

AMENDMENT

OFFERED IN THE HOUSE
TO: CSSB 190(FIN)

BY REPRESENTATIVE FIELDS

Page 1, line 2, following "**utilities**";

Insert "**relating to municipal refuse utilities**";

Page 1, line 11, following "filings.":

Insert "It is the intent of the legislature under sec. 4 of this Act to ensure the Regulatory Commission of Alaska and local decision makers make informed decisions in the public interest; it is not the intent of the legislature to interfere with normal rate-making methodologies."

Page 2, following line 8:

Insert new bill sections to read:

*** Sec. 3.** AS 42.05.641 is amended to read:

Sec. 42.05.641. Regulation by municipality. The commission's jurisdiction and authority extend to public utilities, including a municipal refuse utility, operating within a municipality, whether home rule or otherwise. In the event of a conflict between a certificate, order, decision, or regulation of the commission and a charter, permit, franchise, ordinance, rule, or regulation of [SUCH] a local governmental entity, the certificate, order, decision, or regulation of the commission shall prevail.

*** Sec. 4.** AS 42.05.641 is amended by adding new subsections to read:

(b) A municipality that seeks to privatize a municipal refuse utility that is subject to the provisions of this chapter shall submit a proposal to the commission for review. The commission may approve the proposal if the commission finds, after

1 consideration of whether the proposal will result in higher rates for consumers, that
 2 privatization is in the public interest. A privatization proposal must include

- 3 (1) a business plan that lists the prospective vendors;
- 4 (2) the projected cost of private operation compared to continued
 5 municipal operation for a 10-year period;
- 6 (3) disclosure of any potential conflicts of interest on the part of
 7 municipal officials; and
- 8 (4) proposed methods

9 (A) for periodically evaluating the utility's performance to
 10 avoid diminished service quality, interruption, or stoppage of work by the
 11 contractor;

12 (B) to encourage competition and productivity;

13 (C) for monitoring a contract in order to detect any contractor
 14 defaults, monitor penalties, and prepare for contract renewals or renegotiations
 15 and inflation; and

16 (D) to address municipal employee displacement.

17 (c) In this section, "privatize" means

18 (1) selling, renting, leasing, transferring, or bequeathing a certificate of
 19 public convenience and necessity obtained by a municipality to another entity; or

20 (2) subcontracting a portion of refuse collection in a particular service
 21 area to another entity.

22 * **Sec. 5.** AS 42.05.990(6) is amended to read:

23 (6) "public utility" or "utility" includes every

24 (A) corporation whether public, cooperative, or otherwise,
 25 company, individual, or association of individuals, their lessees, trustees, or
 26 receivers appointed by a court, that owns, operates, manages, or controls any
 27 plant, pipeline, or system for

28 (i) [(A)] furnishing, by generation, transmission, or
 29 distribution, electrical service to the public for compensation;

30 (ii) [(B)] furnishing telecommunications service to the
 31 public for compensation;

1 **(iii)** [(C)] furnishing water, steam, or sewer service to
 2 the public for compensation;

3 **(iv)** [(D)] furnishing by transmission or distribution of
 4 natural or manufactured gas to the public for compensation;

5 **(v)** [(E)] furnishing for distribution or by distribution
 6 petroleum or petroleum products to the public for compensation when
 7 the consumer has no alternative in the choice of supplier of a
 8 comparable product and service at an equal or lesser price;

9 **(vi)** [(F)] furnishing collection and disposal service of
 10 garbage, refuse, trash, or other waste material to the public for
 11 compensation;

12 **(vii)** [(G)] furnishing the service of natural gas storage
 13 to the public for compensation;

14 **(viii)** [(H)] furnishing the service of liquefied natural
 15 gas storage to the public for compensation;

16 **(B) plant, pipeline, or system for furnishing collection and**
 17 **disposal service of garbage, refuse, trash, or other waste material to the**
 18 **public for compensation that is owned, operated, managed, or controlled**
 19 **by a municipality;"**

20
 21 Renumber the following bill sections accordingly.