



# CITY OF SAINT PAUL

ALASKA

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## NEWS RELEASE

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Today, City of Saint Paul (City) joins Alaska Federation of Natives, First Alaskans Institute, Association of Village Council Presidents, Aleutians East Borough, Organized Village of Kake, City of Adak, City and Borough of Yakutat, City of Saint Paul, and several electric cooperatives in a lawsuit to fund the Power Cost Equalization Program (PCE).

On Friday, July 16, 2021, the Saint Paul City Council authorized the City administration to join the lawsuit and appropriated \$5,000 to help pay for legal fees.

The City, along with the other plaintiffs believes that the PCE Endowment Fund is not subject to the annual sweep of available general funds back into the Constitutional Budget Reserve under the Alaska Constitution and should be funded through this endowment fund on an annual basis.

The City operates and manages public safety services (police, fire, EMS, and search and rescue), maintains the roads on the island, and provide electric, home heating fuel, refuse, sewer and water services to the community of 371 residents.

All the residents are eligible for PCE and the City receives PCE for many of its public facilities, including City Hall, Public Works, water buildings and street lights. The City on average receives approximately \$200,000 PCE credits annually. The current residential rate for electricity is \$0.41 per kilowatt hour (kWh). PCE is around \$0.21 per kWh up to the first 500 kWh, effectively bringing the residential rate down to \$0.20 per kWh.

Residents of Saint Paul Island are likely to suffer financially if PCE credits are not available this year. Electricity bills can be expected to double without the PCE credits, forcing residents to make hard choices about their purchases. For a larger family, electricity bills could jump up to \$800 per month.

The cost of living is high in Saint Paul Island. With higher energy prices without PCE credits, it is likely that some residents decide they cannot afford to live here any longer and decide to leave. And if that happens, there may be a negative ripple effect throughout the community. For example, if a family with children leaves, there would be less money for the school, and less money circulating around in the community. And if there are fewer people in the community, that would increase the individual burden for those residents that choose to remain.