

CS FOR HOUSE BILL NO. 3001(FIN)

IN THE LEGISLATURE OF THE STATE OF ALASKA

TWENTY-SECOND LEGISLATURE - THIRD SPECIAL SESSION

BY THE HOUSE FINANCE COMMITTEE

Offered: 6/25/02

Referred: Today's Calendar

Sponsor(s): HOUSE RULES COMMITTEE BY REQUEST OF THE GOVERNOR

A BILL

FOR AN ACT ENTITLED

1 "An Act setting timelines for issuance of final orders by the Regulatory Commission of
2 Alaska, amending the authority of the commission to enter compromise settlement
3 orders, extending the commission's termination date to June 30, 2004, requiring the
4 commission to hold monthly meetings to allow discussion of the commission's process
5 and procedures; and directing the establishment of an advisory committee; and
6 providing for an effective date."

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

8 * **Section 1.** AS 42.05 is amended by adding a new section to read:

9 **Sec. 42.05.175. Timelines for issuance of final orders.** (a) The commission
10 shall issue a final order not later than six months after a complete application is filed
11 for an application

12 (1) for a certificate of public convenience and necessity;

13 (2) to amend a certificate of public convenience and necessity;

1 (3) to transfer a certificate of public convenience and necessity; and

2 (4) to acquire a controlling interest in a certificated public utility.

3 (b) Notwithstanding a suspension ordered under AS 42.05.421, the
4 commission shall issue a final order not later than nine months after a complete tariff
5 filing is made for a tariff filing that does not change the utility's revenue requirement
6 or rate design.

7 (c) Notwithstanding a suspension ordered under AS 42.05.421, the
8 commission shall issue a final order not later than 15 months after a complete tariff
9 filing is made for a tariff filing that changes the utility's revenue requirement or rate
10 design.

11 (d) The commission shall issue a final order not later than 12 months after a
12 complete formal complaint is filed against a utility or, when the commission initiates a
13 formal investigation of a utility without the filing of a complete formal complaint, not
14 later than 12 months after the order initiating the formal investigation is issued.

15 (e) The commission shall issue a final order in a rule making proceeding not
16 later than 24 months after a complete petition for adoption, amendment, or repeal of a
17 regulation under AS 44.62.180 - 44.62.290 is filed or, when the commission initiates a
18 rule making docket, not later than 24 months after the order initiating the proceeding is
19 issued.

20 (f) The commission may extend a timeline required under (a) - (e) of this
21 section if all parties of record consent to the extension or if, before the timeline
22 expires, the commission

23 (1) reasonably finds that good cause exists to extend the timeline; and

24 (2) issues a written order extending the timeline and setting out its
25 findings regarding good cause.

26 (g) The commission shall file quarterly reports with the Legislative Budget
27 and Audit Committee identifying all extensions ordered under (f)(2) of this section
28 during the previous quarter, and including copies of the written orders issued under
29 (f)(2) of this section.

30 (h) If the commission does not issue and serve a final order regarding an
31 application or suspended tariff under section (a), (b), or (c) of this section within the

1 applicable timeline specified, and if the commission does not extend the timeline in
 2 accordance with (f) of this section, the application or suspended tariff filing shall be
 3 considered approved and shall go into effect immediately.

4 (i) For purposes of this section, an application, tariff filing, formal complaint,
 5 or petition is complete if it complies with the filing, format, and content requirements
 6 established by statute, regulation, and forms adopted by the commission under
 7 regulation.

8 (j) For purposes of this section, "final order" means a dispositive
 9 administrative order that resolves all matters at issue and that may be the basis for a
 10 petition for reconsideration or request for judicial review.

11 * **Sec. 2.** AS 42.05.191 is amended to read:

12 **Sec. 42.05.191. Contents and service of orders.** Every formal order of the
 13 commission shall be based upon the facts of record. **However, the commission may**
 14 **issue an order approving any settlement supported by all the parties of record in**
 15 **a proceeding, including a compromise settlement, if the settlement is consistent**
 16 **with this chapter and AS 42.06.** Every order entered pursuant to a hearing must state
 17 the commission's findings, the basis of its findings and conclusions, together with its
 18 decision. These orders shall be entered of record, and a copy of them shall be served
 19 on all parties of record in the proceeding.

20 * **Sec. 3.** AS 44.66.010(a)(4) is amended to read:

21 (4) Regulatory Commission of Alaska (AS 42.04.010) -- June 30, **2004**
 22 [2002];

23 * **Sec. 4.** Section 6 of this Act is repealed June 30, 2004.

24 * **Sec. 5.** The uncodified law of the State of Alaska is amended by adding a new section to
 25 read:

26 **PRIOR DOCKETS.** The provisions of AS 42.05.175, added by sec. 1 of this Act do
 27 not apply to dockets of the Regulatory Commission of Alaska that are initiated before July 1,
 28 2002.

29 * **Sec. 6.** The uncodified law of the State of Alaska is amended by adding a new section to
 30 read:

31 **MONTHLY MEETINGS.** The Regulatory Commission of Alaska shall,

1 approximately once a month, hold open meetings at which the public and representatives of
 2 all regulated utilities may discuss issues involving the process and procedures of the
 3 commission. The meetings shall be transcribed and shall be attended by at least one
 4 commissioner.

5 * **Sec. 7.** The uncodified law of the State of Alaska is amended by adding a new section to
 6 read:

7 **ADVISORY COMMITTEE; REPORT.** (a) Not later than October 31, 2002, the
 8 president of the senate, the speaker of the house of representatives, and the governor shall
 9 jointly appoint the members of a committee to investigate and propose reforms limited to the
 10 commission's regulatory process. The committee must include one member to represent each
 11 of the following: the commission; incumbent local exchange carriers; competitive local
 12 exchange carriers; electric utilities; natural gas utilities; water or sewer utilities; and the public
 13 advocacy section of the commission. Where possible, the persons jointly making the
 14 appointments shall honor nominations from the represented group. The committee shall hold
 15 open meetings and receive comment from the public and all regulated utilities.

16 (b) Not later than October 31, 2003, the committee shall prepare a written report to
 17 the commission and the legislature addressing the following issues: how to reduce the
 18 backlog of cases and other matters pending before the commission; how to revise the
 19 processes of the commission to ensure that fewer issues must be tried in trial-like
 20 proceedings; whether the deadlines established in AS 42.05.175, added by sec. 1 of this Act,
 21 require further amendment; the areas for which the commission is currently responsible for
 22 providing the highest public benefit and the areas producing lower public benefit; and
 23 identification of areas of regulatory oversight that may be eliminated.

24 (c) The committee shall present the written report required by (b) of this section to the
 25 Second Regular Session of the Twenty-Third Alaska State Legislature within the first two
 26 weeks of that session. The committee terminates on January 31, 2004.

27 * **Sec. 8.** This Act takes effect immediately under AS 01.10.070(c).