further each year towards Nome. Then, at a committee meeting in 1972, Joe Redington said: "Well, let's go all the way to Nome in 1973!"

Redington called Howard Farley in Nome and he started work on the Nome end of the trail. But not many other people believed that mushers could travel over 1,000 miles by dog teams. Clearing the trail was a gigantic task. Fortunately, because of scheduled training in an over-ground movement between Fort Richardson and Nome, the U.S. Army opened portions of the

Iditarod Trail. They employed snowmachines for transportation. The 172nd Arctic Light Infantry Brigade thus helped open and mark sections of the trail in advance of the Iditarod race. Five civilians on snowmachines also helped mark the trail.

On March 3, 1973, hundreds of people watched as 34 mushers left Anchorage and headed to Nome. When Dick Wilmarth of Red Devil, Alaska, reached Nome over the old winter trail mushers hadn't traveled for over 45 years, the celebration was like a combination of Fourth of July and Christmas.

Since 1973 annual races have been held. With each race comes the repetitious task of putting in the trail, raising prize money and staffing race headquarters in Anchorage and Nome. Hundreds of Alaskans donate their time each year to make the race a success.



JOHN "IRON MAN" JOHNSON

John "Iron Man" Johnson, whose incredible endurance made the record for the All Alaska Sweepstakes Race in 1910, is the musher to best in the 75th anniversary race, 1908 to 1983. Johnson covered the distance from Nome to Candle and return, 408 miles, in 74 hours, 14 minutes and 37 seconds. To the left in the photo is his noted blue-eyed leader, "Kolma," whose tireless pace was a marvel to the dog-loving North.

ALL ALASKA SWEEPSTAKES 1908 to 75th Anniversary, 1983

The Nome Kennel Club is sponsoring the "All Alaska Sweepstakes Race" on March 31, 1983, to commemorate the 75th anniversary of the first race in 1908.

The 1983 race will follow the same trail as the 1908 race. It's 408 miles from Nome to Candle and return following the old telegraph line between various mining villages.

The route will be from Nome to Safety, then to Dixon; then to Topkok Hill; then over or around Topkok Hill, then to Timber Roadhouse, then to Council, then over the head of Melsing Creek to Boston Creek, across the Fish River Valley to Telegraph Creek, over the divide to Death Valley to Camp Haven, then to First Chance, then over the divide into Gold Run, then to Candle, and from Candle to Nome back on the same route.

Participants have until March 30, 1983, to deposit their entry fee, \$1,000 in gold, in the Miners and Merchants Bank in Nome.

The teams will start two minutes apart, the first team leaving at 10 a.m.

The 1983 race will follow the original rules as set out in 1908.

The purse is \$25,000, winner take all.

Those who wish additional information on the race can write to this address:

All Alaska Sweepstakes
Nome Kennel Club
PO Box 3
Nome, Alaska 99762

INDIRECT TRAIL PAGE

1981 BUDGET

Pace

INCOME:

Sweepstakes	\$104,000
Entry Fees	73,430
Appropriation	50,000
Grants	25,000
Plaque Sales	20,000
Memberships	6,000
Runner	9,000
Promotional Sales	60,000
Banquet	26,225
Misc.	7,000
Total Income	<u>\$380,655</u>

ADMINISTRATIVE EXPENSE:

Meetings	\$ 550
Travel	300
Rent & Leases	1,820
Wages	19,000
Telephone	8,500
Office Supplies & Postage	4,300
Stationery & Printing	6,300
Runner	7,000
Legal	750
Misc.	4,100
	<u>\$ 52,620</u>

DIRECT RACE EXPENSE:

Trail	\$ 12,000
Ham Radio	12,000
Checkers & Officials	21,500
Veterinarians	7,000
Air Transportation	39,000
Prize Money	101,500
Trophies	1,300
Headquarters	4,300
Banquet	18,900
Misc.	4,035
	<u>\$221,535</u>

INDIRECT RACE EXPENSE:

Goods for Resale	\$ 40,000
Advertising & Public Relations	12,000
Sweepstakes & Raffles	51,000
Misc.	3,000
	<u>\$106,000</u>

TOTAL EXPENSE:

\$380,655



IDITAROD TRAIL COMMITTEE, INC

IDITAROD TRAIL COMMITTEE, INC.
1982-1983 PROPOSED BUDGET

TOTAL INCOME

Sweepstakes	\$100000
Entry fees	45000
Media Sales	14500
Sponsors	88500
Grants (30 + 25 new)	55000
Plaques	10000
Memberships	15000
Sales	120000
Banquet	25000
Misc. & Benefits	7500
	<u>480500</u>

480,500 Income (1983)

-75,060 '82 debt

405,440

Expenses (1983)

98,560 Administrative

242,600 Direct Expenses

177,600 Indirect Expenses

468,760

75,060 '82 debt

ADMINISTRATIVE EXPENSES

Wages & Commissions	57060
Travel & Meetings	7000
Telephone (Wasilla & Anch.)	5000
Supplies & Postage	1000
Stationary & Printing	4000
Runner Publication	5000
Legal	1500
Insurance	4500
Misc.	6500
	<u>98560</u>

DIRECT RACE EXPENSES

Trail	15000
Hams	11600
Checkers & Officials	26000
Vets	6000
Airforce	30000
Prize money	100000
Trophies	3000
Headquarters	18900
Banquets	23100
Misc.	9000
	<u>242600</u>

Offered: 3/22/84
Referred: Finance

Original sponsors: Larson and Fuller

Funding Information
General Fund \$89,000
Other Funds -0-
\$89,000

BY THE LABOR AND
COMMERCE COMMITTEE

1 IN THE HOUSE

2

CS FOR HOUSE BILL NO. 141 (L&C)

3

IN THE LEGISLATURE OF THE STATE OF ALASKA

4

THIRTEENTH LEGISLATURE - SECOND SESSION

5

A BILL

6

For an Act entitled: "An Act making a special appropriation to the Depart-

7

ment of Commerce and Economic Development for payment

8

as a grant for the Iditarod Trail Committee, Inc.,

9

for construction of a permanent Iditarod sled dog

10

race headquarters; and providing for an effective

11

date."

12

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

13

* Section 1. The sum of \$89,000 is appropriated from the general fund

14

to the Department of Commerce and Economic Development for payment as a

15

grant for the Iditarod Trail Committee, Inc., for construction of a perma-

16

nent Iditarod sled dog race headquarters.

17

* Sec. 2. The appropriation made by this Act shall be disbursed in

18

accordance with AS 37.05.316.

19

* Sec. 3. This Act takes effect immediately in accordance with AS 01.-

20

10.070(c).

Offered: 3/11/83
Referred: Finance

Original sponsors: Larson and Fuller

Funding Information
General Fund \$65,050
Other Funds -0-
\$65,050

BY THE LABOR AND
COMMERCE COMMITTEE

1 IN THE HOUSE

2

CS FOR HOUSE BILL NO. 142 (L&C)

3

IN THE LEGISLATURE OF THE STATE OF ALASKA

4

THIRTEENTH LEGISLATURE - FIRST SESSION

5

A BILL

6 For an Act entitled: "An Act making a special appropriation to the Depart-
7 ment of Commerce and Economic Development for payment
8 as a grant for the Iditarod Trail Committee, Inc.,
9 for expenses of conducting the 1984 Iditarod sled dog
10 race; and providing for an effective date."

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

12 * Section 1. The sum of \$65,050 is appropriated from the general fund
13 to the Department of Commerce and Economic Development for payment as a
14 grant for the Iditarod Trail Committee, Inc., for expenses of the 1984
15 Iditarod sled dog race.

16 * Sec. 2. The appropriation made by this Act shall be disbursed in
17 accordance with AS 37.05.315 - 37.05.319.

18 * Sec. 3. This Act takes effect immediately in accordance with AS 01.-
19 10.070(c).

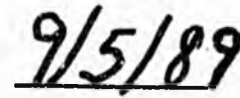


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Signature of Camera Operator


Date

HPB

56

DEPARTMENT OF PUBLIC SAFETY

POSITION PAPER - HB-56

Opposed

January 28, 1985

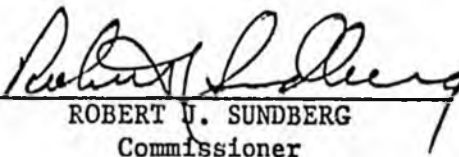
HB-56, an Act relating to motor vehicle insurance.

The mandatory insurance bill which passed the 1984 Legislature has not even been in effect a month. The new law should be given some time to determine its effectiveness before making substantial changes as outlined in this bill.

The requirement to provide proof of insurance was taken out of previous bills because of the adverse impact that it would have on the operating efficiency of the division. Placing additional requirements on the registration process will increase the time needed to process the registration and would create long lines at the busier field offices.

The cost of the extra workload could be justified if the program were extremely effective, but the experience of other states has shown that this is not the case. It is very easy for a person to obtain a binder, register a vehicle, and then immediately cancel the policy without even making one payment. States with this type of requirement estimate that between 3 and 10 percent of their registered vehicles are uninsured.

The requirement of notification placed on insurance companies will create additional work, and the cost of this work will be passed on to the public by increasing premiums. Keeping track of the notifications and revoking registrations with all the "due process" requirements will create a costly administrative burden. The cost of this will be in addition to the costs for the current program since none of those requirements have changed.


ROBERT J. SUNDBERG
Commissioner

STATE OF ALASKA 1985 LEGISLATIVE SESSION
FISCAL NOTE

Revision Date: _____

REQUEST

Bill/Resolution No.: HB 56
 Title: An Act relating to motor vehicle insurance
 Sponsor: Collins
 Requestor: House Labor and Commerce
 Date of Request: 1-28-85

FISCAL DETAIL

Agency Affected: Public Safety
 Program Category Affected: Life and Property Protection
 BRU, Program or Subprogram(s) Affected: Division of Motor Vehicles

EXPENDITURES/REVENUES: (Thousands of Dollars)

	FY 85	FY 86	FY 87	FY 88	FY 89	FY 90
OPERATING						
100 PERSONAL SERVICES		412.3	432.9	454.5	477.3	501.1
200 TRAVEL		7.7	8.1	8.5	8.9	9.3
300 CONTRACTUAL		166.7	138.3	145.2	152.5	160.1
400 SUPPLIES		3.9	4.1	4.3	4.5	5.7
500 EQUIPMENT		20.2	-0-	-0-	-0-	2.5
600 LAND & STRUCTURES						
700 GRANTS, CLAIMS						
800 MISCELLANEOUS						
TOTAL OPERATING	-0-	610.8	583.4	612.5	643.2	677.7

CAPITAL						
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REVENUE						
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FUNDING: (Thousands of Dollars)

GENERAL FUND	-0-	610.8	583.4	612.5	643.2	677.7
FEDERAL FUNDS						
OTHER						
TOTAL	-0-	610.8	583.4	612.5	643.2	677.7

POSITIONS:

FULL-TIME	-0-	15	15	15	15	15
PART-TIME						
TEMPORARY						

ANALYSIS: Attach a separate page if necessary

ASSUMPTIONS:

Effective July 1, 1985

5% inflation factor used for FY87 and subsequent years

See attached two pages for breakdown.

Prepared By: Charles R. Hosack Phone: 269-5551
 Division: Motor Vehicles Date: 1-24-85

Approved by Commissioner: *Michael J. Collins* Date: 1-28-85
 Agency: Public Safety

Distribution (by Agency preparing fiscal note):

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

7/1/84

FISCAL NOTE
HB-56

There are approximately 450,000 motor vehicles for which proof of insurance will be required prior to registration. The checking and processing of the insurance papers will require extra time and approximately 20-30% of these vehicles will be refused registration because the owner does not have proper proof. This will require a second trip to division offices when the proper proof is obtained.

It is estimated that 10% of the owners would change insurance, miss a payment, or cancel their policy. Of that 10% (45,000 vehicles), it is estimated that 50% would fail to notify DMV of the change. Revocation notices would be sent to 22,500 owners by certified mail as required by law. The other 22,500 owners would notify DMV of the change so their vehicle records would be updated.

Approximately 2,500 hearings will be conducted annually as a result of the revocations.

100 PERSONAL SERVICES

1 Doc. Proc. Clk. III, Range 10	29.3		
2 Doc. Proc. Clk. II, Range 8	51.8		
3 Doc. Proc. Clk. I, Range 7	73.5		
2 Clk. Typist II, Range 7	49.0		
1 Dr. Impr. Spec. (Hearing Officer) Range 16	43.3		
6 MVR II, Range 9	165.4		412.3

It is felt it would take more than the above to administer the program, however it is also felt as a result of this law there will be a slight increase in the number of insured drivers. Therefore we will not have as many uninsured accidents to process and the personnel which currently handles that program could assist with the paperwork generated by this new law.

200 TRAVEL

To conduct hearings and training of new hearing officer:				
	Travel	4.5		
	Per Diem	3.2	7.7	7.7

300 CONTRACTUAL			
310 Postage			
22,500 Certified Suspension Letters @ \$1.75	39.4		
2,500 Certified Letters (hearings) @ \$1.75	4.4		
General Correspondence	2.2		
Telephones & Tolls	2.8	48.8	
320 Forms			
Suspensions and Hearing Notices	5.0	5.0	
330 Space (1,000 sq. ft. @ \$24/ft.)	24.0	24.0	
340 Office Equipment	1.5	1.5	
360 1 Copy Machine @ \$270/month	3.2		
9 CRT Terminals @ \$206/month ea.	22.2	25.4	
380 Contractual Services - DP Program	35.0*		
Installation of CRTs	.9	35.9	
382a			
DP Line Charges - 9 terminals @ \$2,000/year each	18.0		
CRT Maintenance - 9 terminals @ \$900/year each	8.1	26.1	166.7
400 COMMODITIES			
480 Normal Office Supplies	2.8		
Microfilm Supplies	1.1	3.9	3.9
500 EQUIPMENT			
4 Desks @ \$576.09	2.3		
5 Desks @ \$468.71	2.3		
6 Typewriters @ \$1,369.36	8.2		
8 Chairs @ \$272.21	2.2		
2 CRT Tables @ \$225.00	.5		
4 File Cabinets @ \$308.66	1.2		
1 Storage Cabinet	.2		
6 Acoustical Panels @ \$408.75	2.4		
Recording Equipment	.9	20.2	20.2

* Initial Programming Change - First year only.

STATE OF ALASKA 1986 LEGISLATIVE SESSION FISCAL NOTE

Revision Date : _____

REQUEST

Bill/Resolution No. : HB 56
 Title : An Act relating to motor vehicle insurance
 Sponsor : Collins
 Requestor : House Labor & Commerce
 Date of Request : _____

FISCAL DETAIL

Agency Affected : Public Safety
 BRU : Motor Vehicles
 Components : Field Services and Vehicle Services

EXPENDITURES/REVENUES : (Thousands of Dollars)

OPERATING	FY 86	FY 87	FY 88	FY 89	FY 90	FY 91
PERSONAL SERVICES		464.9	488.1	512.5	538.3	562.2
TRAVEL		8.5	8.9	9.3	9.8	10.3
CONTRACTUAL SUPPLIES		174.3	148.0	155.4	163.2	171.4
EQUIPMENT		4.1	4.3	4.5	4.7	4.9
LAND & STRUCTURES		21.2	-0-	-0-	-0-	2.5
GRANTS, CLAIMS						
MISCELLANEOUS						
TOTAL OPERATING		673.0	649.3	681.7	716.0	754.3

CAPITAL						
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REVENUE						
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FUNDING : (Thousands of Dollars)

GENERAL FUND		673.0	649.3	681.7	716.0	754.3
FEDERAL FUNDS						
OTHER						
TOTAL		673.0	649.3	681.7	716.0	754.3

POSITIONS :

FULL-TIME		15	15	15	15	15
PART-TIME						
TEMPORARY						

ANALYSIS : Attach a separate page if necessary

Assumptions: Effective July 1, 1986.

Prepared by : Charles R. Hosack Phone : 269-5551
 Division : Motor Vehicles Date : 2-14-86

Approved by Commissioner : [Signature] Date : 2/14/86
 Agency : Public Safety

Distribution (by Agency preparing fiscal note):

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

CONTINUATION of FISCAL NOTE ANALYSIS

For Bill/Resolution No. HB 56

There are approximately 450,000 motor vehicles for which proof of insurance will be required prior to registration. The checking and processing of the insurance papers will require extra time and approximately 20-30% of these vehicles will be refused registration because the owner does not have proper proof. This will require a second trip to division offices when the proof is obtained.

It is estimated that 10% of the owners would change insurance, miss a payment, or cancel their policy. Of that 10% (45,000 vehicles), it is estimated that 50% would fail to notify DMV of the change. Revocation notices would be sent to 22,500 owners by certified mail as required by law. The other 22,500 owners would notify DMV of the change so their vehicle record would be updated.

Approximately 2,500 hearings will be conducted annually as a result of the revocations.

100 PERSONAL SERVICES

Anchorage

1 Doc. Proc. Clk. III, Range 10	32.5	
2 Doc. Proc. Clk II, Range 8	58.4	
3 Doc. Proc. Clk I, Range 7	83.1	
2 Clk. Typist II, Range 7	55.4	

Anchorage

1 Dr. Impr. Spec (Hearing Officer Range 16)	45.3	
4 MVR II, Range 9	123.2	

Fairbanks

2 MVR II, Range 9	67.0	464.9.
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200 TRAVEL

To conduct hearings and training of
new hearing officer

Travel	4.9	
Per Diem	3.6	8.5

FISCAL NOTE
HB-56

300 CONTRACTUAL			
310	Postage		
	22,500 Certified Suspension Letters @ \$1.75	39.7	
	2,500 Certified Letters (hearings) @ \$1.75	4.7	
	General Correspondence	2.5	
	Telephones & Tolls	3.1	50.0
320	Forms		
	Suspensions and Hearing Notices	6.2	6.2
330	Space (1,000 sq. ft. @ \$24/ft.)	25.2	25.2
340	Office Equipment	2.7	2.7
360	1 Copy Machine @ \$270/month	3.8	
	9 CRT Terminals @ \$206/month ea.	22.8	26.6
380	Contractual Services - DP Program	36.2*	
	Installation of CRTs	.2	36.4
382a			
	DP Line Charges - 9 terminals @ \$2,000/year each	18.6	
	CRT Maintenance - 9 terminals @ \$900/year each	8.6	27.2
	Total Contractual		174.3
400 COMMODITIES			
480	Normal Office Supplies	2.9	
	Microfilm Supplies	1.2	4.1
	Total Commodities		4.1
500 EQUIPMENT			
	4 Desks @ \$576.09	2.4	
	5 Desks @ \$468.71	2.4	
	6 Typewriters @ \$1,369.36	8.4	
	8 Chairs @ \$272.21	2.3	
	2 CRT Tables @ \$225.00	.6	
	4 File Cabinets @ \$308.66	1.3	
	1 Storage Cabinet	.3	
	6 Acoustical Panels @ \$408.75	2.5	
	Recording Equipment	1.0	21.2
	Total Equipment		21.2
TOTAL FY-86 REQUEST			

*First year cost only.

A 5% annual inflation factor has been calculated for FY 87 and beyond.