

**State of Alaska  
FY2013 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
- Technical assistance
- Provide utility clerk training

**Key Component Challenges**

Because of high turnover rate of staff in the 91 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 FY2013**

No significant changes in results delivered for FY2013 are expected; however, the estimated costs to fully fund the PCE program have increased due to rising fuel costs and an increase in eligible customers. We estimate an increment of \$ 3.8 million from FY2012 to fully fund the program.

**Major Component Accomplishments in 2011**

Provided training to rural utility clerks. St. George re-entered the PCE program.

**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**

**Contact:** Sara Fisher-Goad, Deputy Director-Operations  
**Phone:** (907) 771-3000  
**Fax:** (907) 771-3044  
**E-mail:** sfishergoad@aidea.org

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

*All dollars shown in thousands*

	<b>FY2011 Actuals</b>	<b>FY2012 Management Plan</b>	<b>FY2013 Governor</b>
<b>Formula Program:</b>			
<b>Component Expenditures:</b>			
71000 Personal Services	0.0	0.0	0.0
72000 Travel	4.3	10.0	10.0
73000 Services	246.6	330.0	330.0
74000 Commodities	0.7	0.0	0.0
75000 Capital Outlay	0.0	0.0	0.0
77000 Grants, Benefits	32,336.6	34,000.0	37,850.0
78000 Miscellaneous	0.0	0.0	0.0
<b>Expenditure Totals</b>	<b>32,588.2</b>	<b>34,340.0</b>	<b>38,190.0</b>
<b>Funding Sources:</b>			
1004 General Fund Receipts	8,914.6	10,829.4	15,314.2
1169 PCE Endowment Fund	23,673.6	23,510.6	22,875.8
<b>Funding Totals</b>	<b>32,588.2</b>	<b>34,340.0</b>	<b>38,190.0</b>

**Estimated Revenue Collections**

<b>Description</b>	<b>Master Revenue Account</b>	<b>FY2011 Actuals</b>	<b>FY2012 Management Plan</b>	<b>FY2013 Governor</b>
<b>Unrestricted Revenues</b>				
Unrestricted Fund	68515	8,914.6	10,829.4	15,315.0
<b>Unrestricted Total</b>		<b>8,914.6</b>	<b>10,829.4</b>	<b>15,315.0</b>
<b>Restricted Revenues</b>				
Power Cost Equalization Endowment Fund	51465	23,673.6	23,510.6	22,875.8
<b>Restricted Total</b>		<b>23,673.6</b>	<b>23,510.6</b>	<b>22,875.8</b>
<b>Total Estimated Revenues</b>		<b>32,588.2</b>	<b>34,340.0</b>	<b>38,190.8</b>

**Summary of Component Budget Changes  
From FY2012 Management Plan to FY2013 Governor**

*All dollars shown in thousands*

	<u>Unrestricted Gen (UGF)</u>	<u>Designated Gen (DGF)</u>	<u>Other Funds</u>	<u>Federal Funds</u>	<u>Total Funds</u>
<b>FY2012 Management Plan</b>	<b>10,829.4</b>	<b>23,510.6</b>	<b>0.0</b>	<b>0.0</b>	<b>34,340.0</b>
<b>Adjustments which will continue current level of service:</b>					
-Reverse Funding for Power Cost Endowment and PC Equalization, SLA 11, Sec 13(i)(j), pg 72	-10,829.4	-23,510.6	0.0	0.0	-34,340.0
<b>Proposed budget increases:</b>					
-FY2013 Power Cost Equalization and Endowment Funding	15,314.2	22,875.8	0.0	0.0	38,190.0
<b>FY2013 Governor</b>	<b>15,314.2</b>	<b>22,875.8</b>	<b>0.0</b>	<b>0.0</b>	<b>38,190.0</b>

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

**Component:** Alaska Energy Authority Power Cost Equalization (2602)

**RDU:** Alaska Energy Authority (453)

	FY2011 Actuals	FY2012 Conference Committee	FY2012 Authorized	FY2012 Management Plan	FY2013 Governor	FY2012 Management Plan vs FY2013 Governor	
71000 Personal Services	0.0	0.0	0.0	0.0	0.0	0.0	0.0%
72000 Travel	4.3	10.0	10.0	10.0	10.0	0.0	0.0%
73000 Services	246.6	330.0	330.0	330.0	330.0	0.0	0.0%
74000 Commodities	0.7	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	32,336.6	34,000.0	34,000.0	34,000.0	37,850.0	3,850.0	11.3%
78000 Miscellaneous	0.0	0.0	0.0	0.0	0.0	0.0	0.0%
<b>Totals</b>	<b>32,588.2</b>	<b>34,340.0</b>	<b>34,340.0</b>	<b>34,340.0</b>	<b>38,190.0</b>	<b>3,850.0</b>	<b>11.2%</b>
<b>Fund Sources:</b>							
1004 Gen Fund (UGF)	8,914.6	10,829.4	10,829.4	10,829.4	15,314.2	4,484.8	41.4%
1169 PCE Endow (DGF)	23,673.6	23,510.6	23,510.6	23,510.6	22,875.8	-634.8	-2.7%
<b>Unrestricted General (UGF)</b>	<b>8,914.6</b>	<b>10,829.4</b>	<b>10,829.4</b>	<b>10,829.4</b>	<b>15,314.2</b>	<b>4,484.8</b>	<b>41.4%</b>
<b>Designated General (DGF)</b>	<b>23,673.6</b>	<b>23,510.6</b>	<b>23,510.6</b>	<b>23,510.6</b>	<b>22,875.8</b>	<b>-634.8</b>	<b>-2.7%</b>
<b>Other Funds</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0%</b>
<b>Federal Funds</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0%</b>
<b>Positions:</b>							
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 FY2012 Conference Committee To FY2012 Authorized *****												
<b>FY2012 Conference Committee</b>	ConfCom	34,340.0	0.0	10.0	330.0	0.0	0.0	34,000.0	0.0	0	0	0
1004 Gen Fund		10,829.4										
1169 PCE Endow		23,510.6										
<b>Subtotal</b>		<b>34,340.0</b>	<b>0.0</b>	<b>10.0</b>	<b>330.0</b>	<b>0.0</b>	<b>0.0</b>	<b>34,000.0</b>	<b>0.0</b>	<b>0</b>	<b>0</b>	<b>0</b>
***** Changes From FY2012 Authorized To FY2012 Management Plan *****												
<b>Subtotal</b>		<b>34,340.0</b>	<b>0.0</b>	<b>10.0</b>	<b>330.0</b>	<b>0.0</b>	<b>0.0</b>	<b>34,000.0</b>	<b>0.0</b>	<b>0</b>	<b>0</b>	<b>0</b>
***** Changes From FY2012 Management Plan To FY2013 Governor *****												
<b>Reverse Funding for Power Cost Endowment and PC Equalization, SLA 11, Sec 13(i)(j), pg 72</b>	OTI	-34,340.0	0.0	-10.0	-330.0	0.0	0.0	-34,000.0	0.0	0	0	0
1004 Gen Fund		-10,829.4										
1169 PCE Endow		-23,510.6										
Delete one time FY2012 funding appropriated in the language section for Power Cost Equalization and Power Cost Endowment.												
<b>FY2013 Power Cost Equalization and Endowment Funding</b>	IncM	38,190.0	0.0	10.0	330.0	0.0	0.0	37,850.0	0.0	0	0	0
1004 Gen Fund		15,314.2										
1169 PCE Endow		22,875.8										
<b>Totals</b>		<b>38,190.0</b>	<b>0.0</b>	<b>10.0</b>	<b>330.0</b>	<b>0.0</b>	<b>0.0</b>	<b>37,850.0</b>	<b>0.0</b>	<b>0</b>	<b>0</b>	<b>0</b>

AEA requests continuation of FY2012 funding to fully fund the Power Cost Equalization (PCE) program in FY2013. The PCE payments reduce the cost of power to residential and community customers of eligible utilities. The program cost estimates are based on a variety of factors including the projected cost of fuel and adjustments to the Regulatory Commission of Alaska base rate or "floor" which is down from 14.39 for FY2011 to 13.42 for FY2012.

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

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

<b>Line Number</b>	<b>Line Name</b>		<b>FY2011 Actuals</b>	<b>FY2012 Management Plan</b>	<b>FY2013 Governor</b>
72000	Travel		4.3	10.0	10.0
<b>Expenditure Account</b>			<b>FY2011 Actuals</b>	<b>FY2012 Management Plan</b>	<b>FY2013 Governor</b>
<b>72000 Travel Detail Totals</b>			<b>4.3</b>	<b>10.0</b>	<b>10.0</b>
72100	Instate Travel	Administrative travel costs.	4.3	10.0	10.0

**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		FY2011 Actuals	FY2012 Management Plan	FY2013 Governor
73000	Services		246.6	330.0	330.0
			<b>FY2011 Actuals</b>	<b>FY2012 Management Plan</b>	<b>FY2013 Governor</b>
<b>Expenditure Account</b>	<b>Servicing Agency</b>	<b>Explanation</b>			
<b>73000 Services Detail Totals</b>			<b>246.6</b>	<b>330.0</b>	<b>330.0</b>
73450	Advertising & Promos		2.3	0.0	0.0
73750	Other Services (Non IA Svcs)	Reg Comm of AK	77.7	155.0	155.0
73812	Legal	Law	0.2	0.0	0.0
73979	Mgmt/Consulting (IA Svcs)	AIDEA Administrative Costs	166.4	175.0	175.0

**Line Item Detail**

**Department of Commerce, Community, and Economic Development  
Commodities**

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

<b>Line Number</b>	<b>Line Name</b>		<b>FY2011 Actuals</b>	<b>FY2012 Management Plan</b>	<b>FY2013 Governor</b>
74000	Commodities		0.7	0.0	0.0
<b>Expenditure Account</b>	<b>Servicing Agency</b>	<b>Explanation</b>	<b>FY2011 Actuals</b>	<b>FY2012 Management Plan</b>	<b>FY2013 Governor</b>
<b>74000 Commodities Detail Totals</b>			<b>0.7</b>	<b>0.0</b>	<b>0.0</b>
74200	Business	Supplies cost	0.7	0.0	0.0

**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		FY2011 Actuals	FY2012 Management Plan	FY2013 Governor
77000	Grants, Benefits		32,336.6	34,000.0	37,850.0
Expenditure Account	Servicing Agency	Explanation	FY2011 Actuals	FY2012 Management Plan	FY2013 Governor
<b>77000 Grants, Benefits Detail Totals</b>			<b>32,336.6</b>	<b>34,000.0</b>	<b>37,850.0</b>
77110	Grants	Power Cost Equalization Program grants (AS 42.45.110)	32,336.6	34,000.0	37,850.0

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

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

<b>Master Account</b>	<b>Revenue Description</b>				<b>FY2011 Actuals</b>	<b>FY2012 Management Plan</b>	<b>FY2013 Governor</b>
68515	Unrestricted Fund				8,914.6	10,829.4	15,315.0
<b>Detail Information</b>							
<b>Revenue Amount</b>	<b>Revenue Description</b>	<b>Component</b>	<b>Collocation Code</b>	<b>AKSAS Fund</b>	<b>FY2011 Actuals</b>	<b>FY2012 Management Plan</b>	<b>FY2013 Governor</b>
68515	Unrestrict Fu Source				8,914.6	10,829.4	15,315.0
	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)

<b>Master Account</b>	<b>Revenue Description</b>				<b>FY2011 Actuals</b>	<b>FY2012 Management Plan</b>	<b>FY2013 Governor</b>
51465	Power Cost Equalization Endowment Fund				23,673.6	23,510.6	22,875.8
<b>Detail Information</b>							
<b>Revenue Amount</b>	<b>Revenue Description</b>	<b>Component</b>	<b>Collocation Code</b>	<b>AKSAS Fund</b>	<b>FY2011 Actuals</b>	<b>FY2012 Management Plan</b>	<b>FY2013 Governor</b>
51465	Power Cost Equalization Endowment Fund				23,673.6	23,510.6	22,875.8

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

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

Expenditure Account	Service Description	Service Type	Servicing Agency	FY2011 Actuals	FY2012	
					Management Plan	FY2013 Governor
73750	Other Services (Non IA Svcs)	Inter-dept	Reg Comm of AK	77.7	155.0	155.0
<b>73750 Other Services (Non IA Svcs) subtotal:</b>				<b>77.7</b>	<b>155.0</b>	<b>155.0</b>
73812	Legal	Inter-dept	Law	0.2	0.0	0.0
<b>73812 Legal subtotal:</b>				<b>0.2</b>	<b>0.0</b>	<b>0.0</b>
73979	Mgmt/Consulting (IA Svcs) Administrative Costs	Intra-dept	AIDEA	166.4	175.0	175.0
<b>73979 Mgmt/Consulting (IA Svcs) subtotal:</b>				<b>166.4</b>	<b>175.0</b>	<b>175.0</b>
<b>Alaska Energy Authority Power Cost Equalization total:</b>				<b>244.3</b>	<b>330.0</b>	<b>330.0</b>
<b>Grand Total:</b>				<b>244.3</b>	<b>330.0</b>	<b>330.0</b>