

Introduced: 2/1/68
Referred: Commerce &
Judiciary

1 IN THE SENATE

BY THE RULES COMMITTEE
BY REQUEST OF THE GOVERNOR

2 SENATE BILL NO. 275

3 IN THE LEGISLATURE OF THE STATE OF ALASKA

4 FIFTH LEGISLATURE - SECOND SESSION

5 A BILL

6 For an Act entitled: "An Act granting the Alaska Public Service Commission
7 limited regulatory authority to prevent and resolve
8 duplication of public utility facilities and service;
9 and providing for an effective date."

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

11 * Section 1. AS 42.05.190(b) is amended to read:

12 (b) Where two or more public utilities furnish electric, tele-
13 phone, gas, water or sewer service in the same area, or contiguous
14 areas, the commission shall determine and delineate the service area
15 of each utility. This subsection (b) shall apply to, but is not
16 limited to, municipally-owned and operated utilities and the
17 commission is empowered to delineate service areas both within and
18 outside municipal boundaries.

19 * Sec. 2. AS 42.05 is amended by adding a new section to article 2 to
20 read:

21 Sec. 42.05.191. DUPLICATION OF FACILITIES AND SERVICE. (a) The
22 practice of competing for customers within any utility industry and
23 the resulting duplication of costly facilities within the areas they
24 serve is considered contrary to the best interests of the general
25 public and of the utilities involved.

26 (b) No public utility may, after January 1, 1968, extend or
27 expand utility facilities and service into or in an area previously
28 certificated by the commission to another utility providing a similar
29 service, without specific written approval of the commission.

1 (b) No public utility may, after January 1, 1968, extend or
2 expand utility facilities and service into or in an area where there
3 is duplication of facilities and service, or where such extension
4 and expansion would create duplication of facilities or service,
5 without specific written approval of the commission. This subsection
6 shall apply even though the commission has previously certificated
7 the area to such public utility.

8 (c) Within 120 days from the effective date of this Act the
9 commission shall determine and delineate those areas where, in the
10 commission's judgment, duplication of utility facilities exists. The
11 commission may receive evidence from interested parties and may, in
12 its discretion, hold public hearings in making its determination.
13 This Act shall serve as notice to all interested parties.

14 (d) Upon a finding by the commission that duplication of utility
15 facilities exists in an area the commission shall, after due notice
16 and public hearing, enter an order or orders delineating that portion
17 of the area to be served thereafter by each of the utilities concerned.

18 (e) In making its decision the commission shall consider, among
19 other things, the need to protect and promote the public interest and
20 the interests of the utility adversely affected by the decision,
21 relative investments in duplicating facilities in each area, and
22 voluntary exchanges of service area and facilities agreed to by and
23 between the utilities concerned.

24 (f) The commission may impose such conditions in its orders as
25 it deems necessary to effect the purposes of this section. The orders
26 shall clearly set forth the reasons for the commission's decisions.

27 (g) This section shall apply to all public utilities including
28 municipally owned and operated utilities.

29 * Sec. 3. AS 42.05.640(2) is amended to read:

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(2) "public utility" or "utility" includes every corporation, whether 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 any plan 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 heat, natural or manufactured gas, oil or other petroleum products, or water, or for the furnishing of community sewer services, and the plant and facilities used for any of the foregoing purposes; this chapter does not apply to a person who furnishes water or oil or other petroleum products by tank, wagon, or similar conveyance, nor to a municipally-owned and operated utility, except as provided in AS 42.05.190, AS 42.05.191, AS 42.05.360, AS 42.05.370, and AS 42.05.380; this chapter does not apply to a pipeline, plant, system, or equipment used primarily for gathering, collecting, transporting, or shipping crude oil, natural gas, condensate or other petroleum substance or product produced by or belonging to the owner, operator, or manager of the pipeline, plant, system, or equipment;

* Sec. 4. This Act takes effect on the day after its passage and approval or on the day it becomes law without approval.