

State of Alaska FY2008 Governor's Operating Budget

Dept of Commerce,Community,& Economic Development Alaska Energy Authority Power Cost Equalization Component Budget Summary

Component: Alaska Energy Authority Power Cost Equalization

Contribution to Department's Mission

Reduce the cost of electricity for residential customers and community facilities in rural Alaska.

Core Services

Verify eligibility and process monthly Power Cost Equalization (PCE) payments

Produce annual statistical report of PCE programs

Calculate the prorated PCE funding levels

Major Activities to Advance Strategies

- 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
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FY2008 Resources Allocated to Achieve Results

FY2008 Component Budget: \$26,173,000

Personnel:

Full time	0
Part time	0
Total	0

Key Component Challenges

Since there is a high turn-over rate of staff in the 86 rural utilities (representing 178 communities) participating in the PCE Program, the continual training of and assistance to the utility staff continues to be a challenge.

Significant Changes in Results to be Delivered in FY2008

The increased funding will result in rural utilities receiving approximately 100 percent of their eligibility amount instead of the pro rated levels they have been receiving in recent years.

Major Component Accomplishments in 2006

AEA successfully applied the funds from the supplemental appropriation to pay the program at an average pro rated level of 88% for the fiscal year. AEA adopted regulations and developed a process with the participating utilities to retroactively apply the PCE credit made available through the supplemental appropriation.

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

	FY2006 Actuals	FY2007 Management Plan	FY2008 Governor
Formula Program:			
Component Expenditures:			
71000 Personal Services	0.0	0.0	0.0
72000 Travel	0.0	0.0	0.0
73000 Services	134.5	160.0	173.0
74000 Commodities	0.0	0.0	0.0
75000 Capital Outlay	0.0	0.0	0.0
77000 Grants, Benefits	21,885.5	25,134.0	26,000.0
78000 Miscellaneous	0.0	0.0	0.0
Expenditure Totals	22,020.0	25,294.0	26,173.0
Funding Sources:			
1089 Power Cost Equalization Fund	22,020.0	25,294.0	26,173.0
Funding Totals	22,020.0	25,294.0	26,173.0

Estimated Revenue Collections

Description	Master Revenue Account	FY2006 Actuals	FY2007 Management Plan	FY2008 Governor
Unrestricted Revenues				
None.		0.0	0.0	0.0
Unrestricted Total		0.0	0.0	0.0
Restricted Revenues				
Power Cost Equalization	51404	22,020.0	25,294.0	26,173.0
Restricted Total		22,020.0	25,294.0	26,173.0
Total Estimated Revenues		22,020.0	25,294.0	26,173.0

**Summary of Component Budget Changes
From FY2007 Management Plan to FY2008 Governor**

All dollars shown in thousands

	<u>General Funds</u>	<u>Federal Funds</u>	<u>Other Funds</u>	<u>Total Funds</u>
FY2007 Management Plan	0.0	0.0	25,294.0	25,294.0
Proposed budget increases:				
-Power Cost Equalization Program Grants	0.0	0.0	866.0	866.0
-FY 08 Internal Dept Cost Increase due to Retirement Systems Rate Increases	0.0	0.0	13.0	13.0
FY2008 Governor	0.0	0.0	26,173.0	26,173.0