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Department of Law

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Attorney General's Efforts Help to Reduce Electric Utility Rate Hike

(Anchorage) - Attorney General David Márquez, in his capacity as the Public Advocate before the Regulatory Commission of Alaska ("RCA"), obtained a two-percent (2%) reduction in an overall electric rate increase proposed by Golden Valley Electric Association (GVEA).

"Advocating for Alaskans on issues involving utility rates is an important aspect of the Department of Law's obligation to protect Alaskans," said Márquez. "Ensuring that reasonably priced power is available to state residents, especially in Interior Alaska, is critical to the state's economic development and a priority issue for Governor Murkowski."

In docket U-04-33, GVEA filed a simplified rate filing with the Regulatory Commission of Alaska (RCA), the state utility oversight board, asking for an 8% increase in its electric rates. The Attorney General elected to participate in the proceeding to represent the public interest under his new authority as the advocate for utility issues. Fairbanks Gold Mining, Inc. and Alyeska Pipeline Co. were also parties in the case.

At the hearing before the Commission, the AG's Regulatory Affairs & Public Advocacy (RAPA) section argued that the Commission should disallow from inclusion in rates a \$2.2 million depreciation expense proposed by the utility because the related utility plant was not in service during the entire test year. The Commission ultimately agreed and in Order No. 11 required GVEA to remove the depreciation expense adjustments and recalculate its requested rate increase accordingly.

The result for residential and commercial GVEA customers in the Fairbanks area is a 2% reduction to the utility's requested rate increase, from 8% to 6%.

The order can be viewed in its entirety on the Department of Law website at: www.law.state.ak.us/pdf/rapa/rca-u04033-11.pdf or on the RCA website at: www.state.ak.us/rca/orders/utills/2004/u04033_11.pdf.

For additional information on this topic please contact Chief Assistant Attorney General for Regulatory Affairs & Public Advocacy Section Daniel Patrick O'Tierney at (907) 269-5200.

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