Letter from the Chair
Mike Barry

Many contributed to the work of this task force. I would like to thank each and every person and organization that presented to us. I would, especially, like to thank the individual members of the task force who set aside the needs of their particular organization to focus on those of the state as a whole. Special credit goes to Becky Gay and Bernie Smith who admirably and capably served as staff.

We have outlined many daunting challenges to meeting the electrical needs of the immense area and small population known as Alaska. It is vital that we become more efficient in our utilization of limited resources such as capital and human expertise in order to successfully meet these challenges.

To become better stewards we recognize that we must operate regionally rather than just one community at a time. We must plan and operate in the context of a model of sustainability, adhering to cost-effective principles of conservation and best practices. We need improved coordination between State and Federal efforts in funding infrastructure. We need to invest capital funding to achieve solutions that work as opposed to merely providing work.

We recognize that cost-effective electricity is crucial to quality of life and essential to economic health. Priority should be given to funding those projects which are regional in focus and management and which will support growth and diversification of our economy. Working together under a common set of principles and guidelines will allow Alaskans to meet the challenges ahead. We hope that the attached principles and guidelines will be helpful.

Legislative Directive

In the first session of the 23rd Alaska State Legislature, the Energy Policy Task Force (EPTF) was established by concurrent resolution to address the energy needs of Alaska. This was to be done in two reports, categorized for "Railbelt" and "NonRailbelt" areas. The Railbelt report was completed by December 31, 2003. This is the NonRailbelt report and it presents the Findings and Recommendations of the Task Force for those areas that comprise the largest geographic portion of the state.

For purposes of this energy report, NonRailbelt Alaska was defined as three distinct energy areas:

Four Dam Pool and Southeast Alaska,
Power Cost Equalization (PCE) communities, and
Southcentral Coastal communities.

The following mandates were met with the NonRailbelt report:

1. **Develop a long-term energy plan to efficiently enhance Alaska's economic future.**

2. **Review and analyze the state's current and long-term energy needs.**

3. **Address elements of Alaska's long-term energy needs that can be solved through action on the part of industry and/or government actions.**

With prior permission from the Joint Leadership of the House and Senate, the deadline for a report of task force findings for NonRailbelt areas was extended from March 31 to April 15, 2004, to coincide with the "sunset" provision of the Task Force.

I. A LONG-TERM ENERGY PLAN TO ENHANCE ALASKA'S ECONOMIC FUTURE

A. Vision Statement

Alaska holds a worldwide leadership role in energy supply, delivery and use solutions and environmental stewardship. Alaska will have reliable, economic, sustainable and secure power supplies for its citizens. Public funds will be invested only in infrastructure that is sustainable.

B. Mission Statement

Electricity is essential to meeting Alaska's economic, environmental, and educational development goals. The State will conduct its activities affecting energy in such a manner as to:

- **Promote reliable and secure electric power systems**
- **Promote the lowest cost for consumers**
- **Stimulate the economy**
- **Provide employment opportunities for Alaskans**
- **Improve the quality of life for all Alaskans**
- **Promote workforce development, including training Alaskans, for Alaska's utility sector.**
- **Enhance the State's social, cultural, economic and environmental assets**

C. Goals (Listed in no particular order)

- Achieve sustainability.
- Develop Alaska's position as a leader in competitively priced and reliably available electricity.
- Develop Alaska's electrical infrastructure while maintaining competitively priced energy.
- Ensure security of physical and cyber energy infrastructure.
- Promote research, development and demonstration of clean and renewable energy technologies.
- Promote conservation and energy efficiency across all of Alaska.
- Develop Alaska as a world leader in using and exporting competitively priced and reliably available fossil fuels.
- Ensure standardized and consistent permitting and regulatory processes.
- Establish Alaska as a national leader in developing energy projects using its natural resources, including its workforce.
- Develop viable local solutions to provide cost-effective electric energy for small, geographically remote Alaskan communities.

D. Recommendations

1. Workforce

Provide proper and focused workforce training to meet the challenges of 21st century energy industries.

Executive:

Perform an assessment of the opportunities for Alaska workers in the resource development and energy sectors and, based upon these opportunities, examine the deployment of a portion of Alaska's resources toward training and retraining of the workforce in these sectors.

Amend Department of Labor/Workforce Development (DOL/WD) regulations to facilitate the ability to develop training and internship programs, with an emphasis on jobs for Alaskans.

Fund education to ensure that Alaska workers have the education and skills required to maintain the vital role energy plays in our economy.

Update certificate of fitness requirements for utility linemen to enhance workforce availability and better track the successful practices of the other 49 states.

Ensure that Alaska workforce regulatory practices conform to national practices.

Private Sector:

Work with the DOL/WD in its assessment of opportunities for the Alaska workforce in the energy and utility sectors.

Maximize internship programs that will allow entry into the Alaskan workforce.

Encourage development of new energy and energy related businesses in Alaska.

2. Energy Generation

Alaska must be active in its pursuit of improving existing technologies and developing new generation technologies to increase efficiencies of present and future energy generation facilities.

Assist the private sector in its efforts to develop energy generation capacity

Executive:

Enhance the ability of public bodies, such as the Denali Commission and the Alaska Energy Authority (AEA), to assist the private sector and communities in efforts to develop adequate energy generation capacity, funded through conduit bonds and grants, to provide cost-effective electricity for all Alaskans.

Explore utilization of Alaska's abundant renewable resources in the production of hydrogen, which is a fuel for the emerging fuel cell technology

Executive:

Convene a workshop to discuss the potential for Alaska's leadership in hydrogen production. Such a workshop could serve as an educational tool and a platform for discussion between public, university research and private sector individuals and organizations.

Direct the University of Alaska and executive agencies to inventory ideal locations for future renewable energy generation sites that could be used as a source of hydrogen for in-state use and export.

3. Energy Infrastructure

The Task Force's goals and strategies focused on matters including, but not limited to: (1) generation infrastructure; (2) transmission and distribution; and (3) economic efficiency. As the electrical system ages, there will be increased concerns about reliability, sustainability and stability. Technology-driven system improvements will be required. There must exist within the State the capacity to deliver resources and energy to end-users.

Stimulate private-sector participation in Alaska's energy infrastructure to allow greater energy export capability to meet state, regional, and national energy demands.

Executive:

Provide tax-exempt bonding to fund projects, with the State retaining only the obligations that cannot be transferred to the participating utilities.

Work with Alaska's Congressional delegation to provide financing or economic incentives to promote energy infrastructure development.

Encourage adequate transmission infrastructure to increase economic development activity.

Conduct an assessment to identify the State's energy infrastructure security needs.

Executive:

The RCA should include in their deliberations the issue of cyber-security.

Private Sector:

Continue in the joint planning process to identify the State's energy infrastructure needs.

Encourage adequate and secure transmission infrastructure to increase economic development activity.

Continue to promote adequate fuel delivery infrastructure.

Assess the potential for the development of a locality into a sustainable energy community that utilizes novel distributed and/or renewable energy systems for residences and commercial enterprises.

Executive:

Examine the potential for the development of an Alaska locality into a sustainable energy community.

Legislative:

Examine opportunities to provide support for the development of such a community.

Alaska regional transmission planners should work to become leaders in energy infrastructure development.

Establish energy infrastructure development projects that will promote the reliable transportation of electricity throughout the entire State that meets the State's energy, environmental and economic needs.

4. Regulatory
Streamline all licensing, permitting, and regulatory processes of energy projects.
Executive:
Review agency practices regarding the licensing, permitting, and regulatory processes of energy projects. These agencies could also review the licensing, permitting, and regulatory processes of energy projects in other states so as to develop a study of best practices regarding these issues.
Establish and maintain regulatory processes that are consistent and have defined processing timelines and encourage utilities to maintain long-term financial health.
Legislative:
Enact appropriate legislation for the implementation of best practices regarding the licensing, permitting and regulatory processes of energy projects.
Private sector:
Provide input to the Executive and Legislative Branches to implement best practices regarding licensing, permitting and regulatory processes of energy projects for small and medium sized utilities.

II. CURRENT AND LONG-TERM ENERGY NEEDS

Findings

NonRailbelt Alaska is diverse, contains both rural and urban customers, and both roadless and road accessible communities. Their most common energy denominator is that none of the areas are connected to the Railbelt energy grid.

For purposes of this report, NonRailbelt Alaska is divided into three distinct energy areas:

- **Four Dam Pool and Southeast Alaska,**
- **Power Cost Equalization (PCE) communities,** and
- **Southcentral Coastal communities**.

A large state geographically with a very small population means in energy terms--huge distances, minimal load. Most of Alaska is not accessible by roads. Access for most rural villages and Southeast Alaska is by air or water, making energy costs extremely high – as much as five times the national average. In Southeast Alaska, there is a lack of transmission interties to export surplus hydroelectric to other communities that need it.

As a comparison, in 2003, the average cost of power in Anchorage-Fairbanks-Juneau for residential customers was 10.6 cents/kWh, whereas in PCE eligible communities, the average residential cost of power prior to the State's rate reduction credit was 27.6 cents/kWh for 2003.

Over 66% of rural Alaska households use fuel oil as their heating source, priced at two to four times the national average. No electrical transmission lines interconnect the majority of Alaska's rural communities. In PCE Alaska, ninety utilities service 187 rural communities. Full funding of the Power Cost Equalization (PCE) program is not being met nor is a sustainable endowment provided.

A. Current Energy Needs NonRailbelt

Findings

- Over 50% of powerhouse structures and electrical distribution requires major repairs or replacement.
- Approximately 50% of fuel storage facilities are in poor condition.
- In Southeast Alaska, there is a lack of transmission interties to export surplus hydroelectric energy to other communities that need it.
- Average households in rural Alaska use approximately 425 kWh per month (compared to the average urban household in Alaska at approximately 700 kWh per month.)

See Appendix F
ISER Status Report

Southeast and Four Dam Pool

This region includes Juneau, Ketchikan, Sitka, Kodiak, Valdez and others and the following utilities.

See Appendix H

• Ketchikan (KPU)	Municipally Owned
• Petersburg (PMP&L)	Municipally Owned
• Wrangell (WL&P)	Municipally Owned
• Sitka (SMED)	Municipally Owned
• Juneau (AEL&P)	Investor Owned
• Valdez (CVEA)	Cooperative Owned
• Yakutat Electric	Municipally Owned
• Other SE communities (AP&T)	Investor Owned
• Four Dam Pool Joint Action Agency	Owned by participating cooperatives

The Four Dam Pool consists of Swan Lake, Lake Tyee, Terror Lake, and Solomon Gulch hydro plants. On January 31, 2002, AEA sold the Four Dam Pool projects to the Four Dam Pool Power Agency, an entity formed by Ketchikan Public Utilities, Wrangell Municipal Light & Power, Petersburg Municipal Light & Power, Copper Valley Electric Association, and Kodiak Electric Association, Inc.

Southeast Alaska has significant hydroelectric potential because of topography and climate. In Southeast, there is a lack of transmission interties to export surplus hydroelectric power to other communities that need it, including

communities that utilize fossil fuel to generate electricity. Approximately 90% of the total annual electricity generated in this region is by hydroelectric generation, with diesel internal combustion engines and oil-fired turbines as expensive additional generation sources.

Power Cost Equalization (PCE) Communities

In PCE Alaska, ninety utilities service 187 rural communities. Approximately 70,000 people, or 13% of the state's population, live in communities whose primary source of electricity is diesel fuel. The PCE program was established in 1984 as a successor to similar programs in effect since 1980 that reduce the end cost of electricity for residential and community facilities. PCE is available on the first 500 kWh used by households and on up to 70 kWh per resident for certain public facilities.

PCE communities are characteristically small, remote and accessible only by air or by seasonal barge service. Most PCE recipients reside in communities with populations of 400 or less. After application of PCE, the average cost of electricity for most rural communities is still more than 20 cents per kWh.

Because of the small size, remoteness and climactic extremes of PCE communities, alternative technologies such as hydropower and transmission grids are prohibitively expensive and impractical and emerging technologies have not yet been proven feasible. The high cost of power has attracted many entrepreneurs over the years who have proposed 'silver bullet' solutions, none of which have borne fruit. Efforts must continue to foster the fledgling supplemental wind power industry as well as other proven technologies to alleviate the burden in these communities of continued dependence on diesel fuel.

Eligibility

An electric utility participating in the PCE must: a) provide electric service to the public for compensation; b) during calendar year 1983, have had less than 7,500 megawatt hours of residential consumption or less than 15,000 megawatt hours if two or more communities were served; and c) during calendar year 1984, the utility must have used diesel-fired generators to produce more than 75% of its electrical consumption. Customer eligibility is based on actual power sold.

Residential customers are eligible for PCE credit on up to 500 kWh/month per customer. Community facilities, as a group, can receive PCE credit for up to 70 kWh/month multiplied by the number of residents in a community. State and federal offices/facilities, commercial accounts and public schools are ineligible for PCE.

See Appendix I for PCE details

FY03 PCE Program Participating Utilities
PCE program statistics comparing FY02 to FY03
PCE historical trends from 1993-2003

Southcentral Coastal: Kodiak, Cordova, Valdez and the Copper River Basin

The Southcentral Coastal utilities consist of Cordova Electric Cooperative (CEC), Copper Valley Electric Association (CVEA) and Kodiak Electric Association (KEA). It contains the Roadbelt area along the Richardson and Glenn Highways that are not connected to any grid. Kodiak is also part of the Four Dam Pool

Generation:

- Hydroelectric generation capacity
- Thermal generation capacity
- Combustion turbines
- Reciprocating engines

B. Long-term Energy Needs NonRailbelt

Findings

A long-term plan is needed for coordinated generation and transmission of power, to maximize the use of public funds, and to minimize the cost of power to the consumers.

The Task Force adopted the definition of long-term as 20 years or more. Within the next 20 years, it was determined that NonRailbelt Alaska needs to:

- **Create secure and reliable transmission between load centers**
- **Provide energy infrastructure for economic development**
- **Identify and evaluate long-term fuel sources**
- **Establish regional system operations where feasible**
- **Connect new areas to the Railbelt grid**
- **Replace aging generation**
- **Replace an aging workforce**
- **Lessen dependence on fossil fuel generation where renewable options are available**

C. Needs/Projects NonRailbelt

See Appendix G

D. Recommendations

Specific recommendations of how to fulfill future needs were as follows:

- Support increased vocational trade schools, higher education and training of technical and professional utility career staff and management in rural communities. www.aidea.org/AEAdocuments/TrainingDesc2003-2004.pdf
- State grants or financing should give priority to sustainable projects that consolidate operations and expand existing electrical systems.
- Encourage resource sharing among utilities to lower cost of installation, administration, operations and maintenance.
- Increase the proportion of renewables in long-term fuel sources. Renewables

include hydroelectric generation.
- Advance the physical and cyber security of the critical electrical infrastructure in Alaska.
- Implement alternative technologies as their costs become competitive with existing conventional technology.
- Have separate regulations for communities constrained by size.

III. INDUSTRY AND/OR GOVERNMENT ACTIONS

Findings

Government has played a role in bringing affordable power to Alaska in many ways, most notably through PCE and federal funding of energy programs. Industry, utilities and local governments have formed entities to voluntarily work toward regional energy priorities.

Alaska has contributed hundreds of millions of dollars in grant funding for the construction of hydro projects such as Bradley Lake and the Four Dam Pool and for transmission lines such as the Anchorage-Fairbanks Intertie that allows inexpensive power from natural gas and hydro power to be exported to the Fairbanks area.

Small hydro projects and interties have been built in rural Alaska but most rural communities still rely exclusively on isolated diesel power plants since the prevailing characteristics of rural Alaska, such as low population density and remote village locations, render most alternatives to diesel power infeasible. Recognizing this, another form of providing more affordable power through direct rate reduction (the PCE program) was initiated for rural Alaska.

While diesel has been proven to be the most cost-effective in most parts of Alaska, and the economic potential for wind-driven energy is improving, there may be site-specific opportunities that economically justify hydro, coal, methane, and/or coal-bed methane driven power generation.

The expenditure of $15.5 million in FY2002 was not sufficient to pay the "full formula" requirement, so PCE benefits were prorated by an amount equivalent to 85.83% over the entire year.

A. Power Cost Equalization (PCE) program

PCE is governed by Alaska Administrative Code 3 AAC 94.305-330 and 3 AAC 52.600-690 and by Alaska Statutes 42.45.110-170.
http://www.aidea.org/PDF%20files/FY03PCEreport.pdf

Legislation enacted in 2000 established the PCE Endowment Fund and appropriated $100 million into the Endowment Fund from the Constitutional Budget Reserve. In addition, AEA executed a Memorandum of Understanding in April 2000 with the Four Dam Pool purchasing utilities that deposited the $81 million in proceeds from the sale of the Four Dam Pool projects into the

Endowment Fund. The sale was finalized in January 2002. The Endowment Fund is invested and managed by the Alaska Department of Revenue.

When the Endowment Fund was created, it was anticipated that most, but not all of the funding for the PCE program would come from the Endowment Fund. As of 3/31/04, the market value of the fund is approximately $180 million. However, even with the more optimistic market earning assumptions at that time, the projections showed that approximately $2.3 million in additional funding would be needed each year from other sources.

The full program demand for FY2003 was approximately $18.4 million if funded at 100%. If the Legislature appropriates insufficient funds to pay the "full formula" requirement, PCE benefits are reduced to a prorated amount over the entire year.

Government PCE Process

1. The Regulatory Commission of Alaska (RCA) determines the PCE level per kWh for each utility. Two categories of costs are used in determining the PCE level:
   a) Fuel expenses: the cost of fuel, including transportation; and
   b) Non-fuel expenses; other costs such as salaries, insurance, taxes, power plant parts and supplies, interest and other reasonable costs.

2. AEA receives eligible utilities' monthly reports to document the eligible power sold. AEA calculates the amount of PCE on a monthly basis and issues payment to the utility to cover PCE credits that the utility has already provided to its eligible customers in the form of a reduced monthly electric bill. AEA determines the prorated payment level required if the appropriation is insufficient to pay PCE at 100%.

3. AEA also determines the eligibility of customers and of community facilities. Costs below 12.0 cents/kWh and above 52.5 cents/kWh are not eligible for PCE. If the eligible costs are 52.5 cents/kWh or more, the maximum PCE level is 38.48 cents/kWh (52.5 cents – 12.0 cents = 40.5 - cents x 95% = 38.48 cents). A participating utility must meet generation efficiency and line loss standards, otherwise the PCE level is reduced to reflect those standards.

Formula Used to determine PCE level/kWh for a utility:
95% of the eligible costs per kWh between 12.0 cents/kWh, "the floor, and 52.5 cents/kWh, "the ceiling."

For PCE eligible communities that sell more than 1 million kWh, the average rate prior to PCE credit being applied was 22.6 cents/kWh; however, for communities that sell less than 1 million kWh, the average rate prior to PCE credit being applied was 34.69 cents per kWh.

B. Regional Operators

Southeast Conference www.seconference.org
An organization of industry and local governments consolidating the interests of the region and has been successful in obtaining federal authorizations and funding. In April of 2004, Southeast Conference and its member utilities and communities voted to proceed with the formation of a **Generation & Transmission (G&T) Cooperative** that will serve as the owner and operator of specific Intertie segments within Southeast Alaska.

Four Dam Pool Power Agency (FDPPA)
A regional entity formed in 2002. It is Alaska's first Joint Action Agency (JAA), an entity formed by Ketchikan Public Utilities, Wrangell Municipal Light & Power, Petersburg Municipal Light & Power, Copper Valley Electric Association, and Kodiak Electric Association, Inc.

Alaska Village Electric Cooperative (AVEC)
A non-profit cooperative incorporated in 1967 under guidelines of the Rural Electrification Administration (REA) - now Rural Utilities Service (RUS) - to construct and operate generation and distribution systems in Alaskan villages. AVEC serves one third of Alaska's rural population with power plants and diesel tank farms in 47 villages and distribution systems in 51 communities. Although cost of power in AVEC communities is high at 40 cents per kWh, the village systems are essentially completely self-sufficient and revenues generated (including about 28% from PCE) cover all costs of operation including design and construction of new plant, operation and maintenance of existing plant, administration, insurance, billing and collections, debt service, depreciation and amortization, etc.

C. Federal Funds

Denali Commission www.denali.gov
"The Denali Commission is an innovative federal-state partnership established by Congress in 1998 to provide critical utilities, infrastructure, and economic support throughout Alaska. Our focus encompasses five major categories of improvements: energy, health care facilities, training, intergovernmental coordination, and infrastructure (economic development, telecommunications, washeterias, and multi-use facilities)."

The Denali Commission has an investment policy that must be met and has introduced the concept of sustainability, which is still evolving.
http://www.denali.gov/Program_Documents/Investment%20Policy%20%20(02-13-04%20%20-%20public%20rev.%20draft).pdf

AEA's Rural Energy Group (AEA-REG) and AVEC Programs

AEA's Rural Energy Group (REG) and AVEC receive the majority of their funding for rural energy programs from the Denali Commission. A plan and funding for long-term operation and maintenance of bulk fuel storage facilities and generation plants are needed. General coordination of all rural utilities is needed (sewer, water, solid waste, power, and fuel). Many upgrades are funded by the Denali Commission.

D. Recommendations

- Provide NonRailbelt utilities the opportunity to obtain grants and tax-exempt financing for electrical infrastructure that provides the lowest cost of power to members and efficient operation.

- All other considerations being equal, projects should in general not be owned, operated or maintained by the State.

- The State should encourage NonRailbelt utilities to accept ownership of state-owned energy assets to reduce bureaucracy, thereby reducing state expenses and offering utilities the benefits of long-term ownership.

- Encourage formation of new owning entities such as the G&T in Southeast and support existing regional operators.

- Encourage regional planning among utilities to lower cost of installation, administration, operations and maintenance.

- The State, when funds are available, should fully fund the PCE endowment to make the program sustainable and self-funding at the level the legislature deems appropriate.

- Maximize federal appropriations for Alaska, by appropriately providing state matching funds for energy projects.

- Any divestiture of state-owned energy assets should be consistent with the above. If there are legislative or regulatory issues, utilities should work cooperatively to determine actions needed.

IV. OTHER TOPICS FOR FUTURE CONSIDERATION

Findings

The Task Force either touched on these subjects or found it did not have sufficient time to address these and form valid recommendations for the Legislature under the deadline given.

A. Critical Infrastructure Protection (CIP)

Homeland security efforts to list priority infrastructure includes the utility assets. Utility groups and representatives from associated sectors such as telecommunications must continue to cooperate to provide reliable power with due regard for changing demands of security.

B. Energy Efficiency, Conservation and the Environment

Efforts to use energy resources more efficiently can reduce energy costs and benefit the environment. Energy efficiency is broader than simple energy conservation, or eliminating unnecessary energy use. Efficiency involves achieving necessary goals, while minimizing energy requirements. Efficiency should not compromise comfort, performance or productivity, but rather meet those requirements through more proficient means. Environmental benefits are direct; if energy use is avoided, then the environmental impacts are avoided as well. Examples of projects eligible for AEA's programs include:

- Efficiency upgrades to diesel power plants.
- Update energy audit for facility efficiency.
- System Performance Monitoring.
- Residential lighting and hot water retrofits.
- Heat recovery program.

C. Emerging Energy and Environmental Technologies

Examine the establishment of public/private partnerships that benefit Alaska research institutions and commercial enterprises that engage in the commercialization of energy and environmental technologies. Biomass projects such as fish oil/diesel have special application for Alaska. Wind energy monitoring and assessment and other alternative energy projects are already underway across Alaska.

D. Renewable Energy

Renewable power can be competitive. There are a number of technologies considered renewable and these include: hydroelectric, solar, biomass, geothermal, tidal and wind.

Southeast Alaska, Southcentral and the Alaskan Peninsula have significant hydroelectric potential. A number of projects have been studied that could potentially serve the Southeast area. The development of an interconnected transmission system within the region could assist in the development of some of these hydro projects. There is potential for hydroelectric developments in other parts of the state as well, and these should be explored and developed as feasible.

Solar, biomass, geothermal and tidal are in various stages of technological development and do not currently contribute, to a great extent, to the national energy supply. Solar at this time is expensive and because of Alaska's latitude is not considered a likely candidate for large-scale energy production. There are

some geothermal resources in the state. As with other technologies, tidal power is developing and it will be some time before it becomes a significant and competitive generation resource. However it is prudent for energy planners to continue to monitor the development of this technology.

Wind power is being studied as a potential renewable generation resource for many areas. http://www.aidea.org/PDF%20files/Windmap.pdf The technology is the beneficiary of more than 20 years of intense research and development. Large-scale wind projects are being installed across the country and around the world. These projects use large turbines and are installed on a scale that allows for the power to be priced competitively. Smaller turbines have been used for rural generation applications in the state and have been shown to be rugged and reliable. See http://www.aidea.org/Wind.htm for a preliminary High-Resolution Wind Map. These modern high-resolution maps represent a dramatic improvement over those developed in the 1980s. The improved maps have proven extremely useful when overlaid with GIS data for transmission and land use in prospecting for wind development. Developing a high resolution wind map will increase understanding of Alaska's wind resources, and will focus efforts on where more detailed wind monitoring and construction efforts are most beneficial.

E. Gas Line Projects

There are competing interests for use of Alaska natural gas, both instate and externally. A potential intrastate gas pipeline that would deliver natural gas or propane to Southeast Alaska communities with a piped distribution system is under consideration. A feasibility study is needed to determine if piped natural gas or propane can be delivered at a price that would compare favorably with bottled propane, oil, and electricity for space and water heating requirements. An instate gas line bringing gas to tidewater in Valdez or Cook Inlet, for distribution and/or export is of major consequence to Alaska utilities. Industrial processes, commercial LNG opportunities, heating and generating electricity all compete for the fuel. A competing gas line to mid-America, across Canada, also has received significant study. For the utility future, the questions of supply and cost of alternatives remain. Whether gas is piped to market, or meets the load as electricity, electrical users will be affected.

F. Coal

Data for electricity costs in other States clearly shows that more coal fired power in the generation mix results in lower electricity cost. Relatively high capital cost is often a serious impediment to building coal plants for small utilities. Transmission and access infrastructure to link communities and areas of high natural resource potential will promote growth and diversification of Alaska's economy.

As new industrial activity is developed, such as large mine projects and the Alaska gas pipeline, opportunities will arise to tap heat and/or electricity generating plants needed for these developments. There are many sedimentary basins in Alaska that hold coal resource potential which is largely unexplored, such as in Southwest Alaska and the Yukon Basin.

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Also:
West Virginia Energy Plan
Iowa Energy Plan

Glossary

Alaska Energy Authority (AEA) http://www.aidea.org/aea.htm
The Alaska Energy Authority is a public corporation of the state of Alaska with separate and independent legal existence. The agency is responsible for the administration of various state power projects and programs. Pursuant to legislation enacted in 1993, the members of the Alaska Industrial Development and Export Authority (AIDEA) Board of Directors also serve as Board of Directors of AEA. Concurrently, the Executive Director of AIDEA also serves as Executive Director of AEA. Pursuant to legislation effective July 1, 1999, the rural energy programs previously administered by the former Department of Community and Regional Affairs, Division of Energy, were transferred to AEA for administration.

Alaska Electric Generation and Transmission Cooperative (AEG&T)
Created in 1984 by Homer Electric Association and Matanuska Electric Association. AEG&T's mission is to assist statewide development of financially viable and environmentally sound energy systems that are safe, reliable, and efficient.

Alaska Industrial Development and Export Authority (AIDEA) http://www.aidea.org
The Alaska Industrial Development and Export Authority (AIDEA) is a public corporation of the state of Alaska with separate and independent legal existence. AIDEA is governed by a five member board comprised of the commissioner of revenue, the commissioner of community and economic development, one other person appointed by the governor who serves as the head of a principal department of the executive branch, and two public members appointed by the Governor. AIDEA is a profit-motivated, public corporation of the state created by the Legislature in 1967. AIDEA pays its own operating expenses while continuing to expand its ability to fuel economic development and pay an annual dividend to the state general fund.

Capacity
The maximum amount of power, normally expressed in megawatts, that a given system or subsystem can carry or produce at a particular moment, and is typically used to represent the real production capability rating of a generation or transmission system.

Cogeneration
The simultaneous production of power and thermal energy, such as burning natural gas to produce electricity and using the heat produced to create steam for industrial use.

Combined Cycle (CC)
An electric generating technology in which additional electricity is produced from otherwise lost waste heat exiting from the gas turbines.

Combustion Turbine (CT)
A machine that generates rotary mechanical power from the energy of a stream of fluid.

Cooperative
A group organized to supply electricity to a specific area; a cooperatively owned electric utility. A non-profit utility owned by its members.

Demand
The rate, expressed in megawatts (MW), at which electric energy is delivered to or by a system, part of a system, or piece of equipment at a given instant, or averaged over a designated period of time.

Distributed Generation
This term generally refers to small-scale energy generation spread among several producers, but it can also refer broadly to any type of energy generation that is spread among multiple producers. Distributed generation is most commonly used to insure that sufficient energy is available to meet peak demand. It may also be used as part of a fuels diversity program.

Distribution Line
A power line which delivers electricity throughout urban and rural areas. Typically between 2,300 and 25,000 volts.

Generation
The process of producing electric energy by transforming other forms of energy. It also refers to the amount of electric energy produced, expressed in megawatt-hours (MWh).

Generation and Transmission Company (G&T)
Term for a company that provides both energy production and facilities for transmitting energy to wholesale customers.

Gigawatt (GW)
A unit of measure equal to one billion watts or one thousand megawatts.

Integrated Resource Planning (IRP)
This term refers to a planning method that takes into account all resources available to or required to meet supply needs within an area or region that produce to the lowest possible cost.

Intertie
A tie permitting a flow of energy between the facilities of two electric systems.

Investor-Owned Utility
A utility owned privately (or by stockholders) and operated as a for-profit company.

Kilovolt (kV)
A unit of measurement of electrical force of pressure equal to 1,000 volts.

Kilowatt (kW)
A unit of power equal to 1,000 watts.

Kilowatt-Hour (kWh)
The most commonly used electrical measurement equal to 1,000 watts for one hour.

Load
The moment-to-moment measurement of power requirement in the entire system.

Megawatt (MW)
One thousand kilowatts or one million watts.

Peak Load, Peak Demand
These two terms are used interchangeably to denote the maximum power requirement of a system at a given time, or the amount of power required to supply customers at times when need is greatest. They can refer either to the load at a given moment (e.g. a specific time of day) or to averaged load over a given period of time (e.g. a specific day or hour of the day).

Railbelt
For purposes of this report, the power-sharing area between Interior Alaska, from Fairbanks, and Southcentral, to Homer, connected by roads, generating facilities and transmission lines, which include the Alaska Intertie and the Bradley Lake Hydro Project.

Railbelt Energy Study (RES)
Five utilities commissioned a study on the Railbelt. The purpose of the study is to identify the location and type of generation asset that satisfies future growth within the Railbelt.

Regulatory Commission of Alaska (RCA) http://www.state.ak.us/rca/
Formerly known as the Alaska Public Utility Commission. The RCA is the State's regulatory body overseeing utilities.

Roadbelt
That part of Alaska that is road-accessible, but not connected to the Railbelt grid, like Glennallen.

Sustainability
"In its simplest form, a sustainable utility is one where available financial resources, from all sources, are at least equal to the total cost of the utility. Total cost includes management, operation, maintenance, cost of capital renewal and replacement (after the design life has been achieved), necessary to maintain an acceptable level of service now and for future generations." From the November 2001 report of the steering committee of Sustainable Utilities in Rural Alaska

Transmission Line
A set of conductors, insulators, supporting structures, and associated equipment used to move large quantities of power at high voltage.

Volt
The unit of electrical measurement, which is similar to "pressure", that pushes current through a conductor.

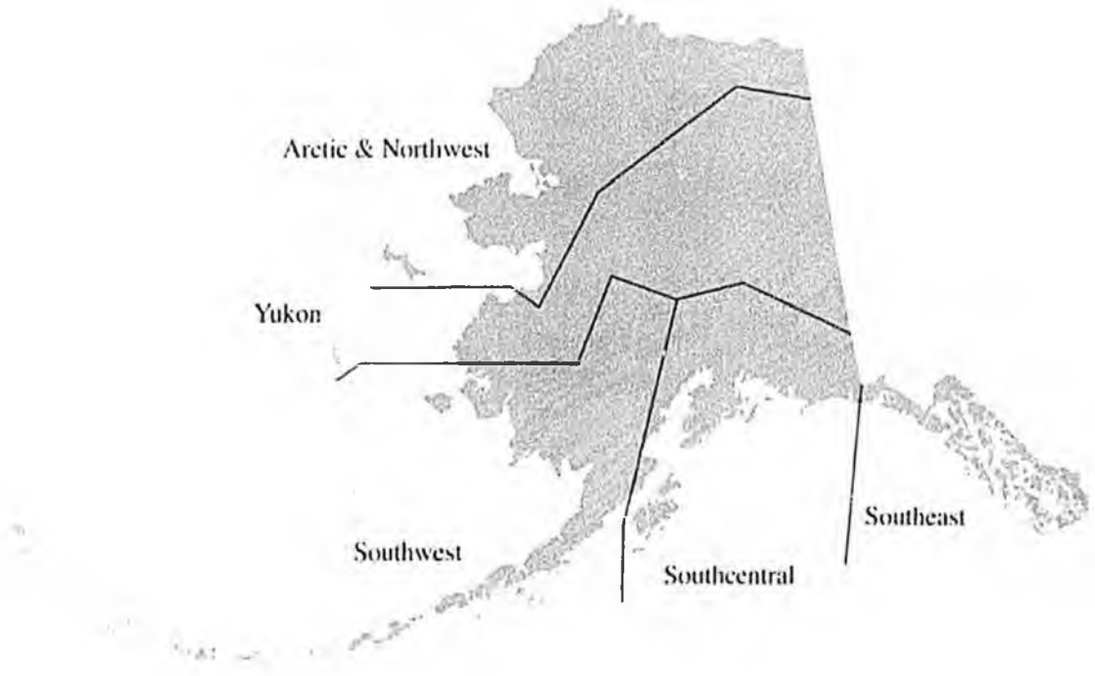
Watt
A unit of electrical measurement used to determine the rate of energy delivered at some point. Watts = Voltage x Amperes

APPENDIX F

ISER Report/Current Needs

A different geographic look at the statewide situation.
http://www.iser.uaa.alaska.edu/Publications/akelectricpowerfinal.pdf

ALASKA ELECTRIC POWER STATISTICS
REGIONAL MAP



1a. Installed Capacity (KW)

Region	PCE	Non-PCE		Total
		Railbelt	Non-Railbelt	
Arctic Northwest	76,102	0	30,850	106,952
South Central	18,931	1,208,902	124,104	1,351,937
South East	41,844	0	373,902	415,746
South West	69,141	0	0	69,141
Yukon	34,557	277,000	3,572	315,129
Totals:	240,575	1,485,902	532,428	2,258,905

APPENDIX F, cont.
ISER Report/Current Needs

1.b. Net Generation (MWh)

Region	PCE	Non-PCE		Total
		Railbelt	Non-Railbelt	
Arctic Northwest	103,068	0	76,094	179,162
South Central	26,789	3,530,534	203,762	3,761,085
South East	32,046	0	672,422	704,468
South West	167,057	0	0	167,057
Yukon	57,842	774,543	2,134	834,519
Totals:	386,801	4,305,077	954,412	5,646,290

1c. Sales (MWh)

Region	PCE	Non-PCE		Total
		Railbelt	Non-Railbelt	
Arctic Northwest	77,799	0	73,797	151,596
South Central	3,406	3,056,000	223,278	3,282,684
South East	70,158	0	636,044	706,202
South West	153,925	0	0	153,925
Yukon	52,249	1,071,392	1,788	1,125,429
Totals:	357,537	4,127,392	934,907	5,419,836

1c. Revenue ($000)

Region	PCE	Non-PCE		Total
		Railbelt	Non-Railbelt	
Arctic Northwest	19,925	0	7,616	27,541
South Central	1,114	372,050	38,563	411,727
South East	3,332	0	56,054	59,386
South West	38,367	0	0	38,367
Yukon	12,680	89,816	108	102,604
Totals:	75,418	461,866	102,341	639,625

PCE = Utilities in the Power Cost Equalization Program
Railbelt = Utilities interconnected along the Alaska Railroad

APPENDIX G

Needs/Projects for the NonRailbelt

This list contains projects currently under discussion in various venues, which have not necessarily been investigated or endorsed by the Task Force. The list is not meant to be all-inclusive.

- **Southwest Alaska:** The Calista Corporation has prepared an energy study that proposes a coal-power plant at Bethel, coal supplied by the Quinsam Mine in British Columbia, wind turbines along the coast, and region-wide transmission grid would provide low cost. The transmission line could also supply power to Donlin Creek exploration, if it is developed into a mine. Alaska coal could replace the British Columbia coal if it becomes commercial available at competitive rates.

- **Coalbed Methane Project:** The Holitna Energy Corporation (HEC) was formed in April 2003 for the purpose of developing an energy supply for the Donlin Creek exploration, nearby settlements and, potentially, the region. HEC applied for a state of Alaska Shallow Gas Lease. This lease will allow HEC to do seismic work and drill for any gas accumulations that exist, at least partially, within 3,000 feet of the surface. The Holitna basin is located approximately 50 miles from Donlin Creek. The deepest portion of the Holitna basin has a high potential for oil, natural gas, and coal.

- **Northwest Alaska:** Northwest Alaska has a deposit of arctic coal stranded five miles inland from the Chukchi Sea, known as the Deadfall Syncline coal deposit. This deposit contains resources adequate to support a mining operation of one million tons per year for 20 years. A Northwest Alaska Energy Plan should include a coal power plant to generate power and a transmission line to power the Red Dog Mine. The plan should also include a road to transport the mined arctic coal to tidewater for export. This could open up other resources in the Northwest area with coal-fired power.

- **Donlin Creek Gold Mine:** A potential 125MW-250MW coal fired power plant at the Beluga coal property (West Cook Inlet) would provide the generation of electricity to the Donlin Creek Gold Mine via a new transmission line.

- **Pebble Gold-Copper Mine:** A potential 200MW coal, gas, LNG and or Propane fired power plant to provide the generation of electricity to the Pebble Gold-Copper Mine in Newhalen/Nondalton area (Bristol Bay region)

- **Akutan:** A potential 10MW (maybe larger) geothermal energy power plant in Akutan. This power plant could supply electrical power to the fish processing facility.

APPENDIX G, cont.
Needs/Projects for the NonRailbelt

- **Mt. Makushin:** A potential geothermal project at Mt. Makushin, Unalaska, that would not only supply energy to the City of Unalaska/Dutch Harbor and the fish processing facilities, but also has the possibility of converting this sustainable high temperature and super-critical geothermal fluids/energy into an economic and transportable form of fuel—Hydrogen—perhaps in the form of methanol—plus the metals/minerals potential.

- **Bradfield Road Project**: The State of Alaska and communities of Southern Southeast Alaska have been exploring the potential of extending a road up the Bradfield Road south of Wrangell tying into the existing road system in British Columbia, Canada. The Lake Tyee Hydro project is located at the Bradfield canal. The feasibility of extending a transmission line from Southeast Alaska into Canada interconnecting with the B.C. grid, which is tied into the North American grid, is currently under evaluation.

Southcentral Coastal
Regional projects
- **Extend the distribution systems**: Along the Richardson, Edgerton and Glenn (Tok Road) highways to serve new customers.
- **Transmission line:** To Matanuska Valley (MEA) or Delta (GVEA.)
- **Transmission line:** Interconnect Cordova and Copper Valley Electrical systems.

Copper Valley Electric projects
- **Glennallen:** Diesel Power Plant Upgrade.
- **Valdez:** Diesel Plant Upgrade.
- **Lake Louise:** Distribution line to south shore of Lake Louise and customers along the Lake Louise road.
- **Alyeska Marine Terminal**: Interconnect the Valdez Marine Terminal to CVEA's system

Cordova Electric projects
- **Transmission line:** Line replacement project along the Copper River highway between the city center and the airport.
- **Upgrade**: Aged cable along Copper River Hwy to Airport, FAA, and USCG.
- **Conversion:** Convert aged OH to UG along Whitshed Road.
- **Humpback Creek Hydro**: Upgrade and water storage.
- **Line extension:** To Shepard Point (Cordova Oil Spill Response Facility.)
- **Upgrade**: Aged substation bus to enclosed substation.
- **Sheridan Glacier Road Line Extension:** To developing Native Corp. lots.

APPENDIX G, cont.
Needs/Projects for the NonRailbelt

Kodiak Electric projects

- **Hartman Powerhouse Revitalization Project:** Replaces 30 year old diesel units with more fuel efficient, reliable, cleaner and lower cost units
- **Anton Larson Line Extension:** Extends distribution system by 13 miles to the community of Anton Larson, which currently consists of 15-20 homes.

Rural

- **Bulk Fuel Upgrades (BFU) and Rural Power System Upgrades (RPSU)**: Total funds required to upgrade the power plant utilities and the bulk fuel storage in the rural communities (estimated by AEA, AVEC, and the Denali Commission), is $644,000,000. The majority of the funding is provided by the Denali Commission.

- **RPSU Funding Needs**: A 2000 AEA assessment of power plant facilities in communities (AEA = 128 communities, AVEC = 51 communities.) In terms of facility upgrades, AEA is approximately 10% complete with the initial scope of projects. Based upon current and projected funding, AEA anticipates completing the program of upgrading their respective project communities by 2015.

APPENDIX G, cont.
Needs/Projects for the NonRailbelt

AEA Rural Power Systems Upgrade Priority Rankings

Community		Rank
Nunapitchuk	AVEC	0
Old Harbor	AVEC	0
Pilot Point	AVEC	0
Upper Kalskag	AVEC	0
Chitina w/hydro	AEA	1
Karluk	AEA	2
Stony River	AEA	3
Platinum	AEA	4
Newtok	AEA	5
Koyukuk, Pwrhs	AEA	6
Buckland	AEA	7
Tetlin	AEA	8
Crooked Creek	AEA	9
Teller	AEA	9
Manokotak	AEA	11
Atka w/hydro	AEA	12
Sleetmute	AEA	13
Napaskiak	AEA	14
Pedro Bay	AEA	15
Shishmaref	AVEC	16
Nikolski	AEA	17
Yakutat	AEA	18
Diomeda	AEA	19
Tanakee Springs	AEA	19
Klukwan	AEA	21
Nightmute	AVEC	22
Chignik Bay #2	AEA	23
Igiugig	AEA	23
Ivanof Bay	AEA	23
Port Heiden	AEA	23
Kwethluk	AEA	23
Chignik Bay #1	AEA	28
Akiachak	AEA	29
Point Lay	N.S.	30
Nikolai	AEA	31
Central	AEA	32
Manfasta Lake	AP&T	33
Lake Minchumina	AEA	34
Larsen Bay w/hyd	AEA	35
Chefornak	AEA	35
False Pass	AEA	36
Anvik	AVEC	37
Algasuk	N.S.	38
Healy Lake	AP&T	38
Eagle	AP&T	41
Twin Hills	AEA	41
Goodnews Bay	AVEC	42
Marshall	AVEC	43
Akiak	AEA	44
Fort Yukon	AEA	45
Takotna	AEA	45
Beaver	AEA	45
Grayling	AVEC	45
Ouzinkie, w/hydro	AEA	46
Wainwright	N.S.	49
Napaskiak	AEA	50
Pilot Point w/BFU	AEA	50
Ruby	AEA	50
Quinhagak	AVEC	53
Pelican	AEA	54
Point Hope	N.S.	54
Akhiok	AEA	54
Eek	AVEC	56
Lower Kalskag	AVEC	57

AEA Projects		117
AVEC		50
North Slope (N.S.)		7
Non-Grid Villages (LT)		9

Community		Rank
Northway	AP&T	58
Mekoryuk	AVEC	58
Toksook Bay	AVEC	58
Tatitlek	AEA	61
Ellin Cove	AEA	62
Kebuk	AEA	62
Tununak	AVEC	62
Allakaket	AEA	65
Chistochina	AP&T	65
Mountain Village	AVEC	67
Chualhbaluk	AEA	68
Anaktuvuk Pass	N.S.	68
Clarks Point	AEA	69
Nunam Iqua	DONE	69
Iliamna	AEA	69
Ekwok #2	AEA	69
Wainwright	AVEC	69
Napaskiak	AEA	74
Scammon Bay	AVEC	74
Pilot Station	AVEC	76
Gustavus	AEA	77
Rampart	AEA	77
Gambell	AVEC	77
Kaktag	AVEC	77
Tok	AP&T	81
Venetie	AEA	82
Saint George	AEA	82
Coffman Cove	AP&T	82
Angoon	AEA	85
Cold Bay	AEA	85
Mollakatla	AEA	87
Napnuk	AEA	87
Kivalina	AVEC	89
Minto	AVEC	89
Selawik	AVEC	89
Shaktoolik	AVEC	89
Saint Marys	AVEC	93
Stebbins	AVEC	94
Kake	AEA	95
Unalakleet	AEA	95
Whale Pass	AEA	95
White Mtn , Pwrh	AEA	98
Noatak	AVEC	99
Haines	AP&T	100
Chignik Lake	AEA	101
Port Alsworth	AEA	101
Hollis	AP&T	101
Hydaburg	AP&T	101
Huslia	AVEC	101
Nulato	AVEC	101
Savoonga	AVEC	101
Teglak	AVEC	101
Dillingham, Dist	AEA	109
Birch Creek	AEA	109
Kotzebue	AEA	109
Petryville	AEA	109
Red Devil	AEA	109
Kipnuk	AVEC	109
Noorvik	AVEC	109
Almaulluak, Dist	AEA	116
Kotlik, Dist	AEA	116
Ekwok	AEA	116
Nelson Lagoon	AEA	116
Tellin	AP&T	116

Community		Rank
Ambler	AVEC	116
Hooper Bay	AVEC	116
Russian Mission	AVEC	116
Point Baker	AP&T	117
Port Protection	AP&T	118
Golovin	AEA	125
Chalkyitsik	AEA	125
McGrath	AEA	125
Saint Paul	AEA	125
Sand Point	AEA	125
Emmonak	AVEC	125
Egegik	AEA	132
King Cove	AEA	132
Lime Village	AEA	132
Naukati	AP&T	132
Elim	AVEC	132
Bettles	AP&T	137
Tuntutuliak, Dist	AEA	138
Chignik Lagoon	AEA	138
Galena	AEA	138
Koliovik	N.S.	138
Kasigluk	AVEC	138
Akutan	AEA	143
Atkanuk	AVEC	144
Tanana	AEA	145
Chevak	AVEC	145
Holy Cross	AVEC	145
New Stuyahok	AVEC	145
Shageluk	AVEC	145
Kwigillingok	AEA	150
Levelock	AEA	150
Saint Michael	AVEC	150
Grayling	AVEC	153
Koyuk	AVEC	153
Aniak	AEA	155
Hoonah	AP&T	155
Nuiqsut	N.S.	155
Shungnak	AVEC	155
Almaulluak, Pwrs	AEA	156
Koliganek	AEA	159
Chenega Bay	AEA	160
Kokhanok	AEA	161
Manley Hot Spr	AEA	162
Arctic Village	AEA	163
Hughes	AEA	164
Kongiganak	AEA	164
Stevens Village	AEA	164
Tuluksak	DONE	125
Koyukuk, Distribution	DONE	155
Deering	DONE	160
Tuntutuliak	DONE	160
Kotlik	DONE	169
White Mtn , Distribution	DONE	170

Naknek	LT	0
Nanwalek	LT	0
Newhalen	LT	0
Nondalton	LT	0
Oscarville	LT	0
Port Lions	LT	0
Seldovia	LT	0
South Naknek	LT	0
Thorne Bay	LT	0

Updated: 4/12/04

APPENDIX G, cont.

Needs/Projects for the NonRailbelt

- **BFU Funding Needs**: AEA made an assessment in 2000 of Bulk Fuel Storage facilities in 171 communities. The result is that AEA is responsible for 141 projects while AVEC is responsible for 51 communities. The balance of the 132 projects had a bulk capacity upgrade need of approximately 26,000,000 gallons. In a typical community project, AEA upgrades approximately 90% of the existing storage capacity. This average is anticipated to decline as AEA undertakes projects that are lower on the deficiency list and thus require less effort to upgrade. To date (including the 2003 construction season), AEA has upgraded 9,500,000 gallons of capacity and has projected that only 11,000,000 of capacity remain to be upgraded. Funds needed to complete the Bulk Fuel storage facilities total $343,000,000 (AEA $196,000,000; AVEC $147,000,000).

APPENDIX H

Needs/Projects for Southeast and Four Dam Pool Communities

The mountainous terrain coupled with a wet, maritime climate provide significant opportunities for hydroelectric generation. The mountainous terrain and island environment has also limited the development of roads and other infrastructure including transmission lines connecting the communities within the region. Hydroelectric power plants and diesel generators provide nearly all of the electric power generation in Southeast Alaska. Natural gas and coal, the primary fuel sources for electric generation in the Railbelt areas of the State, are not commercially available in Southeast.

Primary Southeast Alaska Electric Utilities and 2002 Energy Sales

	Utility	Sales (MWh)	% of Total
Upper Lynn Canal Region			
Skagway	AP&T	10,521	1.4%
Haines	AP&T	11,725	1.6%
Chilkat Valley/Klukwan	THREA	1,308	0.2%
Subtotal		23,554	3.2%
North Region			
Juneau	AEL&P	311,550	41.9%
KMC-GC (Greens Creek)	Self	55,845	7.5%
Hoonah	THREA	4,161	0.6%
Gustavus	Gustavus Electric Co.	1,390	0.2%
Excursion Inlet Cannery	Self	5,375	0.7%
NPS - Glacier Bay	Self	1,000	0.1%
Subtotal		379,321	51.0%
West Central Region			
Sitka	Municipal System	91,802	12.4%
Angoon	THREA	1,737	0.2%
Tenakee Springs	Municipal System	382	0.1%
Subtotal		93,921	12.6%
Tyee-Swan Region			
Wrangell	Municipal System	25,229	3.4%
Petersburg	Municipal System	36,617	4.9%
Kake	THREA	3,964	0.5%
Ketchikan	Municipal System	142,567	19.2%
Metlakatla	Metlakatla Power & Light	13,543	1.8%
Subtotal		221,920	29.9%
Prince of Wales Region			
Craig/Klawock/Thorne Bay/Kasaan	AP&T	21,355	2.9%
Coffman Cove	AP&T	674	0.1%
Hollis	AP&T	507	0.1%
Hydaburg	AP&T	1,449	0.2%
Naukati Bay	AP&T	382	0.1%
Whale Pass	AP&T	213	0.0%
Subtotal		24,580	3.3%
Totals		743,296	100.0%
Totals - Average MW		84.9	

APPENDIX H, cont.
Needs/Projects for Southeast and Four Dam Pool Communities

The Four Dam Pool projects also include the Terror Lake (22.6 MW) project in Kodiak and the Solomon Gulch (12.0 MW) project in Valdez. The Terror Lake project serves Kodiak and the Solomon Gulch project serves Glennallen, Valdez and the Copper River Basin. These two projects coupled with the Swan Lake and Lake Tyee projects in Southeast comprise the projects now owned by the Four Dam Pool Power Agency.

These projects were purchased from the State of Alaska on January 31, 2002. Members of the Four Dam Pool Power Agency include the City of Ketchikan, the City of Wrangell, the City of Petersburg, Kodiak Electric Association and Copper Valley Electric Association.

A number of sub-regional transmission lines and new hydroelectric resources have been evaluated by the electric utilities in Southeast Alaska. Some of these projects are well into the development process and *are* proposed to be constructed in the near future. These projects are summarized with their assumed on-line dates as follows:

Project	Community/Utility	Projected On-Line Year
Craig - Hollis Transmission Line	AP&T	2003
Craig - Hydaburg Transmission Line	AP&T	2004
Coffman Cove Transmission Line	AP&T	2007
South Fork Hydroelectric Project	AP&T Prince of Wales	2006
Lake Dorothy Hydroelectric Project	AEL&P	2007
Haines - Chilkat Valley Transmission Line	AP&T	2007
Kasidaya Hydroelectric Project	AP&T Upper Lynn Canal	2006
Falls Creek Hydroelectric Project	Gustavus Electric Co.	2008

Date shown is dependent on ability to obtain project funding

APPENDIX H, cont.
Needs/Projects for Southeast and Four Dam Pool Communities

Potential New Southeast Alaska Hydroelectric Projects

	Community / Utility	Capacity (kW)	Annual Energy Generation Capability [1] (MWh)	Estimated Capital Cost [2] ($millions)
Upper Lynn Canal Region				
Kasidaya Creek	Haines-Skagway/AP&T	3,000	12,000	7.0
Connelly Lake	Haines-Skagway/AP&T	5,000	30,000	14.0
Subtotal		5,000	30,000	
North Region				
Lake Dorothy - Phase 1	Juneau/AEL&P	15,000	75,000	
Lake Dorothy - Phase 2	Juneau/AEL&P	32,000	94,000	
Gartina Falls	Hoonah	600	1,900	3.8
Water Supply Creek	Hoonah	600	1,800	3.1
Falls Creek	Gustavus/GEC	800	2,500	4.1
Subtotal		49,000	175,200	
West Central Region				
Takatz Lake	Sitka	20,000	82,800	82.0
Katlian River	Sitka	7,000	29,800	70.5
Thayer Creek	Angoon	1,000	8,500	NA
Subtotal		28,000	121,100	
Tyee-Swan Region				
Thomas Bay (Swan Lake)	Petersburg	40,000	164,400	193.0
Lake Tyee Third Turbine	Petersburg - Wrangell	10,000	1,000	NA
Sunrise Lake	Wrangell	4,000	12,200	NA
Anita - Kunk Lake	Wrangell	8,000	28,200	NA
Virginia Lake	Wrangell	12,000	42,700	NA
Thoms Lake	Wrangell	7,300	25,600	NA
Whitman Lake	Ketchikan/KPU	4,600	19,640	7.6
Connell Lake	Ketchikan/KPU	1,900	11,640	5.5
Mahoney Lake	Ketchikan/KEC	9,600	45,600	NA
Triangle Lake	Metlakatla/MP&L	3,900	16,885	12.9
Subtotal		101,300	367,865	
Prince of Wales Region				
South Fork	Craig-Klawock/AP&T	2,000	7,000	3.5
Lake Mellon/Reynolds Creek	Craig-Klawock/AP&T	10,000	-	NA
Subtotal		12,000	7,000	
Totals		195,300	701,165	

APPENDIX H cont.
Needs/Projects for Southeast and Four Dam Pool Communities

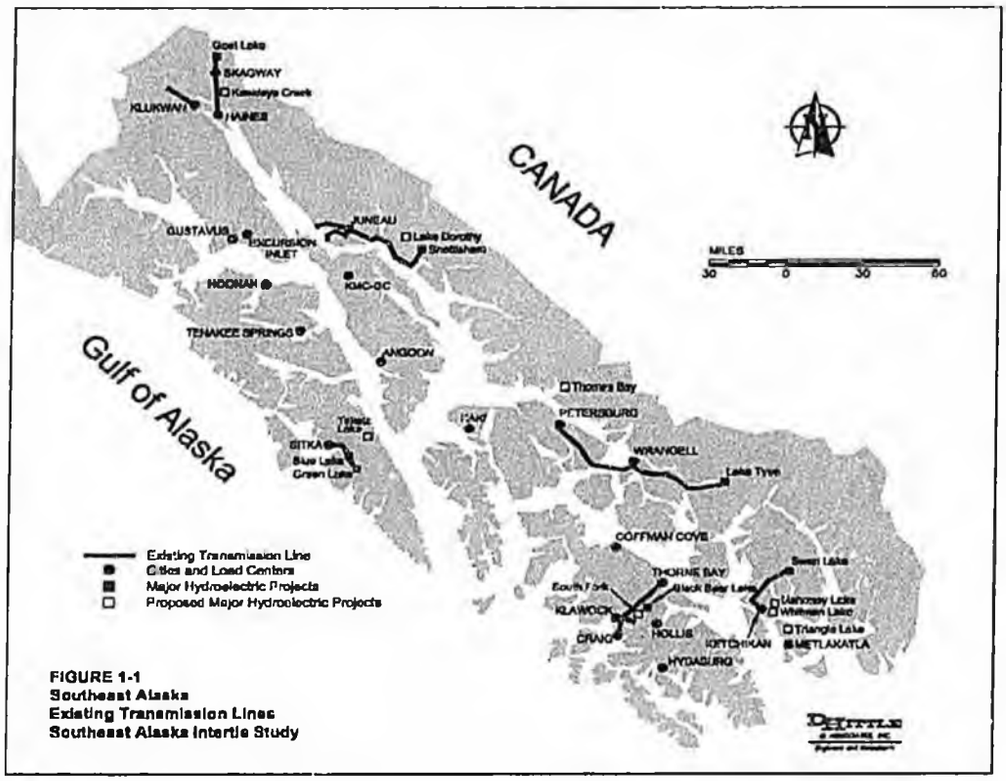


FIGURE 1-1
Southeast Alaska
Existing Transmission Lines
Southeast Alaska Intertie Study

Transmission Line Development/Regional Planning:

Except for transmission lines connecting several Prince of Wales Island communities, the Lake Tyee to Wrangell & Petersburg transmission line, and a submarine cable connecting Haines & Skagway, the communities within Southeast Alaska are not currently interconnected.

In 1997, the Southeast Conference Intertie Committee was formed including representation from a broad range of utilities, municipalities and organizations from all over Southeast Alaska. A study was commissioned by Southeast Conference and completed in 1997 by Acres International to evaluate the technical feasibility of an interconnected Intertie system throughout Southeast Alaska. The results of the study served as the basis upon which Congress passed a bill authorizing the project including federal funding participation.

Southeast Conference commissioned an engineering & economic analysis of the Southeast Alaska Intertie Project in 2003. This study was completed by D. Hittle & Associates in 2003. The study provides an update of the original Acres report and includes updated cost estimates and recommended segment phasing. Three transmission segments are currently under varying stages of development

APPENDIX H, cont.
Needs/Projects for Southeast and Four Dam Pool Communities

1. **Swan Lake – Lake Tyee Segment:**
Originally developed by the City of Ketchikan, the project is being transferred to the Four Dam Pool Power Agency. The Agency, owner of the Swan Lake and Tyee Lake generation facilities, will be responsible for all remaining construction activity. This Intertie segment has been several years in development and is now poised for completion. All of the necessary permits are in hand, all but one mile of the 57 mile right-of-way between the Swan Lake and Tyee Lake hydroelectric plants has been cleared, the structure sites have been surveyed and sampled, and final engineering design is nearly complete. The surplus power from Lake Tyee will be used to offset diesel generation in Ketchikan and allow more efficient use of existing generation facilities.

2. **Juneau – Greens Creek Mine – Hoonah Segment:**
The $41 million, 63.5-mile Juneau - Greens Creek Mine – Hoonah segment is coupled with the private development of the $35 million, 15-megawatt Lake Dorothy Hydroelectric project. The first 11 miles of the Intertie – from the Douglas Bridge to North Douglas Island have been completed by Alaska Electric Light & Power. Hydroelectric energy delivered across the Juneau-Greens Creek-Hoonah Intertie will completely replace diesel-generated energy in Hoonah and at the Greens Creek Mine. In Hoonah, the Intertie will displace over 400,000 gallons of diesel fuel annually, supplying hydroelectric energy to 860 residents and 435 homes. In addition, the Intertie will displace over 5 million gallons of diesel fuel used annually to generate electrical energy at the Greens Creek Mine.

3. **Petersburg – Kake Segment:**
The project would involve the construction of between 46 and 59 miles of transmission line (depending on the route selected) interconnecting the communities of Petersburg and Kake. The potential long-term benefits of the Intertie would be to use surplus generation from the Lake Tyee hydroelectric project to offset diesel generation in Kake. Additional benefit is the potential interconnection to the Woewodski Island Mine project that is currently under exploration by Olympic Resources and Bravo Venture Group. This project has promising mineral potential similar to the existing Greens Creek mine near Juneau. The estimated cost of this project is $ 23.1 million dollars if the shortest and most direct route is selected. Most of the line would parallel existing logging roads in the region. Two short submarine cables would probably be required. This segment will be designed for eventual interconnection to Sitka to the West as well as future interconnection to the Juneau – Hoonah segment.

APPENDIX H, cont.
Needs/Projects for Southeast and Four Dam Pool Communities

Routes for transmission lines between the communities of Southeast Alaska have been identified based on previous studies. These routes combine lengthy submarine cables and overhead transmission lines generally through undeveloped areas. The routes for the most part, are included as identified power system corridors in the Tongass National Forest Land Management Plan. The costs to construct and develop each of these lines at current cost levels have been estimated and are summarized as follows:

		Estimated Cost (millions)	Line Length (miles)		
			Sub. Cable	Overhead	Total
SEI - 1	Juneau - KMCGC -Hoonah	$37.1	34.5	18.7	53.2
SEI - 2	Kake - Petersburg	23.1	1.7	49.9	51.6
SEI - 3	Metlakatla - Ketchikan	6.0	1.0	16.0	17.0
SEI - 4	Ketchikan - Prince of Wales	31.7	17.2	18.0	35.2
SEI - 5	Kake - Sitka	50.3	35.0	24.0	59.0
SEI - 6	Hawk Inlet - Angoon - Sitka	81.2	82.0	22.0	104.0
	Less: SEI-6 costs common to SEI-5	(9.5)		(20.0)	(20.0)
SEI - 7	Hoonah - Gustavus	26.4	29.0	1.0	30.0
SEI - 8	Juneau - Haines	69.8	2.8	82.5	85.3
	Total System	**$316.0**	**203.2**	**212.1**	**415.3**

It should be noted that significant alternative configurations and route options exist for SEI-2, SEI-4, SEI-6 and SEI-8 which would change the estimated length and cost of these lines. The various alternatives will need to be evaluated more thoroughly in the future as development of these lines proceeds. Depending on the timing of construction of the Intertie segments, estimated costs will need to reflect the estimated impact of inflation.

Electric loads in Southeast Alaska are forecasted to increase at approximately 1% per year. Some communities are expected to see slightly higher rates of growth in the next - few years due to expanded economic activity in their areas. The potential for noticeable increases in energy requirements exists, however, particularly due to possible new mining operations.

The planned additions of new small hydroelectric facilities and the relatively slow growth expected in electrical loads reduces the near-term benefits that could be realized with Interties between certain communities.

APPENDIX H, cont.

Needs/Projects for Southeast and Four Dam Pool Communities

An evaluation of the costs and benefits of the Intertie segments has been prepared to determine when the savings in diesel energy generation production expenses would exceed the costs of purchasing and delivering power over the Interties. The results of this analysis indicate when new Intertie segments would be considered "economically justifiable". The recommended timing of the new Intertie segments, as determined by this analysis, is as follows:

		Projected On-Line Year
SEI - 1	Juneau - KMCGC - Hoonah	2007
SEI - 2	Kake - Petersburg	2007
SEI - 3	Metlakatla - Ketchikan	2015-2020
SEI - 4	Ketchikan - Prince of Wales	2020-2025
SEI - 5	Kake - Sitka	2025-2030
SEI - 6	Hawk Inlet - Angoon - Sitka	2020-2025
SEI - 7	Hoonah - Gustavus	After 2030
SEI - 8	Juneau - Haines	After 2030

The estimated cost of the total Southeast Intertie system is shown in Table 5-11. For the most part, the costs included in Table 5-10 do not acknowledge any cost savings that could possibly occur if several components of the system were to be constructed concurrently. Significant savings could potentially be realized if multiple submarine cable crossing systems were installed at the same time.

TABLE 5-11
Estimated Cost of Project Development and Construction
Southeast Alaska Intertie System

SEI - 1	Juneau - KMCGC - Hoonah	$ 37,076,000
SEI - 2	Kake - Petersburg	23,073,700
SEI - 3	Metlakatla - Ketchikan	5,962,400
SEI - 4	Ketchikan - Prince of Wales	31,693,000
SEI - 5	Kake - Sitka	50,345,800
SEI - 6	Hawk Inlet - Angoon - Sitka	81,193,400
	Less: SEI-6 costs common to SEI-5	(9,506,000)
SEI - 7	Hoonah - Gustavus	26,372,200
SEI - 8	Juneau - Haines	69,779,000
	Total System	**$ 315,989,500**

The total estimated cost of the system is $316.0 million. Of this amount, approximately $7.0 million is for inclusion of fiber optic systems in both the submarine and overhead portions of the transmission lines.

The total estimated cost is significantly less than the $435.8 million indicated in the 1997 Southeast Alaska Electrical Intertie System Plan. The 1997 Plan amount included $69.8 million for the Tyee-Swan Intertie that is not included in Table 5-11. The 1997 Plan also included approximately $55.5 million more for the interconnection between Juneau, Hoonah and Sitka than is indicated for SEI-1 and SEI-6 in total in Table 5-11, above.

Appendix I
FY03 PCE Program Participating Utilities

Akhiok, City of
Akiachak Native Community
Akiak, City of
Akutan Electric Utility
Alaska Power Company
Allakaket/Alatna
Bettles/Evansville
Chistochina
Coffman Cove
Craig
Dot Lake
Eagle/Eagle Village
Haines
Healy Lake
Hollis
Hydaburg
Klawock
Mentasta
Naukati
Northway/Northway Village
Skagway
Tetlin
Thorne Bay/Kassan
Tok
Whale Pass
Alaska Village Electric Cooperative
Alakanuk
Ambler
Anvik
Brevig Mission
Chevak
Eek
Elim
Emmonak
Gambell
Goodnews Bay
Grayling
Holy Cross
Hooper Bay
Huslia
Kaltag
Kasigluk
Kiana
Kivalina
Koyuk
Lower Kalskag
Marshall
Mekoryuk
Minto
Mt. Village
New Stuyahok
Nightmute
Noatak
Noorvik
Nulato
Nunapitchuk
Old Harbor
Pilot Station
Pitka's Point
Quinhagak
Russian Mission
Savoonga
Scammon Bay
Selawik
Shageluk
Shaktoolik
Shishmaref
Shungnak
St. Mary's/Andreafsky
St. Michael
Stebbins
Togiak
Toksook Bay
Tununak
Upper Kalskag
Wales
Alutiiq Power Company
Karluk
Andreanof Electric Corporation – Atka
Aniak Light & Power Company
Atmautluak Joint Utilities
Beaver Joint Utilities
Bethel Utilities Corp.
Bethel
Oscarville
Buckland, City of
Central Electric, Inc.
Chenega Bay IRA Village
Chignik Electric
Chignik Lagoon Power Utilities
Chignik Lake Electric Utility
Chitina Electric Inc.
Circle Electric Utility
Cordova Electric Co-op
Diomede Joint Utilities
Egegik Light & Power
Ekwok Electric
Elfin Cove Electric Utility
False Pass Electric Association
G & K
Cold Bay
Galena, City of
Golovin Power Utilities
Gustavus Electric Company
Gwitchyaa Zhee Utilities
Ft. Yukon
Hughes Light & Power
Igiugig Electric Company
I-N-N Electric Cooperative
Iliamna
Newhalen
Nondalton
Ipnatchiaq Electric Company
Deering
King Cove, City of
Kipnuk light Plant
Kobuk Valley Electric Company
Kokhanok Village Council
Koliganek Village Council
Kotlik Electric Services
Kotzebue Electric Association
Koyukuk, City of
Kwethluk, Inc.
Kwig Power Company
Kwigillingok
Larsen Bay Utility Company
Levelock Electric Cooperative
Lime Village Electric Company
Manley Utility Company
Manokotak Power Company
McGrath Light & Power
Middle Kusko. Electric Coop
Chathbaluk
Crooked Creek
Red Devil
Sleetmute
Stony River
Naknek Electric Association
Naknek
South Naknek
King Salmon
Napakiak Ircinraq Power Company
Napaskiak Electric Utility
Nateraq Light Plant
Chefornak
Nelson Lagoon Electric Cooperative
Nikolai Light & Power
Nome Joint Utility System
North Slope Borough
Anaktuvuk Pass
Atqasuk
Kaktovik
Nuiqsut
Point Hope
Point Lay
Wainwright
Nunam Iqua Electric Company
Nushagak Electric Cooperative
Dillingham
Aleknagik
Ouzinkie, City of
Pedro Bay Village Council
Perryville, City of
Pilot Point Electrical
Platinum, City of
Port Heiden, City of
Puvurnaq Power Co
Kongiganak
Ruby, City of
Sand Point Electric Co.
St. George MuniElectrUtility
St. PaulMuniElectrUtility
Takotna Comm Assoc. Utilities
Tanalian Electric Coop.
Port Alsworth
Tanana Power Company
Tatitlek Electric Utility
Teller Power Company
Tenakee Springs, City of
Tlingit Haida Reg Elect Auth
Angoon
Chilkat Valley
Hoonah
Kake
Klukwan
Tuluksak Tradit Power Utility
Tuntutuliak Comm Service
Twin Hills Village Council
Umnak Power Company
Nikolski
Unalakleet Valley Electrc Coop
Unalaska Electric Utility
Ungusraq Power Company
Newtok
Venetie Village Electric
White Mountain Utilities
Yakutat Power

FY03 PCE PROGRAM STATISTICS

Participation Statistics	Fiscal Year 2003	Fiscal Year 2002	Percent Change 2002 - 2003
Population Served	79,229	79,555	-0.4%
Communities Served	185	187	-1.1%
Participating Utilities	89	90	-1.1%
Total Residential Customers	25,713	25,495	0.9%
Total Eligible Community Facilities Customers	1,776	1,746	1.7%
Total Eligible Customers	27,489	27,241	0.9%
Production Statistics			
Total Diesel Generation (kWh)	370,976,960	386,658,693	-4.1%
Total Hydroelectric Generation (kWh) (1)	25,599,909	7,889,500	224.5%
Total Purchased Power (kWh)	45,840,367	45,755,222	0.2%
Total kWh Sold (All Customers) (2)	403,156,646	401,804,401	0.3%
PCE Eligible kWh - Residential	89,786,393	89,314,504	0.5%
PCE Eligible kWh - Community Facilities	33,828,803	34,342,099	-1.5%
Total PCE Eligible kWh shown as percent of total kWh sold.	31%	31%	0.0%
Average Monthly PCE Eligible kWh - Residential Customers (3)	291	293	-0.7%
Average Monthly PCE Eligible kWh - Community Facilities	1,587	1,645	-3.5%
Average Monthly PCE Eligible kWh - Community Facilities / Per Resident	36	36	0.0%
Financial Statistics			
Average Price of Fuel Oil ($/gallon)	1.33	1.32	0.8%
Total Fuel Oil Consumed (gallons)	27,295,935	28,161,794	-3.1%
Total cost of fuel purchased by the utilities ($)	36,400,050	37,059,110	-1.8%
Total Operating Costs ($)	59,003,506	57,169,071	3.2%
Operating expenses per total kWh sold ($)	0.1464	0.1410	3.8%
PCE legislative funding appropriations ($)	15,700,000	15,700,000	0.0%
Total PCE payments ($) (4)	15,448,480	15,469,105	-0.1%
Average PCE payment per eligible kWh ($)	0.1250	0.1251	-0.1%
Average annual required PCE payment per customer ($) (3)	562	569	-1.2%

(1) Substantial increase in hydro generation due to the production of Cordova's Power Creek hydro facility.
(2) Value reduced by 3,194,515 kWh's in FY02, and by 1,063,387 in FY03 to eliminate double counting of kWh's where power is bought and sold between utilities participating in the PCE Program.
(3) Calculation assumes all customers were eligible to receive twelve (12) months of PCE credit.
(4) During FY03 PCE payments were made at a 84% level for the first eight (8) months, and at a 90% level for the next three (3) months, and at a 92% level for the last month.

PCE PROGRAM
HISTORICAL TRENDS
Fiscal Year 1993 - 2003

	Fiscal Year *1993*	Fiscal Year *1994*	Fiscal Year *1995*	Fiscal Year *1996*	Fiscal Year *1997*
PARTICIPATION					
Participating Utilities	96	95	95	96	96
Communities Served	166	173	175	180	191
Population Served	69,626	73,392	75,776	75,488	77,406
CUSTOMERS					
Residential	20,857	21,732	22,361	23,316	23,820
Commercial	5,363	5,202	5,299	6,391	5,778
Community Facilities	1,285	1,366	1,361	1,452	1,510
Total Customers	27,505	28,300	29,021	31,159	31,108
FUNDING					
Appropriations ($)	$18,026,700	$17,920,000	$18,635,000	$19,385,600	$18,500,000
Disbursements ($)	$17,341,042	$17,516,024	$18,493,448	$19,201,515	$17,906,275
Disbursements/Customer ($)	$630	$619	$637	$616	$576
Funding Level (Annual Average % of full PCE rates)	89.17%	95%	97.5%	97.5%	85%
CONSUMPTION					
Total MWH Sold (MWH)	313,535	340,102	359,569	363,783	374,455
PCE Eligible MWH Residential & Commercial (6)	104,545	105,630	108,217	112,484	115,803
PCE Eligible KWH/Month/Customer, Residential& Commercial	332	327	326	316	326
PCE Eligible MWH Community Facilities	23,331	24,344	26,447	27,420	28,308
Eligible KWH/Month/Capita, Community Facilities	28.0	28.0	29.0	30.0	31.0
Total PCE Eligible MWH (MWH)	127,877	129,974	134,194	139,904	144,112
Eligible KWH/Month/Customer, Total Customers	388	383	385	374	386
COSTS					
Average Price of Fuel Oil ($/gallon)	$0.990	$0.970	$1.010	$1.01	$1.11
Total Gallons of Fuel Oil Consumed (gallons)	24,932,287	26,663,700	27,861,416	27,540,292	28,159,435
Total Cost of Fuel Oil ($)	$25,246,066	$27,391,271	$27,616,949	$27,849,969	$31,174,864
Total Operating Costs ($)	$43,974,601	$48,431,445	$47,200,227	$52,174,734	$51,068,505
EFFICIENCY RATIOS					
Operating Expenses per total KWH Sold ($/kWh)	$0.1400	$0.1270	$0.1310	$0.1430	$0.1360
RATES					
Average PCA/PCE per Eligible KWH ($/kWh)	$0.1350	$0.1350	$0.1380	$0.1370	$0.1240

(1) Commercial customers are ineligible to receive PCE credit, per July 2000 legislation.

(2) PCE funding levels for FY99 were paid at the a reduced level of 85% for the first ten (10) months of the program year, and reduced to 73.5% for the last two (2) months of the program year.

(3) PCE funding levels for FY01 were paid at the 100% level for the first eleven (11) months, and reduced to 74% for the last month of the program year.

(4) PCE funding levels for FY02 were paid at the reduced level of 92% for the first seven (7) months, 80% for the next four (4) months, and 66% for the last month of the program year.

(5) PCE funding levels for FY03 were paid at the reduced level of 84% for the first eight (8) months, 90% for the next three (3) months, and 92% for the last month of the program year.

(6) PCE Eligible MWH Residential & Commercial is a combined total for years FY89 - FY99. FY00 - FY03 represents residential eligible MWH's only.

PCE PROGRAM
HISTORICAL TRENDS, cont.
Fiscal Year 1993 - 2003

	Fiscal Year *1998*	Fiscal Year *1999*	Fiscal Year *2000*	Fiscal Year *2001*	Fiscal Year *2002*	Fiscal Year *2003*
PARTICIPATION						
Participating Utilities	97	98	94	91	90	89
Communities Served	193	194	188	189	187	185
Population Served	78,179	79,377	77,625	79,708	79,555	79,229
CUSTOMERS						
Residential	24,423	25,226	24,753	25,123	25,426	25,713
Commercial	5,895	5,955	(1)	(1)	(1)	(1)
Community Facilities	1,609	1,627	1,675	1,732	1,740	1,776
Total Customers	31,927	32,808	26,428	26,855	27,166	27,489
FUNDING						
Appropriations ($)	$18,700,000	$18,050,000	$15,700,000	$17,090,222	$15,700,000	$15,700,000
Disbursements ($)	$18,503,992	$17,949,524	$14,415,676	$17,076,203	$15,469,105	$15,448,480
Disbursements/Customer ($)	$580	$547	$545	$636	$569	$562
Funding Level (Annual Average % of full PCE rates)	85%	(2)	100%	(3)	(4)	(5)
CONSUMPTION						
Total MWH Sold (MWH)	383,549	403,663	391,454	390,802	401,804	403,157
PCE Eligible MWH Residential & Commercial (6)	118,553	128,836	85,873	87,524	89,315	89,786
PCE Eligible KWH/Month/Customer, Residential & Commercial	326	364	265	290	293	291
PCE Eligible MWH Community Facilities	29,954	33,016	30,216	33,062	34,342	33,829
Eligible KWH/Month/Capita, Community Facilities	32.0	35.0	32.4	35.0	36.0	36.0
Total PCE Eligible MWH (MWH)	148,507	161,852	116,089	120,585	123,657	123,615
Eligible KWH/Month/Customer, Total Customers	388	411	293	325	379	327
COSTS						
Average Price of Fuel Oil ($/gallon)	$1.07	$0.98	$1.10	$1.37	$1.32	$1.330
Total Gallons of Fuel Oil Consumed (gallons)	28,380,048	28,296,365	27,697,657	27,358,835	28,161,794	27,295,935
Total Cost of Fuel Oil ($)	$30,235,332	$27,701,300	$30,427,210	$37,547,880	$37,059,110	$36,400,050
Total Operating Costs ($)	$53,803,948	$54,539,372	$41,487,005	$55,436,898	$57,169,071	$59,003,506
EFFICIENCY RATIOS						
Operating Expenses per total KWH Sold ($/kWh)	$0.1400	$0.1350	$0.1060	$0.1410	$0.1410	$0.1464
RATES						
Average PCA/PCE per Eligible KWH ($/kWh)	$0.1250	$0.1450	$0.1240	$0.1416	$0.1251	$0.1250

(1) Commercial customers are ineligible to receive PCE credit, per July 2000 legislation.

(2) PCE funding levels for FY99 were paid at the a reduced level of 85% for the first ten (10) months of the program year, and reduced to 73.5% for the last two (2) months of the program year.

(3) PCE funding levels for FY01 were paid at the 100% level for the first eleven (11) months, and reduced to 74% for the last month of the program year.

(4) PCE funding levels for FY02 were paid at the reduced level of 92% for the first seven (7) months, 80% for the next four (4) months, and 66% for the last month of the program year.

(5) PCE funding levels for FY03 were paid at the reduced level of 84% for the first eight (8) months, 90% for the next three (3) months, and 92% for the last month of the program year.

(6) PCE Eligible MWH Residential & Commercial is a combined total for years FY89 - FY99. FY00 - FY03 represents residential eligible MWH's only.

Appendix J
Alaska Energy Policy Task Force Members

Chair: Mike Barry, Chairman of the Board
AIDEA/Alaska Energy Authority (AEA)
www.aidea.org

Vice Chair: H.A. Red Boucher, Alaska Wireless Technology
Board Member, Chugach Electric Association (CEA)
www.chugachelectric.com

Tom Boutin, Deputy Commissioner
State of Alaska-Department of Revenue
www.state.ak.us

Dave Carlson, Intertie Coordinator
Southeast Conference
www.seconference.org

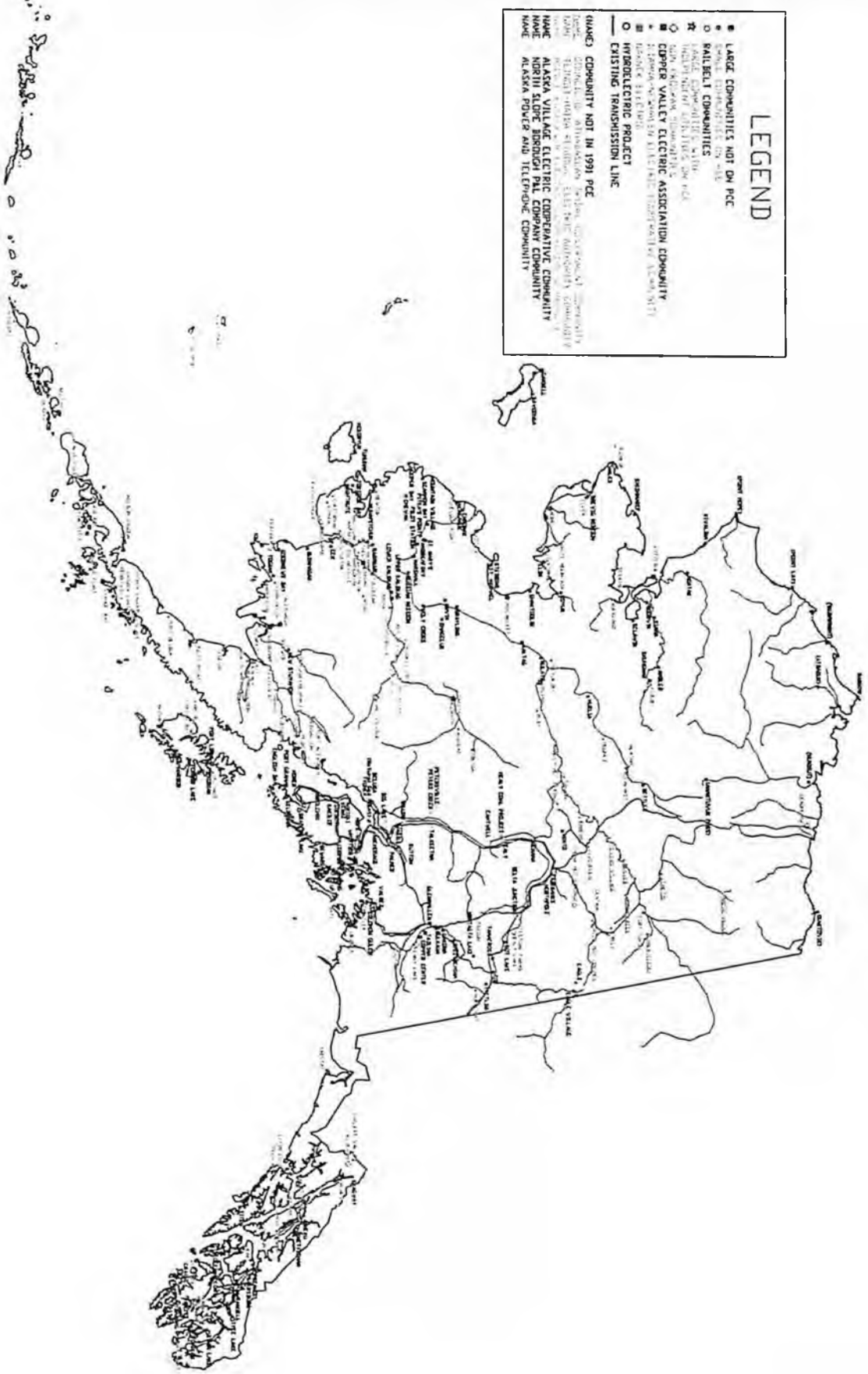
Wayne Carmony, General Manager
Matanuska Electric Association (MEA)
www.matanuska.com

Rick Eckert, Manager of Finance
Homer Electric Association (HEA)
www.homerelectric.com

Steve Haagenson, President/CEO
Golden Valley Electric Association (GVEA)
www.gvea.com

Meera Kohler, President/CEO
Alaska Village Electric Cooperative (AVEC)
www.avec.org

Robert Wilkinson, CEO
Copper Valley Electric Association (CVEA)
www.cvea.org


LEGEND
LARGE COMMUNITIES NOT ON PCC
RAILBELT COMMUNITIES
COPPER VALLEY ELECTRIC ASSOCIATION COMMUNITY
HYDROELECTRIC PROJECT
EXISTING TRANSMISSION LINE
(NAME) COMMUNITY NOT IN 1991 PCC
NAME ALASKA VILLAGE ELECTRIC COOPERATIVE COMMUNITY
NAME NORTH SLOPE BOROUGH P&L COMPANY COMMUNITY
NAME ALASKA POWER AND TELEPHONE COMMUNITY

HB

45

HOUSE COMMITTEE REPORT

(7)
Date Referred to Committee: January 21, 2003 **FURTHER REFERRALS: State Affairs**

Date of Committee Action: 1-30-03

The COMMUNITY AND REGIONAL AFFAIRS Committee considered: **HB 45**

HOUSE BILL NO. 45 **SECOND VERSE OF ALASKA'S STATE SONG**

"An Act adding a second verse to the official Alaska state song."

Recommends it be replaced with [ ] HCS *or* [ ] CS *for* _____(_____)
For Senate Bills with new title: [ ] Technical Title [ ] New Title: HCR_____ [ ] Same Title [ ] New Title

[ ] attach amendments
[ ] add new referral to _____Committee
[ ] Letter of Intent ___ _____Committee

List of Abbrev for Depts.:
ADM
CED
COR
CRT
EED
DEC
DFG
GOV
HSS
LAA
LAW
LWF
MVA
DNR
DPS
REV
DOT
UA

NEW **FISCAL NOTES** *Assigned by Chief Clerk's Office				
List by Dept(s):	*FN#	Fiscal	Indet.	Zero
LA				✓

PREVIOUS **FISCAL NOTES**				
List by Dept(s):	FN#	Fiscal	Indet.	Zero

Signing with recommendations	**Printed Last Name**	**DP**	**DNP**	**NR**	**AM**
Albert Kookesh	KOOKESH	✓			
Carl Morgan	CISSNA	✓			
	SAMUELS	✓			
Tom Anderson	ANDERSON	✓			
Mike Chenault	Chenault	✓			
Chair:		✓			
Chair:					

FISCAL NOTE

STATE OF ALASKA
2003 LEGISLATIVE SESSION

Fiscal Note Number:
Bill Version: HB 45
() Publish Date:

Revision Date/Time (Note if correction):
Dept. Affected: University of Alaska
Title: SECOND VERSE OF ALASKA'S STATE SONG
BRU: Systemwide
Component:
Sponsor: REPRESENTATIVE(S)WEYHRAUCH, Gruenberg
Requester:
Component No.:

Expenditures/Revenues (Thousands of Dollars)

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

OPERATING EXPENDITURES	FY 2004	FY 2005	FY 2006	FY 2007	FY 2008	FY 2009
Personal Services						
Travel						
Contractual						
Supplies						
Equipment						
Land & Structures						
Grants & Claims						
Miscellaneous						
TOTAL OPERATING	0.0	0.0	0.0	0.0	0.0	0.0
CAPITAL EXPENDITURES						
CHANGE IN REVENUES ( )						

FUND SOURCE (Thousands of Dollars)

1002 Federal Receipts						
1003 GF Match						
1004 GF						
1005 GF/Program Receipts						
1037 GF/Mental Health						
Other (Specify Type--Do not abbreviate)						
TOTAL	0.0	0.0	0.0	0.0	0.0	0.0

Estimate of any current year (FY2003) cost: 0.0
Check this box (X) if funding for this bill is included in the Governor's FY 2004 budget proposal:

POSITIONS

Full-time						
Part-time						
Temporary						

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

Prepared by: Paul Jenny
Phone 907-474-5889
Division: University of Alaska
Date/Time 1/28/03 2:17 PM
Approved by:
Date 1/28/2003
Agency:

(Revised 9/2001 OMB)

COMMITTEE: House Community and Regional Affairs Standing Committee	SUBJECT: HB 45-SECOND VERSE OF ALASKA'S STATE SONG

DATE: January 30, 2003

PLEASE SIGN IN

PLEASE PRINT: NAME & TITLE	ADDRESS	PHONE	REPRESENTING (No acronyms unless for a state agency, please)	DO YOU WANT TO TESTIFY ?
Linda Sylvester			Rep Weyhrauch	y
Tom STEWART E-mail address:	928 CALHOUN AVE	586-1220	Watershed Invest	yes
J. Allan MacKinnon	9341 Turn St.			
E-mail address:	mackinnon@gci.net	789-0320	myself	yes
Teri Tibbett	6728 Marguerita Juneau	586-3529	Rep. Weyhrauch	Yes
E-mail address:				
E-mail address:				
E-mail address:				

ALASKA STATE LEGISLATURE

REPRESENTATIVE BRUCE WEYHRAUCH

ALASKA
STATE CAPITOL
JUNEAU, ALASKA
99801-1182

(907) 465-3744
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HOUSE DISTRICT 4

HB 45
The Second Verse to the "Alaska Flag Song"

This legislation is a vehicle to officially add a second verse, written by Carol Beery Davis, to the Alaska state song.

"Alaska's Flag" written by Marie Drake and composed by Elinor Dusenbery was adopted as the official state song in 1956, and was gifted to the University of Alaska in April 1960. Carol Beery Davis wrote the second verse to the state song and gifted the words to the University of Alaska Foundation in February 1987. This legislation would allow for the gift of a second verse to be recognized and adopted as part of the official state song as was the first verse in 1956.

Further, this legislation would recognize Carol Beery Davis, an Alaskan pioneer and poet laureate, as the maker of the second verse. While the official Alaska state song recognizes and describes Alaska's flag, in the second verse, Davis lauds the contributions of the Native culture and it highlights the dignity of diverse cultures.

"a Native lad chose the Dipper's stars..... for Alaska's flag
that there be no bars among our cultures.
Be it known through the years, the Natives' past has grown to share life's treasures
hand in hand, to keep Alaska our great land! "

It is timely to have this second verse officially added to the Alaska state song this year, the 76th Anniversary of its writing.

Most importantly, the time has come to recognize the contributions of all Alaskans, whether it was our sourdoughs who dreamed of gold in the streams nearby or a young Native lad whose vision gave Alaska a flag of unique symbolism.

Updated January 27, 2003

Sponsor Statement

UA Foundation
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About the University of Alaska Foundation

The University of Alaska Foundation is a private nonprofit corporation, operated as a public Foundation, which was established in 1974 to solicit, manage and invest donations for the exclusive benefit of the University of Alaska. The Foundation is a tax-exempt organization as described in Subsection 501 (c) (3) of the Internal Revenue Code and donations made to the Foundation are deductible according to schedules established under income and estate tax regulations. The Foundation qualifies as a public charitable organization under Subsection 170 (b) (1) (A) (vi) of the Internal Revenue Code.

The Foundation is legally separate and distinct from the University of Alaska and is organized under its own Articles of Incorporation and Bylaws. Its members are its College of Fellows and it is governed by its own Board of Trustees. This thirty member board is composed of prominent Alaskans and includes the University President, the three University Chancellors, as well as two members of the Board of Regents. The Board meets three times annually and establishes the Foundation's investment policy for the endowments, manages donated property and oversees the distribution of the Foundation's assets to its sole beneficiary, the University of Alaska system.

The Board of Regents of the University of Alaska has recognized the University of Alaska Foundation as the entity which should manage private gifts and governmental gifts restricted to 501 (c) (3) organizations made to support all campuses of the University of Alaska system. The Regents Policies further direct that all unrestricted gifts to the University of Alaska must be transferred to the Foundation. It further states that restricted gifts, too, may be transferred to

Foundation.

The Foundation is a well established non-profit in Alaska with 25 years of experience in the management of funds to support the University of Alaska. The Foundation has a full time staff of four including an executive director with fourteen years of experience in fund raising and fund management within higher education institutions.

The Foundation has access to University based expertise in tax law and corporate taxing, land management and land development services, real estate marketing, a full range of legal services, fund management and investment services.

The Foundation has assets of more than $56 million and a pooled endowment fund of more than $42 million which is managed by several investment firms selected by the Foundation's Investment Committee. This allows the Foundation to invest in larger blocks with accompanying higher returns on investment. Since inception, thirteen years ago, the Foundation's Pooled Endowment fund has earned at total return rate of a little over 13%.

Updated November 2001
Maintained by
amanda.wall@alaska.edu

The Foundation has experience with the acceptance, valuation and management of such diverse donations as government grants, developed and undeveloped real estate (raw land and office buildings, single family residences and condominiums), stocks, bonds, and a large variety of tangible personal property gifts including gifts of raw gold, collections of Ivory, fine art pieces, copyrights, musical instruments, etc.

The Foundation has experience assisting donors in making gifts through trusts, bequests, life insurance policies and similar instruments and has the ability to provide such instruments to donors depending upon their needs.

The Foundation adheres to the highest ethical standards with regard to fundraising and fund management and subscribes to the Code of Ethics adopted by and is a member of, the Council of Advancement and Support of Education. The Foundation staff regularly (at least annually) attends continuing education seminars to remain current in the field of charitable giving.

The accounts at the Foundation are overseen by a treasurer who is the Vice President of Finance of the University of Alaska and who is assisted by a staff including two certified Public Accountants. The Foundation's financial books are audited annually by the accounting firm of KPMG Peat Marwick and the audited financial statement appears in the Foundation's annual report.

VOL 1078 PAGE 401

GIFT OF MUSICAL WORK

KNOW ALL MEN BY THESE PRESENTS: That we, MARIE C. DRAKE and ELINOR DUSENBURY, respectively the author and composer of the song "ALASKA'S FLAG", for and in consideration of the sum of One ($1.00) Dollar, the receipt whereof is hereby acknowledged, and other good and valuable consideration, do hereby give, donate, transfer and assign unto the Board of Regents of the University of Alaska, as trustees for and on behalf of the benefit of said university, all of their right, title and interest in and to that certain musical work known as "ALASKA'S FLAG" together with all of their right, title and interest in and to the copyright thereof.

Dated this 3 day of April, 1960.

Witnessed in the presence of:

Mrs. Margaret Ling

Hazel Lo Finnie

M. Mary Pelowski

J.D. Hastings

Marie C. Drake
Marie C. Drake

Elinor Dusenbury
Elinor Dusenbury

GIFT OF MUSICAL WORK

KNOW ALL MEN BY THESE PRESENTS: That I, Carol Beery Davis, the author of the attached lyrics entitled "Alaska's Flag (second verse)," for and in consideration of the sum of One ($1.00) Dollar, the receipt whereof is hereby acknowledged, and other good and valuable consideration, do hereby give, donate, transfer and assign unto the Board of Trustees of the University of Alaska Foundation, all of my rights, title and interest in and to those certain lyrics known as "Alaska Flag (second verse)" together with all of my rights, title and interest in and to the copyright thereof.

Dated this 24th day of February, 1987.

Carol Beery Davis

STATE OF ALASKA)
) ss.
FIRST JUDICIAL DISTRICT)

THIS IS TO CERTIFY that on this 24th day of February, 1987, before me, the undersigned, a Notary Public and for the State of Alaska, personally appeared Carol Beery Davis, known to me and to me known to be the individual named in and who executed the foregoing document and she acknowledged to me that she executed the foregoing document as her free and voluntary act and deed for the uses and purposes therein set forth.

WITNESS my hand and ~~notarial~~ seal the day and year first hereinabove writte.

~~Notary Public in and for Alaska~~
~~My Commission Expires:~~ _____
District Court Judge

For the Committee on the Second Verse of the Alaska Flag Song

I would like to give you a little summary of my family history on this eventful occasion. My paternal grandfather arrived in Juneau early in 1891 for a short stay, working for the Nowell Mining Co. as a bookkeeper. With paints, brushes and canvas, my grandmother landed at the Juneau docks a few months later. She planned to paint Alaskan scenery for a month or two. The following year they were married in the Log Cabin church. Both of them came from England.

My mother came to Juneau in 1920 to play for the silent movies at the Palace Theater, a three-month, temporary job that lasted for seven years. By that time, Marie Drake was a good friend, the contest to choose a flag for Alaska was underway, and my father was a member of the Final Awards Committee to choose the flag. Mother took notes of the events at that time. Later she wrote that once the design was chosen, Marie felt that the school children of Alaska would understand the historical event better if they had words to recite, something like those in her head. The Territorial Commissioner of Education gave his approval, and so the first step towards a song was born.

When mother was approached to add a second verse to the state song, she believed that it was important to do so, and that her old friend, Marie, would approve. Using the themes of unity, history, progress and the state's natural beauty, she carefully composed the verse with her enduring love for Alaska. It was her last gift. She was 95 years old.

Submitted by Constance Davis

Flag song addition

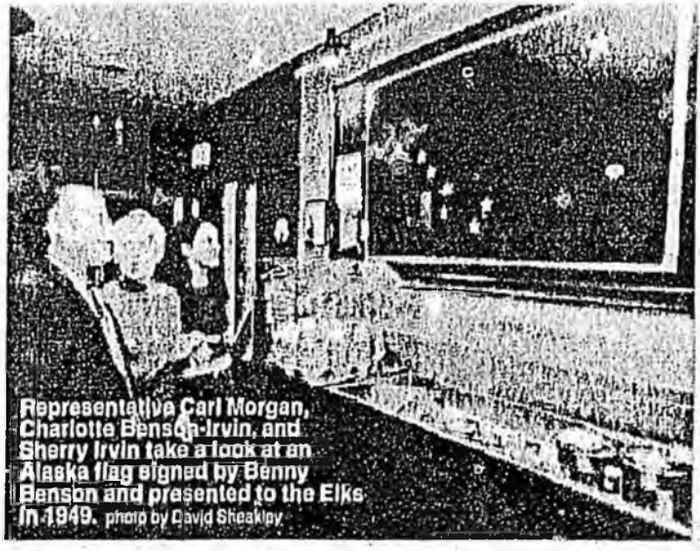
SEANNA O'SULLIVAN / THE ASSOCIATED PRESS

Connie Davis, left, and Harriet H. Roberts of Alaska Native Sisterhood of Juneau Camp 2 react to a House of Representatives vote to add a second verse to the Alaska State Flag song on Wednesday at the Capitol. Davis is the daughter of Carol Beery Davis, who wrote the verse approved by the House.

Original AK flag surprises visitors by Kristin Price

Relatives of Benny Benson, the designer of Alaska's State Flag, were met with a pleasant surprise on a recent visit to Juneau. Charlotte Benson-Irvin and Sherry Irvin, daughter and granddaughter of the late Benny Benson, who were in Juneau for the opening of an Alaska Flag exhibit at the State Museum, were delighted to discover that there is another original flag located at the Elk's Lodge in Juneau.

The Irvins, along with Connie David, whose mother wrote the second verse of the Alaska State song, arrived at the Juneau Elks Lodge to find an Alaska State Flag handmade and signed by Benny Benson and presented to the Elks in 1949. "They were very pleased to see the flag, which has some family significance," said Bill Lawrence, staff to Rep. Carl Morgan, and past Elk's Exalted Ruler.



Representative Carl Morgan, Charlotte Benson-Irvin, and Sherry Irvin take a look at an Alaska flag signed by Benny Benson and presented to the Elks in 1949. photo by David Sheakley

In addition to the flag, the visitors also found a photograph taken of Benson, after his flag design was selected in 1927. "They were really surprised," said Susan Bushnell, Elk's Lodge Exalted Ruler. "They didn't think anyone had this picture."

Benny Benson submitted his design for Alaska's State Flag in a territorial contest in 1926. Benson's design was selected from 242 entries in a contest as best and most representative of Alaska. The design was adopted by the Alaska territorial legislature in 1927.

(L-R) Bill Lawrence, Susan Bushnell, Sherry Irvin, Rep. Carl Morgan, Charlotte Benson-Irvin, Connie Davis, and Lori Nottingham gathered to look at an original Alaska flag made by Benny Benson. Photo by David Sheakley

team would find two trees about the right distance apart for a lean-to. Then we'd cut down everything else in sight. We needed poles to lash together for the lean-to frame and lots of boughs — to weave into the poles and to make beds for our sleeping bags. We also needed firewood. We never left a winter survival site looking like anything but a British Columbia clear-cut.

Once we had the shelter built, we turned our attention to the fire. The Scouts taught lots of ways to make a fire with nothing but available materials. But we didn't use any of them. Instead, we employed a form of fire starting first explained to me by a friend of my dad.

"The best way to start a fire is our way, the Indian way," he said.

"How's that?" I asked.

"Blazo," he said, "and a steel-jacketed bullet."

Our scout leaders had an irrational — nay, un-American — aversion to having us kids go out into the woods armed. So we had to make do with lighter fluid and kitchen matches. Nothing like lighter fluid to get one of those black spruce fires smoldering real good.

After that, it was charring some meat for dinner, crawling into our bags and falling asleep, while the adults snuck back to the vehicles to warm up.

Piece of cake, really. In fact, I can only think of one better way to survive winter. The way I use now. The way every real Alaskan teaches his children: Stay indoors, and try to make it to Hawaii for a couple of weeks every winter.

■ Mike Doogan's opinion column appears each Tuesday, Friday and Sunday. His telephone number is 257-4350, and his e-mail address is mdoogan@adn.com.

■ TUSSLE: Jerome Logan accused of killing man after basketball game.

By NICOLE TSONG
Anchorage Daily News

Billy Watterson's life ended on a summer night in 2000 when a fight fueled by alcohol exploded in racial taunts after a pickup basketball game, attorneys said as Jerome Logan's murder trial began Monday in Anchorage Superior Court.

Prosecutors say Logan — who faces one count of first-degree murder, two counts of second-degree murder and one count of third-degree assault — shot and killed 21-year-old Watterson at a party in East Anchorage.

In opening statements before Judge Mike Wolverton, assistant district attorney Hollis French told the jury that Logan had opportunities to leave the party after a fight. Instead, he took a gun from his car and returned, French said.

"Jerome Logan should have walked away. Anger and alcohol clouded his judgment," the prosecutor said.

But defense attorney Rex Butler said Logan, 22, didn't intend to shoot anyone when he brandished the gun. Logan was angry because of racial taunts directed at him after the basketball game, Butler said. The gun went off during a struggle between Logan and other people, he said.

"I suspect evidence will show that during the course of this fight ... that the gun ended up discharging at least twice, maybe three times, and unfortunately Billy Watterson is dead," Butler said.

See Page B-3, SHOOTING

Billy Watterson was 21 when he was shot and killed in 2000 at a party in East Anchorage.

Jerome Logan faces assault charges as well as first- and second-degree murder charges.

Choir belts out 2nd verse to state song

SEANNA O'SULLIVAN / The Associated Press

House Speaker Brian Porter, R-Anchorage, has joined 14 representatives in sponsoring a bill to add a verse to "Alaska's Flag."

■ BILL: House of Representatives hears the proposed addition to 'Alaska's Flag.'

By CATHY BROWN
The Associated Press

JUNEAU — The Alaska Youth Choir gave the state House of Representatives a chance to hear — literally — one of the bills they'll probably vote on this year.

During opening ceremonies in the House on Monday, the children's choir chimed out two verses of "Alaska's Flag" instead of one.

Fourteen representatives, including House Speaker Brian Porter, are sponsoring a bill to officially add the second verse, which honors the contributions of Alaska Natives, to the state song.

Adoption of the second verse was among more than 100 measures Gov. Tony Knowles' Commission on Tol-

See Page B-3, SONG

■ PICKLE: Into troubles create Joshua Wade c

BY SHEILA TOOMEY
Anchorage Daily News

Prosecutors in murder case have on their way to Their most impo the ones who wore ed Wade apparen he killed Della Br fall 2000, have b armed robbery.

The fact that wi be criminals isn't t mants often have l get worked out by know about some havior for reduce own case.

The problem l Daniel Troxel an are charged with first-degree rob felonies that co prison for 10 years ed. According to ment, the robbery beatings.

It is unlikely t can be resolved b al, scheduled fo That means Tr could be called a Wade with the ch them.

If prosecutor puts the two on th torney Cindy Str tainly have a righ the robberies. T

11/15/02 #### Juneau Empire

MARC LESTER / Anchorage Daily News

Junior Hollenbeck offers some advice about the UAA campus to Theresa Rzeczcki at the student center. The booth at the University of Alaska Anchorage was provided by the Campus Life group for new student orientation. Hollenbeck said most people just wanted directions to a building or room. Spring semester began last week.

SONG: *Youth Choir sings proposed second verse*

Continued from B-1

erance recommended to heal the racial divide between whites and minority groups. The commission was appointed after public outrage last winter over paint ball attacks by three white teens on Natives in downtown Anchorage.

More sweeping recommendations included new hate crime laws, increased funding for rural schools attended mostly by Natives and an end to the decade-long stalemate over subsistence.

Porter, R-Anchorage, said he didn't know whether the House Republican majority would accept all the commission's recommendations, but members want to address the racial divide.

"Certainly the intent of the House is to work toward urban-rural respect as opposed to gap," Porter said. Having both verses of the song performed Monday seemed like a nice beginning to that pursuit, he said. An aide to Porter arranged the opening-day ceremony.

Adding the second verse is not a new idea. Democratic Lt. Gov. Fran Ulmer introduced a bill to do so around 1987, when she was representing Juneau in the House.

The second verse was written by the late Carol Berry Davis, who lived in Juneau. She was disturbed that the original song did not recognize Alaska Natives, Ulmer said.

That time around, the bill passed in the House but died in a Senate committee, Ulmer said.

Senate President Rick Halford said Monday that he had no initial objection to adding the verse but he wanted to listen to a tape of Monday's House floor session to ensure the two verses fit well together.

The bill's first hearing will be at 8 a.m. Thursday in the House State Affairs Committee.

Adding the second verse is not a new idea. Democratic Lt. Gov. Fran Ulmer introduced a bill to do so around 1987, when she was representing Juneau in the House.

8.08, Stokesbary said. means about $12 less in per $100,000 in property

The overall budget, i ing state and federal rev totals $454.9 million, al 1.4 percent increase fro year.

Comeau's proposed l includes a number of ne positions and program has outlined $234,350 fo new vice principals at t trict's largest middle s and $156,100 for two ne

SHOOTIN

says tussl to Watter

Continued from B-1

According to the pr tion, the players shot b to pick teams, which hap to fall largely along lines. After Logan's te four black men lost to of three white men ar black man, taunts from player, Chris Twete, c the atmosphere, French

Twete told Logan, "W you to school," and, "A of white boys beat French said, adding Twete also may have racial slur.

Logan and Twete got fight, and Logan pu Twete in the face, the pr tor said. Another man, L. Sherburne, tackled and told him to leave.

French said Logan and walked to his ca some friends but once there reached in out a

FAIRBANKS
Daily News - Miner

Sourdough Jack says....

Column Last Updated:
Wednesday, January 16, 2002 - 4:58:37 AM MST

Alaskans should all weigh in on 'Alaska's Flag' verse

By Dermot Cole

Wednesday, January 16, 2002 - HOW ABOUT A statewide contest to write a second verse for "Alaska's Flag?"

That would be in keeping with the way in which the elegant flag described by the song was created. It would also bring together people from across Alaska for this, the 75th anniversary of the simple flag of a last frontier.

I make this suggestion because a legislative committee chaired by Rep. John Coghill plans a hearing Thursday morning in Juneau on plans to add a second verse to "Alaska's Flag," the official state song.

The committee is considering a proposed second verse written by the late Carol Beery Davis, former poet laureate of Alaska.

But many artists across the state may have good ideas on a second verse for the official song that would recognize Alaska Native cultures and other important themes and do so in words that are both as simple and as memorable as those in the original.

The Thursday hearing on the flag song will be teleconferenced to Fairbanks and testimony will be taken at the Legislative Information Office in Fairbanks in the Denali State Bank building at 8 a.m.

The story of the flag song begins with Benny Benson, a Native student at the Jessie Lee Home in Seward who submitted the winning design for an Alaska flag when the territory held a contest among schoolchildren in 1927.

In his written description of his flag, Benson made it clear why he chose a blue

COLUMN OPTIONS
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OTHER COLUMNS IN THIS SECTION
Jan. 15:
Legislature needs to put our future first, before we hit bottom
Jan. 14:
Scene-stealing canine gets axed from 'The Wizard of Oz' production
Jan. 13:
First Territorial Legislature achieved a sense of unity
Jan. 12:
Animal rights group in a lather over Disney movie
Jan. 9:
Scots, sand kilts, golf to extremes on world's coldest golf course
Jan. 8:
Cable show to feature Fairbanksans tonight on Home & Garden channel
Dec. 31:
Desk detritus yields some interesting, and overdue, insights

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Vacation Sto
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Featured

background and the stars: "The blue field is for the Alaska sky and the forget-me-not, an Alaskan flower. The North Star is for the future state of Alaska, the most northerly in the union. The Dipper is for the Great Bear--symbolizing strength."

Based on Benson's text, Marie Drake wrote the poem that became the flag song. Drake was a secretary to the commissioner of Education and her poem was set to music by Elinor Dusenbury in 1938. It became Alaska's official song in 1955.

"When they sing 'Alaska's Flag,'" Dusenbury once said, "People always stand, and older ones cry when they come to the words, 'Alaska's Flag to Alaskans dear, the simple flag of the last frontier."

With the exception of the images added by Drake, "The gold of the early sourdough's dreams, the precious gold of the hills and streams," the song follows Benson's explanation of what the flag meant to him.

THE PROPOSED NEW verse begins, "A Native lad chose the Dipper's stars, For Alaska's flag that there be no bars, Among our cultures. Be it known, Through years the Natives' past has grown..."

In subjective matters like this there is always poetic license, but the line makes it seem as if Benson's motivation for choosing the Dipper as a symbol was something other than what he said it was.

The proposed second verse also contains a line that will take some explaining, namely, "With nature's flag to Alaskans dear..."

When Lt. Gov. Fran Ulmer was a legislator she introduced a bill to add the words by Davis as the second verse. The bill was approved by the House in 1997, but rejected by the Senate.

Among the 23 House members who have already signed on to back the bill this year, HB 285, four are from the Fairbanks area--Coghill and Reps. Jim Whitaker, Jeannette James and John Davies.

The proposed second verse is as follows:

"A Native lad chose the Dipper's stars

for Alaska's flag that there be no bars

Among our cultures. Be it known

Through years the Natives' past has grown

To share life's treasures, hand in hand,

To keep Alaska our Great Land;

We love the northern, midnight sky,

The mountains, lakes and streams nearby.

The great North Star with its steady light

Will guide all cultures, clear and bright,

With nature's flag to Alaskans dear,

The simple flag of the last frontier."

AN EXHIBIT ABOUT Alaska's flag opens Thursday in Juneau at the Alaska State Museum. It includes 36 of the original 142 proposed flag designs submitted by children in Alaska in 1927. Among the students with designs in the exhibit are Bob DeArmond, Paul Solka, Steve McCutcheon, Mary Walsh and Frances Meals.

The exhibit is designed to be a traveling one and I hope that someone will arrange to get it to Fairbanks as it tours the state over the next two years. The display includes the gold watch Benson received for winning the flag contest and other items.

The catalog to the flag exhibit, written by UAF archivist India Spartz, quotes a letter that William Paul, a Native lawyer and legislator, sent to Benson after the flag was chosen.

"I had the honor of writing the bill--now a law--which made your winning design the official flag of Alaska ... Altogether, this should encourage the Native races in Alaska to enter competition with all others, to do so without fear, and to stick to it until we win something," Paul wrote.

Paul's bill said the flag was selected for its "simplicity, its originality and its symbolism."

Spartz writes that Benson, who died in 1972, often said that the biggest thrill of his life was when he received a standing ovation from the delegates of the Alaska Constitutional Convention in Fairbanks. "The noise was so loud I couldn't hear a thing; people whistled and hollered and stamped," he said.

ON THE WAY: Elementary school report cards should be personally delivered by local scholars this week. In the interests of seeing that the middle school and high school report cards reach parents, those are sent by mail and should show up by the end of the week.

Dermot Cole can be reached at cole@newsminer.com or 459-7530.

HB

58

FISCAL NOTE

STATE OF ALASKA
2003 LEGISLATIVE SESSION

Fiscal Note Number:
Bill Version: HB 58
() Publish Date:

Revision Date/Time (Note if correction):
Dept. Affected: DCED
Title: Reinstatement of Native Corporations
BRU: Banking, Securities & Corporations (115)
Component: Banking, Securities & Corporations
Sponsor: Representative Foster/Hawker
Requester: House Community & Regional Affairs
Component No. 1233

Expenditures/Revenues (Thousands of Dollars)

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

OPERATING EXPENDITURES	FY 2004	FY 2005	FY 2006	FY 2007	FY 2008	FY 2009
Personal Services						
Travel						
Contractual						
Supplies						
Equipment						
Land & Structures						
Grants & Claims						
Miscellaneous						
TOTAL OPERATING	0.0	0.0	0.0	0.0	0.0	0.0
CAPITAL EXPENDITURES						
CHANGE IN REVENUES ( )						

FUND SOURCE (Thousands of Dollars)

1002 Federal Receipts						
1003 GF Match						
1004 GF						
1005 GF/Program Receipts						
1037 GF/Mental Health						
Other (Specify Type--Do not abbreviate)						
TOTAL	0.0	0.0	0.0	0.0	0.0	0.0

Estimate of any current year (FY2003) cost: 0.0
Mark this box (X) if funding for this bill is included in the Governor's FY 2004 budget proposal:

POSITIONS

Full-time						
Part-time						
Temporary						

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

This legislation provides the opportunity for native village corporations involuntarily dissolved under AS 10.06.633 to be reinstated on or before December 31, 2003. The legislation may generate a srnall amount of revenue from fees and penalties received to reinstate a corporation. The division does not anticipate any negative fiscal impact.

Prepared by: Mark Davis, Division Director
Phone 907-269-8452
Division: Banking, Securities and Corporations
Date/Time 1/28/03 9:42 AM
Approved by: Edgar Blatchford, Commissioner
Date 1/28/200
Agency: Department of Community & Economic Development

(Revised 9/2002 OMB)

HOUSE COMMITTEE REPORT

(7)

Date Referred to Committee: January 21, 2003 **FURTHER REFERRALS: Labor and Commerce**

Date of Committee Action: 1-30-03

The COMMUNITY AND REGIONAL AFFAIRS Committee considered: **HB 58**

HOUSE BILL NO. 58 **REINSTATEMENT OF NATIVE CORPS**

"An Act relating to the reinstatement of Native corporations; and providing for an effective date."

Recommends it be replaced with [ ] HCS *or* [ ] CS *for* _____(_____)
For Senate Bills with new title: [ ] Technical Title [ ] New Title: HCR_____ **[ ] Same Title [ ] New Title**

[ ] attach amendments
[ ] add new referral to _____Committee
[ ] Letter of Intent _____Committee

List of Abbrev for Depts.:
ADM
CED
COR
CRT
EED
DEC
DFG
GOV
HSS
LAA
LAW
LWF
MVA
DNR
DPS
REV
DOT
UA

***NEW* FISCAL NOTES**
*Assigned by Chief Clerk's Office

List by Dept(s):	*FN#	Fiscal	Indet.	Zero
DCED				✓

***PREVIOUS* FISCAL NOTES**

List by Dept(s):	FN#	Fiscal	Indet.	Zero

Signing with recommendations	Printed Last Name	DP	DNP	NR	AM
Gillett Kookesh	KOOKESH	✓			
Samuel McCanna	CISSNA	✓			
[illegible]	SAMUELS	✓			
Tom Anderson	ANDERSON	✓			
[illegible]	Chenault	✓			
Chair: [signature]		✓			
Chair:					

Alaska House of Representatives

Richard Foster
P.O. Box 1630
Nome, AK 99762
907-443-5036
Fax 907-443-2162

During Session
State Capitol Rm. 410
Juneau, AK 99801-1182
907-465-3789
Fax 907-465-3242

Majority Whip

To: Rep. Carl Morgan
Chair Community & Regional Affairs
From: Rep. Richard Foster RF
Date: January 22, 2003
Re: HB 58

I respectfully request the House Community & Regional Affairs Committee schedule HB 58, "An Act relating to the reinstatement of native corporations; and providing for an effective date," as soon as practical.

The contact person in my office is Larry LaBolle, 465-3739.

COMMITTEE: House Community and Regional Affairs Standing Committee

SUBJECT: HB 38 REINSTATEMENT OF NATIVE CORPS

DATE: January 30, 2003

PLEASE SIGN IN

PLEASE PRINT: NAME & TITLE	ADDRESS	PHONE	REPRESENTING (No acronyms unless for a state agency, please)	DO YOU WANT TO TESTIFY ?
Sally Saddler	Dept. of Community & Economic Develpt			
E-mail address:	Sally-Saddler@dced.state.ak.us	2503		Y
Alyce Houston	alyce_houston@dced.state.ak.us	2297	DCED	questions
E-mail address:				
E-mail address:				
E-mail address:				
E-mail address:				

Alaska House of Representatives

Richard Foster
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Fax 907-443-2162

During Session
State Capitol Rm. 410
Juneau, AK 99801-1182
907-465-3789
Fax 907-465-3242

Majority Whip

House Bill 58

"An Act relating to the reinstatement of native corporation; and providing for an effective date."

Sponsor's Statement

This legislation has been introduced at the request of one of the Village Native Corporations within our region. The corporation was involuntarily dissolved by the commissioner under AS 10.06.633 and failed to apply for reinstatement during the grace period established in statute.

This legislation provides a one-time window during which Native Village Corporations who have been dissolved can apply for reinstatement.

The legislation is needed because these corporations were established under the Alaska land claims settlement and legally own village corporation assets. A new corporation could be created but it would not have the same legal standing as of the original corporation nor legally own those assets.

The final provision of the bill allows a Village Native Corporation's board of directors to legally change the corporation name, if another corporation has taken the previously used name.

Alakanuk, Brevig Mission, Chevak, Diomede, Elim, Emmonak, Gambell, Golovin, Hooper Ba_ Kotlik, Koyuk, Mountain Village, Nome, Nunam Iqua, Pitka's Point, St. Mary's, St. Michael, Savoonga, Scammon Bay, Shaktoolik, Stebbins, Teller, Unalakleet, Whales, White Mountain

SAVOONGA NATIVE CORPORATION
P.O. Box 160
Savoonga, Alaska 99769
(907) 984-6613

January 2, 2003

Representative Richard Foster State Capital, Room 14 Juneau, AK 99801-1182	716 West 4th Ave., Suite 380 Anchorage, AK 99501-

Re: Request for legislation for involuntarily dissolved ANCSA Corporations

Dear Representative Foster:

I am writing as President of Savoonga Native Corporation to request that you sponsor legislation, reinstating involuntarily dissolved ANCSA corporations and extending recognition to corporations that replaced involuntarily dissolved native corporations. In 1994, you sponsored HB71 that did exactly that and became 10.06.960 (j) & (k). What we are seeking is an updated version of AS 10.06.960 (j) & (k). Savoonga Native Corporation was involuntarily dissolved in March 2000 and its reinstatement period has expired. We recently reincorporated under the same name and seek to confirm our new status. As co-sponsor of HB71 I know that you understand the situation. Savoonga Native Corporation would be appreciative if you would sponsor a new version that would confirm our status.

As was true in 1994, and again in 1996, when you sponsored HB392, there are likely to be other native corporations in a similar situation that would also benefit from the legislation. Enclosed for your convenience are the language and legislative history of HB71 (Chapter 120 SLA 94 and HB 392, Chapter 24, SLA '96) Please let me know if you are willing to sponsor such legislation or if I could provide you with any information or be of any assistance. I look forward to hearing from you.

Very truly yours,

Carl Pelowook

Carl Pelowook
President of Savoonga Native Corporation

HB

79

HOUSE COMMITTEE REPORT

(7)
Date Referred to Committee: February 5, 2003 **FURTHER REFERRALS: Finance**

Date of Committee Action: 2-11-03

The COMMUNITY AND REGIONAL AFFAIRS Committee considered: **HB 79**

HOUSE BILL NO. 79 **AK REGIONAL ECONOMIC ASSISTANCE PROGRAM**

"An Act extending the termination date of the Alaska regional economic assistance program; and providing for an effective date."

Recommends it be replaced with [ ] HCS *or* [ ] CS *for* _____ (_____)
For Senate Bills with new title: [ ] Technical Title [ ] New Title: HCR_____ **[ ] Same Title [ ] New Title**

[ ] attach amendments
[ ] add new referral to _____Committee
[ ] Letter of Intent _____Committee

List of Abbrev for Depts.:
ADM
CED
COR
CRT
EED
DEC
DFG
GOV
HSS
LAA
LAW
LWF
MVA
DNR
DPS
REV
DOT
UA

NEW **FISCAL NOTES**
*Assigned by Chief Clerk's Office

List by Dept(s):	*FN#	Fiscal	Indet.	Zero
DCED		650.0		

PREVIOUS **FISCAL NOTES**

List by Dept(s):	FN#	Fiscal	Indet.	Zero

Signing with recommendations	Printed Last Name	DP	DNP	NR	AM
Albert Kookesh	KOOKESH	✓			
[illegible]	WOLF	✓			
[illegible]	SAMUELS			✓	
Tom Anderson	ANDERSON	X			
Mike Chenault	Chenault			✓	
Chair: [illegible]	Morgan	✓			
Chair:					

SITE: Glennallen LIO **COMMITTEE:** HCRA **DATE:** 02/11/03	**SUBJECT OF MEETING:** HB 79 **UPDATE #:** Final Stats

PLEASE SIGN IN

PRINT YOUR NAME	ADDRESS (MAILING & ZIP)	REPRESENTING	DO YOU WANT TO TESTIFY? Y or N
John Downes	PO Box 282 Glennallen, AK 99588 822-5001	**CVEDC**	**No**
Email address:	Lone -3623		
Email address:			
Email address:			
Email address:			
Email address:			
Email address:			
Email address:			
Email address:			

FISCAL NOTE

STATE OF ALASKA
2003 LEGISLATIVE SESSION

Fiscal Note Number:
Bill Version: HB 79
() Publish Date:

Revision Date/Time (Note if correction): 2/10/03
Dept. Affected: DCED
Title: AK Regional Economic Asst Program
BRU: Comm Assist & Econ. Dev. (405)
Component: Community & Business Development
Sponsor: House Community & Regional Affairs
Requester: House Community & Regional Affairs
Component No. 2486

Expenditures/Revenues (Thousands of Dollars)

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

OPERATING EXPENDITURES	FY 2004	FY 2005	FY 2006	FY 2007	FY 2008	FY 2009
Personal Services	30.0	30.0	30.0	30.0	30.0	30.0
Travel						
Contractual						
Supplies						
Equipment						
Land & Structures						
Grants & Claims	620.0	620.0	620.0	620.0	620.0	620.0
Miscellaneous						
TOTAL OPERATING	650.0	650.0	650.0	650.0	650.0	650.0
CAPITAL EXPENDITURES						
CHANGE IN REVENUES ( )						

FUND SOURCE (Thousands of Dollars)

1002 Federal Receipts						
1003 GF Match						
1004 GF						
1005 GF/Program Receipts						
1037 GF/Mental Health						
Other (RSA from AIDEA)	650.0	650.0	650.0	650.0	650.0	650.0
TOTAL	650.0	650.0	650.0	650.0	650.0	650.0

Estimate of any current year (FY2003) cost: 650.0
Mark this box (X) if funding for this bill is included in the Governor's FY 2004 budget proposal: X

POSITIONS

Full-time	0.5	0.5	0.5	0.5	0.5	0.5
Part-time						
Temporary						

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

This is an existing program that is scheduled to sunset 6/30/03. Reauthorization will continue the program for 5 years (until 6/30/08). The $650.0 comes to the department via a Reimbursable Services Agreement (RSA) from the Alaska Industrial Development and Export Authority (AIDEA) Enterprise Development Fund (AS 44.88.155). The department awards $620.0 in grants to 13 existing Alaska Regional Development Organizations (ARDORs) ($47.7 each). $30.0 in personal services pays for a portion of DCED staff time associated with administering the grants and the ARDOR program in general. This funding is included in the current fiscal year budget and is included in the Governor's proposed FY 2004 budget.

Prepared by: Gene Kane, Acting Director
Phone 907-269-4587
Division: Community & Business Development
Date/Time 2/10/03 2:36 PM
Approved by: Edgar Blatchford, Commissioner
Date 2/10/2003
Agency: Department of Community & Economic Development

(Revised 9/2002 OMB)

SITE: **JUNEAU LIO** *COMMITTEE:* HCRA *DATE:* 02/11/03	*SUBJECT OF MEETING:* HB79 *UPDATE #:*

PLEASE SIGN IN

P R I N T *YOUR NAME*	*ADDRESS (MAILING & ZIP)*	*REPRESENTING*	*DO YOU WANT TO TESTIFY? Y or N*
Representatives: Morgan Samuels Anderson Chenault Wolf Kookesh			
Testifiers: Sue Stancliff		Rep. Morgan's aide	Y
Observers: 3			
Email address:			

SITE: ANCHORAGE LIO COMMITTEE: HCRA DATE: 2-11-03	SUBJECT OF MEETING: HB 79 UPDATE #:Final Stats

PRINT YOUR NAME	ADDRESS (MAILING & ZIP)	REPRESENTING	DO YOU WANT TO TESTIFY? Y or N
Sue Cogswell	2207 Spenard #207, Anchorage 99503	PWSEDD	**Y-HB 79**
Email address:	Sue_cogo@yahoo.com 222-2440		
Wanetta Ayers	3300 Arctic Blvd #203, Anchorage 99503	SWAMC	**Y-HB 79**
Email address:	wayers@swamc.org		
Midge Clouse	550 W 7th #1770, Anchorage 99501	DCED/DCBD	**N-HB 79**
Email address:	Midge_clouse@dced.state.ak.us		
Email address:			
Email address:			
Email address:			
Email address:			

SITE: **Kenai LIO** ***COMMITTEE:*** *HCRA* ***DATE:*** *02-11-03*	***SUBJECT OF MEETING:*** *HB79: Extending AK Regional Economic Assistance Program* ***Final Stats***

PLEASE SIGN IN

PRINT *YOUR NAME*	*ADDRESS (MAILING & ZIP)*	*REPRESENTING*	*DO YOU WANT TO TESTIFY? Y or N*
Jim Carter	**PO Box 3029 Kenai 99611**	**Kenai Peninsula EDD**	**Y**
Email address:	**jscarter@gci.net**		
Email address:			

Alaska State Legislature

HOUSE COMMITTEE ON COMMUNITY AND REGIONAL AFFAIRS

Sponsor Statement

The Alaska Regional Development Organizations (ARDOR) Program is the State's contribution to regional initiatives for developing Alaska's economy. In 1988, the Legislature recognized that a locally driven initiative, in partnership with the State, is the most effective approach to creating and sustaining a strong and healthy economy. The Legislature established the ARDOR Program to create a network of organizations to plan and support economic development at the regional level.

There are currently 14 ARDOR's. The ARDORs, like their counterparts nationwide:

- Enable local officials and businesses to pool their limited resources and work together on economic development issues,
- Develop partnerships among public, private and other organizations, and
- Provide needed technical assistance via direct links with local citizens.

It's not the State trying to determine what's best for the region; rather, it's the residents and those doing business in the region working together to create their economic future.

The ARDOR Program is providing a return for the State's investment. The State provides $620,000 in grant funds for the ARDOR Program. The accomplishments of the ARDORs are impressive. Additionally, the ARDORs have used $620,000 in State grant funds to leverage over $3.6 million in other funds.

Board members participation reflects a local commitment to the ARDOR Program. The 14 ARDOR boards, each with 10-20 members, constitutes 150 plus local, civic-minded individuals who volunteer their time to achieve a stronger economic base in their region.

The original intent of the ARDOR Program was to create regional entities that could improve the local economy and eliminate region-wide economic development barriers. The ARDORs are meeting this legislative intent. The ARDORs work on a wide range of projects. Some, like Anchorage's "Military Hub Study" have regional or statewide impacts. Other projects, such as the Arctic Development Council's Revolving Loan Fund, assist individuals and businesses.

This legislation would extend the sunset date to July 1, 2008.

SCS HB 79

AMENDMENT #1

OFFERED BY: Senator Seekins

Pg. 1, Line 6

Delete: **2004**

Insert: **2008**

Extends the sunset date for five years. The Alaska Regional Economic Assistance program best know as the ARDOR program is due to sunset July 1st of this year, 2003.

The ARDOR's have been given one year to prove themselves and comeback with more results; this is reasonable as all departments and divisions are doing this through the means of Missions & Measures. However, I believe that the ARDOR's need more than one year; how can they possibly plan ahead beyond one year and anticipate leveraging federal grants that come directly to their communities? When programs are given only one year that usually constitutes a wind down period.

The legislature has appropriation authority; if the ARDOR's do not show reasonable results, the legislature simply reduces the funding.

Alaska Regional Development Organizations

Annual Report

Anchorage Economic Development Corporation

Arctic Development Council

Bering Strait Development Council

Copper Valley Economic Development Council

Fairbanks North Star Borough Economic Development Commission

Interior Rivers Resource Conservation and Development Council

Kenai Peninsula Borough Economic Development District

Lower Kuskokwim Economic Development Council

Mat-Su Resource Conservation & Development, Inc.

Northwest Arctic Borough Economic Development Commission

Prince William Sound Economic Development District

Southeast Conference

Southwest Alaska Municipal Conference

January 2003

ARDOR

Frequently Asked Questions

What is an ARDOR? A nonprofit organization of local volunteers, representing numerous public and private interest, working together to achieve economic development in their region. An ARDOR is organized in accordance with Alaska Statute 44.33.026 and the Alaska Administrative Code (3 AAC 57).

Why have a regional organization do economic development? The Legislature established the ARDOR Program in 1988, and again in 2000, in support of the widely held belief that a locally driven initiative, in partnership with the State and other entities, can most effectively stimulate economic development and produce healthy, sustainable local economies.

How does an ARDOR get established? The State Department of Community and Economic Development (DCED) approves an ARDOR designation. To be approved, the ARDOR must (1) be large enough and contain adequate resources to support a regional economic development program, and (2) be an economically viable unit with shared interests, resources, traditions, and goals. Currently, there are 13 ARDORs in all regions of Alaska, except for most of the Doyon region.

How does as an ARDOR work? Each ARDOR is guided by a Board comprised of the economic development interests in the region. Board members are usually appointed by organizations in the region; however some are elected. The Board hires an Executive Director to work with the Board to ensure the annual work plan is implemented. The Board oversees and directs the activities of the ARDOR.

What are the ARDOR Program goals? Encourage a healthier economic climate to increase the number of jobs, strengthen existing businesses, attract new businesses, and encourage economic diversification.

What does an ARDOR actually do? Each ARDOR is different with regard to existing economic development infrastructure, a marketable natural resource; an educated work force, and a cohesive leadership organization-factors in achieving economic development. Thus, ARDOR activities are unique to that ARDOR. Generally, however, ARDOR's:

- conduct economic development related research and planning including develop and implement a regional economic development strategy,
- respond to information requests,
- coordinate ARDOR's activities with other economic development activities,
- provide services designed to encourage economic development,
- collect and distribute economic information,
- develop and maintain community and village economic profiles,
- coordinate State economic or business development efforts, and
- serve as a liaison between State government and the region.

How is an ARDOR funded? DCED annually awards a State grant to each ARDOR that satisfies the statutory and regulatory requirements, including the requirement that each ARDOR provide a local, non-State match. For FY03, each ARDOR is receiving an average of $47,692. The State grant and required match is usually not the ARDOR's only source of funding. ARDORs can and do receive funding from a variety of sources.

How much money does the State contribute to the ARDORs?

	FY99	FY00	FY01	FY02	FY03
Total	$620.0	$620.0	$620.0	$620.0	$620.0
Each Grant	$51.7	$47.7	$44.3	$44.3	$47.7
# of ARDORs	12	13	14	14	13

Note: Amounts are $1, 000.

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* Interior Rivers Resource Conservation and Development Council did not provide information for this Annual Report.

Overview

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There are currently 13 ARDORs. The ARDORs, like their counterparts nationwide:

- enable local officials and businesses to pool their limited resources and work together on economic development issues;
- develop partnerships among public, private and other organizations; and,
- provide needed technical assistance via direct links with local citizens.

It's not the State trying to determine what's best for the region; rather, it's the residents and those doing business in the region working together to create their economic future.

The ARDOR Program is providing a return for the State's investment. The State provides $620,000 in grant funds for the ARDOR Program. As indicated on the following pages, the accomplishments of the ARDORs are impressive. Additionally, for FY02, the ARDOR's used the $620,000 in State grant funds to leverage over $3 million in other funds.

Board member participation reflects a local commitment to the ARDOR Program. The 13 ARDOR boards, each with 10-20 members, constitute 150+ local, civic minded individuals who volunteer their time to achieve a stronger economic base in their region.

The original intent of the ARDOR Program was to create regional entities that could improve the local economy and eliminate regionwide economic development barriers, such as inadequate transportation or uncoordinated marketing efforts. As reflected on the following pages, the ARDORs are meeting this Legislative intent. The ARDORs work on a wide range of projects. Some, like Anchorage's Industrial Park project, have regional or statewide impacts. Other projects, such as the Northwest Arctic Borough's Revolving Loan Fund, assist individuals and businesses.

Legislative Performance Measures

The Legislature established performance measures for the ARDOR Program. Using these measures, each ARDORs performance is reported on the following pages.

Legislative Performance Measures:

1. The number of coordinated regional efforts resulting in the creation of new business opportunities. (The reporting period used on the following pages is 7/1/01-6/30/02.)

   Comment: This measure counts certain ARDOR activities but it does not reflect the range of ARDOR activities. For example, many ARDORs provide training opportunities ranging from small business development to grant writing.