

STATE CAPITOL  
P.O. Box 110001  
Juneau, AK 99811-0001  
907-465-3500  
fax: 907-465-3532



Governor Bill Walker  
STATE OF ALASKA

550 West Seventh Avenue, Suite 1700  
Anchorage, AK 99501  
907-269-7450  
fax 907-269-7461  
[www.Gov.Alaska.Gov](http://www.Gov.Alaska.Gov)  
[Governor@Alaska.Gov](mailto:Governor@Alaska.Gov)

February 10, 2017

The Honorable Bryce Edgmon  
Speaker of the House  
Alaska State Legislature  
State Capitol Room 208  
Juneau, AK 99801-1182

Dear Speaker Edgmon:

Under the authority of Article III, Section 18, of the Alaska Constitution, I am transmitting a bill relating to the function of public advocacy for regulatory affairs established in the Department of Law and the Attorney General's authority to participate as a party in proceedings before the Federal Energy Regulatory Commission (FERC).

Alaska Statute 44.23.020(e) requires the Attorney General to "participate as a party in matters that come before the Regulatory Commission of Alaska when the Attorney General determines that participation is in the public interest." All costs associated with the Attorney General's participation in these matters are paid by a regulatory cost charge (RCC). The RCC is a charge collected by utility companies and pipeline carriers from customers and is used to pay for the administrative costs associated with regulating all utilities and pipeline carriers in Alaska. The RCC is authorized by AS 42.05.254 (utility RCC) and AS 42.06.286 (pipeline RCC). Both of these statutes allow the collection of a RCC to "fund operations of the public advocacy function under . . . AS 44.23.020(e) within the Department of Law." *See* AS 42.05.254(a) and AS 42.06.286(a).

The Attorney General also has responsibilities for FERC pipeline matters, most of which are joint matters before the Regulatory Commission of Alaska (RCA) and the FERC. For example, tariff issues for the Trans Alaska Pipeline System (TAPS) are mostly litigated at the FERC administrative level. Decisions issued by FERC are reviewed and generally adopted by the RCA to the extent intrastate tariffs are affected. Because most of this work is done at the FERC, and is not a matter "before the RCA," the RCC funding mechanism is not available to pay the Attorney General's costs for these matters.

By amending AS 44.23.020(e) to expand the Attorney General's public advocacy function to include FERC matters, the Attorney General will be allowed to include this work in the request for RCC funds. These costs, like all other utility and pipeline regulatory costs that come before the RCA, will then be passed on to the regulated entities.

The Honorable Bryce Edgmon  
Transmittal Regulatory Cost Charge  
February 10, 2017  
Page 2

I urge your prompt and favorable action on this bill.

Sincerely,

A handwritten signature in blue ink that reads "Bill Walker". The signature is written in a cursive, flowing style.

Bill Walker  
Governor

Enclosure