

AP/AL: Appropriation
Category: Health/Human Services
Location: Statewide
House District: Statewide (HD 1-40)
Estimated Project Dates: 07/01/2002 - 06/30/2007

Project Type: Health and Safety
Contact: Robert Poe, Jr
Contact Phone: (907)269-3000

Brief Summary and Statement of Need:

This appropriation is requested to provide funds for the Electrical Emergencies Program which provides technical support when an electric utility has lost the ability to generate or transmit power to its customers and the condition is a threat to life, health, and property in the rural community.

Funding:	<u>FY2002</u>	<u>FY2003</u>	<u>FY2004</u>	<u>FY2005</u>	<u>FY2006</u>	<u>FY2007</u>	<u>Total</u>
Rural Elec	\$350,000	\$350,000	\$350,000	\$350,000	\$350,000	\$350,000	\$2,100,000
Total:	\$350,000	\$350,000	\$350,000	\$350,000	\$350,000	\$350,000	\$2,100,000

<input type="checkbox"/> State Match Required	<input type="checkbox"/> One-Time Project	<input type="checkbox"/> Phased - new	<input type="checkbox"/> Phased - underway	<input checked="" type="checkbox"/> On-Going
0% = Minimum State Match % Required		<input type="checkbox"/> Amendment	<input type="checkbox"/> Mental Health Bill	

Operating & Maintenance Costs:

	<u>Amount</u>	<u>Staff</u>
Project Development:	0	0
Ongoing Operating:	0	0
One-Time Startup:	0	0
Totals:	0	0

Additional Information / Prior Funding History:

This program has been funded in the language section since FY 97.

Project Description/Justification:

Purpose of the Appropriation

The Electrical Emergencies Program provides funds and technical support when an electric utility has lost the ability to generate or transmit power to its customers and the condition is a threat to life, health, and property in the community. Emergencies of this type result in the loss of communications, lights, refrigeration systems, washeterias, water and sewer systems, and the use of other basic infrastructure and equipment. Extended power outages can be costly and hazardous during winter months: water and sewer systems are subject to freezing and bursting, fire hazards increase, medical clinics and other public facilities may close, and public safety can be compromised. Based on past experience, out of the 80 small independent utilities in the state, assistance is provided to an average of 7 or 8 utilities per year.

Last year, AEA emergency response included the following:

- o Diesel engine failures in Buckland, Akhiok, Chefornak, Nikolski, Ouzinkie, and Platinum.
- o Distribution system failures, including downed poles and broken lines, caused by an avalanche in Cordova and by winter storms in Girdwood, Hope, Naknek, New Koliganek, Chignik Lake, Ekwok, and Koyukuk.

Capital appropriations in FY1998, 1999, and 2000 for the electrical emergencies program have been expended. AS 42.45.400 requires that catastrophe prevention programs be in place to assist rural electric utilities.

AEA attempts to obtain community contributions for emergency repairs although such contributions are not required. Many small communities served by the program have very little in the way of reserve funds that can be used to pay for emergency repairs nor can they ordinarily obtain third-party financing.

AEA contracts the emergency repair work to the private sector and provides contractor oversight to ensure that problems are corrected. Contractors travel to the site, providing technical assistance and procuring replacement parts and equipment as necessary. The appropriation covers the cost of contractors, local labor, procurement of materials, and AEA staff time required for contractor oversight and related work.

Emergencies are unpredictable and may result at any time from failure of old equipment, from human error, or from extremes in weather conditions. Repair costs are also unpredictable. Each emergency is priced by itself using standard construction practices for immediate repairs and follow-up repairs to ensure permanent performance. In cases where major expenditures are required, the system is repaired to perform at least through the winter months while AEA assists the community in obtaining funds for a permanent solution.

Total Capital Appropriation Requested: \$350,000