

State of Alaska FY2005 Governor's Operating Budget

Department of Community & Economic Development Alaska Energy Authority Owned Facilities Component Budget Summary

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Component: Alaska Energy Authority Owned Facilities

Contribution to Department's Mission

The mission of the Alaska Energy Authority Owned Facilities component is to provide for the operation and maintenance of existing Authority-owned projects with maximum utility control.

Core Services

AEA owns and oversees the operation and maintenance of:

Alaska Intertie

Bradley Lake Hydroelectric Project

Larsen Bay Hydroelectric Project

End Results	Strategies to Achieve Results
<p>(1) The AEA owned facilities will continue to transmit and generate power with maximum utility control.</p> <p><u>Target:</u> 0% of operation or maintenance done by AEA <u>Measure:</u> % of AEA initiated O&M projects</p>	<p>(1) Complete the Teeland upgrade</p> <p><u>Target:</u> Upgrade 100% complete by FY07 <u>Measure:</u> % Complete on July 1, 2007</p> <p>(2) Train local personnel to operate and maintain the Larsen Bay Hydroelectric project</p> <p><u>Target:</u> 100% of personnel employed at project that were trained by AEA are Larsen Bay residents <u>Measure:</u> % of employees that are both Larsen Bay residents and trained by AEA</p> <p>(3) Assist Larsen Bay to increase power sales to local cannery</p> <p><u>Target:</u> Cannery to purchase 25% of available excess power <u>Measure:</u> % excess power purchased</p>

Major Activities to Advance Strategies	
<ul style="list-style-type: none"> • Monitor maintenance activities performed by utilities • Ensure FERC compliance of Bradley Lake Hydro Project • Monitor condition of the project • Complete annual budgets for the Bradley Lake Hydro Project and the Alaska Intertie Project • Facilitate cooperation between utilities 	<ul style="list-style-type: none"> • Larsen Bay training • Repair and maintenance of the Larsen Bay project • Oversight of Larsen Bay operations • Work with cannery and Larsen Bay for delivery of reliable power • Work with Larsen Bay to take responsibility for the project

FY2005 Resources Allocated to Achieve Results

FY2005 Component Budget: \$1,067,100	Personnel:	
	Full time	0
	Part time	0
	Total	0

Performance Measure Detail

(1) Result: The AEA owned facilities will continue to transmit and generate power with maximum utility control.

Target: 0% of operation or maintenance done by AEA

Measure: % of AEA initiated O&M projects

Analysis of results and challenges: Currently AEA completes approximately 1-2% of O&M for the Alaska Intertie with project revenue reimbursing AEA for its costs. Tracking the percentage of AEA initiated O&M projects allows AEA to measure utility responsibility and control.

(1) Strategy: Complete the Teeland upgrade

Target: Upgrade 100% complete by FY07

Measure: % Complete on July 1, 2007

Analysis of results and challenges: The upgrade is necessary to continue the transmission of power over the Intertie.

(2) Strategy: Train local personnel to operate and maintain the Larsen Bay Hydroelectric project

Target: 100% of personnel employed at project that were trained by AEA are Larsen Bay residents

Measure: % of employees that are both Larsen Bay residents and trained by AEA

Analysis of results and challenges: Training is an effective strategy to assist with the goal of maximum utility/local control of the project. Currently, all employees trained have the necessary qualifications; however, employee retention has been an issue. This measure indicates AEA's effectiveness in training and recruiting local residents.

(3) Strategy: Assist Larsen Bay to increase power sales to local cannery

Target: Cannery to purchase 25% of available excess power

Measure: % excess power purchased

Analysis of results and challenges: Increased power sales are critical for local control of the project. Currently the cannery is not purchasing any excess power. Increased power sales are critical for local control of the project.

Key Component Challenges

Continue working with the Intertie Operating Committee on issues related to the operation and maintenance of the Anchorage to Fairbanks Intertie. This work includes building a new 19-mile section of transmission line from Hollywood Road to the Douglas substation in the Mat-Su Valley.

The primary challenge for the Larsen Bay Hydroelectric Project is to improve power equipment at the local cannery to allow direct power sales from the hydro project to the cannery.

AEA continues to work with the Project Management Committee to complete the control systems repairs at the Bradley Lake Hydroelectric Project.

Significant Changes in Results to be Delivered in FY2005

No significant changes.

Major Component Accomplishments in 2003

None.

Statutory and Regulatory Authority

AS 44.83 Alaska Energy Authority
AS 37.07.020(e) State Facilities Operations and Maintenance
3 AAC 105 Alaska Energy Authority

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**Alaska Energy Authority Owned Facilities
Component Financial Summary**

All dollars shown in thousands

	FY2003 Actuals	FY2004 Authorized	FY2005 Governor
Non-Formula Program:			
Component Expenditures:			
71000 Personal Services	0.0	0.0	0.0
72000 Travel	0.0	0.0	30.0
73000 Contractual	0.0	0.0	1,024.1
74000 Supplies	0.0	0.0	8.0
75000 Equipment	0.0	0.0	5.0
76000 Land/Buildings	0.0	0.0	0.0
77000 Grants, Claims	0.0	0.0	0.0
78000 Miscellaneous	0.0	0.0	0.0
Expenditure Totals	0.0	0.0	1,067.1
Funding Sources:			
1107 Alaska Energy Authority Corporate Receipts	0.0	0.0	1,067.1
Funding Totals	0.0	0.0	1,067.1

Estimated Revenue Collections

Description	Master Revenue Account	FY2003 Actuals	FY2004 Authorized	FY2005 Governor
Unrestricted Revenues				
None.		0.0	0.0	0.0
Unrestricted Total		0.0	0.0	0.0
Restricted Revenues				
Alaska Energy Authority Receipts	51418	0.0	0.0	1,067.1
Restricted Total		0.0	0.0	1,067.1
Total Estimated Revenues		0.0	0.0	1,067.1

**Summary of Component Budget Changes
From FY2004 Authorized to FY2005 Governor**

All dollars shown in thousands

	<u>General Funds</u>	<u>Federal Funds</u>	<u>Other Funds</u>	<u>Total Funds</u>
FY2004 Authorized	0.0	0.0	0.0	0.0
Adjustments which will continue current level of service:				
-Transfer Alaska Energy Authority Statewide Operations & Maintenance Component to new RDU Alaska Energy Authority	0.0	0.0	1,067.1	1,067.1
FY2005 Governor	0.0	0.0	1,067.1	1,067.1