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HB 119 SPONSOR STATEMENT

GRANTS TO REGULATED PUBLIC UTILITIES

Under current law, municipalities who operate public utilities have the ability to obtain a grant to make improvements or replace aging sewer and water systems disappears. They also have the ability to receive grants to expand utilities. Private utilities that are regulated by the Regulatory Commission of Alaska to provide public utilities to a service area do not qualify for grants. This results in increased utility costs for customers of the private utilities and discourages private operation of public utilities.

HB 119 would enable a privately owned water and wastewater utility to participate in the State's water and wastewater grant program if the Regulatory Commission of Alaska regulates the utility. Grants for solid waste processing, disposal or recovery systems would remain available only to municipalities.

When the grant process is utilized, the private utility would not be able to pass on the cost of improvements paid to the ratepayers. The Regulatory Commission of Alaska would not include the grant in the capital costs portion of the formula that sets the utility rate.

[HB 119](#) creates equity for public and private utility ratepayers and encourages privatization of public utilities.