

that, I think, we're going to be able to enjoy the benefit of having a person of that caliber on Staff. I'm not sure how difficult it's going to be to recruit a person like that. It's an Economist III position, is that what we're looking for?

MR. LOHR: That's correct, Mr. Chairman.

CHAIRMAN COTTEN: Yeah. So I don't know what the other Commissioner's thoughts are on this. Commissioner Hanley.

COMMISSIONER HANLEY: I guess my thought on the economist, I was lukewarm, I think, to begin with. I can't say that I'm wildly enthusiastic. But I think one of the things that convinced me was that I think Mr. Lohr explained that this person would be carrying a full-load. I was very much opposed to having someone just, you know, explaining theories to us, and yet, some analysis, I realize is appropriate, but I also appreciate that we need help getting a lot of the things out the door. So I guess I supported that with the understanding that that person would have dockets assigned and a load, at least a reasonable load to begin with and then comparable with other Staff members.

A question I had, you just mentioned that the Department of Law transferred to a hearing officer is not a new position and it's my understanding that we're going to be doing that in this first budget adjustment; is that.....

CHAIRMAN COTTEN: Yes. That's my preference. I think it's going to result in a relatively small amount of money as far as the overall budget's concerned, but we still have to get

approval from the Governor's office for the creation of the new PX position in our agency. The position we're talking about even a third person here, Ms. McPherren, if the PX position at the Department of Law right now is it's RSA to this Commission. And Law has expressed more than once their desire to just transfer the position over here and get rid of that RSA. They've got the RSAs with the AGs, but for whatever reason, that's been the case with the associate attorney as well. So that'd be my preference is to create a new position, but at the same time, get rid of the RSA with Law. So it's almost a wash on budget. I think it's a five or \$6,000 difference. But that'd be the opportunity to do that.

You want the floor?

COMMISSIONER HANLEY: We're just waiting then for something from the Governor's office?

CHAIRMAN COTTEN: Right. I think that's an executive policy, that they want to have a good handle on any PX positions that are created. There's potential for wide interest in PX positions. And I think the Executive Branch, they want to make sure they understand the status on each of them.

MR. LOHR: Mr. Chairman that's correct. And I understand that the C4 budget transfer of the position from Law is straight forward and non-controversial. It is only because of this policy level review to ensure that no politically accountable positions are created without the knowledge of and involvement of the Governor's office at this level, a range 21.

That that approval is required. We have requested the appropriate approval since Monday.

CHAIRMAN COTTEN: Well, it sounds like -- can I suggest it as a consensus here or I don't know, would you like to pursue it any further?

COMMISSIONER COOK: No. I actually was going to move to another subject.

CHAIRMAN COTTEN: Okay. You have the floor.

COMMISSIONER COOK: All right, thank you. As far as the clerks go, where do we anticipate utilizing those?

CHAIRMAN COTTEN: Here again, I'll just say what's been on my mind here. With three of them, and again the anticipation we're going to get another one, but I think we've got room for one on our side as far as physical location. And my discussion so far with Mr. Lohr is that he'd -- the Staff side would get one and then there would be one that would be -- it would be available on demand to the Commission side, and we'd just call it a half time for the sake of describing the fact that that person would be able to work on demand where needed and we'd have, at least, half time call on that person. And of course, we could demand it all if we wanted to. But I know that there's an immediate need over there and we've discussed this with.....

COMMISSIONER HANLEY: Consumer Protection, there's a big room.

CHAIRMAN COTTEN: Yeah, there's room in Consumer Protection to house people. There's other places to house or to

assign people to a work space, at least that's my understanding that we'd have one full-time probably located in our section. There's a couple of different possibilities there, there's probably room up where Sue Kinney sits or perhaps even further back there that we might be able to develop a work station that would be appropriate. But I know that there's a lot of paperwork that some of us aren't very good at. So I think we'd have some immediate demands for clerks, probably a couple of people to start with and maybe we'll decide that we need two full-time on our side.

And I think Mr. Posey used the term, indigestion, if you get too many people at once you might find it difficult to digest and putting them to work immediately. So at least that's my thought. I don't know if that's -- I think it's.....

COMMISSIONER COOK: I just wanted to be sure that's where I thought they were going, but I wanted to be sure.

CHAIRMAN COTTEN: Any other Commission thoughts on that one? You want to argue with us, Mr. Lohr?

MR. LOHR: Mr. Chairman, I just note that the Commission's capability to commandeer resources is well known. Our last session you got two positions, the Staff side got none. I hope you'll keep that in mind when you decide how much to apply.

I would just -- maybe this is a good opportunity to point out that changes occurring in the receptionist position. Since the Commission got voice mail, with the exception of those

of us -- some of those of us in the room that don't choose to employ it too much, most people have gone to voice mail and it's made a dramatic reduction in the workload of the receptionist being on call answering the phone. Much more is happening directly, although it's clearly not an auto-attend type system at this point. And I will be looking at the cost of that type of upgrade that would be required in our switch to do that or what might be available through telecommunication services on a sort of rental or monthly basis.

The records and filings already has an on-call responsibility for the counter for public documents for filings, et cetera. Essentially as long as the Commission offices are open, 8:00 to 5:00, we have to have some capability to receive filings, et cetera. While we've had receptionist on the third floor, it made sense because in addition to greeting customers for other purposes than records and filings, we've also had the telephone load.

Now, that that's substantially reduced, what I recommend and what I'd like to do is to move the receptionist position to the fourth floor to integrate it into records and filings. We have the technical capacity to plug our switch -- our handset, the receptionist phone station in upstairs. We made sure we had that several years ago, and to have that become the focal point of contact for anybody coming into the Commission and then have them routed from there.

What that would do is reduce the number of places we have to have on-call at any given time. It would probably be in admin area we'd need to move somebody into that area out front just for security reasons, and to handle anybody that comes in under the old system and also during public hearings, public meetings to know -- to route people toward the hearing room. But essentially we would resign the agency to direct people from the lobby downstairs up to the fourth floor, that would become receptionist/records and filing.

What that would do is give R and F essentially all the capacity of that person not needed to cover responding to the counter or responding to the telephone, and it could make a big difference. It's not the same as a full-time unencumbered clerical position, but it's certainly better than nothing. With that approach, we could then take a position, a clerical position, one of the three and split it between Consumer Protection and Tariffs to give additional clerical support to tariffs.

The other position, the other clerical position, to the extent it's not needed by the Commission, I would strongly recommend that we provide both Engineering and Common Carrier with full-time clerical support. They both desperately need it. They've tried a sharing arrangement and there is just not nearly enough to go around, although Ms. Moon does a very excellent job of supporting both, it's just too big a job at this point. And if we were able to provide them much closer to full-time support

each, it would definitely be in the public interest and in the interest of those sections and the agency, I think.

CHAIRMAN COTTEN: Your ability to figure out how to get more Staff by rearranging chairs is also well known. And that's good, that's to be commended. I think for the Commission's interest, the -- I guess it's sort of a policy issue, whether we want somebody on this floor or not. So my guess is you wouldn't want to change it for a few weeks anyway, so unless people want to make an immediate decision on that, why don't we consider that as a suggestion and see what we think about it. If people want to discuss it further right now, that's fine.

COMMISSIONER COOK: I had one corollary.

CHAIRMAN COTTEN: Go ahead.

COMMISSIONER COOK: Actually I think this is working out great as far as the receptionist goes because that was kind of my anticipation when we were going to this voice mail, to free her up -- her or his time up, her right now. But if we're going to move the receptionist upstairs, why don't we give some thought to moving all our -- all of the Staff side upstairs and making the third floor just Commission because we're going to need room for our -- the clerk, et cetera. It's just a thought. I mean we don't have to.....

MR. LOHR: Mr. Chairman, we're infinitely malleable as you know, but there are limits.

COMMISSIONER COOK: I just wanted to put it on the table, I'm sure we'll take up all these issues again.

MR. LOHR: Let's take over the building.

CHAIRMAN COTTEN: Well, that's, you know, even that may be a light comment, I know that it's probably -- there's probably some serious thought to actually doing that. But the fact is we're going to continue to add people and we may do that, we're probably about to run out of room. So I assume that you've -- I noticed that the Division of Voc Rehab downstairs has moved -- commandeered about half the second floor here, and I don't know if there's other space available in the building, but I -- if you haven't already investigated that, please do.

MR. LOHR: Okay, certainly we'll do that.

CHAIRMAN COTTEN: Commissioner Hanley.

COMMISSIONER HANLEY: Yeah. I was just curious, when we were talking about your major remodeling plan that got shot down.

CHAIRMAN COTTEN: Be gentle.

COMMISSIONER HANLEY: One of my thoughts was, is it anticipated that we're going to be moving over to the Bank of America building? I guess it's my understanding that the contract here is up in.....

CHAIRMAN COTTEN: Spring of '99, I think.

COMMISSIONER HANLEY: .....March of '99, something like that.

CHAIRMAN COTTEN: Yeah.

COMMISSIONER HANLEY: And it was on that basis that I disagreed with the Chairman on the kind of major remodel that he

had kind of envisioned and we thought we could kind of make do. But I guess -- do you know, is the State anticipating that this agency will be moved or are we going to -- if we're going to stay here then that kind of, you know, then we might want to think long-term, I guess. At this time, I for one, am thinking short-term. And I just don't know.

MR. LOHR: Mr. Chairman, Commissioner Hanley, the plan as I understand it for the State office building is that DNR will become the anchor tenant or the major agency to move in there. Revenue is already there in large measure and those two agencies, together, will take up a significant slice of the building. As private tenant's leases come due, I believe the State will be allowing them to move elsewhere and offering that space up to other agencies. So after -- as I understand it, this is a limited understanding, I'd emphasize, after DNR and Revenue take what they want, as space becomes available, other agencies may request it and there's probably some sort of first in time pecking order.

To-date, we have not made any sort of request to get on that list and I'd be happy to do that if it's your will. I would point out that there's a significant fiscal impact, although I can't tell you what it is, but I know that we're getting one of the best deals in town right here. We're paying in the range of a \$1.30 for the space that we have right now. And while I don't know what the State's internal cost will be for leasing, I can't imagine it's going to get to be anywhere

near that cheap. I'll try to find out what that amount would be. That's certainly a budget decision that you get to make. But if the Commission wishes me to pursue that, including up to getting on the list, maybe after you've considered the fiscal impact, I'd be happy to do that.

CHAIRMAN COTTEN: Commissioner.

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(Tape change)

Tape 3

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COMMISSIONER POSEY: I'll answer my part of that question to you, Mr. Lohr. For those observing the drilling rig that drilled on both sides of the building, I did take the liberty during lunch, both days, and asked them why they came back to drill another time and it's because we're right on the edge -- this building is, and the reason they want to drill on both sides is to find out exactly where the slide zone starts. And that's why we have a lot of parking lots around us because nobody else will risk any capital to build on this site.

Now, we're 32 years overdue for a major quake like 1964. I can't predict anything, we're not even supposed to say earthquake in this room because usually one will follow. But instruments that they used to look at that slide zone did identify that area just on the side of my office. So I wouldn't like to get any further away from a few other places in town, but it looks like that's probably what's going to happen or

could happen if this is truly a slide zone that starts to slip. The thing that it is, security of our personnel and everything else, I think it's advisable to take a look at the options and if we decide to stay here, let's make that a decision that we make on facts, dollars, as well as safety.

And to that end, I suppose, we should look at getting on the list of that building, of the State office building or some other site and then make a reasoned decision whether we want to extend for a year or two years or enter a whole new lease. There are some problems with this building, upkeep, maintenance, cleaning that I think is substandard.

CHAIRMAN COTTEN: Fire alarms going off every day.

COMMISSIONER POSEY: Fire alarms every time we have a hearing. But I think it's advisable to at least take a look, explore all the options and then get back with us and we make a decision based on knowledge, rather than saying a \$1.30 is all that we should pay, we should -- if we find a better lease, take a look at it.

COMMISSIONER COOK: Are you saying that if we have the big one, I should jump out the window?

COMMISSIONER POSEY: I'm saying it probably wouldn't matter.

MR. ZOBEL: Mr. Chairman.

CHAIRMAN COTTEN: Go ahead, Ron.

MR. ZOBEL: I would like you to consider, I know it's a small thing in the overall scheme of things, but the further

away you get from the Department of Law and I'm one that goes back and forth constantly.....

COMMISSIONER POSEY: You'll come with us.

MR. ZOBEL: Well, you'll have to solve that problem. I think if you get further away from the Department of Law it's just going to become -- the two offices problem is going to get worse. The availability of being right over here, very quickly on a call which happens quite often would be reduced.

CHAIRMAN COTTEN: By then we'll have you over here permanently, Ron.

MR. ZOBEL: I guess that may be.

CHAIRMAN COTTEN: Go ahead, Mr. Ornquist.

COMMISSIONER ORNQUIST: One of the things you might want to consider is if you move the receptionist up there is there room, not just for the receptionist, but also for the traffic that goes along with it and waiting area and stuff like that. Not that I would discourage it, I think it's -- I think it's be much easier to utilize her spare time up there. But we're going to be getting a number of other people in, and in fact, I'd made a note before this was brought up by the other Commissioners and I don't think we should limit ourselves as far as when we're looking around for space.

Certainly there's nothing that ties us to this building or to downtown or a number of other things.

COMMISSIONER HANLEY: (Indiscernible) Anchorage as far as you guys are concerned.

COMMISSIONER ORNQUIST: But I think we should be -- we should investigate a lot of opportunities. There are alternatives. And as far as the trouble with the two offices there are, in fact, two alternatives to that. One of course you just suggested is to bring him along with us and the other is just move the Department of Law to where you're closer to where we land.

MR. ZOBEL: Yeah, but the Department of Law is near the court building and it's going to be a major argument to keep them there. And as far as moving the location -- getting Assistant Attorney General's out of the Department of Law, good luck.

CHAIRMAN COTTEN: Yeah, actually that was a light comment on my part there. I didn't say -- you know, when I first got here I asked why we were here instead of someplace else and somebody suggested because we were close to a lot of lawyers here, and I thought that was the worst reason I could imagine to locate anything. But I find myself, you know, considering the fact that the way the Commission's made up at least now, that the appropriate place would be someplace in between where the Anchorage people live and where the Palmer/Wasilla people live for the offices, like maybe Eagle River might be appropriate -- a mid-location. Fire Lake, there's some state property there that would be nice.

Are we digressing far enough, yet? Any other business?  
We're adjourned.

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(Recessed - 11:30 a.m.)

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C E R T I F I C A T E

UNITED STATES OF AMERICA    )  
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STATE OF ALASKA                    )

I, Rebecca Nelms, Notary Public in and for the State of Alaska, residing at Anchorage, Alaska, and Reporter for R & R Court Reporters, Inc., do hereby certify:

THAT the annexed and foregoing Transcript of PUBLIC MEETING taken by Penny Reagle, on the 17th day of December, 1997, commencing at the hour of 9:00 o'clock a.m, at the Alaska Public Utilities Commission, Anchorage, Alaska, is a true and correct transcript;

THAT this Transcript, as heretofore annexed, is a true and correct transcription of the proceedings transcribed by Salena Hile any myself;

IN WITNESS WHEREOF, I have hereunto set my hand and affixed my seal this 19th day of December, 1997.

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Notary in and for Alaska  
My Commission Expires: 10/10/98