

1 IN THE SENATE BY SENATOR POLLOCK

2 SENATE BILL NO. 191

3 IN THE LEGISLATURE OF THE STATE OF ALASKA

4 FOURTH LEGISLATURE - FIRST SESSION

5 A BILL

6 For an Act entitled: "An Act relating to public utilities; and  
7 providing for an effective date.

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

11 ARTICLE 1. GOVERNMENTAL CONTROL

12 Sec. 42.02.010. JURISDICTION. (a) The right to regulate  
13 a particular service of a public utility is vested in the  
14 smallest unit of government which encompasses the entire area  
15 supplied by that service.

16 (b) The only units of government which may regulate a  
17 public utility are

- 18 (1) the state,  
19 (2) an organized borough,  
20 (3) a home rule city,  
21 (4) a first class city.

22 (c) Jurisdictional disputes between units of govern-  
23 ment regarding regulation of a utility shall be decided by  
24 the public service commission.

25 Sec. 42.02.020. REGULATORY AUTHORITY. The governing  
26 body of a borough or city is the regulatory authority for  
27 any public utility within its jurisdiction and has all of  
28 the powers granted to the public service commission under  
29 ch. 5 of this title.

1           Sec. 42.02.030. RELINQUISHMENT OF JURISDICTION. A  
2 borough or city may adopt an ordinance relinquishing all of  
3 its regulatory jurisdiction over public utilities to the  
4 state.

5           ARTICLE 2. PUBLIC UTILITY ADVISORY BOARD

6           Sec. 42.02.100. CREATION. There is created the Public  
7 Utility Advisory Board.

8           Sec. 42.02.110. COMPOSITION. The advisory board con-  
9 sists of three members, each of whom shall be an expert on  
10 the regulation of public utilities.

11          Sec. 42.02.120. DUTIES. The advisory board shall be  
12 available on a consultation basis to the regulatory authori-  
13 ties of each unit of government and shall

14           (1) conduct all hearings in the state relating to  
15 the standard of service or rates of a public utility;

16           (2) advise the governing regulatory authority of  
17 its findings and recommendations;

18           (3) aid a requesting authority in the development  
19 of regulations and rate structures.

20          Sec. 42.02.130. COMPENSATION AND TERM OF OFFICE.  
21 Members of the advisory board shall be employed by the  
22 governor on a contract basis for a period not to exceed two  
23 years. Members serve and are compensated in accordance with  
24 the terms of their contracts.

25          Sec. 42.02.140. ASSESSMENT FOR SERVICES. The commis-  
26 sioner of the Department of Administration may, by regula-  
27 tion, charge a regulatory authority for a service of the  
28 advisory board which is provided at the authority's request.  
29 Proceeds shall be placed in the general fund.

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ARTICLE 3. MISCELLANEOUS PROVISIONS

Sec. 42.02.190. APPLICABILITY OF CHAPTER 30.

Ch. 30 of this title applies to public utilities under the jurisdiction of an organized borough as well as home rule and first class cities.

Sec. 42.02.200. APPLICABILITY OF ADMINISTRATIVE PROCEDURE ACT. All hearings under this chapter shall be held in accordance with the Administrative Procedure Act (AS 44.62).

ARTICLE 4. GENERAL PROVISIONS

Sec. 42.02.250. DEFINITIONS. In this chapter

(1) "advisory board" or "board" means the Public Utility Advisory Board;

(2) "public utility" includes every corporation, whether municipal, public, cooperative or otherwise, company, individual or association of individuals, their lessees, trustees or receivers appointed by a court, that owns, operates, manages or controls a plant or system for the generation, transmission or distribution of electric energy and power, for the furnishing of telephone or telegraph communications, for the transmission or distribution of water, heat, natural or manufactured gas, oil or other petroleum products, or for the furnishing of community sewer services, except a person who furnishes water or oil or other petroleum products by tank, wagon, or similar conveyance.

\* Sec. 2. AS 42.05.190(a) is amended to read:

(a) A public utility shall furnish and maintain reasonably adequate service and facilities. The charge made by a public utility for the service shall be reasonable and just, and every unjust or unreasonable charge or service is prohibited.

1 [TO EXPEDITE THE DETERMINATION OF RATE QUESTIONS, OR TO AVOID  
2 UNNECESSARY OR UNREASONABLE EXPENSES, OR TO AVOID DISCRIMINA-  
3 TION IN RATES BETWEEN CLASSES OF CUSTOMERS, OR WHATEVER, IN  
4 ITS JUDGMENT, PUBLIC INTEREST REQUIRES, THE COMMISSION MAY  
5 FOR RATE-MAKING OR ACCOUNTING PURPOSES, OR BOTH, CONSIDER A  
6 SINGLE MUNICIPALITY OR TWO OR MORE MUNICIPALITIES OR THE  
7 INTERVENING RURAL TERRITORY AS A REGIONAL UNIT WHERE THE SAME  
8 UTILITY SERVES THE REGION, AND MAY WITHIN THE REGION PRESCRIBE  
9 UNIFORM RATES FOR CONSUMERS OR PATRONS OF THE SAME CLASS.]

10 However, the commission may authorize different rates for  
11 consumers or patrons of the same class served by the utility  
12 to reflect a substantial difference in the cost of providing  
13 the service.

14 \* Sec.3.AS 42.05.490 is amended to read:

15 Sec. 42.05.490. CHANGE OF RATES OR CHARGES. Changes  
16 may be made in a schedule of rates and charges, including  
17 schedules of joint rates, upon 30 days' notice to the  
18 commission. If no objection to the changes are filed within  
19 30 days, the changes are considered approved. If objection  
20 is made, the commission shall direct the advisory board to  
21 proceed [AS PROVIDED BY REGULATION] to hear the objection  
22 and submit its findings and recommendations to the commission.  
23 The commission shall then approve or disapprove the changes.  
24 All changes shall be plainly indicated upon existing schedules  
25 or by filing new schedules 30 days before they are to take  
26 effect. The commission, upon application of a public utility,  
27 may prescribe a shorter time within which a reduction of  
28 rates and charges may be made.

29 \* Sec. 4. AS 42.05.520 is amended to read:

1           Sec. 42.05.520. ORDERS RELATING TO RATES. If [,UPON  
2 INVESTIGATION,] the commission determines [FINDS] that a  
3 rate, toll, charge, schedule or joint rate is unjust, un-  
4 reasonable, insufficient or discriminatory, or is preferential  
5 or otherwise in violation of this chapter, the commission  
6 shall determine, and by order fix just and reasonable rates,  
7 tolls, charges, schedules or joint rates to be imposed, ob-  
8 served and followed in the future in lieu of those found to  
9 be unjust, unreasonable, insufficient or unjustly discrimina-  
10 tory or preferential or otherwise in violation of this chap-  
11 ter.

12 \* Sec. 5. AS 42.05.530 is amended to read:

13           Sec. 42.05.530. MANAGEMENT OF BUSINESS. Upon complaint,  
14 the commission may direct the advisory board to examine the  
15 management of a public utility, including staffing patterns  
16 and wage and salary scales. The commission may order the  
17 correction of abuses found by the advisory board which ad-  
18 versely affect the cost of the product or service of the  
19 public utility.

20 \* Sec. 6. AS 42.05.540 is amended to read:

21           Sec. 42.05.540. RIGHT TO EXAMINE RECORDS AND OFFICERS  
22 OR EMPLOYEES. The commission, or the advisory board [OR A  
23 COMMISSIONER, OR A PERSON EMPLOYED BY THE COMMISSION FOR THAT  
24 PURPOSE,] when authorized by the commission, has the right  
25 to inspect the books, accounts, papers, records and memor-  
26 anda of a public utility and to examine, under oath, any  
27 officer, agent or employee of a public utility in relation  
28 to its business and affairs. Any person who asserts the  
29 right to inspect shall produce his authority to do so.

1 \* Sec. 7. AS 42.05.550 is amended to read:

2       Sec. 42.05.550. PRODUCTION OF BOOKS AND RECORDS BY  
3 ORDER OR SUBPOENA. By order or subpoena served on a public  
4 utility in the same manner as a summons in a civil action in  
5 the superior court, the commission or the advisory board may  
6 require the production of original or verified copies of  
7 books, accounts, papers, or records kept by the public utility  
8 in any place inside or outside the state in order that an  
9 examination may be made by the commission or under its direc-  
10 tion. A public utility failing or refusing, after reasonable  
11 written notice, to comply with the order or subpoena shall,  
12 for each day it fails or refuses, forfeit to the state not  
13 less than \$50.

14 \* Sec. 8. AS 42.05.560 is repealed.

15 \* Sec. 9. AS 42.05.590 is amended to read:

16       Sec. 42.05.590. SEPARATE HEARING. When a complaint  
17 is made of more than one rate or charge, the commission may  
18 direct the advisory board to conduct [ORDER] separate hear-  
19 ings in order that [AND MAY CONSIDER AND DETERMINE] the  
20 several matters complained of may be heard separately. No  
21 complaint shall be dismissed because of the absence of  
22 direct damage to the complainant.

23 \* Sec. 10. AS 42.05.610 is repealed and re-enacted to read:

24       Sec. 42.05.610. EXPENSES OF INVESTIGATION AND HEARING.  
25 After a complaint has been investigated and a hearing con-  
26 ducted, the commission may require in its order that a  
27 public utility pay the costs of investigation and hearing if  
28 the utility is found to have been engaged in an unreasonable  
29 practice, charging unreasonable or discriminatory rates, or

1 providing inadequate service under this chapter.

2 \* Sec. 11. AS 42.05.640(2) is repealed and re-enacted to read:

3 (2) "public utility" includes every corporation,  
4 whether municipal, public, cooperative or otherwise, company,  
5 individual or association of individuals, their lessees,  
6 trustees or receivers appointed by a court, that owns, oper-  
7 ates, manages or controls a plant or system for the genera-  
8 tion, transmission or distribution of electric energy and  
9 power, for the furnishing of telephone or telegraph communi-  
10 cations, for the transmission or distribution of water, heat,  
11 natural or manufactured gas, oil or other petroleum products,  
12 or for the furnishing of community sewer services, if the  
13 area supplied by the particular service under consideration  
14 is within the jurisdiction of the state, except the term  
15 does not include a person who furnishes water or oil or other  
16 petroleum products by tank, wagon or a similar conveyance.

17 \* Sec. 12. AS 42.05.640 is amended by adding a new subsection  
18 to read:

19 (5) "advisory board" means the Public Utility  
20 Advisory Board.

21 \* Sec. 13. AS 42.05.620 and AS 42.05.630 are repealed.

22 \* Sec. 14. This Act takes effect January 1, 1966.  
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