

Introduced: 2/9/70
Referred: Resources and
Commerce

1 IN THE HOUSE

BY THE RULES COMMITTEE BY
REQUEST OF THE GOVERNOR

2 HOUSE BILL NO. 634

3 IN THE LEGISLATURE OF THE STATE OF ALASKA

4 SIXTH LEGISLATURE - SECOND SESSION

5 A BILL

6 For an Act entitled: "An Act relating to common carrier pipelines for
7 the transportation of oil and gas within the state."

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

9 * Section 1. AS 31 is amended by adding a new chapter to read:

10 CHAPTER 10. ALASKA PIPELINE ACT OF 1970.

11 Sec. 31.10.010. COMMON CARRIER PIPE LINES. Each pipe line
12 operated in this state by any person for the transportation of oil
13 and gas, or either, from any point within the territorial jurisdiction
14 of this state to any other point within the territorial jurisdiction
15 of this state which:

16 (1) is located in whole or in part along, across, upon,
17 over or under the right of way of a public road or highway or the
18 right of way of a railroad or other public utility, or across, upon,
19 over or under a river or other body of water or land belonging to or
20 administered by this state, the department, or any other agency of
21 this state; or

22 (2) is operated by any person having the right of eminent
23 domain or any part of the right of way for which was acquired by
24 exercise of the power of eminent domain, or is operated pursuant to
25 any type of governmental permit or license from the federal government
26 or any agency thereof, from this state, the department or any other
27 agency thereof; or

28 (3) which transports the oil and gas, or either, of any
29 two or more persons from or near the point of production to any

1 distributing, refining, marketing or shipping point within this
2 state or its territorial jurisdiction; or

(4) is operated for hire or is operated as, or is in fact,
a public utility;

5 is hereby declared to be a common carrier pipe line and shall be
6 constructed, operated, maintained, enlarged, extended and abandoned,
7 in whole or in part, as provided in this chapter and under and
8 pursuant to such regulations and directives as may be adopted by the
9 commissioner pursuant to this chapter.

10 Sec. 31.10.020. CONTROL OF COMMON CARRIER PIPE LINES. (a)
11 Without limitation upon any other power or authority conferred upon
12 the commissioner by other provisions of this chapter or any other law
13 of this state, power and authority are hereby conferred upon the
14 commissioner over all common carrier pipe lines in this state, and
15 over all persons owning, operating or controlling any such pipe lines,
16 and the commissioner is hereby authorized and empowered to

17 (1) establish reasonable regulations and directives for
18 the safe operation thereof, for the protection and preservation in
19 their natural state of the waters, fields and forests of this state
20 and marine life, birds and other wild life therein, for the conserva-
21 tion and development of the natural resources of this state;

22 (2) promote the fair and reasonable use of such pipe lines
23 and their transportation, storage, delivery and receiving facilities
24 by all producers in the field or fields served thereby or their oil
25 or gas purchasers;

26 (3) prevent unreasonable discrimination in the use thereof
27 or in the rates and charges for such use;

28 (4) establish and promulgate reasonable rates and charges
29 for gathering, transporting, and the receipt and delivery of oil and

1 gas by such common carrier pipe lines in this state, and for the use
2 of storage and other facilities necessarily incident to such trans-
3 portation;

4 (5) prescribe and enforce regulations for the government
5 and control of such common carrier pipe lines and all persons owning,
6 operating, controlling and managing the same; and

7 (6) carry out the policy and purpose of, and to enforce
8 compliance with, the terms of this chapter.

9 (b) The rates and charges established under this chapter shall
10 include both single and joint line transportation, deductions for
11 evaporation and shrinkage, demurrage, storage, overage and underage
12 and all other proper items. The basis of such rates and charges shall
13 be such as will provide a fair return and no more upon the aggregate
14 value of the property of any such common carrier pipe line used and
15 useful in the services performed after providing reasonable allowance
16 for depreciation and other proper factors and for reasonable operating
17 expenses under honest, efficient and economical management. All of
18 such regulations shall be adopted, approved, filed and published in
19 the manner as provided in the Administrative Procedure Act for oil and
20 gas conservation regulations of the commissioner; the commissioner
21 shall constitute an "agency" with power to delegate any person to act
22 for him as provided in AS 44.62.340, and the Administrative Procedure
23 Act shall otherwise apply to all investigations and hearings held
24 pursuant to this chapter; provided that if there be any conflict
25 between any of the provisions of the Administrative Procedure Act and
26 this chapter, the latter shall govern and control.

27 Sec. 31.10.030. PERMITS FOR PIPE LINE OPERATIONS. (a) No
28 person may construct or increase the size or operating capacity of
29 any pipe line, or operate any pipe line, unless there is in force a

1 permit for such construction or increase in size or operating capacity
2 or such operation issued by the commissioner authorizing that person
3 to perform any such act.

4 (b) Upon application therefor, the commissioner shall issue a
5 permit authorizing the construction, increase in size or operating
6 capacity or operation of any such pipe line, in whole or in part,
7 subject to such reasonable terms, conditions, and limitations as may
8 be required by the commissioner, if with respect thereto, the
9 commissioner finds that:

10 (1) the applicant is a financially responsible person, is
11 fit, willing and able to perform the act for which authorization is
12 sought, and in connection therewith will comply with the provisions
13 of this chapter and all other applicable laws of this state and of
14 the United States, and all regulations of the commissioner hereunder;

15 (2) all facilities proposed to be constituted or operated
16 by the applicant are designed for safe and efficient operation for
17 the substance proposed to be handled thereby, at the pressures and
18 under the operating conditions which may reasonably be expected to be
19 encountered or employed, and so as to minimize the risk of leaks or
20 accidents, and will be so operated; and,

21 (3) if the applicant is or upon commencement of operations
22 under such permit will be a common carrier pipe line, there is a need
23 for the service for which the pipe line is proposed to be used and
24 that the granting of the permit therefor is in the public interest;
25 however, if the pipe line for which an operating permit is applied
26 for was constructed and in operation on the effective date of this
27 chapter, the provisions do not apply.

28 (c) No application for a permit under this section may be denied,
29 in whole or in part, and in the event of the filing with the department

1 of a written protest with respect thereto, in whole or in part, by
2 any interested party, no such application may be granted as to the
3 part protested, without prior notice and a hearing at which the
4 applicant and all interested parties shall have the opportunity to be
5 heard; except that:

6 (1) nothing herein shall prevent the commissioner from
7 issuing, without prior notice or hearing, temporary permits on such
8 terms and conditions as he may deem just and proper authorizing the
9 performance of any act for which a permit is applied for, in whole or
10 in part, pending such hearing, but all such temporary permits shall
11 be subject to the final order of the commissioner in connection with
12 or with respect to such application; and

13 (2) from time to time whenever an emergency requires such
14 action, the commissioner may temporarily exempt a person from com-
15 pliance with this section or any regulation adopted by the
16 commissioner, if the commissioner determines that such an emergency
17 exists and such temporary exemption is in the public interest.

18 (d) Each application under this section and all amendments
19 thereto shall

20 (1) be in such form and shall contain such information and
21 accompanying exhibits as may be required by the regulations of the
22 commissioner thereto;

23 (2) include a list of the names and addresses of all
24 persons who will be affected thereby known to the applicant,
25 accompanied by proof of service of a true copy thereof upon all
26 interested parties in the manner required by such regulations;

27 (3) be verified by the applicant, if an individual, or
28 by its duly authorized officer or representative if an artificial
29 person, and

1 (4) be accompanied by a filing fee in the amount of \$50.

2 Sec. 31.10.040. RATES AND CHARGES. (a) Within ninety (90) days
3 after the effective date of this chapter, each existing common
4 carrier pipe line, and within ninety (90) days prior to commencing
5 operations in this state, every other common carrier pipe line, shall
6 file an application with the department for the approval of its
7 existing or proposed rates and charges, as set out in a schedule
8 contained in such application, and any classifications, practices
9 and regulations applicable thereto. Such application and all
10 amendments thereto shall be in such form and shall contain such
11 information and accompanying exhibits as may be required by the
12 regulations of the commissioner, shall include a list of the names
13 and addresses of all persons who will be affected thereby, known to
14 applicant, accompanied by proof of service of a true copy thereof
15 upon all interested parties, in the manner required by such regula-
16 tions, shall be verified by the applicant, if an individual, or by
17 its duly authorized officer or representative, if an artificial
18 person, and each separate application hereunder shall be accompanied
19 by a filing fee in the amount of \$50. Contemporaneously, there shall
20 be filed with the department a true copy of all contracts and agree-
21 ments of any nature then in effect relating to the transportation or
22 storage of oil and gas, or either, theretofore made by such common
23 carrier pipe line and not theretofore filed with the department,
24 including but not limited to, agreements of any nature relating
25 thereto by and between co-owners of such pipe line, and such other
26 information and data relating to such applicant, its property and its
27 operations and the basis for the rates and charges for which approval
28 is sought, as may be required by the commissioner. The schedule of
29 rates and charges so proposed by each existing common carrier pipe

1 line as its initial operating rates and charges pursuant to this
2 chapter shall be effective upon the filing of the application for
3 approval thereof and all contracts, agreements and other information
4 and data required hereby or by the commissioner in connection there-
5 with, subject, however, to such final action with respect thereto as
6 may be taken by the commissioner. The schedule of rates and charges so
7 proposed as its initial operating rates and charges by any other pipe
8 line common carrier shall not become effective until so ordered by
9 the commissioner.

10 (b) Any common carrier pipe line whose rates and charges have
11 become effective in accordance with this chapter may at any time file
12 an application with the department for a change or changes in any such
13 rates and charges to become effective not earlier than thirty (30) days
14 after the filing of the application with the department, which
15 application shall be in the same form, and shall contain and be
16 accompanied by the same information and documents and shall be served
17 upon all interested parties in the same manner as required by (a) of
18 this section. Unless otherwise ordered by the commissioner, upon the
19 expiration of such thirty (30) day period or such longer period as may
20 be specified in the application, the schedule of rates and charges so
21 filed shall become effective, subject, however, to such final action
22 with respect thereto as may be taken by the commissioner.

23 (c) The commissioner shall act on each such application for
24 the approval of rates and charges as soon as reasonably practical,
25 either by approving them or by ordering the increase or reduction
26 of any rate or charge or the revision or modification of any of the
27 classifications, regulations and practices proposed in connection
28 therewith, or the adoption of new or additional rates, charges,
29 classifications, regulations or practices. Unless otherwise ordered

1 by the commissioner, the final action of the commissioner with
2 respect to each such application shall be effective as of the date
3 of the filing of the application with the department, except that
4 should any increase in any rate or charge be ordered, the same is
5 not effective until the date of the commissioner's final action or
6 such later date as may be specified by order of the commissioner.
7 Should any rate or charge be paid to any such common carrier pipe
8 line prior to the final order of the commissioner with respect thereto,
9 be ordered reduced, the person paying the same shall be entitled to
10 a refund of the excess rate or charge so paid together with interest
11 thereon at the rate of six per cent (6%) per annum from the date of
12 payment until the date of refund.

13 (d) The commissioner may at any time, either on his own motion or
14 at the request of an interested party, investigate the lawfulness and
15 reasonableness of any existing or proposed rate, charge, classifica-
16 tion, regulation or practice of any common carrier pipe line and if
17 the rate or charge for any service, or any classification, regulation
18 or practice adopted by a common carrier pipe line in connection
19 therewith, is found by the commissioner to be unreasonably
20 discriminatory, or otherwise unlawful or unreasonable, he shall
21 establish and promulgate the lawful rate or charge for such service
22 and shall require that any classification, regulation or practice
23 found by him to be unreasonably discriminatory or otherwise unlawful
24 or unreasonable be discontinued; however, there shall be no increase
25 or reduction in any rate or charge pursuant to any application for
26 approval filed by a common carrier pipe line or pursuant to any
27 investigation undertaken by the commissioner on his own motion or at
28 the request of any interested party without prior notice and a public
29 hearing with respect thereto at which the person immediately affected

1 thereby and all other interested parties shall have an opportunity
2 to participate.

3 (e) A true copy of all contracts and agreements of any nature
4 made by any common carrier pipe line with any other person relating
5 in any manner to the services of such common carrier pipe line or
6 its rates or charges or any classification, regulation or practice
7 in connection therewith, if not theretofore filed with the department
8 under some other provision of this chapter, shall be so filed with
9 the department within thirty (30) days after such contract or agreement
10 is made. All such contracts and agreements shall be subject to the
11 terms of this chapter, and to the regulations and orders of the
12 commissioner hereunder.

13 Sec. 31.10.050. DISCRIMINATION BY COMMON CARRIER PIPE LINES
14 PROHIBITED. (a) No common carrier pipe line may unreasonably
15 discriminate either in favor of or against any user of its services
16 or anyone desiring to use its services in regard to facilities
17 furnished, service rendered or rates charged in the transportation or
18 storage of oil and gas, or either, nor may there be any such
19 unreasonable discrimination favoring oil and gas, or either, owned
20 by such common carrier pipe line or any affiliate thereof. No common
21 carrier pipe line may directly or indirectly charge, demand, collect
22 or receive from a person a greater or less compensation for any
23 service rendered than from any other person for a like and contempora-
24 neous service; however, nothing herein shall limit the right of the
25 commissioner to approve or prescribe rates, charges or regulations
26 for any transportation, storage or other service from, to or at some
27 place or places different from the rates, charges or regulations for
28 any transportation, storage or other service from, to or at another
29 place or places as the commissioner may determine is just and

1 reasonable under the particular facts and circumstances, or from
2 prescribing just and reasonable classifications for rates, services,
3 and practices, or different rates for different products or services.
4 When any common carrier pipe line is offered more oil and gas, or
5 either, than can be immediately transported or stored by it, its
6 transportation or storage facilities shall be equitably apportioned
7 among the persons using the same or desiring the use thereof,
8 including itself as such a user, in such manner as may be required
9 by the regulations and orders of the commissioner, and if there be
10 no such regulations and orders then in effect with respect thereto,
11 then in such manner as is just, reasonable and non-discriminatory
12 under the circumstances. Nothing herein shall require any common
13 carrier pipe line to accept for transportation, storage or other
14 handling, oil, if gas only is then being handled by its facilities,
15 or gas, if oil only is then being handled by its facilities; and if
16 in his judgment it is just and reasonable under the particular
17 circumstances, the commissioner has authority, after notice and a
18 hearing at which all interested parties shall have a reasonable
19 opportunity to participate, to relieve any common carrier pipe line
20 from any obligation under this chapter or any regulation or order of
21 the commissioner to transport, store or otherwise handle oil or gas
22 of a quality or grade which is inferior to the oil or gas which such
23 common carrier is then handling, or willing to handle, through its
24 facilities or any part thereof the commissioner may impose special
25 terms and conditions with respect thereto. No common carrier pipe line
26 may be deemed guilty of unlawful discrimination under this chapter
27 when acting in accordance with any regulation or order of the
28 commissioner prior to the final judgment of a court of competent
29 jurisdiction adjudicating such regulation or order to be invalid.

1 (b) When a person is unlawfully discriminated against by a
2 common carrier pipe line, a cause of action for all damages to such
3 person arising from such discrimination shall lie against the common
4 carrier pipe line in favor of the person suffering such discrimination.
5 Suit therefor may be brought in the superior court and no prior
6 administrative finding of the commissioner of any such discrimination
7 shall be a prerequisite.

8 Sec. 31.05.060. COMMON PURCHASERS. (a) Each person who
9 purchases any oil and gas, or either, produced within the limits of
10 the territorial jurisdiction of this state, which is an affiliate of
11 a common carrier pipe line or is itself such a common carrier pipe
12 line, shall be a common purchaser of such oil or gas and, if it be
13 an oil purchaser, shall purchase oil offered it for purchase, and, if
14 it be a gas purchaser, shall purchase gas offered it for purchase,
15 without discrimination in favor of its own production, or that of
16 any other producer or other person as against another in the same
17 field, and without unjust or unreasonable discrimination as between
18 fields in this state, whether any such discrimination be in the price,
19 quantity, delivery point or any other terms under which the same is
20 purchased and received or taken by any such common purchaser. To
21 this end the total quantity of oil which any common purchaser of oil
22 takes from any field, whether such oil be oil purchased by it or its
23 own production or that of an affiliate, and the total quantity of
24 gas which any common purchaser of gas takes from any field, whether
25 such gas be gas purchased by it or its own production or that of an
26 affiliate, shall be taken by such common purchaser, insofar as is
27 practicable, in substantially the ratable proportion that the oil or
28 gas available to it from each separate source of such production during
29 any calendar month bears to the total oil or gas available to it from

1 the same field from all such separate sources during the same calendar
2 month, and any unavoidable deficiency in take from any such separate
3 source shall be balanced by additional takings from that source, if
4 available, as soon as practicable after the calendar month in which the
5 deficiency occurs. The oil or gas of any person offered to any such
6 common purchaser for purchase shall be deemed available to it when
7 the same is in fact available and is offered such common purchaser
8 for purchase on terms and conditions which, considering all relevant
9 factors, are at least as favorable to such common purchaser as those
10 under which it is then purchasing, or obligated to purchase, the oil
11 or gas of any other person of like grade and quality produced from the
12 same field, or if there is no such other seller and in the absence
13 of an agreement with respect thereto, on such reasonable terms and
14 conditions as may be fixed by the commissioner after notice and
15 a hearing at which all interested parties shall have a reasonable
16 opportunity to participate; however, all agreements with any
17 common purchaser shall likewise be subject to any regulations and
18 orders of the commissioner then or thereafter in effect, and nothing
19 herein shall require any such common purchaser to purchase or accept
20 oil from any field from which gas only is being purchased or handled
21 by such common purchaser, or to purchase or accept gas from any field
22 from which oil only is being purchased or handled by such common
23 purchaser, and if in his judgment it is just and reasonable under the
24 particular circumstances, the commissioner may, after notice and a
25 hearing at which all interested parties shall have a reasonable
26 opportunity to participate, relieve any common purchaser from any
27 obligation hereunder or under any regulation or order of the
28 commissioner to purchase oil or gas of a quality or grade which is
29 inferior to the oil or gas which such common purchaser is then

1 receiving, or willing to receive, or the commissioner may impose
2 special terms and conditions with respect thereto. To prevent
3 discrimination, the commissioner may require the extension or
4 enlargement of pipe line facilities as provided in sec. 070 of this
5 chapter. If the commissioner finds either as a result of an
6 investigation undertaken on his own motion, or at the instance and
7 request of any interested party that unlawful discrimination in the
8 purchase or receipt of oil or gas by any common purchaser is
9 occurring or about to occur within any field, or as between fields,
10 the commissioner shall enter such orders as may be necessary and
11 appropriate to prevent or terminate such discrimination, and may
12 allocate the quantity of oil or gas to be taken by such common
13 purchaser as between fields in a manner similar to the manner herein
14 provided for the allocation of its take from the separate sources
15 thereof within the same field or on some other reasonable basis.

16 (b) When a person is unlawfully discriminated against by a
17 common purchaser, a cause of action for all damages to such person
18 arising from such discrimination shall lie against such common
19 purchaser in favor of the person suffering such discrimination.
20 Suit therefor may be brought in the superior court and no prior
21 administrative finding of the commissioner of any such discrimination
22 shall be a prerequisite.

23 Sec. 31.05.070. EXTENSIONS AND ENLARGEMENTS; ABANDONMENTS. The
24 commissioner may after notice and a hearing at which all interested
25 persons shall have a reasonable opportunity to participate, require
26 the extension to any field or well therein or other point or enlarge-
27 ment of the pipe line facilities of any common carrier pipe line or
28 of any common purchaser on such terms and conditions as the
29 commissioner may find to be just and proper, if the commissioner

1 finds that such extension or enlargement is necessary in order to
2 enable any such pipe line or common purchaser properly to perform its
3 duties under this chapter and that the expense involved will not
4 impair the ability of such common carrier pipe line or common
5 purchaser to perform any equally needed service then being performed
6 by it or its duties hereunder. No common carrier pipe line or common
7 purchaser may abandon any of its connections, lines, or other
8 facilities or any service rendered by it except as may be authorized
9 by order of the commissioner after notice and a hearing at which all
10 interested persons shall have a reasonable opportunity to participate,
11 based on a finding by the commissioner that there is no need for the
12 facility or service sought to be abandoned and that the continued
13 operation of the facility or service sought to be abandoned is not in
14 the public interest, or that its continued operation will work an
15 economic hardship on such common carrier pipe line or common purchaser
16 such as will impair the ability of such common carrier pipe line or
17 common purchaser to perform some other service then being performed
18 by it for which a reasonable need exists or its duties under this
19 chapter; however, nothing herein shall prevent the commissioner from
20 issuing permits on such terms and conditions as he may deem just and
21 proper authorizing the temporary abandonment of any service or facility
22 pending such a hearing, subject to the final order of the commissioner.

23 Sec. 31.05.080. STATE CONTROL OVER SAFETY STANDARDS AND PRACTICES
24 APPLICABLE TO THE TRANSPORTATION OF GAS AND GAS PIPELINE FACILITIES.

25 (a) For the purpose of providing state control over safety standards
26 and practices applicable to the transportation of gas and all gas
27 pipeline facilities within the borders of this state to the maximum
28 degree permissible under the Federal Natural Gas Pipeline Safety Act
29 of 1968, the commissioner may

1 (1) prescribe or adopt by regulation safety standards for
2 all such transportation of gas and gas pipeline facilities which are
3 not subject to exclusive federal control;

4 (2) require record maintenance and reports and to inspect
5 records and facilities to determine compliance with such safety
6 standards; and

7 (3) make certifications and reports and to take any other
8 requisite action in accordance with section 5(a) of the Natural Gas
9 Pipeline Safety Act of 1968.

10 (b) All terms employed in this section which are defined in
11 the Natural Gas Pipeline Safety Act of 1968 shall have the definitions
12 prescribed in that Act.

13 (c) The Department of Law shall enforce any such safety
14 standards by application for injunctive relief restraining violations
15 thereof (including the restraint of the transportation of any gas
16 or the operation of a gas pipeline facility) or other process, and
17 in any other manner provided herein or otherwise by law for the
18 enforcement of regulations and orders of the commissioner.

19 **Sec. 31.05.090. COMPLIANCE WITH RULES, REGULATIONS AND ORDERS.**
20 Each person subject to this chapter and his or its officers, agents
21 and employees, shall comply with its provisions and with all
22 regulations, orders, directives, decisions and permits issued by
23 the commissioner under this chapter affecting that person. If the
24 commissioner finds, after notice and an opportunity for a hearing,
25 that a person, its officers, agents or employees, have failed to so
26 comply, the commissioner may issue an appropriate order compelling
27 such compliance; except that nothing in this section relieves any
28 person, its officers, agents or employees, from the duty of compliance
29 whether or not any such compliance order is issued by the commissioner

1 or pending any hearing with respect thereto.

2 Sec. 31.05.100. BONDS. All existing common carrier pipe lines
3 shall, within thirty (30) days after the effective date of this
4 chapter, and all other persons within thirty (30) days prior to
5 commencing operations as a common carrier pipeline, shall file with
6 the department and thereafter maintain, in force and effect a valid
7 bond in such form, amount and with such sureties as may be prescribed
8 by regulation or order of the commissioner, properly executed, payable
9 to the state. The amount of any such bond may be changed by regula-
10 tion or order of the commissioner at any time after notice and
11 opportunity for hearing participated in by such common carrier pipe
12 line and all other interested persons. No such bond may be accepted
13 for filing until approved by the commissioner or his designated
14 representative for such purpose in the department. Such bond shall
15 be conditioned that the obligor will comply with the provisions of
16 this chapter and the regulations, orders, directives, decisions,
17 permits and requirements of the commissioner under this chapter.
18 Such bond shall be for the benefit of all persons utilizing the
19 services of any such common carrier pipe line, the state, any
20 political subdivision thereof and all other persons damaged by such
21 common carrier pipe line, including but not limited to damages for
22 personal injuries, death or damage to property caused by the failure
23 of such common carrier pipe line to so comply or resulting from its
24 negligent acts or omissions in operating its pipe line facilities.

25 Sec. 31.05.110. CIVIL ENFORCEMENT. If a person violates any
26 provision of this chapter or any term, condition or limitation
27 contained in any permit issued hereunder, or any regulation or order
28 of the commissioner, the Department of Law shall apply to the superior
29 court for enforcement of the compliance by that person, his officers,

1 agents and employees, with this chapter or the terms of any permit
2 violated by such person and the provisions of all regulations and
3 orders of the commissioner not being complied with by such person or
4 by his or its officers, agents and employees. Such court may enforce
5 such compliance by mandatory or restrictive injunction or by any
6 other writ or process including but not limited to mandatory orders
7 directing compliance and orders restraining that person, its officers,
8 agents and employees.

9 Sec. 31.05.120. PENALTIES. Any person, and any officer, agent
10 or employee of any person, who violates or assists, aids or abets in
11 the violation of any of the provisions of this chapter or who fails
12 to comply with any regulation, order, decision or requirement of the
13 commissioner under this chapter, is guilty of a misdemeanor and upon
14 conviction is punishable by a fine of not more than one thousand
15 dollars (\$1,000.00). Each day's violation of this chapter or failure
16 to comply with any regulation, order, decision or requirement of the
17 commissioner hereunder is a separate offense.

18 Sec. 31.05.130. ATTENDANCE AND TESTIMONY OF WITNESSES, OATHS,
19 PRODUCTION OF RECORDS AND OTHER DOCUMENTS; FILING FEES. All powers
20 granted the commissioner by the provisions of AS 31.05 or any other
21 law with respect to summoning witnesses, their attendance and
22 testimony, administering oaths, and requiring the production of
23 records, books and documents at any proceedings before the commissioner
24 shall likewise apply to all proceedings under this chapter. The
25 commissioner is empowered to establish reasonable fees for the filing
26 of any application under this chapter, the fee for which is not
27 otherwise fixed herein, and to require the payment of such fees at
28 the time of the filing of any such application.

29 Sec. 31.05.140. ADMINISTRATIVE AND JUDICIAL REVIEW OF REGULATIONS

1 AND ORDERS. Any regulation or order issued by the commissioner under
2 this chapter is subject initially to review by the commissioner in
3 such manner as may be provided in any regulation with respect thereto
4 of the commissioner. After such initial review, any interested
5 person affected by any regulation or order of the commissioner here-
6 under, and who may be dissatisfied therewith, shall have the right to
7 file a suit in the superior court against the commissioner, as
8 defendant, to test the validity of such regulation or order, in the
9 same manner as provided in the Administrative Procedure Act for the
10 judicial review of oil and gas conservation orders of the commissioner.

11 Sec. 31.05.150. DESIGNATION OF SERVICE AGENTS. Each person
12 subject to the provisions of this chapter shall file with the
13 department a writing designating and appointing a named permanent
14 resident of the state or a named corporation doing business and in
15 good standing in the state and maintaining a registered agent in this
16 state, as such person's agent upon whom service of all notices,
17 regulations, decisions and orders of the commissioner, and any
18 process, may be made for and in behalf of or on such person; specifying
19 in such designation and appointment an address in Alaska of such
20 designated agent, which address may be changed at any time and from
21 time to time by the filing by such person with the department of
22 another address in Alaska for such agent. Service of any notice,
23 regulation, decision or order of the commissioner and of any process
24 authorized by this chapter may be made upon any person subject to
25 this chapter by personal service upon such person or upon such person's
26 designated agent or by mailing or delivery of the same to the office
27 or usual place of business or address last specified for such person
28 or his or its agent hereunder with the same effect as if personally
29 served upon such person subject to this chapter. If a person, at any

1 time fails to have a designated agent for service hereunder, service
2 of any notice, regulation, decision or order of the commissioner and
3 of any process authorized by this chapter may be made by posting the
4 same in the office of the commissioner and filing a copy thereof in
5 the office of the secretary of state.

6 Sec. 31.05.160. DEFINITIONS. (a) In this chapter, unless the
7 context otherwise requires

8 (1) "department" means the Department of Natural Resources;

9 (2) "commissioner" means the Commissioner of the Department
10 of Natural Resources;

11 (3) "oil" means crude petroleum oil, distillate, condensate,
12 any other hydrocarbon substance or substance composed principally of
13 hydrocarbons, regardless of gravity, which is in a liquid state, and
14 any mixture or mixtures of any thereof;

15 (4) "gas" means natural gas and such term includes gas
16 produced from a gas well, gas produced along with oil from an oil
17 well, and any other substance, other than oil, produced from beneath
18 the surface of the earth and which when transported is in a gaseous
19 state, any toxic or corrosive substance in a gaseous state when
20 transported, and any mixture or mixtures of any thereof;

21 (5) "person" means any natural or artificial person or
22 entity whatever, including but not limited to corporations, joint
23 stock or other companies or associations, partnerships of any nature,
24 any such person acting as a trustee, fiduciary, personal
25 representative, agent or in a judicially appointed representative
26 capacity for another person or his or its person or estate, and any
27 group or combination of any of the foregoing; provided, however, such
28 term does not include any federal, state, borough or municipal
29 government, other federal or state political subdivision, or any

1 department, agency, or any governmental officer or representative of
2 any thereof when acting in behalf of any such government or
3 governmental department or agency;

4 (6) "pipe line" means a pipeline or system of pipes, lines,
5 mains, laterals, conduits, feeders, regulators, compression
6 facilities, valves, heaters, meters, regulators, fixtures, connections,
7 attachments and other personal property, fixtures and equipment, or any
8 of the foregoing, used or designed for the purpose of transporting
9 oil and gas, or either, within the limits of the territorial juris-
10 diction of this state, whether laid or to be laid on or below the
11 surface of land or water or on, within or below any lake, river,
12 stream, bay, inlet or estuary, and any storage tanks, treating,
13 shipping, loading or other facilities used in connection with any
14 such transportation facilities for the transportation, storage,
15 treatment, loading, handling, shipment or reshipment of oil and gas,
16 or either, other than and except, oil and gas field gathering lines
17 or systems belonging to one or more persons who are producers of oil
18 and gas, or either, none of whom is a common purchaser as defined
19 in sec. 060 of this chapter and used by such producer or producers
20 solely for the purpose of gathering and collecting their own
21 production of oil or gas from such oil or gas field to a central
22 point or points at which central point or points title to or custody
23 of the oil or gas so gathered and collected passes to another person
24 or persons; and further excluding from such definition any pipe line
25 to the extent used solely for the distribution of gas within any
26 city, town or village or governmental base or encampment for domestic
27 or industrial use or consumption and which is within the jurisdiction
28 of the Public Service Commission;

29 (7) "existing common carrier pipe line" means a pipe line

1 which is classified as a common carrier pipe line by this Act and was
2 engaged in pipe line operations in this state on the effective date
3 of this chapter;

4 (8) "field" means a particular geographical area of this
5 state now known or hereafter found to be underlain by and from which
6 oil and gas, or either, is now or hereafter produced from one or more
7 subsurface reservoirs, regardless of whether such field is underlain
8 by one or more separate reservoirs containing oil and gas, or
9 either, all of the separate reservoirs of any one particular
10 geographical area being one field for the purpose of this chapter;
11 and in case of any disagreement as to the limits or boundaries of
12 any field, such limits or boundaries shall be as recognized and
13 established by the commissioner;

14 (8) "affiliate" of a particular person means:

15 (A) a corporation a majority of the capital stock
16 (entitled to be voted for directors or similar governing
17 officers) of which is legally or beneficially owned, directly
18 or indirectly, by such particular person;

19 (B) a person or group of persons which, legally or
20 beneficially, either directly or indirectly, owns a majority
21 of the capital stock (entitled to be voted for directors or
22 similar governing officers) of such particular person;

23 (C) a corporation a majority of the capital stock
24 (entitled to be voted for directors or similar governing
25 officers) of which is legally or beneficially owned, directly
26 or indirectly, by a person or group of persons which owns,
27 legally or beneficially, directly or indirectly, a majority of
28 the capital stock of the particular person, or

29 (D) a non-corporate person controlled directly or

1 indirectly by such particular person, and in any event, a non-
2 corporate person shall be deemed to be controlled by such
3 particular person if the latter owns, legally or beneficially,
4 directly or indirectly, a majority interest therein or in fact
5 has control of such non-corporate person under its articles,
6 charter or other basic organization, such as, but not limited
7 to, being the general partner of a limited partnership or
8 acting in any general representative capacity for such particular
9 person.

10 (b) Nothing in this section shall limit or restrict any
11 definition adopted by the provisions of sec. 080 of this chapter.

12 Sec. 31.05.170. SHORT TITLE. This Act may be cited as the
13 Alaska Pipe Line Act of 1970.