

Original sponsor: Rules Committee by
Request of the Governor

Offered: 4/4/68
Referred: Judiciary

1 IN THE SENATE

BY THE COMMERCE COMMITTEE

2

CS FOR 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:

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* Section 1. AS 42.05 is amended by adding a new section to read:

12

Sec. 42.05.191. ADJACENT AND CONTIGUOUS ELECTRIC SERVICE AREAS

13

AND DUPLICATION OF FACILITIES. (a) Where two or more public electric
14 utilities furnish similar electric service in the same area or
15 adjacent and contiguous areas, the commission shall determine and
16 delineate the service area of each utility. This section applies
17 to all public utilities furnishing electrical service including those
18 municipally owned and operated and the commission is empowered to
19 delineate electric utility service areas both within and outside
20 municipal boundaries.

21

(b) The commission may review the electric utility service
22 areas of all electric utilities to determine if two or more utilities
23 are serving the same or adjacent and contiguous areas; and further
24 to determine if, in the commission's judgment, duplication of electric
25 utility facilities and service exists in any such areas.

26

(c) If the commission finds that similar electric service is
27 being provided in the same or adjacent and contiguous areas, the
28 commission shall issue an order or orders setting out such findings
29 and requesting the electric utilities involved to reach an agreement

1 or agreements as to reasonable and proper delineations of their
2 respective service areas.

3 (1) If any utility has been previously certified to serve
4 an area in which a non-certificated utility is providing the service,
5 the utilities shall include in their agreement the revision of the
6 certificated area of the regulated utility to correct such discrepancy.

7 (2) The commission shall allow a reasonable time for the
8 parties to agree.

9 (d) All service area agreements between the utilities shall be
10 submitted to the commission for its approval and may become effective
11 only when incorporated in an order of the commission.

12 (1) The commission shall approve a service area agreement
13 if it finds that under the circumstances the agreement is in the best
14 interests of the public and utilities concerned; or the commission may
15 reject an agreement in whole or part on a contrary finding.

16 (2) The commission's action on an agreement shall be by
17 order and where an agreement is approved, it shall be adopted as an
18 order of the commission and shall be enforceable by the commission
19 the same as any other order.

20 (3) If the commission does not approve an agreement in
21 its entirety, it shall specify the reasons for disapproval in its
22 order. The parties may be given such additional time as the com-
23 mission may grant to effect recommended changes.

24 (e) If the parties are unable to agree with respect to an area
25 of service or if one or more of the parties fails or refuses to bar-
26 gain in good faith, the commission may, as to that service area,
27 after notice and hearing

28 (1) restrict further extension or expansion of electric
29 utility facilities and service by one or all utilities in the area

1 if the commission has found that there is duplication of the same
2 type of facilities and service in the area or if extension or
3 expansion would create duplication of facilities and service in
4 the area;

5 (2) designate the utility or utilities to serve the area
6 thereafter;

7 (3) delineate the area or areas therein to be served by
8 each;

9 (4) further divide the area into parts and act upon each
10 part individually and by separate order.

11 (f) The commission may change or amend a previously issued
12 certificate of public convenience and necessity upon a finding that
13 it is in the public interest to do so.

14 (g) The commission may impose such conditions in its orders
15 as it deems necessary to effect the purposes of this section. The
16 orders shall clearly set forth the reasons for the commission's
17 decisions.

18 (h) It is a principal purpose of this section to disapprove
19 and bring to a halt electric utility acts of duplicating facilities
20 and pirating customers. Such acts impose an unnecessary burden on
21 the consumers and the utilities and constitute a waste of funds and
22 resources. Therefore, until an orderly delineation and assignment
23 of utility service areas can be accomplished in accordance with this
24 section, any further duplication of electric facilities and service
25 which takes place after the effective date of this Act and which has
26 not been approved by the commission, shall be at the installing
27 utility's risk. No rights to future service shall enure to such
28 installing utility and upon final allocation and delineation of the
29 service area the installing utility may be ordered by the commission

1 to remove such duplicating facilities at its, the utility's, own
2 expense and without reimbursement.

3 (1) All orders of the commission delineating service areas
4 are subject to the Administrative Procedure Act (AS 44.62) including
5 the right of judicial review.

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

7 (2) "public utility" or "utility" includes every corpora-
8 tion, whether public, cooperative, or otherwise, company, individual,
9 or association of individuals, their lessees, trustees, or receivers
10 appointed by a court, that owns, operates, manages, or controls any
11 plan or system for the generation, transmission, or distribution of
12 electric energy and power, for the furnishing of telephone or tele-
13 graph communications, for the transmission or distribution of heat,
14 natural or manufactured gas, oil or other petroleum products, or
15 water, or for the furnishing of community sewer services, and the
16 plant and facilities used for any of the foregoing purposes; this
17 chapter does not apply to a person who furnishes water or oil or
18 other petroleum products by tank, wagon, or similar conveyance, nor
19 to a municipally owned and operated utility, except as provided in
20 AS 42.05.191 and AS 42.05.360; this chapter does not apply to a
21 pipeline, plant, system, or equipment used primarily for gathering,
22 collecting, transporting, or shipping crude oil, natural gas, con-
23 densate or other petroleum substance or product produced by or
24 belonging to the owner, operator, or manager of the pipeline, plant,
25 system or equipment;

26 * Sec. 3. This Act takes effect on the day after its passage and
27 approval or on the day it becomes law without approval.
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