

shall be in full force and effect from approval or upon its becoming law without and after the date of its passage and out such approval.

Approved May 9, 1959

## CHAPTER 199

### AN ACT

**To create the Alaska Public Service Commission; defining its authority and duties; and providing for an effective date.**

(C.S.S.B. 54)

**Be it enacted by the Legislature of the State of Alaska:**

Section 1. **Short Title.** This Act shall be known and may be cited as the "Alaska Public Service Commission Act."

Sec. 2. **Public Service Commission: Membership, Qualifications and Compensation.** There is hereby created within the Department of Commerce the Alaska Public Service Commission, which shall consist of three members to be appointed by the governor and confirmed by the legislature in joint session assembled. The term of office of each such member shall be six years, or until his successor is appointed and qualifies; provided, however, that the governor shall designate which, among his initial appointees, shall serve, respectively, for terms of two years, four years and six years, it being the intent hereof that terms of commissioners be staggered to insure continuity of experience on the commission. Members appointed to the commission shall be qualified by training or experience to discharge their duties as herein provided and the governor, in making his appointments, shall recognize the principle of area representation. No member of the commission, nor any employee or agent thereof, shall have any official or professional relation or connection with, or hold any stock or securities or have any pecuniary interest in any business or agency subject to regulation hereunder; provided, that membership in a cooperative association shall not be considered a "pecuniary interest" within the meaning of this section. The Governor shall designate one member of the commission to serve as chairman. The commission shall be under the general administrative supervision of the Commis-

sioner of Commerce and the latter shall appoint the executive director of the commission, who may be a member of the commission. The Commission shall establish such offices within the state as may be necessary to the proper discharge of its duties. Members of the commission shall be compensated for time spent in the discharge of their duties and for their necessary travel and other expenses as provided by law. Each member of the commission shall take and subscribe to the oath prescribed for principal officers of the state.

Sec. 3. **Definitions.** In this Act:

(1) "Public utility" or "utility" means and embraces every corporation, whether municipal, public, cooperative or otherwise, company, individual, or association of individuals, their lessees, trustees, or receivers appointed by any court having jurisdiction in the premises, that now or hereafter may own, operate, manage or control any plant or system for the generation, transmission or distribution of electric energy and power, for the furnishing of telephone or telegraph communications, for the transmission or distribution of heat, natural or manufactured gas, oil or other petroleum products, or water, or for the furnishing of community sewer services, and the plant and other facilities utilized for any of the foregoing purposes; provided, this Act shall not apply to the purveyor of water or oil or other petroleum products by tank, wagon or similar conveyance, to any public utility which does a gross annual business of less than \$100,000.00 nor to a municipally-owned and operated water or sewer utility. Application of this Act to electric, telegraphic, and telephonic utilities shall be held in abeyance

pending adoption by the Legislature of specific legislation pursuant to the submission of a report and recommendation on the subject by the commission to the second regular session of the First State Legislature in January, 1960. This Act shall not apply to the owner or owners or operator or manager of, nor shall it apply to, any pipe line, plant, system or equipment used primarily for gathering, collecting, transporting or shipping crude oil, natural gas, condensate or other petroleum substances or products produced by or belonging to such owner or owners or such operator or manager.

(2) "Rate" means and includes every individual or joint rate, toll, charge, rental or other compensation of any utility or any two or more individual or joint rates, tolls, charges, rental or other compensation of any utility or any schedule or tariff thereon.

(3) The term "service" is used in its broadest and most inclusive sense and includes not only the use or accommodation afforded consumers or patrons, but also any product or commodity furnished by any such utility and the plant, equipment, apparatus, appliances, property and facility employed by any such utility in performing or providing any service, or in furnishing any product or commodity and devoted to the purposes in which such utility is engaged and to the use and accommodation of the public.

(4) The term "commission" means the Alaska Public Service Commission herein created.

**Sec. 4. Counsel for Commission.** The Attorney General shall be the legal counsel for the commission. He shall advise the commission in legal matters arising in the discharge of its duties and shall represent the commission in all suits to which it is a party.

**Sec. 5. Commission Rules, Regulations, Hearings and Orders.** The commission shall impartially receive and consider the evidence presented to it and shall make its orders in each cause upon the facts impartially found by it. All evidence shall be offered to the commission on the part of the respective parties to, or appearing in, the proceedings and not in the name of or on behalf

of the commission and the commission shall be neither the proponent or opponent on any issue decided by it. If in any proceeding the public interest is not, in the opinion of the commission, adequately represented by counsel, it shall be the duty of the Attorney General, upon request of the commission, to represent the public interest.

**Sec. 6. Application of Administrative Procedure Act.** The commission shall conform to the provisions of the Administrative Procedure Act and all regulations shall be adopted and published and all investigations and hearings shall be initiated, made and held as provided therein.

**Sec. 7. Study of Laws and Practices of Public Utilities: Report and Recommendations to Governor and Legislature.** In addition to all other powers and duties conferred in this Act upon the commission, said commission shall have the following further additional duties: To make a careful study of all laws with the administration of which it is charged and of the practices of public utilities and to make a special written report thereon and of any recommendations it may have thereon, and shall file copies thereof, both with the Speaker of the House of Representatives and the President of the Senate at the opening of the Second Regular Session of the Legislature of Alaska, and shall also file a copy of such report with the governor not less than ten days prior to the opening of said session of the legislature. To assist the commission in making such study, it is hereby authorized to prepare and submit questionnaires to public utilities calling for relevant information and it may hold hearings for that purpose and may issue subpoenas to witnesses commanding their attendance at such hearings, and said commission is hereby authorized to examine or cause to be examined, the books and records of any public utility in connection with such study.

**Sec. 8. Employment and Compensation of Commission Personnel.** The commission is authorized to employ such engineers, examiners, hearing officers, experts, clerks, accountants and other assistants as it may deem necessary and such rates of compensation as it may de-

termine, subject, however, to the personnel policies and regulations established or issued by the Commissioner of Administration pursuant to the State Organization Act of 1959.

**Sec. 9. Standards of Service, Rates and Service Areas.** Every public utility is required to furnish and maintain reasonably adequate service and facilities. The charge made by any public utility for any service rendered or to be rendered either directly or in connection therewith, shall be reasonable and just, and every unjust or unreasonable charge for such service is prohibited and declared unlawful. The commission, in order to expedite the determination of rate questions, or to avoid unnecessary or unreasonable expense, or to avoid discrimination in rates between classes of customers, or whatever, in the judgment of the commission, public interest so requires, may for rate making and accounting purposes, or either of them, consider a single municipality and/or two or more municipalities and/or the intervening rural territory as a regional unit where the same utility serves such region, and may within such region prescribe uniform rates for consumers or patrons of the same class; provided, however, that the commission may authorize different rates for consumers or patrons of the same class served by such utility to reflect a substantial difference in the cost of providing such service.

Where two or more public utilities furnish electric, telephone, gas, water or sewer service in the same area, it shall be the duty of the commission to determine and delineate the service area of each such utility.

Nothing in this Act contained shall authorize any public utility during the remainder of the term of any grant or franchise under which it may be acting at the time this Act takes effect to charge for any service, in such grant or franchise contracted, exceeding the maximum rate or rates therefor, if any, that may be fixed in such grant or franchise.

**Sec. 10. Joint Use and Interconnection of Facilities.**

(1) Every public utility, and every municipality, and every person, associa-

tion or corporation having tracks, conduits, subways, poles or other equipment on, over or under any street or highway shall, for a reasonable compensation, permit the use of the same by any other public utility or by a municipality owning or operating a utility, whenever public convenience and necessity require such use and such use will not result in substantial injury to the owner or owners of such equipment, nor in any substantial detriment to the service to be rendered to the customers or consumers of such owner or owners; provided, however, that the cost of any modifications or additions necessary to such joint use shall be at the expense of the public utility requesting the use of such facilities; and, provided further, nothing herein shall be interpreted to authorize a public utility to contract or share the use of the facilities of another public utility offering the same service when the purpose of such joint use is to violate the service area of the utility owning such facilities.

Every public utility for the conveyance of telephone messages shall permit a physical connection or connections to be made and telephone service to be furnished between any telephone systems operated by it and the telephone toll line operated by another such public utility, or between its toll line and the toll line of another such public utility, whenever public convenience and necessity require such physical connection or connections and such physical connection or connections will not result in substantial injury to the owner, or owners, or other users of the facilities of such public utilities, nor any substantial detriment to the service to be rendered by such public utilities. The term "physical connection" as used herein shall mean such number of trunk lines or complete wire circuits and connections as may be required to furnish reasonably adequate telephone service between such public utilities.

If any prospective consumers or patrons of any public utility for the generation, transmission, delivery or furnishing of electric energy and power situated within one mile of the distribution facilities of such utility shall construct and install the necessary facilities in

compliance with plans and specifications furnished by such utility, such utility shall permit the necessary physical connection or connections to be made and service to be furnished to the person or persons who have constructed and installed such facilities; provided, however, that no such connection need be permitted where it would result in substantial detriment to other consumers or customers of such utility. Nothing herein shall be interpreted to require a utility to assume maintenance or other responsibility for facilities to which it does not have title.

(2) In case of failure to agree upon such use or the conditions or compensation for such use, or in case of failure to agree upon such physical connection or connections, or the terms and conditions upon which the same shall be made, any public utility or any person, association or corporation interested may apply to the commission and if, after investigation, the commission shall ascertain that public convenience and necessity require such use or such physical connections, and that such use or such physical connection or connections would not result in substantial injury to the owner or other users of such equipment or of the facilities of such public utilities, nor in any substantial detriment to the service to be rendered by such owner or other public utilities or other users of such equipment or facilities, it shall by order direct that such use be permitted and prescribe reasonable conditions and compensations for such joint use and that such physical connection or connections be made and determine how and within what time such connection or connections shall be made, and by whom the expense of making and maintaining such connection or connections shall be paid.

(3) Such use so ordered shall be permitted and such physical connection or connections so ordered shall be made and such conditions and compensation so prescribed for such use, and such terms and conditions upon which such physical connection or connections shall be made, as so determined, shall be lawful conditions and compensations for such use, and the lawful terms and conditions upon which such physical connec-

tion or connections shall be made, to be observed, followed and paid, subject to recourse to the courts upon the complaint of any interested party.

#### **Sec. 11. Valuation of Assets: Considerations: Judicial Review.**

(1) The commission shall value all property of every public utility actually used and useful for the convenience of the public at its fair value, giving such consideration as it deems appropriate in each case to all bases of valuation which may be presented or which the commission is authorized to consider by the following provisions of this section. As one of the elements in such valuation, the commission shall give weight to the reasonable cost of bringing the property to its then state of efficiency. In making such valuation, the commission may avail itself of any information in possession of any state or local taxing authority.

(2) In making such valuation, no account shall be taken of presumptive value resting on natural resources independent of any structures in relation thereto, all natural resources being considered public property. No account shall be taken of good will or presumptive values growing out of the operation of any utility as a going concern. No account shall be taken of construction costs unless such costs were actually incurred and such construction costs were paid as part of the cost entering into the construction of the utility. All public utility valuations shall be based upon tangible property; that is, such property as has value by reason of construction costs, either in materials purchased or in assembling of materials into structures by the labor or of workers and the services of superintendents, including engineers, legal and court costs, accounting systems and transportation costs, and also including insurance and interest charges on capital accounts during the construction period. As an element in determining value, the commission may also take into account reproduction costs at current prices, less depreciation, based on the items set forth in the last sentence hereof and shall not include good will, going value, or natural resources.

Pending any judicial review as provided in the Administrative Procedure Act, the utility affected by an order or judgment of the commission shall have the right to collect the rate as fixed by said order or judgment or at the old rate, whichever is higher in amount, and shall refund the same to the consumer if such difference be not sustained finally.

**Sec. 12. Evaluation Procedure.** The book value of a public utility shall be the prima facie value of such utility for the purpose of establishing its rates and charges for services. If complaint is made to the commission that such book value is not reasonable, the commission may take such action as may be necessary, including the holding of public hearings, to determine the facts and to ascertain the true value of such utility. Within five days after the completion of a public hearing for the purpose of establishing the valuation of a public utility, the commission shall by order determine the costs of such proceeding, the amount of such costs to be paid by the utility and the time within which such payment must be made.

**Sec. 13. Revaluation.** The commission may revalue the property of a public utility at any time at the utility's request, or, after issue of an order to show cause why such property should not be revalued and duly considering the response thereto, if any, upon its own initiative.

**Sec. 14. System of Accounts and Reports.** Every public utility shall use and follow a generally recognized system of public utility accounting. If any public utility has not adopted a generally recognized system of public utility accounting, the commission shall prescribe the accounting system which such utility shall adopt. Each public utility shall submit such reports as the commission may require and on forms to be supplied by the commission.

**Sec. 15. Subsidiary Business Accounts.** Every public utility engaged, directly or indirectly, in any other or subsidiary business, shall keep separate accounts relating to such subsidiary business. Except as the commission may otherwise provide, no property, expense or revenue utilized in or derived from such subsidiary business shall be considered in

establishing the rates and charges of such utility for its public services.

**Sec. 16. Accounting Period.** Public utilities may, at their option, maintain their accounts on a calendar year or fiscal year. Not more than 75 days after the close of its accounting period, the utility shall file with the commission a balance sheet, verified by the owner or an officer of the utility, and such other information as the commission may by regulation require.

**Sec. 17. Audit of Accounts.** An audit made by a certified public accountant, or by any person approved by the commission, shall be accepted by the commission as prima facie correct.

**Sec. 18. Agents of Commission.** The agents, accountants, hearing officers and other examiners employed by the commission shall have authority, under direction of the commission, to inspect and examine any and all books, accounts, papers, records and memoranda kept by a public utility.

**Sec. 19. Depreciation Rates and Accounts.** Every public utility shall carry a separate, proper and adequate depreciation account whenever the commission, after investigation, shall determine that such depreciation account reasonably can be required. The commission, from time to time, shall ascertain and determine the proper and adequate rates of depreciation of the several classes of property of each public utility; provided, that rates of depreciation and depreciation accounts prescribed by, and maintained pursuant to, regulations of a federal agency or the terms of a bond ordinance shall be acceptable to the commission. The commission shall provide for depreciation in fixing the rates, tolls and charges to be paid for the services of a public utility.

**Sec. 20. Depreciation Fund.** The commission shall prescribe by regulation for the use and investment of the depreciation fund of all public utilities required to maintain such fund pursuant to Section 19 herein; provided, that the use and investment of the depreciation fund as prescribed by, and maintain pursuant to, regulations of a federal agency or the terms of a bond ordinance shall be ac-

ceptable to the commission.

**Sec. 21. Additions and Expansions of Public Utilities.** Any additional construction or improvements which may be the basis of a rate adjustment shall be reported to the commission. If such construction or improvements are found to be reasonably necessary by the commission, or if the report thereof is accompanied by the certification of a registered engineer that such construction is necessary to provide adequate public service, the cost of such construction or improvements shall be considered in making evaluations for rate purposes; otherwise, the cost of such construction or improvements shall be disregarded for rate purposes.

**Sec. 22. Distribution of Surplus, Profits and Operating Margins.** Surpluses, profits and operating margins of public utilities shall be distributed pursuant to the by-laws of corporate and cooperative utilities and ordinances controlling municipal utilities; provided, the commission, on complaint, may investigate all distribution of surplus, profits and operating margins and may make such regulations in connection therewith as may to it seem just and reasonable. The right to revoke its approval of any arrangement for the distribution of surplus, profits or operating margins, and the right to amend or rescind all orders relative thereto after public hearing, are reserved and vested in the commission, notwithstanding any agreement or arrangement between utilities and their owners and patrons.

**Sec. 23. Standard Units and Expenses Per Unit.** The commission shall ascertain and prescribe for each kind of public utility suitable and convenient standard commercial units of product or service, which shall be the lawful units for purposes of this Act. Each public utility shall furnish to the commission, in such form and at such time as the commission shall require, such accounts, reports and information as the commission may require and based upon the prescribed units.

**Sec. 24. Reports of Commission.** The commission shall publish annual reports showing its proceedings and showing in tabular form the details per unit as pro-

vided in Section 23, for all the public utilities of each kind in the state and such monthly or occasional reports as it may deem advisable. The commission shall also publish in its annual reports the value of all the property actually used and useful for the convenience of the public, and the value of the physical property actually used and useful for the convenience of the public, of every public utility the value of whose property has been ascertained by it.

**Sec. 25. Books and Records Open to Inspections.** All facts and information in the possession of the commission shall be public and all reports, files, books, accounts, papers and memoranda of every nature whatsoever in their possession, shall be open to inspection by the public at all reasonable times, except facts developed by the commission shall be withheld until final determination of the matter at issue, or for ninety days, whichever is the shorter period.

**Sec. 26. Standards for Measurement.** The commission shall fix by regulation adequate and serviceable standards for the measurement of quality, pressure, voltage or other conditions, including, but not limited to, quantity and quality of service pertaining to the supply of the product or service rendered by any public utility and prescribe reasonable regulations for examinations and testing of such product or service and for the measurement thereof; provided, that the commission shall conform to the standard practices of the industry or activity regulated.

**Sec. 27. Testing of Meter Standards.** The commission shall provide by regulation for the annual testing and certification of meter standards by laboratories acceptable to the commission. The commission shall further provide by regulation for the taking of appeals to the commission from the findings of any utility which tested its own meters or appliances for measurement.

**Sec. 28. Testing of Appliances.** The commission shall provide for the examination and testing of any and all appliances used for the measuring of any product or service of a public utility and is hereby authorized to purchase such equipment, apparatus and standards as

may be required for such purpose; provided that, in the interest of economy, the commissioner of commerce may assign the examination and testing function herein contemplated to the Division of Weights and Measures. Any consumer or user may have any such equipment or apparatus upon the payment of a reasonable fee to be established by the commission. The commission shall likewise establish by regulation allowable tolerances with respect to the functioning or operation of any such equipment or apparatus. If the measuring equipment or apparatus of the utility performs within such tolerances, the person requesting such tests shall bear the costs thereof; otherwise, such costs shall be paid by the utility concerned and any fee paid by the person requesting such test shall be refunded to him by such utility.

**Sec. 29. Right to Enter Premises.** The commission, its agents, hearing officers, or examiners shall have the right to enter upon any premises occupied by any public utility for the purpose of making the examinations and tests provided in this Act and to set up and use on such premises any apparatus and appliances and occupy reasonable space therefor.

**Sec. 30. Schedule of Rates.** Every public utility shall file with the commission, within a time fixed by the commission, schedules or joint schedules showing all rates, tolls and charges and the regulations relating thereto, which it has established for service within the state, or for any service in connection therewith, or for services performed by any public utility controlled or operated by it. If no objection to such schedule is made to the commission within thirty days after such filing, such schedule shall be considered as having been approved by the commission. Special arrangements affecting rates and charges shall likewise be filed with the commission and, if no objection to such special arrangements is made to the commission within thirty days, such arrangements shall likewise be deemed approved by the commission. In establishing its schedule of rates and charges, the public utility may distinguish between rates at which its product or service is sold to its customers or consumers and the charges made for services incidental thereto: the

former shall be determined computed as a return on investment; the latter shall bear a reasonable relation to the cost of providing such services.

**Sec. 31. Publication of Rates.** A copy of so much of the schedules and regulations provided in Section 30 above as the commission may deem necessary for public use shall be printed in plain type and kept on file at the principal office of the utility and at each station or office where payments for the utility's services are accepted and such printed schedules and regulations shall be readily accessible to, and subject to inspection by, the general public.

**Sec. 32. Change of Rates or Charges.** No change shall be made in any schedule of rates and charges, including schedules of joint rates, except upon thirty days notice to the commission. If no objection to such changes are filed within thirty days, such changes shall be deemed approved; if objection is made, the commission shall proceed as provided by regulation to hear the objection and to approve or disapprove such changes. All such changes shall be plainly indicated upon existing schedules or by filing new schedules in lieu thereof thirty days prior to the time the same are to take effect; provided, that the commission, upon application of any public utility, may prescribe a less time within which a reduction may be made.

**Sec. 33. Publication of Revised Schedules.** Copies of revised schedules shall be filed at the principal office of the utility concerned and in every station or office where payment for such utility's services are accepted ten days prior to the time the same are to take effect, unless the commission shall prescribe a less time.

**Sec. 34. Rates Varying from Schedule Unlawful.** It shall be unlawful for any public utility to charge, demand, collect or receive a greater or less compensation for any commodity or service furnished by it within the state, or for any service in connection therewith, than is specified in its printed schedules, including schedules of joint rates, as may at the time be in force, or to demand, collect or receive any tolls or charges not specified in such schedule; provided,

that nothing herein shall be interpreted to preclude a public utility from charging its patrons or consumers not to exceed the actual cost for any extraordinary service provided, including, without limitation, the repair of damages to its facilities caused by such patron or consumer. The rates, tolls and charges named in such schedules shall be the lawful rates, tolls and charges unless the same are changed as provided in this Act.

**Sec. 35. Classes of Service.** The commission shall provide for a comprehensive classification of services for each public utility and such classification shall take into account the quantity used, the time when used, the purpose for which used and other reasonable consideration. Each public utility shall conform its schedules of rates, tolls and charges to such classification.

**Sec. 36. Adoption of Regulations.** The commission shall have power to adopt reasonable and proper rules and regulations relative to all inspections, tests, audits and investigations, and to adopt and publish reasonable and proper rules to govern its proceedings, and to regulate the mode and manner of all investigations of public utilities and other parties before it; provided, that the rule-making power shall be exercised pursuant to the Administrative Procedure Act.

**Sec. 37. Management of Business.** The commission may, upon complaint, examine the management of any public utility, including, without limitation, staffing patterns and wage and salary scales, and the commission shall have the authority to order the correction of any abuses found which adversely affect the cost of the product or service of such public utility.

**Sec. 38. Right to Examine Records and Officers or Employees.** The commission, or any commissioner, or any person or persons employed by the commission for that purpose, when authorized by the commission, shall upon demand have the right to inspect the books, accounts, papers, records and memoranda of any public utility and to examine, under oath, any officer, agent or employee of such public utility in relation to its business and affairs. Any person who shall make such demand shall produce his authority therefor.

**Sec. 39. Production of Books and Records: Subpoena.** The commission may require, by order or subpoena to be served on any public utility in the same manner that a summons is served in a civil action in the superior court, the production, at the office of the utility concerned or at the place where a hearing is held, at such reasonable time as it may designate, of any books, accounts, papers, or records kept by said public utility in any office or place within or without the state, or verified copies in lieu thereof, if the commission shall so order, in order that an examination thereof may be made by the commission or under its direction. Any public utility failing or refusing, after reasonable written notice, to comply with any such order or subpoena shall, for each day it shall so fail or refuse, forfeit and pay into the state treasury a sum of not less than fifty dollars (\$50.00).

**Sec. 40. Hearing Officers and Agents.** For the purpose of making any investigation with regard to any public utility, the commission shall have power to appoint, by an order in writing, a hearing officer or agent whose duties shall be prescribed in such order. In the discharge of his duties, such hearing officer or agent shall have such investigative powers as are specifically delegated to him by the commission. The commission may conduct any number of such investigations contemporaneously through different hearing officers or agents; and may delegate to such hearing officers or agents the taking of all testimony bearing upon any investigation or hearing. The decisions and determinations of the commission shall be based upon its examination of all testimony and records. The recommendations made by such hearing officers or agents shall be advisory only and shall not preclude the taking of further testimony if the commission so orders, nor further investigation.

**Sec. 41. Submission of Information.** Every public utility shall furnish to the commission all information required by it to carry into effect the provisions of this Act, and shall make specific answers to all questions submitted by the commission.

**Sec. 42. Investigation and Hearing of**

**Complaints.** Complaints against public utilities shall first be made to such utilities and pursuant to such reasonable procedures as the utilities may by regulation prescribe. If the person aggrieved is not satisfied with the disposition of his complaint, he may bring such complaint to the commission. Appeals to the commission need not be in any particular form, but appeals must be in writing, must state that the complainant has exhausted his administrative remedies as provided by the rules of the public utility concerned, and shall be verified. The commission may prescribe a filing fee for such complaints. The commission shall proceed, with or without notice, to make such investigation of complaints as it may deem necessary or convenient. No order affecting rates, tolls, charges, schedules, regulations, measurements, practices or act complained of shall be entered by the commission without giving the public utility an opportunity to be heard, including, if requested by such utility, a formal public hearing; provided, all hearings hereunder shall be subject to the Administrative Procedure Act.

**Sec. 43. Separate Hearing.** The commission may, in its discretion, when complaint is made of more than one rate or charge, order separate hearings thereon, and may consider and determine the several matters complained of separately and at such times as it may prescribe. No complaint shall at any time be dismissed because of the absence of direct damage to the complainant.

**Sec. 44. Complaint by Public Utility.** Any public utility may make complaint as to any matter affecting its own rates or service with like effect as any consumer or user.

**Sec. 45. Orders Relating to Rates.** Whenever, upon an investigation, the commission shall find any rates, tolls, charges, schedules or joint rate or rates, to be unjust, unreasonable, insufficient or unjustly discriminatory, or to be preferential or otherwise in violation of any of the provisions of this Act, the commission shall determine, and by order fix just and reasonable rates, tolls, charges, schedules or joint rates to be imposed, observed and followed in the future in lieu of those found to be unjust, unreasonable, insufficient or unjustly discrimina-

tory or preferential or otherwise in violation of any of the provisions of this Act.

**Sec. 46. Orders Relating to Service.** Whenever, upon investigation made under the provisions of this Act, the commission shall find any regulations, measurements, practices, acts or service to be unjust, unreasonable, unsafe, insufficient, preferential, unjustly discriminatory or otherwise in violation of any of the provisions of this Act or the intent hereof; or shall find that any service is inadequate or that any service which can be reasonably demanded cannot be obtained, the commission shall determine and declare and by order fix just and reasonable measurements, regulations, acts, practices or service to be furnished, imposed, observed and followed in the future in lieu of those found to be unjust, unreasonable, unsafe, insufficient, preferential, unjustly discriminatory, inadequate, or otherwise in violation of this Act, as the case may be, and shall make such other order respecting such measurement, regulation, act, practice or service as shall be just and reasonable.

**Sec. 47. Expenses of Investigation.** At the conclusion of any public hearing held pursuant to this Act or the Administrative Procedure Act, the commission shall ascertain the costs thereof and shall by order apportion such costs among the parties, including the commission, as to it may seem just and proper. In assessing costs, the commission shall consider ability to pay, evidence of good faith, and such other factors and mitigating circumstances as to it may seem relevant. The commission shall determine and allow a reasonable time in which any such costs shall be paid; provided, that so much of any order of the commission as may increase any rate of such public utility, shall not take effect until such costs are paid. All payments hereunder shall be made to the commission and covered into the general fund.

**Sec. 48. Rescinding Orders of Commission.** The commission may, at any time, upon notice to the public utility and after opportunity to be heard as provided herein, rescind, alter or amend any order fixing any rate or rates, tolls,

charges or schedules, or any other order made by the commission, and certified copies of the same shall be served and take effect as herein provided for original orders.

**Sec. 49. Rates in Effect Prima Facie Lawful.** All rates, tolls, charges, schedules and joint rates fixed by the commission shall be in force and be prima facie lawful, and all regulations, practices and services prescribed by the commission shall be in force and shall be prima facie reasonable unless finally found otherwise in an action brought for that purpose pursuant to the provisions of this Act.

**Sec. 50. State Assistance to Municipalities and Public Utility Districts.** Where general obligations or revenue bonds are to be issued by any municipality or public utility district within this state to finance the construction of a public utility, or to provide for additions or improvements thereto, the commission shall review the proposed bonding ordinance to determine if such ordinance will permit such utility to operate in the public interest. In the event that the commission shall find that such bonding ordinance is unduly restrictive, or that the rate of interest to be charged in such bonds is excessive, or that such ordinance otherwise will preclude the operation of such utility in the best public interest, the commission shall

make such recommendations or orders relating thereto as to it may seem reasonable and proper, including, without limitation, recommendations to the governor for legislation to authorize the issuance of general obligation bonds in the name of, and on the credit of, the state to finance such construction, additions or improvements.

**Sec. 51. Regulations Have Effect of Law.** All rules and regulations promulgated by the commission pursuant to this Act and the Administrative Procedure Act shall have the force and effect of law.

**Sec. 52. Separability Clause.** If any provision of this Act, or the application thereof to any person or circumstance, is held invalid, the remainder of this Act, and the application of such provision to other persons or circumstances, shall not be affected thereby.

**Sec. 53. Local Control of Public Utilities.** Nothing herein shall be interpreted to limit the power of any municipality, public utility district or other local authority to regulate and control, in the manner and to the extent provided by law, any public utility not otherwise subject to the provisions of this Act.

**Sec. 54. Effective Date.** This Act shall take effect immediately upon its passage and approval, or upon its becoming law without such approval.

Approved May 9, 1959

## CHAPTER 200

### AN ACT

To appropriate the sum of \$3,350,979 from the Highway Fund for the administrative expenses of the Commissioner, Highway and Public Works Department, the expenses of the drivers' licensing division of the Department of State Police, and operation of highway scales; appropriating the sum of \$24,456,877 from the General Fund for the administrative expenses of the State of Alaska; appropriating the sum of \$1,080,000 from the General Fund for construction; appropriating the sum of \$2,151,478 from the General Fund on a contingent basis; appropriating the sum of \$225,000 from the Water and Harbor Facilities Fund; authorizing refunds from the General Fund; repealing Ch. 187, SLA 1957; and providing for an effective date.

(C.S.H.B. 182)

Be it enacted by the Legislature of the State of Alaska:

Section 1. The sum of \$3,350,979 or so

much thereof as shall be found necessary, is hereby appropriated out of any moneys in the Highway Fund of the State of Alaska not otherwise appro-