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BY MESSRS. KAY, MCHARG,
KALLIANIEDES AND MCGUIGHEON

IN THE HOUSE

HOUSE BILL NO. 201

IN THE LEGISLATURE OF THE TERRITORY OF ALASKA

FORTY-SECOND SESSION

A BILL

For an Act entitled: "An Act to create the Public Service Commission of Alaska; defining its authority and duties; prescribing penalties; authorizing an appropriation; and declaring an emergency."

BE IT ENACTED BY THE LEGISLATURE OF THE TERRITORY OF ALASKA:

Chapter 1. ORGANIZATION OF COMMISSION.

Section 1. Public Service Commission of Alaska created--Membership. There is hereby created the Public Service Commission of Alaska which shall consist of five (5) members, one (1) from each judicial division and one (1) from the Territory at large. Said members of such commission shall be appointed by the Governor and confirmed by the legislature in joint session assembled. The member at large shall be appointed to serve a period of four (4) years, and shall be ex-officio chairman of the commission. The term of office of the remaining four (4) members shall be determined by lot at the first meeting. Two (2) members shall hold office for a period of two (2) years and two (2) for a period of four (4) years. No judicial division shall be represented for two (2) successive four (4) year terms. All members of said commission shall serve as such until their successors are duly appointed and qualified. No member of said commission whose office is created under the provisions of this

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Act or any person appointed to any position or employed in any capacity to serve said commission shall have any official or professional relationship or connection with, or hold any stock or securities or have any pecuniary interest in any public utility operating in the Territory of Alaska. Each member appointed to the public service commission of Alaska shall take and subscribe to an oath in writing that he will faithfully perform the duties of his office, and support and defend to the best of his ability the Constitution of the United States of America and the laws of the Territory of Alaska and the United States of America, and such oath shall be filed with the Secretary of Alaska.

Section 3. Definition of terms—Short title of Act. The term "public utility" as used in this Act shall mean and embrace every corporation, company, individual, association of individuals, their lessees, trustees, or receivers appointed by any court whatsoever, that now or hereafter may own, operate, manage or control any street railway or any plant or equipment within the Territory for the conveyance of telephone messages, or for the production, transmission, delivery or furnishing of heat, light, water or power, or for the furnishing of elevator or warehouse service either directly or indirectly to or for the public.

The term "street railway", as used in this Act, shall mean and embrace systems of transportation of passengers for hire within towns, cities, suburbs, and on the public and private highways and roads within the Territory of Alaska, or the environs thereof, by means of cars, busses, taxi cabs or

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p. 2, line 16: after word "corporation" insert "municipal or otherwise,"

other vehicles operated by electric or other power.

The term "rate" as used in this Act shall mean and include every individual or joint rate, fare, toll, charge, rental or other compensation of any utility or any two (2) or more such individual or joint rates, fares, tolls, charges, rentals or other compensations of any utility or any schedule or tariff thereon.

The term "service" is used in this Act in its broadest and most inclusive sense and includes not only the use or accommodation afforded consumers or patrons but also any product or commodity furnished by any public or other utility and the plant, equipment, apparatus, appliances, property and facility employed by any public or other utility in performing any service or in furnishing any product or commodity and devoted to the purposes in which such public or other utility is engaged and to the use and accommodation of the public.

The term "commission" used in this Act shall mean the public service commission of Alaska hereby created.

The term "utility" as used in this Act shall mean every plant or equipment within the Territory used for the conveyance of telephone messages, or for the production, transmission, delivery, or furnishing of heat, light, water or power or for the furnishing of elevator or warehouse service, either directly or indirectly to the public: Provided, however, that a warehouse owned or operated by any person, firm or corporation engaged in the business of operating a warehouse business for the storage of used household goods only shall not be a public utility within the meaning of this Act.

This Act shall be commonly known and referred to

as the "Public Service Commission Act."

Section 3. Counsel--Appointment--Attorney-General. The Attorney-General shall be the legal counsel for the commission and shall prosecute all cases in which the commission may be interested. He shall advise the commission in legal matters arising in the discharge of its duties and shall represent the commission in all suits to which the commission is a party.

Section 4. Duty of commission--Hearings--Authority of commission. The commission created by this Act shall in all controversial proceedings heard by it be an impartial fact-finding body and shall make its orders in such cases upon the facts impartially found by it. The commission shall in no such proceeding, during the hearing, act in the role either of a proponent or opponent on any issue to be decided by it. All evidence given in any such proceeding shall be offered on behalf of the respective parties to, or appearing in, the proceeding and not in the name or behalf of the commission itself. If in any such proceeding the public interest is not otherwise adequately represented by counsel in the opinion of the commission, it shall be the duty of the public counsellor, if requested by the commission, to make adequate preparation for the presentation of the interest of the public in such proceeding and he shall at the hearing represent the public interests therein involved: Provided, however, That nothing in this section contained shall prevent the public service commission of Alaska from instituting, proceeding, hearing or determining any investigation or proceeding which it is authorized to do, or make, on its own motion by any law with the administration of which it is charged.

Section 5. Additional duties--Study of laws and practices of

P. 4, line 20: strike words "public counselor" and insert words "Attorney General"

certain utilities--Recommendations to Legislature--Hearings. In addition to all other powers and duties conferred in this Act upon the public service commission of Alaska, said commission shall have the following further additional and new duties: To make a careful study of all laws with the administration of which it is charged, and of the practices of public utilities, and of motor vehicle carriers, and to make a special written report thereon and of any recommendations it may have thereon, and shall file copies thereof both with the Speaker of the House of Representatives and the President of the Senate at the opening of the 23rd regular session of the Legislature of the Territory of Alaska, and shall also file a copy of such report with the Governor not less than ten (10) days prior to the opening of said session of the Legislature. To assist said commission in making such study it is hereby authorized to prepare and submit questionnaires to public utilities and to motor vehicle carriers calling for information relevant to such study, and it may hold hearings for that purpose and may issue subpoenas to witnesses commanding their attendance at such hearings, and said commission is hereby authorized to examine or cause to be examined, the books and records of any public utility or motor vehicle carrier in connection with such study.

Section 6. Publishing notices--Newspapers--Notice of hearings--Failure to mail notices--Right to publish notices. Whenever the public service commission of Alaska shall order a hearing in any proceeding instituted by or against any public utility or a motor vehicle carrier, notice of such hearing shall be given by one (1) publication appearing not less than ten (10) days

prior to the date fixed for said hearing in a newspaper of general circulation published in the division wherein resides patrons or customers of said public utility or motor vehicle carrier who might be affected by an order made by the commission pursuant to said hearing. In addition to such published notice, said commission shall mail notice of such hearing, also notice of the filing with it of applications or proceedings to such persons, firms or corporations having competitive interests involved and to the representatives of any city or town affected by such hearing, application or proceeding; Provided, That failure to mail such notices shall not be deemed to be jurisdictional, but may be ground for rehearing.

Section 7. Order of commission--Suggested order--Mailing to parties--Exceptions. In every case where any law to be administered by the commission created by this Act provides that a party to a proceeding before the commission shall have a time in which to file written exceptions to a suggested order before the same may become the final order of the commission, it shall be the duty of the commission to promptly mail to each party having such right a copy of such suggested order, and the time for filing such exceptions as provided by law shall in each case commence to run on the day of mailing of such copy of such suggested order.

Section 8. Pending actions or proceedings--Duty of commission. This Act shall not affect pending actions or proceedings brought by or against the people of the Territory of Alaska or the public service commission, or by any other person, firm or corporation, under the provisions of the acts establishing or conferring power upon the public service commission but the same may be prosecuted

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and defended with the same effect as though this Act had not been passed except the same shall be continued and carried on by the public service commission of Alaska.

Section 8. Authority to employ assistants--Compensation. The commission is authorized to employ such engineers, examiners, experts, clerks, accountants and other assistants as it may deem necessary, at such rates of compensation as it may determine upon, subject, however, to the approval of the Governor.

Chapter 2. SERVICE, VALUATION, ACCOUNTS AND RATES.

Section 1. Service and facilities required--Rates--Regional units for rate making--Act construed. Every public utility is required to furnish reasonably adequate service and facilities. The charge made by any public utility for any service rendered or to be rendered either directly or in connection therewith shall be reasonable and just, and every unjust or unreasonable charge for such service is prohibited and declared unlawful. The commission, in order to expedite the determination of rate questions, or to avoid unnecessary and unreasonable expense, or to avoid discrimination in rates between classes of customers, or, whenever in the judgment of the commission public interest so requires, may, for rate making and accounting purposes or either of them, consider a single municipality and/or two more municipalities and/or the adjacent and/or intervening rural territory as a regional unit where the same utility serves such region, and may within such region prescribe uniform rates for consumers or patrons of the same class. Nothing in this Act contained shall authorize any public utility during the remainder of the term of any grant or franchise under which it may be acting at the time this Act takes effect to charge for any service,

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in such grant or franchise contracted, exceeding the maximum rate or rates therefor, if any, that may be fixed in such grant or franchise.

Section 2. Facilities and equipment--Use by other utilities--Compensation for--Public convenience and necessity--Orders of public service commission. (a) Every public utility, and every municipality, and every person, association or corporation having tracks, conduits, subways, poles or other equipment on, over or under any street or highway shall for a reasonable compensation, permit the use of the same by any other public utility or by a municipality owning or operating a utility, whenever public convenience and necessity require such use, and such use will not result in irreparable injury to the owner or other users of such equipment, nor in any substantial detriment to the service to be rendered by such owners or other users. Every public utility for the conveyance of telephone messages shall permit a physical connection or connections to be made and telephone service to be furnished, between any telephone system operated by it, and the telephone toll line operated by another such public utility or between its toll line and the telephone system of another such public utility, or between its toll line and the toll line of another such public utility, or between its telephone system and the telephone system of another such public utility, whenever public convenience and necessity require such physical connection or connections and such physical connection or connections will not result in irreparable injury to the owner or other users of the facilities of such public utilities, nor in any substantial detriment to the service to be rendered by such public utilities. If any respective consumers or patrons of any public utility

for the production, transmission, delivery or furnishing of light or power living in territory outside of cities and towns, and within not to exceed one-half of one (1) mile of the transmission line of such utility, shall agree to and shall construct and install the necessary equipment, in compliance with plans and specifications prescribed by such utility, such public utility shall permit the necessary physical connection or connections to be made and service to be furnished to the person or persons who have constructed and installed such equipment. The term "physical connection" as used in this section, shall mean such number of trunk lines or complete wire circuits and connections as may be required to furnish reasonably adequate telephone service between such public utilities.

(b) In case of failure to agree upon such use or the conditions or compensation for such use, or in case of failure to agree upon such physical connection or connections, or the terms and conditions upon which the same shall be made, any public utility or any person, association or corporation interested may apply to the commission and if after investigation the commission shall ascertain that public convenience and necessity require such use or such physical connections, and that such use or such physical connection or connections would not result in irreparable injury to the owner or other users of such equipment or of the facilities of such public utilities, nor in any substantial detriment to the service to be rendered by such owner or other public utilities or other users of such equipment or facilities, it shall by order direct that such use be permitted and prescribe reasonable conditions and compensations for such joint use and that such physical connection or connections be made and deter-

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mine how and within what time such connection or connections shall be made, and by whom the expense of making and maintaining such connection or connections shall be paid.

(c) Such use so ordered shall be permitted and such physical connection or connections so ordered shall be made and such conditions and compensation so prescribed for such use, and such terms and conditions upon which such physical connection or connections shall be made, as so determined, shall be lawful conditions and compensations for such use, and the lawful terms and conditions upon which such physical connection or connections shall be made, to be observed, followed and paid, subject to recourse to the courts upon the complaint of any interested party.

Section 3. Valuation of assets--Considerations--Appeal to District Court--Appeal to U. S. Court of Appeals--Rates pending appeals. (a) The commission shall value all property of every public utility actually used and useful for the convenience of the public at its fair value, giving such consideration as it deems appropriate in each case to all bases of valuation which may be presented or which the commission is authorized to consider by the following provisions of this section. As one of the elements in such valuation the commission shall give weight to the reasonable cost of bringing the property to its then state of efficiency. In making such valuation, the commission may avail itself of any information in possession of the board of tax commissioners or of any local authorities.

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(b) The lands of such public utility shall not be valued at a greater amount than the assessed value of said lands exclusive of improvements as valued for taxation. In making such valuation no account shall be taken of presumptive value resting on natural resources independent of any structures in relation thereto, the natural resource itself shall be viewed as the public's property. No account shall be taken of good will for presumptive values growing out of the operation of any utility as a going concern, all such values to rest with the municipality by reason of the special and exclusive grants given such utility enterprises. No account shall be taken of construction costs unless such costs were actually incurred and paid as part of the cost entering into the construction of the utility. All public utility valuations shall be based upon tangible property, that is, such property as has value by reason of construction costs, either in materials purchased or in assembling of materials into structures by the labor or of workers and the services of superintendents, including engineers, legal and court costs, accounting systems and transportation costs, and also including insurance and interest charges on capital accounts during the construction period. As an element in determining value the commission may also take into account reproduction costs at current prices, less depreciation, based on the items set forth in the first sentence hereof and shall not include good will, going value, or natural resources.

Any single municipality or any ten (10) consumers or any utility affected by a rate order may within thirty (30) days from the promulgation thereof by the commission take an appeal de novo to the U. S. District Court of the division in which the

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utility is located. Such appeal shall be filed with the clerk of the court, and when filed shall have precedence upon the calendar of said court to be tried without a jury. From a judgment of the District court on appeal in such cases shall lie to the U. S. Court of Appeals.

Deciding the appeals as in this section provided, the utility affected by an order or judgment of the commission shall have the right to collect the rate as fixed by said order or judgment or at the old rate, whichever is higher in amount, and shall refund the same to the consumer if such difference be not sustained finally.

Section 4. Notice and Hearing. Before final determination of such value, the commission shall, after notice to the public utility, hold a public hearing as to such valuation in the manner prescribed for a hearing as hereinafter provided.

Section 5. Expenses of valuation--Payment--Rate increase. The commission, within five (5) days after any such valuation is determined, shall deliver a written statement thereof to the public utility interested and a copy thereof to the clerk of each municipality in which any part of the plant or equipment of such utility is located. In such statement, the commission shall declare and fix the reasonable and necessary expenses incurred by it in making such valuation, and, within twenty (20) days thereafter, the utility shall pay into the treasury of the Territory the amount of the expenses so declared and fixed.

The commission shall not make any order, based on any such valuation, increasing any rate of any public utility until such expenses have been paid. All such moneys paid into the treasury of the Territory are hereby appropriated to the public service

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commission to defray its expenses.

Section 6. Revaluation. The commission may, at any time, on its own initiative, make a revaluation of such property.

Section 7. Accounts of business--System. Every public utility shall keep and render to the commission, in the manner and form prescribed by the commission, uniform accounts of all business transacted. In formulating a system of accounting for any class of public utilities, the commission shall consider any system of accounting established by any federal law, commission or department and any system authorized by a national association of such utilities.

Section 8. Subsidiary business--Accounts. Every public utility engaged, directly or indirectly, in any other or subsidiary business shall, if ordered by the commission, keep and render separately to the commission, in like manner and form, the accounts of all such business, in which case, all the provisions of this Act shall apply with like force and effect to the books, accounts, papers and records of such other business: Provided, Every public utility may, with the consent of the commission and the proper local authorities, furnish to all patrons or persons applying therefor any service, product or commodity which it creates as a necessary incident and subsidiary to its main or primary business. No such consent shall be granted except as provided hereinafter and every such subsidiary business shall be subject to all the provisions of this Act.

Section 9. Forms of books and accounts. The commission shall prescribe the forms of all books, accounts, papers and records required to be kept, and every public utility is required to keep and render its books, accounts, papers and records

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accurately and faithfully in the manner and form prescribed by the commission and to comply with all directions of the commission relating to such books, accounts, papers and records.

Section 10. Blanks furnished. The commission shall cause to be prepared suitable blanks for carrying out the purpose of this Act and shall, when necessary, furnish such blanks to each public utility.

Section 11. Books prescribed by commission. No public utility shall keep any other books, accounts, papers or records of the business transacted than those prescribed or approved by the commission, unless required by other public authority.

Section 12. Closing accounts--Date. The accounts shall be closed annually on the thirty-first day of December, and a balance sheet of that date promptly taken therefrom. On or before the tenth day of March following such balance sheet, together with such other information as the commission shall prescribe, verified by an officer of the public utility, shall be filed with the commission.

Section 13. Auditing accounts. The commission shall provide for the examination and audit of all accounts, and all items shall be allocated to the accounts in the manner prescribed by the commission.

Section 14. Agents and examiners--Authority. The agents, accountants or examiners employed by the commission shall have authority, under the direction of the commission, to inspect and examine any and all books, accounts, papers, records and memoranda kept by such public utility.

Section 15. Depreciation account and rates. Every public utility shall carry a separate, proper and adequate depreciation

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account whenever the commission, after investigation, shall determine that such depreciation account reasonably can be required. The commission, from time to time, shall ascertain and determine the proper and adequate rates of depreciation of the several classes of property of each public utility. The rates, tolls and charges shall be such as will provide the amounts required over and above the reasonable and necessary operating expenses to maintain such property in an operating state of efficiency commensurate to the progress of the industry. Each public utility shall conform its depreciation accounts to such rates, as ascertained and determined by the commission. The commission shall make changes in such rates of depreciation, from time to time, as it may find necessary.

Section 16. Rules of depreciation. The commission shall also prescribe rules, regulations and forms of accounts regarding such depreciation, which the public utility is required to carry into effect.

Section 17. Rates--Depreciation. The commission shall provide for such depreciation in fixing the rates, tolls and charges to be paid by the public.

Section 18. Depreciation fund--Use and investment. All money thus provided shall be set aside out of the earnings and carried in a separate depreciation fund. The money in this fund shall be applied first to depreciation expenses. Any balance in the fund, not applied to depreciation expenses, may be invested by the public utility or expended temporarily by it for new construction, extensions or additions to its utility property. This fund shall be used for no other purpose. If invested, the income from the investment shall be carried into and become a

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1 part of the depreciation fund. Any balance, not applied to
2 depreciation expenses, shall always remain a part of the depre-
3 ciation fund. In no event shall moneys, temporarily expended
4 from this fund for new construction, extensions or additions to
5 the property, be carried into or considered a part of the
6 capital account of such public utility. Upon the sale of any
7 public utility property, to continue in operation as such, the
8 balance in the depreciation fund, unexpended for depreciation
9 expenses, shall be transferred to the purchaser and by the
10 purchaser shall be held, administered and used as herein author-
11 ized and required.
12 Section 10. Additions and expansions--Duty of commission--
13 Approval required. The commission shall keep itself informed
14 of all new construction, extensions and additions to the
15 property of such public utility and shall prescribe the necessary
16 forms, regulations and instructions to the officers and employees
17 of such public utility for the keeping of construction and
18 accounts which shall clearly distinguish all operating expenses
19 and new construction. Unless a public utility shall obtain
20 the approval by the commission of any expenditure exceeding ten
21 thousand dollars ($10,000) for an extension, construction, addi-
22 tion or improvement of its plant and equipment, the commission
23 shall not, in any proceeding involving the rates of such
24 utility, consider the property acquired by such expenditures as
25 a part of the rate base, unless in such proceeding the utility
26 shall show that such property is in fact used and useful in the
27 public service; Provided, that the commission in its discretion
28 may authorize the expenditure for such purpose of a less amount
29 than shown in such estimate.

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Section 20. Distribution--Surplus--Profits. Nothing in this Act shall be taken to prohibit a public utility from entering into any reasonable arrangement with its customers or consumers, or with its employees, or with any municipality in which any of its property is located, for the division or distribution of its surplus profits, or providing for a sliding scale of charges or other financial device that may be practicable and advantageous to the parties interested. No such arrangement or device shall be lawful until it shall be found by the commission after investigation, to be reasonable and just and not inconsistent with the purpose of this Act. Such arrangement shall be under the supervision and regulation of the commission.

Section 21. Determination of rates. The commission shall ascertain, determine and order such rates, charges and regulations as may be necessary to give effect to such arrangement, but the right and power to make such other and further changes in rates, charges and regulations as the commission may ascertain and determine to be necessary and reasonable, and the right to revoke its approval and amend or rescind all orders relative thereto, is reserved and vested in the commission, notwithstanding any such arrangement and mutual agreement.

Chapter 3. REPORTS, HEARINGS, RATE SCHEDULES, CLASSIFIED ACCOUNTS.

Section 1. Itemized expenses per unit. Each public utility shall furnish to the commission in such form and at such time as the commission shall require, such accounts, reports and information as will show in itemized detail: (1) The depreciation per unit, (2) the salaries and wages separately per unit, (3) legal expenses per unit, (4) taxes and rentals separately per

unit, (5) the quantity and value of material used per unit, (6) the receipts from residuals, by-products, services or other sales, separately per unit, (7) the total and net cost per unit, (8) the gross and net profit per unit, (9) the dividends and interest per unit, (10) surplus or reserve per unit, (11) the prices per unit paid by consumer, and, in addition, such other items, whether of a nature similar to those hereinbefore enumerated or otherwise, as the commission may prescribe, in order to show completely and in detail the entire operation of the public utility in furnishing the unit of its product or service for the public.

Section 2. Annual reports of commission. The commission shall publish annual reports showing its proceedings and showing in tabular form the details per unit as provided in Section 1 of this Chapter for all the public utilities of each kind in the Territory and such monthly or occasional reports as it may deem advisable.

Section 3. Reports of values. The commission shall also publish in its annual reports the value of all the property actually used and useful for the convenience of the public, and the value of the physical property actually used and useful for the convenience of the public, of every public utility the value of whose property has been ascertained by it.

Section 4. Books open to inspection. All facts and information in the possession of the commission shall be public and all reports, files, books, accounts, papers and memoranda of every nature whatsoever in their possession shall be open to inspection by the public at all reasonable times, except as provided in Section 5 of this Chapter.

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Section 5. Facts when withheld. Whenever the commission shall determine it to be necessary, in the interest of the public, to withhold from the public any facts or information in its possession, such facts may be withheld for such period after the acquisition thereof, not exceeding ninety (90) days, as the commission may determine.

Section 6. Time facts withheld. No facts or information shall be withheld by the commission from the public for a longer period than ninety (90) days nor be so withheld for any reason whatsoever other than the interest of the public.

Section 7. Standard units. The commission shall ascertain and prescribe for each kind of public utility suitable and convenient standard commercial units of product or service. These shall be lawful units for the purpose of this Act.

Section 8. Standards for measurement. The commission shall ascertain and fix adequate and serviceable standards for the measurement of quality, pressure, initial voltage, or other conditions pertaining to the supply of the product or service rendered by any public utility and prescribe reasonable regulations for examinations and testing of such product or service and for the measurement thereof.

Section 9. Accuracy of meters--Rules. The commission shall establish reasonable rules, regulations, specifications and standards to secure the accuracy of all meters and appliances for measurements, and every public utility is required to carry into effect all orders issued by the commission relative thereto.

Section 10. Testing of appliances. The commission shall provide for the examination and testing of any and all appliances used for the measuring of any product or service of a public

utility. Any consumer or user may have any such appliance tested upon payment of the fees fixed by the commission. The commission shall declare and establish reasonable fees to be paid for testing such appliances on the request of the consumers or users, the fee to be paid by the consumer or user at the time of his request, but to be paid by the public utility and repaid to the consumer or user if the appliance or rate be found unreasonably defective or incorrect to the disadvantage of the consumer or user.

Section 11. Purchase of instruments. The commission may purchase such material, apparatus and standard measuring instruments for such examinations and tests as it may deem necessary.

Section 12. Power to enter premises. The commission, its agents, experts or examiners shall have power to enter upon any premises occupied by any public utility for the purpose of making the examinations and tests provided in this Act and to set up and use on such premises any apparatus and appliances and occupy reasonable space therefor.

Section 13. Schedule of rates for public. Every public utility shall file with the commission, within a time fixed by the commission, schedules, which shall be open to public inspection, showing all rates, tolls and charges which it has established and which are enforced at the time for any service performed by it within the state, or for any service in connection therewith, or performed by any public utility controlled or operated by it.

Section 14. Regulations affecting rates--Filing. Every public utility shall file, with and as a part of such schedule, all rules and regulations that in any manner affect the rates

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charged or to be charged for any service.

Section 15. Printing of schedule. A copy of so much of said schedule as the commission shall deem necessary for the use of the public shall be printed in plain type, and kept on file in every station or office of such public utility where payments are made by the consumers or users, open to the public in such form and place as to be readily accessible to the public and so can be conveniently inspected.

Section 16. Joint rates, printing. Where a schedule of joint rates or charges is or may be in force between two (2) or more public utilities, such schedules shall, in like manner, be printed and filed with the commission and so much thereof as the commission shall deem necessary for the use of the public shall be filed in every such station or office as provided in Sections 15 and 16 of this chapter.

Section 17. Change of rates, how made. No change shall thereafter be made in any schedule, including schedules of joint rates, except upon thirty (30) days' notice to the commission and approval by the commission and all such changes shall be plainly indicated upon existing schedules or by filing new schedules in lieu thereof thirty (30) days prior to the time the same are to take effect; Provided, That the commission, upon application of any public utility, may prescribe a less time within which a reduction may be made.

Section 18. Filing copies of schedules. Copies of all new schedules shall be filed as hereinbefore provided in every station or office of such public utility where payments are made by consumers or users ten (10) days prior to the time the same are to take effect, unless the commission shall prescribe a less

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time.

Section 19. Rates varying from schedule unlawful. It shall be unlawful for any public utility to charge, demand, collect or receive a greater or less compensation for any service performed by it within the territory, or for any service in connection therewith, than is specified in such printed schedules, including schedules of joint rates, as may at the time be in force, or to demand, collect or receive any rates, tolls or charges not specified in such schedule. The rates, tolls and charges named therein shall be the lawful rates, tolls and charges unless the same are changed as provided in this Act.

Section 20. Hospitals--Free service. Any public utility operating in any city or town, and any city or town in this state which owns or operates or which may hereafter own or operate any public utility, is hereby authorized, with the consent of the public service commission, to furnish utility service, free of charge, to any hospital located within such city or town or immediately adjacent thereto which accepts and cares for charity patients.

Section 21. Forms changed. The commission may prescribe such changes in the form in which the schedules are issued by any public utility as may be found to be expedient.

Section 22. Classified service. The commission shall provide for a comprehensive classification of such service for each public utility and such classification may take into account the quantity used, the time then used, the purpose for which used and other reasonable consideration. Each public utility is required to conform its schedules of rates, tolls and charges to such classification.

P. 23, line 13: change "state" to "Territory"

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Chapter 4. EXAMINATIONS, INVESTIGATIONS, PROCEDURE, ORDERS

Section 1. Tests and inspections—Rules. The commission shall have power to adopt reasonable and proper rules and regulations relative to all inspections, tests, audits and investigations, and to adopt and publish reasonable and proper rules to govern its proceedings, and to regulate the mode and manner of all investigations of public utilities and other parties before it.

Section 2. Management of business—Compensation of officers and employees—Not to be considered in fixing of rates when found excessive. The commission shall inquire into the management of the business of all public utilities, and shall keep itself informed as to the manner and method in which the same is conducted and shall have the right to obtain from any public utility all necessary information to enable the commission to perform its duties. If, in its inquiry into the management of any public utility, the commission finds that the amount paid for the services of its officers, employees, or any of them, is excessive, or that the number of officers or persons employed by such utility is not justified by the actual needs of the utility, or that any other item of expense is being incurred by the utility which is either unnecessary or excessive, the commission shall designate such item or items, and such item or items so designated, or such parts thereof as the commission may deem unnecessary or excessive, shall not be taken into consideration in determining and fixing the rates which such utility is permitted to charge for the service which it renders.

Section 3. Examination of books and officials—Substantial interest of stockholder—Affiliated interests—Contracts with

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affiliates—Annual reports—Statements from other sources. The commission or any commissioner when authorized by the commission or any person or persons employed by the commission for that purpose, shall upon demand have the right to inspect the books, accounts, papers, records and memoranda of any public utility and to examine, under oath, any officer, agent or employee of such public utility in relation to its business and affairs. Any person other than one of said commissioners who shall make such demand shall produce his authority to make such inspection.

Section 4. Production of books—Notice—Service. The commission may require, by order or subpoena to be served on any public utility in the same manner that a summons is served in a civil action in the District Court, the production, within the Territory, at such time and place as it may designate, of any books, accounts, papers, or records kept by said public utility in any office or place without the Territory of Alaska, or verified copies in lieu thereof, if the commission shall so order, in order that an examination thereof may be made by the commission or under its direction. Any public utility failing or refusing, after reasonable written notice, to comply with any such order or subpoena shall, for each day it shall so fail or refuse, forfeit and pay into the treasury a sum of not less than fifty dollars ($50.00).

Section 5. Agents—Appointment—Powers. For the purpose of making any investigation with regard to any public utility, the commission shall have power to appoint, by an order in writing, an agent, whose duties shall be prescribed in such order. In the discharge of his duties, such agent shall have every power whatsoever of an inquisitorial nature granted in this Act to the

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commission. The commission may conduct any number of such investigations contemporaneously through different agents; and may delegate to such agent the taking of all testimony bearing upon any investigation or hearing. The decision of the commission shall be based upon its examination of all testimony and records. The recommendations made by such agents shall be advisory only, and shall not preclude the taking of further testimony if the commission so orders, nor further investigation.

Section 6. Information to be furnished. Every public utility shall furnish to the commission all information required by it to carry into effect the provisions of this Act, and shall make specific answers to all questions submitted by the commission.

Section 7. Complaints—Investigation and hearing. Upon a complaint made against any public utility by any mercantile, agricultural or manufacturing society or by any body politic or municipal organization or by ten (10) persons, firms, corporations or associations, or ten (10) complainants of all or any of the aforementioned classes, or by any public utility, that any of the rates, tolls, charges or schedules or any joint rate or rates in which such petitioner is directly interested are in any respect unreasonable or unjustly discriminatory, or that any regulation, measurement, practice or act whatsoever affecting or relating to the service of any public utility, or any service in connection therewith, is in any respect unreasonable, unsafe, insufficient or unjustly discriminatory, or that any service is inadequate or can not be obtained, the commission shall proceed, with or without notice, to make such investigation as it may deem necessary or convenient. But no order affecting said rates, tolls, charges, schedules, regulations, measurements, practice

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or act, complained of, shall be entered by the commission without a formal public hearing.

Section 9. Notice of complaint--Time for hearing. The commission shall, prior to such formal hearing, notify the public utility complained of that a complaint has been made, and ten (10) days after such notice has been given, the commission may proceed to set a time and place for a hearing and an investigation as hereinafter provided.

Section 9. Ten days' notice of hearing. The commission shall give the public utility and the complainant, if any, ten (10) days' notice of the time and place when and where such hearing and investigation will be held and such matters considered and determined. Both the public utility and complainant shall be entitled to be heard and shall have process to enforce the attendance of witnesses.

Section 10. Separate hearing. The commission may, in its discretion, when complaint is made of more than one (1) rate or charge, order separate hearings thereon, and may consider and determine the several matters complained of separately and at such times as it may prescribe. No complaint shall at any time be dismissed because of the absence of direct damage to the complainant.

Section 11. Unreasonable rates--Investigation. Whenever the commission shall believe that any rate or charge may be unreasonable or unjustly discriminatory or that any service is inadequate, or cannot be obtained, or that an investigation of any matters relating to any public utility should for any reason be made, it may, on its motion, summarily investigate the same, with or without notice.

Section 12. Hearing ordered--Statement--Notice. If, after making such investigation, the commission becomes satisfied that sufficient grounds exist to warrant a formal hearing being ordered as to the matters so investigated, it shall furnish such public utility interested a statement notifying the public utility of the matters under investigation. Ten (10) days after such notice has been given, the commission may proceed to set a time and place for a hearing and an investigation, as hereinbefore provided.

Section 13. Notice of hearing--Practice. Notice of the time and place for such hearing shall be given to the public utility and to such other interested person as the commission shall deem necessary, as provided in Section 9 of this Chapter, and thereafter proceedings shall be had and conducted in reference to the matter investigated in like manner as though complaint had been filed with the commission relative to the matter investigated, and the same order or orders may be made in reference thereto as if such investigation had been made on complaint.

Section 14. Complaint by public utility. Any public utility may make complaint as to any matter affecting its own rates or service with like effect as though made by any mercantile, agricultural or manufacturing society, body politic or municipal organization or by ten (10) persons, firms, corporations or associations.

Section 15. Oaths--Subpoenas--Disobeying orders. Each of the commissioners and every agent provided for in this Act shall have power to administer oaths, certify to official acts, issue subpoenas, compel the attendance of witnesses and the production of books, accounts, papers, records, documents and testimony.

In case of disobedience on the part of any person or persons to comply with any order of the commission or any commissioner or any subpoena, or on the refusal of any witness to testify to any matter regarding which he may be lawfully interrogated before the commission, or its authorized agent, it shall be the duty of the district court or the judge thereof, on application of a commissioner, to compel the obedience to the requirements of a subpoena issued from such court or a refusal to testify therein.

Section 10. Witnesses' fees and mileage--Limitation on expenditures. Each witness who shall appear before the commission or its agent by its order, shall receive for his attendance the fees and mileage now provided for witnesses in civil cases in courts of record which shall be audited and paid by the Territory, in the same manner as other expenses are audited and paid, upon the presentation of proper vouchers sworn to by such witnesses and approved by the chairman of the commission. No witnesses subpoenaed at the instance of parties other than the commission shall be entitled to compensation from the Territory for attendance or travel unless the commission shall certify that his testimony was material to the matter investigated; Provided, That the commission shall have power to pass upon, approve and limit the expenditures of a public utility in connection with a rate case which are to be charged against the rate base and to be amortized over a period of years as determined by the commission; it being the intent and purpose to prevent excessive expenditures by the utilities for expert witnesses, legal and stenographic expenses in rate hearings and appraisals.

Section 17. Depositions. The commission, or any party, may, in any investigation, cause the depositions of witnesses resid-

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ing without the territory to be taken in the manner prescribed by law for like depositions in civil actions in district courts.

Section 18. Record of proceedings. A record shall be kept of all proceedings had before the commission or its agent or any formal investigation had and all testimony shall be taken down by the stenographer appointed by the commission.

Section 19. Action against commission, transcript. Whenever any action is commenced against the commission under the provisions of this chapter, the commission shall, before said action is reached for trial, cause a certified transcript of all proceedings had and testimony taken upon such investigation to be filed with the clerk of the district court of the division where the action is pending.

Section 20. Transcript--Contents--Certificate. A transcript copy of the evidence and proceedings, or any specific part thereof, on any investigation, taken by the stenographer appointed by the commission, being certified under oath by such stenographer to be a true and correct transcript of all the testimony on the investigation, of a particular witness or of other specific part thereof, carefully prepared by him from his original notes, and to be a correct statement of the evidence and proceedings had on such investigations so purporting to be taken and transcribed, shall be received in evidence with the same effect as if such reporter were present and testified to the fact so certified.

Section 21. Copies of transcript furnished. A copy of such transcript shall be furnished on terms fixed by the commission to any party to such investigation.

Section 22. Unjust rates--Orders. Whenever, upon an investigation, the commission shall find any rates, tolls, charges,

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schedules or joint rate or rates, to be unjust, unreasonable, insufficient or unjustly discriminatory, or to be preferential or otherwise in violation of any of the provisions of this Act, the commission shall determine, and by order fix just and reasonable rates, tolls, charges, schedules or joint rates to be imposed, observed and followed in the future in lieu of those found to be unjust, unreasonable, insufficient or unjustly discriminatory or preferential or otherwise in violation of any of the provisions of this Act.

Section 23. Inadequate service--Orders. Whenever, upon investigation made under the provisions of this Act, the commission shall find any regulations, measurements, practices, acts or service to be unjust, unreasonable, unwholesome, unsanitary, unsafe, insufficient, preferential, unjustly discriminatory or otherwise in violation of any of the provisions of this Act; or shall find that any service is inadequate or that any service which can be reasonably demanded can not be obtained, the commission shall determine and declare and by order fix just and reasonable measurements, regulations, acts, practices or service to be furnished, imposed, observed and followed in the future in lieu of those found to be unjust, unreasonable, unwholesome, unsanitary, unsafe, insufficent, preferential, unjustly discriminatory, inadequate, or otherwise in violation of this Act, as the case may be, and shall make such other order respecting such measurement, regulation, act, practice or service as shall be just and reasonable.

Section 24. Expenses of investigations--Payment by utility. In its order upon any investigation, made under the provisions of this Act, either upon complaint against any public utility, or

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upon the petition of any such public utility or upon the initiation of the commission, the commission shall ascertain and decide the expenses incurred by it upon such investigation, and the public utility affected thereby shall pay into the treasury of the Territory the amount of the expenses, so ascertained and declared, within a time to be fixed in the order, not exceeding twenty (20) days from the date thereof. The commission shall cause a certified copy of all such orders to be delivered to an officer or agent of the public utility affected thereby, and all such orders shall, of their own force, take effect and become operative twenty (20) days after service thereof unless a different time be provided in said order; Provided, That so much of any order of the commission as may increase any rate of such public utility shall not take effect until such expenses are paid into the treasury. All such moneys paid into the treasury of the Territory are hereby appropriated to the public service commission to defray its expenses.

Section 25. Change of schedule to comply with order. All public utilities to which the order applies shall make such changes in their schedule on file as may be necessary to make the same conform to said order, and no change shall thereafter be made by any public utility in any such rates, tolls, or charges, or any joint rate or rates, without the approval of the commission. Certified copies of all other orders of the commission shall be delivered to the public utility affected thereby in like manner and the same shall take effect within such time thereafter as the commission shall prescribe.

Section 26. Rescinding orders, notice. The commission may, at any time, upon notice to the public utility and after opper-

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tunity to be heard as provided herein, rescind, alter or amend any order fixing any rate or rates, tolls, charges or schedules, or any other order made by the commission, and certified copies of the same shall be served and take effect as herein provided for original orders.

Section 27. Rates in force prima facie lawful. All rates, tolls, charges, schedules and joint rates fixed by the commission shall be in force and be prima facie lawful, and all regulations, practices and services prescribed by the commission shall be in force and shall be prima facie reasonable unless finally found otherwise in an action brought for that purpose pursuant to the provisions of this chapter.

Section 28. Actions to vacate or enjoin enforcement of orders. Any person, firm, association, corporation, city, town or public utility adversely affected by any decision, ruling, order, determination, requirement or direction of the public service commission may commence an action in the district court of any judicial division in which that portion of the utility which is the subject-matter of the procedure before the public service commission operates or seeks to operate, against the commission to vacate or set aside or enjoin the enforcement of any such decision, ruling, order, determination, requirement or direction, on the ground that the same is insufficient, unreasonable, unlawful, or procured by fraud or other unlawful methods.

Section 29. Actions to vacate or enjoin—When shall be commenced. Every such action shall be commenced within sixty (60) days after the entry or rendition by the public service commission of such decision, ruling, order, determination, re-

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quirement or direction complained of; Provided, That if a rehearing by the commission has been petitioned for, the right to commence such action as is here provided for shall terminate thirty (30) days after the determination by the commission of such petition for rehearing; Provided, further, That whatever court, having jurisdiction, first acquires jurisdiction shall retain the case to the exclusion of all other courts of concurrent jurisdiction. The word "order" as used herein shall include any final order, decision, ruling, determination, requirement or direction made by the public service commission upon any matter within its jurisdiction.

Section 20. Actions to vacate or enjoin.—Service of complaint and process—Notices. In every such action a copy of the complaint shall be served upon the public service commission with the summons, and the public service commission shall plead to said complaint within twenty (20) days after service of summons. Immediately upon service of summons the public service commission shall cause written notice, containing all the essential information contained in the summons, to be mailed to all parties who appeared, either in person or by attorney, before the commission during any part of the hearing or consideration of the matter complained of; Provided, That the mailing of such notice to any attorney shall be deemed notice to all parties for whom he appeared.

Section 21. Actions to vacate or enjoin—Additional parties. Whenever any person, firm, association, corporation, city, town or public utility, shall file in any such action, at any time before judgment, a written motion to be made a party, either plaintiff or defendant, and which motion alleges facts showing

that the party filing the same has any interest in the determination of the action, such person, firm, association, corporation, city, town or public utility shall be thereupon made a party plaintiff or defendant as its interest appears, and it shall thereafter have all the rights of any party to such action, including the right to appeal.

Section 32. Actions to vacate or enjoin--Transcript of commission record to be received in evidence. Upon service of summons in any such action the public service commission shall forthwith cause to be made a complete transcript of all the pleadings, evidence and entries filed, introduced, and made with, before, and by the public service commission in the proceeding complained of in such action, and such transcript shall be received in evidence in such action, when offered by any party thereto.

Section 33. Actions to vacate or enjoin--Precedence over other civil actions. All such actions shall have precedence over any civil cases of a different nature pending in any such court, and the same shall be tried and determined as other civil actions except as otherwise herein provided.

Section 34. Actions to vacate or enjoin--Notice and hearing required. No injunction shall issue in any such action suspending or staying any order of the commission except after notice to the commission and hearing.

Section 35. Burden of proof. In all trials, actions and proceedings arising under the provisions of this Act or growing out of the exercise of the authority and powers granted herein to the commission, the burden of proof shall be upon the party adverse to such commission or seeking to set aside any deter-

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mination, requirement, direction or order of said commission, to show that the determination, requirement, direction or order of the commission complained of is unreasonable or unlawful, as the case may be.

Section 30. Rules and practice—Fees of officers. In all actions and proceedings in court arising under this Act, all processes shall be served and the practice and rules of evidence shall be the same as in civil actions, except as otherwise herein provided. Every U. S. Marshal or other officer empowered to execute civil processes shall execute any process issued under the provisions of this Act, and shall receive such compensation therefor as may be prescribed by law for similar services.

Chapter 5. REGULATIONS TO HAVE EFFECT OF LAW.

All rules and regulations promulgated by the public service commission of Alaska shall have the force and effect of law.

Chapter 6. APPROPRIATION CLAUSE.

There is hereby authorized by the Legislature of the Territory of Alaska to be paid out of the general fund in the Territory of Alaska such moneys as may be deemed necessary for the efficient carrying out of this Act and the duties of this commission.

Chapter 7. SEPARABILITY CLAUSE.

If any provision of this Act, or the application thereof to any person or circumstance, is held invalid, the remainder of this Act, and the application of such provision to other persons or circumstances, shall not be affected thereby.

Chapter 8. EMERGENCY CLAUSE.

An emergency is hereby declared to exist and this Act shall take effect immediately upon its passage and approval.

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