

HOUSE CS FOR CS FOR SENATE BILL NO. 157(FIN)
IN THE LEGISLATURE OF THE STATE OF ALASKA
TWENTY-FOURTH LEGISLATURE - SECOND SESSION

BY THE HOUSE FINANCE COMMITTEE

Offered: 3/17/06

Referred: Rules

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

A BILL

FOR AN ACT ENTITLED

1 **"An Act relating to the maximum annual regulatory cost charge collected from certain**
2 **regulated public utilities and pipeline carriers and to public utility liability associated**
3 **with operating certain transmission lines under a Regulatory Commission of Alaska**
4 **order for joint use and interconnection; and providing for an effective date."**

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

6 *** Section 1.** AS 42.05.254(a) is amended to read:

7 (a) A regulated public utility operating in the state shall pay to the commission
8 an annual regulatory cost charge in an amount not to exceed the maximum percentage
9 of adjusted gross revenue that applies to the utility sector of which the utility is a part.
10 The regulatory cost charges that the commission expects to collect from all regulated
11 utilities may not exceed the sum of the following percentages of the total adjusted
12 gross revenue of all regulated public utilities derived from operations in the state: (1)
13 not more than .9 [.7] percent to fund the operations of the commission, and (2) not
14 more than .17 percent to fund operations of the public advocacy function under

1 AS 42.04.070(c) and AS 44.23.020(e) within the Department of Law. An exempt
2 utility shall pay the actual cost of services provided to it by the commission.

3 * **Sec. 2.** AS 42.05.254(a) is amended to read:

4 (a) A regulated public utility operating in the state shall pay to the commission
5 an annual regulatory cost charge in an amount not to exceed the maximum percentage
6 of adjusted gross revenue that applies to the utility section of which the utility is a part.
7 The regulatory cost charges that the commission expects to collect from all regulated
8 utilities may not exceed the sum of the following percentages of the total adjusted
9 gross revenue of all regulated public utilities derived from operations in the state: (1)
10 not more than .7 [.9] percent to fund the operations of the commission, and (2) not
11 more than .17 percent to fund operations of the public advocacy function under
12 AS 42.04.070(c) and AS 44.23.020(e) within the Department of Law. An exempt
13 utility shall pay the actual cost of services provided to it by the commission.

14 * **Sec. 3.** AS 42.05.311 is amended by adding a new subsection to read:

15 (d) A public utility that is ordered by the commission to provide joint use and
16 interconnection of a transmission line associated with the continued operation of a
17 transmission line owned by the Alaska Energy Authority is not liable for any damages
18 to the extent that those damages are caused by the operation of a transmission line by
19 the public utility under a commission order requiring the operation of a transmission
20 line at a voltage that

21 (1) exceeds the original design standards of the transmission line; or

22 (2) violates the applicable standards of the National Electrical Safety
23 Code.

24 * **Sec. 4.** AS 42.06.286(a) is amended to read:

25 (a) A pipeline carrier operating in the state shall pay to the commission an
26 annual regulatory cost charge in an amount not to exceed the sum of the following
27 percentages of gross revenue derived from operations in the state: (1) not more than .9
28 [.7] percent to fund the operations of the commission, and (2) not more than .17
29 percent to fund operations of the public advocacy function under AS 42.04.070(c) and
30 AS 44.23.020(e) within the Department of Law. A regulatory cost charge may not be
31 assessed on pipeline carrier operations unless the operations are within the jurisdiction

1 of the commission.

2 * **Sec. 5.** AS 42.06.286(a) is amended to read:

3 (a) A pipeline carrier operating in the state shall pay to the commission an
4 annual regulatory cost charge in an amount not to exceed the sum of the following
5 percentages of gross revenue derived from operations in the state: (1) not more than .7
6 [.9] percent to fund the operations of the commission, and (2) not more than .17
7 percent to fund operations of the public advocacy function under AS 42.04.070(c) and
8 AS 44.23.020(e) within the Department of Law. A regulatory cost charge may not be
9 assessed on pipeline carrier operations unless the operations are within the jurisdiction
10 of the commission.

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

13 **RETROACTIVITY.** The provisions of AS 42.05.311(d) enacted by sec. 3 of this Act,
14 apply retroactively to any claim based on damages caused by the operation of a transmission
15 line operated under an order of the commission as described in that subsection that is dated on
16 or after December 1, 2004.

17 * **Sec. 7.** Sections 1 and 4 of this Act take effect July 1, 2006.

18 * **Sec. 8.** Sections 2 and 5 of this Act take effect July 1, 2007.

19 * **Sec. 9.** Sections 3 and 6 of this Act take effect immediately under AS 01.10.070(c).