

ALASKA LEGISLATURE COMMITTEE FILES 1991-1992 8672  
6781 HOUSE COMMUNITY & REGIONAL AFFAIRS

Continuation of Fiscal Note Analysis - HB 526

Revenue:

The provisions of the bill are additional requirements for issuance or renewal of a certificate of registration and is not anticipated to generate revenue. Therefore, the costs associated with this bill must be supported with general funds.



## ASSOCIATED GENERAL CONTRACTORS of A

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Post-It™ brand fax transmittal memo 7671		# of pages ▶
To	Bob Ward	From
Co.	AGC	Co.
Dept.		Phone #
Fax #	586-1649	Fax #
		581-5354

31. March 1992

To  
 House of Representatives  
 Committee on Community and Regional Affairs  
 Juneau, Ak.

Subject: House Bill No. 526  
 "An Act relating to certain construction contracts and  
 contractors and to certain procurements".

This letter will formalize some of the testimony given by our representative  
 Mr. Robert Ward to your subcommittee last week.

Although we recognize the good intentions by the prime sponsor to solve  
 some problems in rural Alaska, we think that the aim of this bill is in  
 the wrong direction, that it will solve few problem cases, and that it  
 adds unnecessary regulations, procedures and costs to the process. I have  
 been involved for over 30 years in construction projects in rural Alaska  
 and am familiar with about all the aspects of construction contracting  
 and the desire and necessity of local residents to have a major say in  
 these matters. I am supportive of efforts to resolve some of the experienced  
 problems.

I am unable to support the bill in its present form. Some of the points of  
 concern are as follows:

- 1) "VILLAGES" as defined in the bill have been a legal problem in the State,  
 because of the legal relationship between the State of Alaska  
 and local Government as it is recognized by the State. I think some progress  
 has been made, however, no clear legal determination has been made and some  
 of the issues of "None-municipalities" is still in the courts. Regardless,  
 the bill freely intermixes municipalities, village and REAAs and clarification  
 is needed who has the leadrole in cases where two or three such bodies exist  
 at a given location (Sect. 10)
- 2) "LOCAL COMMISSION": It is very doubtful that in any given village or small  
 community commission members could be found who possess the knowledge and  
 ability to provide the functions as detailed in Sect. 9 (AS 35.15.110) of the  
 bill. Construction contracts in their present form are very complex and dispute  
 resolve processes are very involved, expensive and controversial as experienced  
 at the present in public works contracting. DoT/PF and the Attorney Generals  
 office who have extensive expertise in these matters will concur with my state-  
 ment. It is inconceivable to me that such a body would conduct inspections,

P. 2, Springer to House DCRA 3/31/92

assure contract compliance, approve documents and recommends renewal of contracting licenses". A review of the State job descriptions for project personnel and their qualifications in use, would show that only in rarest of circumstances are such people available at local levels. It is unrealistic to think that such involved and complex work could be done through unpaid members.

3) SECTION 9 states, that the commission shall

"consider the quality and timeliness of the contractor's performance under the contract, the responsiveness of the contractor to matters of public concern in the municipality or village that affect or are affected by the performance of the contract, and the contractor's ability to assist in the informal, peaceful, fair resolution of disputes that relate to the public construction project or to the presence in the municipality or village of persons engaged in the project."

Most of these items are impossible to formulate in legally binding terms as part of a construction contract. It goes way beyond the mandate of good public policy to safeguard the interests of the State and local residents to such an extent. Such matters need to be incorporated in the planning- and design-stage. Only tasks and activities which are reasonable and which can be clearly legally defined can be incorporated in specification type contracts, which are based on competitive bidding procedures in accordance with the State procurement code.

4) COMMISSIONER OF COMMERCE; his vital role is stated in Sections 1, 2, 4 etc.

Revocation or non-renewal of a license is a serious matter, since it effects the livelihood of an individual or group. Although the Division of Occupational Licensing in the Dept. of Commerce controls the licensing of contractors, this Department is ill equipped to deal with the administrative and legal aspects of contract compliance. This needs to involve the Attorney General's office and would be better handled by the DoT/PF or DoAdmin. since they are in that business already. We should not think for one minute that the described processes are simple, fast or cheap.

5) SECTIONS 3, 4 and 5 let the local entity (ies) assume responsibility for planning, design and construction. "CAPABILITY" as outlined in Sec. 3 is an interesting but troublesome criteria. Judging from the track-record of the State's pass-through grants programs real problems can be expected, because local- and State politics are usually involved to a high degree and the lack of qualified local residents is rarely acknowledged. Phases of work are mostly contracted to professional consultants groups and here again often with problematic results considering the cost/benefit ratios. State agencies are better equipped to work through the professional services contracts procedures. We support use of private sector work to the highest degree possible.

6) LIMITATION; there needs to be some limitation as to project types, size and complexity, if local people assume control.

7) In most cases the villages have access to the processes through the prescribed public hearing processes, EIS review, Coastal Management compliance, Division Governmental Coordination permitting etc. These procedures are mandatory under Federal and State laws. In addition the State procurement code allows debarment of contractors with a bad record by the administering agency.

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8) The process as envisioned, lends itself to misuse of authority and harassment of any contractor who does not do whatever the "commission" deems warranted. If such is the case, and the contractor ultimately wins the case, there is no way to recover costs or collect a liability assignment, because many of the communities have no tangible assets. Appropriate bonding or liability insurance for such local entities would have to be part of the bill.

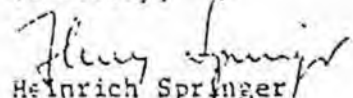
9) If a license would get revoked, it is very easy for a contractor to create a new business with a new name, or form a joint venture (often with a minority enterprise partner), or form a minority enterprise. The present law has no mechanism to prevent this; as a matter of fact it is the preferred method of businesses with shady methods and poor financial record.

10) Under present law and regulations, contractors can be required to PRE-QUALIFY in the pre-construction period of a construction contract. There are also State BONDING - and INSURANCE requirements to obtain a license. There are requirements for BID BONDING AND PERFORMANCE BONDING. There are safeguards in the State procurement code. There are innumerable references in the standard contracts for involvement by various enforcement agencies to assure contract compliance (Safety, Labor, Environmental etc) by contractors. The Local Service Roads and Trails (LSRT) statutes provide for an effective process for State- and local project execution. In addition anyone has access to the legal system through civil court procedures. These are existing and effective safeguards to prevent abuse and assure compliance and performance if they are used correctly.

I realize that in some cases contractors may not have performed as expected. In most such cases it appears that either the contract provisions were insufficient, or that the State's project administration did poorly. The bonding requirements assure that a project is built in compliance with plans and specifications and that the requirements are fulfilled, even in cases of failure by a contractor.

I would be glad to work with you on some other ways to assure sufficient local participation in rural areas, such as State qualifications for contractors, more binding formal pre-construction processes etc.

Sincerely,

  
Heinrich Springer  
Exec. Director

MEMORANDUM

TO: JERRY  
FROM: NANCY  
RE: TODAY'S MEETING 3/16/92

HB 384 - Current law limits administrative costs of day care assistance to 10%; this bill would increase it to 15%. DCRA fiscal note reflects that the 5% increase in administrative costs will remove \$570,000 from the program and eliminate funding for 160 children if new funds are not received for the program to cover the increase. The department supports the bill because it believes the increased administrative funding will encourage more municipalities to participate. I also note that DCRA proposes to reduce day care assistance by \$884.7 under their budget reduction scenario.

HB 526 - Rep. Lincoln is meeting this morning with Commerce and DOTPF to try to work out some issues with the bill. DOTPF apparently has problems with the bill; Commerce has submitted a \$99.9 fiscal note (none received as yet from DOTPF). This bill allows communities to form local citizen's commissions to monitor state construction contracts in progress and evaluate performance. Commerce would be required to base decisions on the renewal of a contractor's license on the recommendation of these local commissions. Unincorporated communities would be given the right to participate in contract administration; they may assume all or part of the public works administration, or jointly administer with the department (DOTPF). Small communities (under 2,000) would be relieved from the competitive bid process for contracts for goods or services on projects under \$100,000.

HB 476 - We have a new draft CS. I have incorporated amendments which include: the fiscal note will be requested at the second committee of referral; will reflect only costs and not savings; will be done by C&RA in cooperation with any affected state agencies; will be distributed in accordance with AS 24.08.035(d); will include information required in AS 24.08.035(c) (1), (2), (6) and (7) - (9); and will sunset in five years.

I did not include two of the amendments requested by the AML. One was to define "mandate", a term which does not appear in the bill; the other one provided that no legislation or agency rule would be binding on local governments if a fiscal note form was not attached. The legislature cannot pass a bill which binds them to any future action; also, if you have a bill with only one committee referral, there would be no requirement for a fiscal note to be prepared. I was also confused by the term "agency rule"; I would assume that includes policy and regulation, which goes beyond the scope of this bill.

CS FOR HOUSE BILL NO. 526 ( )  
IN THE LEGISLATURE OF THE STATE OF ALASKA  
SEVENTEENTH LEGISLATURE - SECOND SESSION

BY

Offered:  
Referred:

Sponsor(s): REPRESENTATIVE LINCOLN

A BILL

FOR AN ACT ENTITLED

1 "An Act relating to certain public construction contracts and contractors and to certain  
2 procurements."

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

4 \* Section 1. AS 08.18.031 is amended by adding a new subsection to read:

5 (c) In determining whether to issue or renew a certificate of registration of a contractor  
6 who has held a contract for work on a public construction contract under AS 35.15, the  
7 commissioner shall consider the recommendations of local commissions established under  
8 AS 35.15.110(c) by the municipalities and villages in which the contractor performed contracting  
9 work. The commissioner may not renew the certificate of a contractor who has received a  
10 recommendation against renewal under AS 35.15.110(c) unless, after a hearing, the commissioner  
11 determines that the recommendation is not supported by a preponderance of the evidence.

12 \* Sec. 2. AS 08.18.121 is amended by adding a new subsection to read:

13 (i) If a local commission reviewing the performance of a contractor on a public  
14 construction contract under AS 35.15 recommends that the contractor's registration be revoked,

1 the commissioner shall consider the evidence and may suspend the contractor's registration. If,  
2 after a hearing, the commissioner determines that the recommendation for revocation is based on  
3 serious misconduct or failure of performance by the contractor under AS 35.15.110(c), the  
4 commissioner shall revoke the registration of the contractor.

5 \* Sec. 3. AS 35.15.080(a) is amended to read:

6 (a) A municipality or village may, by resolution of its governing body, request the  
7 assumption of all or part of the department's responsibilities relating to the planning, design, and  
8 construction of a public works project of the state that is to be located within the boundaries of  
9 the municipality or in or adjacent to a village and that would otherwise be constructed in the  
10 manner provided in AS 35.15.010. After receipt of the request, the department shall [MAY]  
11 provide by agreement for transfer to and assumption by the municipality or village of the  
12 department's responsibilities relating to the project, unless the commissioner determines that  
13 [ASSUMPTION OF RESPONSIBILITIES BY] the municipality or village is not capable of  
14 assuming the responsibilities [PRACTICABLE OR NOT IN THE BEST INTERESTS OF THE  
15 STATE].

16 \* Sec. 4. AS 35.15.080(b) is amended to read:

17 (b) If the commissioner of transportation and public facilities determines that assumption  
18 of responsibilities by a municipality or village under (a) of this section is not within the  
19 capability of the municipality or village [PRACTICABLE OR NOT IN THE BEST  
20 INTERESTS OF THE STATE], the commissioner shall notify the governing body of the  
21 municipality or village of the finding and specify reasons for it. If the governing body requests  
22 reconsideration of the decision, the commissioner shall hold a hearing in the municipality or  
23 village within 30 days following mailing of the request. Following the hearing, the commissioner  
24 may affirm, modify, or reverse the initial decision and shall specify in writing the reasons. The  
25 decision of the commissioner may be reviewed by the superior court.

26 \* Sec. 5. AS 35.15.080(c) is amended to read:

27 (c) A municipality or village may request joint assumption of responsibilities with the  
28 department relating to the planning, design, and construction of a public works project. Two or  
29 more municipalities or villages may by agreement provide for cooperative assumption of  
30 responsibilities relating to the planning, design, and construction of a public works project. If  
31 two or more municipalities or villages request assumption of responsibilities for a project and

1 meet: the standard of capability [PRACTICABILITY] set out in (a) of this section, the  
2 commissioner shall determine which municipality or village is best able to direct planning,  
3 design, and construction of the project and enter into an agreement with that municipality or  
4 village or provide for joint or cooperative administration, as the parties may agree or the  
5 commissioner may determine. Decisions of the commissioner under this subsection are subject  
6 to review under (b) of this section [FINAL].

7 \* Sec. 6. AS 35.15.080(d) is amended to read:

8 (d) Provisions of this title governing planning, design, and construction of public works  
9 by the department, and regulations adopted under the provisions, govern the administration of  
10 projects assumed by a municipality, village, or regional educational attendance area under this  
11 section. For that purpose, the provisions supersede any conflicting provisions of ordinance or  
12 charter of a municipality.

13 \* Sec. 7. AS 35.15.090 is amended to read:

14 Sec. 35.15.090. USE OF APPROPRIATED FUNDS. Upon execution of an agreement  
15 under AS 35.15.080(a), state funds appropriated for a public works project that is the subject of  
16 the agreement shall be transferred to a special account in the state treasury. A municipality or  
17 village administering the project under the agreement may draw on the account for costs of the  
18 project, under fiscal control of the department. If an agreement provides for joint or cooperative  
19 administration of the project, payment of costs shall be made to the party incurring the costs.

20 \* Sec. 8. AS 35.15.100 is amended to read:

21 Sec. 35.15.100. RESPONSIBILITY OF DEPARTMENT. When a municipality, village,  
22 or regional educational attendance area has assumed responsibility for a public works project  
23 under AS 35.15.080 - 35.15.120, the department is relieved of responsibility to the extent it is  
24 assumed by the municipality, village, or regional educational attendance area. The department  
25 may provide technical assistance on the responsibility assumed if requested to do so by the  
26 municipality, village, or area and shall be reasonably compensated for that assistance from the  
27 account established under AS 35.15.090.

28 \* Sec. 9. AS 35.15.110 is amended to read:

29 Sec. 35.15.110. TITLE TO SITE AND COMPLETION OF PROJECT. (a) Before  
30 advertisement for bids or construction contract negotiations, the department shall approve both  
31 the project site and the land interest in the site, except that, if the project involves construction

1 of an educational facility, title or sufficient interest determined acceptable by the department to  
2 an approved site for a school building shall be vested in the municipality, village, the regional  
3 educational attendance area, or the state before advertisement for bids or initiation of construction  
4 contract negotiations.

5 (b) Responsibility for maintenance of the project shall be established in the original  
6 contract agreement. The department and the local commission, if one has been established  
7 under (c) of this section, shall participate in the final inspection of the project and approve of  
8 the final documents on the project.

9 \* Sec. 10. AS 35.15.110 is amended by adding a new subsection to read:

10 (c) A municipality or village that assumes sole or shared responsibility for a public works  
11 project of the state under this chapter may, by ordinance of the municipality or formal action of  
12 the village council, establish a local commission to conduct inspections of the project for  
13 compliance with the terms of the contract and with state and local law, approve the final  
14 documents, and make recommendations to the state under AS 08.18 concerning license renewals  
15 and license revocations of contractors who worked on the project. In making recommendations  
16 concerning license renewal or revocation, the local commission shall consider the quality and  
17 timeliness of the contractor's performance under the contract, the responsiveness of the contractor  
18 to matters of public concern in the municipality or village that affect or are affected by the  
19 performance of the contract, and the contractor's ability to assist in the informal, peaceful, fair  
20 resolution of disputes that relate to the public construction project or to the presence in the  
21 municipality or village of persons engaged in the project. The recommendations of the local  
22 commission must be based on substantial evidence.

23 \* Sec. 11. AS 35.15.120(2) is amended to read:

24 (2) "governing body" means, in the case of a

25 (A) municipality, its assembly or council;

26 (B) [, AND, IN THE CASE OF A] regional educational attendance area,  
27 its regional school board; and

28 (C) village, its village council or other appropriate entity.

29 \* Sec. 12. AS 35.15.120 is amended by adding a new paragraph to read:

30 (3) "village" means an incorporated or unincorporated contiguous rural community  
31 of at least 25 residents.

House Bill 526

House C&RA Committee  
Wednesday, April 1  
1:30 p.m.

COMMENTS

An Act relating to certain public construction contracts and to certain procurements

\*\*Subcommittee meeting was held March 27

\*\*Between the first full C&RA Committee meeting & the subcommittee meeting, my staff has been working with state agencies to address concerns they had with the bill that were technical in nature.

\*\*We feel these concerns have been satisfactorily addressed and are reflected in the proposed committee substitute you have before you

\*\*I received a letter from the AGC yesterday, and my staff met with their representative to discuss their concerns. Apparently they feel more comfortable in bringing their concerns before the full committee today.

\*\*I want to stress again, today, the intent of this bill

\*\*HB 526 will provide all local governments in both incorporated and unincorporated communities the opportunity to participate in the administration, monitoring and evaluation of state agency construction projects in their communities

\*\*Local governments will have a voice in evaluating the performance of the contractors on construction projects in their communities. The local residents are the ones who must "live" with the contractor while the project is being built. The local residents are the ones who will live with the project long after the construction has been completed

\*\*We are working to create a partnership between communities, state agencies and contractors, one that in the long run will benefit all concerned parties

\*\*It is assumed by those who oppose this bill that HB 526 will lead to a situation where every village will administer multi-million state agency contracts

HB 526 would allow local commissions to evaluate contractors based on their performance and based on the final product. There is a fear these evaluations would be frivolous and the Department of Commerce would be forced to act on them. The Department will not act on frivolous complaints and hearsay. They would have a legal obligation to look at evidence before revoking or suspending any contractor's certificate.

\*\*HB 526 was introduced because communities have had problems with contractors in the past. However, given the legal binding relationship that exists between the state agency and the contractor, but does not include the local community, they have had little say in how business is done within their community boundaries and no say as to whether an irreputable contractor gets to continue doing business in a neighboring village.

Any changes will bring about some degree of resistance.

The contractors feel this bill is aimed to cause them harm

We are looking at more local control for local governments on state agency projects conducted within local communities

We are looking at putting out of business those contractors who have left communities with shoddy workmanship, have not lived up to the terms of their contracts and have performed in an irresponsible manner under state and local laws.

I feel strongly that we work toward building a partnership between state agencies, local governments and contractors.

Those contractors who have conducted their business in a responsible manner have nothing to fear from this legislation

\*\*Local governments must be determined "capable" to administer any such project, and past track records on small construction projects they have administered on their own will be considered.

\*\*Since a local government will assume legal responsibility for the project if they opt to undertake administration and are found capable, this is not something that will be considered lightly by the department

\*\*It has also been assumed the local commissions will put contractors out of business on a mere whim

\*\*The intent of this bill is to involve local commissions in these projects from the beginning, including the planning, site location, contract stipulations, etc.

We feel early involvement in the process by those who will benefit from the project will address concerns before any project is completed and before any evaluation is done of the contractor

In order for the commissioner to consider non-renewal of a certificate to do business, the local commission must bring forth information constituting a "preponderance of evidence". You can rest assured the commissioner will not take a simple statement from the local commission with no back-up evidence and automatically not renew the certificate. This is an "alarmist" concern and one that is not warranted.

\*\*Concern has been expressed about the ability of local commissions to inspect the projects.

I would hope the Committee would not automatically assume the capability to inspect projects does not exist in our villages.

The committee should also note that not only would the local commission inspect the final project and sign off, but the department would also do that

\*\*Contractors will have problems with items the communities may want to include in the contract. However, if these stipulations make good business sense, protect the interests of the state and protect the common good of the people in the communities, how can we argue against this?

Safeguarding the interests of the state and the local residents to the greatest extent possible is good public policy

\*\*We agree the revocation or non-renewal of a license is a serious matter. We also agree poor quality work and irresponsible actions by contractors are serious.

H B

5 2 9

# REPRESENTATIVE DAVE DONLEY

ALASKA STATE LEGISLATURE  
DISTRICT ELEVEN  
STAT A

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## MEMORANDUM

TO: Members of the House Community and Regional Affairs Committee

FROM: Representative Dave Donley <sup>B</sup>

RE: HB 529, an act to disband the AEA and to transfer its functions to C&RA

DATE: March 12, 1992

Thank you for hearing HB 529, an act to disband the Alaska Energy Authority (AEA) and to transfer its functions to the Department of Community and Regional Affairs (C&RA).

I introduced HB 529 for one reason. The AEA is a run away train and a bureaucratic nightmare. For six years I have been a member of the Finance Subcommittee overseeing the AEA budget. And for six years I have never ceased to have been amazed at how this agency manipulates the budget process, often irrespective of legislative intent.

During my tenure on the Finance Subcommittee overseeing the AEA budget, I have witnessed the AEA:

- a. constantly shift its organization chart and create new positions through the CIP funds



- b. request additional positions from the OMB by purposely misrepresenting the intent of the legislature
- c. pay to its employees excessive salaries out of range with public sector employment and comparable state jobs
- d. place in the pipeline new power projects the state simply will not have the ability to finance, and
- e. violate state procurement procedures (The Ombudsman's Office currently has a complaint before it on this issue).

This form of budget manipulation and fiscal irresponsibility cannot be tolerated in the face of declining state revenues. Although the functions the AEA serves are very worthwhile, I seriously doubt that the authority is the most effective mechanism to carry out these policies. For this reason, I have sponsored this legislation to abolish the AEA and to set up a transitional organization, the Alaska Energy Transfer Authority (AETA), for the transfer of AEA programs to the Department of Community and Regional Affairs. The sectional overview of HB 529 details how this transition would occur.

HB 529 provides the AETA with one clear mandate that does result in a change in Alaskan energy policy. However, I believe this is a change that is necessary as state revenues continue to decline. Under HB 529, the state would no longer act as chief initiator of energy development projects. Alternatively, the purposes of the AETA would be to recommend to the legislature how to end state involvement in the construction, operation, and maintenance of power projects and to encourage private investment in the industry.

I believe this is the proper time for this new policy directive to occur. Frankly, the AEA has long been a capital project driven authority. It was created in the days on the oil boom to oversee the development the Susitna Hydroelectric Project. When that project was abandoned, after great costs to the state, it took on the Four Dam Pool project. (Electrical utilities still owe the state about \$100 million for this project.) Next came the Bradley Lake Project, and next the Healy Clean Coal Project. The AEA continues to be a capital project driven agency, ever attempting to increase the supply of energy by putting into the pipeline new energy projects the state simply cannot afford to build. At the same time, the authority has opposed a redirection of its mandate to reduce consumer demand for electricity

by promoting energy conservation. This position is in direct opposition to the energy policy recommendations developed by the Alaska Energy Task Force in 1988. The list of their recommendations is attached.

Although HB 529 is lengthy legislation, its mandate is simple. The State of Alaska needs to redirect its priorities. Increasing energy supply well beyond consumer demand should not be a top priority. Instead, the Legislature needs more fiscal control over the energy programs in place. Placing the functions of the AEA within the Department of Community and Regional Affairs will give us the fiscal control we desperately require.

I welcome the committee hearing this legislation today. Thank you.

DD/jmn

## BUDGET AND FUNCTIONS OF THE ALASKA ENERGY AUTHORITY

1. The Alaska Energy Authority is created by statute (AS 44.83.010) as a public corporation with bonding authority. Currently, it serves the following functions:

- 1) AEA administers the Power Cost Equalization Program.
- 2) AEA builds energy projects, most of them in rural Alaska.

The AEA also administers a remote maintenance worker program paid for out of CIP receipts. Under this program, remote maintenance workers headquartered in Anchorage travel to Bush communities to help them solve generator problems and improve the efficiency of the small community utilities. In the past years, AEA had been successful in securing substantial capital appropriations with general kinds of titles.

3) AEA helps operate the 4 Dam hydro projects, Bradley Lake, and the existing Anchoarge-Fairbanks intertie. AEA gets program receipts from the utilities to pay for the engineers and other technicians who help operate the projects. As of last year, the utilities still owe the state \$100 million for the 4 Dam Pool Project and bond covenants for the Bradley Lake project require some degree of oversight by the state.

4) AEA provides general administration of state energy development policy.

The administration positions are primarily paid for by funds from the power Development Revolving Loan Fund, which in reality are general fund monies, a tactic that AEA hoped would diffuse recent

criticism of high salaries to some of its executives. It also appears CIP funds pay a part of the costs of some of these positions.

5) AEA administers two loan programs: the Bulk Fuel Revolving Loan Fund and the Rural Electrification Loan Fund.

# Alaska State Legislature

Senate Advisory Council



P.O. Box V  
State Capitol  
Juneau, Alaska 99811  
Phone: (907) 485-3114

## MEMORANDUM

TO: Senator J. Faiks  
Alaska State Senate

FROM: Kurt S. Dzinich *KSD*  
Senior Advisor

DATE: March 18, 1988

SUBJECT: Alaska Energy Policy Task Force Report; IR# 88-003236

In response to your request, following is a summary of the task force's final report.

The most substantive portions of the report are contained in sections 3 and 5 dealing respectively with the Guiding Principles for Alaska's Energy Policy and Recommendations on Specific Actions and Strategies.

There are 15 guiding principles in the report. These are intended to form an energy policy framework for the State and to be used in the formulation and evaluation of future energy related decisions. The guiding principles stress:

1. Increased energy conservation
2. Increased education & technical information dissemination
3. Decreased reliance on subsidies
4. Increased role of the private sector to include utilities
5. Decreased role for the State in project construction
6. Increased coordination and consolidation
7. Increased emphasis on differing regional needs
8. Increased research and development of energy technologies

There are 21 recommendations that were adopted by the task force and which were intended to bring about desired changes in the various energy programs while trying to remain consistent with the guiding principles. Following are highlights of these recommendations:

1. Consolidate some of the loan programs & increase coordination between agencies
2. Give equal consideration to thermal energy needs, energy conservation and generation alternatives

Senator J. Faiks  
March 17, 1988  
Page 2

3. Nine of the 21 recommendations deal with some aspect of increasing conservation
4. Increase education & technical assistance
5. Encourage voluntary least-cost planning methodology
6. Leave PCE at current funding level but take steps to make it more efficient
7. Self-financing concept received a split endorsement
8. Railbelt Energy Fund to be used solely for energy projects in the Railbelt

The rest of the report dealt with the perceived barriers to policy on energy issues, summaries and discussions of the various existing energy programs and projects, and various appendices.

In addition to the task force report, the chairman of the task force, Dr. Neil Davis, took the somewhat unusual step and filed a separate report titled "Chairman's Report to the Governor on the Alaska Energy Policy Task Force". In the report the chairman offers his comments and opinions on the Alaska energy policies, the adopted guiding principles, and the adopted recommendations by the task force.

In response to the second part of your request about my own views on the subject matter, they are as follows.

To begin, I am somewhat dissatisfied at the results of the task force's work i.e. the report. The task force's work could have been more productive and their report more useful if their task had been better defined and the process more structured and better managed. By better defined I mean that the tasking should be clear and concise as to what is to be accomplished. For example, rather than specifying only that the PCE program should be reviewed, it would be better to specify that the objectives or goals of the PCE program be reviewed and restated as necessary to include a plan of action designed to achieve them. It is absolutely essential that the plan of action have an accompanying multi-year budget plan and expected funding source(s) indicated as well as showing the estimated benefits and costs of the program. The task force did attempt to come to grips with PCE but ran out of time.

The first requirement of any task force or working group should be a clear understanding of what is to be accomplished. The second and equally important requirement is that all members accept some common definitions of key words or phrases that are essential to accomplishment of the task. For example, over the years the meaning of such key terms as policy, program, goal, energy, long-term, least-cost planning, objective, and plan of action have been frequently redefined with the result that in the past substantial effort has been wasted with meaningless discussion. The only way out of such a morass is to start with clear and commonly accepted definitions.

Senator J. Faiks  
March 17, 1988  
Page 3

Since the start of my involvement with energy issues and planning in 1982, all attempts at producing the definitive and useful state energy plan and policies have floundered. While there are many reasons and excuses for those failures, from my perspective the most glaring and fundamental error has been the lack of integration between the State's comprehensive development goals and what should be the supporting energy plan and policies. An appropriate analogy would be the attempt to prepare a state budget without first knowing what is to be accomplished. For example, how does one budget for prisons without knowing the expected number of prisoners?

The irony of the situation is that at some point in the past the legislature had recognized the need for just such a comprehensive development plan and mandated that it be prepared by OMB [AS 44.19.145(a)(2) and (d)(2)]. To date no such plan exists.

The second major weakness has been the credibility of the entity or group preparing the plan. This issue of credibility can only be addressed thru a well thought out membership designation process which assures that those who are responsible are well represented for after all they are the ones who should be held accountable.

The third essential ingredient of any energy plan, or policies, or programs, is the requirement that the goals and/or objectives be defined in quantifiable and measurable terms so that it is possible to evaluate the effectiveness of the program or the policy in achieving its stated purposes. This is absolutely essential if the decisionmakers are to make reasonably well informed decisions and be in a position to evaluate the effectiveness of a program or policy.

I believe that the best way to proceed would be along the model of the Railbelt Energy Council. Specifically, the legislature should create an Alaska Energy Council or Task Force by statute and charge it to address the specific energy related issues. Great care should be taken in preparing the list of tasks to be accomplished and on designating the membership of the group. The enabling legislation should be time specific and specify the reporting requirement.

With respect to the membership of the group, I would recommend that it include representatives of the administration, the legislature, the industry, the consumers, the business, and the labor.

With respect to the tasks to be addressed by the group, some of the more obvious ones are:

1. To determine whether AS 44.83.224, which mandates the preparation of a long-term energy plan, is still a valid requirement and if yes, whether it needs to be modified or not. If it needs modifying, there should be specific recommendations.

2. To determine whether AS 44.19.145, which mandates preparation of a state comprehensive development plan, is a valid requirement and its relation to energy planning.

3. To determine whether least-cost planning methodology should be adopted and whether it should be voluntary or mandatory. If it is to be adopted, how best to implement it.

4. To determine who should have the responsibility for providing various energy related services such as oversight, planning, financing, construction and operation.

5. To determine what the reasonable goals and objectives of the State's energy policies and programs should be.

6. To determine whether state agencies dealing with energy issues need to be reorganized.

7. To determine the State's role in technology research and development.

8. Any others deemed necessary.

While there are some participants on the scene who allege that Alaska does not have an energy policy, I do not agree. It is probably much more accurate to say that the existing policies - both explicit and implicit - are not to the liking of everyone. I am afraid that coming up with an universally liked policy would be akin to finding the Holy Grail. It seems to me that Alaska's energy policy since the late 1970ies has been to invest some of its oil revenues into developing renewable and clean hydropower and into improving the quality of life in the rural areas by electrification. Further, it has been the policy to keep the energy costs as low as reasonably possible for all consumers and to have sufficient amounts available in order to enhance economic development and diversification. Basically there is nothing wrong with this policy - the problem lies in implementing programs and plans of action which do not have clearly defined goals or objectives and some of which appear to be working at cross purposes.

I remain optimistic that the Alaskans will continue to be well served by the existing energy systems and organizations. That is not to say that some goals could not be accomplished in more efficient or effective ways. In any endeavor worth doing there will always be room for improvement. As a sage noted the worst reason for continuing as is would be that in the past things were done that way. On the other hand, it is essential not to throw out the baby with the bath water!

KSD:jts





# ALASKA STATE LEGISLATURE

Representative Eileen Panigo MacLean  
Co-Chair House Finance Committee  
P.O. Box 830  
Barrow, Alaska 99723



WHILE IN JUNEAU  
Box V  
Juneau, Alaska 99811  
465-4525  
465-4833

## HOUSE OF REPRESENTATIVES

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Kotzebue  
Noatak  
Noovik  
Selawik  
Shungnak

### MEMORANDUM

DATE: 1/24/92

TO: Charlie Bussell, Executive Director  
Alaska Energy Authority

FROM: Representative Eileen P. MacLean, Co-Chair  
House Finance Committee

*Rep. Eileen P.  
MacLean*

SUBJECT: FY93 AEA Agency Operations

I would appreciate more specific information about the seven positions, six of which were created by a revised program, included in AEA's funding request for FY93. Please provide me with a job description for each position. This information will be useful during Finance subcommittee deliberations.

Thank you for your assistance.

cc: House Commerce Finance Subcommittee members



## Alaska Energy Authority

A Public Corporation

January 28, 1992

The Honorable Eileen P. MacLean  
Co-Chair House Finance Committee  
Alaska State House of Representatives  
P.O. Box V  
Juneau, Alaska 99811

Subject: Your Memorandum dated January 24, 1992

Dear Representative MacLean:

Per your request for use in Finance subcommittee deliberations, enclosed are copies of the following position descriptions:

Remote Systems Engineer II (previously I level)	PCN 080484
Remote Systems Engineer I	PCN 080495
Budget Analyst/Loans Administrator	PCN 080437
Engineering Assistant	PCN 080492
Development Specialist	PCN 080471
Administrative Clerk (previously Clerk III)	PCN 080434

These six positions were created by Revised Program in FY92, are currently filled and are on the Alaska Energy Authority staff at this time. To assist you further, I have attached copies of the Revised Programs which established these six positions. These Revised Programs should provide additional background information on the need for these positions.

The seventh position you requested information on, Mechanical Engineer, is a newly requested position for FY93. Once the position is approved, a complete position description will be developed prior to recruiting for the position. I'd like to take this opportunity to correct our C5 form regarding this position and its justification. The first paragraph of the description on the C5 form should read as follows:

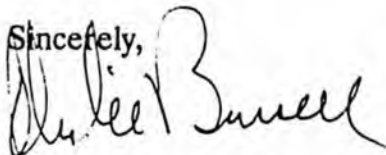
Establish and provide funding for a new Mechanical Engineer position (Range 23C). The Energy Authority currently does not have a senior level mechanical engineer position within its Facilities Operations and Engineering directorate, the directorate responsible for the Energy Authority's operating projects. As these operating projects begin to age, increased routine maintenance and repair/replacement activities will require the expertise of a senior level mechanical engineer.

- P.O. Box 110809 Juneau, Alaska 99811-0809 (907) 465-3575
- P.O. Box 190869 701 East Tudor Road Anchorage, Alaska 99519-0869 (907) 561-7877

The Honorable Eileen P. MacLean  
January 27, 1992  
Page 2

If I can be of further assistance, please call me at 561-7877.

Sincerely,

A handwritten signature in cursive script, appearing to read "Charlie Bussell".

Charlie Bussell  
Executive Director

KA:CB:jd

Enclosures as stated.

cc: Kristi Acuff, Alaska Energy Authority  
Bruce Holmes, Alaska Energy Authority  
Gloria Manni, Alaska Energy Authority  
Susan White, Alaska Energy Authority

JAN 17 1992

State of Alaska **Media Support Center** Juneau, Alaska 99811

PO Box A — Phone 465-3236 or 465-3237 — FAX 465-3238

NEWS RELEASE

Jan. 16, 1992

EGGBEATERS IN THE ARCTIC: ALASKA-CANADA AGREEMENT ON WIND ENERGY

The Alaska Energy Authority has signed an agreement with the Canadian Department of Energy, Mines and Resources to acquire a windmill now in use in Newfoundland, and install it in Cold Bay. The contract calls for the authority to pay \$40,000 in return for the windmill and consulting services. The windmill, actually called a wind turbine, is not the conventional kind with an airplane-type propeller mounted high in the air. This machine looks more like a huge eggbeater. \$40,000  
for windmill

"The turbine has two blades mounted on a vertical axis that bow out in the middle," said Gary Smith, manager of rural projects at the authority. "The eggbeater shape is effective in northern climates because it doesn't get the blade icing that forms on propeller machines, like on the wing of an airplane."

Smith said many factors, including harsh weather conditions, have kept Alaska from capitalizing on wind energy. He said simple things like oil viscosity, or thickness, become big problems when temperatures get as low as they do in the arctic regions of Alaska. But he said the main reason the state hasn't capitalized on wind has been inadequate management.

"During the oil embargo days, the Division of Energy and Power Development installed quite a few small wind servants in arctic regions, but most of them failed," said Smith. "The technology wasn't developed for the harsh climate, but more importantly, the machines weren't operated by a utility. So they weren't managed correctly, and that was especially seen in poor maintenance."

G & K Inc., the Cold Bay electric utility will actually be responsible for running and maintaining the seven-year-old, 50-kilowatt wind turbine in this pilot program, and will keep the energy.

"G & K is a very efficient utility, and they're always looking for innovative new ways to save energy and money," Smith said.

Smith said there's an obvious reason for making an agreement with Canada concerning wind energy.

"Canadians already have a number of high-latitude wind turbines operating, and they know the problems that occur in this climate," Smith said. "They will also help us examine other sites to gauge their potential for utility-class wind energy installations."

Those sites include Kotzebue, St. George, St. Paul and Yakutat. In return for their services, the Canadians will receive test data from the wind turbine and the potential for a new market for their windmills if Alaska utilities decide this technology is feasible.

Smith said installation of the Canadian machine in Cold Bay is scheduled for mid summer to early fall of this year.

###

Contact: Gary Smith, Alaska Energy Authority, 561-7877

# Energy board agrees to look into power beaming

By KEAY DAVIDSON  
San Francisco Examiner

The Alaska Energy Authority's board of directors voted unanimously Wednesday to launch a feasibility study of power beaming, pending an agreement by the Department of Energy to split the cost.

DOE officials couldn't be reached for comment, but they have privately expressed support for the project in the past. The total study cost could be up to \$50,000, said authority director Charlie Bussell.

Transmitting energy with-

out wires is a century-old dream, and officials in Alaska hope to "beam" thousands of watts of electricity to rural villages without erecting ugly, costly transmission lines.

Sending electricity through the air, sans wires, may sound wacky, but Alaska officials insist they're serious and say the project could become a mini-TVA for electrically underserved areas.

"I spend my time trying to bring the impossible into possibility," boasts the idea's champion, Glenn

Olds, head of the Alaska Department of Commerce and Economic Development.

Bussell said power beaming first would be tested over short distances to "show the environmentalists (the power beam is) not going to kill all the birds and to show the pilots it's not going to knock down all the planes."

Wireless power transmission would be especially welcome in Alaska, where it costs a fortune to erect transmission lines deep in the wilderness.

The possibility of transmitting electricity without wires was suggested almost

a century ago by Nikola Tesla, a pioneer of the modern electrical industry. Few scientists took Tesla's idea seriously because of his eccentric personal behavior and his tendency to make wild claims, such as inventing death rays and communicating with Martians.

In 1975, engineer Peter Glaser of Arthur D. Little Inc. in Cambridge, Mass., used the Jet Propulsion Laboratory's Goldstone radiotelescope facility in the Mojave Desert to transmit a microwave beam carrying 30 kilowatts of electricity for a mile.

If the energy authority's

study concludes power beaming is feasible, then the state would launch a prototype project at Dolina, a community of seven families 15 miles northeast of Homer. A transmitting dish would beam power from the Bradley Lake hydroelectric dam to another dish at Dolina, several miles away.

Next, engineers would try to beam electricity over an 18-mile distance, from a state-owned hydro power project to a Coast Guard station at Shoal Cove near Ketchikan.

And if that works, they would attempt to reflect microwave beams off a huge

aerial dish, an acre or more in size. The propeller-driven dish probably would circle a fixed point more than 100,000 feet up and be powered partly by the microwave beam itself.

Similarly, the Canadian government and several Canadian companies are investigating the possibility of launching a propeller-driven platform powered by a microwave beam from the ground. But the proposed aircraft, dubbed SHARP for "stationary high-altitude relay platform," would be used to relay cellular telephone calls, not to transmit energy.

## Police-hiring rule considered

The Associated Press

JUNEAU — Police departments could not hire officers who have been convicted of drunken driving two or more times within the past decade, under a proposal being considered by the Alaska Police Standards Council.

The council does not have a drunken-driving policy, executive director Jack Wray said in a recent news release.

Corrections Commissioner Lloyd Hames suggested making two drunken-driving offenses grounds for firing

and not hiring, Wray said.

The council also is considering a plan to add 80 hours, or two weeks, to the basic training programs of police, probation, parole and correctional officers.

The new 400-hour minimum, with new classes in ethics and human relations, would replace the current 230-hour requirement, the second lowest in the United States, Wray said.

The state, however, has operated at 320 hours as a matter of policy for six years, he said.

The increased hours would affect only the municipal officers' training. Alaska State Troopers and Anchorage officers already have more than 400 hours of training, he said.

## Police take \$6,000 in drug house raid

Anchorage police raided what they described as a Mountain View crack house early Thursday morning, seizing \$6,000 in cash and several stolen guns.

An 18-year-old man, whose name police would not release, was arrested during the raid. The teen had earlier escaped from McLaughlin Youth Center.

Police broke into the Irwin Street home around 2 a.m. In addition to the cash and guns, police also seized a stolen car.

**HELD OVER!**

Waiting January 30 & 31, 8PM

for Godot  
by Samuel Beckett

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	ADVANCED TOILE PAINTING	BEGINNING CROSS STITCH TATTING	WILTON COURSE I	MOP DOLL	VICTORIAN MOUSE	RAFFIA DOLL KIDS TOILE PAINTING
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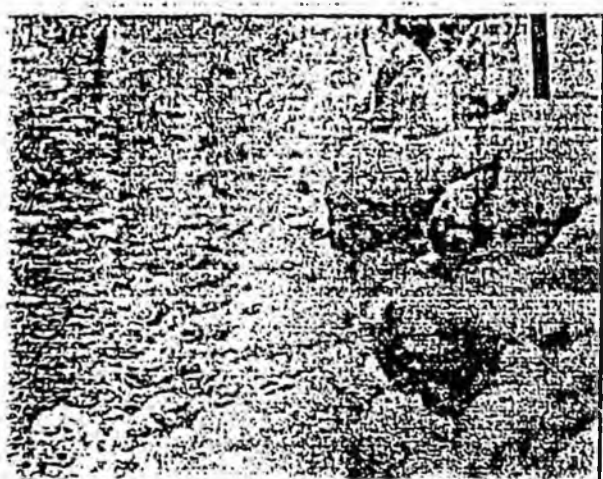
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**MUSIC**



PAUL SOUDERS / Anchorage Daily News

the Anchorage School District administration had a three-day, closed-door hearing. Each side were under strict orders from the arbitrator to Belinda Daniels said Thursday the union has lowered by a cost-of-living increase next year. from the arbitrator is March. Neither side is 2,400 members cannot legally vote to strike.

Baumgartner, to ignore him if he started masturbating. "I tried to ignore him the best I could," she said. "But it's hard to ignore someone who's on your couch doing that."

There were two other chil-

driver who took the diaper-clad man home and discovered he had been dropped off in front of a vacant building. She then called police.

Please see Page B-2, FANTASY

# Power line builder still without bonds

By RALPH THOMAS  
Daily News reporter

JUNEAU — Despite orders nearly two months ago from Attorney General Charlie Cole, a contractor building a \$1 million power line for the Alaska Energy Authority has still not obtained bonds required under state law.

Meanwhile, a state lawyer who has been trying to find out why the energy authority approved the contract without the bonds sent an investigation report to Cole on Friday. The administration would not release details.

The project — to rebuild a 10-mile power line in northwest Alaska — was awarded in September to a Nome company owned by Fred Moody, a longtime business associate of Energy Authority Executive Director Charlie Bussell. Moody formed his company after buying the Nome operations of Bussell's company, Alaska Bussell Electric.

Moody quickly sold the energy authority job to Copper Valley Construction of Glennallen.

But neither Moody's company nor Copper Valley Construction was required to purchase performance and payment bonds, despite a state law that says any construction job over \$100,000 must be backed by such bonds.

Performance bonds ensure jobs will be completed if the contractor walks off or cannot complete the work. Payment bonds protect the state from lawsuits if the contractor fails to pay workers, suppliers or subcontractors.



Cole

Please see Page B-3, BUILDER

# trail at home

after problems

ne poodles were attacks on oth- during the 1991 r Rendezvous mpionship, ac- e racing associa-

Suter's poodles being passed by s and tried to such behavior is unacceptable in ing.

wants aggres- Vagnon said Fri-



John Suter

Daily News file photo

age B-3, MUSER

# ted Overstreet's quarrel with district

O'Rourke explained himself Thursday, saying that he intended for "lawsuits" to be synonymous with "gripes" and that "you can use hyperbole any way you want."

crimination in its hiring practices. "That clearly made me look like a goddamned malcontent race-baiter who's an outpatient from API (Alaska Psychiatric Institute)," he

the complaints cite the district with an array of unfair personnel practices ranging from prejudice against local job applicants to nepotism.

\$260,000 grant to pay for Anchorage's new shelter for homeless families, according to an attorney for the legislature.

The AHFC money, at the request of Gov. Wally Hickel and a coalition of homeless advocates, was spent to re-

under state contract.

Theresa Bannister, a lawyer for the Legislative Affairs Agency, wrote in a Jan. 9 opinion that AHFC lacked the authority to "make a grant for the general purpose of converting the armory into a shelter for the

housing's executive director, said the housing agency's bond counsel and a deputy attorney general OK'd the deal before its board approved last November.

AHFC also recently made a \$35,000 one-time grant to pay for emergency homeless

spent. The homeless have been sheltered," said John Manly, deputy press secretary for the governor.

"If there is a legal question there I guess it should be sorted out before we have to help some more homeless people."

## BUILDER: Company defies attorney general's order

Continued from Page B-1

With Bussell's approval, the energy authority waived the bond requirement for the project and limited bidding to a select group of contractors.

In late November, after the Daily News published a story about the contract, Cole said he didn't know of any legal way Bussell's agency could have waived the bonds. He started an investigation and ordered the energy authority to force Copper Valley Construction to get the bonds in place.

The investigation has been completed and the power line job is almost finished, but Copper Valley Construction still has no bonds, according to Cole.

Cole said Thursday he wasn't sure why Copper Valley still had no bonds, but said he thought the company might have had trouble finding a bonding company to back them on the project.

"The current contractor may not have a regular course of bonding relationships," Cole said.

In an interview two weeks ago, Sy Neely, president of Copper Valley Construction, said he had ob-

tained bonds for other contracts, but refused to discuss whether he had them for this job.

"That's none of your business," he said. Since then, he's been on the jobsite in Kobuk and couldn't be reached for comment.

Gloria Manni, the energy authority's administrative chief, also said last week she had heard Copper Valley was having trouble getting the bonds.

Cole speculated that Copper Valley might have found it difficult to get bonds for a job that is nearly complete. But construction had been under way for less than two weeks when Cole first said the bonds had to be purchased.

At a prebid conference in September, four of the seven contractors invited to bid on the job urged the energy authority to require the bonds. Three of those contractors later said part of the reason they wanted the bond requirement was that they figured some of their competitors would not be able to obtain bonds.

Joe Holbert, Gov. Wally Hickel's deputy chief of staff, said Friday he was

surprised to learn that Copper Valley Construction still had no bonds.

"That flies in the face of what I was informed," Holbert said.

In November Holbert said he had been told by a Law Department official that Bussell's agency had committed a procurement violation but that "it was of a relatively trivial nature and was corrected."

Bussell did not return a call Wednesday from the Daily News and Patti Harper, the energy authority's spokeswoman, refused to discuss the Copper Valley contract.

The project is to rebuild a failed power line that carries power from Shungnak to Kobuk, a pair of small villages about 150 miles east of Kotzebue.

Fred Moody, who owns Pacific Northern Electric of Nome, was the only one to submit a bid before the Sept. 25 deadline. Energy authority officials say a second bid — from Copper Valley Construction — was received 15 minutes late and returned unopened.

But, a day later, Neely was in the energy authori-

ty's offices to discuss the project, according to records obtained by the Daily News. On Oct. 1, Neely and Moody signed an agreement to turn the job over to Copper Valley Construction.

Moody told the Daily News in November that he had sold the contract, but refused to say how much he got. But officials at the International Brotherhood of Electrical Workers union, which got into a dispute with Moody for selling the job to a non-union company, have said Moody told them he got \$100,000.

Cary Brooks, IBEW's business manager in Alaska, said the union and Moody reached a secret settlement last month. During those talks Moody confirmed he got \$100,000 for the contract, Brooks said.

The ties between Bussell — a former state legislator — and Moody can be traced back at least a decade. Before buying part of Alaska Bussell Electric in 1987, Moody was on the company's board of directors. In 1982, as a foreman for the company, Moody contributed at least \$200 to Bussell's state House campaign.

## Man attempts ro

An Anchorage man was arrested late Thursday, but employees, police said. The Avenue store about midnight with what appeared to be a sweater. According to court records, the man actually a hairbrush. The clerk over the cash when the store. Another man at the store as they held the robber until a 40-year-old William Mack, a first-degree robbery. He was taken to the Pre-Trial Facility, where hi

## Russian pat '93 pilgrims

The Associated Press

KODIAK — A Moscow-based Russian Orthodox patriarch is among dignitaries traveling to Alaska in 1993 to observe the bicentennial of Orthodoxy in Alaska.

Patriarch Aleksy II planned to visit Kodiak in the fall and then travel to other Alaska communities the Kodiak Daily Mirror said.

Alaska's ties to the Russian Orthodox faith date at least to 1778 when Capt. James Cook encountered a permanent settlement of Russians in the Norton Sound community of Unalakleet.

The Orthodox faith today is dominant among Aleut and is prominent among Yupik Eskimos.

In Kodiak, plans to welcome the patriarch already are under way.

The Rev. Joseph Kreta, Kodiak's St. Herman's Seminary, said the 63-year-old Aleksy would make a pilgrimage to Spruce Island where Monk's Lagoon is r

## Motorist dies after hitting back of bus



print

# Bond waiver illegal, says investigator

## Report outlines problems in \$1 million state contract

By RALPH THOMAS  
Daily News reporter

JUNEAU — Alaska Energy Authority officials last September waived bond requirements on a \$1 million contract despite warnings from a staff member that doing so would be against the law, according to a state attorney who investigated the contract.

The contract to build a 10-mile power line in northwest Alaska was originally awarded to Fred Moody, a former business associate of Charlie Bussell, the energy authority's executive director. Moody quickly sold the job to Copper Valley Construction of Glennallen.

In a 19-page investigation report released Tuesday, Assistant Attorney General Susan Cox cited several problems with how the contract was handled, but she said the most obvious was the missing bonds.

Bussell, a former state legislator, approved the plan to drop the bond requirement, according to energy authority officials.

State law requires performance and payment bonds for state construction contracts that exceed \$100,000. Performance bonds ensure



Daily News file photo

Charlie Bussell



Daily News file photo

Please see Back Page, **CONTRACT** Charlie Cole

# High court to hear abortion law case

By BOB DART  
Cox News Service

WASHINGTON — The Supreme Court agreed Tuesday to consider a Pennsylvania law restricting abortions —

fore obtaining an abortion, for a 24-hour waiting period for abortions, and that doctors inform women seeking abortions about alternatives.

Although the court could

## MOOSE



case

# CONTRACT: Bonds waived despite word

Continued from Page A-1.

jobs will be completed if the contractor walks off or cannot finish the work. Payment bonds protect the state from lawsuits if the contractor fails to pay workers, suppliers or subcontractors.

The investigation report briefly mentions that the agency's contracting staff "raised concerns" about the plan to drop the bond requirement.

But in an interview Tuesday, Cox put it a little more strongly. She said Dominic Castanzo, the energy authority's former contracts officer, knew the bond waiver was illegal and tried to warn others within the agency.

Cox would not say whether Bussell had been told of Castanzo's concerns, though she said Bussell denied knowing his decision to waive the bonds was illegal.

"I'm not going to tell you what they said to me," said Cox, who also said she did not record her interviews during the investigation.

Castanzo, who retired in October, refused to comment Tuesday.

Attorney General Charlie Cole, who ordered Cox to do the investigation in November, said it will be up to the energy authority's board of directors to decide whether or not Bussell knew his agency was acting illegally.

"We did not draw any final conclusions on that issue," Cole said. "The testimony on that subject was conflicting... They (the board members) may want to look into that further."

The energy authority board, which has not met since the investigation began, is scheduled to meet next Wednesday in Anchorage.

Cox did not give a conclusive reason why the energy authority dropped the bond requirement for this job. But her report said it "appears that AEA intended to open up bidding to firms that might not otherwise be able to obtain the customary bonding."

In a footnote, Cox said Moody claimed he would have been able to get bonds, even though he had never done so in the past.

Instead of requiring the bonds, the energy authority said contractors could either post bonds or agree to let the agency withhold part of the contract payment until after the job was complete.

Despite orders from Cole last November to get the bonds in place, however, Copper Valley Construction still has not done so.

The project is almost complete now and Cole said Tuesday the state was not in a good position to require the bonds after the fact since Copper Valley Construction could sue for breach of con-

tract.

In a Jan. 9 memo to Cole, a state lawyer who works with the energy authority said the agency would keep a close eye on the project to make sure it is being completed and would check paperwork to make sure Copper Valley paid its laborers and suppliers.

Moody submitted the lone timely bid to rebuild the collapsed power line between Shungnak and Kobuk, about 150 miles east of Kotzebue. A second bid, from Copper Valley Construction, was received 15 minutes late and rejected, energy authority officials say.

Though Moody's bid lacked several required items, he got the contract. Before the contract was final, however, he agreed to sell the job to Copper Valley.

Moody has refused to comment on the contract or the sale, but officials with the International Brotherhood of Electrical Workers union have said Moody told them he got \$100,000 from Copper Valley. Moody, a union contractor, got into a dispute with the union for turning the job over to a non-union contractor.

Cox's report says the fact that Moody sold the job gives "cause to speculate whether the contract price was unreasonably high."

Her report also reviews the required items that were not included in Moody's bid. She said the most significant omission was Moody's failure to include a sworn statement that he hadn't conspired with other bidders to rig the award.

"I don't know if this bid should have been rejected or not," Cox said. "This one's a close call."

Moody has had close business ties with Bussell for much of the past decade. In fact, Moody formed his company — Pacific Northern Electric of Nome — after buying a portion of Bussell's company, Alaska Bussell Electric. Moody had been a foreman and eventually a board member in Bussell's company.

Despite the long ties between Bussell and Moody, Cox's report said the two "deny having any ongoing debtor-creditor or other financial relationship."

Cox said she saw a receipt for Moody's final payment to Bussell for his purchase of the Nome operations of Bussell Electric. The payment was made in January 1991, Cox said, at least three months before Bussell was picked by Gov. Wally Hickel to run the energy authority.

But Cox said she did not get a copy of the receipt from Moody.

Bussell did not return a telephone call Tuesday and Moody could not be reached.



mption that Roe will be overturned. Justices — John — and Harry — will vote to 973 decision that a fundamental abortion, Kolbert

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## ssage

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# Besieged energy director shuns oversight

By BEN WEAR

TIMES WRITER

The Alaska Energy Authority would become a self-supporting, state-owned corporation with expanded powers and little legislative oversight under a proposal being circulated by Charlie Bussell, the embattled executive director of the state utility agency.

The changes would require legislative approval and the governor's signature. Bussell has prepared a draft bill and hopes to have it introduced by the end of the month, a utility

official said Wednesday.

Legislative leaders, told of the concept, scoffed at its chances of surviving the statehouse. One lawmaker even plans to introduce legislation to eliminate the agency.

"We're not all that interested in giving (the AEA) less oversight at this particular time," said Senate president Dick Eliason, R-Sitka. Bussell "will have a difficult time getting his fingers" on a \$115 million pot of state money to provide an endowment for the corporation, Eliason said.

"A lot of legislators have their eye on that money," he said. "I don't think they're going to be receptive to turning it over."

Bussell was in Dutch Harbor on Wednesday and could not be reached. Bussell aide Terri Ganthner said the director told her not to release the inch-thick draft proposal, dated Jan. 6, because it would not be "rock-solid" for another month. The Times obtained a copy elsewhere.

Grant Doyle, chairman of the AEA board of  
See Energy, back page

## Energy

Continued from page A1

directors and a Bussell supporter, could not be reached.

Bussell distributed the proposal to the seven-member governing board before its Jan. 29 meeting. Board members, in a brief discussion at the public meeting, seemed interested in the idea but asked for an informal meeting later to learn more. Bussell has not scheduled the work session, a board member said Wednesday.

Bussell also showed an earlier draft to private utility companies, according to Dave Hutchens, executive director of the Alaska Rural Electric Cooperative Association. Bussell dropped a section imposing a surcharge on electricity after utility companies balked, according to Ken Ritchey, general manager of the Matanuska Electric Association.

The AEA, originally called the Alaska Power Authority, was created in 1976 to oversee the building of large power facilities. The agency, funded by yearly appropriations from the Legislature, has almost \$800 million worth of



Charlie Bussell

power-generating dams and other installations under its control, according to Bussell's draft.

The report says relying on the political vagaries of the Legislature is inefficient and does not allow proper long-range planning for the state's power needs. With state revenue facing decline as Prudhoe Bay oil production drops, money for massive utility projects "will become even more scarce," the report said.

Bussell would make the agency self-supporting by giving it the Railbelt and Intertie Reserve fund, set aside years ago for Southcentral Alaska power projects, and several smaller funds. He also would be able to use the nearly \$10 million that AEA's power facilities generate each year, money the Legislature can spend as it wishes.

Under the draft plan, the corporation would use interest earnings from the endowment and electricity revenue to run the agency, continue utility bill subsidies to Bush residents and guarantee loans for power projects statewide. Private utilities would be eligible for the loans.

Bussell has been dogged since November by charges he steered a \$1 million power line bid last fall to an old friend and business associate.

The AEA board last week, after discussing the matter for nearly three hours behind closed doors, approved a statement saying the agency broke state law by not requiring the successful bidder to purchase bonds to ensure the project would be completed and the bills paid.

The board recommended no

punishment for Bussell. Several said later they regarded what happened as an honest mistake.

However, Attorney General Charles Cole's office is still considering a criminal investigation. And state ombudsman Duncan Fowler has said he might conduct his own inquiry, depending on what the attorney general does.

In light of that situation, a longtime AEA antagonist said Bussell picked a poor time to ask for more leeway.

"If there ever were an agency that needed direct legislative oversight, it's the AEA," said Rep. Dave Donley, D-Anchorage.

Donley, chairman of the House Judiciary Committee, laughed for several seconds when first told of Bussell's concept.

"I think it stinks," Donley said finally. "They have a history of budgetary abuse."

Donley said he will introduce a bill soon to abolish the AEA, which he called "a bureaucratic monstrosity."

He predicted that if Bussell supporters introduce legislation to create an independent energy authority, the bill would be "DOA."

magazine makes clear, alcohol abuse is multicultural. The telltale features of FAS show up in children's faces from around the world: a red-haired Irish toddler, French twins, a little blond Swede, a black child from Chicago and a white one from Seattle.

Fetal alcohol syndrome is entirely preventable. If recognizing the problem plants the resolve to stop it, then tonight's movie and this month's National Geographic are two places to start.

## Charlie Bussell

### Cleared behind closed doors

The Alaska Energy Authority board has cleared executive director Charlie Bussell of knowingly breaking the law. While the board found that the energy authority violated the law last fall when it awarded a \$1 million contract without requiring performance and payment bonds, board members did not believe the violation was intentional.

Is the board right? Did Mr. Bussell deserve nothing stronger than an admonition to reform procurement procedures?

Alaskans have no way of knowing.

The board met in executive session for three hours and issued its findings after the meeting adjourned. The public knows nothing of the board's process, the evidence it examined or the questions it asked. The public hasn't heard Charlie Bussell's explanations.

All we have is the board's word for it: Charlie Bussell is OK.

This explanation is not good enough — and people have a right to demand a better explanation through a public process in which all the evidence is on the table.

Public officials routinely say they're appalled at the widespread lack of confidence in government. Well, given the board's behavior here, it's no surprise Alaskans lack confidence in their leaders. What are the board's standards of public conduct? What are its performance expectations? Why wasn't Charlie Bussell held accountable for the violations that occurred on his watch?

We can only guess, only infer, what the board members thought because they didn't let us see their discussions.

The public's business should be done in public. This case was no exception.

### QUOTABLE

"I have no apologies for this report. It shows I'm doing my job."

— Sen. Fred Zharoff of Kodiak on being named the state's most expensive legislator for the second year in a row.

"The only thing that's worth a million dollars is the right of people to know what their government does."

— former Cordova City Councilwoman Connie Taylor

and the American industrial leaders, including Lee Iacocca and the honchos of General Motors, who took millions of dollars a year for screwing up or selling out the rest of us.

Most Americans don't whine as much as President Bush and Chairman Iacocca. Americans are people with the guts to move on and the determination to work hard for what they want. Their anger comes out when they realize finally that they have been cheated by conse-

## California

SAN FRANCISCO — was inevitable. California's vehement champion of the environmental movement and headquarters for many environmental activists, has a Green Party.

The California Greens convened their first party conference in Sacramento Jan. 24. The party's right to a place on the ballot was won after it gathered 96,000 signatures on a petition.

It joins Alaska, which is already has a Green Party. Hawaii and Arizona may soon have theirs.

The Greens are after the apathy vote. "We find it appalling that over 60 percent of these eligible to vote in California don't vote," said Joe Louis Hoffman, organizer of the party. Regina Endrizzi, a "co-facilitator" of the determined leaderless Greens, said a large proportion of those registering for the party think their interests go unrepresented in conventional politics.

## DOONESBURY

CANDIDATE DUKE IS STEAMED

YOU SEE HOW THEY TWISTED MY WORDS ABOUT THE KLAN? I TOLD YOU THAT INTERVIEW WAS A BAD IDEA!



Daily News 2/3/92

### Self-serving mediocrities

In reference to the Charlie Bussell-Fred Moody "business arrangement" described in your newspaper Jan. 30, I find it puzzling and distressing that the Alaska public finds little cause for revulsion over the sleazy, improper or possibly criminal acts of public servants.

Mr. Bussell, a perennial Republican apparatchik, has been around Alaska politics more than long enough to have heard such expressions as "conflict of interest," "unethical conduct," or "improper use of one's office." Nonetheless, his claims to the effect that any improper conduct on his part was purely unintentional — a claim apparently accepted at face value by a state board of review — boggles the mind.

Putting the best possible face on Mr. Bussell's claims renders him completely irresponsible, as well as a world-class incompetent.

How long must Alaskans put up with government by self-serving mediocrities such as the principles in this sordid yet typical episode? And what about public accountability to curb corruption in future?

— Kevin M. Keating

### Bussell case seems clear

Recently retired Alaska Energy Authority contract officer Dominic Castanzo is in good company. Six years ago other state contract officers also refused to allow their superiors to undermine their integrity in upholding the state's procurement law. In that case Gov. Bill Sheffield faced impeachment proceedings for his part in the setting aside of the competitive bidding process through gerrymandering the location to single out only one property for consideration.

The case against Alaska Energy Authority executive Charlie Bussell appears more obvious. What seems less obvious is the conflict of interest that is represented by the state Assistant Attorney General Susan Cox's active participation in the closed meeting with Bussell and his Alaska Energy Authority board members. That Attorney General Charlie Cole is reported to have drawn no conclusions furthers this perception.

The state attorney general's office, whose job it is to defend state agencies charged with wrongdoing, could not be expected to make a finding against state agency conduct which could be used by legitimately disgruntled and disenfranchised contractors. While Mr. Bussell's reputed long-term friend may consider his actions innocent arbitrage in securing a million-dollar state contract and then selling it for profit, this does not answer AEA executive Bussell's active role in the procurement process.

At the very least, the state attorney general's office has not properly investigated because a finding could be used in support of a lawsuit against the state for liability under the state procurement law.

— Bob Stafford

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□ MORE LETTERS, Page B-10.

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# MEMORANDUM

State of Alaska  
Department of Law

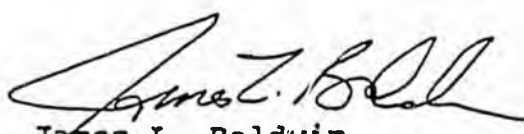
TO: Paul Fuhs  
Legislative Liaison  
Office of the Governor

DATE: March 9, 1992

FILE NO:

TEL. NO: 465-3600

SUBJECT: Energy Authority Financing  
bill- sectional analysis

FROM:   
James L. Baldwin  
Assistant Attorney General  
Governmental Affairs - Juneau

At the request of Charlie Bussell, executive director of the Alaska Energy Authority (AEA), I prepared a draft bill that would make changes in the ability of the authority to accumulate and hold money to finance power projects. The draft was quickly assembled and needs refinement. However, it serves as a basis for discussing the issues involved. Set out below is a section-by-section analysis of the draft bill:

Section 1. This section adds new provisions to AS 44.83 (enabling act for the AEA) that

(1) creates a revolving fund in the AEA that would give the authority the ability to transfer amounts between existing funds and accounts. The provisions of this section are modeled after a similar section in the enabling statute of AIDEA. This kind of power is useful for accumulating assets in a single account to enhance the credit of a bond offering.

(2) make it clear that

(a) the AEA is a public corporation of the state, therefore, exempt from the prohibition against assistance to private corporations set out in AS 37.10.085;

(b) is not a municipal corporation; and

(c) except for its operating budget, is exempt from the state fiscal procedures act.

(3) affirms that AEA money is not state money; and exempts the AEA from regulation as a bank or insurance company.

(4) makes only the operating budget of the AEA subject to the Executive Budget Act - this means that the capital program of AEA would be totally "off budget" similar to the majority of the financial activity of AIDEA and AHFC.

(5) Exempts AEA from most of AS 37 (fiscal procedures Act) and the all statutes regulating the use and disposal of state land.

Section 2. Changes the title of the executive director to president. This is consistent with the name change of the Alaska Energy Authority to the Alaska Energy Corporation.

Section 3. Deletes the requirement that the AEA obtain the concurrence of the state legislature before it contracts with a foreign country to finance a power project.

Section 4. Makes the same amendment as section 3 for the purchase of power from a project located in a foreign country.

Section 5. Deletes the requirement that appropriations be insufficient before the authority may determine to issue bonds to finance a power project.

Section 6. Expands the power development fund by deleting the provision that requires the fund to be kept separate from other funds. Allows the board of directors to direct money to the fund by resolution.

Section 7. Allows repayments of principal and interest on loans made from the power project fund to be retained in the fund. Under existing law these assets and receipts are paid into the state general fund. It would be advisable to appropriate the underlying loans to the AEA to avoid the dedicated fund prohibition.

Section 8. Substitutes the AEA for the legislature as the entity with the authority to forgive loans made for an infeasible power project.

Section 9. Permits the AEA to use amounts in the power project fund to pay the cost of administration. Because the operating budget of the AEA would be subject to the executive budget Act, this amendment would not relieve the AEA from obtaining an appropriation from the legislature.

Section 10. Allows the rural electrification revolving loan fund to retain repayments of interest.

Section 11. Deletes the requirement that interest earned on rural electrification loans be paid into the state general fund.

Section 12. Permits the AEA to use amounts in the rural electrification revolving loan fund to pay the cost of administration. Because the operating budget of the AEA would be subject to the Executive Budget Act, this amendment would not relieve the AEA from obtaining an appropriation from the legislature.

Section 13. Expands the electrical service extension fund by deleting the provision requiring the fund to be kept separate from other funds. Allows the board of directors to direct money to the fund by resolution.

Section 14. Deletes reference to the source of funding of the power development fund as being legislative appropriations.

Section 15. Changes the name of the power development fund to the energy development fund.

Section 16. Makes the AEA responsible for the investment of the power development fund. Deletes provisions that make the Department of Revenue responsible for the custody and investment of power development fund assets.

Section 17. Allows the AEA to include a reasonable rate of return in the wholesale cost of power charged for AEA power projects. This would serve as a revenue source to fund other AEA activities.

Section 18. Allows the AEA to include a reasonable rate of return in the separate power rate charged for AEA intertie projects. This would serve as a revenue source to fund other AEA activities.

Section 19. Expands the purpose for which the power development revolving loan fund may be used by deleting reference to certain statutes describing limited activities.

Section 20. Permits the AEA to use amounts in the bulk fuel revolving loan fund to pay the cost of administration. Because the operating budget of the AEA would be subject to the Executive Budget Act, this amendment would not relieve the AEA from obtaining an appropriation from the legislature.

Section 21. Allows the AEA to deposit fees and collection charges earned under the bulk fuel loan program to be deposited and retained in the bulk fuel revolving loan fund rather than be paid into the state general fund.

Section 22. The following statutes would be repealed:

(1) 44.83.080(16)(G): allowing the AEA to recommend appropriations to finance projects financed under the Energy Program for Alaska;

(2) 44.83.361(h) requiring the lapse of unexpended and unobligated balance of the rural electrification revolving loan fund on June 30 of each year;

(3) 44.83.388 requiring the AEA to maintain records of allotments from the power project fund for each project financed by the fund; Requires earnings on investment of the fund to be paid into the state general fund;

✓(4) 44.83.390 allows the legislature to reappropriate amounts in the power project fund for another power project serving the same market area as the original project;

(5) 44.83.392 requires the lapse of excess appropriations made for a project after the project is constructed;

(6) 44.83.398(c) requires AEA to send receipts, earned from the four dam pool (other than pledged amounts) to the general fund; and

(7) 44.83.950(a) making the AEA subject to the Executive Budget Act.

In addition to the foregoing bill, it would be necessary to enact a bill appropriating the balance of the railbelt energy (intertie) fund and other assets of the AEA's funds to the AEA.

WLB:ck

\* Section 1. AS 44.83 is amended by adding a new sections to read:

Sec. 44.83. \_\_\_\_ . ALASKA ENERGY CORPORATION REVOLVING FUND. The Alaska Energy Corporation revolving fund is established in the corporation. The revolving fund consists of appropriations made to the revolving fund by the legislature, money or other assets transferred to the revolving fund by the corporation, and unrestricted payments on loans made or purchased by the corporation. The board of directors may establish operations and self insurance reserve accounts within the revolving fund. Unless otherwise expressly stated, the funds created in this chapter are accounts in the revolving fund. The corporation may create additional funds or accounts either within the revolving fund or outside the fund. Subject to agreements made with the holders of the corporation's bonds or with other persons, the corporation may transfer amounts in a fund or account in the fund to another fund or account in the revolving fund. Amounts deposited in the fund may be pledged to the payment of bonds of the authority or expended for the purposes of the authority under this chapter.

Sec. 44.83. \_\_\_\_ . OPERATION OF CERTAIN STATUTES EXCEPTED.

(a) The authority may not be considered or constitute (1) a political subdivision of the state as the term is used in AS 37.10.085, (2) a municipal corporation or political subdivision of the state as the terms are used in AS 29, or (3) except as provided in AS 44.88.000 (Executive Budget Act

coverage), a state agency as the term is used in AS 37, but for all other purposes the authority constitutes a political subdivision and an instrumentality of the state as provided in this chapter.

(b) The fund, income or receipts of the authority may not be considered or constitute money of the state, or may real property in which the authority has an interest be considered land owned in fee by the state or to which the state may become entitled or in any way land belonging to the state, or state land referred to in article VIII of the Alaska Constitution.

(c) A loan purchased or financed by the authority in whole or in part is exempt from the provisions of AS 45.45.010. A guarantee or insurance provided under this chapter does not constitute insurance for the purposes of AS 21.03.010.

Sec. 44.83.\_\_\_\_. COMPLIANCE WITH EXECUTIVE BUDGET ACT; AUTHORITY FINANCES. The operating budget of the authority is subject to AS 37.07 (Executive Budget Act).

Sec. 44.83.\_\_\_\_. APPLICATION OF EXISTING LAWS. Unless specifically provided otherwise in this chapter, the following laws do not apply to the operations of the corporation:

- (1) AS 37.05;
- (2) AS 37.07;
- (3) AS 37.10.010 -- 37.10.060;
- (4) AS 37.10.085;
- (5) AS 37.20

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(6) AS 37.25;

(7) AS 38;

\* Sec. 2. AS 44.83.045(c) is amended to read:

(c) The authority shall employ a president [AN EXECUTIVE DIRECTOR] who may, with the approval of the authority, employ additional staff as necessary. In addition to its staff of regular employees, the authority may contract for and engage the services of legal and bond counsel, consultants, experts, and financial and technical advisors the authority considers necessary for the purpose of conducting studies, investigations, hearings, or other proceedings. The board of directors shall establish the compensation of the president [EXECUTIVE DIRECTOR]. The president [EXECUTIVE DIRECTOR] of the authority is subject to the provisions of AS 39.25.

\* Sec. 3. AS 44.83.080(10) is amended to read:

(10) to enter into contracts with the United States or any person and, subject to the laws of the United States [AND SUBJECT TO CONCURRENCE OF THE LEGISLATURE], with a foreign country or its agencies, for the financing, construction, acquisition, operation and maintenance of all or any part of a power project, either inside or outside the state, and for the sale or transmission of power from a project or any right to the capacity of it or for the security of any bonds of the authority issued or to be issued for the project;

\* Sec. 4. AS 44.83.080(11) is amended to read:

(11) to enter into contracts with any person and with the United States, and, subject to the laws of the United States [AND SUBJECT TO THE CONCURRENCE OF THE LEGISLATURE], with a foreign country or its agencies for the purchase, sale, exchange, transmission, or use of power from a project, or any right to the capacity of it;

\* Sec. 7. AS 44.83.105 is amended to read:

Sec. 44.83.105. BONDS FOR POWER PROJECTS UNDER THE ENERGY PROGRAM FOR ALASKA. The authority may borrow money and issue its bonds for the acquisition or construction of power projects to be acquired or constructed under the energy program for Alaska. The principal of and interest on the bonds are payable from money derived from the sale of wholesale power from power projects financed under AS 44.83.380 -- 44.83.425 from the power development fund or from a source referred to in AS 44.83.100 as the authority determines. The bonds may be issued if

[(1) APPROPRIATIONS TO THE POWER DEVELOPMENT FUND FOR THE POWER PROJECT ARE INSUFFICIENT TO COVER THE COST OF ACQUIRING OR CONSTRUCTING THE POWER PROJECT; AND

(2)] the authority determines that the amount of interest the authority will pay on its bonds is not more than alternative costs of securing money from other sources, except from [FOR] the general fund, to pay for the acquisition or construction of the power project.

\* Sec. 8. AS 44.83.170(a) is amended to read:

(a) There is established [AS A SEPARATE FUND] the power project fund [THAT SHALL BE DISTINCT FROM ANY OTHER MONEY OR FUNDS OF THE AUTHORITY, AND] that includes [ONLY] money appropriated by the legislature and other money deposited in the fund or provided in a resolution adopted by the board of directors.

\* Sec. 7. AS 44.83.170(g) is amended to read:

(g) Loan repayments and interest earned by loans from the power project fund shall be deposited in the power project [STATE GENERAL] fund.

\* Sec. 8. AS 44.83.170(h) is amended to read:

(h) The corporation [LEGISLATURE] may forgive the repayment of a loan made from the power project fund for a reconnaissance study or a feasibility study when the board of directors [AUTHORITY] finds that the power project for which the loan was made is not feasible.

\* Sec. 9. AS 44.83.170(i) is amended to read:

(i) Money in the power project fund may be used [BY THE LEGISLATURE TO MAKE APPROPRIATIONS] for costs of administering the fund.

\* Sec. 10. AS 44.83.361(a) is amended to read:

(a) The rural electrification revolving loan fund is established in the Alaska Energy Authority. The fund consists of

- (1) appropriations made to the fund; and
- (2) principal and interest payments on loans made under this section.

- \* Sec. 11. AS 44.83.361(c) is amended to read:

(c) A loan from the rural electrification revolving loan fund shall bear an annual rate of interest of two percent of the unpaid balance of the loan. [ INTEREST RECEIVED ON A LOAN MADE UNDER THIS SECTION MUST BE TRANSFERRED MONTHLY TO THE COMMISSIONER OF REVENUE FOR DEPOSIT IN THE GENERAL FUND.]

- \* Sec. 12. AS 44.83.361(g) is amended to read:

(g) Money in the rural electrification revolving loan fund may be used [BY THE LEGISLATURE TO MAKE APPROPRIATIONS] for costs of administering the fund.

- \* Sec. 13. AS 44.83.370(a) is amended to read:

(a) The electrical service extension fund is established [AS A SEPARATE FUND] in the authority. The fund consists [ONLY] of money appropriated to it by the legislature and amounts deposited in the fund by a resolution adopted by the board of directors.

- \* Sec. 14. AS 44.83.380(b) is amended to read:

(b) The energy program for Alaska is a program by which the authority may acquire or construct power projects with money in the Energy Development Fund [APPROPRIATED BY THE LEGISLATURE TO THE POWER DEVELOPMENT FUND] established in AS 44.83.382. A power project may be acquired or constructed as part of the energy program for Alaska only if the project is submitted to and approved by the legislature in accordance with procedures set out in AS 44.83.177 -- 44.83.187.

- \* Sec. 15. AS 44.83.382 is amended to read:

Sec. 44.83.382. ENERGY [POWER] DEVELOPMENT FUND ESTABLISHED. (a) An energy [A POWER] development fund is established in the Alaska Energy Authority to carry out the purposes of AS 44.83.380 -- 44.83.425.

(b) The fund includes money appropriated to it by the legislature and amounts deposited in the fund by resolution adopted by the board of directors.

\* Sec. 16. AS 44.83.386 is amended to read:

Sec. 44.83.386. INVESTMENT OF FUND. The corporation [DEPARTMENT OF REVENUE] shall invest the money in the fund in accordance with AS 37.10.070, 37.10.071, and 37.10.075. [THE DEPARTMENT OF REVENUE SHALL PROVIDE MONEY IN THE FUND TO THE AUTHORITY ONLY AFTER COSTS HAVE BEEN INCURRED OR AMOUNTS IN THE FUND HAVE BEEN OTHERWISE OBLIGATED UNDER CONTRACTS FOR THE ACQUISITION AND CONSTRUCTION OF A PROJECT. AMOUNTS THAT HAVE BEEN OBLIGATED, BUT FOR WHICH COSTS HAVE NOT YET BEEN INCURRED, MAY BE SEGREGATED BY THE DEPARTMENT OF REVENUE OR TRANSFERRED TO THE AUTHORITY ONLY WITH THE PRIOR APPROVAL OR AGREEMENT OF THE COMMISSIONER OF REVENUE. INCOME RECEIVED ON MONEY THAT IS SEGREGATED OR TRANSFERRED UNDER THIS SECTION MUST BE DEPOSITED IN THE GENERAL FUND.]

\* Sec. 17. AS 44.83.398(b) is amended to read:

(b) The authority shall establish a wholesale power rate structure applicable to sales of power to the customers of a power project as follows:

(1) the authority shall establish and maintain a separate wholesale power rate applicable to each power project

individual operation, maintenance, equipment replacement, safety inspection, and investigation costs.

\* Sec. 18. AS 44.83.398(f) is amended to read:

(f) The provisions of (b) in this section do not apply to an intertie that is authorized as a separate project under AS 44.83.390. The authority shall establish and maintain separate power rate schedules applicable to each intertie that it has acquired or constructed as a separate power project under the energy program for Alaska. The power rate schedules shall produce sufficient revenue from utilities connected by the intertie to pay (1) operation, maintenance, and equipment replacement costs of the intertie; (2) debt service of the intertie; [AND] (3) safety inspections and investigations of the intertie by the authority; ~~and (4) a reasonable rate of return.~~ If the authority determines that an intertie has ceased to function as a separate project and has become a part of one or more other power projects as a transmission line, the power rate schedules established under this subsection shall be terminated and a wholesale power rate applicable to the former intertie shall be calculated under (b) of this section for the project or projects of which it has become a part.

\* Sec. 19. AS 44.83.500(a) is amended to read:

Sec. 44.83.500. CREATION OF FUND. (a) There is established in the Alaska Energy Authority the power development revolving loan fund[ TO CARRY OUT THE PURPOSE OF

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AS 44.83.500 -- 44.83.530. THE FUND MAY BE USED FOR NO OTHER PURPOSE].

\* Sec. 20. AS 44.83.600(b) is amended to read:

(b) Money in the fund may be used [BY THE LEGISLATURE TO MAKE APPROPRIATIONS ]for costs of administering this chapter.

\* Sec. 21. AS 44.83.630 is amended to read:

Sec. 44.83.630. FEES. The authority may collect the fees and collection charges established under AS 44.83.625 and shall deposit the money in the Bulk Fuel Revolving Loan Fund [GENERAL fund].

\* Sec. 22. AS 44.83.080(16)(G); AS 44.83.361(h); AS 44.83.388, 44.83.390, 44.83.392, 44.83.398(c) and 44.83.950(a) are repealed.

\* Sec. 23. This Act takes effect July 1, 1992.

SALCUTA		STATE OF ALASKA -- OPERATING BUDGET SUMMARY				13:22	1/06/92
LEGISLATIVE FINANCE		* * * * * DEPARTMENT OF COMMERCE & ECONOMIC DEVELOPMENT * * * * *					
SHORT FORM PAGE	BUDGET COMPONENT	FY91 ACT	FY92AUTH	FY93 AGY	GOVERNOR	GOVERNOR - FY92AUTH COMPARISON	
	<b>PUBLIC PROTECTION</b>						
2	MEASUREMENT STANDARDS	2431.3	2715.9	2761.8	2761.8	45.9	1.7%
6	BANKING, SECURITIES AND CORP		1531.1	1626.0	1626.0	94.9	6.2%
8	BANKING, SECURITIES AND CORP						
10	FINANCIAL INSTITUTIONS CORPORATIONS	1196.2					
		308.8					
	*** PROGRAM TOTAL ***	1505.0	1531.1	1626.0	1626.0	94.9	6.2%
12	INSURANCE	2479.0	2518.8	3547.6	3547.6	1028.8	40.8%
	<b>OCCUPATIONAL LICENSING</b>						
16	ADMINISTRATION	2988.0	3027.1	3057.2	3057.2	30.1	1.0%
18	LICENSING BOARDS	218.2	207.2	207.2	207.2		
20	INVESTIGATIONS	1132.3	1096.3	1076.3	1076.3	-20.0	-1.8%
	*** PROGRAM TOTAL ***	4338.5	4330.6	4340.7	4340.7	10.1	0.2%
	<b>COMMISSIONER/ADMIN SVCS</b>						
24	COMMISSIONER'S OFFICE	625.6	618.4	618.4	618.4		
26	INTERNATIONAL TRADE	1707.7	1397.0	2097.0	2097.0	700.0	50.1%
28	ADMINISTRATIVE SERVICES	1181.8	1151.4	1215.2	1215.2	63.8	5.5%
	*** PROGRAM TOTAL ***	3515.1	3166.8	3930.6	3930.6	763.8	24.1%
30	ALASKA PUBLIC UTILITIES COMM	3689.9	3448.8	3448.8	3448.8		
32	OIL AND GAS CONSERVATION COMM	1764.9	1540.7			-1540.7	-100.0%
	*** PUBLIC PROTECTION TOTAL ***	19723.7	19252.7	19655.5	19655.5	402.8	2.1%
	<b>DEVELOPMENT</b>						
	<b>ALASKA ENERGY AUTHORITY</b>						
36	AFA AGENCY OPERATIONS		7532.1	8762.6	8762.6	1230.5	16.3%
38	ADMINISTRATION	854.6					
40	PLANT OPERATION & MAINTENANCE	2683.8					
42	CIP POSITIONS	4529.5					
44	POWER COST EQUALIZATION ADMIN	126.1	172.8	174.2	174.2	1.4	0.8%
46	POWER COST EQUALIZATION GRANTS	16747.1	15029.7	19355.0	17029.7	2000.0	13.3%
	*** PROGRAM TOTAL ***	24935.1	22734.6	28291.8	25966.5	3231.9	14.2%
48	ECONOMIC DEVELOPMENT	2043.6	2056.7	2912.9	2912.9	856.2	41.6%
50	ALASKA AEROSPACE DEVEL CORP		302.5	302.5	302.5		
52	INVESTMENTS	3012.4	3211.2	3323.1	3323.1	111.9	3.5%
54	FISH ENHANCEMENT TAX RECEIPTS	7183.5	7385.5	7385.5	7385.5		
	<b>TOURISM</b>						
58	TOURISM DEVELOPMENT	6241.8	3455.9	3845.9	3845.9	390.0	11.3%
60	ALASKA TOURISM MKTG COUNCIL	6205.1	6121.3	10239.8	10239.8	4118.5	67.3%
	*** PROGRAM TOTAL ***	12446.9	9577.2	14085.7	14085.7	4508.5	47.1%
	<b>AIDEA</b>						
64	AIDEA		2343.0	2558.5	2558.5	215.5	9.2%
66	OPERATIONS	2084.0					
68	CIP POSITIONS	199.6					
	*** PROGRAM TOTAL ***	2283.6	2343.0	2558.5	2558.5	215.5	9.2%

ALASKA ENERGY AUTHORITY  
FY93 OPERATING BUDGET REQUEST (11-8-91)

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\*These components have been deleted as a result of the budget component structure change approved by the Office of Management and Budget (OMB). In accordance with OMB budget preparation guidelines, component forms that require FY90 Actual or FY91 Authorized information must be completed for any component that was deleted through a budget structure change.

ALASKA ENERGY AUTHORITY--FY93 OPERATING BUDGET REQUEST SUMMARY

Component	Expenditures				Personnel Positions			
	FY92	FY93	Increase (Decrease)		FY92	FY93	Incr (Decr)	
			Amount	%			#	%
AEA Agency Operations (a)	\$7,532,100	\$8,595,200	\$1,063,100	14.1%	66	73	7	10.6%
PCEP Administration (b)	172,800	174,000	1,200	0.7%	3	3	0	0.0%
PCEP Grants (c)	15,029,700	19,355,000	4,325,300	28.8%	0	0	0	0.0%
<b>Total</b>	<b>\$22,734,600</b>	<b>\$28,124,200</b>	<b>\$5,389,600</b>	<b>23.7%</b>	<b>69</b>	<b>76</b>	<b>7</b>	<b>10.1%</b>

(a) Funding Sources for AEA Agency Operations Component:

CIP Receipts	\$3,527,100	\$3,117,100	(\$410,000)	(11.6%)
Program Receipts	3,201,300	4,378,200	1,176,900	36.8%
Pwr Dev Rev Loan Fund	583,600	900,000	316,400	54.2%
Other Funds	220,100	199,900	(20,200)	(9.2%)
	<u>\$7,532,100</u>	<u>\$8,595,200</u>	<u>\$1,063,100</u>	14.1%

(b) Component funded completely by the General Fund, except for \$5,500 in FY92

(c) Component funded completely by the General Fund

000246

BUDGET REQUEST UNIT. (BRU): Alaska Energy Authority	
NAME/POSITION OF BRU MANAGER: Charlie Russell, Executive Director	PHONE: 561-7877
NAME/POSITION OF AGENCY CONTACT: Ernie Whitney, Senior Auditor	PHONE: 261-7269
LIST STATUTORY/REGULATORY BASIS FOR SERVICES PROVIDED (I.E., ALASKA STATUTE, ALASKA ADMINISTRATIVE CODE, OR FEDERAL REGISTER):	
Statutory/Regulatory Citation : Component/Program Services	Statutory/Regulatory Citation : Component/Programs, Services
Alaska Statutes 44.83 : Administration	_____ : _____
Alaska Administrative : Power Cost Equalization Admin.	_____ : _____
Code 3AAC94 : Power Cost Equalization Grants	_____ : _____
DESCRIPTION OF THE BRU SERVICES AND RESPONSIBILITIES:	
<p>The legislature established the Alaska Energy Authority as a public corporation in 1976 (AS 44.56.030) and has amended and expanded the agency's functions through subsequent legislation. In meeting its legislative mandates, the Energy Authority identifies, evaluates, develops, operates and maintains electrical power production facilities throughout Alaska, utilizing the most appropriate technology from among those that are commercially available. In fulfilling this mandate, the Authority is authorized to conduct reconnaissance and feasibility studies; issue bonds; administer loan and grant programs; design, construct and operate power projects; and enter into contracts for power sales. The extent of the Authority's involvement in any project depends on local needs, resources and preference, project demands and state budget priorities.</p> <p>Among the programs administered by the Energy Authority are the Energy Program for Alaska, the Rural Electrification Program, the Circuit Rider Maintenance Program, the Waste Heat Recovery Program, the Power Project Fund, the Power Cost Equalization Program, the Rural Electrification Revolving Loan Fund, the Bulk Fuel Revolving Loan Fund and the Electric Service Extension Fund.</p>	
SIGNATURE OF BRU MANAGER:  Executive Director	DATE: 11 - 7 - 88

B1	BRU COVER PAGE
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AGENCY Dept. of Commerce & Economic Development

BRU Alaska Energy Authority

FY 93

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BRU GOALS

The statutory mission of the Alaska Energy Authority is to promote, develop, and advance the general prosperity and economic welfare of the people of Alaska by providing a means of constructing, acquiring, financing, and operating power projects to achieve the lowest reasonable consumer power costs.

The goals in fulfillment of the Energy Authority mission are as follows:

- ° Establish and implement a statewide power systems plan based on regional power needs and priorities and realistic cost-effective conservation measures.
- ° Provide adequate level of operation, technical, and emergency assistance and market-rate financing to support Alaskan utilities to ensure reliable power at a reasonable, predictable rate.
- ° Reduce, over a period of time, the level of General Fund dollars required to adequately fund the Power Cost Equalization Program, without significantly increasing consumer costs and without decreasing the economic development potential in those communities receiving PCE assistance.
- ° Ensure consistent, reliable, and safe operation and maintenance of State-owned power facilities through the establishment of a uniform set of technical standards based upon accepted utility practices.
- ° Implement planned generation, transmission systems and appropriate conservation measures.

As is the case with the Alaska Energy Authority's FY92 authorized operating budget, the FY93 operating budget request reflects its status as a self-financed public corporation. No general fund monies are used to fund the Energy Authority's operating budget except for the Power Cost Equalization Program.

B2	BRU ISSUES
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(7/88)-b2 1/79/DDGG/1

AGENCY Dept. of Commerce & Economic Development

BRU Alaska Energy Authority

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FY93 OPERATING BUDGET MAJOR ISSUES

Power Cost Equalization (PCE) Program Projections

This budgetary request provides for the full funding of the PCE program, based on best current estimates.

The required funding increase is primarily due to: (1) proposed full funding of the program vs. the reduced authorized amount in FY92; and (2) projected increased PCE rates/eligible power sales and new participating utilities.

The FY92 program requirements have been used as the base for the FY93 budget projections. However, the Alaska Energy Authority (AEA) is currently updating the FY93 projections. Updated requirements will be provided to OMB in late November 1991 and, if necessary, a revised budget would be submitted.

A major element impacting the PCE grants is the cost of fuel which, since the Gulf war, has not returned to pre-war levels and rural utilities have continued to experience high fuel costs. Close monitoring of the FY92 program will continue throughout the legislative session.

In addition, as mandated, by January 15, 1992 the AEA will report to the Legislature its recommendations of equitable means that would stabilize/reduce the cost of the program. Acceptance of those recommendations would also affect the FY93 budget request.

Operation and Maintenance of Power Production Facilities

The Energy Authority increased its operations and maintenance responsibilities when the Bradley Lake project became operational in September 1991. The project serves Railbelt electric customers from the Kenai Peninsula to Fairbanks and is the largest hydroelectric facility in the state. State budget expenditures for Bradley Lake operations and maintenance will be only for the costs of Alaska Energy Authority personnel and their associated costs. Not included in the State budget will be those operations and maintenance costs which will be paid by the trustee in accordance with the Bradley Lake bond indenture.

MAJOR OPERATING BUDGET LEGISLATION

Operations & Maintenance Fund

Legislation is needed to establish an Operations & Maintenance Fund to retain revenue collected over multiple fiscal years to cover recurring non-annual costs of operating facilities repair, renewal and replacement, and continuing Federal Energy Regulatory Commission (FERC) requirements. In accordance with standard utilities practices, operating revenues are levelized and paid to the Energy Authority based on unit of consumption. These revenues do not necessarily relate on a fiscal year basis to the cost of repair and maintenance and FERC requirements of the system that generates the revenue. Therefore, the Authority needs to reserve, over multiple fiscal years, a portion of the gradually collected revenues to cover those costs.

B2 BRU ISSUES

AGENCY Dept. of Commerce & Economic Development

BRU Alaska Energy Authority

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GOAL: To promote, develop, and advance the general prosperity and economic welfare of the people of Alaska by providing a means of constructing, acquiring, financing, and operating power projects to achieve the lowest reasonable consumer power costs.

OBJECTIVES AND PERFORMANCE MEASURES	BUDGET YEAR FY 93			PROJECTED	
	ADJUSTED BASE	INCREMENT/ DECREMENT	REQUEST	FY 94	FY 95
<u>ESTABLISH AND IMPLEMENT A STATEWIDE POWER SYSTEMS PLAN BASED ON REGIONAL POWER NEEDS AND PRIORITIES AND REALISTIC COST-EFFECTIVE CONSERVATION MEASURES.</u>					
Number of reconnaissance and feasibility studies completed.	10	0	10	10	10
Number of annual reports published.	1	0	1	1	1
Number of regional utility or bulk fuel cooperative grants awarded.	3	(3)	0	0	0
<u>PROVIDE ADEQUATE LEVEL OF OPERATION, TECHNICAL, AND EMERGENCY ASSISTANCE AND MARKET-RATE FINANCING TO SUPPORT ALASKAN UTILITIES TO ENSURE RELIABLE POWER AT A REASONABLE PREDICTABLE RATE.</u>					
Number of rural electric systems receiving life, health, safety improvements.	10	0	10	10	10
Number of communities receiving circuit rider maintenance assistance.	20	5	25	25	25
Number of communities where bulk fuel storage/handling facilities have been inspected and evaluated and emergency repairs made if needed.	30	0	30	30	30
Dollar value of PCEP grants made (*FY93 increment may be requested later.)	\$15,029.7	\$4,325.3	\$19,355.0	\$19,355.0	\$19,355.0
Number of PCEP participating communities.	180	2	182	183	183
Number of PCEP participating utilities.	107	0	107	108	108

B3/B4 BRU STRATEGY/  
PERFORMANCE PLANS

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BRU Alaska Energy Authority

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GOAL: To promote, develop, and advance the general prosperity and economic welfare of the people of Alaska by providing a means of constructing, acquiring, financing, and operating power projects to achieve the lowest reasonable consumer power costs.

OBJECTIVES AND PERFORMANCE MEASURES	BUDGET YEAR FY 93			PROJECTED	
	ADJUSTED BASE	INCREMENT/ DECREMENT	REQUEST	FY 94	FY 95
Dollar value of Power Project loans made (*limited by available funds/**pending passage of required legislation which would allow for issuance of bonds to fund this program.	0*	\$75,000.0**	\$75,000.0	\$50,000.0	\$10,000.0
Dollar value of RERLF loans made.	0	0	0	0	0
Number of PPF and RERLF loans managed (**increase in PPF loans pending passage of required legislation.)	49	21**	70	75	80
Number of BRRLF Loans managed.	48	2	50	55	55
<u>REDUCE, OVER A PERIOD OF TIME, THE LEVEL OF GENERAL FUND DOLLARS REQUIRED TO ADEQUATELY FUND THE POWER COST EQUALIZATION PROGRAM, WITHOUT SIGNIFICANTLY INCREASING CONSUMER COSTS AND WITHOUT DECREASING THE ECONOMIC DEVELOPMENT POTENTIAL IN THOSE COMMUNITIES RECEIVING PCE ASSISTANCE.</u>					
Number of PCEP workshops offered.	3	0	3	3	3
Number of villages where meters installed and data collected.	10	0	10	10	10
<u>ENSURE CONSISTENT, RELIABLE, AND SAFE OPERATION AND MAINTENANCE OF STATE-OWNED POWER FACILITIES THROUGH THE ESTABLISHMENT OF A UNIFORM SET OF TECHNICAL STANDARDS BASED UPON ACCEPTED UTILITY PRACTICES.</u>					
Completion negotiation, concurrence, and adoption of a uniform set of technical standards for the Bradley Lake Project.	1	0	1	0	0

03/04 BRU STRATEGY/  
PERFORMANCE PLANS

AGENCY Dept. of Commerce & Economic Development

BRU Alaska Energy Authority

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GOAL: To promote, develop, and advance the general prosperity and economic welfare of the people of Alaska by providing a means of constructing, acquiring, financing, and operating power projects to achieve the lowest reasonable consumer power costs.

OBJECTIVES AND PERFORMANCE MEASURES	BUDGET YEAR FY 93			PROJECTED	
	ADJUSTED BASE	INCREMENT/ DECREMENT	REQUEST	FY 94	FY 95
<u>IMPLEMENT PLANNED GENERATION, TRANSMISSION SYSTEMS, AND APPROPRIATE CONSERVATION MEASURES.</u>					
Number of rural power system upgrade projects managed (other than PCE efficiency improvement and life, health, and safety projects.)	25	0	25	25	25
Number of waste heat facilities designed/constructed.	20	0	20	10	10
Number of major Bradley Lake HEP construction/procurement contracts awarded (cumulative).	16	(16)	0	0	0
Percent of Total Bradley Lake HEP completed.	98%	0	98%	100%	100%
Number of audits of contractors, borrowers, and program participants.	8	(8)	0	0	0
Number of operating hydroelectric projects.	5	1	6	7	7
Hydroelectric projects installed capacity (mega-watts).	164MW	1MW	165MW	242MW	242MW
Number of rural projects operating and maintenance, power and heat sales, and project agreements negotiated/finalized.	100	0	100	100	100
Number of hydroelectric and Intertie operating and maintenance agreements managed.	4	0	4	7	7
Number of contracts managed.	300	(100)	200	220	210

B3/P4 DRU STRATEGY/  
PERFORMANCE PLANS

AGENCY Dept. of Commerce & Economic Development

BRU Alaska Energy Authority

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(9/91)-b3/b4 1763/DD65(3)

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STATE OF ALASKA  
OFFICE OF MANAGEMENT & BUDGET  
DIVISION OF BUDGET REVIEW

DATE: 12/24.  
TIME: 11:51:15  
PROG: FORMCID

FY '93 BUDGET CYCLE BENCHMARK LEVEL COMPARISONS

AGENCY: DEPARTMENT OF COMMERCE & ECONOMIC DEVELOPMENT  
BRU: ALASKA ENERGY AUTHORITY  
COMPONENT: AEA AGENCY OPERATIONS (SER #: 1232)

ITEM	FY '91 AUTHORIZED	FY '91 FINAL AUTH	FY '91 ACTUAL	FY '92 AUTHORIZED	FY '93 ADJ BASE	FY '93 AGENCY	FY '93 GOVERNOR
* * * COMPONENT TOTAL * * *	0.0	0.0	0.0	7,532.1	7,728.6	8,762.6	8,762.6
<b>EXPENDITURES</b>							
Personal Services	0.0	0.0	0.0	4,649.2	4,845.7	5,241.5	5,241.5
Travel	0.0	0.0	0.0	536.2	536.2	652.5	652.5
Contractual Services	0.0	0.0	0.0	2,137.8	2,137.8	2,597.2	2,597.2
Commodities	0.0	0.0	0.0	182.5	182.5	244.0	244.0
Equipment	0.0	0.0	0.0	26.4	26.4	27.4	27.4
Land/Buildings	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Grants/Claims	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Misc.	0.0	0.0	0.0	0.0	0.0	0.0	0.0
<b>FUNDING</b>							
1002 Fed Rcpts	0.0	0.0	0.0	75.0	77.9	78.0	78.0
1005 GF/PRGM	0.0	0.0	0.0	3,201.3	3,255.3	4,432.2	4,432.2
1007 I/A Rcpts	0.0	0.0	0.0	40.3	41.6	21.3	21.3
1061 CIP Rcpts	0.0	0.0	0.0	3,527.1	3,640.4	3,201.3	3,201.3
1062 PPL Fund	0.0	0.0	0.0	26.0	27.0	27.0	27.0
1065 RERL Fund	0.0	0.0	0.0	3.2	3.3	3.3	3.3
1073 PDRL Fund	0.0	0.0	0.0	583.6	605.7	922.1	922.1
1074 BFRL Fund	0.0	0.0	0.0	75.6	77.4	77.4	77.4
<b>STAFFING</b>							
Full-time	0.0	0.0	0.0	64.0	64.0	71.0	71.0
Part-time	0.0	0.0	0.0	2.0	2.0	2.0	2.0
Temporary	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Staff-months	0.0	0.0	0.0	792.0	792.0	876.0	876.0

000254

INCREMENT/DECREMENT DESCRIPTION

FY92 Revised Program - Rural Programs Positions

AGENCY CONTACT/PHONE NUMBER:

Ernie Whitney - (907) 561-7877

DESCRIBE WHY THIS INCREMENT/DECREMENT IS NEEDED AND WHAT IT PURCHASES:

Establish and provide funding for four rural programs positions established July 1, 1991 by revised program 08-2-0007 approved by the Office of Management and Budget. These positions in the FY93 budget request a.e:

- Remote Systems Engineer I (Range 18B)
- Remote Systems Engineer I (Range 18B)
- Engineering Assistant (Range 15B)
- Clerk III (Range 11C)

The positions are required to enable the Alaska Energy Authority to properly accomplish the large number of rural capital projects for which funding has been appropriated by the legislature. Even though the Energy Authority significantly increased its use of contractors in recent years, the additional staff is required to adequately manage rural projects and administer contracts. The four new positions are involved in the direct management, planning, design, and construction of rural projects or in the direct support of such positions.

CODE	EXPENDITURE BY OBJECT	AGENCY REQ.	GOV'S REQ.
100	Personal Services	211.5	211.5
200	Travel	58.5	58.5
300	Contractual Services		
400	Supplies		
500	Equipment		
600	Lands, Buildings, Etc.		
700	Grants, Claims, Etc.		
800	Miscellaneous		
TOTAL		270.0	270.0
I-A Transfer (NON-ADD)			
1002	Federal Receipts		
1003	General Fund Match		
1004	General Fund		
1005	CF/Program Receipts		
1007	I-A Receipts		
1061	CIP Receipts	270.0	270.0
POSITION INFORMATION	PFT	4.0	4.0
	PPT		
	Non Permanent		
	Staff Months	48.0	48.0
<input type="checkbox"/> Enhance Existing Service <input checked="" type="checkbox"/> Compared to FY 92		<input type="checkbox"/> Formula Program	
<input type="checkbox"/> New Service Compared to FY 92		<input type="checkbox"/> New Facility Oper.	
<input type="checkbox"/> Continuation of FY 92 <input checked="" type="checkbox"/> Service Level			
IMPACT FROM CAPITAL PROJECT (NAME)			
Chapter _____ SLA _____ Page/Line _____			

1232/4036

AGENCY Dept. of Commerce & Economic Development

BRU Alaska Energy Authority

COMPONENT AEA Agency Operations

PROJECT \_\_\_\_\_

FY 93

CS INCREMENT/DECREMENT REQUEST  
 Agency Priority \_\_\_\_\_ of \_\_\_\_\_

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 Revised Date \_\_\_\_\_

000259

**INCREMENT/DECREMENT DESCRIPTION**

FY92 Revised Program - Budget Analyst/Loan Administrator Position

**AGENCY CONTACT/PHONE NUMBER:**

Ernie Whitney - (907) 561-7877

**DESCRIBE WHY THIS INCREMENT/DECREMENT IS NEEDED AND WHAT IT PURCHASES:**

Establish and provide funding for Budget Analyst/Loan Administrator position (Range 19B) established July 1, 1991 by revised program 08-2-0007 approved by the Office of Management and Budget.

When trying to re-establish the Systems Administrator/Programming Engineer position in FY92, OMB requested that the Energy Authority use a currently vacant PCN for the position until the Governor signed the capital budget and further review of the Energy Authority's budget status could be completed. The PCN most readily available and applicable for this position was PCN 080424, the Director/Internal Programs & Budget position. Therefore, through reclassifying PCN 080424 to Systems Administrator/Programming Engineer, the Energy Authority was left without a budgetary position.

This action would re-establish and reclassify the FY91 Director/Internal Programs and Budget position (Range 24). Position is required to prepare and monitor the technical aspects of the agency budgets. Other duties will include:

- Determination of overhead rates for budget purposes which are becoming increasingly important in dealing with the Authority's operating facilities, especially with the Bradley Lake hydroelectric project going into commercial operation on September 1, 1991, and as important for the sound management of its capital and rural programs.
- Coordination between individual project budgets and State authorizations.
- Tracking expenditures against individual project budgets; assistance in development of on-line project tracking system information compatible in format with various Energy Authority management and reporting requirements.

CODE	EXPENDITURE BY OBJECT	AGENCY F.T.O.	GOV'S REQ.
100	Personal Services	64.5	64.5
200	Travel		
300	Contractual Services		
400	Supplies		
500	Equipment		
600	Lands, Buildings, Etc.		
700	Grants, Claims, Etc.		
800	Miscellaneous		
TOTAL		64.5	64.5
I-A Transfer (NON-ADD)			
1002	Federal Receipts	See Text*	
1003	General Fund Match		
1004	General Fund		
1005	CF/Program Receipts		
1007	I-A Receipts		
POSITION INFORMATION		PFT	1.0
		PPT	
		Non Permanent	
		Staff Months	12.0
<input type="checkbox"/> Enhance Existing Service <input type="checkbox"/> Compared to FY 92		<input type="checkbox"/> Formula Program <input type="checkbox"/> New Facility Oper.	
<input type="checkbox"/> New Service Compared to FY 92			
<input checked="" type="checkbox"/> Continuation of FY 92 <input checked="" type="checkbox"/> Service Level			
IMPACT FROM CAPITAL PROJECT (NAME)			
Chapter _____ SLA _____ Page/Line _____			

1232/4038

AGENCY Dept. of Commerce & Economic Development

FY 93

ORU Alaska Energy Authority

COMPONENT AEA Agency Operations

PROJECT \_\_\_\_\_

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C5	INCREMENT/DECREMENT REQUEST
	Agency Priority _____ of _____

FY92 Revised Program - Budget Analyst/Loan Administrator Position (continued)

° Administration of three loan programs

<u>*Funding Source</u>	<u>Amount</u>
1002 Federal Receipts	.2
1005 GF/Program Receipts	6.9
1007 IA Receipts	.1
1061 CIP Receipts	8.5
1062 Power Project Fund	8.7
1065 Rural Electrification Revolving Loan Fund	1.1
1073 Power Development Revolving Loan Fund	25.6
1074 Bulk Fuel Revolving Loan Fund	<u>13.5</u>
TOTAL	64.5

CS

ADDITIONAL  
EXPLANATION  
FORM

AGENCY Dept. of Commerce & Economic Development

BRU Alaska Energy Authority

COMPONENT AEA Agency Operations

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INCREMENT/DECREMENT DESCRIPTION

FY92 Revised Program - Development Specialist Position

AGENCY CONTACT/PHONE NUMBER:

Ernie Whitney - (907) 561-7877

DESCRIBE WHY THIS INCREMENT/DECREMENT IS NEEDED AND WHAT IT PURCHASES:

Establish and provide funding for Development Specialist position (Range 20M) established July 1, 1991 by revised program 08-2-0053 as approved by the Office of Management and Budget.

This position is required to enable the Alaska Energy Authority to accomplish the regionalization of small rural utilities by developing liasons with the Alaska regional Native Corporations which may assume an important role in this process. The position will also be utilized to spearhead new functions, such as participation to the Western States Water Council to effect the transfer of hydrological data collection from the federal government to the State Division of Water/Department of Natural Resources.

*Funding Source	Amount
1002 Federal Receipts	1.0
1005 GF/Program Receipts	33.5
1007 IA Receipts	.3
1061 CIP Receipts	41.7
1062 Power Project Fund	.4
1065 Rural Electrification Revolving Loan Fund	.1
1073 Power Development Revolving Loan Fund	10.6
1074 Bulk Fuel Revolving Loan Fund	1.2
<b>TOTAL</b>	<b>88.8</b>

CODE	EXPENDITURE BY OBJECT	AGENCY REQ.	GOV'S REQ.
100	Personal Services	88.8	88.8
200	Travel		
300	Contractual Services		
400	Supplies		
500	Equipment		
600	Lands, Buildings, Etc.		
700	Grants, Claims, Etc.		
800	Miscellaneous		
<b>TOTAL</b>		<b>88.8</b>	<b>88.8</b>
I-A Transfer (NON-ADD)			
1002	Federal Receipts	See text*	
1003	General Fund Match		
1004	General Fund		
1005	GF/Program Receipts		
1007	I-A Receipts		
<b>POSITION INFORMATION</b>		<b>PFT</b>	<b>1.0</b>
		<b>PPT</b>	<b>1.0</b>
		<b>Non Permanent</b>	<b>12.0</b>
		<b>Staff Months</b>	<b>12.0</b>

<input type="checkbox"/> Enhance Existing Service	
<input checked="" type="checkbox"/> Compared to FY 92	
<input type="checkbox"/> New Service Compared to FY 92	<input type="checkbox"/> Formula Program
<input type="checkbox"/> Continuation of FY 92	<input type="checkbox"/> New Facility Oper.
<input checked="" type="checkbox"/> Service Level	

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C5 INCREMENT/DECREMENT REQUEST

Agency Priority \_\_\_\_\_ of \_\_\_\_\_

INCREMENT/DECREMENT DESCRIPTION  
New Mechanical Engineer Position

AGENCY CONTACT/PHONE NUMBER:  
Ernie Whitney - (907) 561-7877

DESCRIBE WHY THIS INCREMENT/DECREMENT IS NEEDED AND WHAT IT PURCHASES:

Establish and provide funding for a new Mechanical Engineer Position (Range 23C). The Energy Authority does not have a mechanical engineer on its present staff. As the Energy Authority's operating projects begin to age, increased routine maintenance and repair/replacement activities will require the expertise of a mechanical engineer.

Having a mechanical engineer on staff would result in increased efficiency and cost savings over having to contract for mechanical engineering services for every small task that arises. Of course, contractors will still be utilized for larger mechanical engineering tasks.

CODE	EXPENDITURE BY OBJECT	AGENCY REQ.	GOV'S REQ.
100	Personal Services	85.0	85.0
200	Travel		
300	Contractual Services		
400	Supplies		
500	Equipment		
600	Lands, Buildings, Etc.		
700	Grants, Claims, Etc.		
800	Miscellaneous		
TOTAL		85.0	85.0
I-A Transfer (NON-ADD)			
1002	Federal Receipts		
1003	General Fund Match		
1004	General Fund		
1005	GF/Program Receipts	42.5	42.5
1007	I-A Receipts		
1061	CIP Receipts	42.5	42.5
POSITION INFORMATION	PFT	1.0	1.0
	PPT		
	Non Permanent	12.0	12.0
	Staff Months		

<input type="checkbox"/> Enhance Existing Service	<input type="checkbox"/> Formula Program
<input type="checkbox"/> Compared to FY 92	
<input checked="" type="checkbox"/> New Service Compared to FY 92	
<input type="checkbox"/> Continuation of FY 92	
<input type="checkbox"/> Service Level	<input type="checkbox"/> New Facility Oper.

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CS INCREMENT/DECREMENT REQUEST

Agency Priority \_\_\_\_\_ of \_\_\_\_\_

INCREMENT/DECREMENT DESCRIPTION  
 FY93 Programmatic Changes

AGENCY CONTACT/PHONE NUMBER:  
 Gloria Manni - (907) 561-7877

DESCRIBE WHY THIS INCREMENT/DECREMENT IS NEEDED AND WHAT IT PURCHASES:

Decrement for GF/Program Receipts portion to stay within the budget cap established by Office of Management and Budget.

The savings may be achieved by deferring the re-hire of vacated positions or may force the temporary lay-off of staff.

CODE	EXPENDITURE BY OBJECT	AGENCY REQ.	GOV'S REQ.
100	Personal Services	(54.0)	(54.0)
200	Travel		
300	Contractual Services		
400	Supplies		
500	Equipment		
600	Lands, Buildings, Etc.		
700	Grants, Claims, Etc.		
800	Miscellaneous		
TOTAL		(54.0)	(54.0)
I-A Transfer (NON-ADD)			
1002	Federal Receipts		
1003	General Fund Match		
1004	General Fund		
1005	GF/Program Receipts	(54.0)	(54.0)
1007	I-A Receipts		
POSITION INFORMATION	PFT		
	PPT		
	Non Permanent		
	Staff Months		

<input type="checkbox"/> Enhance Existing Service	<input type="checkbox"/> Formula Program
<input checked="" type="checkbox"/> Compared to FY 92	
<input type="checkbox"/> New Service Compared to FY 92	<input type="checkbox"/> New Facility Oper.
<input type="checkbox"/> Continuation of FY 92	
<input checked="" type="checkbox"/> Service Level	

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CS INCREMENT/DECREMENT REQUEST

Agency Priority \_\_\_\_\_ of \_\_\_\_\_

INCREMENT/DECREMENT DESCRIPTION

Increase Travel Budget

AGENCY CONTACT/PHONE NUMBER:

Ernie Whitney - (907) 561-7877

DESCRIBE WHY THIS INCREMENT/DECREMENT IS NEEDED AND WHAT IT PURCHASES:

This increment will provide adequate funding in the FY93 operating budget for travel and related per-diem costs of Alaska Energy Authority personnel included in the FY92 Base. A separate C5 form provides for the field travel and related per-diem costs of new Rural Programs personnel positions added in FY92 by revised program.

The amounts budgeted for rural projects field travel/per-diem in the Alaska Energy Authority's operating budget has not kept pace with the actual travel expenditures in the past due to increases in the number of positions, more travel to rural Alaska and increased travel costs.

CODE	EXPENDITURE BY OBJECT	AGENCY REQ.	GOV'S REQ.
100	Personal Services		
200	Travel	57.8	57.8
300	Contractual Services		
400	Supplies		
500	Equipment		
600	Lands, Buildings, Etc.		
700	Grants, Claims, Etc.		
800	Miscellaneous		
TOTAL		57.8	57.8
I-A Transfer (NON-ADD)			
1002	Federal Receipts	.1	.1
1005	CF/Program Receipts	20.3	20.3
1061	CIP Receipts	36.4	36.4
1073	Pwr Dev Rev Loan Fund	.9	.9
1074	Bulk Fuel Rev Loan Fund	.1	.1
POSITION INFORMATION	PFT		
	PPT		
	Non Permanent		
	Staff Months		

<input type="checkbox"/> Enhance Existing Service	<input type="checkbox"/> Formula Program
<input checked="" type="checkbox"/> Compared to FY 92	
<input type="checkbox"/> New Service Compared to FY 92	<input type="checkbox"/> New Facility Oper.
<input type="checkbox"/> Continuation of FY 92	
<input type="checkbox"/> Service Level	

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C5	INCREMENT/DECREMENT REQUEST
Agency Priority _____ of _____	

INCREMENT/DECREMENT DESCRIPTION

Delete Allocated Charges from Power Cost Equalization

AGENCY CONTACT/PHONE NUMBER:

Ernie Whitney - (907) 561-7877

DESCRIBE WHY THIS INCREMENT/DECREMENT IS NEEDED AND WHAT IT PURCHASES:

For several years the Energy Authority's PCE component has allocated charges to funding sources within other components. The charges were justified by virtue of the fact that PCE component employees provided services that benefited the other areas. While this rationale is still true, management has decided that the staff time required to record and allocate these charges is hardly worth the small amount of the allocation.

CODE	EXPENDITURE BY OBJECT	AGENCY REQ.	GOV'S REQ.
100	Personal Services		
200	Travel		
300	Contractual Services	(5.6)	(5.6)
400	Supplies		
500	Equipment		
600	Lands, Buildings, Etc.		
700	Grants, Claims, Etc.		
800	Miscellaneous		
TOTAL		(5.6)	(5.6)
I-A Transfer (NON-ADD)			
1002	Federal Receipts		
1003	General Fund Match		
1004	General Fund		
1005	GF/Program Receipts		
1061	CIP Receipts	(3.6)	(3.6)
1074	Bulk Fuel Rev Loan Fund	(2.0)	(2.0)
POSITION INFORMATION	PFT		
	PPI		
	Non Permanent		
	Staff Months		

<input type="checkbox"/> Enhance Existing Service	<input type="checkbox"/> Formula Program
<input checked="" type="checkbox"/> Compared to FY 92	
<input type="checkbox"/> New Service Compared to FY 92	<input type="checkbox"/> New Facility Oper.
<input type="checkbox"/> Continuation of FY 92 Service Level	

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CS INCREMENT/DECREMENT REQUEST

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INCREMENT/DECREMENT DESCRIPTION

Adjust O&M Contracts

AGENCY CONTACT/PHONE NUMBER:

Ernie Whitney - (907) 561-7877

DESCRIBE WHY THIS INCREMENT/DECREMENT IS NEEDED AND WHAT IT PURCHASES:

In order to operate and maintain the State's various power, waste heat, and transmission line projects, the Energy Authority must contract with numerous entities who provide specialized services ranging from environmental studies to the actual operation and maintenance of many projects. By contracting out as much work as possible, the Energy Authority provides opportunities for the private sector to participate in these projects, while retaining oversight of the State's investment.

All costs of these O&M contracts are reimbursable to the Energy Authority under the terms of agreements negotiated with the communities or utilities benefitting from each project. Increases or decreases relating to these contracts will directly result in increases or decreases in Program Receipts (OMB #1005). For FY93, the following changes are needed:

Contract/Project	Amount
Fish & Game RSA/Four Dam Pool	(20.0)
USGS/Four Dam Pool	39.2
Waste heat engineering services/various rural communities	3.7
City of Larsen Bay/Larsen Bay Hydroelectric Project	50.6
Repair & Replacement/Anchorage-Fairbanks Intertie	(15.6)
Operator Training/Larsen Bay Hydroelectric Project	1.5
<b>Total Increment</b>	<b>59.4</b>

CODE	EXPENDITURE BY OBJECT	AGENCY REQ.	GOV'S REQ.
100	Personal Services		
200	Travel		
300	Contractual Services	59.4	59.4
400	Supplies		
500	Equipment		
600	Lands, Buildings, Etc.		
700	Grants, Claims, Etc.		
800	Miscellaneous		
TOTAL		59.4	59.4
I-A Transfer (NON-ADD)			
1002	Federal Receipts		
1003	General Fund Match		
1004	General Fund		
1005	GF/Program Receipts	59.4	59.4
1007	I-A Receipts		
POSITION INFORMATION		PFI	
		PPT	
		Non Permanent	
		Staff Months	
<input type="checkbox"/> Enhance Existing Service			
<input checked="" type="checkbox"/> /X / Compared to FY 92			
<input type="checkbox"/> New Service Compared to FY 92		<input type="checkbox"/> Formula Program	
<input type="checkbox"/> Continuation of FY 92		<input type="checkbox"/> New Facility Oper.	
<input type="checkbox"/> / Service Level			
IMPACT FROM CAPITAL PROJECT (NAME)			
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INCREMENT/DECREMENT DESCRIPTION

Microfilming Costs

AGENCY CONTACT/PHONE NUMBER:  
Ernie Whitney - (907) 561-7877

DESCRIBE WHY THIS INCREMENT/DECREMENT IS NEEDED AND WHAT IT PURCHASES:

This increment is to obtain microfilming services for the control and management of vital board meeting documents, contracts and other legal documents. Currently these documents are maintained in file cabinets and to meet the retention requirements of vital documents, they require microfilming for storage and retrieval purposes. The Authority proposes to accomplish the microfilming tasks through the use of contractual services to maintain a high level of security required for vital documents.

*Funding Source	Amount
1002 Federal Receipts	.1
1005 GF/Program Receipts	3.0
1061 CIP Receipts	3.8
1073 Power Development Revolving Loan Fund	1.0
1074 Bulk Fuel Revolving Loan Fund	.1
<b>TOTAL</b>	<b>8.0</b>

CODE	EXPENDITURE BY OBJECT	AGENCY REQ.	GOV'S REQ.
100	Personal Services		
200	Travel		
300	Contractual Services	8.0	8.0
400	Supplies		
500	Equipment		
600	Lands, Buildings, Etc.		
700	Grants, Claims, Etc.		
800	Miscellaneous		
<b>TOTAL</b>		<b>8.0</b>	<b>8.0</b>
I-A Transfer (NON-ADD)			
1002	Federal Receipts	See Text*	
1003	General Fund Match		
1004	General Fund		
1005	GF/Program Receipts		
1007	I-A Receipts		
POSITION INFORMATION	PFT		
	PPT		
	Non Permanent		
	Staff Months		

<input type="checkbox"/> Enhance Existing Service	<input type="checkbox"/> Formula Program
<input checked="" type="checkbox"/> Compared to FY 92	
<input checked="" type="checkbox"/> New Service Compared to FY 92	
<input type="checkbox"/> Continuation of FY 92 Service Level	
<input type="checkbox"/> Formula Program	<input type="checkbox"/> New Facility Oper.

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C5 INCREMENT/DECREMENT REQUEST

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INCREMENT/DECREMENT DESCRIPTION Repair & Maintenance of Data Processing Equipment		CODE	EXPENDITURE BY OBJECT	AGENCY REQ.	GOV'S REQ.	
AGENCY CONTACT/PHONE NUMBER: Ernie Whitney - (907) 561-7877		100	Personal Services			
		200	Travel			
DESCRIBE WHY THIS INCREMENT/DECREMENT IS NEEDED AND WHAT IT PURCHASES:  As the Alaska Energy Authority has expanded its computer hardware services, additional equipment was purchased and installed during the past year. As new equipment warranties expire, maintenance of the equipment will be required on a continuing basis. To accommodate the increase equipment maintenance costs, this increment is necessary to fund the contractual services required by the failure and breakdowns of the computer equipment. Without the requested incremental funds, loss of the use of critical computer equipment to manage power related projects will increase management costs on affected power related projects.		300	Contractual Services	5.0	5.0	
		400	Supplies			
		500	Equipment			
		600	Lands, Buildings, Etc.			
		700	Grants, Claims, Etc.			
		800	Miscellaneous			
		TOTAL			5.0	5.0
		I-A Transfer (NON-ADD)				
		1002	Federal Receipts	See Text*		
		1003	General Fund Match			
1004	General Fund					
1005	GF/Program Receipts					
1007	I-A Receipts					
		POSITION	PFT			
		INFORMATION	PPT			
			Non Permanent			
			Staff Months			
		<input type="checkbox"/> Enhance Existing Service				
		<input checked="" type="checkbox"/> Compared to FY 92				
		<input type="checkbox"/> New Service Compared to FY 92	<input type="checkbox"/> Formula Program			
		<input type="checkbox"/> Continuation of FY 92	<input type="checkbox"/> New Facility Oper.			
		<input checked="" type="checkbox"/> Service Level				
IMPACT FROM CAPITAL PROJECT (NAME)						
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*Funding Source	Amount
1002 Federal Receipts	.1
1005 GF/Program Receipts	1.9
1061 CIP Receipts	2.3
1073 Power Development Revolving Loan Fund	.6
1074 Bulk Fuel Revolving Loan Fund	.1
TOTAL	5.0

<b>INCREMENT/DECREMENT REQUEST</b> CS Agency Priority _____ of _____
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**INCREMENT/DECREMENT DESCRIPTION**

Increased Lease Expense - 701 E. Tudor Road

**AGENCY CONTACT/PHONE NUMBER:**

Ernie Whitney - (907) 561-7877

**DESCRIBE WHY THIS INCREMENT/DECREMENT IS NEEDED AND WHAT IT PURCHASES:**

Our lease will also expire on December 31, 1991. Based on a lease extension recently obtained by DOA/Division of General Services & Supplies (GSS) for the State Division of Personnel and for Retirement & Benefits located in the same building, we can expect our lease to increase to \$1.15 per square feet.

The cost of our lease is carried in part by GSS and in part by us. Of the total AEA office space (22,796 sq. ft.), GSS is responsible for 13,270 sq. ft. and AEA for 9,256 sq. ft. This increment is for the portion of the lease paid by AEA.

*Funding Source	Amount
1002 Federal Receipts	.2
1005 GF/Program Receipts	5.8
1007 IA Receipts	.1
1061 CIP Receipts	7.4
1062 Power Project Fund	.1
1073 Power Development Revolving Loan Fund	1.9
1074 Bulk Fuel Revolving Loan Fund	.2
<b>TOTAL</b>	<b>15.7</b>

CODE	EXPENDITURE BY OBJECT	AGENCY REQ.	GOV'S REQ.
100	Personal Services		
200	Travel		
300	Contractual Services	15.7	15.7
400	Supplies		
500	Equipment		
600	Lands, Buildings, Etc.		
700	Grants, Claims, Etc.		
800	Miscellaneous		
<b>TOTAL</b>		<b>15.7</b>	<b>15.7</b>
I-A Transfer (NON-ADD)			
1002	Federal Receipts	See text*	
1003	General Fund Match		
1004	General Fund		
1005	GF/Program Receipts		
1007	I-A Receipts		
POSITION INFORMATION	PFT		
	PPT		
	Non Permanent		
	Staff Months		
<input type="checkbox"/> Enhance Existing Service			
<input checked="" type="checkbox"/> Compared to FY 92			
<input type="checkbox"/> New Service Compared to FY 92		<input type="checkbox"/> Formula Program	
<input type="checkbox"/> Continuation of FY 92		<input type="checkbox"/> New Facility Oper.	
<input checked="" type="checkbox"/> Service Level			
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