

HOUSE BILL NO. 487

IN THE LEGISLATURE OF THE STATE OF ALASKA

TWENTIETH LEGISLATURE - SECOND SESSION

BY THE HOUSE JUDICIARY COMMITTEE BY REQUEST

Introduced: 4/17/98

Referred: Judiciary, Labor and Commerce, Finance

A BILL

FOR AN ACT ENTITLED

1 "An Act relating to including the costs of expansion activities and political
2 activities in rates of electric cooperatives."

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

4 * **Section 1.** AS 42.05.381 is amended by adding new subsections to read:

5 (h) An electric cooperative, whether subject to regulation by the commission
6 or exempt from regulation, may only include the cost of expansion activity in its rates
7 to a customer if it first secures the customer's consent to the inclusion of a charge for
8 expansion activity. An electric cooperative may not refuse to serve or discriminate
9 against a customer who declines to give consent under this subsection. An electric
10 cooperative may only include a charge for expansion activity in a rate if the
11 cooperative

12 (1) advised its members that a portion of the rates would be used for
13 expansion activities;

14 (2) identified how much of the rate would be used for expansion

1 activities;

2 (3) advised the customer that the cooperative would not refuse to serve
3 or discriminate against the customer if the customer declined to consent to the
4 expansion activity charge; and

5 (4) received the consent of the customer to inclusion of the expansion
6 activity charge in the customer's billings.

7 (i) An electric cooperative, whether subject to regulation by the commission
8 or exempt from regulation, may only include the cost of political activity in its rates
9 to a customer if it first secures the customer's consent to the inclusion of a charge for
10 political activity. An electric cooperative may not refuse to serve or discriminate
11 against a customer who declines to give consent under this subsection. An electric
12 cooperative may only include a charge for political activity in a rate if the cooperative

13 (1) advised its members that a portion of the rates would be used for
14 political activities;

15 (2) identified how much of the rate would be used for political
16 activities;

17 (3) advised the customer that the cooperative would not refuse to serve
18 or discriminate against the customer if the customer declined to consent to the political
19 activity charge; and

20 (4) received the consent of the customer to inclusion of the political
21 activity charge in the customer's billings.

22 (j) In (h) and (i) of this section,

23 (1) "expansion activity" means an activity that is intended to attract
24 customers to an electric cooperative who, at the time of the activity, are customers of
25 another electric public utility;

26 (2) "political activity" means an activity intended to

27 (A) advocate for a political position or for a candidate;

28 (B) make a contribution to a candidate or political party;

29 (C) advocate for a public policy issue not directly related to
30 core services of the utility.

31 * **Sec. 2.** AS 42.05.711(b) is amended to read:

1 (b) Except as otherwise provided in this subsection, public utilities owned and
 2 operated by a political subdivision of the state, or electric operating entities established
 3 as the instrumentality of two or more public utilities owned and operated by political
 4 subdivisions of the state, are exempt from this chapter, other than AS 42.05.221 -
 5 42.05.281, 42.05.381(h) - (j), and 42.05.385. However,

6 (1) the governing body of a political subdivision may elect to be
 7 subject to this chapter; and

8 (2) a utility or electric operating entity that is owned and operated by
 9 a political subdivision and that directly competes with another utility or electric
 10 operating entity is subject to this chapter and any other utility or electric operating
 11 entity owned and operated by the political subdivision is also subject to this chapter.

12 * **Sec. 3.** AS 42.05.711(d) is amended to read:

13 (d) The commission may exempt a utility, a class of utilities, or a utility
 14 service from all or a portion of this chapter if the commission finds that the exemption
 15 is in the public interest. **However, the commission may not issue an exemption**
 16 **from AS 42.05.381(h) - (j).**

17 * **Sec. 4.** AS 42.05.711(e) is amended to read:

18 (e) Notwithstanding any other provisions of this chapter, any electric or
 19 telephone utility that does not gross \$50,000 annually is exempt from regulation under
 20 this chapter, **other than AS 42.05.381(h) - (j)**, unless the subscribers petition the
 21 commission for regulation under AS 42.05.712(h).

22 * **Sec. 5.** AS 42.05.711(f) is amended to read:

23 (f) Notwithstanding any other provisions of this chapter, an electric or
 24 telephone utility that does not gross \$500,000 annually may elect to be exempt from
 25 the provisions of this chapter, other than AS 42.05.221 - 42.05.281 **and 42.05.381(h) -**
 26 **(j)**, under the procedure described in AS 42.05.712.

27 * **Sec. 6.** AS 42.05.711(h) is amended to read:

28 (h) A cooperative organized under AS 10.25 may elect to be exempt from the
 29 provisions of this chapter, other than AS 42.05.221 - 42.05.281 **and 42.05.381(h) - (j)**,
 30 under the procedure described in AS 42.05.712.