

# Fiscal Note

State of Alaska  
2026 Legislative Session

Bill Version: HB 385  
Fiscal Note Number: \_\_\_\_\_  
( ) Publish Date: \_\_\_\_\_

Identifier: HB385-DCCED-RCA-05-08-26  
Title: SIMPLIFIED RATE FILING FOR UTILITIES  
Sponsor: LABOR & COMMERCE  
Requester: (H) LABOR & COMMERCE

Department: Department of Commerce, Community and  
Economic Development  
Appropriation: Regulatory Commission of Alaska  
Allocation: Regulatory Commission of Alaska  
OMB Component Number: 2417

**Expenditures/Revenues**

Note: Amounts do not include inflation unless otherwise noted below. (Thousands of Dollars)

	FY2027	Included in	Out-Year Cost Estimates				
	Appropriation Requested	Governor's FY2027 Request	FY 2028	FY 2029	FY 2030	FY 2031	FY 2032
<b>OPERATING EXPENDITURES</b>	<b>FY 2027</b>	<b>FY 2027</b>	<b>FY 2028</b>	<b>FY 2029</b>	<b>FY 2030</b>	<b>FY 2031</b>	<b>FY 2032</b>
Personal Services							
Travel							
Services							
Commodities							
Capital Outlay							
Grants & Benefits							
Miscellaneous							
<b>Total Operating</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>

**Fund Source (Operating Only)**

None							
<b>Total</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>

**Positions**

Full-time							
Part-time							
Temporary							

**Change in Revenues**

None							
<b>Total</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>

**Estimated SUPPLEMENTAL (FY2026) cost:** 0.0 *(separate supplemental appropriation required)*

**Estimated CAPITAL (FY2027) cost:** 0.0 *(separate capital appropriation required)*

**Does the bill create or modify a new fund or account?** No  
*(Supplemental/Capital/New Fund - discuss reasons and fund source(s) in analysis section)*

**ASSOCIATED REGULATIONS**

Does the bill direct, or will the bill result in, regulation changes adopted by your agency? Yes  
If yes, by what date are the regulations to be adopted, amended or repealed? 07/01/28

**Why this fiscal note differs from previous version/comments:**

Not applicable, initial version.

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Division: <u>Regulatory Commission of Alaska</u>	Date: <u>05/08/2026</u>
Approved By: <u>Hannah Lager, Administrative Services Director</u>	Date: <u>05/08/26</u>
Agency: <u>Department of Commerce, Community, and Economic Development</u>	

## FISCAL NOTE ANALYSIS

STATE OF ALASKA  
2026 LEGISLATIVE SESSION

BILL NO. HB 385

### Analysis

House Bill (HB) 385 amends subsection (e) of AS 42.05.381, rates to be just and reasonable, to expand the simplified rate filing (SRF) procedure to include all public utilities. A public utility is defined in statute at AS 42.05.990(6) as an entity that provides electric, telecommunication, water, sewer, natural gas, refuse, steam, natural gas storage, liquified natural gas, or petroleum to the public, defined at AS 42.05.990(5) as ten or more individuals.

Under existing statutory requirements, AS 42.05.381(e), the Regulatory Commission of Alaska's (Commission) regulations specify SRF procedures for electric cooperative and local exchange telephone utilities. Under AS 10.25.380, electric and telephone cooperatives must be operated on a nonprofit basis for the mutual benefit of their members. Those classes of utilities are allowed to periodically adjust their rates up to certain percentage limits after reasonable notice to affected ratepayers. This bill would require the Commission to adopt similar regulations implementing an SRF process for public utilities.

SRF regulations provide that electric cooperatives participating in the SRF process may file a rate adjustment no more frequently than quarterly, with the request submitted as a tariff filing. Proposed rate changes are subject to a 45-day review period, but those filings may be suspended by the Commission for investigation. Practically speaking, rate changes submitted through the SRF process are frequently approved within the 45-day statutory timeline rather than suspended for investigation. The SRF regulations for electric cooperatives require prior notice to the member-owners of the cooperative board's intent to consider participation in the SRF process, board approval of any SRF rate adjustment filing, and reasonable notice to ratepayers of any rate adjustment either before or at the time the rate adjustment takes effect.

SRF regulations for electric cooperative utilities also limit rate increases over a 12-month period (8 percent) and three-year period (20 percent). Commission regulations governing SRF procedures for local exchange telephone companies also include rate increase caps, with rate increases limited to 6 percent over a 12-month period and 15 percent over a three-year period. It should be noted that SRF procedures for local exchange telephone companies are no longer utilized as the legislature economically deregulated telephone service in 2019.

As proposed, the bill guarantees that SRF-participating utilities will recover their reported expenses and allows them to file more frequent rate revisions with reduced support requirements. Reduced support requirements and shorter review periods result in reduced scrutiny of SRF-based rates than is currently given to rates established in a general rate case.

As proposed, HB 385 will require the Commission to adopt regulations governing the procedure by which a new participant would apply to participate in the SRF procedure, outlining the necessary supporting information for an SRF filing, and defining the method by which rate revisions are computed and applied.

Upon passage of this legislation and subsequent regulations, the Commission will receive filings from utilities implementing any statutory and regulatory changes.

Commission regulations dockets must be completed within 730 days of the issuance of an order commencing the regulations docket (AS 42.05.175(e) requires the Commission to complete regulations dockets within 730 days from the initiating order). The Commission calculated the estimated completion date for *Associated Regulations* based on an estimated enactment date of July 1, 2026.

The Commission expects to implement the provisions of this legislation with existing resources.