



LAWS OF ALASKA

1988

Source

SCS CSHB 356 (Res)

Chapter No.

11

AN ACT

Relating to the authority of the Alaska Public Utilities Commission in connection with certain activities of the Alaska Power Authority, certain agreements among certain public utilities, and calculating power cost equalization; relating to certain meetings between the Alaska Power Authority and public utilities; and providing for an effective date.

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

THE ACT FOLLOWS ON PAGE 1, LINE 15

UNDERLINED MATERIAL INDICATES TEXT THAT IS BEING ADDED TO THE LAW AND BRACKETED MATERIAL IN CAPITAL LETTERS INDICATES DELETIONS FROM THE LAW; COMPLETELY NEW TEXT OR MATERIAL REPEALED AND RE-ENACTED IS IDENTIFIED IN THE INTRODUCTORY LINE OF EACH BILL SECTION.

Approved by the Governor: March 11, 1988
Actual Effective Date: March 12, 1988; retroactive to
November 1, 1987, except for AS 42.05.431(d)

AN ACT

Relating to the authority of the Alaska Public Utilities Commission in connection with certain activities of the Alaska Power Authority, certain agreements among certain public utilities, and calculating power cost equalization; relating to certain meetings between the Alaska Power Authority and public utilities; and providing for an effective date.

* Section 1. AS 42.05.431 is amended by adding new subsections to read:

(c) Notwithstanding (b) of this section,

(1) a wholesale agreement for the sale of power from a project licensed by the Federal Energy Regulatory Commission on or before January 1, 1987, and related contracts for the wheeling, storage, regeneration, or wholesale repurchase of power purchased under the agreement, entered into between the Alaska Power Authority and one or more other public utilities or among the utilities after October 31, 1987, and before January 1, 1988, and amendments to the wholesale agreement or related contract, are not subject to review or approval by the commission until all long-term debt incurred for the project is retired; and

(2) a wholesale agreement or related contract described in (1) of this subsection may contain a covenant for the public utility to establish, charge, and collect rates sufficient to meet its

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obligations under the contract; the rate covenant is valid and enforceable.

(d) Meetings between the Alaska Power Authority and public utilities concerning a wholesale agreement for the sale of power or other matter exempted from review of the commission under (c) of this section must comply with AS 44.62.310.

* Sec. 2. AS 42.05.511 is amended by adding a new subsection to read:

(d) Validated costs incurred by a utility in connection with the related contracts described in AS 42.05.431(c)(1) must be allowed in the rates charged by the utility. In this subsection, "validated costs" are the actual costs that a utility uses, under the formula set out in related contracts described in AS 42.05.431(c), to establish rates, charges for services and rights, and the payment of charges for services and rights. This subsection does not grant the commission jurisdiction to alter or amend the formula set out in those related contracts.

* Sec. 3. AS 44.83.090(b) is amended to read:

(b) The authority is not subject to the jurisdiction of the Alaska Public Utilities Commission. Nothing in this chapter [AS 44.-83.010 - 44.83.425] grants the authority [ANY] jurisdiction over the services or rates of a [ANY] public utility or diminishes or otherwise alters the jurisdiction of the Alaska Public Utilities Commission with respect to a [ANY] public utility, including any right the commission may have to review and approve or disapprove contracts for the purchase of electricity by a public utility other than wholesale agreements and contracts described in AS 42.05.431(c)(1).

* Sec. 4. AS 44.83.162 is amended by adding a new subsection to read:

(p) In calculating power cost equalization, the commission may not consider validated costs or kilowatt-hour sales associated with

1 United States Department of Defense facility.

2 * Sec. 5. This Act, except for AS 42.05.431(d), enacted by sec. 1 of
3 this Act, is retroactive to November 1, 1987.

4 * Sec. 6. This Act takes effect immediately under AS 01.10.070(c).
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