

**HOUSE CS FOR CS FOR SENATE BILL NO. 190(L&C)**

IN THE LEGISLATURE OF THE STATE OF ALASKA

THIRTY-SECOND LEGISLATURE - SECOND SESSION

BY THE HOUSE LABOR AND COMMERCE COMMITTEE

Offered: 5/15/22

Referred: Finance

Sponsor(s): SENATOR MYERS

**A BILL**

**FOR AN ACT ENTITLED**

1 **"An Act extending the termination date of the Regulatory Commission of Alaska;**  
2 **relating to Regulatory Commission of Alaska regulations regarding refuse utilities;**  
3 **relating to municipal refuse utilities; relating to the powers and duties of the legislative**  
4 **audit division; and providing for an effective date."**

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

6 \* **Section 1.** The uncodified law of the State of Alaska is amended by adding a new section  
7 to read:

8 LEGISLATIVE INTENT. (a) It is the intent of the legislature that the Regulatory  
9 Commission of Alaska shall adopt regulations authorized under sec. 2 of this Act that are  
10 specific to refuse utilities and that provide for sufficient public notice and time for ratepayers  
11 to meaningfully comment on rate filings.

12 (b) It is the intent of the legislature under sec. 4 of this Act to ensure the Regulatory  
13 Commission of Alaska and local decision makers make informed decisions in the public  
14 interest; it is not the intent of the legislature to interfere with normal rate-making

1 methodologies.

2 \* **Sec. 2.** AS 42.05.381(e) is amended to read:

3 (e) The commission shall adopt regulations for electric cooperatives, [AND  
4 FOR] local exchange telephone utilities, and refuse utilities, setting a range for  
5 adjustment of rates by a simplified rate filing procedure. A cooperative, [OR]  
6 telephone utility, or refuse utility may apply for permission to adjust its rates over a  
7 period of time under the simplified rate filing procedure regulations. The commission  
8 shall grant the application if the cooperative, [OR] telephone utility, or refuse utility  
9 satisfies the requirements of the regulations. The commission may review  
10 implementation of the simplified rate filing procedure at reasonable intervals and may  
11 revoke permission to use the procedure or require modification of the rates to correct  
12 an error.

13 \* **Sec. 3.** AS 42.05.641 is amended to read:

14 **Sec. 42.05.641. Regulation by municipality.** The commission's jurisdiction  
15 and authority extend to public utilities, including a municipal refuse utility,  
16 operating within a municipality, whether home rule or otherwise. In the event of a  
17 conflict between a certificate, order, decision, or regulation of the commission and a  
18 charter, permit, franchise, ordinance, rule, or regulation of [SUCH] a local  
19 governmental entity, the certificate, order, decision, or regulation of the commission  
20 shall prevail.

21 \* **Sec. 4.** AS 42.05.641 is amended by adding new subsections to read:

22 (b) A municipality that seeks to privatize a municipal refuse utility that is  
23 subject to the provisions of this chapter shall submit a proposal to the commission for  
24 review. The commission may approve the proposal if the commission finds, after  
25 consideration of whether the proposal will result in higher rates for consumers, that  
26 privatization is in the public interest. A privatization proposal must include

27 (1) a business plan that lists the prospective vendors;

28 (2) the projected cost of private operation compared to continued  
29 municipal operation for a 10-year period;

30 (3) disclosure of any potential conflicts of interest on the part of  
31 municipal officials; and

1 (4) proposed methods

2 (A) for periodically evaluating the utility's performance to  
3 avoid diminished service quality, interruption, or stoppage of work by the  
4 contractor;

5 (B) to encourage competition and productivity;

6 (C) for monitoring a contract in order to detect any contractor  
7 defaults, monitor penalties, and prepare for contract renewals or renegotiations  
8 and inflation; and

9 (D) to address municipal employee displacement.

10 (c) In this section, "privatize" means

11 (1) selling, renting, leasing, transferring, or bequeathing a certificate of  
12 public convenience and necessity obtained by a municipality to another entity; or

13 (2) subcontracting a portion of refuse collection in a particular service  
14 area to another entity.

15 \* **Sec. 5.** AS 42.05.990(6) is amended to read:

16 (6) "public utility" or "utility" includes every

17 (A) corporation whether public, cooperative, or otherwise,  
18 company, individual, or association of individuals, their lessees, trustees, or  
19 receivers appointed by a court, that owns, operates, manages, or controls any  
20 plant, pipeline, or system for

21 (i) [(A)] furnishing, by generation, transmission, or  
22 distribution, electrical service to the public for compensation;

23 (ii) [(B)] furnishing telecommunications service to the  
24 public for compensation;

25 (iii) [(C)] furnishing water, steam, or sewer service to  
26 the public for compensation;

27 (iv) [(D)] furnishing by transmission or distribution of  
28 natural or manufactured gas to the public for compensation;

29 (v) [(E)] furnishing for distribution or by distribution  
30 petroleum or petroleum products to the public for compensation when  
31 the consumer has no alternative in the choice of supplier of a

1 comparable product and service at an equal or lesser price;

2 (vi) [(F)] furnishing collection and disposal service of  
3 garbage, refuse, trash, or other waste material to the public for  
4 compensation;

5 (vii) [(G)] furnishing the service of natural gas storage  
6 to the public for compensation;

7 (viii) [(H)] furnishing the service of liquefied natural  
8 gas storage to the public for compensation;

9 **(B) plant, pipeline, or system for furnishing collection and**  
10 **disposal service of garbage, refuse, trash, or other waste material to the**  
11 **public for compensation that is owned, operated, managed, or controlled**  
12 **by a municipality;**

13 \* **Sec. 6.** AS 44.66.010(a)(3) is amended to read:

14 (3) Regulatory Commission of Alaska (AS 42.04.010) - June 30, **2030**

15 [2022];

16 \* **Sec. 7.** AS 24.20.271(11) is repealed.

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