



ALASKA STATE LEGISLATURE

House Labor and Commerce Committee

Rep. Ivy Spohnholz
Chair

Sponsor Statement for House Bill 310

“An Act tolling deadlines for action by the Regulatory Commission of Alaska during the public health emergency declaration; relating to disconnection of utility service for nonpayment; relating to regulatory assets of a utility; relating to evictions; relating to foreclosures; and providing for an effective date.”

HB 310 addresses four issues of economic uncertainty as a result of the COVID-19 emergency declaration. The bill would add a new section under the uncodified law to;

- 1) Suspend statutory and regulatory deadlines for the Regulatory Commission of Alaska (RCA),
- 2) Place a moratorium on disconnecting residential utility service,
- 3) Establish regulatory assets for aggregating unpaid utility bills, and,
- 4) Place a moratorium on evictions and foreclosures.

Suspending the statutory and regulatory deadlines for the RCA allows for a nimble response in these unprecedented times. It also allows the RCA to focus on the continuity of operations to ensure stability and continuity of operations.

A moratorium on disconnecting residential utility service for non-payment will assure Alaskans that during this time of skyrocketing unemployment, their local utilities will keep them connected.

Establishing regulatory assets will allow utilities to aggregate unpaid utility bills so that the cost can be relegated to rate payers. This provision helps ensure that utilities remain financially solvent in the event that there are significant collections shortfalls due to the crisis. Credit markets recognize such regulatory assets as bankable promises from the regulator; utilities can borrow against these promises. Hopefully, federal or state funds will be made available to cover these unpaid bills, removing the possibility that these costs would be ultimately passed back to ratepayers.

Finally, HB 310 stops evictions and foreclosures during this public health disaster emergency, provided that the person in the residence provides proof of financial hardship during this crisis. These measures are not intended as payment forgiveness, but rather a pause until the crisis has passed.

When collectively implemented, these four measures in HB 310 will protect Alaska's families from the coming economic effects of the COVID-19 pandemic and prevent additional homelessness as unemployment increases during the COVID-19 emergency declaration.