

CS FOR HOUSE BILL NO. 204(O&G)

IN THE LEGISLATURE OF THE STATE OF ALASKA

TWENTY-THIRD LEGISLATURE - FIRST SESSION

BY THE HOUSE SPECIAL COMMITTEE ON OIL AND GAS

Offered: 3/31/03

Referred: Resources

Sponsor(s): REPRESENTATIVE CHENAULT

A BILL

FOR AN ACT ENTITLED

1 **"An Act relating to the regulation of natural gas pipelines under the Pipeline Act; and**
2 **providing for an effective date."**

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

4 *** Section 1.** AS 42.06.350(c) is amended to read:

5 (c) In its tariff filed with the commission under (a) of this section, a [NORTH
6 SLOPE] natural gas pipeline carrier may charge separate rates for firm transportation
7 service and for interruptible transportation service. A [NORTH SLOPE] natural gas
8 pipeline carrier

9 (1) may, in addition, impose a reservation fee or similar charge for
10 reservation of capacity in a [NORTH SLOPE] natural gas pipeline as a condition of
11 providing firm transportation service; the reservation fee or charge imposed by the
12 carrier may not include any variable costs or fixed costs that are not attributable to the
13 provision of firm transportation service;

14 (2) may not impose a reservation fee or similar charge for reservation

1 of capacity in a [NORTH SLOPE] natural gas pipeline for interruptible transportation
2 service.

3 * **Sec. 2.** AS 42.06.630(6) is amended to read:

4 (6) "firm transportation service" means service by a [NORTH SLOPE]
5 natural gas pipeline carrier that is not subject to a prior claim by another shipper or
6 another class of service; service constitutes "firm transportation service" if the service
7 receives the same priority as any other class of firm transportation service;

8 * **Sec. 3.** AS 42.06.630(8) is amended to read:

9 (8) "interruptible transportation service" means service by a [NORTH
10 SLOPE] natural gas pipeline carrier in which the carrier's pipeline system capacity
11 may be subject to a prior claim by another shipper or another class of service; a
12 service constitutes "interruptible transportation service" if the service is given a lower
13 priority than another class of service, resulting in noncontinuous service to a shipper
14 of [NORTH SLOPE] natural gas;

15 * **Sec. 4.** AS 42.06.630 is amended by adding new paragraphs to read:

16 (18) "natural gas pipeline" or "natural gas pipeline facility" means all
17 the facilities of a total system of pipe, whether owned or operated by a natural gas
18 pipeline carrier under a contract, agreement, or lease in this state used by a natural gas
19 pipeline carrier for transportation of natural gas for delivery, storage, or further
20 transportation, and including all pipe, pump and compressor stations, station
21 equipment, and all other facilities used or necessary for an integral line of pipe to
22 effectuate the transportation from point to point, excluding, however, gas processing
23 plants, treaters, and separators;

24 (19) "natural gas pipeline carrier" means the owner, including a
25 corporation, company, or other entity organized under the laws of the United States or
26 of any state, of a natural gas pipeline, as the term is defined in this section, or an
27 interest in it, or any person, including a corporation, company, or other entity
28 organized under the laws of the United States or of any state, authorized to construct
29 or extend pipeline facilities under this chapter.

30 * **Sec. 5.** This Act takes effect immediately under AS 01.10.070(c).