# Fiscal Note

State of Alaska
2021 Legislative Session

Bill Version: SB 110
Fiscal Note Number:
() Publish Date:

Identifier: SB110-LAW-CIV-RAP-4-23-21
Title: ELECTRIC UTILITY LIABILITY
Sponsor: MICCICHE
Requester: (S) Resources

Department: Department of Law
Appropriation: Civil Division Except Contracts Relating to Interpretation of Janus v AFSCME
Allocation: Regulatory Affairs Public Advocacy
OMB Component Number: 2764

**Expenditures/Revenues**

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

| | FY2022 Appropriation Requested | Included in Governor's FY2022 Request | Out-Year Cost Estimates | | | | |
|---|---|---|---|---|---|---|---|
| **OPERATING EXPENDITURES** | **FY 2022** | **FY 2022** | **FY 2023** | **FY 2024** | **FY 2025** | **FY 2026** | **FY 2027** |
| Personal Services | | | | | | | |
| Travel | | | | | | | |
| Services | | | | | | | |
| Commodities | | | | | | | |
| Capital Outlay | | | | | | | |
| Grants & Benefits | | | | | | | |
| Miscellaneous | | | | | | | |
| **Total Operating** | **0.0** | **0.0** | **0.0** | **0.0** | **0.0** | **0.0** | **0.0** |

**Fund Source (Operating Only)**

| | | | | | | | |
|---|---|---|---|---|---|---|---|
| None | | | | | | | |
| **Total** | **0.0** | **0.0** | **0.0** | **0.0** | **0.0** | **0.0** | **0.0** |

**Positions**

| | | | | | | | |
|---|---|---|---|---|---|---|---|
| Full-time | | | | | | | |
| Part-time | | | | | | | |
| Temporary | | | | | | | |

**Change in Revenues**

| | | | | | | | |
|---|---|---|---|---|---|---|---|
| None | | | | | | | |
| **Total** | **0.0** | **0.0** | **0.0** | **0.0** | **0.0** | **0.0** | **0.0** |

**Estimated SUPPLEMENTAL (FY2021) cost:** 0.0 *(separate supplemental appropriation required)*

**Estimated CAPITAL (FY2022) 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? No

If yes, by what date are the regulations to be adopted, amended or repealed?

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

Not applicable, initial version.

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Division: Administrative Services Division Date: 04/23/2021
Approved By: Amber LeBlanc, Administrative Services Director Date: 04/23/21
Agency: Office of Management and Budget

**STATE OF ALASKA**
**2021 LEGISLATIVE SESSION**

**BILL NO.** SB 110

## Analysis

SB 110 would provide complete immunity from civil liability for certain electrical utilities in the event of property damage, death, or personal injury resulting from contact between the utility's facilities and off-property vegetation. The utilities covered by this provision are those offering electric service to the public for compensation under a certificate of public convenience and necessity, issued under AS 42.05.221.

The immunity provision would not apply if the vegetation at issue is entirely within the bounds of property under the control of the utility, including easements or rights-of-way, and one of two additional conditions is met. The immunity provision would not apply if the utility either does not have a written vegetation management plan or policy or fails to substantially comply with the utility's written vegetation management plan or policy.

This bill would define "written vegetation management plan or policy" for the purpose of this section as a document that establishes a procedure for managing vegetation to protect reliability and safety of its electrical facilities.
The immunity provision would apply to civil lawsuits filed on or after the effective date of the bill, regardless of the date of injury.

To the extent that SB110 would give rise to civil liability, a regulated utility that is held liable could seek to recover damages through rates charged to customers by seeking a rate increase with the Regulatory Commission of Alaska. The Regulatory Affairs & Public Advocacy Section (RAPA) at the Department of Law could be involved in a resulting investigation of a rate increase. Addressing similar types of cost recovery is part of the standard work RAPA performs when investigating a proposed rate increase. RAPA would respond to the implementation of this legislation with existing resources.

The Department of Law does not anticipate any fiscal impact if this bill becomes law.