

State of Alaska FY2005 Governor's Operating Budget

Department of Community & Economic Development Alaska Energy Authority Power Cost Equalization Component Budget Summary

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Component: Alaska Energy Authority Power Cost Equalization

Contribution to Department's Mission

The mission of the Alaska Energy Authority Power Cost Equalization component is to reduce the cost of electricity for residential customers and community facilities in rural Alaska.

Core Services

The core services of the Alaska Energy Authority Power Cost Equalization component are:

- Verify eligibility and process monthly PCE payments
- Produce annual statistical report of PCE programs
- Calculate the prorated PCE funding levels

End Results	Strategies to Achieve Results
<p>(1) Distribute Power Cost Equalization Payments to 100% eligible electric utilities</p> <p><u>Target:</u> 100 % eligible utilities' customers receive PCE <u>Measure:</u> % of eligible utilities' customers receiving PCE</p>	<p>(1) Increase technical assistance and develop distance delivery training program. *Note - AEA provides training to PCE eligible utilities as it pertains to filing requirements of AEA and RCA. Utility clerks are responsible for providing this information.</p> <p><u>Target:</u> 20 utility clerks trained annually <u>Measure:</u> Number of utility clerks trained</p>

Major Activities to Advance Strategies
<ul style="list-style-type: none"> • Verify eligibility and process monthly PCE payments • Produce annual statistical report of PCE program • Calculate the prorated PCE funding level • Technical assistance • Provide utility clerk training

FY2005 Resources Allocated to Achieve Results							
<p>FY2005 Component Budget: \$15,700,000</p>	<p>Personnel:</p> <table style="width: 100%; border-collapse: collapse;"> <tr> <td style="padding-left: 20px;">Full time</td> <td style="text-align: right;">0</td> </tr> <tr> <td style="padding-left: 20px;">Part time</td> <td style="text-align: right;">0</td> </tr> <tr> <td style="padding-left: 20px;">Total</td> <td style="text-align: right; border-top: 1px solid black;">0</td> </tr> </table>	Full time	0	Part time	0	Total	0
Full time	0						
Part time	0						
Total	0						

Performance Measure Detail

(1) Result: Distribute Power Cost Equalization Payments to 100% eligible electric utilities

Target: 100 % eligible utilities' customers receive PCE
Measure: % of eligible utilities' customers receiving PCE

Percentage of Eligible Utilities' Customers Receiving PCE

Year				% Elig Rec	YTD Total
2003				95.5%	95.5%

Analysis of results and challenges: AEA provides administrative assistance to eligible utilities that need assistance preparing PCE reports; utilities that are not participating or are suspended do not receive payments. In FY2003, 4 utilities that had established PCE levels, did not receive reimbursement. (4 out of 88; or 4.5%). This measures our success in providing technical assistance.

(1) Strategy: Increase technical assistance and develop distance delivery training program.

***Note - AEA provides training to PCE eligible utilities as it pertains to filing requirements of AEA and RCA. Utility clerks are responsible for providing this information.**

Target: 20 utility clerks trained annually
Measure: Number of utility clerks trained

Number of Utility Clerks Trained

Year				# Trained	YTD Total
2003				17	17

Analysis of results and challenges: Distance delivery is a cost effective way to provide additional training to utilities with new staff or whose staff are unable to travel for training. This measures our training progress. This is a new measure and will be calculated starting in FY04.

Key Component Challenges

The administration of the PCE program processes monthly reports for 88 utilities representing 184 communities. Continued technical assistance and utility clerk training is necessary since many utilities have a high turn-over rate of utility clerks.

In order to process timely PCE payments to the eligible utilities, complete and accurate monthly reports from the eligible utilities is necessary. There are 4 eligible utilities that are not currently participating in the PCE program.

Significant Changes in Results to be Delivered in FY2005

No significant changes.

Major Component Accomplishments in 2003

None.

Statutory and Regulatory Authority

- AS 42.45 Rural and Statewide Energy Programs
- 3 AAC 107 Grant Programs
- 3 AAC 52.600 Criteria for Determination of Power Cost Equalization

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**Alaska Energy Authority Power Cost Equalization
Component Financial Summary**

All dollars shown in thousands

	FY2003 Actuals	FY2004 Authorized	FY2005 Governor
Formula Program:			
Component Expenditures:			
71000 Personal Services	0.0	0.0	0.0
72000 Travel	0.0	0.0	0.0
73000 Contractual	0.0	0.0	66.0
74000 Supplies	0.0	0.0	0.0
75000 Equipment	0.0	0.0	0.0
76000 Land/Buildings	0.0	0.0	0.0
77000 Grants, Claims	0.0	0.0	15,634.0
78000 Miscellaneous	0.0	0.0	0.0
Expenditure Totals	0.0	0.0	15,700.0
Funding Sources:			
1089 Power Cost Equalization Fund	0.0	0.0	15,700.0
Funding Totals	0.0	0.0	15,700.0

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				
Power Cost Equalization	51404	0.0	0.0	15,700.0
Restricted Total		0.0	0.0	15,700.0
Total Estimated Revenues		0.0	0.0	15,700.0

**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 Power Cost Equalization Component to New RDU Alaska Energy Authority (453)	0.0	0.0	15,700.0	15,700.0
FY2005 Governor	0.0	0.0	15,700.0	15,700.0