

CS FOR SPONSOR SUBSTITUTE FOR SENATE BILL NO. 10(FIN)

IN THE LEGISLATURE OF THE STATE OF ALASKA

TWENTY-FIRST LEGISLATURE - FIRST SESSION

BY THE SENATE FINANCE COMMITTEE

Offered: 5/11/99

Referred: Rules

Sponsor(s): SENATOR DONLEY

A BILL

FOR AN ACT ENTITLED

1 "An Act requiring an electric or telephone utility that provides services in a
2 municipality with a population of more than 200,000 to have an ongoing program
3 of placing existing overhead utility distribution lines underground; and relating to
4 rates for recovering the cost of placing existing overhead utility distribution lines
5 underground."

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

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

8 (h) An electric or telephone utility that has overhead utility distribution lines
9 and that provides services in a municipality with a population of more than 200,000
10 must spend at least one percent of the utility's annual gross revenue from retail
11 customers in that municipality to place existing overhead utility distribution lines in
12 that municipality underground. In determining the annual gross revenue under this
13 subsection, only revenue derived from the utility's distribution lines in the municipality

1 shall be considered.

2 (i) An electric or telephone utility that is implementing a program to place
3 existing overhead utility distribution lines located in a municipality underground may
4 amend its rates for services provided to customers in the municipality to enable the
5 utility to recover the full actual cost of placing the lines underground. Notwithstanding
6 AS 42.05.411 - 42.05.431, an amendment to a utility's rates under this subsection is
7 not subject to commission review or approval. A utility amending its rates under this
8 subsection shall notify the commission of the amendment. This subsection applies to
9 an undergrounding program to the extent that the costs do not exceed two percent of
10 the utility's annual gross revenue. If an undergrounding program's costs exceed two
11 percent, the commission may regulate rate increases proposed for the recovery of the
12 amount above two percent.