11601 HOUSE RESOURCES

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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http://www.iser.uaa.alaska.edu/Publications/akelectricpowerfinal.pdf
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Southeast Conference
www.seconference.org
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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 intercon. ecting 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

- **Harfman 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
[redacted]		
Chitina w/hydro	AEA	1
Kartuk	AEA	[illegible]
Stony River	AEA	3
Platinum	AEA	4
Newtok	AEA	5
Koyukuk, Pwrhs	AEA	6
Buckland	AEA	7
Telida	AEA	8
Crooked Creek	AEA	[illegible]
Teller	AEA	9
Manokotak	AEA	11
Atka w/hydro	AEA	12
Sleetmute	AEA	13
Napakiak	AEA	14
Pedro Bay	AEA	15
[redacted]		
Nikolski	AEA	17
Yakutat	AEA	18
Diomede	AEA	19
Tenakee Springs	AEA	19
Klukwan	AEA	21
[redacted]		
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
[redacted]		
Nikolai	AEA	31
Central	AEA	32
Mentasta Lake	AP&T	33
Lake Minchumina	AEA	34
Larsen Bay w/hyd	AEA	[illegible]
Chefornak	AEA	35
False Pass	AEA	36
[redacted]		
Healy Lake	AP&T	39
Eagle	AP&T	40
Twin Hills	AEA	41
[redacted]		
Akiak	AEA	44
Fort Yukon	AEA	45
Takotna	AEA	45
Beaver	AEA	45
[redacted]		
Ouzinkie, w/hydro	AEA	48
[redacted]		
Napaskiak	AEA	50
Pilot Point w/BFU	AEA	50
Ruby	AEA	50
[redacted]		
Pelican	AEA	54
[redacted]		
Akhiok	AEA	54
[redacted]		
AILF Projects		117
[redacted]		

Community		Rank
Northway	AP&T	58
[redacted]		
Tatitlek	AEA	61
Elfin Cove	AEA	62
Kobuk	AEA	62
[redacted]		
Allakaket	AEA	65
Chistochina	AP&T	66
[redacted]		
Chuathbaluk	AEA	68
[redacted]		
Clarks Point	AEA	69
Nunam Iqua	DONE	69
Iliamna	AEA	69
Ekwok #2	AEA	69
[redacted]		
Napaskiak	AEA	74
[redacted]		
Gustavus	AEA	77
Rampart	AEA	77
[redacted]		
Tok	AP&T	81
Venetie	AEA	82
Saint George	AEA	83
Coffman Cove	AP&T	83
Angoon	AEA	86
Cold Bay	AEA	86
Metlakatla	AEA	86
Kipnuk	AEA	86
[redacted]		
[illegible]	AEA	95
Unalakleet	AEA	95
Whale Pass	AEA	95
White Mtn., Pwrh	AEA	96
[redacted]		
Haines	AP&T	100
Chignik Lake	AEA	101
Port Alsworth	AEA	101
Hollis	AP&T	101
Hydaburg	AP&T	101
[redacted]		
Deering, Dist	AEA	109
Birch Creek	AEA	109
Kasaan	AEA	109
Perryville	AEA	109
Red Devil	AEA	109
[redacted]		
Atmautluak, Dist	AEA	116
Kotlik, Dist	AEA	116
Ekwok	AEA	116
Nelson Lagoon	AEA	116
Tetlin	AP&T	116

Community		Rank
[redacted]		
Point Baker	AP&T	117
Port Protection	AP&T	[illegible]
Golovin	AEA	125
Chalkyitsik	AEA	125
McGrath	AEA	125
Saint Paul	AEA	125
Sand Point	AEA	125
[redacted]		
Egegik	AEA	132
King Cove	AEA	132
Lime Village	AEA	132
Naukati	AEA	132
[redacted]		
Bettles	AP&T	[illegible]
Tuntutuliak, Dist	AEA	[illegible]
Chignik Lagoon	AEA	[illegible]
Galena	AEA	[illegible]
[redacted]		
Akutan	AEA	143
[redacted]		
Tanana	AEA	145
[redacted]		
Kwigillingok	AEA	150
Levelock	AEA	150
[redacted]		
Aniak	AEA	156
Hoonah	AP&T	156
[redacted]		
Atmautluak, Prme	AEA	[illegible]
Koliganek	AEA	[illegible]
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	[illegible]
Kovuluk, Distribution	DONE	165
Deering	DONE	166
Tuntutuliak	DONE	168
Kotlik	DONE	169
White Mtn., Distribution	DONE	170
[redacted]		
		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 y/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

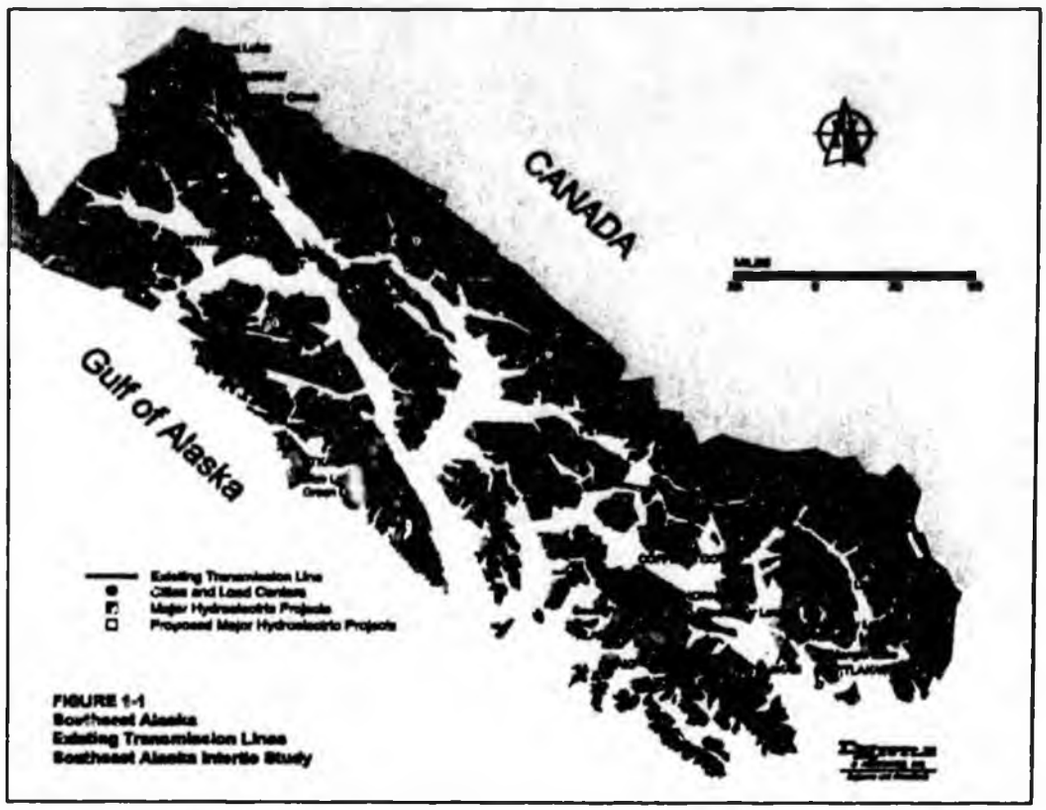
Date shown is dependent on ability to obtain project funding

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



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
Eyegik 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 Kuskokwim 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
Nuchagak 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 Electric 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	75,778	75,488	77,408
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	$576
Funding Level (Annual Average % of full PCE rates)	89.17%	95%	97.5%	97.5%	85%
CONSUMPTION					
Total MWH Sold (MWH)	313,535	340,102	359,569	363,783	374,455
PCE Eligible MWH Residential & Commercial (6)	104,545	105,630	108,217	112,484	115,803
PCE Eligible KWH/Month/Customer, Residential& Commercial	332	327	326	316	326
PCE Eligible MWH Community Facilities	23,331	24,34[illegible]	26,447	27,420	28,308
Eligible KWH/Month/Capita, Community Facilities	28.0	28.0	29.0	30.0	31.0
Total PCE Eligible MWH (MWH)	127,877	129,974	134,194	139,904	144,112
Eligible KWH/Month/Customer, Total Customers	388	383	385	374	386
COSTS					
Average Price of Fuel Oil ($/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	$51,069,505
EFFICIENCY RATIOS					
Operating Expenses per total KWH Sold ($/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	$36,400,050
Total Operating Costs ($)	$53,803,848	$54,539,372	$41,467,005	$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

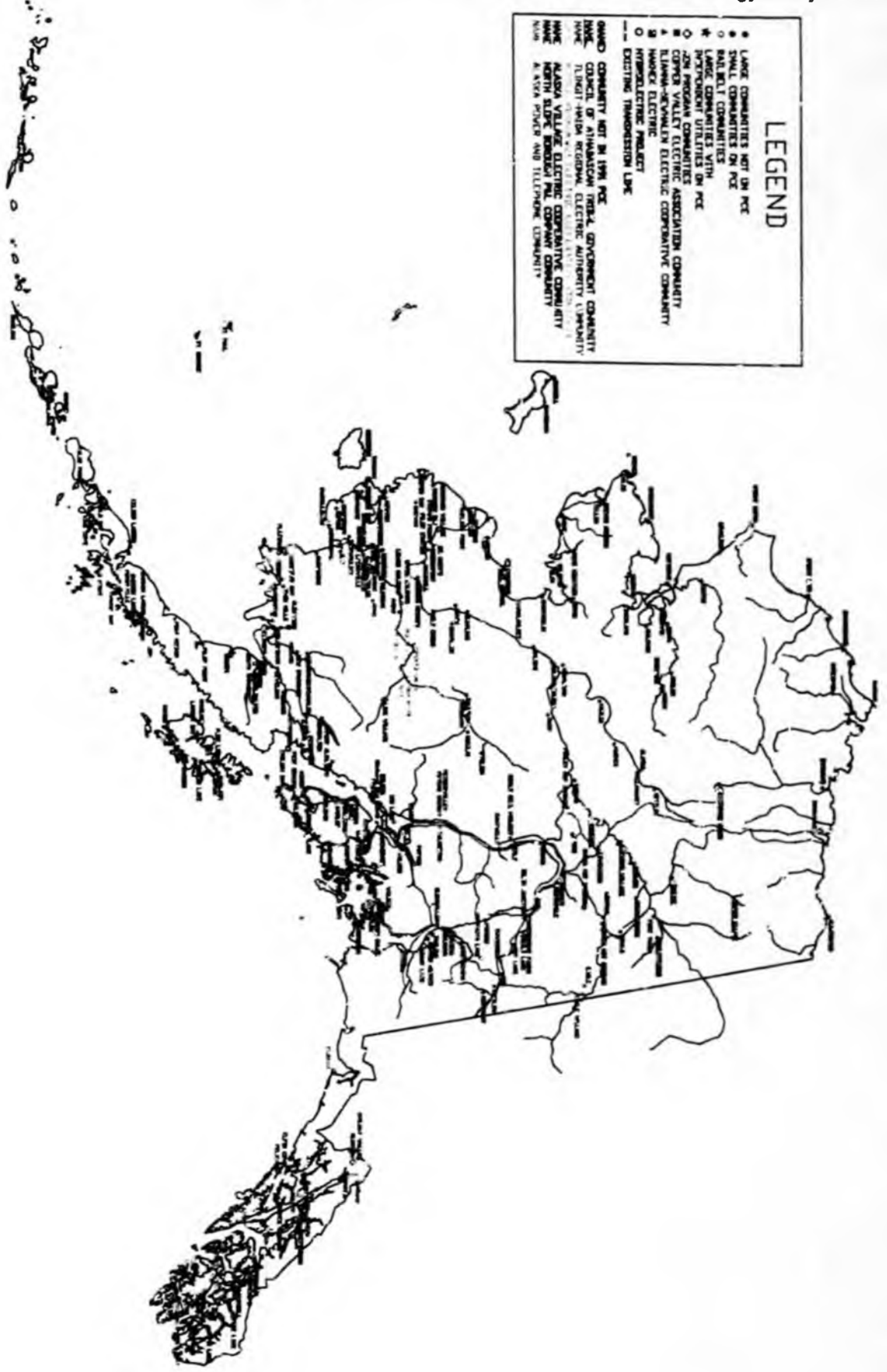
Wayne Carmony, General Manager
Matanuska Electric Association (MEA)
www.matanuska.com

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 PCE
SMALL COMMUNITIES ON PCE
RAILBELT COMMUNITIES
LARGE COMMUNITIES WITH
INTERCONNECT UTILITIES ON PCE
JOA PROGRAM COMMUNITIES
COPPER VALLEY ELECTRIC ASSOCIATION COMMUNITY
ILIAMNA-NEWHALEN ELECTRIC COOPERATIVE COMMUNITY
HAWOCK ELECTRIC
HYDROELECTRIC PROJECT
EXISTING TRANSMISSION LINE
GWAND COMMUNITY NOT IN 1998 PCE
COUNCIL OF ATHABASCAN TRIBAL GOVERNMENT COMMUNITY
TLINGIT-HAIDA REGIONAL ELECTRIC AUTHORITY COMMUNITY
ALASKA VILLAGE ELECTRIC COOPERATIVE COMMUNITY
NORTH SLOPE BOROUGH P&L COMPANY COMMUNITY
ALASKA POWER AND TELEPHONE COMMUNITY

HCR

7

ALASKA STATE LEGISLATURE
HOUSE RESOURCES COMMITTEE

Representative Jay Ramras
Co-Chairman
(907) 465-3004
Fax: (907) 465-2833
Representative_Jay_Ramras@legis.state.ak.us

119 N. Cushman St., Suite 213
Fairbanks, AK 99701

Representative Ralph Samuels
Co-Chairman
(907) 465-2095
Fax: (907) 465-3810
Representative_Ralph_Samuels@legis.state.ak.us

716 W. 4th Avenue
Anchorage, AK 99501

State Capitol, Juneau, Alaska 99801-1182

Fax

To: Jack Chenoweth

Fax #: 2029

Number of pages including cover: 1

Fm: Jim Pound

Cc:

Date: April 18, 2005, 2:54 PM

Re: amendment for HCR 7 24-LS0876\A

Please amend the above referenced Resolution with the amendment 24-LS0876\A.1 and return in final.

Thanks

IOUSE COMMITTEE REPO

(9)

Date Referred to Committee: April 7, 2005 **FURTHER REFERRALS:**

Date of Committee Action: 4/18/05

The RESOURCES Committee considered: **HCR 7**

HOUSE CONCURRENT RESOLUTION NO. 7 COOK INLET OIL & GAS PLATFORM ABANDONMENT

Urging the governor to direct the division of oil and gas, Department of Natural Resources, to undertake a comprehensive review of the subject of Cook Inlet oil and gas platform abandonment for the purpose of developing new oil and gas platform abandonment regulations and their adoption and implementation.

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
LEG
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
LEG				✓

***PREVIOUS* FISCAL NOTES**

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

Signing with recommendations	Printed Last Name	DP	DNP	NR	AM
	OLSON	✓			
Mary Kapsner	KAPSNER	✓			
	GRUH	✓			
Paul Seaton	SEATON	✓			
	ELKINS	✓			
Lyman Crawford Jr	CRAWFORD	✓			
Chair:	RAMRAS	✓			
Chair:	SAMUELS	✓			

ALASKA STATE LEGISLATURE

REPRESENTATIVE KURT OLSON

- Co-Chair, Community and Regional Affairs
- Member, Resources

Session: January – May
State Capitol
Juneau, AK 99801-1182
Phone: 907-465-2693
Fax: 907-465-3835

Interim: May – December
145 Main Street Loop, Ste 221
Kenai, AK 99611
Phone: 907-283-2690
Fax 907-283-2763

Official Business

Sponsor Statement
HCR 7
Cook Inlet Oil & Gas Platform Abandonment

The Senate and House Resources Committees held a joint committee meeting in Kenai in February 2005. The purpose of the meeting was to receive testimony from individuals and companies doing oil and/or natural gas business in the Cook Inlet basin. The committee heard comments and suggestions on methods to improve the business conditions in the oil and natural gas industry.

One of those suggestions was the need to provide for regulations on the abandonment of the platforms in the Cook Inlet.

Production in the Cook Inlet has declined since the date the platforms were in place in the 1960's. Four of the sixteen platforms are "lighthoused" and inactive.

However, it is possible that the platforms could be instrumental in reversing the declining production trend. The platforms could be used to drill new, deeper wells and might tap into larger fields than have been developed to date.

In 1996, the Alaska Oil and Gas Conservation Commission (AOGCC) proposed implementation of revised platform abandonment regulations. However, a decision by the attorney general indicated that the Department of Natural Resources (DNR) and not the AOGCC was responsible for developing regulations.

This resolution urges the Governor to direct the DNR to undertake a comprehensive review of the platform abandonment.

Email: Representative_Kurt_Olson@legis.state.ak.us

FISCAL NOTE

STATE OF ALASKA
2005 Legislative Session

Fiscal Note Number: 1
Bill Version: H.C.R. 7
() Publish Date: 4/18/2005

Revision Date/Time
Title: Cook Inlet O&G Platform Abandonmer
Dept. Affected: N/A
BRU
Component
Sponsor: Representative Olson
Requester: House Resources Committee
Component No.

Expenditures/Revenues (Thousands of Dollars)

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

OPERATING EXPENDITURES	FY 2006	FY 2007	FY 2008	FY 2009	FY 2010	FY 2011
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 (FY2005) cost: 0.0
Mark this box (X) if funding for this bill is included in the Governor's FY 2006 budget proposal:

POSITIONS

Full-time						
Part-time						
Temporary						

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

The House Resources Committee has determined that passage of this resolution will have no fiscal impacts.

Prepared by: Jim Pound
Phone 465-3004
Division: for House Resources
Date/Time 4/18/05 9:00 AM
Approved by: Representative Ramras & Representative Samuels
Date 4/18/2005
Agency: Co-Chairs House Resources Committee

(Revised 9/2002 OMB)

Fiscal

24-LS0876\A.1
Chenoweth
4/12/05

AMENDMENT

OFFERED IN THE HOUSE BY REPRESENTATIVE OLSON

TO: HCR 7

Page 2, line 6:

Delete "smaller"

Insert "growing, independent"

HCR

9

Alaska State Legislature

SESSION ADDRESS:
Alaska State Capitol
Juneau, Alaska 99801
Phone: (907) 465-3743
1-800-565-3743
Fax: (907) 465-2381

INTERIM ADDRESS:
600 E Railroad Avenue
Wasilla, AK 99654
Phone: 907-376-2679
Fax: (907) 373-4745

Representative Carl Gatto

SPONSOR STATEMENT

HOUSE CONCURRENT RESOLUTION 9

"PROCLAIMING ALASKA AGRICULTURE DAY FOR 2005 AND 2006"

HCR 9 acknowledges the importance of agriculture in Alaska. This resolution is in recognition of the farmers and those in related industries who feed our state and add more than $50,000,000 annually to the economy of the State of Alaska. Agriculture in Alaska has truly great potential particularly in the area of pharmaceutical corn and other highly advanced areas of agriculture. It is crucial that we take every opportunity to take advantage of the strengths of this state and educate our students and our workforce in the value of modern agriculture to our economy and our society.

As a Representative of Palmer, member of the NCSL Agriculture and Rural Development Committee, and the CSG Agriculture and Rural Policy Task Force I know firsthand the need for, and value of, agriculture in Alaska and urge your prompt and favorable action on this measure.

Representative Carl Gatto@legis.state.ak.us

HOUSE COMMITTEE REPO

(9)

Date Referred to Committee: April 15, 2005 **FURTHER REFERRALS:**

Date of Committee Action: 4/25/05

The RESOURCES Committee considered: **HCR 9**

HOUSE CONCURRENT RESOLUTION NO. 9 **AGRICULTURE DAY**

Proclaiming Alaska Agriculture Day for 2005 and 2006.

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
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GOV
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LEG
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
LEG				✓

PREVIOUS FISCAL NOTES

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

Signing with recommendations	Printed Last Name	DP	DNP	NR	AM
Mary Kapsner	KAPSNER	✓			
	CHENAULT	✓			
	ELKINS	✓			
	LeDOUX	✓			
Chair:	SAMUELS	X			
Chair:	RAMRAS	X			

FISCAL NOTE

STATE OF ALASKA
2005 Legislative Session

Fiscal Note Number: 1
Bill Version: H.C.R. 9
() Publish Date: 4/22/2005

Revision Date/Time
Title: Agriculture Day
Sponsor: Representative Gatto
Requester: House Resources Committee

Dept. Affected: N/A
BRU
Component
Component No.

Expenditures/Revenues (Thousands of Dollars)

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

OPERATING EXPENDITURES	FY 2006	FY 2007	FY 2008	FY 2009	FY 2010	FY 2011
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 (FY2005) cost: 0.0
Mark this box (X) if funding for this bill is included in the Governor's FY 2006 budget proposal:

POSITIONS

Full-time						
Part-time						
Temporary						

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

The House Resources Committee has determined that passage of this resolution will have no fiscal impacts.

Prepared by: Jim Pound
Division: for House Resources
Phone 465-3004
Date/Time 4/18/05 9:00 AM

Approved by: Representative Ramras and Samuels
Agency: Co-Chairs House Resources Committee
Date 4/18/2005

(Revised 9/2002 OMB)

FISCAL

STATE OF ALASKA

DEPARTMENT OF NATURAL RESOURCES

DIVISION OF AGRICULTURE

FRANK H. MURKOWSKI, GOVERNOR

CENTRAL OFFICE
1800 GLENN HIGHWAY, SUITE 12
PALMER, ALASKA 99645-6736
PHONE: (907) 745-7200
FAX (907) 745-7112

NORTHERN REGION OFFICE
3700 AIRPORT WAY
FAIRBANKS, ALASKA 99709-4899
PHONE: (907) 451-2760
FAX (907) 451-2761

PLANT MATERIALS CENTER
HC04 BOX 7440
PALMER, ALASKA 99645-9708
PHONE: (907) 745-4469
FAX (907) 745-1568

ATTN: CODY RICE
FAX NO: 907-465-2381

April 15, 2005

REGARDING: HCR9, "Agriculture Day"

Dear Cody:

This letter is to express the Division of Agriculture's support for HCR9 "Agriculture Day," initiated by Victoria Naegele of Ag in the Classroom (AITC).

Alaskans have long been proud of the superior quality Alaska Grown™ products, and eagerly await their arrival every summer. The need to expand awareness of our State's agriculture industry is very important for its continued growth; it will also increase Alaskans' appreciation of the hard working men and women involved in the farming, ranching, nursery, dairy and aquaculture segments of the industry.

The Alaska State Legislature's proclamation of the first Tuesday in May 2005 and 2006 to be Alaska Agriculture Day will recognize the value of the industry to this great state. It will also give our citizens an opportunity to celebrate the arrival of our fresh produce and honor the men and women that bring it to them.

We are aware of the excellent work Ms. Naegele does with the AITC program, and strongly support what she does. We believe she now has yet another great idea, and this time for our state's residents of all ages.

We urge the support and passage of this important bill, HCR9.

Sincerely,

Gail A Marshall, PhD
Development Specialist I
AK Division of Agriculture

Cc: Larry DeVilbiss
Director
AK Division of Agriculture

Douglas Warner
Development Specialist II
AK Division of Agriculture

"Develop, Conserve, and Enhance Natural Resources for Present and Future Alaskans."

FRIENDS OF DELTA AGRICULTURE

PO Box 1506 Delta Junction, AK 99737

April 15, 2005

Representative Carl Gatto
Alaska State Legislature
State Capitol (MS 3100)
Juneau, AK 99801-1182

Dear Representative Gatto:

The Friends of Delta Agriculture appreciates and supports your House Concurrent Resolution #9, which makes the first Tuesday of May 2005 and May 2006 "Alaska Agriculture Day".

Our organization actively supports producers in the Delta area and such a proclamation will benefit all Alaska producers.

We appreciate your support and recognition of Alaska's hard working farmers.

Sincerely,

Kathy Sonnichsen
Secretary/Treasurer

Members: Carol McNabb, Brenda Burke, Kathy Sonnichsen, Jane Hamilton, Grace Gay
Phone: 907-895-4241 ext. 101 Fax: 907-895-5093 Email: katswed@polarx.wildak.net

SUPPORT

Alaska Ag in the Classroom

In an effort to enhance agricultural and natural resources literacy among students in Alaska, we, the undersigned, ask the State of Alaska to institute a new day during the Alaska growing season to celebrate the importance of Alaska agriculture and its related natural resources.

Name	City	Email	Spring/Fall
Phil Kaspari	Delta Jct	fnpnk@uaf.edu	both
Randy Peterson	Delta Jct	insanityacres@wildak.net	Both
Bruce Willard	Homer, AK		Both
Edna Anderson	Homer, AK	dars@xye.net	Either
C. Rainwater	Homer AK	Snowshoe@xyz.net	Fall
Randolph Scharfenberg	Two Rivers	Denny M Farms.	BOTH
Bernie Karl	Fairbanks	Recycle@Polarnet.com	Both
Connie Parks-Karl	Fairbanks	recycle@polarnet.com	Spring
[illegible] Stahlman	Kodiak		fall
Ed Arobio	Fairbanks		spring

35

Alaska Ag in the Classroom

In an effort to enhance agricultural and natural resources literacy among students in Alaska, we, the undersigned, ask the State of Alaska to institute a new day during the Alaska growing season to celebrate the importance of Alaska agriculture and its related natural resources.

Name	City	Email	Spring/Fall
Jane Hamilton	Delta Jct		May
KAREN OLSON	WASILLA		MAY
Gail Marshall	Palmer	gail.marshall@dnr.state.ak.us	
Jan Flora	Homer		May
Curtis Dinkin	Palmer	barley@alaska.net	May
Jerry Morlan	JBK	sonny -	May
Janelle Gomez	Anchorage	janelle.gomez@health.state.ak.us	
Ron Benton	SOLDOTNA	RK.SOLDOTNA@GCI.NET	MAY
Joni Scharbrueg	TWO RIVERS		SPRING

Alaska Ag in the Classroom

In an effort to enhance agricultural and natural resources literacy among students in Alaska, we, the undersigned, ask the State of Alaska to institute a new day during the Alaska growing season to celebrate the importance of Alaska agriculture and its related natural resources.

Print Name	City	Email	Sp/Fall	Signature
Randy Peterson	Delta Jct	Tnsmithacres@wildak.net		
Becky Peterson	D. J.	beckyswcd@wildak.net		Becky Peterson
Bill Leppert	Delta Jct			
Grace Gray	Delta	snowy.river@wildak.net		
	Delta	deltarivers48@Yahoo.Com		
Jane Hamilton	Delta	jane.hamilton99737@yahoo.com		
Doug Vollman	Copper Center	vollman@cvinternet.net		

DELTA FARM BUREAU CHAPTER

PO BOX 760 DELTA JUNCTION, ALASKA 99737

President Mitchell Gay; Vice President Randy Peterson
Secretary Jane Hamilton; Treasurer Carol Dufendach

April 15, 2005

Representative Carl Gatto
Alaska State Legislature
State Capitol (MS 3100)
Juneau, Alaska 99801-1182

Dear Representative Gatto,

The Delta Farm Bureau appreciates and supports your House Concurrent Resolution No. 9, making the first Tuesday of May 2005 and May 2006 as Alaska Agriculture Day.

The agricultural community will benefit greatly from such a proclamation and welcomes this recognition.

Sincerely,

Mitchell Gay

Mitchell Gay,
President

ALASKA FARM BUREAU, INC.

Mike Schultz, President
mikeschultz@starband.com

Jane Hamilton, Executive Director
janehamilton99737@yahoo.com

April 15, 2005

Representative Carl Gatto
Alaska State Legislature
State Capitol (MS 3100)
Juneau, Alaska 99801-1182

Dear Representative Gatto,

The Alaska Farm Bureau supports and appreciates your House Concurrent Resolution Number 9, which makes the first Tuesday of May 2005 and May 2006 Alaska Agriculture Day.

We think that the agricultural community will benefit great from such a proclamation and appreciate your support and recognition.

Sincerely,

Jane E. Hamilton,
Executive Director

Mat-Su/Alaska Farm Bureau

1100 South Colony Way, Palmer, Alaska 99645 745-3962 or 376-5777 Fax 907-357-6777

April 15, 2005

Alaska Agriculture Day Support

We would like to add our voice in support of establishing the first Tuesday in M· · as Alaska's own designated Agriculture Day, as detailed in HCR09.

The day is more appropriate for the timing of our farming, our planting season and our gardening friends, compared to the Lower 48's traditional spring kickoff around the March equinox.

Here in the Matanuska-Susitna area, it is especially apropos, as our own Anchorage Farm Market starts on the first Saturday of May. We can use the designated day to focus on the beginning of the market season only a few days later.

I am sure it will be a lot easier to raise enthusiasm for Alaska agriculture on a spectacular green day in May than a snowy, grudging day in March.

Thank you for your help.

Karen B. Olson,
Executive Director

Alaska Association of Conservation Districts
1700 E. Bogard, Suite 203
Wasilla, Alaska 99654

(907) 373-7923
Fax (907) 373-7928

aacd@mtaonline.net

April 15, 2005

Dear Cody Rice:

On behalf of Alaska Association of Conservation Districts, I am writing to express our strong support for Alaska Agricultural Day.

This day will provide support to the Alaska agricultural community, and be of special benefit to school children across the state. Students will develop a greater appreciation of agriculture and learn about soil and water stewardship.

We strongly support this special day.

Sincerely,

Eric Wade
AACD Deputy Executive Director
907 373-7923
aacd@mtaonline.net

Alaska Agriculture in the Classroom

Victoria Naegele, director
HC 05 Box 6879 • Palmer, AK 99645
907-746-2172; fax 746-2173; AKAITC@alaskafb.org

Rep. Carl Gatto
State Capitol Room 411
Juneau, AK 99801-1182

April 15, 2005

Dear Representative Gatto;

Thank you for your willingness to promote Alaska Agriculture Day in 2005 and 2006, and hopefully beyond.

As I mentioned to Cody Rice, while there is a National Agriculture Day and Week, it is during the first week of spring on the calendar, and not conducive for agricultural activities in Alaska. By having Alaska Ag Day on the first Tuesday of May, Alaska agriculture can be highlighted at the beginning of the growing season, while school is still in session statewide. Alaska Ag Day can be the centerpiece of a new effort to raise the visibility of Alaska agriculture, and increase agricultural literacy in Alaska's students.

The Alaska Division of Agriculture has provided Alaska Ag in the Classroom grant funds through its Alaska Grown marketing program to promote Alaska Ag Day, particularly in 2006. By having the day declared this year, we hope to start the process of making Alaska Ag Day '06 a special event in schools and communities across the state.

Again, thank you and Cody for your assistance in this effort.

Victoria Naegele

Alaska Ag in the Classroom

In an effort to enhance agricultural and natural resources literacy among students in Alaska, we, the undersigned, ask the State of Alaska to institute a new day during the Alaska growing season to celebrate the importance of Alaska agriculture and its related natural resources.

Name	City	Email	Spring/Fall
Judy Scorup	Palmer	pjscorup@mtaonline	S
Ruth Simpson	Wasilla	akwool@alaska.net	Spring
[illegible]	Sutton Springs	745-3527 [illegible]	
[illegible]	WASILLA	[illegible]	Spring
[illegible]	Palmer		Spring
[illegible]	BUTTE	[illegible]@mtaonline.net	Spring
RUTH PEASLEY	BUTTE (PALMER)	aksport@alaska.net	SPRING
Kristi Anderson	Palmer	rbkristi@mtaonline.net	Spring
Robert Thom	Palmer		Fall
Marilyn Thom	Palmer	mthom@mtaonline.net	

Alaska Ag in the Classroom

In an effort to enhance agricultural and natural resources literacy among students in Alaska, we, the undersigned, ask the State of Alaska to institute a new day during the Alaska growing season to celebrate the importance of Alaska agriculture and its related natural resources.

Name	City	Email	Spring/Fall
Bill Mitchell	Palmer		
[illegible]	Wasilla		
[illegible]	Palmer	[illegible]	
[illegible]	Palmer		
Tammy Rempel	Palmer		

Alaska Ag in the Classroom

In an effort to enhance agricultural and natural resources literacy amo .g students in Alaska, we, the undersigned, ask the State of Alaska to institute a new day during the Alaska growing season to celebrate the importance of Alaska agriculture and its related natural resources.

Name	City	Email	Spring/Fall
Steve Gallagher	Palmer		Fall
Brett Franklin	FRBX	—	Fall
Milan Shipka	Two Rivers		Spring
Wayne T Brost	Wasilla		Spring
Roseann Leiner	Palmer		Spring
Julie Riley	Anchorage		Spring
Paul, [illegible] Steven Whipple	Delta Jct.	—	Spring
Peter Bierman	Palmer		Spring
Michael Philo	Anchorage		Spring
Jeff Werner	Fairbanks		Fall
Sue Benz	Wasilla		Spring
Greg Finstad	Fairbanks		Fall
Allen Mitchell	PALMER	pfgam@uaa.alaska.edu	FALL
Meriam Karlsson	Fairbanks		Fall
Paula Gaugue	PALMER		Spring
Hans Geier	Fbx		Early Spring

Alaska Ag in the Classroom

In an effort to enhance agricultural and natural resources literacy among students in Alaska, we, the undersigned, ask the State of Alaska to institute a new day during the Alaska growing season to celebrate the importance of Alaska agriculture and its related natural resources.

Print Name	City	Email	Sp/Fall	Signature
Sharon Weber	Palmer	alaskanteton@GCI.net		

HCR

10

ALASKA STATE LEGISLATURE
HOUSE RESOURCES COMMITTEE

Representative Jay Ramras
Co-Chairman
(907) 465-3004
Fax: (907) 465-2833
Representative_Jay_Ramras@legis.state.ak.us

119 N. Cushman St., Suite 213
Fairbanks, AK 99701

Representative Ralph Samuels
Co-Chairman
(907) 465-2095
Fax: (907) 465-3810
Representative_Ralph_Samuels@legis.state.ak.us

716 W. 4th Avenue
Anchorage, AK 99501

State Capitol, Juneau, Alaska 99801-1182

Sponsor Statement

HCR 10

"Supporting the development of the Kensington Gold Mine"

HCR 10 shows Alaskans that the Legislature supports the development of our natural resources. The latest proposal for mining is the Kensington Gold Mine near Alaska's Capital City. Development of this mine will provide nearly 300 new family wage jobs during construction and provide up to 225 long-term positions.

Kensington has been going through the legal and planning stages since 1998 and is probably one of the most closely scrutinized mining projects in the world. The environmental protections, that Kensington will be performing under is a credit to Coeur Alaska Incorporated. Since beginning work on the project Coeur Alaska has spent $150,000,000 on the project.

HCR 10 will show both the Industry and the people that we are concerned with our environment and believe in sound science environmental practices as we continue to develop our natural resource base.

HOUSE COMMITTEE REPO

(9)

Date Referred to Committee: April 19, 2005 **FURTHER REFERRALS:**

Date of Committee Action: 4/27/05

The RESOURCES Committee considered: **HCR 10**

HOUSE CONCURRENT RESOLUTION NO. 10 **SUPPORTING KENSINGTON GOLD MINE**

Supporting the development of the Kensington Gold Mine.

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
LEG
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
LEG				✓

PREVIOUS FISCAL NOTES

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

Signing with recommendations	Printed Last Name	DP	DNP	NR	AM
	Gatto			X	
Mary Kapsner	KAPSNER			X	
	OLSON			X	
	ELKINS	✓			
	L. Doux			X	
Henry J. Crawford Jr.	CRAWFORD	✓			
Chair:	SAMUELS	X			
Chair:	RAMRAS	X			

FISCAL NOTE

STATE OF ALASKA
2005 LEGISLATIVE SESSION

Fiscal Note Number:
Bill Version: HCR 10
() Publish Date:

Revision Date/Time (Note if correction):
Dept. Affected: Legislature
Title: Supporting the development of the Kensington Gold Mine.
BRU: Legislative Council
Component: Council and Subcommittees
Sponsor: House Resources
Session
Requestor: House Resources
Component No. 783

Expenditures/Revenues (Thousands of Dollars)

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

OPERATING EXPENDITURES	FY 2006	FY 2007	FY 2008	FY 2009	FY 2010	FY 2011
Personal Services	0.0	0.0	0.0	0.0	0.0	0.0
Travel	0.0	0.0	0.0	0.0	0.0	0.0
Contractual	0.0	0.0	0.0	0.0	0.0	0.0
Supplies	0.0	0.0	0.0	0.0	0.0	0.0
Equipment	0.0	0.0	0.0	0.0	0.0	0.0
Land & Structures	0.0	0.0	0.0	0.0	0.0	0.0
Grants & Claims	0.0	0.0	0.0	0.0	0.0	0.0
Miscellaneous	0.0	0.0	0.0	0.0	0.0	0.0
TOTAL OPERATING	**0.0**	**0.0**	**0.0**	**0.0**	**0.0**	**0.0**
CAPITAL EXPENDITURES	**0.0**	**0.0**	**0.0**	**0.0**	**0.0**	**0.0**
CHANGE IN REVENUES ( )	**0.0**	**0.0**	**0.0**	**0.0**	**0.0**	**0.0**

FUND SOURCE (Thousands of Dollars)

1002 Federal Receipts						
1003 GF Match						
1004 GF	0.0	0.0	0.0	0.0	0.0	0.0
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 (FY2004) cost: 0.0

Check this box (X) if funding for this bill is included in the Governor's FY 2005 budget proposal:

POSITIONS

Full-time						
Part-time						
Temporary						

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

This legislation has zero fiscal impact on the Legislative Affairs Agency.

Prepared by: Karla Schofield, Deputy Director — Phone 465-6626
Division: Administrative Services — Date/Time 4/27/05 10:12 AM

Approved by: Pamela Varni, Executive Director — Date 4/27/2005
Agency: Legislative Affairs Agency

(Revised 9/2001 OMB)

United Southeast Alaska Gillnetters
P.O. Box 23378, Ketchikan, AK 99901 Phone & Fax (907) 247-2471 Email: usa_gillnetters@att.net

March 6, 2004

Steve Hohensee, SEIS Team Leader
Tongass Minerals Group
USDA Forest Service
8465 Old Dairy Road
Juneau, AK 99801

FAXED 3/7/04

Dear Mr. Hohensee,

The United Southeast Alaska Gillnetters (USAG) is an association of about 150 small business owners who catch salmon by drift gillnetting in Southeast Alaska and market salmon throughout the United States. Many of our members also participate in other fisheries such as crab, shrimp, longline, and dive fisheries.

It is the policy of USAG to support economic development projects in our area that contribute to the local economy in a positive manner, are sensitive to environmental concerns, and do not harm the fisheries resource on which our members depend. We believe the Coeur Alaska Kensington Gold Mine development is such a project. In conjunction with our support of this project, we believe alternative B is preferred for this project and we endorse this development option. We believe alternative B minimizes the amount of area disturbed, minimizes maintenance after the mine is closed and provides the greatest economic benefit from the project. We have discussed this project with the Department of Fish and Game and wish to express the following concerns. Within the general confines of our preferred development option B, we would like to see specific road locations kept as far upland of beach areas as practical, salt water developments located and constructed in a way that minimizes impact to herring spawning habitat and that conform to the recommendations of ADF&G, and where project roads must cross drainages they do so at as close to right angles as possible.

Over the evolution of this project, Coeur Alaska has accepted our input and attempted to minimize impacts on fisheries habitat. We like the public involvement process that Coeur Alaska and the Forest Service have used in this project and believe it should be used in the future for significant development projects.

SUPPORT

In conclusion, USAG supports the Kensington mine development alternative B, the minimizing of impacts due to road and marine construction in accordance with recommendations of ADF&G, and we support the public process used in the development and review of the alternatives. USAG thanks the USDA Forest Service for the opportunity to comment on the DSEIS and we hope you will select alternative B as the approved alternative.

Yours truly,

Kenneth Duckett
Executive Director

cc: Robert Richins, Coeur Alaska
Kevin Monagle, ADF&G

Southeast Alaska Fishermen's Alliance
9369 North Douglas Highway
Juneau, AK 99801

Phone 907-586-6652 Fax 907-586-5648 E-mail: seafa@gci.net

March 7, 2004

Steve Hohensee
SEIS Team Leader .
Tongass Mineral Group
8465 Old Dairy Road
Juneau, AK 99801

Sent Via Fax 790-7464

RE: Kensington EIS - support Alternative B

Dear Steve Hohensee,

The Southeast Alaska Fishermen's Alliance is a non-profit group representing our membership involved in the salmon, crab, shrimp and longline fisheries of Southeast Alaska. We have been kept informed and consulted by Coeur Alaska as they worked through design modifications of the Kensington Mine. We believe that overall Alternative B will be less damaging to the marine environment that is so critical to the health of our commercial fishing industry. While Alternative B does impact resident Dolly Varden in Slate Creek Lake, Coeur has committed to replanting a population of Dolly Varden in the Lake at the end of operations. This is less damaging then previous alternatives discussed such as the use of Lynn Canal for underwater marine tailing disposal. We are also pleased that under Alternative B, cyanide is no longer used on site.

We support Alternative B in the SEIS out for public comment. If you have any questions regarding the fishermen's support for Alternative B, please give us a call at 907-586-6652.

Thank you,

Kathy Hansen
Executive Director

By Fax

August 5, 2004

Office of Water, Director, EPA Region 10, and

Department of the Army, US Army Corps of Engineers, and

Coeur, Alaska, Kensington Mine, and

Department of Natural Resources, DMLW

Regarding Kensington Mine:

Greetings:

I have commercially fished Berners Bay for Dungeness crab with my family for 14 years, starting in 1990. I support development of the Kensington Mine project alternative B.

I have decided to trust Coeur in this project. Goldbelt owns the uplands at Cascade Point and should be free to develop their land in a wise manner.

Mining, commercial fishing, and timber harvest are part of what makes this state and country viable. Sport fishing and tourism are also very important. Let's keep working!

Sincerely,

Ted Deats
PO Box 87
Juneau, AK 99802

July 2004

Office of Water Director
EPA Region 10
1200 Sixth Avenue, OW-130
Seattle, WA 98101

Dear EPA:

Please issue Coeur Alaska's NPDES permit needed to open the Kensington Mine for the following reasons:

As A Life long Commerical Fisherman I Support the Issueing of their permit necessary to open the mine. I Believe Coeur has proposed A responsible water management program that will not have a major effect on the Fish In Berner's Bay. I Believe the water quality monitoring program will Be sufficient. I also Been Born and raised In Haines AK. also AK Native.

Sincerely,

[signature]

Signature

William A. Thomas Jr.

Printed Name

Box 942

Address

Haines AK 99827

City, State & Zip

907-766-3365

Phone Number

August 2, 2004

Mr. John Leeds
Department of the Army
Juneau Field Office
Suite 106
8800 Glacier Highway
Juneau, Alaska 99801-8079

Dear Mr. Leeds,

I am writing in support of the Kensington Dredge and Fill Permit. As part of an old Kodiak fishing family, I have always been greatly concerned with protecting our fisheries and their habitat. I have watched the permitting process for the Kensington Mine over the years, and have been very impressed with the changes Coeur has made to their tailings plans. I was opposed to the dry tailings stack, but support the Lower Slate Lake tailings facility. I am also happy to learn that the tailings would not be visible from Berner's Bay or Lynn Canal. I urge you grant this permit.

Sincerely,

Kristine Harder
1015 Otter Run
Juneau, Alaska 99801
907-790-3639

F/V Ocean Gold

Ed Hansen
Phone: 907-586-6652
Fax 907-523-1168

9869 North Douglas Hwy
Juneau, Alaska 99801
Email: gillnet@ak.net

March 8, 2004

Steve Hohensee
SEIS Team Leader
Tongass Mineral Group
8465 Old Dairy Road
Juneau, AK 99801

Sent Via Fax 790-7484

RE: Kensington EIS - support Alternative B

Dear Steve Hohensee,

I am a commercial gillnet, troll, longline and halibut fisherman of Southeast Alaska and a 19 year Alaskan resident. I have been following the Kensington Mine process for many years and believe that Alternative B in the current SEIS is the most appropriate of the proposals that Coeur Alaska has brought to the attention of the commercial fishermen. We hope that you will support Alternative B as you move forward in the permitting process.

Thank you,

Ed Hansen

Phoenix Marine Company, Inc.
P. O. Box 020670
Juneau, Alaska 99802

February 26, 2004

Steve Hohensee, SEIS Team Leader
Tongass Minerals Group
USDA Forest Service
8465 Old Dairy Road
Juneau, AK 99801
Phone: (907) 586-8800 Fax: (907) 790-7464

Re: Kensington Gold Project

Dear Sir or Madam;

I am in support of the Kensington Gold Project and Alternative B. As a fisherman and business person, I believe Alternative B will best protect the environment while allowing an economically viable project which will benefit both Juneau and the region.

Best Regards,

Charles W. Cohen
F/V LADY BARBARA

Haines Chamber of Commerce

"Your Business is Our Business"

P.O. Box 1449
[illegible]
Haines, AK 99827
907-766-2202
907-766-2271 (fax)
[illegible]

February 23, 2004

Mr. Steve Hohensee, Tongass Minerals Group
Juneau Ranger District, Tongass National Forest
8465 Old Dairy Road
Juneau, AK 99801

Re: Kensington Gold Project SEIS

Dear Mr. Hohensee:

The Haines Chamber of Commerce Board of Directors would like to express its continued support for Coeur Alaska's Kensington Gold Project and their request of Alternative B as the most practical and preferred option.

We are pleased that Alternative B addresses concerns of the Lynn Canal fishing fleet regarding water quality and docking issues. Coeur's proposal also seems to better address transportation safety issues and offers better operational protection for fuel transfers and the like.

While it is of the utmost importance to mandate quality controls on a project of this magnitude, it is also very important to work with the industry to allow them to operate in a cost-effective manner. This project is important to Haines and the economy of the entire region.

Thank you for the opportunity to provide comments on the Kensington Gold Project SEIS. The Haines Chamber of Commerce Board of Directors asks that you give this proposal your support and approve Alternative B as requested by Coeur Alaska, Inc.

On behalf of the Board of Directors,

Karen M. Hess

Karen Hess, President
Haines Chamber of Commerce

Cc: Rick Richins, Senior Vice President
Coeur Alaska, Inc.

Sealaska CORPORATION

February 24, 2004

Steve Hohensee, SEIS Team Leader
Tongass Minerals Group
USDA Forest Service
8465 Old Dairy Road
Juneau, AK 99801

Re: Sealaska Comments for the Kensington Gold Project and the Draft Supplemental Environmental Impact Statement (DSEIS)

Dear Mr. Hohensee:

Sealaska Corporation is the Regional Corporation organized pursuant to the Alaska Native Claims Settlement Act of 1972, and is headquartered in Juneau, Alaska. We have a large shareholder base of approximately 17,000 shareholders, many of whom live and work in Southeast Alaska.

The U.S. Forest Service released a Draft Supplemental Environmental Impact Statement (SEIS) for an amendment to the approved Plan of Operations submitted by Coeur Alaska, Inc. (Coeur) for the Kensington Gold Project. Sealaska supports the DEIS Alternative B as this alternative will allow the mine to operate economically while meeting Alaska's water quality standards and will result in the smallest amount of land disturbance. The project must be economically viable for the project to move forward.

Coeur has been developing the Kensington Gold Project since 1987 and has invested millions of dollars in exploration, underground development, and environmental and engineering studies. The project has already been permitted twice, including two Environmental Impact Statements. The new project would involve:

- Underground mining at a rate of 2,000 tons per day for at least 10 years (significant new potential);
- Tailings management using Lower Slate Lake (no cyanide processing would occur; concentrate would be shipped offsite for processing);

One Sealaska Plaza, Suite 400 • Juneau, AK 99801-1276 • Phone (907) 586-1512 • Fax (907) 586-2304

- Daily access of workers to the mine site by bus, then by boat from Cascade Point Dock to Slate Creek Cove Dock; and
- Access to the gold deposit via a 6,500-ft. tunnel connecting the Jualin and Kensington mines.

If this project is allowed to proceed, it offers the prospect of direct employment to not only Sealaska's shareholders and their families, but the rest of the Juneau and the community of Southeast Alaska as a whole. Local businesses will benefit as well by providing goods and services to the mine and to the families whose livelihood comes from working for the mine. There is a general economic benefit to the region overall by the associated increase in economic activity and the increased purchasing power that comes with this increase.

Coeur's amended plan of operations is a low cost, environmentally-superior project, and their continued commitment to building and operating an environmentally responsible mining project at Kensington has the support of Sealaska Corporation and its shareholders. If I may provide further comment, please contact me at (907) 586-9274.

Sincerely yours,

Richard P. Harris
Executive Vice President

cc: Ronald R. Wolfe

Coeur Alaska, Inc.
3031 Clinton Drive, Suite 202
Juneau, AK 99801

Resource Development Council for Alaska, Inc.
121 West Fireweed, Suite 250
Anchorage, AK 99503

Southeast Conference
P.O.Box 21989
Juneau, Alaska 99802-1989

Central Council
Tlingit and Haida
Indian Tribes of Alaska

CENTRAL COUNCIL
tlingit and haida indian tribes of alaska
ANDREW P. HOPE BUILDING
320 West Willoughby Avenue • Suite 300
Juneau, Alaska 99801-9983

RECEIVED
MAR 05 2004
Juneau Ranger District

February 26, 2004

Steve Hohensee, SEIS Team Leader
USDA Forest Service
8465 Old Dairy road
Juneau, Alaska 99801

RE: Draft SEIS Kensington

Dear Mr. Hohensee:

The Central Council Business and Economic Development Department has reviewed the various alternatives for the Kensington Mine DSEIS and our department supports the selection of Alterative B.

The Kensington Project and this type resource use has been a vital part of our Southeast Alaska economy for generations and this project will continue to provide employment to our community members of Southeast Alaska. The long term jobs and the economic effect of construction jobs will help to offset the loss of timber, fisheries and State government employment that Southeast Alaska has experienced over the last few years.

We ask that in your relationship with Coeur D'Alene Mines Corporation and before implementation of this opportunity the company implements Native hire and training with Central Council, and utilizes our VTRC facility. Mr. Archie Cavanaugh, Director of the Vocational Training and Resource Center, can be reached at 907-463-7375 to discuss training opportunities.

Thank you for the opportunity to support Alternative B, the Coeur preferred alternative. I can be reached at 463-7121 or e-mail: gjackson@ccthita.org for further discussion.

Sincerely,

Gordon Jackson

Gordon Jackson, Manager
Business and Economic Development

Cc: Archie Cavanaugh, VTRC Director

GJ:dh