

# Rural power subsidies retained

Superior Court Judge Brian Shortell has approved the use of funds to maintain rural electric subsidies pending Supreme Court determination of whether or not the funds were unconstitutionally appropriated. The decision, which also permits use of funds for a financing plan for the Bradley Lake Hydroelectric Project, puts on hold, for those two purposes, the immediate impact of his earlier decision that the funds were appropriated by the 1984 legislature in an unconstitutional action.

Trustees for Alaska and the Alaska Public Interest Research Group, the co-plaintiffs who won the original lawsuit, expressed satisfaction at the temporary restoration of the Power Cost Equalization Fund, which provides state funds to subsidize rural power costs so that they are equivalent to railbelt costs. "We were concerned about the effect of the court's initial ruling on the rural subsidies because we sympathize with the energy cost problems facing rural Alaska. This ruling will keep the program going until the legislature funds the

subsidy with a legal appropriation," said Bob Adler, attorney for the two public interest groups. "AKPIRG and Trustees for Alaska also believe that the long-term effects of the lawsuit will ultimately be of significant help to rural Alaskans. The court's original ruling will prohibit the legislature from automatically spending more than a quarter billion dollars annually on two massive railbelt power projects without determining whether other state needs for this money are more important. These automatic appropriations would have meant that the money would not have been available for building schools, hospitals, energy projects and other needed facilities in rural communities and elsewhere in Alaska. In fact, the continuing appropriations for the two projects already consumed more than half of the capitol budget this year, leaving little money for other worthy capital needs. We are very pleased to get a ruling putting an end to this unconstitutional budget practice while at the same time avoiding the impact that rural Alaska might have felt."