

State of Alaska FY2011 Governor's Operating Budget

Department of Commerce, Community, and 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.

Major Activities to Advance Strategies

- Verify eligibility and process monthly Power Cost Equalization (PCE) payments.
- Produce annual statistical report of PCE program.
- Calculate the prorated PCE funding level.
- Technical assistance.
- Provide utility clerk training.

Key Component Challenges

Because of high turn-over rate of staff in the 87 rural utilities (representing 183 communities) participating in the PCE program, the training and assistance to the utility staff continues to be a challenge.

Significant Changes in Results to be Delivered in FY2011

No significant changes to component.

Major Component Accomplishments in 2009

Trained nine utility clerks.

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

Contact Information

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

All dollars shown in thousands

	FY2009 Actuals	FY2010 Management Plan	FY2011 Governor
Formula Program:			
Component Expenditures:			
71000 Personal Services	0.0	0.0	0.0
72000 Travel	1.5	0.0	0.0
73000 Services	158.5	160.0	300.0
74000 Commodities	0.0	0.0	0.0
75000 Capital Outlay	0.0	0.0	0.0
77000 Grants, Benefits	37,400.0	37,500.0	36,000.0
78000 Miscellaneous	0.0	0.0	0.0
Expenditure Totals	37,560.0	37,660.0	36,300.0
Funding Sources:			
1004 General Fund Receipts	9,400.0	16,767.3	12,626.4
1089 Power Cost Equalization Fund	28,160.0	0.0	0.0
1169 PCE Endowment Fund	0.0	20,892.7	23,673.6
Funding Totals	37,560.0	37,660.0	36,300.0

Estimated Revenue Collections

Description	Master Revenue Account	FY2009 Actuals	FY2010 Conference Committee	FY2010 Authorized	FY2010 Authorized	FY2011 Governor
Unrestricted Revenues						
Power Cost Equalization	51404	28,160.0	0.0	0.0	0.0	0.0
Unrestricted Fund	68515	9,400.0	0.0	0.0	16,767.3	12,626.4
Unrestricted Total		37,560.0	0.0	0.0	16,767.3	12,626.4
Restricted Revenues						
Power Cost Equalization Endowment Fund	51465	0.0	0.0	0.0	20,892.7	23,673.6
Restricted Total		0.0	0.0	0.0	20,892.7	23,673.6
Total Estimated Revenues		37,560.0	0.0	0.0	37,660.0	36,300.0

**Summary of Component Budget Changes
From FY2010 Management Plan to FY2011 Governor**

All dollars shown in thousands

	<u>General Funds</u>	<u>Federal Funds</u>	<u>Other Funds</u>	<u>Total Funds</u>
FY2010 Management Plan	16,767.3	0.0	20,892.7	37,660.0
Adjustments which will continue current level of service:				
-Additional PCE Endowment earnings supplant GF required for FY2011	-2,780.9	0.0	2,780.9	0.0
Proposed budget decreases:				
-Full funding for Power Cost Equalization based on revised cost projections	-1,360.0	0.0	0.0	-1,360.0
FY2011 Governor	12,626.4	0.0	23,673.6	36,300.0

Component Detail All Funds
Department of Commerce, Community, and Economic Development

Component: Alaska Energy Authority Power Cost Equalization (2602)

RDU: Alaska Energy Authority (453)

	FY2009 Actuals	FY2010 Conference Committee	FY2010 Authorized	FY2010 Management Plan	FY2011 Governor	FY2010 Management Plan vs FY2011 Governor	
71000 Personal Services	0.0	0.0	0.0	0.0	0.0	0.0	0.0%
72000 Travel	1.5	0.0	0.0	0.0	0.0	0.0	0.0%
73000 Services	158.5	160.0	160.0	160.0	300.0	140.0	87.5%
74000 Commodities	0.0	0.0	0.0	0.0	0.0	0.0	0.0%
75000 Capital Outlay	0.0	0.0	0.0	0.0	0.0	0.0	0.0%
77000 Grants, Benefits	37,400.0	32,000.0	37,500.0	37,500.0	36,000.0	-1,500.0	-4.0%
78000 Miscellaneous	0.0	0.0	0.0	0.0	0.0	0.0	0.0%
Totals	37,560.0	32,160.0	37,660.0	37,660.0	36,300.0	-1,360.0	-3.6%
Fund Sources:							
1004 Gen Fund	9,400.0	11,267.3	16,767.3	16,767.3	12,626.4	-4,140.9	-24.7%
1089 Power Cost	28,160.0	0.0	0.0	0.0	0.0	0.0	0.0%
1169 PCE Endow	0.0	20,892.7	20,892.7	20,892.7	23,673.6	2,780.9	13.3%
General Funds	9,400.0	11,267.3	16,767.3	16,767.3	12,626.4	-4,140.9	-24.7%
Federal Funds	0.0	0.0	0.0	0.0	0.0	0.0	0.0%
Other Funds	28,160.0	20,892.7	20,892.7	20,892.7	23,673.6	2,780.9	13.3%
Positions:							
Permanent Full Time	0	0	0	0	0	0	0.0%
Permanent Part Time	0	0	0	0	0	0	0.0%
Non Permanent	0	0	0	0	0	0	0.0%

**Change Record Detail - Multiple Scenarios With Descriptions
Department of Commerce, Community, and Economic Development**

Component: Alaska Energy Authority Power Cost Equalization (2602)

RDU: Alaska Energy Authority (453)

Scenario/Change Record Title	Trans Type	Totals	Personal Services	Travel	Services	Commodities	Capital Outlay	Grants, Benefits	Miscellaneous	Positions		NP
										PFT	PPT	
***** Changes From FY2010 Conference Committee To FY2010 Authorized *****												
FY2010 Conference Committee												
	ConfCom	32,160.0	0.0	0.0	160.0	0.0	0.0	32,000.0	0.0	0	0	0
1004 Gen Fund		11,267.3										
1169 PCE Endow		20,892.7										
Ch 12, SLA2009, Sec 11(e), page 71, line 11 additional funding for Ch 59 (SB88), SLA2009												
	OthApr	5,500.0	0.0	0.0	0.0	0.0	0.0	5,500.0	0.0	0	0	0
1004 Gen Fund		5,500.0										
Subtotal		37,660.0	0.0	0.0	160.0	0.0	0.0	37,500.0	0.0	0	0	0
***** Changes From FY2010 Authorized To FY2010 Management Plan *****												
Subtotal		37,660.0	0.0	0.0	160.0	0.0	0.0	37,500.0	0.0	0	0	0
***** Changes From FY2010 Management Plan To FY2011 Governor *****												
Full funding for Power Cost Equalization based on revised cost projections												
	Dec	-1,360.0	0.0	0.0	0.0	0.0	0.0	-1,360.0	0.0	0	0	0
1004 Gen Fund		-1,360.0										
There is an overall reduction due to lower expenditure projections. A variety of factors play into the projections, including the cost of fuel, number of eligible grantees, and consumption projections.												
RCA PCE Allocation Administration												
	LIT	0.0	0.0	0.0	140.0	0.0	0.0	-140.0	0.0	0	0	0
Line item transfer needed to cover PCE related administrative services provided by Regulatory Commission of Alaska via an RSA with AEA.												
Additional PCE Endowment earnings supplant GF required for FY2011												
	FndChg	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0	0	0
1004 Gen Fund		-2,780.9										
1169 PCE Endow		2,780.9										
Per the Department of Revenue letter dated July 13, 2009, the amount available from the PCE Endowment for FY2011 is calculated to be \$23,834.4 less \$160.8 for the Department of Revenue management fees, an increase of \$2,780.9 over the amount budgeted in FY2010. This allows GF contribution to be decreased by that amount.												
Totals		36,300.0	0.0	0.0	300.0	0.0	0.0	36,000.0	0.0	0	0	0

Line Item Detail
Department of Commerce, Community, and Economic Development
Travel

Component: Alaska Energy Authority Power Cost Equalization (2602)
RDU: Alaska Energy Authority (453)

Line Number	Line Name		FY2009 Actuals	FY2010 Management Plan	FY2011 Governor
72000	Travel		1.5	0.0	0.0
Expenditure Account	Servicing Agency	Explanation	FY2009 Actuals	FY2010 Management Plan	FY2011 Governor
72000 Travel Detail Totals			1.5	0.0	0.0
72100	Instate Travel	Administrative travel costs.	1.5	0.0	0.0

Line Item Detail
Department of Commerce, Community, and Economic Development
Services

Component: Alaska Energy Authority Power Cost Equalization (2602)

RDU: Alaska Energy Authority (453)

Line Number	Line Name		FY2009 Actuals	FY2010 Management Plan	FY2011 Governor
73000	Services		158.5	160.0	300.0
Expenditure Account			FY2009 Actuals	FY2010 Management Plan	FY2011 Governor
		Servicing Agency	Explanation		
			73000 Services Detail Totals	158.5	160.0
73979	Mgmt/Consulting (IA Svcs)	AIDEA	Administrative Costs	158.5	160.0
				300.0	

Line Item Detail

**Department of Commerce, Community, and Economic Development
Grants, Benefits**

Component: Alaska Energy Authority Power Cost Equalization (2602)

RDU: Alaska Energy Authority (453)

Line Number	Line Name		FY2009 Actuals	FY2010 Management Plan	FY2011 Governor
77000	Grants, Benefits		37,400.0	37,500.0	36,000.0
Expenditure Account	Servicing Agency	Explanation	FY2009 Actuals	FY2010 Management Plan	FY2011 Governor
77000 Grants, Benefits Detail Totals			37,400.0	37,500.0	36,000.0
77110	Grants	Power Cost Equalization Program grants (AS 42.45.110)	37,400.0	37,500.0	36,000.0

Unrestricted Revenue Detail
Department of Commerce, Community, and Economic Development

Component: Alaska Energy Authority Power Cost Equalization (2602)
RDU: Alaska Energy Authority (453)

Master Account	Revenue Description	FY2009 Actuals	FY2010 Management Plan	FY2011 Governor
51404	Power Cost Equalization	28,160.0	0.0	0.0

Detail Information

Revenue Amount	Revenue Description	Component	Collocation Code	AKSAS Fund	FY2009 Actuals	FY2010 Management Plan	FY2011 Governor
51404	Power Cost Equalization				28,160.0	0.0	0.0

Unrestricted Revenue Detail
Department of Commerce, Community, and Economic Development

Component: Alaska Energy Authority Power Cost Equalization (2602)
RDU: Alaska Energy Authority (453)

Master Account	Revenue Description	FY2009 Actuals	FY2010 Management Plan	FY2011 Governor
68515	Unrestricted Fund	9,400.0	16,767.3	12,626.4

Detail Information

Revenue Amount	Revenue Description	Component	Collocation Code	AKSAS Fund	FY2009 Actuals	FY2010 Management Plan	FY2011 Governor
68515	Unrestrict Fu Source				9,400.0	16,767.3	12,626.4
	Unrestricted Fund Source						

Restricted Revenue Detail
Department of Commerce, Community, and Economic Development

Component: Alaska Energy Authority Power Cost Equalization (2602)
RDU: Alaska Energy Authority (453)

Master Account	Revenue Description	FY2009 Actuals	FY2010 Management Plan	FY2011 Governor
51465	Power Cost Equalization Endowment Fund	0.0	20,892.7	23,673.6

Detail Information

Revenue Amount	Revenue Description	Component	Collocation Code	AKSAS Fund	FY2009 Actuals	FY2010 Management Plan	FY2011 Governor
51465	Power Cost Equalization Endowment Fund				0.0	20,892.7	23,673.6

Inter-Agency Services
Department of Commerce, Community, and Economic Development

Component: Alaska Energy Authority Power Cost Equalization (2602)
RDU: Alaska Energy Authority (453)

<u>Expenditure Account</u>	<u>Service Description</u>	<u>Service Type</u>	<u>Servicing Agency</u>	<u>FY2009 Actuals</u>	<u>FY2010 Management Plan</u>	<u>FY2011 Governor</u>	
73979	Mgmt/Consulting (IA Svcs)	Administrative Costs	Intra-dept	AIDEA	158.5	160.0	300.0
73979 Mgmt/Consulting (IA Svcs) subtotal:				158.5	160.0	300.0	
Alaska Energy Authority Power Cost Equalization total:				158.5	160.0	300.0	
Grand Total:				158.5	160.0	300.0	