

1 IN THE HOUSE

BY THE RULES COMMITTEE BY
REQUEST OF THE GOVERNOR

2 CS HOUSE BILL NO. 6

3 IN THE LEGISLATURE OF THE STATE OF ALASKA
4 EIGHTH LEGISLATURE - FIRST SPECIAL SESSION

5 A BILL

6 For an Act entitled: "An Act relating to oil and gas pipelines and the
7 Alaska Pipeline Commission; and providing for an
8 effective date."

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

10 * Section 1. AS 42.06.030 is amended to read as follows:

11 Sec. 42.06.030. COMPOSITION OF ALASKA PIPELINE COMMISSION. [(a)]
12 The Alaska Pipeline Commission consists of the Commissioner of Natural
13 Resources, the Commissioner of Commerce and a member who shall be
14 chairman [THREE MEMBERS], appointed by the governor and serving at his
15 pleasure and confirmed by a majority of the members of the legislature
16 in joint session.

17 [(b) THE GOVERNOR SHALL DESIGNATE ONE MEMBER OF THE COMMISSION AS
18 CHAIRMAN OF THE COMMISSION. THIS MEMBER SHALL SERVE AS CHAIRMAN FOR A
19 TERM OF TWO YEARS, AND MAY BE APPOINTED FOR SUCCESSIVE TERMS.]

20 * Sec. 2. AS 42.06.040 - 42.06.060 are repealed.

21 * Sec. 3. AS 42.06.090 is amended to read:

22 Sec. 42.06.090. COMPENSATION OF [MEMBERS OF] THE COMMISSION
23 CHAIRMAN. The chairman [MEMBERS] of the commission is [ARE] in the
24 exempt service described in AS 39.25 and receives [RECEIVE] an annual
25 salary equal to that of a superior court judge, to be paid in 12 equal
26 monthly installments.

27 * Sec. 4. AS 42.06.150 is amended to read:

28 Sec. 42.06.150. POWERS AND DUTIES WITH RESPECT TO FEDERALLY
29 REGULATED CARRIERS. (a) Secs. 240 - 420 and secs. 140(3), 140(8).

1 and 140(9) of this chapter do not apply to a pipeline or pipeline
2 carrier subject to the jurisdiction of [SECTION 140 OF THIS CHAPTER
3 APPLIES TO OIL AND GAS PIPELINE CARRIERS REGULATED UNDER] the Interstate
4 Commerce Act [OF 1906], or the Natural Gas Act [OF 1938, ONLY TO THE
5 EXTENT NOT PRE-EMPTED UNDER THOSE FEDERAL ACTS]. To the extent that
6 the performance of any duties of the commission affect a pipeline or
7 pipeline carrier subject to the Interstate Commerce Act or the Natural
8 Gas Act the performance of the duties shall not be nor require action
9 inconsistent with applicable federal laws, regulations, rules, orders
10 or other requirements. Nothing in this section limits the authority
11 of the commission to prescribe, require, or enforce fair and reasonable
12 rates for the intrastate transportation of oil or gas under secs. 350 -
13 410 of this chapter.

14 (b) For purposes of this chapter the Trans-Alaska Pipeline and
15 any other crude oil pipeline in the state submitting to the jurisdiction
16 of the Interstate Commerce Commission and transporting crude oil within
17 the state for subsequent transportation outside the state are considered
18 to be subject to the jurisdiction of the Interstate Commerce Commission
19 under the Interstate Commerce Act unless and until a final determination
20 is made by the Interstate Commerce Commission that the pipeline is not
21 subject to the jurisdiction of the Interstate Commerce Commission.

22 * Sec. 5. AS 42.06.430(5) is amended to read:

23 (5) A [THE] pipeline carrier, other than a carrier subject
24 to the Interstate Commerce Act or the Natural Gas Act, shall keep
25 books, accounts, papers and records required by this chapter or by
26 regulations adopted by the commission under this chapter in an office
27 in this state and may not remove them from the state except upon written
28 authority by the commission.

29 * Sec. 6. AS 42.06.430(6) is amended to read:

1 (6) For pipelines subject to the Interstate Commerce Act
2 or the Natural Gas Act, the uniform system of accounts and manner of
3 maintaining them and the property records kept and maintained [UNDER
4 THIS SECTION] shall [, WHERE CONSIDERED PRACTICABLE BY THE COMMISSION,]
5 be the same as required under regulations prescribed by the applicable
6 federal agency. However, where federal law permits a pipeline carrier
7 to consolidate its reporting for more than one pipeline in which it has
8 an ownership interest, the commission shall require the reports to be
9 made on an individual pipeline basis for any pipeline located wholly or
10 in part in the state.

11 * Sec. 7. AS 42.06.430(7)(C) is amended to read:

12 (C) such additional [ACCOUNTS AND] information as may
13 be periodically required [UNDER (2) OF THIS SECTION].

14 * Sec. 8. AS 42.06.450 is amended by adding a new subsection to read:

15 (d) The provisions of (b) and (c) of this section do not apply
16 to a pipeline subject to the Interstate Commerce Act or the Natural
17 Gas Act. The investigatory authority granted to the commission in
18 (a) of this section does not authorize action inconsistent with the
19 provisions of the Interstate Commerce Act or the Natural Gas Act or
20 regulations, rules and orders issued under those federal acts.

21 * Sec. 9. AS 42.06.490(a) is amended to read:

22 (a) Any person (including a commissioner or employee of the
23 commission) may file a complaint with the commission under AS 44.62.360
24 alleging that a pipeline rate, price, service, practice or action, with
25 respect to which the commission has jurisdiction, [OF A PIPELINE
26 CARRIER] violates this chapter or regulations adopted under it, or that
27 a pipeline carrier has not complied with the certificate issued under
28 this chapter.

29 * Sec. 10. AS 42.06 is amended by adding a new section to read:

1 Sec. 42.06.495. COMPLAINTS BY COMMISSION AND OTHERS. The
2 commission, whenever it believes a substantial state interest is in-
3 volved or whenever it has reason to believe that an owner or operator
4 is not operating a pipeline in complete accord with its obligation as
5 a common carrier under this chapter or is refusing to accept, convey or
6 transport oil or natural gas tendered to it without unjust and
7 unreasonable discrimination, or is failing to meet its obligation,
8 under the Interstate Commerce Act, the Natural Gas Act or other
9 applicable state or federal regulatory act, may initiate, intervene
10 in or otherwise participate in appropriate proceedings, including but
11 not limited to proceedings before the Interstate Commerce Commission
12 and the Federal Power Commission to enforce the obligation.

13 * Sec. 11. AS 42.06.630(4) is amended to read:

14 (4) "gas" includes all natural gas and hydrocarbons
15 produced at the wellhead and not defined as oil [MEANS NATURAL GAS,
16 INCLUDING BRADENHEAD GAS, CASINGHEAD GAS, GAS PRODUCED FROM AN OIL
17 OR GAS WELL, AND ANY MIXTURE OF NATURAL AND ARTIFICIAL GAS, AND
18 INCLUDES LIQUID PRODUCTS AND BY-PRODUCTS OF GAS];

19 * Sec. 12. AS 42.06.630(8) is amended to read:

20 (8) "oil" includes [MEANS] crude [PETROLEUM] oil, and other
21 hydrocarbons regardless of gravity which are produced at the wellhead
22 in liquid form, its products and liquid hydrocarbons, including the
23 liquid hydrocarbons known as distillate or condensate recovered or
24 extracted from gas, other than gas produced in association with oil
25 and commonly known as casinghead gas [IN ITS NATURAL STATE, AND CRUDE
26 PETROLEUM OIL FROM WHICH ONLY BASIC SEDIMENT AND WATER HAVE BEEN
27 REMOVED];

28 * Sec. 13. This Act takes effect on the day after its passage and
29 approval or on the day it becomes law without approval.