

Introduced: 3/6/63
Referred: Commerce
and Local Government

1 IN THE HOUSE

RULES COMMITTEE
BY REQUEST OF THE GOVERNOR

2 HOUSE BILL NO. 158

3 IN THE LEGISLATURE OF THE STATE OF ALASKA

4 THIRD LEGISLATURE - FIRST SESSION

5 A BILL

6 For an Act entitled: "An Act relating to the regulation of
7 public utilities."

8 BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF ALASKA:

9 * Section 1. AS 42 is amended by adding a new chapter to read:

10 CHAPTER 2. PUBLIC UTILITIES, PUBLIC SERVICE COM-

11 MISSION AUTHORITY AND DUTIES, AND PENALTIES

12 Sec. 42.06.010. CERTIFICATES OF CONVENIENCE AND NECES-
13 SITY. No public utility shall operate after January 1, 1964,
14 without first having obtained from the commission under the
15 provisions of this chapter a certificate declaring that
16 public convenience and necessity requires or will require
17 the operation and delineating the area where service is to
18 be provided.

19 Sec. 42.06.020. CERTIFICATES GRANTED TO EXISTING
20 UTILITIES. A certificate shall be granted where it appears
21 to the commission that the public utility was actually
22 operating in good faith on October 15, 1962 within the con-
23 fines of the requested area or that the public utility was
24 installing the facilities necessary to furnish service pur-
25 suant to a franchise as of such date.

26 Sec. 42.06.030. TRANSFER OF CERTIFICATE. A certificate
27 may be sold, assigned, leased, transferred or inherited
28 subject to the approval of the commission.

29 Sec. 42.06.040. POWER OF COMMISSION TO GRANT CERTIFI-

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1 CATE. The commission shall have power after hearing, upon
2 reasonable notice to interested parties to grant a certifi-
3 cate to provide service in an area already served by a
4 certificate holder only when the existing public utility or
5 utilities serving the area are not providing and will not
6 provide service to the satisfaction of the commission. In
7 all other cases the commission with or without hearing may
8 issue a certificate as requested or for good cause shown
9 deny the same in whole or part. Terms and conditions may be
10 attached to a certificate as public convenience and neces-
11 sity may require.

12 Sec. 42.06.050. COMPLIANCE WITH COMMISSION'S ORDER AS
13 CONDITION PRECEDENT TO NEW CONSTRUCTION OR IMPROVEMENTS.

14 (a) No public utility shall begin the construction, instal-
15 lation or operation of any new plant, equipment, property
16 or facility, nor the construction or installation of any
17 substantial extension, improvement or addition to its
18 existing plant, equipment, property, apparatus or facili-
19 ties unless the commission grants a certificate that public
20 convenience and necessity requires such construction or
21 improvement or portions thereof.

22 (b) The commission may provide by regulation that any
23 public utility shall submit, periodically or at such times
24 as the commission may specify and in such detail as the com-
25 mission may require, plans, specifications and estimated
26 costs of such proposed construction of any new plant, equip-
27 ment, property or facility, or such extension, improvement
28 or addition to its existing plant, equipment, property,
29 apparatus or facilities as the commission finds will

1 materially affect the public interest.

2 (c) No certificate shall issue if it appears that
3 the completion of the project: (1) will substantially
4 impair the efficiency of the service of such public utility;
5 (2) provides facilities unreasonably in excess of probable
6 future requirements; or (3) will, when placed in operation,
7 add to the cost of service without proportionately in-
8 creasing the value or available quantity thereof unless the
9 public utility shall waive consideration by the commission,
10 in the fixation of rates, of such consequent increase of
11 cost of service. The commission shall have power to issue
12 a certificate for such project or for such part thereof as
13 complies with the requirements of this section, or the com-
14 mission may attach to the issuance of its certificate such
15 terms and conditions as will insure that the project meets
16 the requirements of this section.

17 (d) No certificate shall be required for the completion
18 of the construction and installation of plants and facilities
19 upon which construction work has begun prior to January 1,
20 1964 or for which contracts may have been entered into prior
21 to such date.

22 (e) If the commission finds that any public utility
23 has undertaken or is about to undertake a project without a
24 certificate, the commission may commence an action in the
25 superior court to enjoin such violation.

26 Sec. 42.06.060. FEES. The commission shall collect
27 the following fees from public utilities: (1) application
28 for a certificate of public convenience and necessity or to
29 amend the same \$100; (2) application to sell, lease or trans-

1 fer a certificate of public convenience and necessity or any
2 interest \$50.

3 Sec. 42.06.070. AVOIDANCE OF EXTENSION OF DUPLICATING
4 TELEPHONE FACILITIES. No public utility shall extend or
5 provide telephone service to the premises of any person
6 already receiving telephone service from another public
7 utility or offer to furnish telephone service to any pre-
8 mises located within 1500 feet of the telephonic communica-
9 tion line of another public utility without obtaining the
10 written consent of the other public utility unless the lat-
11 ter is unable or unwilling to provide the service. If the
12 premises to be served are within 1500 feet of the tele-
13 phonic communication lines of two or more public utilities,
14 the public utility whose telephonic communication line is
15 nearest shall have the right to furnish the service. Nothing
16 contained herein shall preclude any public utility from ex-
17 tending service to his or its property or facilities.

18 Sec. 42.06.080. AVOIDANCE OF DUPLICATION IN ELECTRIC
19 FACILITIES. (a) No public utility shall (1) extend or
20 render electric service directly or indirectly to the pre-
21 mises of any person already receiving electric service
22 directly or indirectly from another public utility, or (2)
23 make a primary voltage extension to serve the premises of
24 any person not receiving electric service and to whom such
25 service is available from the facilities of another public
26 utility through a secondary voltage extension, unless the
27 other public utility consents thereto in writing or unless
28 the commission after notice to the interested parties and
29 hearing finds that the existing service rendered or to be

1 rendered is inadequate and will not likely be made adequate,
2 or that the rates charged therefor are unreasonable and are
3 not likely to be made reasonable.

4 (b) Nothing contained herein shall preclude any public
5 utility from extending electric service to its own property
6 or facilities or to another utility for resale.

7 (c) As used in this section the term "secondary volt-
8 age extension" means an extension normally constructed and
9 operated at a voltage of not to exceed 600 volts. All other
10 extensions shall be deemed primary extensions.

11 Sec. 42.06.090. VALUATION OF PUBLIC UTILITY PROPERTY.
12 Whenever the commission deems it proper or necessary, the
13 commission shall value or revalue all the property of every
14 public utility actually used and useful for the convenience
15 of the public. The book value of a public utility deter-
16 mined in accordance with accounting regulations of the com-
17 mission shall be prima facie evidence of the value of the
18 utility property for rate making purposes.

19 Sec. 42.06.110. ACCOUNTING PERIOD AND REPORT. (a)
20 Every public utility shall keep and render to the commission
21 in the manner and form prescribed by the commission uniform
22 accounts, books, records and papers.

23 (b) Every public utility engaged directly or in-
24 directly in more than one business shall keep separate ac-
25 counts of all such other business if required by the com-
26 mission.

27 (c) Every public utility is required to keep and ren-
28 der its books, accounts, papers and records accurately and
29 faithfully in the manner and form prescribed by the commis-

1 sion, and to comply with all directions of the commission
2 relating to such books, accounts, papers and records.

3 (d) Every public utility shall keep all required books,
4 accounts, papers and records in an office in one of the
5 municipalities in the state in which its property or some
6 part thereof is located. No books, accounts, papers or
7 records required by the commission to be kept within the
8 state shall be removed from the state, without approval by
9 the commission.

10 Sec. 42.06.120. BALANCE SHEET FILED ANNUALLY. Every
11 public utility shall prepare and file annually with the
12 commission a balance sheet in the manner and form as the
13 commission by regulation may require.

14 Sec. 42.06.130. DEPRECIATION AND RETIREMENT ACCOUNTS.
15 The commission has the power to require any public utility
16 to carry proper and adequate depreciation accounts. The
17 commission from time to time may ascertain and fix the
18 proper and adequate rates of depreciation of the several
19 classes of property of each public utility. A public utility
20 shall conform its depreciation accounts to the rates pres-
21 cribed by the commission. In fixing the rate of annual de-
22 preciation, the commission may consider the rates of depre-
23 ciation prescribed by or maintained pursuant to regulations
24 of a federal agency or the terms of bond ordinances.

25 Sec. 42.06.140. BUDGETS TO BE FILED BY COMPANIES.
26 Each public utility shall prepare a budget classified by
27 accounts to be approved by the commission showing the
28 amount of money needed during the ensuing year for main-
29 tenance, operation and construction. Within 10 days after

1 adoption, but not later than December 1 of the year pre-
2 ceding that for which the budget is prepared, the public
3 utility shall file the budget with the commission. At any
4 time after filing the initial budget any public utility
5 may file amendments to the budget with the commission to
6 provide for contingencies not apparent at the time the
7 budget was filed. After a rate proceeding, the commission
8 may disallow any budgeted expenditure, operating expense
9 or any item of construction in evaluating the public
10 utility's property, if the commission determines that the
11 item or expense is not useful in serving the public. The
12 item or expense may be allowed at subsequent hearings upon
13 proof that it is used and useful in serving the public.

14 Sec. 42.06.150. SCHEDULE OF RATES. Within 30 days of
15 the effective date of this Act every public utility shall
16 file with the commission in the form prescribed by the com-
17 mission all schedules or joint schedules containing (1) all
18 rates, tolls, charges and regulations which the utility has
19 established for service or for service in connection there-
20 with or for services performed by any public utility con-
21 trolled or operated by it; (2) all utility rules and regu-
22 lations that affect the service or product, or the rates
23 charged; or (3) any contracts, agreements or arrangements
24 relating to the utilities service, products or rates.

25 Sec. 42.06.151. FAILURE TO ESTABLISH JOINT TOLLS.
26 Whenever public utilities furnishing or required to furnish
27 joint telephone service to the public shall refuse or neg-
28 lect to establish joint tolls, the commission by order may
29 establish joint tolls after notice and hearing. If the

1 interested utilities fail to agree upon the apportionment
2 of tolls within 20 days after the service of the order, the
3 commission after a hearing may issue a supplemental order
4 apportioning joint tolls. The supplemental order shall
5 take effect as part of the original order.

6 Sec. 42.06.152. PUBLIC RATES AND SCHEDULES. (a)
7 Every public utility shall file with the commission a
8 schedule of rates for the use of the public. Schedules
9 shall be printed in plain type, and kept on file in every
10 station or office of the public utility where payments are
11 made by the consumers or users in such form and place as
12 to be readily accessible to the public.

13 (b) Where a schedule of joint rates or charges is in
14 force between public utilities, such schedules shall in like
15 manner be printed and filed with the commission, and so
16 much thereof as the commission deems necessary for the use
17 of the public shall be filed in every such station or office
18 as provided in subsection (a).

19 Sec. 42.06.160. INCREASE OR REDUCTION IN RATES. When
20 the rates of any public utility are based upon charges re-
21 quired by a federal agency for any energy, commodity or
22 service furnished to the utility for distribution to its
23 consumers, and the charges for the energy or service are
24 changed by federal authority, the commission upon complaint
25 and hearing may order the utility's rates to be changed to
26 reflect the new federal rate. Any change in rates ordered
27 by the commission may be made effective as of the effective
28 date of the order of the federal authority prescribing such
29 change in charges. In such cases, notwithstanding the

1 provisions of secs. 210 and 220 of this chapter, the com-
2 mission may require payment by the utility to its customers
3 of any sums in excess of the rates ordered by the commission.

4 Sec. 42.06.161. RATES IN EFFECT PRIMA FACIE LAWFUL.
5 All rates, tolls, charges, schedules and joint rates fixed
6 by the commission are prima facie lawful, and all regula-
7 tions, practices and services prescribed by the commission
8 shall be in force and shall be prima facie reasonable un-
9 less finally found otherwise in an action brought for that
10 purpose pursuant to the provisions of this Act.

11 Sec. 42.06.170. SCHEDULE CHANGES. (a) The rate
12 schedules of any utility shall include all rules applicable
13 to the rendition or discontinuance of the service to which
14 the rates specified in such schedules are applicable. No
15 change shall be made by any utility in its schedules except
16 by filing the change as proposed with the commission. No
17 change in any utility rule which purports to curtail the
18 obligation or undertaking of service of such utility shall
19 be effective without the written approval of the commission
20 after hearing. However, the commission by emergency order
21 may make any such rule, as filed, effective from the date
22 of the emergency order, pending final approval thereof
23 after hearing as herein provided. Every proposed change
24 which constitutes a decrease in rates shall be effective at
25 the time specified in the change as filed but not earlier
26 than 10 days after the date of filing the same with the
27 commission, unless during such 10-day period the commission,
28 with or without hearing, orders the suspension of the
29 operation of the proposed change. The suspension shall be

1 effective for a period not exceeding four months, during
2 which period the commission shall investigate all matters
3 relative to the lawfulness of the change or changes in
4 schedules as filed; and shall thereafter, by order, upon
5 notice and hearing approve or disapprove the change. A dis-
6 approval renders the proposed change ineffective. If the
7 commission suspends the proposed change in any schedule as
8 herein provided, it may order, upon notice and hearing, in
9 lieu of any disapproved schedule, a schedule which it finds
10 to be lawful. The commission upon request of any utility
11 may order that a proposed reduction in rates shall become
12 effective less than 10 days after filing.

13 (b) No change in schedules which constitutes an in-
14 crease in rates to consumers shall be made except by order
15 of the commission, after notice and hearing.

16 Sec. 42.06.171. RATES VARYING FROM SCHEDULE UNLAWFUL.
17 It shall be unlawful for any public utility to collect or
18 receive a greater or less compensation for the furnishing
19 of any commodity or service or for any service in connection
20 therewith, than the rates and charges which have been filed
21 with the commission.

22 Sec. 42.06.180. BURDEN OF PROOF. At any hearing in-
23 volving an increase or decrease in any rate, charge, rental
24 or toll, the public utility has the burden of showing that
25 the change is just and reasonable.

26 Sec. 42.06.190. INVESTIGATION AND HEARING OF COMPLAINTS
27 Complaints against public utilities shall first be made to
28 the utilities pursuant to such reasonable procedures as the
29 utilities may prescribe. If the person aggrieved is not

1 satisfied with the disposition of his complaint, he may
2 bring such complaint to the commission. Appeals to the
3 commission need not be in any particular form but appeals
4 must be verified in writing and must state that the com-
5 plainant has exhausted any remedies available to him by
6 the rules of the public utility concerned. The commission
7 may prescribe a filing fee corresponding to the actual cost
8 of processing the complaints. The commission shall proceed,
9 with or without notice to make investigation of complaints
10 as it may deem necessary. No order affecting rates, tolls,
11 charges, schedules, regulations, measurements, practices or
12 other acts enumerated in the complaint may be entered by
13 the commission without allowing the public utility an
14 opportunity to be heard, including, if requested by the
15 utility, a public hearing.

16 Sec. 42.06.210. COMPLAINTS AS TO RATES AND PRACTICES.
17 The commission may file and act upon its own complaint when
18 the complaint involves the reasonableness of the schedule
19 of rates or changes of any public utility. A complaint may
20 be filed by any mayor or city manager of the municipality
21 at the discretion of the council or assembly of the borough,
22 in which the company complained of is engaged in business.
23 A complaint may be filed with the commission by any 25 con-
24 sumers, purchasers or users provided that the complaint is
25 signed by not less than 25 consumers, purchasers or users.
26 When two or more public utilities are in competition in any
27 area in the state, either may complain against the other
28 that the rates, charges, rules, regulations or practices of
29 the other are unreasonable, unremunerative, discriminatory,

1 illegal, unfair, tending to oppress the complainant,
2 stifling competition, or creating or encouraging the crea-
3 tion of monopoly.

4 Sec. 42.06.220. REBATES, CONCESSION AND DISCRIMINATION
5 UNLAWFUL. It shall be unlawful knowingly to solicit, accept
6 or receive any rebate, concession or discriminatory treat-
7 ment from a public utility in respect to any service affect-
8 ing or relating to the production, transmission, delivery
9 or furnishing of heat, light, water or power, or the convey-
10 ing of telephone messages within this state or for any ser-
11 vice in connection therewith.

12 Sec. 42.06.230. ORDERS RELATING TO RATES AND SERVICES.
13 If the commission finds after investigation or hearing that
14 the rates, charges, regulations or practices of a public
15 utility are unjust, unreasonable, insufficient, unjustly
16 discriminatory or preferential, or otherwise in violation of
17 the law, it shall determine and fix by order upon hearing
18 the just, reasonable or legally sufficient rates, charges,
19 regulations or practices to be thereafter observed.

20 Sec. 42.06.240. UTILITIES TO CONFORM TO ORDERS. All
21 public utilities to which an order promulgated under sec.
22 230 of this chapter applies, shall make changes in their
23 schedules on file as may be necessary to conform to the
24 order of the commission and no change shall thereafter be
25 made by the public utility in the rates, tolls or charges,
26 or joint rates, without the approval of the commission.

27 Sec. 42.06.260. PAYMENTS TO AFFILIATED INTEREST DIS-
28 ALLOWED IF UNREASONABLE. (a) In any proceeding involving
29 the rates or practices of a public utility company, the

1 commission may exclude from the accounts of the company any
2 payment to an affiliated interest for any services rendered
3 or property or service furnished under existing contracts or
4 arrangements with the affiliated interest unless the company
5 establishes the reasonableness of the payment and submits
6 proof of the cost to the affiliated interest of rendering
7 the service or furnishing the property or service.

8 (b) No contract or arrangement providing for the
9 furnishing of management, supervisory, construction,
10 engineering, accounting, legal, financial or similar ser-
11 vices, and no contract or arrangement for the purchase, sale,
12 lease or exchange of any property, right, or thing, or for
13 the furnishing of any service, property, right or thing,
14 other than those above enumerated, made or entered into
15 after January 1, 1964, between a public utility and any
16 affiliated interest as defined in this chapter, shall be
17 valid or effective unless and until such contract or ar-
18 rangement has received the written approval of the com-
19 mission.

20 (c) It shall be the duty of every public utility to
21 file with the commission a verified copy of any contract or
22 arrangement with an affiliated interest, or a verified
23 summary of any such unwritten contract or arrangement, and
24 also of all such contracts and arrangements, whether written
25 or unwritten, entered into prior to said date and in force
26 and effect at that time.

27 (d) The commission shall approve such contracts or
28 arrangements made or entered into after said date only if
29 it clearly appears and is established upon investigation

1 that the contracts or arrangements are reasonable and con-
2 sistent with the public interest; otherwise the contracts
3 or arrangements shall not be approved. No such contracts
4 or arrangements shall receive the commission's approval
5 unless satisfactory proof is submitted to the commission
6 of the cost to the affiliated interest of rendering the
7 services or of furnishing the property described in the
8 contracts or arrangements to the public utility. No proof
9 is satisfactory unless it includes the original, or verified
10 copies, of relevant cost records and other accounts of the
11 affiliated interest, or abstracts or summaries thereof as
12 the commission deems adequate, properly identified and
13 duly authenticated. However, the commission may approve
14 or disapprove the contracts or arrangements without the sub-
15 mission of cost records or accounts.

16 (e) In any proceeding involving the rates or prac-
17 tices of any public utility, the commission may exclude
18 from the accounts of the public utility any payment or
19 compensation to affiliated interests for any services ren-
20 dered or property or service furnished under existing con-
21 tracts or arrangements with such affiliated interests un-
22 less the public utility shall establish the reasonableness
23 of the payment or compensation. In any proceeding the
24 commission shall disallow the payment or compensation, in
25 whole or in part, in the absence of satisfactory proof
26 that it is reasonable in amount. In any proceeding no pay-
27 ment or compensation shall be approved or allowed by the
28 commission, in whole or in part, unless satisfactory proof
29 is submitted to the commission of the cost to the affiliated

1 interest of rendering the service or furnishing the property
2 or service above described to the public utility. Proof
3 must include the original, or verified copies, of the rele-
4 vant cost records and other accounts of the affiliated in-
5 terests, or abstracts thereof, or summaries taken therefrom
6 properly identified and duly authenticated as the commission
7 deems adequate. However, the commission may approve or dis-
8 approve such contracts or arrangements without the sub-
9 mission of cost records or accounts.

10 (f) The commission has continuing supervisory control
11 over the terms and conditions of the contracts and arrange-
12 ments described in this section so far as necessary to
13 protect and promote the public interest. The commission
14 shall have the same jurisdiction over the modifications or
15 amendment of such contracts or arrangements as it has over
16 the original contracts or arrangements. The fact that the
17 commission approved entry into the contracts or arrangements
18 described in this section does not preclude disallowance or
19 disapproval of payments made pursuant thereto, if actual
20 experience under the contract or arrangement shows that the
21 payments provided for or made are unreasonable. Every order
22 of the commission approving any such contract or arrangement
23 is subject to the reserved power of the commission to re-
24 vise and amend the terms and conditions thereof, if it is
25 necessary to protect and promote the public interest.

26 (g) Whenever the commission finds upon investigation
27 that any public utility is giving effect to a contract or
28 arrangement described in this section without having re-
29 ceived the commission's approval, the commission upon hear-

1 ing shall order the public utility to cease and desist from
2 making any payments or otherwise giving any effect to the
3 terms of the contract or arrangement, until the contract or
4 arrangement receives the approval of the commission.

5 (h) Whenever the commission finds upon investigation
6 that any public utility is making payments to an affili-
7 ated interest, although the payments have been disapproved
8 by the commission in a proceeding involving the public
9 utility's rates or practices, the commission shall order
10 the public utility to cease and desist from making such
11 payments.

12 Sec. 42.06.270. JOINT USE AND INTERCONNECTION OF
13 FACILITIES. (a) Every public utility, municipality, or
14 person having tracks, conduits, subways, poles, pipelines
15 or other equipment on, over or under any street or highway
16 shall permit their use by a public utility for reasonable
17 compensation whenever public convenience and necessity re-
18 quires. The cost of any modifications or additions neces-
19 sary to the joint use is at the expense of the requesting
20 public utility and the cost of maintenance thereof may be
21 as agreed.

22 Whenever public convenience and necessity requires,
23 every public utility for the conveyance of telephone messages
24 shall permit physical connection to be made and telephone
25 service to be furnished between telephone systems operated
26 by it and telephone toll lines operated by another public
27 utility or between its toll lines and the toll lines of
28 another public utility. The term "physical connection"
29 shall mean the number of trunk lines or complete wire cir-

1 cuits and connections required to furnish reasonably ade-
2 quate telephone service between such companies.

3 If any prospective consumer of any public utility
4 situated within one mile of the distribution facilities of
5 the utility construct and install the necessary facilities
6 in compliance with plans and specifications furnished by
7 the company, the public utility shall permit the necessary
8 physical connection to be made and furnish service to the
9 person who has constructed and installed the facilities.
10 No connection may be permitted where it would result in
11 substantial detriment to other consumers.

12 (b) Any affected public utility, person, association
13 or corporation that fails to reach an agreement on inter-
14 connecting use, physical connection or the terms and con-
15 ditions upon which the same shall be made may file a com-
16 plaint with the commission for an order that public con-
17 venience and necessity so requires. The order shall pres-
18 cribe reasonable conditions and compensation for the joint
19 use and shall state who shall bear the expense of making
20 and maintaining the connection.

21 Sec. 42.06.280. STANDARD OF SERVICE; RATES AND SERVICE
22 AREAS. Every public utility is required to furnish adequate
23 service. Public utility facilities shall be modern, ade-
24 quate and efficient. The rates or charges made by any
25 public utility for rendering service shall be fair, just,
26 reasonable and compensatory. For rate making and accounting
27 purposes, the commission may consider a single municipality,
28 two or more municipalities or the intervening rural terri-
29 tory, or any composite thereof, as a regional unit where

1 the same public utility serves the region. The commission
2 may prescribe uniform rates for consumers or patrons of the
3 same class within the region. However, the commission may
4 authorize different rates for consumers or patrons of the
5 same class served by such a public utility to reflect a
6 substantial difference in the cost of providing service.

7 Whenever the commission shall find any regulations,
8 measurements, practices, acts or service of a public
9 utility to be unjust, unreasonable, insufficient, preferen-
10 tial, unjustly discriminatory or otherwise unreasonable, or
11 shall find that any service is inadequate, or that any rea-
12 sonable service cannot be obtained, the commission upon
13 hearing shall determine and order the reasonable measure-
14 ments, regulations, acts, practices or service to be fur-
15 nished, imposed, observed, followed, or furnished in the
16 future in lieu of those found to be unreasonable, inadequate
17 or otherwise unlawful, and shall make such other orders
18 respecting measurements, regulations, acts, practices or
19 services as are just and reasonable.

20 Sec. 42.06.290. STANDARDS FOR MEASUREMENT. The com-
21 mission by regulation may fix adequate standards for the
22 measurement of the quality, pressure, voltage or quantity of
23 service rendered by any public utility. In prescribing
24 regulations for the testing or measuring of the service, the
25 commission shall consider the standard practices of the
26 regulated industry.

27 Sec. 42.06.310. TESTING OF METER STANDARDS AND APPLI-
28 ANCES. The commission may provide by regulation for the
29 annual testing and certification of meter standards and

1 appliances used for the measuring of any product or service
2 of a public utility. Testing and certification shall be by
3 laboratories acceptable to the commission. Provision by
4 regulation may also be made for appeals to the commission
5 from the findings of a public utility which tests its own
6 meters or appliances.

7 Upon request of the commission, the commissioner of
8 commerce may assign the examination and testing function
9 contemplated to the division of weights and measures.

10 Sec. 42.06.320. RIGHT TO ENTER PREMISES. The commis-
11 sion, its agents or employees shall have the right to enter
12 premises occupied by public utilities for the purpose of
13 making the examinations and tests provided in this chapter.

14 Sec. 42.06.330. EXISTING FRANCHISES OR ORDINANCES.
15 All existing franchises and grants now held by any public
16 utility under ordinances shall be valid to the extent that
17 the same are now legally enforceable. Nothing in this
18 chapter authorizes any public utility during the remainder
19 of the term of any grant or franchise under which it may
20 be acting at the time this chapter takes effect to charge
21 for any service in excess of the maximum rate or rates fixed
22 in such grant or franchise.

23 Sec. 42.06.340. ABANDONMENT. (a) No public utility
24 shall abandon or discontinue any line, branch line or ex-
25 tension or service thereon without first securing the
26 approval of the commission. If approval is granted, the
27 commission may impose such terms, conditions or requirements
28 as are necessary to protect the public interest. Any public
29 utility abandoning or discontinuing in pursuance of author-

1 ity granted by the commission shall be deemed to have
2 waived any and all objections to the terms, conditions or
3 requirements imposed by the commission on the abandonment.

4 (b) The commission shall not approve a request by an
5 electric or telephone utility for permission to abandon a
6 right of way without requiring the utility to remove all
7 poles at ground level and other structures extending over
8 three feet above ground level belonging to the utility from
9 the right of way. In approving the request, the commission
10 shall also require that the abandoned right of way or part
11 thereof which is in a rural area and which was obtained by
12 the utility by condemnation shall be disposed of by the
13 utility within three years from the date of the approval
14 of request for abandonment thereof. However, upon appli-
15 cation of the utility within six months prior to the end
16 of the three-year period, the commission may remove the
17 disposal requirement if it finds that the application
18 thereof would subject the utility to undue hardship.

19 Sec. 42.06.350. STATE ASSISTANCE TO MUNICIPALITIES
20 AND PUBLIC UTILITY DISTRICTS. Where general obligation or
21 revenue bonds are to be issued by any municipality or public
22 utility district to finance the construction of a public
23 utility, or to provide for additions or improvements, the
24 commission may review the proposed bonding ordinance to
25 determine if the ordinance permits the utility to operate
26 in the public interest. If the commission finds that the
27 bonding ordinance is unduly restrictive, the interest to be
28 charged is excessive, or the ordinance will preclude opera-
29 tion of the utility in the public interest, the commission

1 may make such recommendations relating thereto as it deems
2 reasonable and proper including, without limitation, recom-
3 mendations to the governor for legislation to authorize the
4 issuance of general obligation bonds in the name of the
5 state to finance such constructions, additions or improve-
6 ments.

7 Sec. 42.06.360. RIGHT OF ENTRY. Every public utility
8 shall have the right of entry upon any land within its
9 certificated service area for the purpose of examining,
10 locating and surveying the area, doing no unnecessary
11 damage thereby.

12 Sec. 42.06.370. LIMITATIONS ON CITIES, BOROUGHS OR
13 POLITICAL SUBDIVISIONS. No city, borough or other political
14 subdivision of this state shall enact or attempt to adopt
15 any license, franchise, ordinance or privilege that con-
16 flicts or is inconsistent with the provisions of this chap-
17 ter. All ordinances or regulations now or hereafter adopted
18 that are inconsistent with the provisions of this chapter
19 are nullified or amended to be consistent with the pro-
20 visions of this chapter.

21 Sec. 42.06.380. PENALTIES. Every person, including
22 any officer, agent or employee of a corporation who vio-
23 lates, procures, aids or abets in the violation of any pro-
24 vision of this chapter, or fails to comply with any order,
25 decision or regulation issued by the commission, shall be
26 guilty of a misdemeanor, and upon conviction thereof shall
27 be punishable by a fine of not to exceed \$1,000. Every
28 day's violation of this chapter or of any of the terms or
29 conditions of any such order, decision or regulation shall

1 constitute a separate offense, punishable as aforesaid.

2 Sec. 42.06.390. DEFINITIONS. As used in this chapter,
3 unless specifically defined otherwise or unless the context
4 indicates otherwise:

5 (1) "affiliated interest" means every corpora-
6 tion and person owning or holding directly or indirectly
7 five per cent or more of the voting securities of any public
8 service company engaged in any intrastate business in this
9 state; every corporation and person, other than those above
10 specified, in any chain of successive ownership of five
11 per cent or more of voting securities of the public service
12 company, the chain beginning with the holder of the voting
13 securities of such public service company; every corporation
14 five per cent or more of whose voting securities are owned
15 by any person or corporation owning five per cent or more
16 of the voting securities of the public service company or
17 in the chain of successive ownership of five per cent or
18 more of voting securities of the public service company;
19 any corporation, five per cent of whose voting securities
20 are held or owned by any public service company; every
21 corporation or person with which the public service company
22 has a management or service contract; and every person who
23 is an officer or director of such public service company or
24 of any corporation in any chain of successive ownership of
25 five per cent or more of voting securities.

26 (2) "commission" means the Public Service Com-
27 mission.

28 (3) "commissioner" means one of the members of
29 such commission.

1 (4) "public utility" or "utility" means and em-
2 braces every corporation whether municipal, public, coopera-
3 tive or otherwise, company, individual, or association of
4 individuals, their lessees, trustees or receivers appointed
5 by any court having jurisdiction in the premises, and now
6 or hereafter may own, operate, manage or control any plant
7 or system for the generation, transmission or distribution
8 of electric energy and power intended for sale, for the
9 furnishing of telephone or telegraph communications, for
10 the transmission or distribution of heat, natural or manu-
11 factured gas, oil or other petroleum products, or water,
12 or for the furnishing of community sewer services to the
13 public for hire, or in the case of cooperatives, to their
14 members, and the plant and other facilities utilized for
15 any of the foregoing purposes.

16 (5) "service" is used in this chapter in its
17 broadest and most inclusive sense.

18 Sec. 42.06.410. EXEMPTED FROM CHAPTER. This chapter
19 shall not apply to

20 (1) the purveyor of water or oil or other petro-
21 leum products by tank, wagon or similar conveyance;

22 (2) to a municipally owned and operated water or
23 sewer utility or to the owner or owners or operators or
24 managers thereof.

25 * Sec. 2. The following laws are repealed:

26 AS 42.05.190 - 42.05.650.

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