

Original sponsor: Rules Committee by
request of the Governor

Offered: 10/30/73

1 IN THE HOUSE

BY THE COMMERCE COMMITTEE

2 CS FOR HOUSE BILL NO. 6 *dm*

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 42.06.140(3) is amended to read:

11 (3) may make, prescribe or require just, fair and reasonable
12 rates, classifications, regulations, practices, services and facilities
13 for pipeline carriers engaged solely in intrastate commerce; and may
14 make, prescribe or require just, fair and reasonable rates for intra-
15 state shipments by any other pipeline carriers;

16 * Sec. 2. AS 42.06.140(8) is amended to read:

17 (8) shall require permits for the construction, enlargement
18 in size or operating capacity, extension or [,] operation [OR ABANDON-
19 MENT] of any oil or gas intrastate pipeline facility, subject to
20 necessary and reasonable terms, conditions and limitations;

21 * Sec. 3. AS 42.06.140(9) is amended to read:

22 (9) may prescribe the system of accounts and regulate the
23 service of an oil or gas pipeline facility as may be required under
24 sec. 430 of this chapter.

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

26 Sec. 42.06.150. POWERS AND DUTIES WITH RESPECT TO FEDERALLY
27 REGULATED CARRIERS. (a) Sections 310 - 340 and 360 - 410 [SECTION
28 140] of this chapter apply [APPLIES] to oil and gas pipeline carriers
29 regulated under the Interstate Commerce Act [OF 1906], or the Natural

1 Gas Act [OF 1938], only to the extent not preempted under those federal
2 Acts.

3 (b) To the extent that the performance of any duties of the
4 commission affect a pipeline or pipeline carrier subject to the Inter-
5 state Commerce Act or the Natural Gas Act the performance of the
6 duties shall not be nor require action inconsistent with applicable
7 federal laws, regulations, rules, orders or other requirements.

8 (c) For purposes of this chapter the Trans-Alaska Pipeline and
9 any other oil pipeline in the state submitting to the jurisdiction
10 of the Interstate Commerce Commission and transporting oil within
11 the state for subsequent transportation outside the state are con-
12 sidered to be subject to the jurisdiction of the Interstate Commerce
13 Commission under the Interstate Commerce Act unless and until a final
14 determination is made by the Interstate Commerce Commission that the
15 pipeline is not subject to the jurisdiction of the Interstate Commerce
16 Commission.

17 * Sec. 5. AS 42.06 is amended by adding a new section to read:

18 Sec. 42.06.245. **FEDERALLY REGULATED CARRIERS.** The requirements
19 of this chapter pertaining to permits and certificates of public
20 convenience and necessity do not apply to pipelines or pipeline carriers
21 subject to the jurisdiction of the Interstate Commerce Act of 1906 or
22 the Natural Gas Act of 1938, and the grant of the right-of-way for
23 pipeline purposes over state land does not operate to impose state
24 regulation which has been preempted under the Interstate Commerce Act
25 of 1906 or the Natural Gas Act of 1938. When federal law has pre-
26 empted state regulation the commission shall accept the findings made
27 under the federal scheme of regulation. For the purpose of such
28 permits and certificates of public convenience and necessity, the
29 Trans-Alaska Pipeline and any other oil pipeline in the state

1 submitting to the jurisdiction of the Interstate Commerce Commission
2 and transporting oil within the state for subsequent transportation
3 outside the state are considered to be subject to the jurisdiction
4 of the Interstate Commerce Commission.

5 * Sec. 6. AS 42.06.430(5) is amended to read:

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

12 * Sec. 7. AS 42.06.430(6) is amended to read:

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

23 * Sec. 8. AS 42.06.430(7)(C) is amended to read:

24 (C) such additional accounts and information as may
25 be required under either (2) or (6) of this section.

26 * Sec. 9. AS 42.06.450(b) and (c) are amended to read:

27 (b) When unreasonable practices are found to exist, the commis-
28 sion may, after providing reasonable notice and opportunity for
29 hearing, take appropriate action to insure that neither the direct

1 nor the indirect costs of the practices are borne by the public;
2 however, no jurisdiction is conferred to the commission by this section
3 over those practices which are proscribed or regulated by the Inter-
4 state Commerce Act or Natural Gas Act or the regulations, rules and
5 orders issued under those federal Acts.

6 (c) In a rate proceeding involving intrastate rates the oil or
7 gas pipeline carrier has the burden of proving that any written or
8 unwritten contract or arrangement it may have with any of its affiliated
9 interests for the furnishing of any services or for the purchase, sale,
10 lease or exchange of any property is necessary and consistent with
11 the public interest and that the payment made for it, or consideration
12 given, is reasonably based, in part, upon the submission of satis-
13 factory proof as to the cost to the affiliated interest of furnishing
14 the service or property and, in part, upon the estimated cost the oil
15 or gas pipeline carrier would have incurred if it furnished the
16 service or property with its own personnel and capital.

17 * Sec. 10. AS 42.06.490(a) is amended to read:

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

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

26 (4) "gas" includes all natural gas and hydrocarbons
27 produced at the wellhead and not defined as oil [MEANS NATURAL GAS,
28 INCLUDING BRADENHEAD GAS, CASINGHEAD GAS, GAS PRODUCED FROM AN OIL
29 OR GAS WELL, AND ANY MIXTURE OF NATURAL AND ARTIFICIAL GAS, AND

1 INCLUDES LIQUID PRODUCTS AND BY-PRODUCTS OF GAS];

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

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

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