

CS FOR SPONSOR SUBSTITUTE FOR SENATE BILL NO. 10(L&C)

IN THE LEGISLATURE OF THE STATE OF ALASKA

TWENTY-FIRST LEGISLATURE - FIRST SESSION

BY THE SENATE LABOR AND COMMERCE COMMITTEE

Offered: 3/24/99
Referred: Finance

Sponsor(s): SENATOR DONLEY

A BILL

FOR AN ACT ENTITLED

1 "An Act requiring a utility that provides services in a municipality with a
2 population of more than 100,000 to have an ongoing program of placing existing
3 overhead utility distribution lines underground; and relating to rates for recovering
4 the cost of placing existing overhead utility distribution lines underground."

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

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

7 (h) A utility that has overhead utility distribution lines and that provides
8 services in a municipality with a population of more than 100,000 must spend at least
9 one percent of the utility's annual gross revenue from customers in that municipality
10 to place existing overhead utility distribution lines in that municipality underground.
11 In determining the annual gross revenue under this subsection, only revenue derived
12 from the utility's distribution lines in the municipality shall be considered.

13 (i) A utility that is implementing a program to place existing overhead utility
14 distribution lines located in a municipality underground may amend its rates for

1 services provided to customers in the municipality to enable the utility to recover the
2 full actual cost of placing the lines underground. Notwithstanding AS 42.05.411 -
3 42.05.431, an amendment to a utility's rates under this subsection is not subject to
4 commission review or approval. A utility amending its rates under this subsection
5 shall notify the commission of the amendment. This subsection applies only to an
6 undergrounding program whose costs do not exceed five percent of the utility's annual
7 gross revenue.