

SUMMARY OF DISCUSSION WITH MR. OTTO J. MILLER

August
1974
03

IN REFERENCE TO
ELECTRICAL REQUIREMENTS

Shortly after the close of the Joint Land Committee work on August 19, 1974, I had occasion to talk with Mr. Otto J. Miller, the manager of Engine Generator Systems, a division of The INSTRUMENT LABORATORY Inc. in Seattle, Washington. Mr. Miller was on Saipan on vacation and appeared to have a large amount of expertise in the area of electrical generation. With the present problem of approaches to be taken by the Joint Land Committee in reference to a possible solution to the electrical utility needs on Tinian, we developed a very fruitful discussion. Mr. Miller had worked many years in Alaska assisting the Alaska Village Electrification Cooperative Association to develop various power systems.

Mr. Miller indicated that within the Department of Agriculture there is an agency known as the Rural Electrification Administration (REA). This organization makes long term loans with low interest rates to local governments in order to develop electrical generating capability. This procedure was followed in Alaska wherein:

1. Initially, a feasibility of the various power plants was developed by the Office of Economic Opportunity through grant funds;

2. If the feasibility study developed a positive approach to a given potential generating development, the REA made a long term, low interest loan to the local government for the purpose of building the necessary generating capability; and

3. The Federal Government guaranteed to use a percentage of the power output. This percentage, at a given rate, ensured a fair profit to the local generating facility.

The procedure in Alaska was developed through the Department of the Interior, Bureau of Indian Affairs, and the Alaska Village Cooperative Electrification Cooperative Association. As a general average, all of the plants in Alaska had a Federal use of approximately sixty percent (60%).

This information was verbally forwarded to Emmett Rice in an attempt to generate some enthusiasm on the part of the U. S. Delegation toward a realistic solution to this problem.

James E. White