

CS FOR SENATE BILL NO. 205(L&C)

IN THE LEGISLATURE OF THE STATE OF ALASKA

THIRTIETH LEGISLATURE - SECOND SESSION

BY THE SENATE LABOR AND COMMERCE COMMITTEE

Offered: 4/4/18

Referred: Rules

Sponsor(s): SENATOR MEYER

A BILL

FOR AN ACT ENTITLED

1 **"An Act relating to the Regulatory Commission of Alaska; relating to the public utility**
2 **regulatory cost charge; and relating to telecommunications regulations, exemptions,**
3 **charges, and rates."**

4 **BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF ALASKA:**

5 * **Section 1.** AS 29.35.070(a) is amended to read:

6 (a) The assembly acting for the area outside all cities in the borough and the
7 council acting for the area in a city may regulate, fix, establish, and change the rates
8 and charges imposed for a utility service provided to the municipality or its inhabitants
9 by a utility that is not subject to regulation under AS 42.05 unless that utility is
10 exempted from regulation under AS 42.05.711(a), (d) - (k), (o), (p), or (r) [, OR IS
11 EXEMPTED UNDER REGULATIONS ADOPTED UNDER AS 42.05.810 FROM
12 COMPLYING WITH ALL OR PART OF AS 42.05.141 - 42.05.712, 42.05.990, OR
13 42.05.995].

14 * **Sec. 2.** AS 42.05.141 is amended by adding new subsections to read:

(e) The commission may not designate a local exchange carrier or an interexchange carrier as the carrier of last resort.

(f) The commission may designate an eligible telecommunications carrier consistent with 47 U.S.C. 214(e).

* **Sec. 3.** AS 42.05.211 is amended to read:

Sec. 42.05.211. Annual report. The commission shall, by November 15 of each year, publish an annual report reviewing its activities during the previous fiscal year and notify the legislature that the report is available. The report must

(1) address the regulation of public utility service in the state as of June 30 and must contain details about the commission's compliance with the requirements of AS 42.05.175(a) - (e), with the timeline extensions made by the commission under AS 42.05.175(f), and with other performance measures established by the commission; and

(2) describe the activity and costs related to regulating each type of telecommunications carrier.

* **Sec. 4.** AS 42.05.254(a) is amended to read:

(a) A regulated public utility or a utility that provides telecommunications services operating in the state shall pay to the commission an annual regulatory cost charge in an amount not to exceed the maximum percentage of adjusted gross revenue that applies to the utility sector of which the utility is a part. The regulatory cost charges that the commission expects to collect from all regulated utilities and utilities providing telecommunications services may not exceed the sum of the following percentages of the total adjusted gross revenue of all regulated public utilities, and utilities providing telecommunications services, derived from operations in the state: (1) not more than .7 percent to fund the operations of the commission, and (2) not more than .17 percent to fund operations of the public advocacy function under AS 42.04.070(c) and AS 44.23.020(e) within the Department of Law. An exempt utility that does not provide telecommunications services shall pay the actual cost of services provided to it by the commission.

* **Sec. 5.** AS 42.05.254(h) is amended to read:

(h) The commission shall by regulation establish a method to determine

annually the maximum percentage of adjusted gross revenue that will apply to each regulated public utility sector or the telecommunications utility sector and the maximum percentage of gross revenue that will apply to the regulated pipeline carrier sector. Other than the cost of services provided to exempt utilities that do not provide telecommunications services, the method established shall allocate the commission's costs, and the Department of Law's certified costs of its public advocacy function under AS 42.04.070(c) and AS 44.23.020(e), among the regulated public utility sectors, the telecommunications utility sector, and the regulated pipeline carrier sector based on the relative amount of the commission's annual costs and the Department of Law's certified costs that is attributable to regulating each sector. For purposes of this subsection, the Department of Law shall annually certify to the commission the costs of its public advocacy function under AS 42.04.070(c) and AS 44.23.020(e).

* **Sec. 6.** AS 42.05.254(i)(2) is amended to read:

(2) "exempt utility" means a public utility that does not provide telecommunications services and is certificated by the commission under AS 42.05.221 - 42.05.281 but, in accordance with AS 42.05.711(a) - (t) [AS 42.05.711], is exempt from other regulatory requirements of this chapter;

* **Sec. 7.** AS 42.05.711 is amended by adding a new subsection to read:

(u) A utility that provides telecommunications services is exempt from the provisions of this chapter, other than AS 42.05.141(f), 42.05.221 - 42.05.281, 42.05.296, 42.05.306, 42.05.631, 42.05.641, and 42.05.830 - 42.05.860.

* **Sec. 8.** AS 42.05.820 is amended to read:

Sec. 42.05.820. No municipal regulation. A long distance telephone company or a local exchange carrier that is exempted in whole or in part from complying with all or a portion of this chapter may not be regulated by a municipality under AS 29.35.060 and 29.35.070.

* **Sec. 9.** AS 42.05.890 is amended to read:

Sec. 42.05.890. Definitions. In AS 42.05.820 - 42.05.890 [AS 42.05.800 - 42.05.890],

(1) "local exchange carrier" means any carrier certificated to provide

1 local telephone services;

2 (2) "long distance carrier" or "long distance telephone company"
3 means any carrier certificated to provide long distance telephone services;

4 (3) "long distance telephone service" or "long distance service" means
5 intrastate, interexchange telephone service.

6 * **Sec. 10.** AS 42.06.286(e) is amended to read:

7 (e) The commission shall by regulation establish a method to determine
8 annually the maximum percentage of gross revenue that will apply to each regulated
9 public utility sector and the telecommunications utility sector and the maximum
10 percentage of gross revenue that will apply to the regulated pipeline carrier sector in
11 accordance with AS 42.05.254(h).

12 * **Sec. 11.** AS 42.05.325, 42.05.800, and 42.05.810 are repealed.